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## FISCAL IMPACT REPORT

**LAST UPDATED** \_\_\_\_\_

**SPONSOR** Pope **ORIGINAL DATE** 3/3/2025

**BILL**

**SHORT TITLE** Homelessness Reduction **NUMBER** Senate Bill 190

**ANALYST** Esquibel

### APPROPRIATION\* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$1,000.0	Recurring	General Fund

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

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

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
HCA	See Fiscal Implications	\$7,373.2- \$8,078.7	\$7,373.2- \$8,078.7	\$14,746.4- \$16,157.4	Recurring	General Fund
DOH		\$140.0	\$140.0	\$280.0	Recurring	General Fund
<b>Total</b>		\$7,513.2- \$8,078.7	\$7,513.2- \$8,078.7	\$15,026.4- \$16,157.4	Recurring	General Fund

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

Relates to Senate Bills 2, 205, and 350 and House Bill 420.

### Sources of Information

LFC Files

#### Agency Analysis Received From

Corrections Department (NMCD)  
 Department of Finance and Administration (DFA)  
 Department of Health (DOH)  
 Department of Public Safety (DPS)  
 Economic Development Department (EDD)  
 Health Care Authority (HCA)  
 Higher Education Department (HED)  
 Indian Affairs Department (IAD)  
 New Mexico Finance Authority (NMFA)  
 Mortgage Finance Authority (MFA)

## SUMMARY

### Synopsis of Senate Bill 190

Senate Bill 190 (SB190) would amend the Health Care Authority Act to create the Homelessness Reduction Division within the Health Care Authority (HCA) and provides for its duty to lead the state's comprehensive efforts to reduce homelessness, including creating a statewide "homeless data integration system." SB190 creates a 16-member Interagency Homeless Reduction Task Force and an 18-member Homelessness Reduction Advisory Council. The bill would appropriate \$1 million from the general fund in FY26 to HCA to fund operations of the new division, task force, and advisory council. The effective date of the bill is July 1, 2025.

## FISCAL IMPLICATIONS

The bill would appropriate \$1 million from the general fund to the HCA for expenditure in FY26 to fund the operation of the Homelessness Reduction Division of HCA, the Interagency Homelessness Reduction Task Force, and the Homelessness Reduction Advisory Council. Any unexpended or unencumbered balance remaining at the end of FY26 shall revert to the general fund.

The HCA reports to create the Homeless Reduction Division within HCA would cost over \$7 million to \$8 million in recurring general fund revenue. This funding would be required for multiple new FTE; operating costs; additional staff within the Behavioral Health Services Division, Office of Fair Hearings, Office of Human Resources, and Administrative Services Division; and IT system upgrades. HCA indicates it could leverage approximately \$1.2 million in federal funds to support the provisions of the bill.

The Department of Health (DOH) indicates it would need funding for 1 FTE for an epidemiologist position to use data systems to track homelessness data, unhoused individuals, and health outcomes.

The Economic Development Department indicates it may not have sufficient staff resources to serve on the proposed task force and would need additional resources

The Corrections Department notes the bill may require the collection and sharing of data related to probation and parole clients who are homeless, as part of the proposed homeless data integration system. This would likely require department staff to coordinate and ensure secure data-sharing, which could incur additional administrative costs.

## SIGNIFICANT ISSUES

The Mortgage Finance Authority (MFA), also called Housing New Mexico, reports it partners with the HCA on state-funded homelessness and homelessness prevention programs including the Linkages housing voucher program. Additionally, MFA administers state funding that supplements federal funding for homeless shelter operations and homelessness prevention.

MFA also administers homelessness and homelessness prevention through permanent support housing development, a housing model for vulnerable populations that pairs long-term housing

with supportive services and healthcare.

MFA has funded transitional housing projects and other homelessness initiatives through its Housing Innovation program, a flexible funding program for innovative, community-based projects.

## **PERFORMANCE IMPLICATIONS**

The Department of Public Safety notes it supports services for the state’s unhoused community to prevent individuals from being victimized by violence and drug dependency and to receive treatment services.

The Department of Finance and Administration (DFA) states the functions of the proposed office duplicate those of Governor’s Office of Housing administratively attached to DFA.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

SB190 is related to Senate Bill 2, which funds public health and safety initiatives that could include housing supports; Senate Bill 205, which would create the State Office of Housing Planning and Production attached to DFA; and duplicates Senate Bill 350 and House Bill 420, which would fund transitional housing for inmates reentering communities.

## **TECHNICAL ISSUES**

The New Mexico Finance Authority suggests deleting section 3A(2) on page 4, lines 22-24, in its entirety and inserting “the executive director of the New Mexico mortgage finance authority or the executive director’s designee.”

The Mortgage Finance Authority (MFA) notes it administers federal and state funding for homelessness and homelessness prevention programs and should be on the task force, likely in lieu of the New Mexico Finance Authority.

## **OTHER SUBSTANTIVE ISSUES**

The Indian Affairs Department reports Native American residents account for 25 percent and 27 percent of people experiencing homelessness in Albuquerque and the state, respectively, but account for only 7 percent and 18 percent of residents living in poverty in the same areas.

The “Pickup” study by the University of New Mexico surveyed 525 persons experiencing homelessness across 10 counties. The study gathered data on length of homeless episodes, reasons for losing last housing, and reasons for losing income in the past six months. The study highlighted a pressing need for enhanced services and supports, particularly in areas such as chronic disease management, mental health, and treatment for substance use disorders.