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FISCAL IMPACT REPORT

SPONSOR Dodge **ORIGINAL DATE** 02/01/12
LAST UPDATED _____ **HB** 227
SHORT TITLE Homeless Veteran Services **SB** _____
ANALYST Chabot

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$250.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Veterans Services Department (VSD)

SUMMARY

Synopsis of Bill

House Bill 227 appropriates \$250.0 thousand from the general fund to VSD for the purpose of contracting for services for indigent homeless veterans in rural areas of the state.

FISCAL IMPLICATIONS

The appropriation of \$250.0 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2013 shall revert to the general fund. According to the LFC staff General Fund Recurring Appropriation Outlook for FY14 and FY15, December 2011, forecasted revenues will be insufficient to cover growing recurring appropriations.

SIGNIFICANT ISSUES

According to VSD, the homeless veteran population has seen a spike with the returning veterans from Iraq and Afghanistan. There are many reasons for this spike, PTSD, substance abuse, lack of employment, and legal issues. Not all homeless veterans are in urban areas of the state like Albuquerque or Las Cruces.

ADMINISTRATIVE IMPLICATIONS

VSD will have to determine need by assessing areas in the state with sufficient homeless veterans to run an effective program, determine a responsive contractor to cover the rural areas of the state, oversee the contract, and advertise the service.

TECHNICAL ISSUES

There are no reporting requirements in the bill. Recommend in line 18, following the word “state.” the following be inserted: “The veterans services department will report to the governor and appropriate interim legislative committee in November of each year an assessment of the number of homeless veterans in the state, the number of homeless veterans assisted, the number moved to permanent housing, program locations and administrative costs of the contracts for services to homeless veterans.

OTHER SUBSTANTIVE ISSUES

VSD contracts with the New Mexico Veteran Integration Center in Albuquerque and Mesilla Valley of Hope in Las Cruces to handle outreach and house homeless veterans. There is not a formal outreach to rural areas of the state.

ALTERNATIVES

Instead of contracting for services, use a grant process to provide funding to rural local government entities interested in creating programs for homeless veterans and use veteran services officers to coordinate efforts with the local governments.

GAC/svb