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FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/07

SPONSOR Harrison LAST UPDATED _____ HB 149

SHORT TITLE Making an Appropriation for Services to the Homeless in McKinley County SB _____

ANALYST Propst

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$50.0	Non-recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to: House Bill 172

SOURCES OF INFORMATION

Responses Received From
 Department of Finance and Administration (DFA)
 Public Education Department (PED)

SUMMARY

Synopsis of Bill

Making an Appropriation for Services to the Homeless in McKinley County.

House Bill 149 makes an appropriation of \$50 thousand in general fund for expenditure in FY08 for McKinley County to contract for services to the homeless.

FISCAL IMPLICATIONS

The appropriation of \$50.0 in House Bill 149 is a non-recurring expense to the General Fund. Any funds not expended by the end of FY08 will revert to the General Fund.

SIGNIFICANT ISSUES

The Department of Finance and Administration reports that McKinley County has identified the non-profit organization, Community Area Resource Enterprise Inc. (CARE) 66, as a likely candidate for receiving the appropriation.

However, they plan on issuing an RFP in compliance with the procurement code.

CARE 66 provides services to men, including providing transitional housing, creating affordable housing, creating opportunities for work at a living wage, providing opportunities for people to improve work and life skills to become self-sufficient, and helping to reunite families. If CARE 66 is awarded the \$50.0, it will be used for the following purposes:

Program Staff Salaries - \$20,000

Rent - \$10,000

Utilities - \$10,000

Fundraising Expenses - \$10,000

In 2006, CARE 66 provided a total of 5600 meals to the homeless and 4600 bed nights of transitional housing. They also served 500 people with other services, including showers, housing assistance, etc.

According to a study done by the Coalition to End Homelessness, on one night in January 2005, McKinley County had 40 sheltered homeless and 23 unsheltered for a total of 63. In addition, as of January 2005, McKinley County had 25 emergency shelter beds, and 10 transitional housing beds, for a total of 35 housing beds. (Source: <http://pages.prodigy.net/bonneyh/index.html>)

PERFORMANCE IMPLICATIONS

DFA is staffed and capable to handle this non-recurring appropriation. PED reports that, providing funding to McKinley County to contract for services to the homeless may positively impact homeless children and youths in meeting the state's academic standards and closing the achievement gap.

ADMINISTRATIVE IMPLICATIONS

The funds will be administered through the Local Government Division of DFA, which already staffs other projects of similar size and scope.

ALTERNATIVES

DFA reports that, HB 172 appropriates \$500.0 to CYFD from the General Fund to expand funding for homeless programs. There is a potential that McKinley County could receive a portion of these funds.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If CARE 66 is awarded the funding through the RFP process, the \$50.0 will be enough to support their program for approximately three months. Therefore, if the money is not appropriated, they will have to find an alternative source of funding for three months of service to the homeless.

WEP/mt:csd