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FISCAL IMPACT REPORT

SPONSOR Martinez, J/Trujillo, CH **ORIGINAL DATE** 2/5/16
LAST UPDATED _____ **HB** 294
SHORT TITLE Homeless Population Economic Development **SB** _____
ANALYST Clark

APPROPRIATION (dollars in thousands)

Appropriation					Recurring or Nonrecurring	Fund Affected
FY16	FY17	FY18	FY19	FY20		
	\$25.0				Recurring	General Fund

Parenthesis () indicate expenditure decreases

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

New Mexico Mortgage Finance Authority (MFA)

SUMMARY

Synopsis of Bill

House Bill 294 appropriates \$25 thousand from the general fund to the Economic Development Department (EDD) to support economic and workforce development for homeless populations in cities with a population of more than 600 thousand.

FISCAL IMPLICATIONS

The appropriation of \$25 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY17 shall revert to the general fund.

SIGNIFICANT ISSUES

EDD currently has no programs in place to support economic or workforce development for a specific population group, and the agency might find it difficult to create and implement a new program with this appropriation. It is possible EDD might be able to use the funding to hire a contractor to perform a study to determine how the agency could best assist the homeless

population with current or proposed future funding. However, EDD might determine the language in the bill would not allow for a study if it determines that would not fall under “support[ing] economic and workforce development for homeless populations”.

On the other hand, if EDD interpreted the language in the bill very broadly, it could assume all the work done by the agency indirectly supports homeless populations and might use the funding for current operations. The New Mexico Mortgage Finance Authority (MFA) noted in its analysis that economic and workforce development activities are generally expected to have a positive impact on homeless populations.

ADMINISTRATIVE IMPLICATIONS

If EDD determines it cannot use the funding, the bill would have no administrative impact. If the agency were to develop a new program to fulfill the mission called for in the bill, it could have a significant administrative impact, but the bill’s appropriation might not be large enough to develop such a program.

TECHNICAL ISSUES

The bill does not specify what source should be used to determine a city’s population, but according to the 2010 census, no city in New Mexico has a population of more than 600 thousand. Albuquerque’s population in the 2010 census is listed as 546 thousand, and estimates for 2015 are about 561 thousand.

ALTERNATIVES

EDD suggests the bill could appropriate the funds to the Human Services Department (HSD) whose mission includes reducing the impact of poverty on people living in New Mexico by providing support services that help families break the cycle of dependency on public assistance. HSD serves over 800 thousand New Mexicans each month by administering several large state and federally funded programs.

JC/jle/jo