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FISCAL IMPACT REPORT

ORIGINAL DATE 02/21/13

SPONSOR Pinto LAST UPDATED _____ HB _____

SHORT TITLE Gallup Protective & Detox Services SB 492

ANALYST Boerner

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$5,000.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Minimal	Minimal	Minimal	Nonrecurring	DFA/LGD Operating Funds

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB 384 except that HB384 provides \$700 thousand for protective custody and social detoxification services in Gallup

Duplicates

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

This bill appropriates \$5 million dollars from the general fund to the Local Government Division (LGD) of the Department of Finance and Administration (DFA) to provide emergency interim funding for protective custody and social detoxification services in Gallup.

The bill contains an emergency clause.

FISCAL IMPLICATIONS

The appropriation of \$5 million dollars contained in this bill is a nonrecurring expense to the general fund; it will allow time to explore more permanent solutions for addressing the need for detoxification services in the Gallup area. Any unexpended or unencumbered balance remaining at the end of fiscal year 2014 shall revert to the general fund.

The appropriation for \$5 million appears to be unnecessarily high given that the annual detoxification services budget for the main detoxification facility in Gallup is about \$1.2 million.

SIGNIFICANT ISSUES

The DFA reports that there is a strong need for alcohol detoxification services in the Gallup area. In 2011, there were 19,532 involuntary protective custody admissions to the local Gallup facility providing social detoxification services. In the absence of a detoxification facility, people might otherwise be 1) left in an inebriated state without shelter and unable to ensure their own safety, 2) taken to emergency rooms, or 3) taken into protective custody by local law enforcement agencies.

The local detoxification center has historically provided culturally competent detoxification and treatment services, and for many years received direct contracts with the Indian Health Service (IHS) to sustain its operations. (The majority of the clients receiving detoxification services in the community are Native American.) However, due to changes in federal policies, the IHS no longer contracts directly with local providers. As a result, the local provider has experienced significant revenue reductions in each of the last two years. The annual detoxification services budget for the facility is now \$1.2 million. Other services provided by the local detoxification center are paid for by Optum Health and federal funds, but these funds cannot be used for detoxification services.

In August 2012, the provider of detoxification services in the Gallup area announced that it would be forced to close its facility in February 2013 unless additional funding was secured. In late December 2012, the Navajo Nation committed \$300 thousand in a one-time emergency grant to the facility.

PERFORMANCE IMPLICATIONS

The DFA/LGD already administers grants for social detoxification services through local governments, and administering this emergency grant would not significantly affect the agency's performance.

ADMINISTRATIVE IMPLICATIONS

The City of Gallup would be required to follow the procurement code in order to contract for detoxification services.

AMENDMENTS

It would be helpful to require an external evaluation of services as part of this legislation, as well as an analysis of the costs and possible funding sources associated with social detoxification services. This information would enable the state and other potential funders to make informed decisions regarding the best way to address the problems of street inebriates in Gallup and McKinley County.

ALTERNATIVES

The Gallup community could seek other funding sources for social detoxification services. Alternatives could include both tribal and local governments; however, to date efforts to secure additional funding have not been successful and immediate funding is needed to avoid closure of the only provider of detoxification services in the Gallup area.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If the bill is not passed the Gallup area will likely not have access to needed social detoxification services due to the inability of the local provider to secure funding sources. Inebriated clients who would otherwise receive detoxification services would be left on the streets, taken to jail, or taken to emergency rooms and other health facilities not equipped to provide social detoxification. According to a 1997 report in the Christian Science Monitor, in the 1980s, Gallup averaged 34,000 protective custody admissions to the police drunk tank a year.

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