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FISCAL IMPACT REPORT

ORIGINAL DATE 1/31/2022

SPONSOR Lopez LAST UPDATED _____ HB _____

SHORT TITLE UNM Project ECHO Program SB 175

ANALYST Fischer

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY22	FY23		
	\$4,000.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
University of New Mexico (UNM)

SUMMARY

Synopsis of Bill

Senate Bill 175 appropriates \$4 million from the general fund to the University of New Mexico to support the project ECHO program. There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

FISCAL IMPLICATIONS

The appropriation of \$4 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2024 shall revert to the general fund. Although Senate Bill 175 does not specify future appropriations, establishing new levels of program funding could create an expectation that the program will continue on at that level in future fiscal years, therefore this cost is scored as recurring.

In FY22, project ECHO received \$2.5 million in recurring state general fund support. UNM did submit an expansion request of \$6,537,500, to the Higher Education Department for FY23. For FY23, the executive recommended flat funding for project ECHO while LFC recommended

increasing those appropriations to \$4 million – a 59 percent increase. By adding another \$4 million, the Legislature would be growing state appropriations to project ECHO by 217 percent in one year.

In addition to state appropriations, project ECHO derives a significant portion of its annual budget from philanthropic grants (\$11.5 million) and other state contracts (\$1.2 million from DOH and the Corrections Department). Project ECHO reports that significant philanthropy and grant funding that have traditionally been able to help support New Mexico programs will end over the next two years. Project ECHO reports an FY23 budget projection of \$22.7 million and 88 FTE employees.

SIGNIFICANT ISSUES

Project ECHO is a telementoring approach developed to address certain health and educational needs of rural and underserved New Mexicans. The University of New Mexico reports that SB175 would fully fund the operating costs of the New Mexico programs for FY23. These programs include chronic pain/opioid addiction, HIV treatment and prevention, perinatal health, diabetes, prison peer education, grade 3-5 literacy, infant and early childhood mental health for providers, and early head start mental health. The appropriation would fund faculty and staff FTE's, administrative costs, and IT resources.

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