

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (www.nmlegis.gov). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 01/23/13

SPONSOR Rue LAST UPDATED _____ HB _____

SHORT TITLE Rapid Re-Housing Of Certain Homeless Persons SB 50

ANALYST Boerner

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 32 which appropriates \$500 thousand to provide long-term access to supportive services to homeless persons with disabilities, substance abuse issues or mental illness to assist them with staying housed.

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Mortgage Finance Authority (MFA)
Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

This bill appropriates \$500 thousand from the general fund to the Department of Finance and Administration for expenditure by the New Mexico Mortgage Finance Authority for the purpose of assisting persons who become homeless due to a life crisis such as a job loss, illness or domestic violence. The bill indicates that no more than 5 percent of the appropriation shall be used for administrative expenses.

FISCAL IMPLICATIONS

Minimal fiscal impact is anticipated. The bill provides for an appropriation of \$500 thousand in general fund revenue to be spent in FY14 and FY15. Any unexpended or unencumbered balance remaining at the end of FY 2015 shall revert to the general fund.

SIGNIFICANT ISSUES

The DFA and MFA noted that the bill will provide short-term assistance to approximately 300 individuals and families who are recently homeless or who are at risk of becoming homeless, and helping them quickly obtain permanent housing.

People who live in poverty are at risk of losing their homes when they are faced with crisis such as job loss, illness, or divorce. Providing short-term assistance to keep New Mexicans housed during times of crisis allows individuals and families to rebound without the additional and enormous burden of becoming homeless.

The Rapid Re-Housing program costs an average of \$1,600 per person compared to a three-month stay in an emergency shelter, which can cost as much as \$4,500 per person.

Rapid Re-Housing program assistance includes rental subsidies, payment of back rent and utility bills, paying for moving costs, security and utility deposits, case management, and financial literacy and life skills classes.

PERFORMANCE IMPLICATIONS

The MFA stated that 89 percent of individuals served through a similar 2009 stimulus funded program, the Homelessness Prevention and Rapid Re-Housing Program (HPRP), had stable housing when they left the program. Those stimulus funds have been completely expended, but the need remains.

ADMINISTRATIVE IMPLICATIONS

DFA will have to enter into a Joint Powers Agreement with pursuant to Section 58-18-5.5.

The MFA commented that if allocated, these funds would be included along with its existing Rental Assistance Program (RAP) to provide additional services to those in need of assistance. The MFA would administer this program in the same manner as other homeless services funding, using our existing proven network of providers.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The MFA stated that if not approved for funding, the short-term assistance to 300 individuals and families who are recently homeless or who are at risk of becoming homeless will not occur.

CEB/svb