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FISCAL IMPACT REPORT

SPONSOR: Papen DATE TYPED: 2/7/03 HB _____

SHORT TITLE: Statewide Homeless Programs SB 208

ANALYST: Weber

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
\$1,000.0				Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB 381

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
Indeterminate			Recurring	Federal

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Responses Received From

Human Services Department

SUMMARY

Synopsis of Bill

Senate Bill 208 appropriates \$1 million from the General Fund to the Human Services Department for use in fiscal years 2003 and 2004 for the purpose of activities relating to assisting the homeless.

The appropriation is distributed for the following.

- \$500,000 would be used to fund emergency shelters, transitional housing, mental health services, veterans services, and case management services;
- \$250,000 would match federal funds for the development and operation of permanent supportive housing for disabled homeless; and
- \$250,000 would be used for prevention activities, including therapeutic child care for homeless children and rent assistance to those on the verge of becoming homeless.

Significant Issues

The Human Services Department reports that for the past several years HSD has received an appropriation of state funds for homeless programs. Part of that appropriation has stayed within HSD to be used for providing meals to homeless individuals and families and the other part has been transferred to the Mortgage Finance Authority (MFA) and used for homeless shelter programs. Given the nature of the services and programs prescribed by this legislation, it is presumed that HSD would likely transfer most or all of the funds to MFA.

MFA receives the Emergency Shelter Grant from the US Department of Housing and Urban Development. This grant requires a one-to-one match of state funds or in-kind contributions. The federal regulations for this grant dictate that shelter is short-term and that supportive services be rendered during the period that the homeless individuals are in the shelter placement. MFA also receives several other federal grants and administers programs that provide intensive case management, information and referral services, tenant-based rental assistance, and prevention services to homeless individuals and families and those on the verge of becoming homeless.

In August of 2002, HSD entered into a new Joint Powers Agreement (JPA) with the New Mexico Mortgage Finance Authority (MFA) that allows for amendments in case of funds appropriated for the same purpose in future Legislative sessions. If this bill is enacted, the funds would be available for immediate expenditure, and it would be recommended that an amendment to the JPA be made a priority.

A bill similar to SB 208 was passed during last year's session, although the dollar amount was reduced to \$200,000 and was appropriated under the General Appropriations Act to the Department of Finance and Administration (DFA) rather than HSD.

If the appropriation flowed through HSD to the MFA, HSD would want to include performance measures in the agreement. The current agreement includes performance measures related to numbers of individuals receiving services and their outcomes.

FISCAL IMPLICATIONS

The appropriation of \$1,000.0 contained in this bill is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the General Fund. SB 208 contains an emergency clause making the funds available in fiscal year 2003.

ADMINISTRATIVE IMPLICATIONS

HSD reports the administrative implications should be minimal. HSD already has a relationship with MFA and has had a JPA in place with them for five years. Any additional appropriation that HSD received could be worked into the existing structure with minimal additional effort.

Past appropriations for homeless programs have gone to both HSD and DFA. For ease of monitoring and to reduce administrative burden to MFA, it is preferable that all homeless program appropriations go to one agency. Given HSD's involvement in the provision of meals to homeless shelters and our relationship with MFA, HSD is the appropriate agency to receive this appropriation.

OTHER SUBSTANTIVE ISSUES

According to MFA, there is significant un-met need in the area of homelessness in New Mexico. MFA have provided figures that suggest requests for assistance outpace availability of funds by nearly \$2 million each year.

MW/yr