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## FISCAL IMPACT REPORT

SPONSOR Munoz ORIGINAL DATE 2/25/2019  
LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Gallup Detoxification Center SB 636

ANALYST Chenier

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
	\$2,000.0	Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Health (DOH)

Human Services Department (HSD)

Department of Finance and Administration (DFA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 636 appropriates \$2 million from the general fund to the Local Government Division of DFA for expenditure in FY20 to design and construct a drug and alcohol detoxification center in the City of Gallup.

### FISCAL IMPLICATIONS

The appropriation of \$2 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY20 shall revert to the general fund.

### SIGNIFICANT ISSUES

DOH provided the following:

New Mexico has the highest alcohol-related death rate in the nation ([https://www.cdc.gov/pcd/issues/2014/13\\_0293.htm](https://www.cdc.gov/pcd/issues/2014/13_0293.htm)). In 2017, 1,461 people died of

alcohol-related causes in New Mexico, which amounts to nearly four people dying of alcohol-related causes every day (New Mexico Department of Health, Vital Records, 2017 Death Data & CDC ARDI [https://nccd.cdc.gov/DPH\\_ARDI/Default/Default.aspx](https://nccd.cdc.gov/DPH_ARDI/Default/Default.aspx)). The cost of excessive alcohol in New Mexico was estimated to be \$2.2 billion in 2010 ([http://www.ajpmonline.org/article/S0749-3797\(15\)00354-2/fulltext](http://www.ajpmonline.org/article/S0749-3797(15)00354-2/fulltext)). These costs included law enforcement, hospitalizations, treatment, etc., and it is estimated that 40.9 percent of these costs in New Mexico are paid for by government.

Data from the 2018 NM Substance Abuse Epidemiology Profile, for years 2013-2017, showed that McKinley and Rio Arriba counties had the highest rates of alcohol-related death, with rates more than twice the state rate and more than four times the national rate. (<https://nmhealth.org/data/view/substance/2201/>). In McKinley County, American Indians had the highest rates (181.5 alcohol-related deaths per 100,000 population). McKinley County had the 30<sup>th</sup> highest drug overdose death rate (12.6 deaths per 100,000 population) during the same period, with Hispanics and Whites accounting for much of those overdoses (<https://nmhealth.org/data/view/substance/2201/>).

DFA said that typically, funding for construction of capital assets is made available through the capital out-lay legislation. Construction of a new capital asset is a nonrecurring cost, but appropriating funding from the general fund causes this need to compete with recurring general fund operating expenditures. The bill does not provide any direction as to how the Local Government Division would disburse the funding, where the detoxification center would be constructed, or how operation and maintenance would continue after FY20.

In a May 11, 2018 brief to the Legislative Finance Committee, LFC staff wrote the following:

There is considerable unmet need for substance use disorder (SUD) services and treatment. Statewide, in 2016 there were 1,456 alcohol related deaths, or about four deaths every day. Federal, state, and local entities offer services to treat behavioral health and substance use disorders including Medicaid behavioral health, state funded behavioral health investment zones, problem solving courts, services funded by local liquor excise taxes, and services funded by the local driving while intoxicated (DWI) grant fund. The impact of current programming is unclear and service misalignments and funding gaps exist primarily because of jurisdictional issues that present obstacles for individuals moving between state and tribal areas and Indian Health Services (IHS) and other facilities.

New Mexico has some of the poorest substance misuse and behavioral health outcomes in the country. For example, the alcohol-related death rate in New Mexico is trending upward, increasing 34 percent between 2010 and 2016. Since 1981 New Mexico's alcohol-related death rate ranked 1st, 2nd, or 3rd in the U.S with rates nearly double the national rate for two decades. In 2016, "America's Health Rankings" ranked New Mexico second for drug deaths in the United States while male drug deaths were nearly double the national rate. New Mexico's suicide rate also ranks among the worst nationally. The worst outcomes are concentrated in geographical regions of the state. For example, Rio Arriba and McKinley counties' alcohol related death rates are both about 4.5 times higher than the national rate.

In McKinley County, substance use disorder and behavioral health services are lacking. Grant funds, state appropriations, local liquor excise tax, and local DWI funds are increasing resulting in new programs, interventions, and services to help address this issue, but more remains to be done.

### **DISPARITIES ISSUES**

DOH said that in 2017, the age-adjusted alcohol-related death rate for American Indians in New Mexico was 171.6 deaths per 100,000 population compared to 61.9 deaths per 100,000 for Hispanics, 60.7 for African Americans, 51.7 for Whites, and 15.5 for Asian/Pacific Islanders. During the period 2013-2017, McKinley County had the highest rate of alcohol-related death (148.5 alcohol-related deaths per 100,000 population), with American Indians accounting for most of those deaths. Hispanics and Whites accounted for much of the overdoses in McKinley County (<https://nmhealth.org/data/view/substance/2201/>).

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