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FISCAL IMPACT REPORT

SPONSOR Munoz **ORIGINAL DATE** 2/4/16
LAST UPDATED _____ **HB** _____

SHORT TITLE Gallup Detox Center & Homeless Shelter **SB** 271

ANALYST Malone

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
	\$500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$500.0	\$500.0	\$1,000.0	Recurring	DFA Special Appropriations

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

Senate Bill 271 appropriates \$500 thousand from the general fund for a substance abuse detoxification and treatment center and homeless shelter in the city of Gallup.

FISCAL IMPLICATIONS

The \$500 thousand appropriation contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY17 shall revert to the general fund.

SIGNIFICANT ISSUES

Gallup is a city in McKinley County surrounded by the Navajo Reservation; approximately one-third of its population is Native American, primarily from the Navajo, Hopi, and Zuni tribes. There are presently very limited options for services to the homeless in Gallup, located in the poorest county in New Mexico. Three shelters exist that provide emergency services for the homeless; one is primarily a detoxification center and another mainly provides transitional housing. The third shelter is a small, religious facility. On January 15, 2015, a one day, one-time count showed 108 homeless living outside, unable to find shelter.

It is unclear if this bill intends for the construction of a new facility for this purpose. Typically, funding for construction of capital assets is made available through capital outlay legislation. The most common source of capital outlay funding available for construction of a substance abuse detoxification and treatment center and homeless shelter is severance tax bond capacity.

ADMINISTRATIVE IMPLICATIONS

Each year new special appropriations are added for the LGD to administer. The agency is concerned that LGD will struggle to meet its statutory duties and overall mission if its resources are directed towards numerous small special projects.

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