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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
54th Legislature, 1st Session, 2019

Bill Number	<u>SB119/aSPAC</u>	Sponsor	<u>Woods</u>
Tracking Number	<u>.211285.1</u>	Committee Referrals	<u>SPAC/SFC</u>
Short Title	<u>New Mexico Works Act Changes</u>		
Analyst	<u>Rogne</u>	Original Date	<u>1/28/2019</u>
		Last Updated	<u>2/5/2019</u>

BILL SUMMARY

Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment to SB119 (SB119/aSPAC) fixes a technical issue by removing the word “complete” and replacing it with “permanent,” so that the clause reads “temporary or permanent disability” to mirror prior language in SB119.

Synopsis of Original Bill

Senate Bill 119 (SB119) would amend and create new sections of the New Mexico Works Act primarily relating to work participation requirements for recipients of Temporary Assistance for Needy Families (TANF) program benefits, such as cash or childcare assistance, as well as exemptions from work requirements. The New Mexico Works Act stipulates that program participants exempt from work requirements may be subject to participation requirements; SB119 would amend participation requirements to be individualized and limited to substance abuse services, mental health services, domestic violence services, pursuit of disability benefits, job readiness or education directly related to employment. SB119 would create a new section of the New Mexico Works Act to promulgate specified performance measures for use in evaluating program participation outcomes, and require the Human Services Department (HSD) to publish evaluations of these outcomes. SB119 would also require HSD to establish rules to measure the effectiveness of supports and to impose sanctions on contractor participants that fail to meet HSD outcome requirements.

FISCAL IMPACT

The bill appropriates \$1 million from the general fund to HSD for expenditure in FY20 to fund the employment retention and advancement bonus incentive program for eligible current and former TANF recipients. Any unexpended or unencumbered balance remaining at the end of FY20 shall revert to the general fund.

According to HSD, the appropriation in SB119/aSPAC does not include funding for administrative costs for HSD to program the system to determine eligibility for the employment and advancement

bonus incentive program, reimplementation of required notices, or re-implementing the excess hours disregard; HSD estimates that implementing these provisions would cost \$375 thousand. HSD also notes that SB119/aSPAC has no appropriation tied to the new language regarding performance and outcome measurements.

SUBSTANTIVE ISSUES

The New Mexico Works Act stipulates that HSD require adults who receive program benefits, such as cash or childcare assistance, engage in a work activity unless they have a condition that exempts them from work requirements; however, participants exempt from the work requirement may be subject to participation requirements.

SB119/aSPAC would amend the New Mexico Works Act to limit participation requirements that are specific to the participant's condition or circumstances and provides that these participation requirements are individualized and limited to substance abuse services, mental health services, domestic violence services, pursuit of disability benefits, job readiness or education directly related to employment. SB119/aSPAC would also amend the New Mexico Works Act so HSD cannot require a participant to work more than four hours per week over the work requirement rate set by federal law (changing "may" to "shall") in addition to other technical changes. HSD notes that, SB119/aSPAC would strike language to reintroduce the excess hours disregard for individuals who have received less than 24 months of their 60 months lifetime limit who have employment. According to HSD, the re-implementation of excess hours disregard reduces the individual's countable income and will increase the number of individuals eligible for TANF and potentially increase the individual's benefit amount.

Finally, SB119/aSPAC would add a new section of the New Mexico Works Act requiring the HSD secretary to adopt and promulgate rules to establish performance measures and participation outcomes for participants both exempt and not exempt from work requirements by December 31, 2019. SB119/aSPAC would require the secretary of HSD to publish any evaluation of work participation outcomes on the HSD website and the sunshine portal. SB119/aSPAC would also require the HSD secretary to establish outcome measures and sanctions for participating contractors that do not meet HSD outcome requirements.

HSD notes that SB119/aSPAC proposes to implement the employment retention and advancement bonus incentive with the general fund. According to HSD, this will remove these individuals from the New Mexico TANF work participation rate, thus decreasing the percentage of individuals who are meeting the work participation rate. When the employment retention and advancement bonus incentive program was originally implemented, the TANF caseload increased by 614 cases across HSD, on average. HSD anticipates SB119/aSPAC will have a similar effect on the TANF caseload in FY20 should the incentive program be re-implemented.

ADMINISTRATIVE IMPLICATIONS

According to the Workforce Solutions Department (WSD), SB119/aSPAC aligns with specific performance requirements and goals outlined in the Workforce Innovation Opportunity Act (WIOA) and supports statewide efforts to coordinate and align workforce development activities across state agencies. Additionally, the WSD already maintains the necessary case management system needed to track participants referred by HSD, the services provided, and also maintains all of the wage data for the state.

TECHNICAL ISSUES

HSD notes that Section 3 of SB119/aSPAC is not clear as to whether the performance measures are for the entire New Mexico Works program or only those participants in the employment retention and advancement bonus incentive program. If the former, Section 3 should not be part of SB119/aSPAC as it would encompass a larger population than the one addressed by the bill. If the latter, then SB119/aSPAC will need to be amended to pare down the performance measures in Section 3 to only those measurements that will be applicable to the employment retention and advancement bonus incentive program recipients.

SOURCES OF INFORMATION

- LESC Files
- Workforce Solutions Department (WSD)
- Human Services Department (HSD)

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