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## FISCAL IMPACT REPORT

SPONSOR Stefanics ORIGINAL DATE 1/25/22  
 LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_  
 SHORT TITLE Homeless Shelter Support Services SB 63  
 ANALYST J. Torres

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY22	FY23		
	\$2,000.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY22	FY23	FY24	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		See Fiscal Implications				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Mortgage Finance Authority (NMMFA)

Human Services Department (HSD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 63 appropriates \$2 million from the general fund to HSD for FY23 and subsequent years for homeless shelter support services.

Unexpended and unencumbered balances do not revert to the general fund.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

## FISCAL IMPLICATIONS

The appropriation of \$2 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY23 shall not revert to the general fund.

HSD notes: “HSD’s Behavioral Health Services Division (BHSD) received reoccurring funding for homeless shelters in SFY21 in the total amount of \$675,000 to provide operational support for homeless shelters. In SFY22, HSD/BHSD received an additional nonrecurring \$222,600 to support a homeless shelter in Santa Fe. In SFY22, the total budget for shelters is \$820,600. SB63 will increase the homeless shelter budget from \$675,000 to \$2,675,000 for SFY23. In order to administer the additional \$2,000,000 in funding, an additional full time employee (FTE) will be required. A FTE at a pay band 70 will require \$71,430 for salary and fringe benefits with an additional \$4,760 of operating expenses for a total cost of \$76,190.”

## SIGNIFICANT ISSUES

NMMFA notes: “Homelessness and rent have increased significantly, making the need for homeless shelters and services even greater. In the past year, rent has increased 13.7 percent nationwide and 18.5% in Albuquerque (Yardi Matrix, National Multifamily Report, October 2021). In 2016, New Mexico’s median home sale price was \$185,000 but by November 2021 the median home sale price in New Mexico was \$290,500, a 57% increase in 5 years (New Mexico Association of Realtors). The Department of Housing and Urban Development’s 2020 Annual Homeless Assessment Report to Congress showed that among all states, New Mexico had the highest increase in homelessness as measured by the point-in-time (PIT) count at 27%. Homeless shelters and supportive housing programs help homeless individuals by providing emergency shelter, food, and counseling services, as well as referrals to partnering human service agencies.”

HSD/BHSD contracts with service providers for homeless housing services to those with behavioral health conditions. Medicaid’s “Linkages Permanent Supportive Housing Program” provides reimbursement for supportive housing services. HSD states: “SB63 would support a continuum of services implemented by HSD/BHSD for those who are in need of housing, which is a spectrum from the homeless to the housing insecure. Included on the service continuum is homeless shelters, emergency and temporary residence. Supportive Housing is defined as client-driven, support services linked to affordable, subsidized (rent assisted) housing in which a tenant holds the lease. HSD/BHSD utilizes SGF to support permanent supportive housing services, such as Linkages, and other related support service programs for a continuum of services to support individuals with behavioral health needs and experiencing homelessness.

Additionally, HSD’s Income Support Division (ISD) manages the State Homeless funding in the amount of \$1,215,700. HSD/ISD contracts with the NM Mortgage Finance Authority (MFA), and MFA utilizes these funds for the Homeless Shelter Operation/Essential Services, Homeless Prevention and Rapid Re-Housing program, and Continuum of Care.

HSD/BHSD also chairs the Housing Leadership Group (HLG), which is an ad hoc subcommittee of the Behavioral Health Collaborative, comprised of state agencies, service providers, housing providers, housing developers, managed care organizations, nonprofit organizations serving the homeless, and consumers. The HLG is tasked with addressing homelessness by promoting supportive housing for people with behavioral health and other disabilities. Coordination with the

Housing Leadership Group would be beneficial to prevent duplication in service provision.”

**PERFORMANCE IMPLICATIONS**

HSD/BHSD will require funding for an additional FTE to manage SB63 funding.

**ADMINISTRATIVE IMPLICATIONS**

HSD will need to coordinate closely with Income Support Division (ISD) to avoid duplication of services.

JT/al