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## FISCAL IMPACT REPORT

SPONSOR Steinborn ORIGINAL DATE 01/21/22  
LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_  
SHORT TITLE KN95 Masks and Education SB 15/ec  
ANALYST Chilton

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY22	FY23		
\$10,000.0		Nonrecurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Department of Health (DOH)

### SUMMARY

#### Synopsis of Bill

Senate Bill 15, “KN95 Masks and Education” appropriates \$10 million from the general fund to the Department of Health for the purpose of purchasing KN95 masks for distribution to the public and for creating an educational campaign to inform the public about their importance and use.

This bill contains an emergency clause and would become effective immediately upon signature by the governor.

### FISCAL IMPLICATIONS

The appropriation of \$10 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2024 shall revert to the general fund.

DOH states that it can use this appropriation as follows:

- KN-95: approximately \$1.50/mask.

- Ability to purchase approximately 4 million KN-95 respirators (propose ordering in waves of approximately 500,000/quarter to limit warehousing size and meter supply with demand) = approximately \$6,000,000.
- Staffing:
  - Warehousing - receipt/storage/distribution of mass supplies: Stock Clerks and Order Fillers O (R5081O) – Payband 30 – midpoint \$25,142/year - x 2 FTE x 2 years = \$100,568 x 1.39 benefits = \$139,789.
    - Note: if direct shipping to citizens, may need 5 additional FTE for packaging (10 packages/hour x 2,080 h/year = 20,000 packages/year x 5 staff = 100,000 packages total/year) x 2 years = additional \$698,945.
  - Health promotion/educator - Health Educator O (G1091O) – Payband 60 – midpoint = \$42,436/year x 2 FTE for two years = \$169,744 x 1.39 benefits = \$239,944.
  - Media – Public Relations O (B2031O) - Payband 60 - \$42,436/year x 0.1 FTE for two years=\$8,487 x 1.39 benefits = \$11,797.
- Total salaries = \$391,530 to \$1,090,475 depending on model.
- Warehouse operations
  - Rent/lease - may include utilities, security, insurance – 20,000 sq ft approximately \$5,000/month x two years = \$120,000.
  - Equipment
    - Forklift = \$30,000
    - Pallet jack = \$5,000 [How Much Does a Forklift Cost? \(Prices For 2022\) \(greenbuildingelements.com\)](https://www.greenbuildingelements.com).
- Distribution - cost depends on distribution model – propose distribution through infrastructure (e.g., health councils, City and County Emergency Managers, public health offices, etc.).
  - If direct shipping, may need:
    - Boxes, Tape, Labels - \$200,000
    - Shipping costs (USPS, FedEx) - \$10/box x 100,000 shipments/year to households x 2 years = \$2,000,000.
- Communication
  - Webpage design;
  - Press releases;
  - Fact sheets;
  - Newspaper/television/radio/other ads - \$50,000/year x two years = \$100,000.
- Additional services, such as warehousing and staffing for receiving and distributing respirators, will also be needed. Although DOH does have capacity in this area (e.g., through the Public Health Division Pharmacy Warehouse) that can be used to provide a model, this effort will require a significant scaling up these kinds of operations, especially if direct-to-consumer (mailing to households) is used over mass distribution (e.g., at community centers, libraries, etc.). Contracting for these services would require contract monitoring and financial support (e.g., paying invoices).

## SIGNIFICANT ISSUES

The effective prevention of spread of respiratory viruses, specifically the SARS-CoV-2 virus that causes Covid-19, is of great importance to ending the pandemic and preventing the death, illness, and economic disruptions caused by the virus. Protection from the respiratory spread of the

coronavirus (its primary means of transmission) is accompanied by protection from other viruses of importance: during 2020, the incidence of disease due to influenza and the respiratory syncytial virus, two important pathogens in each year's winter season, dropped dramatically as masking and social distancing were observed.

Although initially it was thought that “any mask will do,” more recent data have clearly indicated that high efficiency masks, such as the K95 mask used in clinical settings and the KN95 masks now available for use by the public, are considerably more efficient at blocking viral spread. According to information posted by the US Centers for Disease Control and Prevention (CDC) on January 14, 2022,

“Masks and respirators (i.e., specialized filtering masks such as “N95s”) can provide different levels of protection depending on the type of mask and how they are used. Loosely woven cloth products provide the least protection, layered finely woven products offer more protection, well-fitting disposable surgical masks and KN95s offer even more protection, and well-fitting NIOSH-approved respirators (including N95s) offer the highest level of protection. (<https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/types-of-masks.html>)...

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Whatever product you choose, it should provide a good fit (i.e., fitting closely on the face without any gaps along the edges or around the nose) and be comfortable enough when worn properly (covering your nose and mouth) so that you can keep it on when you need to. Learn how to improve how well your mask protects you by visiting CDC's [Improve How Your Mask Protects You page](#).”

The DOH coronavirus website ([cv.nmhealth.org](http://cv.nmhealth.org)) links to the CDC site for information about masks and their use.

Since most consumers won't navigate to this webpage, the provision of education about mask use will be vital to their being used appropriately and optimally.

LC/rl