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FISCAL IMPACT REPORT

ORIGINAL DATE 01/25/08

SPONSOR Ortiz y Pino LAST UPDATED _____ HB _____

SHORT TITLE Create Housing First Task Force SM 2

ANALYST Escudero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 159 and SB 236

SOURCES OF INFORMATION

LFC Files

Responses Received From

Public Education Department (PED)

Mortgage Finance Authority (MFA)

Children, Youth & Families Department (CYFD)

SUMMARY

Synopsis of Bill

Senate Memorial 2 creates the Housing First Task Force to:

- Develop a comprehensive Housing First Plan for the State
- Be charged and convened by Secretary of Children, Youth and Families (CYFD)
- Address ways state agencies can better target and coordinate existing resources and strategies
- Collaborate on strategic plans to support Housing First approach for all persons in New Mexico

SM 2 also targets the following populations:

- All persons with disabilities and addictions
- Persons discharged from prisons and other institutions
- Youth
- Low income working families

SM 2's Task Force is directed to create a Housing First Plan that:

- Identifies specific goals and an implementation time line

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- Identifies responsible agencies and agents for each implementation
- Propose relevant action steps and performance measures to evaluate progress for each goal

SM2 names the following Housing First Task Force members as, Representatives of the Governor's and Lieutenant Governor's offices, CYFD, HSD, PED, ALTSD, and Corrections, Mortgage Finance Authority, Purchasing Collaborative, Value Options, New Mexico Coalition to End Homelessness, Supportive Housing Coalition, Drug Policy Alliance, Women's Justice Project, 3 service providers

FISCAL IMPLICATIONS

According to HSD, even though there is no appropriation tied to this memorial, SM 2 is not part of the Executive Budget Request.

Given the Collaborative's efforts in the development and implementation of the Behavioral Health Purchasing Collaborative Long Range Supportive Housing Plan (Dec. 2007), SM 2 has significant fiscal impact for HSD, requiring staff time, knowledge and expertise to complete the Housing First Plan. No HSD IT Impact.

According to CYFD, there is no appropriation contained in this bill. There will be a fiscal impact to CYFD related to the staffing of, participation on, and administration of the task force.

As stated by PED, it would take approximately 40 hours of time for an Education Administrator–O to serve on the task force, report progress to the secretary, and assist in the development and presentation of the comprehensive plan (40 hrs x 22.74 + 30% = \$1.2).

SIGNIFICANT ISSUES

CYFD states, that Homelessness is a significant problem in New Mexico. A random Point in Time sample survey conducted January 2007 in Albuquerque provided the following picture of the homeless population: Families make up a significant portion of the homeless population, with 20% of that count being parents with young children, and up to 36% members of a household with children. It is also very likely that these surveys actually undercount the number of parents with children, since this population is often the “invisible homeless” and difficult to reach. These findings strongly suggest that there is a significant need to design and fund solutions to homelessness that are appropriate for families, such as affordable childcare for low-income, working parents and affordable, multi bedroom rental units. There are very few emergency shelter beds for families in Albuquerque, which makes this population hard to track or contact.

According to PED, the 2006-07 PED data report to the federal government included 5,001 reported homeless children and youths that were served by the McKinney-Vento Homeless Education Program (Final Data Collection Report, 2007).

Ending homelessness must begin with the understanding that people who are or have been homeless are our neighbors and members of our community (Faces of Homeless Speakers Bureau, 2005).

- Public perceptions and attitudes toward persons experiencing homelessness or in danger of becoming homeless need to change in order for positive, long-term solutions to be realized.

- Most Americans rarely interact with people who are or who have been homeless.
- The lack of interaction between different groups of our society, combined with impersonal or inaccurate descriptions of homelessness posed by the media and public officials, contributes to a distancing of those who have housing from those who do not.
- As a result, homelessness is perceived as an abstract social problem.
- Those who experience homelessness are seen as the sources of their own misfortunes, and the socio-economic policies and practices that give rise to homelessness are then too easily ignored.
- This abstraction, in turn, lessens the degree of urgency and commitment needed to work strategically and consistently toward solutions to end homelessness that are long-term, outcome-based, and not simply responses to crises.

According to PED, most Americans underestimate how the problem of homelessness affects families (FACT CHECKER: FAMILY HOMELESSNESS, 2007).

- About 600,000 families and 1.35 million children experience homelessness in the United States. Family homelessness is more widespread than many think, but it is not an unsolvable problem. Across the country, hundreds of communities are planning to end homelessness, and a handful of communities and many local programs are making progress in ending family homelessness.
- Chronic homelessness is long-term or repeated homelessness accompanied by a disability. Many chronically homeless people have a serious mental illness like schizophrenia and/or alcohol or drug addiction. Most chronically homeless individuals have been in treatment programs, sometimes on dozens of occasions.
- Research reveals that between 10 to 20 percent of homeless single adults are chronically homeless. This translates into between 150,000 to 200,000 people who experience chronic homelessness.
- Homeless people suffer from high rates of mental and physical health problems exacerbated by living on the streets and in shelters. The lack of residential stability makes healthcare delivery more complicated. Health conditions that require ongoing treatment—such as diabetes, cardiovascular diseases, tuberculosis, HIV/AIDS, and mental illness—are difficult to treat when people are living in shelter or on the streets. Homeless people often lack access to preventative care, waiting until a trip to the emergency room is a matter of life or death. These emergency room visits are costly. Additionally, when homeless people become ill, they often do not receive timely treatment.

In contrast to CYFD and PED, as stated by HSD, SM 2 this appears to duplicate the 2-year long effort to establish supportive housing in New Mexico as reflected in the Behavioral Health Purchasing Collaborative Long Range Supportive Housing Plan (Dec. 2007) (herein called, *the Plan*). That plan:

- Specifies concrete and feasible strategies to increase the access of priority consumers to permanent supportive housing that meets their needs and choices in the community
- Serves as a guide for local and state officials and stakeholders as they build supportive housing capacity for people with disabilities and other vulnerable populations in New Mexico describing the essential “nuts and bolts” of acquiring or producing permanent supportive housing in New Mexico.

- Articulates how the Collaborative and its community partners can leverage their own limited resources and maximize consumers' access to all mainstream affordable housing resources provided by federal, state and local government programs for very low-income households and persons with disabilities.
- Identifies the specific housing need among various populations and regions of New Mexico; and
- Serves as the basis to increase resources and to amend policies and practices.

Population to be served: Although target populations are identified in SM 2, it is unclear whether the Housing First model best supports all these populations. Several of the target populations identified in SM 2 do not necessarily fit the research on the effectiveness of the Housing First Model. For example, Supportive Housing models, "... indicate that independent, decent, safe and affordable community-based housing linked to flexible community-based supports is desired by [behavioral health] consumers as an essential ingredient to foster and support their own journeys towards recovery and resiliency." http://www.bhc.state.nm.us/pdf/BH_Collaborative_Housing_Plan_December_2007.pdf

Service Capacity and Costs: Research from other states shows that the Housing First Model relies on a comprehensive array of support services beyond the rental subsidy in order for persons to maintain tenancy. Housing First as a model is also reliant on other service capacities. SM 2's target populations are so broad that the potential service requirements to assist them to maintain housing could well exceed the capacity of the current health and human services systems, both public and private.

Rental Assistance Costs: Housing First Models are successful in part because of rapid access to state and local funding that must support rental subsidies, deposits, utility turn-ons, application fees, household setups, etc. These costs can be significant: for example, New Mexico's Supportive Housing Plan estimates an average rental cost of \$10,000 per person per year. This figure does not include other housing related expenses or the supportive services as noted in the section above.

Membership SM 2 duplicates the current Collaborative's Supportive Housing Leadership Group's membership, which has been charged with implementing supportive housing in New Mexico. This cross agency Housing Leadership Team has already successfully negotiated the first steps of implementing the Plan, as well as assuring the planning, management, accountability and performance management of the supportive housing initiatives. CYFD and other state agencies as well as housing authority leaders and representatives of the development and nonprofit communities have all participated in the extensive public meetings held on the Plan.

Clarification is needed about the meaning of "providers" in SM 2 and which providers would be included in the membership of SM2 Task Force. "Providers" in New Mexico could include community-based behavioral health systems, physician groups, housing developer organizations, private enterprises, small business associations, etc.

DUPLICATION, COMPANIONSHIP, RELATIONSHIP

As stated by CYFD, this bill relates to SB 159, which appropriates one hundred fifty thousand dollars (\$150,000) from the general fund to the children, youth and families department for

expenditure in fiscal year 2009 to provide child care services to homeless children in Dona Ana County. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

Relates to SB 236 which appropriates forty-nine thousand dollars (\$49,000) from the general fund to the human services department for expenditure in fiscal year 2009 to support the operation of a homeless shelter in Socorro by the income support division. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

OTHER SUBSTANTIVE ISSUES

PED states, that most Americans underestimate how the problem of homelessness affects families (FACT CHECKER: FAMILY HOMELESSNESS, 2007).

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- Chronic homelessness is long-term or repeated homelessness accompanied by a disability. Many chronically homeless people have a serious mental illness like schizophrenia and/or alcohol or drug addiction. Most chronically homeless individuals have been in treatment programs, sometimes on dozens of occasions.
- Research reveals that between 10 to 20 percent of homeless single adults are chronically homeless. This translates into between 150,000 to 200,000 people who experience chronic homelessness.
- The federal government's definition of chronic homelessness includes homeless individuals with a disabling condition (substance use disorder, serious mental illness, developmental disability, or chronic physical illness or disability) who have been homeless either 1) continuously for one whole year, or 2) four or more times in the past three years.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

As stated by CYFD, The Behavioral Health Purchasing Collaborative will convene its permanent supportive housing work group and implement the December 20, 2007 *New Mexico Behavioral Health Purchasing Collaborative Long Range Supportive Housing Plan*.

As stated by PED, a task force may not be created and charged with the development of a comprehensive housing first plan for the state of New Mexico.

PME/bb