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FISCAL IMPACT REPORT

SPONSOR Padilla LAST UPDATED _____
ORIGINAL DATE 1/31/24
SHORT TITLE Health Care Fund Purpose Funding BILL NUMBER Senate Bill 210
ANALYST Hilla

APPROPRIATION* (dollars in thousands)

FY24	FY25	Recurring or Nonrecurring	Fund Affected
	\$60,000.0	Nonrecurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From

Children, Youth and Families Department (CYFD)
Early Childhood Education and Care Department (ECECD)
Health Care Authority (HCA)

Agency Analysis was Solicited but Not Received From

Department of Finance and Administration (DFA)
Department of Health (NMDOH)

SUMMARY

Synopsis of Senate Bill 210

Senate Bill 210 appropriates \$60 million from the general fund to the Department of Finance and Administration for the New Mexico Finance Authority for the purpose of carrying out the purposes of the Behavioral Health Capital Funding Act (\$25 million), the Primary Care Capital Funding Act (\$25 million), and the Child Care Facility Loan Act (\$10 million). The appropriations are for Fiscal Year 2025 and subsequent fiscal years. Any unexpended balances shall not revert at the end of a given fiscal year.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

FISCAL IMPLICATIONS

The appropriation of \$60 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

SIGNIFICANT ISSUES

In 2023, Senate Bill 423 was enacted, making operating capital an eligible use of the primary care capital fund, behavioral health capital fund, and child care facility revolving loan fund. The primary care and behavioral health capital funds provide support loans for non-profit and publicly owned clinics, while the child care fund can be tapped by both public and private providers. The New Mexico Finance Authority (NMFA) is asking the 2024 Legislature to recapitalize these funds, which have not been active in recent years due to a lack of funds. The request is for \$25 million each for the primary care and behavioral health funds and \$10 million for the child care fund. NMFA reports a new demand for financing from clinics that lease their spaces but wish to own their building to control both costs and facility needs.

Children, Youth and Families Department (CYFD) says this bill and its availability in funding for rural and underserved communities could potentially increase providers' (foster, adoptive, guardian providers) availability to provide services to those needed in the rural and underserved communities.

In their agency analysis, the Health Care Authority says, "By providing financial assistance to these crucial healthcare facilities, the fund helps them expand, upgrade, and maintain their infrastructure, ultimately enhancing their capacity to deliver essential services. This not only ensures improved access to healthcare services in underserved areas but also attracts and retains healthcare professionals in these regions, addressing workforce shortages and contributing to the overall well-being of New Mexico's residents."

EH/al/ne