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## FISCAL IMPACT REPORT

SPONSOR O'Neill ORIGINAL DATE 01/28/21  
LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_  
SHORT TITLE Extended Unemployment Benefits SB 52  
ANALYST Bachechi

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

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NFI	NFI	NFI	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Federal Laws on Unemployment

### **SOURCES OF INFORMATION**

LFC Files

#### Responses Received From

Workforce Solutions Department (WSD)

### **SUMMARY**

#### Synopsis of Bill

Senate Bill 52 amends Section 51-1-48 NMSA 1978 regarding unemployment compensation. Specifically, the bill proposes a deletion of specific language in Paragraph 4 of Subsection B and Paragraph 4 (b) of Subsection B which prohibit the state from triggering seven additional weeks of extended benefits in periods of high unemployment.

This bill was initiated by the Workforce Solutions Department to bring New Mexico law into conformity with the U.S. Department of Labor rules and regulations.

There is no effective date of this bill. It is assumed that the effective date is 90 days following adjournment of the Legislature.

### **FISCAL IMPLICATIONS**

Modification to the existing UI Tax and Claims System to include the High Unemployment Period (HUP) will need to be made and may require additional developer support to ensure any associated timelines are met. However, WSD reports no additional operating costs and plans to offset the system transition costs with other ongoing projects currently in process.

**SIGNIFICANT ISSUES**

In order to be compliant with U.S. Department of Labor regulations concerning when extended benefits can be triggered, the current statute must be amended to strike language that restricts the activation of extended benefits. The proposed language allows extended benefit to go into effect in periods of high unemployment anytime the criteria are met after the effective date of the legislation.

Failure to adopt this legislation will impact federal funding for extended benefits for the state unemployment program.

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

New Mexico will continue to be out of compliance with federal rule regarding extended benefits. This would prevent thousands of New Mexicans from receiving additional weeks of extended benefits.

CLB/al