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FISCAL IMPACT REPORT

SPONSOR <u>Sen. Pope/Rep. Chávez</u>	LAST UPDATED _____
	ORIGINAL DATE <u>01/29/2024</u>
SHORT TITLE <u>Homelessness Reduction Division</u>	BILL NUMBER <u>Senate Bill 166</u>
	ANALYST <u>Chilton</u>

APPROPRIATION* (dollars in thousands)

FY24	FY25	Recurring or Nonrecurring	Fund Affected
	\$1,000.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Other agencies in task force and advisory board		\$100.0 to \$300.0	\$100.0 to \$300.0	\$200.0 to \$600.0	Recurring	General Fund
HCA Staff		\$1,278.6	\$1,278.6	\$2,557.2	Recurring	General Fund
HCA IT initial cost		\$2,674.0		\$2,674.0	Nonrecurring	General Fund
HCA IT System Maintenance			\$1,000.0	\$1,000.0	Recurring	General Fund
Total		\$5,052.0 to \$5,252.0	\$3,478.6 to \$3,678.6	\$6,421.2 to \$6,621.2		

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Agency Analysis Received From

Economic Development Department (EDD)

Indian Affairs Department (IAD)

Health Care Authority (HCA)

Veterans' Services Department (VSD)

Children, Youth and Families Department (CYFD)

Corrections Department (NMCD)

Agency Analysis was Solicited but Not Received From

Department of Workforce Solutions (WSD)

Department of Finance and Administration (DFA)

Public Education Department (PED)
Higher Education Department (HED)

Because of the short timeframe between the introduction of this bill and its first hearing, LFC has yet to receive analysis from state, education, or judicial agencies. This analysis could be updated if that analysis is received.

SUMMARY

Synopsis of Senate Bill 166

Senate Bill 166 appropriates \$1 million from the (general fund to the Health Care Authority for the purpose of funding a new division of HCA dedicated to reducing homelessness, an interagency homelessness reduction taskforce, and a homelessness reduction advisory council.

The division's tasks, as set forth in the bill, would include:

- Developing a homelessness reduction plan to decrease homelessness and unnecessary institutionalization, improving health outcomes and strengthening safety nets that lead to housing stability;
- Creating an online data system to collect available data and integrate the activities of programs affecting homelessness;
- Specify data elements needed in the data system;
- Identify resources for prevention and amelioration of homelessness;
- Coordinate activities of state agencies related to homelessness;
- Advocate for people experiencing homelessness; and
- Collaborate with agencies and groups working to end homelessness in New Mexico, including the advisory committee.

Information in the homeless data collection system would be subject to federal law, but individuals' personal data would not be discoverable through the Inspection of Public Records Act.

The task force would be composed of 15 representatives of state departments and agencies, as well as the chair of the advisory council, to be described below. Its functions, as laid out in the bill would include:

- Recommend policies and regulations to accomplish the goals and objectives of the state homelessness reduction plan and to accomplish results and ensure accountability;
- Determine resources needed;
- Promote interagency collaboration to further the statewide plan.

The task force would report on efforts each year, beginning October 1, 2024, to the governor, an interim committee, to the homelessness reduction division itself, and the Legislative Finance Committee.

The homelessness reduction advisory committee would make recommendations to the division director and the taskforce on preventing homelessness and unnecessary institutionalization, improving service for people experiencing homelessness, strengthening safety nets, and developing the strategic homelessness reduction plan. It would be composed of:

- Three members who had experienced homelessness and perhaps also incarceration;
- One member with a disability or disabilities;
- One member of a statewide behavioral health advocacy organization;
- One member of a statewide housing advocacy organization;
- Two members of continuing care organizations;
- Three members representing regional or local government;
- One member representing victims of domestic violence; and
- Four members representing agencies serving people experiencing homelessness.

The advisory council would receive mileage and per diem payments.

The effective date of this bill is July 1, 2024.

FISCAL IMPLICATIONS

The appropriation of \$1 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY25 shall revert to the general fund.

The largest load for beginning and continuing the new division would fall to its parent agency, HCA, both for information technology and for staff. HCA comments on its expected costs as follows:

HCA/BHSD would need 2 FTE and .5 of a supervisor position to assist the homeless reduction advisory council to develop and implement a statewide strategic homelessness reduction plan, incorporating the Mortgage Finance Authority and BHSD's strategic plans. This position 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. This would be a total of \$278,600 for salary, fringe, and administrative costs.

SB166 calls for the creation of a "statewide data system, which shall be known as the "homeless data integration system", to collect local data through homeless management information systems so as to match data on homelessness to programs affecting homeless recipients of state programs." The bill also states that "all continuums of care in the state shall provide collected data elements, including health information, consistent with federal law" to the data integration system. The bill does not specify any other details regarding the integration system. The Automated System Program and Eligibility Network (ASPEN) does homeless status of HCA customers. An interface from ASPEN to the data integration system and associated dashboard capabilities is estimated to cost \$2,674,000 to build and would take approximately one year to complete. Work on this initiative could not start until state fiscal year 2025. In addition, it is estimated that information technology (IT) infrastructure software licensing costs and "continuum of care" interfaces would be incurred to host and maintain the data integration system. Until detailed requirements of the system could be gathered, it is not possible to forecast an

accurate cost however these infrastructure related costs will likely exceed \$1,000,000 per year.

VSD, EDD, IAD and NMCD do not expect there to be fiscal implications for those departments.

CYFD notes that, “As CYFD already participates in multiple task forces whose aim is the reduction of homelessness (e.g., Youth Homelessness Demonstration Project), participation in this task force will be duplicative, and cannot necessarily be absorbed by existing resources.”

SIGNIFICANT ISSUES

Homelessness affects all parts of the United States in many ways. Homeless people themselves are exposed to violence, to extreme weather, to inadequate diets, to pressure to use substances, to disease, and to exacerbations of mental health disorders. The housed are exposed to the unsightliness and human misery associated with homelessness, and the tourist industry is decreased because of worries about the unsightliness and possible violence. For example, the Albuquerque Historical Society canceled its tours of downtown Albuquerque due to the homelessness seen on the streets downtown and its effects on tourists. Businesspeople, as mentioned by EDD, suffer when potential patrons fail to enter their establishments due to encountering persons facing homelessness on the streets outside.

VSD points to national data regarding homelessness among veterans: “Veterans comprise 10.6 percent of all homeless in the U.S. and are twice as likely to become homeless versus those who did not serve in the military.”

HCA makes note of some of the facts of homelessness in New Mexico, as far as estimates of the phenomenon can be made from available data:

The 2023 Point in Time Count (PIT) states that 3,842 New Mexicans were homeless in 2023 with 1,600 people experiencing unsheltered homelessness. 1,600 of these were unsheltered homelessness, but this count may not be an accurate count due to environmental and other factors, and does not count “couch surfing”, overcrowding in a family residence etc. Precariously housed (not included in PIT data) and “hidden homelessness” put the state’s homeless population at between 15 thousand and 20 thousand people.

<https://www.petedinelli.com/2023/10/09/2023-point-in-time-count-of-homeless-finds-3842-unhoused-in-new-mexico-2394-unhoused-in-albuquerque-83-increase-from-last-year-city-spends-millions-a-year-as-homelessness-increases/>

Between 2022 and 2023, homelessness increased by 48% (1,250).

<https://endhomelessness.org/homelessness-in-america/homelessness-statistics/state-of-homelessness/>

The New Mexico Coalition to End Homelessness (NMCEH) estimates that at least 6,500 homeless persons are not receiving the assistance they need to successfully exit homelessness.

According to the state’s school districts, 9,000 New Mexico children were homeless during the 2019-2020 academic year.

https://housingnm.org/uploads/documents/Homlessness_and_Special_Needs_Housing_Research_Brief.pdf

Housing instability and homelessness disproportionately impact persons with a disability, mental illness, and/or substance use disorder.

[https://www.naccho.org/blog/articles/homelessness-among-individuals-with-disabilities-influential-factors-and-scalable-solutions#:~:text=Point%2Din%2Dtime%20counts%20\(,health%20and%20For%20substance%20abuse](https://www.naccho.org/blog/articles/homelessness-among-individuals-with-disabilities-influential-factors-and-scalable-solutions#:~:text=Point%2Din%2Dtime%20counts%20(,health%20and%20For%20substance%20abuse)

A 2022 study identified a shortage of 32 thousand to 40 thousand rental units for very low-income renters. <https://housingnm.org/about-mfa/news/mfa-2022-annual-report-highlights-impact-of-collaboration-in-addressing-housing-crisis#:~:text=That%20study%20found%20that%20there,their%20income%20on%20housing%20costs>.

Per the National Alliance on Mental Illness (NAMI), stable housing can often be a barrier to wellness for individuals who suffer from behavioral health concerns. Housing that is affordable, supports individuals with the correct level of independence, that meets physical needs, and is discrimination free is key to sustainable recovery. Creating a centralized Housing Department could increase access to housing that meets the needs of those with behavioral health concerns.

<https://www.nami.org/Your-Journey/Individuals-with-Mental-Illness/Finding-Stable-Housing>

TECHNICAL ISSUES

NMCD points out that “The proposed legislation requires the homelessness reduction division and the interagency homelessness reduction task force to implement a plan and initiatives that are directed at decreasing unnecessary institutionalization. This conflicts with the Criminal Sentencing Authority, NMSA 1978, Section 31-18-15 that grants discretion to the Courts in determining necessary institutionalization of criminal defendants. Changing the language to ‘decreasing homelessness and **preventing** institutionalization’ would cure this conflict.”

HCA makes the following recommendations:

The bill refers to "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 people existing homelessness.

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

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 homeless reduction advisory council.

ALTERNATIVES

The task force's members are laid out in the bill, but there is no member of a group of young persons who have suffered homelessness [They are included in the advisory council]. CYFD would recommend "inclusion on the task force of older youth in fostering connections (over 18) as CYFD has independent living and supportive housing to alleviate homelessness. CYFD also recommends inclusion of a representative from the Nations/Pueblos/Tribes." The advisory council proposed does include individuals between 16 and 25 years of age.

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