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FISCAL IMPACT REPORT

SPONSOR: J.P. Taylor DATE TYPED: 02/06/03 HB 122/aHCPAC
 SHORT TITLE: Amend New Mexico Works Act SB _____
 ANALYST: Maloy

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
		See Narrative-Significant			

SOURCES OF INFORMATION

Responses Received From
 Human Services Department /Income Support Division

SUMMARY

Synopsis of HCPAC Amendment

The House Consumer and Public Affairs Committee amendment to House Bill 122:

Adds “*Extending the Life of the Welfare Reform Oversight Committee*” to the title section of the bill on page 1, line 11; and

Adds the following new section on page 1, between lines 14 and 15:

"Section 1. Section 2-17-1 NMSA 1978 (being Laws 1998, Chapter 8, Section 21 and Laws 1998, Chapter 9, Section 21) is amended to read:

"2-17-1. WELFARE REFORM OVERSIGHT COMMITTEE CREATED--TERMINATION.--The joint interim legislative "welfare reform oversight committee" is created. The committee shall function from the date of its appointment until December 15 prior to the first session of the [~~forty-sixth~~] forty-ninth legislature.""

The amendment also renumbers the succeeding sections accordingly.

Synopsis of Original Bill

House Bill 122 amends to the New Mexico Works Act (NMWA) and provisions for New Mexico's Temporary Assistance for Needy Families (TANF) Program. The bill includes an emergency clause.

The proposed amendments include:

- a) Permitting a child age 18 to 21 years old to continue to receive TANF cash assistance as long as the child is enrolled in school and is receiving special education services regulated by the state board of education;
- b) Adding a definition of "vehicle" for the purpose of excluding certain vehicles from consideration as a resource subject to the non-liquid resource limit in the NMWA;
- c) Excluding any vehicle (with the exception of "recreational vehicles) used for transportation of the family to or from employment, or other daily living activities, from consideration as a resource when determining the non-liquid resources held by the family;
- d) Adding the requirement that vehicles, as defined, owned by the benefit group cannot be considered in determining the resources attributed to the \$2,000 non-liquid resource limit;
- e) Continuing TANF cash assistance based on hardship definitions after the 60-month time limit if the adult or minor head of household has an application for supplemental security income (SSI) pending or on appeal, and the adult or minor head of household also identifies valid conditions for continuing the cash assistance because of hardship. Conditions justifying a hardship extension include:
 - i. a determination that the individual is either temporarily or completely disabled and unable to engage in work activities, or
 - ii. the individual was granted a waiver from work requirements of the TANF/NMW cash assistance program in the 24-month period preceding the month in which the individual reaches his or her 60-month time limit;
- f) Allowing HSD the flexibility to further define conditions, in addition to those required by the NMWA, for determining who qualifies for cash assistance based on hardship after the 60-month time limit is reached; and
- g) Prohibiting sanctioning through a reduction in TANF/NMW cash assistance payments to adult members in the benefit group for failure to report that a dependent child is not attending school.

Significant Issues

These changes can likely be accomplished within the budget. However, funds must be shifted by legislative appropriation to the appropriate TANF budget categories.

1. The proposed changes are the result of on-going discussions between the New Mexico Center on Law and Poverty and the Lutheran Office of Governmental Ministry. The amendments were presented to the Welfare Reform Oversight Committee in late 2002. At that time, the HSD did not oppose, or otherwise object to, the amendments.
2. TANF/NMW regulations will be simplified with the adoption of the amendments relating to vehicles. With the proposed changes, TANF requirements will be consistent with the Food Stamp Program requirements.
3. The amendments will expand eligibility for some families / individuals, but will limit eligibility for others, particularly those seeking a hardship extension.

FISCAL IMPLICATIONS

These changes can likely be accomplished within the budget. However, funds must be shifted by legislative appropriation to the appropriate TANF budget categories. The costs to be covered within existing budgets are as follows:

- a) The provision to allow a child age 18-21 to continue to receive TANF cash assistance as long as the child is enrolled in school and is receiving special education services is expected to affect 170 cases at a cost of approximately \$285.9 to the general fund.
- b) The provision to expand eligibility for TANF/NMW cash assistance by excluding the value of vehicles used for transportation of the family from consideration as a resource when determining non-liquid resources is expected to result in 250 additional eligible families at a projected cost of \$975.0 to the TANF block grant.
- c) The provision to place additional conditions for extension of the SSI hardship definition to reduce the number of cases extended for hardship by an estimated 25 would result in a savings to the program of \$97.5.
- d) The cost for computer enhancement of ISD2 to facilitate implementation of these provisions is expected to be \$50.0 in non-recurring costs to the general fund.

Initially, there will be a administrative costs relating to the promulgation of rules and in employee and public education. These costs are included in the base staff and budget resources.

OTHER SUBSTANTIVE ISSUES

1. There are assurances that children with special needs are not excluded from the benefit group upon reaching age eighteen (18) because they have not graduated from high school. Children with special-needs will be able to continue to receive cash assistance

through 21 years of age. It is estimated that there about 170 special needs children state-wide who receive TANF cash assistance and will be able to continue to participate in the NMW program.

2. With regard to the provisions to place additional conditions for extension of the SSI hardship definition and the continuation of benefits past 60 months, HSD records clearly demonstrate that a large percentage of adults commonly apply for an extension of their SSI in the 60th month when no disability or hardship can be shown.

SJM/prr