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FISCAL IMPACT REPORT

SPONSOR Martinez DATE TYPED 2/16/04 HB _____

SHORT TITLE Non-Work Related Injury Disability Insurance SB SJM 76

ANALYST Collard

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
			See Narrative		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Labor Department (NMDOL)

Workers' Compensation Administration (WCA)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 76 requests NMDOL to conduct a feasibility study to develop a state disability insurance program for non-work-related illness or injury.

Significant Issues

NMDOL indicates this study requires knowledge of insurance law, which is not within the ability of NMDOL employees. The General Services Department (GSD) Risk Management Division or the Insurance Commissioner is better situated to conduct this survey. NMDOL employees are not familiar with state insurance laws, which is a specialized legal area.

FISCAL IMPLICATIONS

NMDOL indicates the department would have to hire an additional employee to research and coordinate with the Insurance Commission and GSD to develop a plan, at an annualized cost of approximately \$75 thousand. Current operating budgets from federal funding streams are all program-specific, and may not be used for the purpose of implementing the joint memorial.

TECHNICAL ISSUES

NMDOL recommends moving the study to GSD, in coordination with the Insurance Commission.

OTHER SUBSTANTIVE ISSUES

WCA notes the memorial does not specify whether the program is to be mandatory or permissive. If mandatory, it may have to factor in union negotiations and issues of employee acceptance.

KBC/dm