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FISCAL IMPACT REPORT

ORIGINAL DATE 2/5/2020

SPONSOR Rodriguez LAST UPDATED _____ HB _____

SHORT TITLE Youth Homeless Demo Program SB 190

ANALYST Esquibel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY20	FY21		
	\$413.0*	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

*The appropriation would be for expenditure in FY21 and FY22.

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

New Mexico Mortgage Finance Authority (MFA)

SUMMARY

Synopsis of Bill

Senate Bill 190 would appropriate \$413 thousand from the general fund to the Human Services Department (HSD) for expenditure in FY21 and FY22 to provide matching funds for a New Mexico Mortgage Finance Authority grant for a youth homelessness demonstration program grant from the United States Department of Housing and Urban Development (HUD) to address youth homelessness in New Mexico.

FISCAL IMPLICATIONS

The appropriation of \$413 thousand for FY21 and FY22 contained in the bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY22 would revert to the general fund.

The appropriation in the bill would be used as the 25 percent match requirement for federal HUD grant funds and could leverage \$3.37 million in federal funds.

MFA reports if New Mexico continues to successfully implement the Youth Homelessness Demonstration Project, New Mexico will retain federal funding for the program beyond the current two-year grant.

The FY21 budget for the Human Services Department passed out of the House Appropriations and Finance Committee includes \$413 thousand from the general fund for the purposes provided for in SB190.

SIGNIFICANT ISSUES

The Mortgage Finance Authority (MFA) reports the appropriation contained in SB190 would support safe housing for youth and young adults, including young adults with children.

The Youth Homeless Demonstration Project in 2019 served 646 unaccompanied homeless youth (age 13-24), 36 unaccompanied homeless youth have been receiving services since the program began operations, and 112 unaccompanied homeless youth have taken the initial step to become full participants in the Youth Homelessness Demonstration Project..

ADMINISTRATIVE IMPLICATIONS

MFA indicates it currently administers the HUD continuum of Care program on behalf of the New Mexico Coalition to End Homelessness. The Youth Homelessness Demonstration Program is part of the continuum of care; therefore, MFA is well-positioned to administer these funds within its existing systems.

OTHER SUBSTANTIVE ISSUES

HSD reports in FY20 the Children, Youth and Families Department (CYFD) was appropriated funding from the Temporary Assistance for Needy Families (TANF) Block Grant to provide services for the Keeping Families Together program to assist families who are on the verge of homelessness. In collaboration with HSD, CYFD and the Keeping Families Together program is working to utilize a portion of this TANF funding to pilot a transitional homeless housing program for youth ages 16 through 21 who are aging out of the foster care system.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

MFA writes failure to continue the state match for the Youth Homeless Demonstration Program would result in the loss of \$1.65 million in annual funding from the federal government for this program. As a result, more than 100 formerly homeless youths would lose the rental assistance for their housing, and many would be thrown back into homelessness.

RAE/al