

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 1/28/09

SPONSOR Garcia, M. P. LAST UPDATED _____ HB 87

SHORT TITLE Public Assistance Applicant Employer Info SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	None		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$78.0		\$78.0	Non-Rec	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Human Services Department (HSD)

SUMMARY

Synopsis of Bill

House Bill 87 would add a new section to the Public Assistance Act requiring applicants, if employed, to include the name and address of their employer on the application for assistance furnished by the Human Services Department (HSD).

FISCAL IMPLICATIONS

HSD identified \$78 thousand in administrative costs to meet the bill requirements:

While HB 87 does not require reports, HSD assumes this information would be collected for reporting purposes. Costly IT system modifications to the automated eligibility system (ISD2) would be needed if ISD2 is to produce disaggregate reports on this information. These changes are estimated to cost \$48,000. It is unlikely that HSD could

make all of the necessary changes to the forms, to the ISD2 system, and have the proper reviews completed in time to begin collecting the information by the beginning of the fiscal year.

The ISD2 system provides the ability to collect employer name and address information (up to 9 entries) for all benefit recipients. The employer information must be manually entered for every program that the applicant applies for even if they are applying for all programs at the same time. This is due to the functionality of the ISD2 mainframe system, which is over twenty years old. The employer information is not currently required information to be collected by the field. To ensure that the data is accurately and consistently captured on all recipients ISD2 would need to be modified to make employer data a required field for the caseworkers to complete. The cost impact would be \$30,000.

SIGNIFICANT ISSUES

House Bill 87 is silent regarding consequences for applicant's failure to provide or to provide inadequate employer information; and if the HSD would be held responsible for verifying accuracy.

The bill does not specify for what purposes the information is to be collected.

HSD indicates that the data collection methodology suggested in HB 87 utilizes client provided information from the application form and entered into HSD's ISD2 system. Currently ISD2 does not capture employer information to the level of accuracy or specificity needed for creating accurate or comprehensive reports. Employers may have several locations and certain franchise employers may be individually owned and operated which would skew the accuracy of the report. HSD would also need to establish a standardized process for entering and recording employer information to minimize inaccuracies.

ADMINISTRATIVE IMPLICATIONS

HB 87 would add administrative costs for HSD: all forms would have to be redesigned and some modifications to ISD2 would be required. See fiscal implications for a more detail discussion of anticipated costs. The collection of specific employment information to avoid data duplication or in situations where employers may have several locations and certain franchise employers may be individually owned and operated complicates the data collection and data reporting for certain recipients.

BE/svb