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SENATE BILL 327

43RD LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 1998

INTRODUCED BY

JOHN ARTHUR SMITH

AN ACT

RELATING TO PUBLIC ASSISTANCE; CREATING A WAGE SUBSIDY PROGRAM
FOR CERTAIN AREAS; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SUBSIDIZED EMPLOYMENT. --

A. The human services department may apply for a food stamp waiver from the United States department of agriculture to operate a wage subsidy pilot program.

B. Upon securing a food stamp waiver, the human services department shall develop a wage subsidy program. The human services department shall select areas with an unemployment rate of ten percent or greater to participate in the wage subsidy program.

C. The wage subsidy program shall include the following requirements:

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1 (1) participating employers shall hire
2 temporary assistance for needy families eligible participants
3 who receive cash assistance and food stamps for subsidized job
4 slots that are full time and that offer a reasonable
5 possibility of unsubsidized employment after the subsidy
6 period;

7 (2) participating employers shall receive a
8 subsidy for up to six months. The human services department
9 may grant an extension of three months to employers operating
10 in areas identified as having a higher unemployment rate than
11 the state average, as defined by the human services
12 department, if the extension increases the likelihood of
13 ongoing unsubsidized employment for the subsidized employee;

14 (3) subsidized employees shall not be
15 required to work in excess of forty hours per week;

16 (4) subsidized employees shall be paid a wage
17 that is substantially like the wage paid for similar jobs with
18 the employer with appropriate adjustments for experience and
19 training but not less than the federal minimum hourly wage;

20 (5) subsidized employment does not impair an
21 existing contract or collective bargaining agreement;

22 (6) subsidized employment does not displace
23 currently employed workers or fill positions that are vacant
24 due to a layoff;

25 (7) wage subsidy employers shall:

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1 (a) maintain health, safety and working
2 conditions at or above levels generally acceptable in the
3 industry and not less than those of comparable jobs offered by
4 the employer;

5 (b) provide on-the-job training
6 necessary for subsidized employees to perform their duties;

7 (c) sign an agreement for each
8 placement outlining the specific job offered to a subsidized
9 employee and agree to abide by all of the requirements of the
10 program;

11 (d) provide workers' compensation
12 coverage for each subsidized employee; and

13 (e) provide the subsidized employee
14 with benefits equal to those for new employees or as required
15 by state and federal law, whichever is greater;

16 (8) the human services department shall make
17 a determination of whether a participant is eligible to be a
18 subsidized employee that includes the following criteria:

19 (a) sufficient work experience to
20 obtain unsubsidized employment;

21 (b) completion of an employment
22 preparation program; or

23 (c) benefit from this employment
24 strategy by the department;

25 (9) a disregard of income earned by the

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1 subsidized employee in the subsidized job shall be applied in
2 the eligibility determination for services;

3 (10) the human services department shall
4 suspend regular payments of cash assistance and food stamps to
5 the benefit group for the calendar month in which an employer
6 makes the first subsidized wage payment to a subsidized
7 employee who is otherwise eligible for cash assistance and
8 food stamps;

9 (11) the human services department shall pay
10 employers each month, from cash assistance and food stamps,
11 the lesser of a fixed subsidy amount determined by the human
12 services department or the gross wages paid to the subsidized
13 employee;

14 (12) a subsidized employee shall be eligible
15 for supplemental payments if the net monthly full-time wage
16 paid to the subsidized employee is less than the combined
17 monthly total of the cash assistance and food stamps the
18 participant is eligible to receive. The human services
19 department shall authorize issuance of a supplemental cash
20 payment to compensate for the deficit. To determine if a
21 deficit exists, the human services department shall adopt an
22 equivalency scale that is adjustable to household size and
23 other factors; and

24 (13) the human services department shall
25 determine monthly and pay in advance supplemental payments to

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1 eligible subsidized employees. In calculating the payment,
2 the human services department shall assume that the subsidized
3 employee will work forty hours per week during the month
4 unless an employer provides information that the number of
5 hours to be worked by the subsidized employee will be reduced.

6 D. For the purposes of this section, "benefits"
7 includes health care coverage, paid sick leave and holiday and
8 vacation pay.

9 E. For the purposes of this section, "subsidized
10 employee" means a participant engaged in a subsidized
11 employment activity.

12 F. For the purposes of this section, "net monthly
13 full-time wage" means a subsidized employees' s wages after the
14 required payroll deductions.

15 Section 2. APPROPRIATION. --Two million dollars
16 (\$2,000,000) is appropriated from the general fund to the
17 human services department for expenditure in fiscal year 1999
18 for the purpose of funding a wage subsidy program for
19 temporary assistance for needy families eligible persons who
20 reside in areas with an unemployment rate of ten percent or
21 greater.

22 Any unexpended or unencumbered balance remaining at the
23 end of fiscal year 1999 shall revert to the general fund.

1 FORTY-THIRD LEGISLATURE
2 SECOND SESSION, 1998
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6 February 5, 1998
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8 Mr. President:
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10 Your COMMITTEES' COMMITTEE, to whom has been referred
11

12 SENATE BILL 327
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14 has had it under consideration and finds same to be GERMANE, in
15 accordance with constitutional provisions, and thence referred to the
16 PUBLIC AFFAIRS COMMITTEE.
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19 Respectfully submitted,
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Manny M. Aragon, Chairman

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(Chief Clerk)

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Date _____

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