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FISCAL IMPACT REPORT

SPONSOR Salazar, T ORIGINAL DATE 1/15/16
LAST UPDATED _____ HB 59
SHORT TITLE Rapid Rehousing for Homeless People SB _____
ANALYST Chilton

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
	\$2,000.0	Recurring	General Fund

SOURCES OF INFORMATION

2015 Legislation

Responses Received From
Human Service Department (HSD)

SUMMARY

Synopsis of Bill

In response to a presentation to the Legislative Interim Committee on Health and Human Services by the Task Force on Homelessness requested by 2015 HM 44, an appropriation is made for the purpose of a program of rapid re-housing of homeless people. Rapid rehousing is offered to homeless people with mild or moderate need, bypassing some of the requirements of more traditional housing programs for the homeless, which may include therapy for behavior or substance abuse disorders, lengthy application processes and waits. Clients offered rapid rehousing are offered additional services, including case management, life-skills training, and rental and other assistance enabling them to retain their newly-provided homes.

The bill, Rapid Rehousing for Homeless People, appropriates \$2 million from the general fund to the HSD for the purpose of rapidly rehousing homeless people.

FISCAL IMPLICATIONS

Studies in other states have shown that housing homeless people results in substantial reductions in costs for emergency room care (36%), hospitalization (84%), and incarceration (64%). It is difficult to calculate the fiscal impact of these decreases, which would accrue to Medicaid and to the Department of Corrections.

The appropriation of \$2 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2017 shall revert to the general fund.

SIGNIFICANT ISSUES

It is estimated that there are 17,000 New Mexicans who experience homelessness during the course of a year. Many of these suffer from mental health and substance use disorders and/or from chronic homelessness. Some of the people experiencing homelessness with behavioral health disorders are served through HSD's Behavioral Health Services Division, but the agency indicates that the program does not have capacity to meet the demand.

A similar bill, HB 47, was introduced in 2015, but died in committee.

RELATIONED to HB 88, which offers funding for supportive permanent housing for clients suffering from behavioral health disorders who are homeless or at risk of becoming homeless, also in response to the Taskforce on Homelessness.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Fewer homeless people would be offered rapid re-housing and increased costs associated with incarceration, hospitalization and emergency room visits would continue to be seen.

LAC/jo/jle