

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

FISCAL IMPACT REPORT

SPONSOR Gonzales LAST UPDATED _____
ORIGINAL DATE 2/25/25
SHORT TITLE Taos Medical Complex BILL NUMBER Senate Bill 414
ANALYST Hilla

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$25,000.0	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to an appropriation in the General Appropriation Act

Sources of Information

LFC Files

Agency Analysis Received From

Department of Finance and Administration (DFA)
Health Care Authority (HCA)

Agency Declined to Respond

Department of Health (DOH)

SUMMARY

Synopsis of Senate Bill 414

Senate Bill 414 (SB414) appropriates \$25 million from the general fund to the Department of Finance and Administration (DFA) for construction of a medical complex in Taos, Taos County, which shall include services for women and children and an infusion clinic for chemotherapy. Any unexpended or unencumbered balance shall not revert to the general fund at the end of a fiscal year.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

The appropriation of \$25 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

SIGNIFICANT ISSUES

The bill relates to an extension of a \$15 million appropriation in House Bill 2 (HB2). The Health Care Authority (HCA) was appropriated \$15 million last year for a primary care building in Taos County; the HAFB substitute for the current HB2 reappropriates this funding to DFA for expenditure through FY26. At the time of analysis, the full \$15 million has been pre-encumbered for the primary care building in Taos, however, nothing has been encumbered or expended. Pre-encumbrance indicates that a grant agreement has been set in place. Expenditures and encumbrances for capital appropriations tend to be slower, and another appropriation for a separate medical complex could be slow to realize given the status of Taos's primary care center.

The Health Care Authority (HCA) states that the bill's success requires equal efforts to staff the facility. Without recruitment and retention of medical professionals, including specialists, the facility may struggle to provide the intended services. HCA adds workforce shortages in rural areas, like Taos, necessitate targeted salaries, loan repayment incentives, and pipeline programs to staff current and new facilities. HCA adds that a fully staffed facility is essential to maximizing the impact of SB414. DFA notes that the bill does not provide for long-term funding of operational costs, which could add additional burdens to Taos. DFA cites comments from the Taos Deputy County Manager, noting that Taos has been medically underserved and cannot recruit needed physicians due to lack of proper space. The county manager adds that women's and children's services are needed to provide a higher level of primary care in the county.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to an extension of a nonrecurring special appropriation in the General Appropriation Act.

EH/hj/SL2