

**LFC Requester:****Eric Chenier****AGENCY BILL ANALYSIS - 2025 REGULAR SESSION****WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO****[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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:** 1/30/25*Check all that apply:***Bill Number:** SB190Original  Correction Amendment  Substitute **Sponsor:** Sen. Pope**Agency Name****and Code** HCA-630**Number:****Short** HCA Homelessness Reduction**Person Writing** Lisa Howley /Carolee Graham**Title:** Division**Phone:** 505-709-5791 **Email** [Lisa.howley@hca.nm](mailto:Lisa.howley@hca.nm)**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0.0	\$1,000.0	Nonrecurring	SGF

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0.0	\$0.0	\$0.0	NA	NA

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
BHSD	\$0.0	\$278.6	\$278.6	\$557.2	Recurring	SGF
Homelessness Reduction Division	\$0.0	\$6,658.0	\$5,952.5	\$12,610.5	Recurring	SGF
Program Support/ASD	\$0.0	\$918.1	\$918.1	\$1,836.2	Recurring	SGF
Program Support/ASD	\$0.0	\$1,035.3	\$1,035.3	\$2,070.7	Recurring	FF
ITD: HCA new business staff IT costs	\$0.0	\$75.00	\$75.00	\$150.00	Recurring	SGF
ITD: Network equipment purchase	\$0.0	\$30.00	\$0.00	\$30.00	Nonrecurring	SGF
ITD: Network equipment recurring	\$0.0	\$13.80	\$13.80	\$27.60	Recurring	SGF
ITD: HDIS - DDI	\$0.0	\$36,500.00	\$36,500.00	\$73,000.00	Nonrecurring	SGF
ITD: HDIS/SI integration	\$0.0	\$0.00	\$1,000.00	\$1,000.00	Nonrecurring	SGF
ITD: HDIS/DS integration	\$0.0	\$0.00	\$460.00	\$460.00	Nonrecurring	SGF
OHR	\$0.0	\$52.8	\$52.8	\$105.6	Recurring	SGF
OHR	\$0.0	\$59.6	\$59.6	\$119.2	Recurring	FF
OFH	\$0.0	\$82.4	\$82.4	\$164.8	Recurring	SGF
OFH	\$0.0	\$92.9	\$92.9	\$185.8	Recurring	FF
<b>Total SGF</b>	\$0.0	\$8,078.7	\$7,373.2	\$15,451.9	Recurring	SGF
<b>Total FF</b>	\$0.0	\$1,187.8	\$1,187.8	\$2,375.6	Recurring	FF
<b>Total SGF</b>	\$0.0	\$36,530.0	\$37,960.0	\$74,490.0	Nonrecurring	SGF

(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:

Senate Bill 190 (SB 190) amends the Health Care Authority Act to create the Homelessness Reduction Division within the department and provides for its duty to lead the state’s comprehensive efforts to reduce homelessness, including creating a statewide “homeless data integration system.” SB 190 creates a 16-member Interagency Homeless Reduction Task Force, most at the Cabinet level, and an 18-member Homelessness Reduction Advisory Council, both administratively attached to the Division. Appropriates \$1 million (GF) to the Health Care Authority Department (HCA) for FY26 to fund operations of the Division, Task Force and Advisory Council.

## FISCAL IMPLICATIONS

### The Health Care Authority creating the Homelessness Reduction Division:

The creation of the Homelessness Reduction Division within the Health Care Authority will require an estimated 47 additional FTEs totaling \$5,409,500 in personal services and employee benefits costs. Additional space to house the 47 FTEs would require an annual office lease expense of \$543,000. One-time furniture & fixture costs are estimated at \$705,500. Total projected costs for FY26 are \$6,658,000, and a recurring fiscal year cost of \$5,952,500 thereafter.

# of FTE	Range	Classification	Hourly	Salary	Benefits	Total
1	95	Director	59.1	123,400.0	40,700.0	164,100.0
1	90	Deputy Director	51.2	106,800.0	35,900.0	142,700.0
1	90	Deputy Director of Finance	51.2	106,800.0	35,900.0	142,700.0
1	LJ	General Counsel	65.1	135,900.0	44,300.0	180,200.0
5	75	Program Managers	38.5	401,500.0	141,500.0	543,000.0
3	80	Data & Research Specialists	42.7	267,400.0	92,500.0	359,900.0
4	70	Community & Outreach Coordinators	34.2	285,900.0	103,000.0	388,900.0
3	55	Administrative Assistants	23.8	149,300.0	63,500.0	212,800.0
1	IF	IT Systems Specialist	50.0	104,300.0	35,300.0	139,600.0
1	60	Public Relations	25.8	53,800.0	21,600.0	75,400.0
8	70	Regional Coordinators	34.2	571,800.0	206,000.0	777,800.0
12	70	Case Managers	34.2	857,700.0	309,100.0	1,166,800.0
3	70	Health & Behavioral Health Liaisons	34.2	214,400.0	77,300.0	291,700.0
3	75	Policy Analysts	38.5	240,900.0	84,800.0	325,700.0
47				3,619,900.0	1,291,400.0	4,911,300.0
		Operating Costs				498,200.0
		<b>Total Personnel Costs</b>				<b>5,409,500.0</b>
		Rent per FY				543,000.0
		Office Builds (Cubicles, Furniture)				705,500.0
		<b>Total Other Costs</b>				<b>1,248,500.0</b>
		<b>Sum</b>				<b>\$ 6,658,000.0</b>

**The Behavioral Health Services Division (BHSD)** within the Health Care Authority would need 2 FTE and 0.5 of a supervisor position. These positions would be assigned to collaborate with the Homelessness Reduction Division. Collaboration would be inclusive of the Supportive Housing programs we currently have at BHSD and the homelessness reduction advisory council to; reduce homelessness and unnecessary institutionalization with the goals of reducing and preventing

homelessness; improving health and human services outcomes for people experiencing homelessness; strengthening the safety nets that contribute to housing stability; and developing and achieving the goals of the statewide strategic homelessness reduction plan and initiatives provided for in Section 2 of this 2024 act. This would be a total of \$278,600 for salary, fringe, and administrative costs.

**Office of Human Resources requirements for New Homelessness Reduction Division:**

The creation of the Homelessness Reduction Division within the Health Care Authority will necessitate additional Office of Human Resources (OHR) support staff to facilitate the division's recruitment, classification and compensation needs. With the addition and creation of the division's new FTE and the additional FTE requested in support of the new division, OHR will need one (1) full-time HR Generalist III FTE to manage the additional workload of standing up the new division, creating the additional FTE, recruiting the newly created positions and to ensure this new division's org structure and staffing are maintained ongoing.

**Administrative Services Division requirements for New Homelessness Reduction Division:**

The creation of the Homelessness Reduction Division within the Health Care Authority will necessitate significant administrative services support to ensure effective operation and compliance with relevant fiscal and regulatory requirements. To accommodate this new division, the Administrative Services Division will require additional personnel resources, including a Budget Economist, Payroll Person, Accounts Payable staff, Grants Management Person, Contracts Person, Procurement Person, and administrative support. These roles are crucial for managing budgets, ensuring timely and accurate financial reporting, and overseeing procurement and compliance with grants and contracts. The division will also require an additional Finance Trainer to ensure that staff is equipped with the necessary knowledge to follow fiscal policies and processes. Operating costs, such as rent, office supplies, equipment, and the installation of new cubicles/workstations, will also be necessary to facilitate the smooth integration of this division. Furthermore, provisions for audit expenses will be essential for maintaining transparency and accountability. This expanded administrative support will be vital to ensure that the new division can meet its objectives effectively while adhering to fiscal and regulatory standards.

**Administrative Services Division requirements for New Division:**

Range	Classification	Hrly	Salary	Benefits	Total
60	Business Operations Specialist III-Admin	\$ 25.76	\$ 53,786.88	\$ 21,514.75	\$ 75,301.63
60	Accountants and Auditors III-AP	\$ 25.76	\$ 53,786.88	\$ 21,514.75	\$ 75,301.63
60	Accountants and Auditors III-Payroll	\$ 25.76	\$ 53,786.88	\$ 21,514.75	\$ 75,301.63
65	Purchasing Agents	\$ 29.99	\$ 62,619.12	\$ 25,047.65	\$ 87,666.77
70	Purchasing Agent-Contracts	\$ 29.99	\$ 62,619.12	\$ 25,047.65	\$ 87,666.77
75	Budget Economist O	\$ 38.46	\$ 80,304.48	\$ 32,121.79	\$ 112,426.27
75	Budget Economist O-Trainer	\$ 38.46	\$ 313,116.48	\$ 125,246.59	\$ 438,363.07
75	Financial Coordinator III-Grants	\$ 38.46	\$ 572,446.08	\$ 228,978.43	\$ 801,424.51
		<b>Total</b>	<b>\$ 1,252,465.92</b>	<b>\$ 500,986.37</b>	<b>\$ 1,753,452.29</b>
	Rent \$5K per employee				\$ 40,000.00
	Office Supplies, Equip, Etc.\$2,500 per employee				\$ 20,000.00
	Additional Cubicles \$5,000 per employee				\$ 40,000.00
	Audit \$100K				\$ 100,000.00
		<b>Total Other Costs</b>			<b>200,000.00</b>
				<b>Total Need</b>	<b>1,953,452.29</b>
				FF 53%	\$ 1,035,329.71
				GF	\$ 918,122.58

**Office of Fair Hearings:** The implementation of a Homelessness Reduction Division within the HCA would require the provision of an administrative hearing process consistent with NMAC 8.100.970.8(A). The Office of Fair Hearings would require two (2) FTEs (1 Management Analyst-Advanced (MA) and 1 Administrative Law Judge-Advanced (ALJ)) to manage the expected increase in appeals related to services and programs administered through a newly created Homelessness Reduction Division. ALJ position would be responsible for scheduling and conducting Fair Hearings, identification of facts and relevant regulations, and producing recommended or final decisions based on applicable law. The MA position would ensure that Fair Hearing requests are registered timely and accurately, including issue, representation, document dissemination, and jurisdiction. In addition to these positions, office space, supplies, and equipment expenses will also need to be considered. These positions would be critical to ensure the due process rights of all potential applicants and beneficiaries of programs administered through this Division.

**SIGNIFICANT ISSUES**

A New Mexico Supportive Housing Strategic Plan exists and intersects with objectives identified in Section 2.B.1. The New Mexico Supportive Housing Strategic Plan addresses the need for and promotion of supportive housing and support services to serve individuals experiencing homelessness with behavioral health, serious mental illness, substance use disorder and other disabilities. The current New Mexico Supportive Housing Strategic Plan (2024-2028) is the third iteration of a plan for New Mexico since its inception in 2007.

Housing New Mexico, formerly known as the Mortgage Finance Authority (MFA), developed an extensive strategic plan in 2021 to identify existing housing data, expand housing opportunities for all New Mexicans, and address statewide homelessness. <https://housingnm.org/the-new-mexico-housing-strategy> Housing New Mexico established a Housing New Mexico Advisory Committee that includes some of the stakeholders listed in the Homeless Reduction Advisory Council.

The New Mexico Supportive Housing Strategic Plan incorporates information from MFA's strategic plan and the Federal *All in* Strategic Plan (2022-2025) that was developed by the United States Interagency Council on Homelessness. <https://www.usich.gov/federal-strategic-plan/overview>

HCA/Behavioral Health Collaborative has an ad hoc subcommittee, the Housing Leadership Group (HLG), which has some of the stakeholders listed in the "Interagency Homelessness Reduction Task Force" in section 3A. The HLG is charged with focusing on the New Mexico Supportive Housing Strategic Plan.

ISD receives money from the State General Fund that is appropriated by House Bill 2 and funds are obligated into a service agreement with NM Mortgage Finance Authority (MFA) each fiscal year. The contract with MFA for SFY25 is \$1,215,700 and is used for the Emergency Homeless Assistance Program (EHAP) and Rental Assistance Program (RAP). Creating this new division could potentially mean that ISD would no longer manage this contract with MFA, and it would be managed by the newly established Homeless Reduction Division.

### **PERFORMANCE IMPLICATIONS**

See Fiscal Issues, Significant Issues and Administrative Implications

### **ADMINISTRATIVE IMPLICATIONS**

HCA/BHSD would need additional staff to assist the homeless reduction advisory council to develop and implement a statewide strategic homelessness reduction plan, incorporating the existing BHSD and MFA strategic plans into this single statewide plan. These new positions would be assigned to the homelessness reduction advisory council to reduce homelessness and unnecessary institutionalization with the goals of: reducing and preventing homelessness; improving health and human services outcomes for people experiencing homelessness; strengthening the safety nets that contribute to housing stability; and developing and achieving the goals of the statewide strategic homelessness reduction plan and initiatives provided for in Section 2 of this 2024 act.

BHSD will need to educate the new Homelessness Reduction Division on all existing and functional supportive housing assistance programs and services so that both divisions are in alignment with goals and objectives.

BHSD will have to collaborate with the Homelessness Reduction Division to align already established strategic plans, goals and objectives.

SB190 proposes the creation of a "statewide data system," also known as the "Homeless Data Integration System," (HDIS) which will collect local data from Homeless Management Information Systems (HMIS). HMIS is an information technology system currently used to gather client-level data and track the provision of housing and services for individuals and families at risk of or experiencing homelessness. It is a tool used by local entities that receive federal funds from the Department of Housing and Urban Development (HUD) to support homelessness reduction initiatives. Currently, the HMIS oversight is through a non-profit organization, the NM Coalition to End Homelessness, and not with a state agency. Additionally, HUD Continuum of Care (CoC)

funded services are designed to assist individuals (including unaccompanied youth) and families experiencing homelessness and provide the services needed to help such individuals move into transitional and permanent housing, with the goal of long-term stability. The NM Coalition to End Homelessness administers the CoC/HUD funding to providers statewide.

CoC/HUD funded programs to prevent and address homelessness follow a Coordinated Entry System process that is not required of state funded programs and providers. The data for the CoC/HUD funded programs is entered into HMIS, according to HUD’s standards. The Division and taskforces would have to work to determine alignment between state and federal data systems/sources and account for the definition and process variances.

At this time, BHSD utilizes NMStar to capture state funded supportive housing and housing assistance program data, and some local governments also utilize their own systems for data gathering.

Currently, no statewide interface exists to connect Medicaid and other health and human service data/information to local HMIS systems. The proposed data integration system would address this gap by providing a statewide IT solution to consolidate these separate systems. As no current system exists, there will need to be a review of each system in use and determine system requirements and data variables along with output reporting. The requirements component to design such a system is vital as programs based on fund source may define homelessness differently and would likely impact data collection standards across programs.

Using the Medicaid Management Information System Replacement (MMISR) Financial Services (FS) module as baseline comparison for establishing the HDIS as outlined in the bill, the cost for design, development, and implementation (DDI) is estimated to be approximately \$73,000,000.00. Integration with the System Integration Platform (SIP) will be approximately \$1,000,000.00, and integration with Data Services (DS), will be approximately \$460,000.00.

If we assume that selection of a vendor and establishment of a contract begins right away and will take several months, then we can estimate that half of the DDI cost would be incurred in SFY26 and the other half of DDI plus SIP and DS integration would occur in SFY27 or later, depending on how the timeline takes shape when requirements are understood.

To support the IT needs of the 50 additional FTE mentioned above, the cost would be approximately \$118,800.00 in FY26 for laptops, monitors, licenses, a multifunction print device, and network equipment in a new facility. The cost in FY27 would be approximately \$88,800.00. The above outlined expenses will result in IT related costs of \$36,618,800.00 in SFY 2026 and \$38,048,800.00 in SFY 2027. Furthermore, if the U.S. Department of Housing and Urban Development (HUD) does not provide any federal matching funds for states to perform IT-related work, then it is assumed that all costs associated with the IT systems will be from State General Funds (SGF).

The table below illustrates the breakdown of IT systems cost in the above narrative. The numbers are already included in the Operating Budget Impact table at the beginning of the analysis and are listed here for reference.

<b>IT Related Cost</b>	<b>SFY 2026</b>	<b>SFY 2027</b>
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HCA new business staff IT costs	\$75,000.00	\$75,000.00
Network equipment purchase	\$30,000.00	
Network equipment recurring	\$13,800.00	\$13,800.00
HDIS - DDI	\$36,500,000.00	\$36,500,000.00
HDIS/SI integration		\$1,000,000.00
HDIS/DS integration		\$460,000.00
<b>Total</b>	<b>\$36,618,800.00</b>	<b>\$38,048,800.00</b>

There will be ongoing annual maintenance and operations (M&O) costs for the HDIS system as well as FTE and facility related IT costs; while not in scope of the budget tables above, it is estimated that annual costs will be more than \$50,000,000.00.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

As written, it is unclear the role local housing departments and housing authorities (HUD funded CoC) will play in partnership or coordination with the Homelessness Reduction Division. Responsibilities assigned to HCA appear duplicative of the work they are already doing.

### **TECHNICAL ISSUES**

The bill refers to the “homeless data integration system” but the HMIS homeless management system already exists, and other state agencies such as HCA/BHSD, PED, etc. currently collect data on precariously housed, homeless, and the programs they manage to address homelessness.

“Homeless” should be replaced with “people experiencing homelessness or precariously housed, housing insecurity, housing instability” and or include a definition.

Define “persons experiencing homelessness”. HUD definitions do not align with state funded program definitions, as state funded programs tailored the definition to NM needs by inclusion of precariously housed.

Define “strengthening the safety nets that contribute to housing stability.”

BHSD is not identified as a part of the interagency homelessness reduction task Force. BHSD is only identified as part of the homeless reduction advisory council.

### **OTHER SUBSTANTIVE ISSUES**

The language in the bill should reflect more coordination between housing and the social services continuum available through HCA (E.g. Medicaid benefits and covered services).

- As written, it is unclear the role the local housing departments and housing authorities will have throughout NM. Some of this appears duplicative of the work they should already be doing.
- Language includes broad targets (i.e., decrease homelessness, unnecessary institutionalization, health and human service outcomes, safety nets) without actual definitions or sufficient explanatory language.
- HUD has created a robust HMIS (Homeless Management Information System) that has specific data collection standards. The system relies on data accuracy from federal, state, and local agencies and communities.



- Creating a statewide data system, or homeless data integration system, appears redundant and unnecessary.
- There are many software products on the market that communities across the country have chosen to use as their HMIS or comparable database. Each product has unique features and can be built to meet the different data needs of each community. These products must meet federal HMIS standards. Communities may elect to add data elements, add response categories, or maintain historical data element collection beyond what is specified in the Data Standards if it does not impact on the ability of the Continuum of Care to accurately collect and report on the required data elements.

## **ALTERNATIVES**

Status Quo

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

None

## **AMENDMENTS**

None