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FISCAL IMPACT REPORT

ORIGINAL DATE 1/26/09

SPONSOR Nunez LAST UPDATED _____ HB 124

SHORT TITLE Services for Homeless Children SB _____

ANALYST Peery-Galon

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$150.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children, Youth and Families Department (CYFD)

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

House Bill 124 appropriates \$150.0 from the general fund to Children, Youth and Families Department to provide child care services to homeless children in Dona Ana County.

FISCAL IMPLICATIONS

The appropriation of \$150.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

SIGNIFICANT ISSUES

CYFD reported that on any given day, 200,000 children are homeless in the United States. Most

children living with homeless parents are very young, 42 percent are under the age of 6 years. In Dona Ana County there are approximately 370 homeless individuals. An estimated 41 percent are families with children. Homeless and near-homeless families with children have multiple needs that require intensive one-on-one and team-based intervention strategies. Homeless families lack food, clothing, shelter, medical care, jobs, education, and mental health services.

HSD reported that CYFD has entered into a Governmental Service Agreement with the department to transfer \$32.4 million in FY09 from the Temporary Assistance for Needy Families (TANF) grant for the purpose of providing childcare benefits to eligible participants under the TANF Child Care Development Fund. Another \$7.2 million was appropriated by the Legislature in the 2008 special session to CYFD to provide child care benefits statewide for active TANF cash assistance recipients. CYFD has specific eligibility requirements for providing childcare. HSD noted that without further clarification in the proposed legislation, the population targeted for this funding may already be covered under the current pass through funding.

HSD reported that it would benefit from the general fund appropriation by being able to report the funding as state Maintenance of Effort.

PERFORMANCE IMPLICATIONS

The proposed legislation is related to the vision and mission of the CYFD and several key initiatives outlined in the department's strategic plan for 2008-2009.

ADMINISTRATIVE IMPLICATIONS

CYFD reported any contract administration resulting from the proposed legislation would be absorbed by existing department resources.

In order to report Maintenance of Effort, HSD stated additional tracking data will be required.

OTHER SUBSTANTIVE ISSUES

CYFD noted that numerous research studies have conducted have concluded the following:

- Homeless children get sick twice as often as other children.
- Homeless children go hungry twice as often as other children and 25 percent of homeless children report eating less after becoming homeless.
- Homeless children are confronted with stressful, traumatic events on a daily basis.
- Ninety-seven percent of homeless children move up to three times within a single year.
- Homeless children display a higher rate of mental health problems than other children.
- More than 20 percent of homeless preschoolers have emotional problems serious enough to require professional care.
- Homeless children who are able to attend school have more problems learning in school.
- Homeless children are four times as likely to have developmental delays, and twice as likely to have learning disabilities.
- Only 15 percent of homeless children are in preschool programs, less than half the rate of all children nationally.

CYFD stated that early indicators show that intervention with homeless children and intense

training for those who care for them is producing results with 65 percent performing at age level in school.

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