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FISCAL IMPACT REPORT

	ORIGINAL DATE 1/27/08		
SPONSOR Varela	LAST UPDATED _____	HB 505	_____
	Recovery Funds for Substance-Abuse		
SHORT TITLE Clients in Santa Fe		SB	_____
		ANALYST Propst	_____

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$700.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Health and Human Services Department (HSD)

Corrections Department (CD)

SUMMARY

Synopsis of Bill

House Bill 505, Making an Appropriation to Supplement Access to Recovery Funds for Substance Abuse Clients in Santa Fe County, appropriates \$700.0 thousand from the general fund to DFA for the purpose of supplementing access to recovery funds for substance-abuse clients.

FISCAL IMPLICATIONS

The appropriation of \$700.0 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY09 shall revert to the general fund.

SIGNIFICANT ISSUES

HSD notes that Access To Recovery (ATR) is federally funded, voucher and faith-based substance abuse treatment grant that has been awarded to New Mexico and is managed by the Behavioral Health Services Division (BHSD) of the Human Services Department (HSD). ATR 1 was funded for \$7.5 million a year for 3 years and will be completed in September, 2008.

New Mexico was also awarded funds under the ATR II grant beginning October 1, 2007 for \$4.8 million per year for 3 years. Of this \$4.8 million, \$1.5 million is earmarked for meth treatment services. ATR sites include Las Cruces, Albuquerque, Santa Fe and 5 Sandoval Pueblos. ATR grant funds are utilized to provide both clinical and recovery support services.

HB 505 restricts these ATR funding to Santa Fe County. HB 505 also places this funding in DFA and not HSD, where the current federal grant is managed.

The Corrections Department noted that if the bill allows Santa Fe area residents to receive substance abuse treatment and care, it reduces the likelihood that certain individuals will commit new crimes (while under the influence of drugs or alcohol, in order to get money to buy more drugs or alcohol, etc.). Thus, it could indirectly lead to fewer convictions, and thus a decrease in the Department's prison population.

Further, by providing treatment services, it could give individuals on probation or parole in the Santa Fe area another coping mechanism to use to avoid committing new crimes and committing violations of their conditions of probation/ parole. This could also cause a decrease in the Department's probation/parole caseloads.

The contract/private prison annual cost of incarcerating an inmate is \$25,455 per year for males. The cost per client to house a female inmate at a privately operated facility is \$25,805 per year. Because state owned prisons are essentially at capacity, any net increase in inmate population will be housed at a contract/private facility.

The cost per client in Probation and Parole for a standard supervision program is \$1,019 per year. The cost per client in Intensive Supervision programs is \$5,151 per year. The cost per client in Community Corrections is \$4,589 per year. The cost per client per year for male and female residential Community Corrections programs is \$25,593.

TECHNICAL ISSUES

Given HSD's current involvement with the federal ATR Grants, it would appear that the funds in HB 505 should be directed to HSD and not DFA.

HSD also notes that while the appropriation contained in the bill is non-recurring, the services prescribed in the bill are recurring in nature. HSD indicates a need for additional appropriations to support the services.

WEP/mt