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## FISCAL IMPACT REPORT

SPONSOR Salazar DATE TYPED 02/14/05 HB 398

SHORT TITLE Expand Certain Community Action Programs SB \_\_\_\_\_

ANALYST Weber

### APPROPRIATION

| Appropriation Contained |           | Estimated Additional Impact |      | Recurring or Non-Rec | Fund Affected |
|-------------------------|-----------|-----------------------------|------|----------------------|---------------|
| FY05                    | FY06      | FY05                        | FY06 |                      |               |
|                         | \$3,600.0 |                             |      | Recurring            | General       |
|                         |           |                             |      |                      |               |

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Human Services Department

### SUMMARY

#### Synopsis of Bill

House Bill 398 appropriates \$3.6 million from the general fund to the Human Services Department to expand innovative and effective community action programs statewide.

#### Significant Issues

Human Services notes, New Mexico has eight Community Action Agencies that serve all 33 counties. They receive federal funding through the Community Services Block Grant to provide community action programs. The Community Action Program was established in 1965. The purposes of the program are: the strengthening of community capabilities for planning and coordination. This is achieved through the use of a broad range of federal, state, local and other assistance towards the elimination of poverty. The organization of a range of services related to the needs of low-income families and individuals is offered so that these services have a measurable and potentially major impact on the causes of poverty. The greater use of innovative and effective community-based approaches to attack the causes and effects of poverty and community breakdown is required.

The Community Action Act § 27-8-1 et seq. NMSA 1978 defines community action agencies. No other agencies in New Mexico hold this designation other than those eight agencies.

President Bush's recent budget proposal does not include any funds for the Community Services Block grant in FFY06.

### **PERFORMANCE IMPLICATIONS**

All CAAs currently report client contact/service information through the federal reporting system report called the Community Services Block Grant Information System (CSBG/IS). The report includes ROMA (Results Oriented Management and Accountability) and, new for 2005, the National Indicators of Community Action Performance. The CAAs are required to report all funding sources, programs and client outcome data on the CSBG/IS. Any additional funding received by the agencies would be reported utilizing this system to measure client services provided. Reporting of the national performance indicators is an important component of the community action initiative to use results-focused management principles.

Performance requirement similar to these should be included for the additional general fund provided in this bill.

### **FISCAL IMPLICATIONS**

The appropriation of \$3.6 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

### **TECHNICAL ISSUES**

A concise definition of innovative and effective may be necessary to achieve the desired result.

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

With federal community action funding in jeopardy the programs may expire without this appropriation.

**MW/sb**