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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/10/09

SPONSOR Gonzales LAST UPDATED \_\_\_\_\_ HB 513

SHORT TITLE Taos Homeless & Neglected Youth Services SB \_\_\_\_\_

ANALYST Peery-Galon

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$30.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Education Department (PED)

Human Services Department (HSD)

Children, Youth and Families Department (CYFD)

### SUMMARY

#### Synopsis of Bill

House Bill 513 appropriates \$30.0 from the general fund to the Children, Youth and Families Department for community based organizations to provide transitional living services for homeless, abused and neglected youth in Taos County.

### FISCAL IMPLICATIONS

The appropriation of \$30.0 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.

CYFD noted the appropriation is not part of the department's budget request and is not included in the Executive recommendation.

## SIGNIFICANT ISSUES

PED noted transitional living services offer a home setting for youth to facilitate their shift from dependence on care by others to caring for themselves. Previously residing in an emotional/behavioral treatment setting, these youth are at a crossroads during a vulnerable stage in life, going from youth to young adult. They have limited housing resources, few funds and insufficient self-care skills. Within settings designed for safe co-ed living, staff oversees the living environment, provides training and facilitates access to community resources and skill development. A successful discharge from transitional living services means that a youth now possesses the skills to secure a living space of their own and manage their lives successfully (Hogares Inc., 2008). Changing youth behavior to accomplish personal freedom and successful independence through transitional living services is the result of several factors: skill development; effective communication; awareness and use of community resources; educational goals; job-seeking skills; money management skills; transportation; involvement in structured daily living; and growing confidence and self-respect.

PED reported that in the 2007-08 Data Collection Report to the federal government, the department sited serving 6,112 homeless children and youth through the McKinney-Vento Homeless Education Program. PED has identified the following barriers to the education of New Mexico homeless children and youth: 1) school selection, 2) transportation, 3) school records, 4) immunization/medical records and 5) lack of affordable housing (Public Education Department, 2008).

PED stated that youth in transition are vulnerable to becoming homeless. Ending homelessness begins with the understanding that people who are or have been homeless are our neighbors and members of our community:

- 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. (National Coalition for the Homeless, 2005).

PED reported that most Americans underestimate how the problem of homelessness affects families:

- 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. 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.
- Many people think of homelessness as strictly an urban phenomenon because homeless people are greater in number and are more visible in urban areas, but homelessness is pervasive in rural areas. The number of people who experience rural homelessness is unknown, but the last national count of homeless people found that 9 percent of homeless people live in rural areas.
- 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, addiction, and mental illness—are difficult to treat when people are living in shelters 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. (National Alliance to End Homelessness, 2007).

HSD noted the proposed legislation is targeting a specific region, Taos County, and a specific population, abused and neglected youth. The \$30,000 appropriation will supplement the appropriation made by the Legislature of New Mexico, 48<sup>th</sup> Legislature, which appropriated funds in the amount of \$750,000 to HSD for fiscal year 2009 from the general fund to provide homeless support services statewide. The Mortgage Finance Authority has signed a general service agreement with HSD to serve 15,500 homeless individuals statewide. Services include: continuum of care match, emergency shelter operations, essential services, homeless prevention, and permanent supportive housing.

CYFD stated many youth coming from unstable/unsafe homes, or aging out of the foster care system have not learned the life skills necessary to be successful in their adult life, and have limited natural support networks that can help them during the transition from child to adult worlds. Transitional living provides the necessary supports and services that can make their transition successful.

CYFD reported during the 2008 legislative session, \$10,000 was appropriated to provide transitional living services for homeless, abused and neglected youth in Taos County. CYFD's Protective Services Program allocated the funds to Dreamtree, a transitional living program serving homeless, abused and neglected youth in Taos County. These funds were allocated in addition to funding awarded to Dreamtree through CYFD's transitional living program request for proposals process.

## **PERFORMANCE IMPLICATIONS**

PED stated in order to ensure New Mexico's homeless children and youth have access to education and other services needed to meet the state's academic standards, barriers must be lifted to school selection, transportation, school records, immunizations or other medical records, affordable housing, public housing and medical care. Expanding funding for homelessness programs statewide, including transitional living services, may assist youth in acquiring life skills to meet academic standards and potentially close the achievement gap.

CYFD noted it has performance measures relating to the percent of clients readjudicated or re-committed within two years of previous adjudication or discharge from facility.

## **ADMINISTRATIVE IMPLICATIONS**

HSD reported if a general fund appropriation is made for \$30,000, the department would benefit by being able to report TANF Maintenance of Effort (MOE) for funds spent on eligible families. In order to report MOE, additional tracking data will be required.

CYFD noted the proposed legislation requires administrative services related to the developing and monitoring of contract services. CYFD is currently providing contract administration to similar programs.

## **RELATIONSHIP**

House 513 has a relationship with House Bill 126.

## **OTHER SUBSTANTIVE ISSUES**

HSD reported if a General Fund appropriation is made for \$30,000, the department would benefit by being able to report TANF Maintenance of Effort (MOE) for funds spent on eligible families.

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