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FISCAL IMPACT REPORT

SPONSOR:	Vickers	DATE TYPED:	02/07/00	HB	242
SHORT TITLE:	Changing the Exemption of Certain Unearned			SB	
Income				ANALYST:	Taylor\Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00		
		See Narrative		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to SB 375

SOURCES OF INFORMATION

LFC Files

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

HB 242 amends a section of the NM WORKS Act by changing the exemption of certain unearned income. The amended bill excludes foster care and adoption payments in determining cash assistance for the New Mexico WORKS (NMW) program only if the child for whom the payment is received is not included in the NMW grant.

Section 27-2B-7 C is amended to take into consideration the unearned income of children under age 18 in the determination of a cash payment in the NMW program. The bill would continue to exclude the earned income of children under the age of 18 in the determination of the cash payment.

Significant Issues

Currently in the NMW program, persons who are receiving SSI, Tribal TANF, BIA general assistance or adoption subsidies are ineligible to participate in NMW program. State statute does not prohibit children for whom foster care or adoption payments are received from participating in the NMW program. Therefore, these children continue to be eligible for NMW. However, the amendment provides for foster care and adoption payments to be considered in determining the cash payment if the child is included in the grant. If the child is not included in the grant, the foster care or adoption payments are excluded in determining the cash payment.

HB 242 also accounts for the unearned income of children under the age of 18 in determining the cash payment for NMW. HB 242 continues to exclude the earned income of these children.

FISCAL IMPLICATIONS

Some TANF grants will be reduced because of the consideration of the aforementioned unearned income in the determination of the cash payment. HSD did not provide and impact statement.

ADMINISTRATIVE IMPLICATIONS

According to the Human Services Department the amendment will simplify the determination of eligibility in the NMW cash assistance program and the Food Stamp Program by aligning program rules pertaining to the consideration of unearned income.

WST:BD/gm