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FISCAL IMPACT REPORT

ORIGINAL DATE 1/30/16
 LAST UPDATED 2/11/16

SPONSOR Ezzell / Wooley HB 205/aHBEIC/aHBEC

SHORT TITLE Vocational Rehabilitation Act SB _____

ANALYST Klundt/Daly

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Workforce Solutions Department (WSD)
 Public Education Department (PED)
 New Mexico School for the Blind and Visually Impaired (NMSBVI)
 NM Commission for the Blind (CB)

SUMMARY

Synopsis of HBEC Amendment

The House Business and Employment Committee amendment to HB 205 directs DVR to identify the designated state agency to administer the independent living services program and work to execute the transition for FY 18, in collaboration with the state independent living council and through the state plan for independent living.

The CB points out that this amendment does not require but could result in moving independent living from DVR, which move would interfere with the leveraging federal funds. According to CB, if the program remains with DVR, it may be possible for DVR to use Social Security Reimbursement “program income” to fund independent living, allowing general fund funding for vocational rehabilitation services, thus increasing funding for both programs.

Synopsis of HGEIC Amendment

The House Government, Elections, & Indian Affairs Committee amendment amends the definitions of “person with a disability” and “vocational rehabilitation.” The amendment also amends Section 6 to provide that “[a]n opportunity for a fair hearing” shall be provided; rather, than “a fair hearing.”

HB 205a strikes Section 14, which transferred certain functions of the School for the Blind and Visually Impaired, and renumbered all of the rest of the paragraphs, accordingly.

Synopsis of Bill

House Bill 205 moves the Division of Vocational Rehabilitation (DVR) from the Public Education Department (PED) to the Workforce Solutions Department (WSD). The bill makes technical changes to align existing statute with the move of the division and moves some provisions relating to the Commission for the Blind to the appropriate sections of the NMSA. The bill further provides for the transfer appropriations, personnel and property of DVR to WSD.

FISCAL IMPLICATIONS

HB 205 transfers appropriations, personnel, and property of DVR to WSD. WSD notes that it may be necessary to consolidate the DVR's budget into the overall agency budget in the future to eliminate potential administrative duplication.

SIGNIFICANT ISSUES

HGEIC Amendment Significant Issues

The Commission for the Blind reports the HGEIC amendment resolves concerns raised by the Commission previously, see Technical Issues.

Original Bill Significant Issues

The Rehabilitation Act of 1973 (“Act”) was the first major legislative effort to secure an equal playing field for individuals with disabilities. The Act provides a wide range of services for persons with physical and cognitive disabilities. Those disabilities can create significant barriers to full and continued employment, the pursuit of independent living, self-determination, and inclusion in American society. The Rehabilitation Act has been amended twice since its inception, once in 1993 and again in 1998. The Division of Vocational Rehabilitation is the state agency charged with carrying out the provisions of the Rehabilitation Act.

In 2014, the federal government enacted the Workforce Innovation Opportunity Act (WIOA), which is intended to assist job seekers and workers access employment, education, training, and support services to succeed in the labor market and match employers with skilled workers they need to compete in the global economy. The major focuses of WIOA are:

- An alignment of Federal Investments to Support Job Seekers and Employers
- To help employers find workers with skills necessary to meet business needs
- To align goals and increase accountability and information for job seekers and the public
- To foster regional collaboration to meet the needs of regional economies
- To targets workforce services to better serve job seekers
- To improve services to individuals with disabilities
- Support access to services

PED and WSD believe these focus areas align WSD and DVR responsibilities. Additionally, WSD also states the agency may be able to provide efficiencies for by having the ability to assign DVR staff to regional workforce offices to support clients during the intake process. WSD currently operates a statewide network of more than 20 offices, many of which are located in the same locales as DVR offices.

OTHER SUBSTANTIVE ISSUES

NMSBVI reports if Section 14 is struck from this bill, Section 25 will repeal 22-14-20 thus removing NMSBVI from Vocational Rehabilitation. NMSBVI also reports by removing Section 14 of HB 205 NMSBVI would be required to dismantle an integrated ECC program (B-21) and remove the career funding and services related to 18-21 year olds.

The New Mexico School for the Blind and Visually Impaired serves students from birth through graduation from high school at the age of 18 or, upon completion of the student's IEP (Individualized Education Plan) between 18 and 21. Although some of its students are older than 18 at the time services are delivered, the students are receiving school services from NMSBVI under an individualized education plan (IEP) these are not adult services.

NMSBVI does not receive any federal or state vocational education funding. Funding is through the LGPF and is specific to the education of students who are blind/visually impaired.

TECHNICAL ISSUES

The Commission for the Blind reports HB 205 does not track the current federal Rehabilitation Act. The commission also states the bill do not reflect the state Commission for the Blind Act. The Commission for the Blind was created pursuant to the federal Rehabilitation Act, including its implementing regulations at 34 CFR 361.13(a)(3). Suggested changes are included in the recommended amendments section to better align HB 205 with The Commission for the Blind Act and the federal regulations at 34 CFR 361.13(a)(3).

Section 14 is likely based on transfers that took place 40 or 45 years ago, and should be deleted.

AMENDMENTS

NMSBVI requests amending HB 205 by striking Section 14.

The Commission for the Blind recommends the following amendments:

Delete from the preamble of HB 205 the clause that reads: "MOVING CERTAIN PROVISIONS PERTAINING TO THE BLIND TO CHAPTER 28 NMSA 1978."

Add the following sentence to Section 5, either at the end of Paragraph B, or in a new Paragraph C:

"As set forth in the Commission for the Blind Act, the commission for the blind is the sole State agency to administer the part of the plan under which vocational rehabilitation services are provided for individuals who are blind."

Delete Section 14.

Replace the language of Section 2 Paragraph E with, “Person with a disability means an individual who has a physical or mental impairment, whose impairment constitutes, or results in a substantial impediment to employment, and who can benefit in terms of an employment outcome from the provision of vocational rehabilitation services.”

Replace the language of Section 2 Paragraph F with, “Vocational rehabilitation means services provided pursuant to the Vocational Rehabilitation Act of 1973, as amended.”

KK/jo/al