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FISCAL IMPACT REPORT

ORIGINAL DATE 02/07/14
 LAST UPDATED 02/11/14 **HB** _____

SPONSOR Kernan

SHORT TITLE Lea County Pregnant Teen Services **SB** 290

ANALYST Klundt

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
	\$100.0	Recurring	General

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Children, Youth and Families Department (CYFD)
 New Mexico Mortgage Finance Authority (NMFA)
 Department of Health (DOH)
 Human Services Department (HSD)

SUMMARY

Synopsis of Bill

Senate Bill 290 appropriates \$100 thousand from the general fund to the Children, Youth and Families Department (CYFD) for expenditure in FY15 to fund supportive housing and behavioral health services for pregnant and parenting teens in Lea County.

FISCAL IMPLICATIONS

SB 290 appropriates \$100 thousand from the general fund to the CYFD for expenditure in FY15 to fund supportive housing and behavioral health services for pregnant and parenting teens in Lea County. Any unexpended or unencumbered balance remaining at the end of the year shall revert.

SIGNIFICANT ISSUES

According to the Centers on Disease Control (CDC) a total of 329,797 babies were born to women aged 15–19 years in 2011, for a live birth rate of 31.3 per 1,000 women in this age group. The highest pregnancy rate as of 2008 was in New Mexico where 93 out of 1,000 teens became pregnant.

Lea County, New Mexico has the highest teen birth rate for ages 15 to 19 years in southeast New Mexico with a rate of 80.1 births per 1,000 (Retrieved Wed, 05 February 2014 from New Mexico Department of Health, Indicator-Based Information System for Public Health Web site: <http://ibis.health.state.nm.us>). According to Section 8 and low income housing developments in Lea County, there is little to no housing availability and currently a wait list of up to a year and a half (Hobbs Apartment, Four Seasons Apartments, Washington Place, Willow Bend Villas, La Pradera Apartments, personal communication, February 5, 2014). Additionally, the Department of Health (DOH) reports Teen birth rate among Hispanic adolescent females ages 15 to 17 is higher than other ethnicities in New Mexico (Retrieved Wed, 05 February 2014 from New Mexico Department of Health, Indicator-Based Information System for Public Health Web site: <http://ibis.health.state.nm.us>).

Currently, there is a supportive housing program located in Hobbs, New Mexico providing transitional living services for homeless pregnant youth in Lea County and southeastern New Mexico. The program is a semi-independent living program for young teenagers who are pregnant, or who have children. Semi-independent living programs offer stable long term living development and behavioral health services to adolescents in preparation for independent community living and transition to adulthood.

According to the Human Services Department (HSD), the agency's Behavioral Health Services program administers the Substance Abuse Block Grant which requires a priority on funding to services for pregnant and parenting women with substance abuse disorders. This bill would have no implications for Medicaid, as the CYFD funds for Behavioral Health would be secondary to Medicaid recipients that have Behavioral Health coverage. HSD assumes many of these teens would already be on Medicaid. If they are not, this would be another resource for them.

According to the New Mexico Mortgage Finance Authority (MFA), it may be possible that this bill could provide funding to MFA's existing network of more than 25 supportive housing programs for chronically homeless individuals. Rental costs are paid by HUD, but the state and local communities must pay for the supportive services that go along with the housing to ensure that the individuals will remain housed.

HSD currently has a contract with Mortgage Finance Authority for \$726 thousand to serve as many as 11,500 unduplicated homeless individuals at a cost of approximately \$63.10 per individual statewide, including, but not limited to, those individuals served by the following programs: Continuum of Care Performance, Emergency Homeless Assistance, Rental Assistance and Administration

PERFORMANCE IMPLICATIONS

MFA states that a \$100 thousand appropriation could assist pregnant and parenting teens in Lea County to obtain the supportive services that they need to find and retain housing. It is MFA's experience that permanent supportive housing reduces the costs of other, more expensive services. A City of Albuquerque study showed that when people enter supportive housing the emergency room costs they incur decrease by 65.9 percent, emergency shelter costs decrease by 93 percent, jail costs decrease by 96 percent, and outpatient medical visits decrease by 40 percent.

ADMINISTRATIVE IMPLICATIONS

The CYFD reports that any staff time or effort necessary for the procurement process or contract monitoring related to this bill may be absorbed by existing resources.

MFA currently administers supportive services through its Emergency Homeless Assistance Program (EHAP) with funding from HUD's Emergency Solutions Grant (ESG) and the New Mexico State Homeless Assistance allocation. Administrative systems and a network of supportive housing service providers are already in place to administer this appropriation through EHAP. However, there appears to be only one agency that provides services in Lea County. Additionally, CYFD would have to enter into a Joint Powers Agreement with MFA pursuant to Section 58-18-5.5 NMSA 1978 in order to MFA to assist in administration of this program.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

While no bill proposes funding specifically for pregnant and parenting teens, several bills would provide additional funding for supportive housing and behavioral health services.

- SB 173 would fund services for individuals who are homeless.
- SB 108 would establish a supportive housing program that provides housing assistance and supportive services targeting families who have at least one child, have been identified as a victim of child abuse or neglect, are homeless, and have a family member with substance abuse dependency or mental illness.

OTHER SUBSTANTIVE ISSUES

HSD states that those teens enrolled in Medicaid, some of the specialized services proposed by the bill may be covered by Medicaid, particularly the behavioral health services. Such services include: mental health and substance abuse treatment, case management services, assistance in finding and moving to long-term affordable housing, skills development related to housing stability, and assistance with connecting to support networks focused on increasing housing stability.

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ALTERNATIVES

The BH Collaborative/HSD has funded and provided supportive housing programs since 2007 in New Mexico and has found supportive housing to be a very effective approach to providing long term stability to the most vulnerable homeless persons with behavioral health issues in our state.

As an alternative, HSD reported that the legislature may consider having the pilot program administered through the BHSD or Collaborative.