

LFC Requester: _____

**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

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{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original Amendment _____
Correction _____ Substitute _____

Date 1/24/2024

Bill No: SB 150

Sponsor: P. Campos; P. Woods
Short Title: NEW TUCUMCARI
HOSPITAL

Agency Name and Code Number: Department of Finance and
Administration-341

Person Writing: Donna Stewart
Phone: 505-233- Email: DonnaJ.Stewart@dfa.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
	\$10,000.0	nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Senate Bill 150 (SB 150) appropriates \$10 million from the general fund for expenditure in FY2025 to the Local Government Division (LGD) of the Department of Finance and Administration to construct the Daniel C. Trigg Memorial Hospital in Quay County.

This bill’s effective date is July 1, 2024.

FISCAL IMPLICATIONS

SB150 appropriates \$10 million from the general fund for expenditure in FY2025. Any unexpended or unencumbered balance remaining at the end of FY 2025 will revert to the general fund.

SIGNIFICANT ISSUES

The Daniel C. Trigg Memorial Hospital is 60 years old. Named in memory of the doctor whose Trust established the hospital, the building is reaching the end of its useful life. Significant mechanical, electrical, plumbing, and environmental issues create the risk of the hospital failing to meet federal regulations to service Medicare and Medicaid patients. An example of such problems is the single electrical system which functions without redundancy. The operating room is not functional because it is tile and grout.

The county commissioned a feasibility study to determine whether renovation or rebuilding would be more cost effective. The feasibility study confirmed that a complete rebuild is the most cost-effective solution. A landowner in the County donated the site adjacent to the current hospital. The County has rezoned the site for the new hospital in anticipation of this project.

The county has completed 90% of the design for the hospital in the proposed appropriation. Permitting and construction drawings will be done with the county’s own funding after the construction funding is secured. The county requested \$30 million for this project in the 2023 session but were not allocated funding. The county is poised to secure a funding package (combined loan and grant) from USDA to complete the roughly \$30 million estimated cost of the construction.

The proposed appropriation would create a new facility adjacent to the old hospital and is intended to replace it. Alternate emergency facilities are 65 miles away in Santa Rosa, 83 miles away in

Clovis or 176 miles in Albuquerque which underline the importance of having a quality facility in Tucumcari to serve the County's needs.

The Daniel C. Trigg Memorial Hospital is operated by Presbyterian as a non-profit, so this project would need to be reviewed to ensure it does not violate the anti-donation clause.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

If this appropriation was determined to not be in violation of the anti-donation clause, LGD would enter into a grant agreement with Quay County to obligate funds and issue payment reimbursements for valid expenditures related to the appropriation language. LGD would be tasked with ensuring the legal requirements of the grant agreement are met and that the funding is monitored throughout its life cycle.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Regulatory issues of the current facility may result in the hospital losing its critical access designation during the next federal inspection. This would render the hospital no longer economically viable. The absence of such a facility in the community will put their health and welfare at risk.

AMENDMENTS