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FISCAL IMPACT REPORT

SPONSOR Sanchez LAST UPDATED _____
ORIGINAL DATE 2/7/2025
BILL _____
SHORT TITLE Unemployment & Emergencies & Disasters NUMBER House Bill 249
ANALYST Garcia

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
WSD	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact	Recurring	Other state funds

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files
U.S. Department of Labor

Agency Analysis Received From
Workforce Solutions Department (WSD)
Economic Development Department (EDD)

Agency Analysis was Solicited but Not Received From
Homeland Security
Department of Finance and Administration (DFA)

Because of the short timeframe between the introduction of this bill and its first hearing, LFC has yet to receive analysis from state, education, or judicial agencies. This analysis could be updated if that analysis is received.

SUMMARY

Synopsis of House Bill 249

House Bill 249 would amend Section 51-1-5 NMSA 1978 that outlines benefit eligibility conditions for unemployment insurance (UI) benefits such that Secretary of the Workforce Solutions Department (WSD) can waive the one-week waiting period typically required in statute in the event of a federal or state emergency disaster declaration.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

FISCAL IMPLICATIONS

WSD reports no fiscal impact to the bill because it does not change the maximum amount or duration of UI benefits; it simply allows the WSD secretary the authority to waive the waiting week period and start benefits sooner for standard UI claimants in the event of state disasters and emergencies.

SIGNIFICANT ISSUES

Currently, the UI benefit waiting week is waived for claimants who do not qualify for standard unemployment benefits and are therefore eligible for benefit under the federal Disaster Unemployment Assistance (DUA) Program. DUA is a federal program that provides temporary benefits to individuals whose employment has been lost or interrupted as a direct result of a major disaster but who are ineligible for regular unemployment insurance. The U.S. Department of Labor oversees DUA, and the program is administered by state UI agencies (WSD in New Mexico). The waiting week is not waived if the claimant only qualifies for standard UI benefits and has experienced unemployment as a result of a disaster or emergency.

WSD reports the bill will correct “unfairness” within the existing UI benefit system to allow the secretary to waive the waiting week requirement for standard UI claims in the case of state or federal declarations of disasters or emergencies. WSD reports “this will put the standard UI claimants on even footing with federal DUA claimants” and allow for uniformity between the program for claimants similarly affected by state and federal disasters and emergencies, regardless of the benefit for which the claimant is eligible.

WSD reports the waiver of the waiting week will not impact the duration nor the total amount of benefits paid to the claimant.

ADMINISTRATIVE IMPLICATIONS

WSD reports the unemployment insurance IT system will need to be modified to allow the WSD Secretary to approve the waiver for specific disaster-related claims. WSD reports this system update can be built into the ordinary course of system improvements.

RMG/rl