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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/26/09

SPONSOR Tripp LAST UPDATED \_\_\_\_\_ HB 126

SHORT TITLE Socorro Homeless Program SB \_\_\_\_\_

ANALYST Earnest

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$35.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files  
Human Services Department

Responses Received From  
Human Services Department

### SUMMARY

#### Synopsis of Bill

House Bill 126 appropriates \$35 thousand from the general fund to the Human Services Department for a homeless program in Socorro.

### FISCAL IMPLICATIONS

The appropriation of \$35 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

**SIGNIFICANT ISSUES**

For FY09, HSD has a budget of \$750 thousand to support homeless shelters statewide. By a 1997 Executive Order (97-01), the funds are transferred to the Mortgage Finance Authority (MFA) for administration of the program. Both the LFC and executive recommendations include \$750 thousand for the program in FY10.

According to HSD, the department has no knowledge of a homeless shelter in Socorro County. Moreover, pursuant to Executive Order 97-01 and the Mortgage Finance Authority Act, HSD believes it cannot provide this funding directly to Socorro County, because it is required to pass the funding to MFA through a Governmental Service Agreement.

HSD provided the following description of the program:

MFA issues one or more Requests for Proposals (RFP) for the services to be provided under the Homeless Program with the program funds and may enter into contracts, in its discretion, with one or more subcontractors for the provision of those services. Awards to sub-grantees and activities using the program funds shall attempt to serve as many as 15,500 unduplicated homeless individuals at a cost of approximately \$48.38 per individual statewide including, but not limited to, those individuals served by the following programs: Homeless Prevention, Essential Services, Emergency Shelter Operations, Continuum of Care Match, and Permanent Supportive Housing. Funding from other sources may be available to those sub-grantees awarded based on minimum threshold and activity requirements and mandatory attendance at training provided by MFA. No program funds may be used for construction or acquisition of real property.

**ADMINISTRATIVE IMPLICATIONS**

None identified. HSD is the recipient of the general fund appropriations to provide homeless support services statewide. HSD is also the agency responsible for the transfer of these program funds to MFA pursuant to Executive Order 97-01 and the Mortgage Finance Authority Act.

BE/mc