

AN ACT

RELATING TO PUBLIC ASSISTANCE; EXTENDING THE EFFECTIVE DATE OF THE NEW MEXICO WORKS SUBSIDIZED EMPLOYMENT PILOT PROJECT.

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

Section 1. Section 27-2B-19 NMSA 1978 (being Laws 1998, Chapter 8, Section 19 and Laws 1998, Chapter 9, Section 19) is amended to read:

"27-2B-19. PILOT PROJECT--SUBSIDIZED EMPLOYMENT.--

A. The department shall 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 department shall develop a wage subsidy pilot program to run from February 18, 1998 until July 1, 2002. The department shall select a class A county, a class B county with a valuation under three hundred million dollars (\$300,000,000), a class B county with a valuation over three hundred million dollars (\$300,000,000), a class C county and a first class county as sites for the wage subsidy pilot program.

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

(1) participating employers shall hire participants who receive cash assistance and food stamps for subsidized job slots that are full time and that offer a reasonable possibility of unsubsidized employment after the subsidy period;

(2) participating employers shall receive a subsidy for up to six months. The department may grant an

extension of three months to employers operating in areas identified as having a higher unemployment rate than the state average, as defined by the department, if the extension increases the likelihood of ongoing unsubsidized employment for the subsidized employee;

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

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

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

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

(7) wage subsidy employers shall:

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

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

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

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

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

(8) the department shall determine whether a participant is eligible to be a subsidized employee by establishing:

(a) that the participant has sufficient work experience to obtain unsubsidized employment;

(b) that the participant has completed an employment preparation program; or

(c) that the department or participant may benefit from this employment strategy;

(9) a disregard of income earned by the subsidized employee in the subsidized job shall be applied in the eligibility determination for services;

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

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

(12) a subsidized employee shall be eligible for supplemental payments if the net monthly full-time wage paid to the subsidized employee is less than the combined monthly total of the cash assistance and food

stamps the participant is eligible to receive. The department shall authorize issuance of a supplemental cash payment to compensate for the deficit. To determine if a deficit exists, the department shall adopt an equivalency scale that is adjustable to household size and other factors; and

(13) the department shall determine monthly and pay in advance supplemental payments to eligible subsidized employees. In calculating the payment, the department shall assume that the subsidized employee will work forty hours per week during the month unless an employer provides information that the number of hours to be worked by the subsidized employee will be reduced.

D. Prior to the second session of the forty-fifth legislature the department shall report the results of the wage subsidy pilot program to the appropriate legislative interim committee.

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

F. For the purposes of this section, "subsidized employee" means a participant engaged in a subsidized employment activity.

G. For the purposes of this section, "net monthly full-time wage" means a subsidized employees' wages after the required payroll deductions." \_\_\_\_\_