

LFC Requester:

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 1/31/2025 *Check all that apply:*
Bill Number: SB 190 Original Correction
 Amendment Substitute

Sponsor: <u>Harold Pope</u>	Agency Name and Code: <u>Economic Development Department</u>
Short Title: <u>HOMELESSNESS REDUCTION</u>	Number: <u>41900</u>
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	\$1,000.00	nonrecurring	General fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: This bill amends and creates a Division of Homelessness Reduction in the Health Care Authority and establishes a task force, and advisory council to assist in completing the charge, appropriating \$1,000,000.00 in nonrecurring funding from the general fund. It seeks to create a strategic homelessness reduction plan to decrease homelessness, improve health and human services for people who experience homelessness, contribute to housing stability, create a homeless data integration system, identify resources that aid in preventing and ending homelessness, and promote interagency efforts to reduce homelessness.

FISCAL IMPLICATIONS

This bill uses \$1,000,000.00 from the general fund to be used in FY26 to establish the new division. It should be noted that one fiscal year of nonrecurring funding will not be enough to sustain the work for the future.

Homelessness has affected small businesses across the state due to an increase in properties being used as shelter for individuals experiencing homelessness, that causes a decrease in customers and gross receipts tax base for small businesses. Business owners have also experienced problems with break-ins, theft, and safety concerns of individuals and even cases of arson as a result of people experiencing homelessness. Taking action support those affected by homelessness, and to reduce and end homelessness will improve overall economic well-being for New Mexico. By establishing this division the Healthcare Authority will be empowered to create programming that provides resources and to secure housing and achieve financial independence, while tracking the success and decreased rates of homelessness overtime, and be able to direct individuals affected to proper resources. Supporting the reduction of homelessness can lead to a growth in the workforce and could also potentially encourage entrepreneurship.

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

For the Economic Development Department, the performance implication of serving on the proposed inter-agency task force may limit internal staff productivity. The Economic Development Department currently administers and manages eight boards and commissions not including its participation on numerous state boards and commissions hosted by other agencies and the Governor's Office. With 74 FTE in the Economic Development Department, smaller than larger agencies the capacity needed to use staff time serving on another board may limit the productivity of the agency to conduct its usual programming and initiatives.

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

It is related to the 2024 SB166 bill of the same name.

HB141 and SB2 are related bills in that they both appropriate funds that are to support various initiatives and models to end homelessness in: Department of Finance and Administration, Healthcare Authority, Department of Veterans Services, Higher Education Department, University of New Mexico, Administrative Office of the Courts, and the New Mexico Housing Trust Fund. This alignment of funding sources to combat similar issues is a positive sign that cross-agency collaboration and partner programming is viable within the proposed new division.

SB190 is also a relational bill to SB205 in that SB205 seeks to create an Office of Housing Planning and Production that will look to increase housing availability for low-income and homeless households, develop a statewide strategy that includes partnerships to address homelessness, provide technical assistance for local governments, tribes, and pueblos to grow capacity for homelessness services and prevention, and coordinate across state agencies and local stakeholders to address homelessness.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

By not enacting this bill, the state faces a problem with increasing homelessness across all demographic areas and locations, and a lack of concerted aligned efforts to address the issue from a variety of state angles. This can consequently lead to a misaligned effort of resources used to combat similar problems without a connected Division that will work to align and decrease the duplication of efforts that affect all New Mexicans experiencing or affected by homelessness.

AMENDMENTS