

LFC Requester:

Scott Sanchez

## AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

### SECTION I: GENERAL INFORMATION

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

<b>Date Prepared:</b> <u>02/13/2025</u>	<i>Check all that apply:</i>
<b>Bill Number:</b> <u>HB 354</u>	Original <input checked="" type="checkbox"/> Correction <input type="checkbox"/>
	Amendment <input type="checkbox"/> Substitute <input type="checkbox"/>
<b>Sponsor:</b> <u>Rep. Tara L. Lujan Rep. Dayan Hochman-Vigil</u>	<b>Agency Name and Code Number:</b> <u>305 – New Mexico Department of Justice</u>
<b>Short Title:</b> <u>COMMUNITY CRIMINAL JUSTICE DIVISION PROJECT</u>	<b>Person Writing Analysis:</b> <u>Peter James O'Connor</u>
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### SECTION II: FISCAL IMPACT

#### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis ( ) indicate expenditure decreases)

#### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis ( ) indicate revenue decreases)

#### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>						

Duplicates/Conflicts with/Companion to/**Relates to**: None identified.

Duplicates/Relates to Appropriation in the General Appropriation Act None identified.

### **SECTION III: NARRATIVE**

*This analysis is neither a formal Opinion nor an Advisory Letter issued by the New Mexico Department of Justice. This is a staff analysis in response to a committee or legislator's request. The analysis does not represent any official policy or legal position of the NM Department of Justice.*

### **BILL SUMMARY**

#### Synopsis:

HB 354 seeks to establish the "Community Criminal Justice Diversion Project" as a six-year pilot initiative in New Mexico. The project aims to reduce crime, homelessness, and recidivism while improving public health by diverting certain offenders away from the criminal justice system and into community-based services and treatment.

#### **Key Features:**

- **Pilot Project Structure:** The project will be implemented in at least five counties across different judicial districts, including a mix of class A and class B counties.
- **Participants** are state agencies or political subdivisions of the state that apply to become involved in the project.
- **Diversion Programs:** Participants will design programs that include:
  - Community referral processes
  - Mobile crisis response teams consisting of licensed mental health professionals for nonviolent mental health crises
  - Pre-arrest diversion for, at the minimum, petty misdemeanors or municipal ordinance violations
  - Post-arrest diversion (if approved by local district attorneys) for certain misdemeanor offenses
  - A continuum of community-based services, including emergency needs (shelter, food, transportation), health services (medical, psychiatric, addiction treatment), and long-term social support (housing, employment, legal aid).
- **Funding and Grants:** A designated fund will be created to finance the project through appropriations, donations, and grants. Participants may receive grants to establish necessary services.
- **Data Collection and Evaluation:** The project will require data collection to evaluate its effectiveness in reducing crime, homelessness, and recidivism and improving public health.
- **Reporting and Oversight:** The behavioral health services division of the health care authority will oversee the project, manage budgets, and submit regular reports to legislative committees and a final report to the governor and legislature by November 1, 2031.
- **Financial Provisions:** The fund is nonreverting, but any unspent balance will revert to the general fund at the end of fiscal year 2031.

#### **Purpose:**

The bill seeks to demonstrate that community-based interventions and treatments are more effective alternatives to traditional criminal justice procedures for certain offenders, particularly those affected by mental health and substance use issues.

## **FISCAL IMPLICATIONS**

Note: major assumptions underlying fiscal impact should be documented. - The bill seems to assume that participants will require funding to effectively implement the project objectives. Importantly, the bill does not indicate how much money will be required to effectively implement the project or how much monies will be available in grants or appropriations.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

## **SIGNIFICANT ISSUES**

District attorneys are already required to establish pre-prosecution diversion programs to the extent financially possible under the Preprosecution Diversion Act, NMSA 1978, Sections 31-16A-1 through -8. The provisions of HB 354 are to some extent duplicative of and inconsistent with the Act. For example, Section 31-16A-8 requires district attorneys and the state police to collect certain information about preprosecution diversion programs, and Section 31-16A-4 restricts eligibility for participation in a program.

It is unclear how the project will be funded. Participants, meaning various state agencies or subdivisions, are responsible for designing and implementing the programs. Although they “may be eligible” for a grant to fund a program subject to available funding, it is unclear whether this would be designed to cover all of the costs of administering the program and providing the attached social services. The bill directs the healthcare authority to “leverage[] all available funding” with a priority on expending Medicaid funds, it is unclear whether Medicaid would cover, for example, transportation costs. The bill creates a nonreverting fund to administer the program, but does not appropriate any money.

## **PERFORMANCE IMPLICATIONS**

If this agency decides to participate in the program, it would have to allocate resources and administer a diversion program.

## **ADMINISTRATIVE IMPLICATIONS**

See performance implications above.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Related to SB 2, which would appropriate money to fund grants to judicial districts to administer, among other things, diversion programs.

## **TECHNICAL ISSUES**

None.

## **OTHER SUBSTANTIVE ISSUES**

None.

## **ALTERNATIVES**

None.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Status quo.

**AMENDMENTS**

None.