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| LFC Requester: | |
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

AgencyAnalysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date January 25, 2024
Bill No: SB166

| | | | |
|---------------------|--|-----------------------------|---|
| Sponsor: | <u>Harold Hope</u> <u>Eleanor Chavez</u> | Agency Name and Code | <u>Economic Development</u> <u>Department - 419</u> |
| Short Title: | <u>HOMELESSNESS</u> <u>REDUCTION DIVISION</u> | Person Writing | <u>Rita C. Veleta</u> |
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

| Appropriation | | Recurring or Nonrecurring | Fund Affected |
|---------------|------------|---------------------------|---------------|
| FY24 | FY25 | | |
| | \$1,000.00 | Nonrecurring | General fund |
| | | | |

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

| Estimated Revenue | | | Recurring or Nonrecurring | Fund Affected |
|-------------------|------|------|---------------------------|---------------|
| FY24 | FY25 | FY26 | | |
| | | | | |
| | | | | |

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY24 | FY25 | FY26 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|-------------|-------------|-------------|------------------------------|--------------------------------------|--------------------------|
| Total | | | | | | |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Senate Bill 166 (SB166) amends and enacts sections of the Health Care Authority Department Act by creating the Homelessness Reduction Division to create a strategic homelessness reduction plan to decrease homelessness, improve health and human services for people who experience homelessness, contribute to housing stability, create a homeless data integration system, identify resources that aid in preventing and ending homelessness, promote interagency efforts to reduce homelessness, be an advocate for people experiencing homelessness, and be a leader in planning initiatives to end homelessness.

SB166 also establishes the Interagency Homelessness Reduction Task Force that will be responsible for advising the Homelessness Reduction Division by recommending necessary changes in policy, regulations and resources to help move the statewide strategic homelessness reduction plan forward successfully. Lastly, it creates the Homelessness Reduction Advisory Council, which will be responsible for advising the Homelessness Reduction Task Force and the director of the Homelessness Reduction Division.

The bill makes a nonrecurring appropriation of \$1,000,000 to the Health Care Authority Department for operations.

FISCAL IMPLICATIONS

Homelessness often leads to increased public costs in healthcare, public safety, and the use of emergency services. If the division is successful at implementing the statewide strategic plan, it will lead to a decrease in economic burden on the cost of public services.

Homelessness is an issue that has begun affecting small businesses across the state due to an increase in the use of their property as shelter for individuals experiencing homelessness, causing a reduction in customers coming in. Some business owners have also been able to track break-ins and theft to people experiencing homelessness. Taking action to reduce and end homelessness could mean improvement to overall economic well-being for New Mexico if the state is able to create programming that provides tools and resources to secure housing and achieve financial independence, which could lead to a growth in the workforce and could also potentially encourage entrepreneurship.

SIGNIFICANT ISSUES

The creation of the Homelessness Reduction Division, as well as the ask force and advisory

council, could help address the apparent increase in people experiencing homelessness statewide. The continued rise in the cost of living has affected one of the most vulnerable populations in the state: low-income families. While there have been additional causes identified for the increase in homelessness besides the cost of living, it is important to have a division that is responsible for collecting and tracking data that will better inform state government of the correlation between homelessness and the use of public resources resulting in better allocation of resources. Establishing official advocacy for this vulnerable population builds social equity and could result in a more diverse workforce if we can move people away from homelessness.

Although there are existing efforts to aid in ending homelessness, there seems to be a need for leadership that can help promote collaboration between the organizations and state agencies that are already doing this work. Improved collaboration can lead to a more efficient use of resources. With proper representation in the advisory council and task force, better informed decisions regarding future programming and funding needed to support this effort can be made.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS