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## FISCAL IMPACT REPORT

SPONSOR Rawson DATE TYPED 3/1/2005 HB \_\_\_\_\_

SHORT TITLE Unemployment Benefits for Military Relocation SB 920

ANALYST Dunbar

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	Minimal				

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
	(\$416.0)		Recurring	UI Trust Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

- Department of Military Affairs (DMA)
- Department of Labor (DOL)
- Department of Veterans Services (DVS)
- New Mexico Department of Corrections (NMDC)

### SUMMARY

#### Synopsis of Bill

Senate Bill 920 amends section 51-1-7 NMSA 1978 to prohibit denial of Unemployment Insurance Benefits for a person who voluntarily left work because a spouse who is in the United States Military or New Mexico National Guard received permanent change of station orders, activation orders, or unit deployment orders.

Significant Issues

This legislation would modify the current Unemployment Insurance (UI) structure and would increase the availability of benefits to those individuals who are not currently eligible for benefits. The proposed bill would make eligible for UI benefits certain workers who voluntarily quit their employment to follow a military spouse who has been transferred to a new location.

DVS notes that if a member of the military receives orders to transfer, the spouse has to quit, not by choice of their own. This sometimes causes undue hardship with the loss of income until such time as the spouse can find employment at a new location. This bill would allow for an income stream until the spouse is re-employed.

**FISCAL IMPLICATIONS**

The DOL projects the additional costs to the UI Trust fund will be approximately \$400 thousand per year. The fund currently has a balance of \$572 million dollars.

The DOL estimates that the implementation costs for voluntary quit due to the relocation of a military spouse will be minimal:

Required Modification to UI System and Call Center	\$2,256.00
Training Expenses	\$1,000.00
TOTAL	\$3,256.00

**OTHER SUBSTANTIVE ISSUES**

NMCD is concerned that some military personnel are relocated to places where a spouse may not join them, ie; a combat area. In that case, a spouse would not need to relocate.

The NMCD indicates that because this bill does not make the distinction, a military member could be sent to a combat theater and the spouse may simply voluntarily terminate employment, move to another state, and continue to receive unemployment insurance benefits.

**BD/lg**