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**FISCAL IMPACT REPORT**

SPONSOR:	Varela	DATE TYPED:	02/07/00	HB	313
SHORT TITLE:	Wage and Transportation Costs Comparison			SB	
				ANALYST:	Valdes

**APPROPRIATION**

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	\$ 125.0			Non-Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to NA

**SOURCES OF INFORMATION**

State Highway and Transportation Department (SHTD)

## **SUMMARY**

### Synopsis of Bill

The bill requires SHTD to conduct a comparative analysis of hourly wages and transportation costs for New Mexico Works program participants who have been placed in entry level jobs. The purpose of the bill is to gather information that will allow the Human Services Department and the Department of Labor to determine the level of transportation assistance these participants need in order to move from welfare to work.

### Significant Issues

The lack of transportation is one of the two greatest barriers to people who are moving from welfare to work. Because entry-level wages are often low (around \$6.00 per hour), New Mexico Works participants who find a full-time job may not be able to afford the cost of private

transportation. The American Automobile Association estimates the cost to own and operate a compact car is \$0.39 per mile. By comparing entry-level wages to private and public transportation costs, the state could realistically set the level of transportation assistance and the time period needed by New Mexico Works participants.

## **FISCAL IMPLICATIONS**

This bill provides a General Fund appropriation in the amount of \$125.0 to conduct this study. The predominant state revenue source appropriated for SHTD operations is the State Road Fund. Additionally, the Transportation Division receives significant federal funding. Consideration could be given to appropriate

funds for transportation-related studies from the State Road Fund.

### **ADMINISTRATIVE IMPLICATIONS**

The department stated that no additional positions would be needed to conduct this study. The work would be done through a professional services contract.

### **OTHER SUBSTANTIVE ISSUES**

According to SHTD, if this study is not done, the state will not have any hard data which matches participants income to transportation costs. The Human Services Department and Department of Labor will continue providing transportation assistance for TANF adults and Welfare-to-Work participants, but they will not know whether the level of assistance or the time period it is offered adequately addresses the problem.

MV/sb