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SENATE BILL

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO PUBLIC FUNDS; CREATING THE BEHAVIORAL HEALTH TRUST FUND AND THE BEHAVIORAL HEALTH PROGRAM FUND; MAKING A TRANSFER FROM THE GENERAL FUND TO THE BEHAVIORAL HEALTH TRUST FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. [NEW MATERIAL] BEHAVIORAL HEALTH TRUST FUND.--

A. The "behavioral health trust fund" is created as a nonreverting fund in the state treasury. The fund consists of distributions, appropriations, gifts, grants and donations. Income from investment of the fund shall be credited to the fund. Money in the fund shall be expended only as provided in this section.

B. The state investment officer shall invest money in the fund in accordance with the prudent investor rule as set forth in Chapter 6, Article 8 NMSA 1978 and in consultation

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1 with the health care authority.

2 C. The state investment officer shall report
3 quarterly to the legislative finance committee and the state
4 investment council on the investments made pursuant to this
5 section. An annual report shall be submitted no later than
6 October 1 of each year to the legislative finance committee,
7 the revenue stabilization and tax policy committee and any
8 other appropriate interim committees.

9 D. On July 1, 2026 and each July 1 thereafter, a
10 distribution shall be made from the behavioral health trust
11 fund to the behavioral health program fund in an amount equal
12 to five percent of the average of the year-end market values of
13 the trust fund for the immediately preceding three calendar
14 years. If, on July 1 of a year, the trust fund has been in
15 effect for less than three calendar years, the distribution
16 shall be in an amount equal to five percent of the average of
17 the year-end market values of the trust fund for the
18 immediately preceding number of calendar years that the trust
19 fund has been in effect. For fiscal year 2026, any unexpended
20 or unencumbered balance remaining after the distribution is
21 made in that fiscal year shall be included in the calculation
22 of state reserves.

23 SECTION 2. [NEW MATERIAL] BEHAVIORAL HEALTH PROGRAM
24 FUND.--

25 A. The "behavioral health program fund" is created

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1 in the state treasury. The fund consists of distributions,
2 appropriations, gifts, grants, donations and income from
3 investment of the fund. The health care authority shall
4 administer the fund. Money in the fund is subject to
5 appropriation by the legislature to provide money for services
6 and programs related to behavioral health, including:

7 (1) mental health and substance abuse
8 treatment, intervention and prevention;

9 (2) necessary infrastructure, technology and
10 workforce supports that facilitate the delivery of behavioral
11 health services and programs;

12 (3) matching funds for federal, local and
13 private money and grants related to behavioral health services
14 and programs;

15 (4) offsetting costs incurred to comply with
16 federal requirements related to behavioral health services and
17 programs; and

18 (5) implementation of regional behavioral
19 health plans throughout the state.

20 B. Expenditures from the fund shall be by warrant
21 of the secretary of finance and administration pursuant to
22 vouchers signed by the secretary of health care authority or
23 the secretary's authorized representative. Any unexpended or
24 unencumbered balance remaining at the end of a fiscal year
25 shall revert to the behavioral health trust fund."

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SECTION 3. TRANSFER.--One billion dollars
(\$1,000,000,000) is transferred from the general fund to the
behavioral health trust fund.