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FISCAL IMPACT REPORT

ORIGINAL DATE 2/07/07
 LAST UPDATED 2/14/07 **HB** _____

SPONSOR Rodriguez

SHORT TITLE Reasonable Accommodation Revolving Fund **SB** 413/aSPAC

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$200.0	Non-recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)
 State Personnel Office
 Governor's Commission on Disability
 Commission for Deaf and Hard-of-Hearing Persons
 Public Education Department(PED)

SUMMARY

Synopsis of SPAC Amendment to Senate Bill 413

1. The amendment broadens the use of the revolving fund to include current as well as new state employees.
2. A new section is inserted.
 - "Section 2. ADVISORY REVIEW.--The governor's commission on disability shall serve as an advisory review board and shall establish application procedures, adopt policies and provide technical assistance to the users of the reasonable accommodation revolving fund."

Synopsis of Original Bill

Senate Bill 413 appropriates \$200 thousand from the general fund to the Governor's Commission on Disability to provide for a reasonable accommodation revolving fund that would

finance unanticipated reasonable accommodations made by a state agency that hires a new employee who has a disability. The fund is administered by the governor's commission on disability. Purchases for reasonable accommodations are exempt from the provisions of the Procurement Code. An agency that receives disbursement from the fund shall reimburse the fund for the disbursement as soon as fiscally appropriate but not longer than by the end of the second fiscal year after the fiscal year in which the funds were disbursed.

FISCAL IMPLICATIONS

The appropriation of \$200 thousand contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of Fiscal Year 2008 shall not revert to the general fund.

SIGNIFICANT ISSUES

The Governor's Commission on Disability relates there are many people with disabilities who are good candidates for state positions. A disability should not be a barrier to finding employment in state government. Although most reasonable accommodations are not expensive, there are small agencies that may not have sufficient budget to provide some reasonable accommodations. This fund would allow an agency to borrow funds necessary for reasonable accommodations and then repay the "advance" after the next budget cycle.

DFA adds that employers are not obligated to provide an accommodation that would create a "undue hardship" for the employer. Undue hardship is defined as an action requiring significant difficulty or expense when considered in light of factors such as an employer's size, financial resources, and the nature and structure of its operation. An employer is not required to lower quality or production standards to make an accommodation; nor is an employer obligated to provide personal use items such as glasses or hearing aids.

ALTERNATIVES

If an agency is required to provide an accommodation for a new employee, funds for such a purpose should be available through an existing Board of Finance loan procedure. Unless this situation arises frequently it appears this existing loan procedure would be adequate to meet the demand without the complication of creating a second source.

If a revolving fund is created for this purpose consideration may be given to using the State Personnel Office rather than the Governor's Commission on Disability. SPO should have more immediate information regarding the need of the individual applicants during the hiring process. In addition, SPO is a larger agency with greater administrative capacity to absorb the work load.

MW/mt:csd