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## FISCAL IMPACT REPORT

**SPONSOR** Ortiz y Pino                      **ORIGINAL DATE** 1/27/15  
**LAST UPDATED** \_\_\_\_\_ **HB** \_\_\_\_\_

**SHORT TITLE** In-State Adolescent Transitional Living                      **SB** 40

**ANALYST** Klundt

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
\$1,024.0		Recurring	General fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Children, Youth and Families Department (CYFD)

Juvenile Public Safety Advisory Board (JPSAB)

### SUMMARY

#### Synopsis of Bill

Senate Bill 40 appropriates \$1.024 million from the general fund to the CYFD for expenditure from FY15 through FY20 to contract with a Bernalillo County nonprofit organization for transitional living and recovery services for adolescents statewide. This bill declares an emergency.

### FISCAL IMPLICATIONS

Senate Bill 40 appropriates \$1.024 million from the general fund to the CYFD for expenditure from FY15 through FY20 to contract with a Bernalillo County nonprofit organization for transitional living and recovery services for adolescents statewide. Any unexpended or unencumbered balance remaining at the end of FY20 shall revert. This appropriation is not contained within the Department request or the Executive and LFC recommendations.

CYFD currently has \$200 thousand in Temporary Assistance to Needy Families (TANF) funds

for supportive housing services. The LFC recommendation for FY16 includes an additional \$700 thousand in TANF funds for supportive housing for the protective services division. If this appropriation recommendation was applied to this bill, averaged over five fiscal years, works out to \$204.8 thousand per year.

In addition, CYFD has \$150 thousand in general fund directed to services related to intensive outpatient programs and youth support services, including direct services, training, and evaluation of efforts. These funds provide treatment related services for youth who are ineligible for Medicaid funded reimbursement. Medicaid does not fund any recovery oriented services such as the youth support services for adolescent youth.

## **SIGNIFICANT ISSUES**

The National Runaway Switchboard estimates that on any given night there are approximately 1.3 million homeless youth living unsupervised. Youth who have been involved in the foster care system are more likely to become homeless at an earlier age and remain homeless for a longer period of time. Those youth who live on the streets or runaway have an increased likelihood of high-risk behaviors. The goal of transitional housing is to assist youth in achieving stability by providing them with life skills development, substance abuse recovery, and wrap around services.

CYFD's general fund dollars for intensive outpatient programs and youth support services for youth ineligible for Medicaid-funded reimbursement are directed to develop capacity and capability for working with youth substance use and co-occurring behavioral health disorders, but cannot address issues experienced by youth who are homeless, endangered by living conditions, or who need long-term support beyond what is available in their communities. The fiscal impact of providing services at the earliest possible moment of the development of behavioral health issues is that overall lifetime costs are very significantly and positively impacted, including emergency room and healthcare cost reductions, reduced law-enforcement costs, reduced deaths, increases in workforce well-being, reduced incarcerations, reduced delinquency, and increased overall public safety. These are each very significant, and estimates of cost savings (The NM Drug Policy Alliance) of appropriate and early behavioral health interventions related to incarceration estimate savings of \$22,000 to \$27,000 per year per individual.

As described by the Federal Office of Juvenile Justice and Delinquency programs, The social and economic costs related to youth substance abuse are high. They result from the financial losses and distress suffered by alcohol- and drug-related crime victims, increased burdens for the support of adolescents and young adults who are not able to become self-supporting, and greater demands for medical and other treatment services for these youth (Gropper, 1985).

Youth substance use, both as a singular issue and as an issue co-occurring with behavioral, mental or emotional disorders is epidemic in New Mexico, and adversely impacts all levels of NM society and services demands, and uninterrupted, continuously feeds persons who have not received adequate behavioral health services into both the NM prison system and the adult behavioral health system. As stated in the 2014 NM Substance Abuse Epidemiology Profile (NM Department of Health) eight of the ten leading causes of death in New Mexico are at least partially caused by the abuse of alcohol, tobacco, or other drugs.

Youth who do not have strong natural family and community supports, who live in geographically isolated conditions, in poverty, who experience the adverse effects of familial behavioral health disorders, or who experience such disorders themselves do not develop decision-making functions at the same pace as more normal youth. Addressing this is the most significant challenge that the behavioral healthcare field must address, and youth who are homeless or living within family situations that endanger them or do not support them disallows effective habilitation to take place. Long-term residence is sometimes required to stabilize and redirect individuals into more positive directions towards a productive and satisfying adulthood.

CYFD currently has no similar effort occurring, and has already collaborated with a provider in Albuquerque towards establishing this type of service. There are no Medicaid funds available for long-term recovery-oriented youth residential services in the State, nor are there any CYFD funds allocated or available for this purpose according to the agency. Although there are an increasing number of adolescent intensive outpatient programs approved for service delivery across the State (currently 9 providers at 18 sites), providers that identify youth that are homeless, living in dangerous familial conditions, or could otherwise benefit from a long-term residential program have no resource to refer to. The proposed in-state residential facility would have a positive impact on this deficit.

The specific services related to program description and eligibility would be addressed by the developer in collaboration with Bernalillo County, CYFD, and community providers that would provide specific services to residents. Referral processes would be developed that would match need with programmatic intent, and would support long-term recovery as an as-early-as-possible strategy to interrupt the ravages of substance use.

#### **ADMINISTRATIVE IMPLICATIONS**

The CYFD reported that any staff time or effort necessary for the procurement process or contract monitoring related to this bill will be absorbed by existing resources.

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