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FISCAL IMPACT REPORT

SPONSOR Altamirano DATE TYPED 1/28/04 HB _____

SHORT TITLE Smart Moves Smoking Cessation Program SB 115

ANALYST Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$2,000.0			Non-Recurring	Tobacco Settlement Program Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 192 proposes funding for the same program, but from a different funding source.

SOURCES OF INFORMATION

LFC Files

Response Received From
Department of Health (DOH)

SUMMARY

Synopsis of Bill

Senate Bill 115 appropriates \$ 2 million from the Tobacco Settlement Program Fund. The bill proposes to continue the funding for the implementation of the evidence-based program, SMART Moves, to New Mexico youth.

Significant Issues

During the 2003 Regular Session, Senate Bill 298 transferred all Tobacco Settlement Program funds to the general fund through FY06. Therefore, these dollars may not be available for appropriation.

SB 115 refers to the SMART Moves program as a smoking cessation program. It is important to note that SMART Moves is a prevention approach and it is not a smoking cessation program. It offers a full continuum of programming to include life skills development, prevention ap-

proaches and information related to alcohol, tobacco and other drugs, not only tobacco; it is a comprehensive prevention program using multiple strategies.

The SMART Moves program has been proven to be effective in preventing alcohol, tobacco, and other drugs (ATODs) when implemented with fidelity by trained staff.

Cigarette smoking is a leading cause of premature death in New Mexico. Each year, over 2,100 New Mexicans die from smoking caused illnesses. In any given year more individuals die from tobacco than from AIDS, alcohol, all illegal drugs, car crashes, fires, suicides and homicides combined.

Youth smoking rates in New Mexico appear to have decreased from 1990's to the present, which parallels trends seen at the national level. However in 2000, New Mexico led the nation in alcohol related deaths followed by Alaska and Wyoming. An approach such as SMART Moves can help mitigate ATODs.

New Mexico ranks as one of the leading states for per capita alcohol consumption and is also one of the leading states for alcohol related problems such as alcohol involved fatal crashes, cirrhosis, and alcohol-related deaths. While cessation is important, prevention is critical as it can reduce the future need for cessation and other treatment approaches.

FISCAL IMPLICATIONS

The appropriation of \$2,000.0 contained in this bill is a non-recurring expense to the Tobacco Settlement Program Fund. The specific language in the bill states any unexpended or unencumbered balances remaining at the end of FY 05 shall revert to the Tobacco Settlement Program Fund unless a law abolishes the Tobacco Settlement Fund and transfer balances to the General Fund. In this case, any unexpended or unencumbered balances remaining at the end of FY 05 shall revert to the General Fund

During the 2003 Regular Session, Senate Bill 298 transferred all Tobacco Settlement Program funds to the general fund through FY 06. Therefore, these dollars may not be available for appropriation.

For FY05, both DFA and LFC have recommended \$700.0 for the program.

The bill does not specify if the funds will be taken from the \$5 million already contracted for programming through the Tobacco Use, Prevention and Control Bureau of the DOH Chronic Disease Bureau, or if an additional \$2 million would be added to that particular fund or to the Behavioral Health Services Division which currently manages the program. Funding sources have different requirements and if these funds are taken from existing programs, the impact could be widespread throughout the Department.

In 1998, an estimated \$360 million was spent in New Mexico on smoking-attributable direct medical expenditures. Of that \$360 million, \$144 million was spent on Medicaid services, representing about 15% of all Medicaid expenditures. Furthermore, an additional \$397 million in smoking-attributable productivity costs was estimated in New Mexico.

ADMINISTRATIVE IMPLICATIONS

SB 115 does not take into account the administrative costs related to program oversight and contract compliance issues. Numerous compliance and quality issues should be included, such as program evaluation, review of program data and reports, provision of technical assistance, the writing and amending of the contract, management of program files, report writing, site evaluations and other program visits. DOH recommends an additional two FTEs for program and contract management.

DOH states that there are also other evidence-based approaches, which can meet the needs of New Mexicans and this bill limits prevention to one model program and one organization, which causes concern for adherence to the State's procurement process. Evidence based approaches are designed complete with evaluation protocols and have been tested in multiple communities and have been proven to be effective in reducing risk factors and increasing protective factors.

TECHNICAL ISSUES

DOH acknowledges that the SMART Moves program is not a cessation program but a full-scale evidence-based approach to prevention of use of smoking, alcohol and all other drugs.

During the 2003 Regular Session , Senate Bill 298 transferred all Tobacco Settlement Program funds to the general fund through FY 06 therefore, these dollars may not be available for appropriation.

OTHER SUBSTANTIVE ISSUES

In 2000, New Mexico had the highest death rate in the United States from drugs. Drug related deaths have been steadily increasing since 1990 and the peak death rate was seen in 2002 with Hispanics being hit the hardest of all racial/ethnic groups. Evidence-based prevention services are vitally important against such devastating trends. The \$2 million expenditure for prevention services with some of the funding dedicated towards administrative FTEs could help reverse the devastation.

AMENDMENTS

DOH suggests improving the bill by funding evidence-based approaches as opposed to the selection of one program, namely, SMART Moves.

BD/lg