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### FISCAL IMPACT REPORT

SPONSOR:	Taylor, J.G.	DATE TYPED:	02/15/00	HB	CS/360/aHAFC
SHORT TITLE:	Education Works Act			SB	
				ANALYST:	Taylor\Dunbar

### APPROPRIATION

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

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates SB 313/CS

### SOURCES OF INFORMATION

LFC files

Human Services Department (HSD)

## **SUMMARY**

### Synopsis of HAFC Amendment

The amendment deletes the \$2,000.0 by removing the language referencing "making an appropriation" (page 1, line 2) and deleting Section 10, which contained the appropriation amount. The amendment tracks with budget proposed in Senate Bill 2. The \$2,000.0 is included in Senate Bill 2.

### Synopsis of Bill

The bill appropriates \$2,000.0 to the Human Services Department (HSD) to create a state funded only program that provides cash assistance to needy families with parents attending post-secondary schools. The program rules duplicate the NM WORKS program rules with respect to Definitions; Application processing, Financial Standard of Need, Resources, Ineligibility criteria and Fair Hearing-Review and Appeal. A new eligibility requirement section is constructed which states that:

- Participant may not already have a bachelor's degree.
- Participant must already be accepted or be eligible to enroll in a two or four post-secondary degree program.
- Participant possesses the ability to succeed in the chosen program.
- The degree will improve the individual's ability to engage in full-time employment.

The bill precludes recipients of the Education Works program from receiving benefits under the TANF program. With certain hardship exceptions, participation in educational programs is limited to two years. Only one degree may be earned under the program.

### Significant Issues

The bill provides an opportunity for participants to obtain a post secondary education while receiving cash assistance and therefore increasing their opportunity for a successful transition from welfare to work. The department estimates that up to 440 families could be eligible under the program in a given year. HSD has acknowledged support for this program.

Education Works expenditures can be counted in meeting the state's Maintenance of Effort requirement.

Section 5, sub-section C 9 changes the age of the income of children from 18 to 17. In order for this bill to track with SB 375 the word unearned income needs to be struck and the age of children restored to 18.

### **FISCAL IMPLICATIONS**

HSD will require about \$150.0 to reprogram the automated eligibility system. The department expresses the need for additional positions to handle an increase in caseload. However, the eligibility requirements for this program are the same as for the TANF program, except for the eligibility criteria defined above, therefore the caseload should not significantly increase.

### **ADMINISTRATIVE IMPLICATIONS**

The bill calls for HSD to determine eligibility based on its assessment of a person's ability to succeed in the educational program selected by the participant. Presumably this responsibility will fall on the TANF contractors who currently conduct assessments, and place individuals in allowable work activities.

It may be important for HSD to establish standards for assessing whether a person can succeed in this program.

### **CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP**

Duplicates HB 360/CS. HB 2 contains an appropriation for the Education Works program.

## AMENDMENTS

The Human Services Department proposed several amendments to the bill. An alternative to the proposed HSD amendments is to collapse several amendments into one and achieve the same results. The following is the amendment.

**Delete the text of Sections 3, 5, 6, 7, 8 and insert the following language as Section 3:**

Requirements of the New Mexico Works Act set forth under the following sections shall apply to the Education Works Act:

Section 27-2B-4 NMSA 1978

Section 27-2B-7 NMSA 1978

Section 27-2B-8 NMSA 1978

Section 27-2B-11 NMSA 1978

Section 27-2B-13 NMSA 1978

**HSD request in Section 4 that the text in Sub-Section D be deleted and replaced with the following text:**

"D. In the 24 months during which participants may receive education works, a participant must enroll for and attend classes totaling at least 12 hours per semester or it equivalency. If the participant is approaching graduation and fewer than 12 hours are required to graduate, a participant may enroll for fewer than 12 hours, but must engage in one or more of the work activities identified in the NM WORKS Act in Section 27-2B-5 NMSA 1978, sufficient to bring the hours of school and work to 20 hours per week. Hours of

school shall included clock hours of class and study time of 11/2 hours for each hour of class time.

**HSD request that under Section 4 delete the text in Sub-Section E and replace it with the following text:**

"E. If a recipient does not attend summer school full-time based on the standard of the school or program, the participant shall engage in supplemental work activities sufficient to bring total weekly hours or participation to twenty hours per week. Hours of school shall include clock hours of class time and study time of 11/2 hours for each hour of class time. Work activities shall consist of one or more of the activities authorize under the NM WORKS Act in Section 17-2B-5 NMSA 1978.

**Change Section 9 to Section 5.**

HSD is proposing to raise the grade point average from 2.0 to 3.0 as a measure of satisfactory performance

Advocates are opposing the proposed change for the following reasons:

- The TANF population consist of single mothers who have many barriers to employment, e.g., inadequate transportation, poor study skills, unavailability of child care during evening hours.
- Some TANF families according to the department are involved in domestic violence situations.
- To continue to receive a lottery scholarship, a grade point average of only 2.5 is required.

BD/prr