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FISCAL IMPACT REPORT

SPONSOR Cordova DATE TYPED 1/26/04 HB 114
 SHORT TITLE Statewide Homeless Programs SB _____
 ANALYST Weber

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
\$290.0				Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
		See Narrative	Recurring	Federal Funds

(Parenthesis () Indicate Revenue Decreases)

Duplicates SB 4

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)
 Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Bill 114 appropriates \$90,000 from the general fund to the Human Services Department for the purpose of funding programs for the mentally ill homeless, including transitional housing for victims of domestic violence and permanent housing for the mentally ill homeless. An additional Senate Bill 4 appropriates \$200,000 from the general fund to the Human Services Department to fund the supplemental security outreach project for the homeless.

Significant Issues

The Human Services Department reports the bill provides a state match for existing federal funds for continuum of care funding to secure an annual grant of \$368,200 for transitional housing and services for homeless and chronic homeless persons in New Mexico.

In addition, HSD indicates the \$200,000 appropriation provides funds for a new outreach program that will allow the State to secure up to \$800,000 in federal funds to process applications for SSI benefits. HB 114 will secure transitional housing and medical treatment for homeless persons experiencing domestic violence, mental illness and/or substance abuse issues. The bill will also expedite application and approval of SSI benefits for those qualified.

DOH reports that although the bill appropriates funding to HSD, DOH has authority for the federal Project to Assist Transitions from Homelessness (PATH) block grant, which funds services for persons who are homeless and mentally ill. The SSI Outreach Project for homeless people is designed to get SSI and Medicaid benefits for individuals who do not receive these benefits. These individuals are Priority One clients for DOH/BHSD clients.

FISCAL IMPLICATIONS

The appropriation of \$290.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2005 shall revert to the general fund.

The SSI outreach will add persons to the Medicaid population resulting in higher expenditures related to enrollment increases. Some of this additional expenditure may be offset by lower requirements for general assistance.

If 10 percent of the 20,000 estimated New Mexico homeless noted in other substantive issues below were found eligible for SSI, the total cost to Medicaid would be approximately \$7.2 million or \$1.8 general fund.

HSD reports the appropriation will provide a state match for existing federal funds and will allow the state to secure up to \$800.0 in additional federal funds.

ADMINISTRATIVE IMPLICATIONS

DOH indicates the behavioral health services division currently serves individuals who would benefit from the housing services and the outreach project and that coordination with HSD would be essential.

HSD would work with the New Mexico Mortgage Finance Authority through a joint powers agreement to administer some of the homeless funds.

TECHNICAL ISSUES

Maximum effectiveness may require co-ordination between HSD and DOH for overlapping populations and responsibilities.

OTHER SUBSTANTIVE ISSUES

DOH reports that approximately 20,000 New Mexicans are homeless throughout the year and consequently are high users of emergency room and other hospital systems; some are repeated end users of jails and correctional facilities. Behavioral health and substance abuse providers face high demands for care but limited resources affect their ability to provide adequate care and support to this population. Homelessness is directly linked to the availability of affordable housing; however many homeless persons require supportive services to remain housed permanently. Emergency shelters currently serve homeless persons, including families with children, veterans and persons with disabilities.

MW/njw:yr