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FISCAL IMPACT REPORT

SPONSOR Papen DATE TYPED 01/25/05 HB _____

SHORT TITLE Statewide Homeless Programs SB 88

ANALYST Kehoe

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|---------|-----------------------------|------|----------------------|---------------|
| FY05 | FY06 | FY05 | FY06 | | |
| | \$150.0 | | | Recurring | General Fund |
| | | | | | |

(Parenthesis () Indicate Expenditure Decreases)

Relates to the General Appropriation Act of 2005 (House Bill 2).

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Mortgage Finance Authority (MFA)

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

Senate Bill 88 appropriates \$150 thousand from the general fund to the Human Services Department for the purpose of expanding access to programs and services for homeless persons statewide.

Significant Issues

The appropriation contained in this bill would provide additional funds for the state's homeless programs, specifically, the Emergency Shelter Program (ESG) and State Homeless Assistance Program (SHAP) administered by MFA under a Memorandum of Understanding with HSD. The funding would provide assistance to local governmental entities or non-profits to improve the quality of existing emergency shelters, transitional housing, mental health services for the homeless, veterans' services, and other supportive services for the homeless. The state appropriation and federal grants for homeless programs are awarded annually through a competitive process by

MFA with guidance from the New Mexico Coalition to End Homelessness.

FISCAL IMPLICATIONS

The appropriation of \$150 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2006 shall revert to the general fund.

RELATIONSHIP

House Bill 2, General Appropriation Act of 2005, contains a recommendation of \$750 thousand for ESG services for fiscal year 2006.

OTHER SUBSTANTIVE ISSUES

According to MFA, a 2004 study performed through a Continuum of Care grant shows that 74 percent of homeless families provided transitional housing move on to more stable housing, ending their homelessness. Stable housing is particularly important for children. Another study conducted by the University of Pennsylvania shows that “providing shelter or supportive housing to mentally ill homeless people costs no more to society than leaving them on the streets where they use more expensive services such as emergency rooms, inpatient psychiatric services, etc.”

According to HSD, various agencies serving homeless persons are currently developing a state-wide resource manual to assist clients regardless of where their first contact is made, similar to a one-stop shop where clients can be assisted or referred for the services required as determined by an interviewer or caseworker.

LMK/lg:yr