

1 SENATE HEALTH AND PUBLIC AFFAIRS COMMITTEE SUBSTITUTE FOR  
2 SENATE BILL 189

3 **57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025**

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10 AN ACT

11 RELATING TO PUBLIC ASSISTANCE; EXPANDING PATHS TO WORK  
12 READINESS FOR PUBLIC ASSISTANCE PROGRAMS.

13  
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

15 SECTION 1. Section 27-2B-4 NMSA 1978 (being Laws 1998,  
16 Chapter 8, Section 4 and Laws 1998, Chapter 9, Section 4, as  
17 amended) is amended to read:

18 "27-2B-4. APPLICATION--RESOURCE PLANNING SESSION--  
19 INDIVIDUAL RESPONSIBILITY PLANS--PARTICIPATION AGREEMENT--  
20 REVIEW PERIODS.--

21 A. Application for cash assistance or services  
22 shall be made to the department. The application shall be in  
23 writing or reduced to writing in the manner and on the form  
24 prescribed by the department. The application shall be made  
25 under oath by an applicant having custody of or residing with a

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1 dependent child who is a benefit group member and shall contain  
2 a statement of the age of the child, residence, a complete  
3 statement of the amount of property in which the applicant has  
4 an interest, a statement of all income that the applicant and  
5 other benefit group members have at the time of the filing of  
6 the application and other information required by the  
7 department.

8 B. The department shall assist an applicant in  
9 completing the application for cash assistance or services and  
10 shall evaluate an applicant to determine eligibility for all  
11 department programs for which the applicant is eligible. The  
12 department shall process all expedited [~~food-stamp~~]  
13 supplemental nutrition assistance program benefit applications  
14 within two business days of submission, and the department  
15 shall deliver expedited [~~food-stamps~~] supplemental nutrition  
16 assistance program benefits to an eligible applicant within  
17 seven days of the application.

18 C. At the time of application for cash assistance  
19 and services, an applicant and the department shall identify  
20 everyone who is to be counted in the benefit group. Once an  
21 application is approved, the participant shall advise the  
22 department if there are any changes in the membership of the  
23 benefit group.

24 D. No later than thirty days after an application  
25 is filed, the department shall provide to an applicant a

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1 resource planning session to ascertain the applicant's  
 2 immediate needs, assess financial and nonfinancial options,  
 3 make referrals and act on the application.

4 E. No later than five days after an application is  
 5 approved, the department shall provide reimbursement for child  
 6 care.

7 F. Whenever the department receives an application  
 8 for assistance, a verification and record of the applicant's  
 9 circumstances shall promptly be made to ascertain the facts  
 10 supporting the application and to obtain other information  
 11 required by the department. The verification may include a  
 12 visit to the home of the applicant, as long as the department  
 13 gives adequate prior notice of the visit to the applicant.

14 G. No later than fifteen days after an application  
 15 is approved, the department shall assess the education, skills,  
 16 prior work experience and employability of the participant.

17 H. After the initial assessment of skills, the  
 18 department shall work with the participant to develop an  
 19 individual responsibility plan that:

20 (1) sets forth an employment goal for the  
 21 participant and a plan for moving the participant into  
 22 employment;

23 (2) sets forth obligations of the participant  
 24 that may include a requirement that the participant attend  
 25 school, maintain certain grades and attendance, keep the

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1 participant's school-age children in school, immunize the  
2 participant's children or engage in other activities that will  
3 help the participant become and remain employed;

4 (3) is designed to the greatest extent  
5 possible to move the participant into whatever employment the  
6 participant is capable of handling and to provide additional  
7 services as necessary to increase the responsibility and amount  
8 of work the participant will handle over time;

9 (4) describes the services the department may  
10 provide so that the participant may obtain and keep employment;  
11 and

12 (5) may require the participant to participate  
13 in appropriate services, such as substance abuse, domestic  
14 violence or mental health services.

15 I. The participant and the department shall sign  
16 the participant's individual responsibility plan. The  
17 department shall not allow a participant to decline to  
18 participate in developing an individual responsibility plan.  
19 The department shall not waive the requirement that a  
20 participant develop an individual responsibility plan. The  
21 department shall emphasize the importance of the individual  
22 responsibility plan to the participant.

23 J. If a participant does not develop an individual  
24 responsibility plan, refuses to sign an individual  
25 responsibility plan or refuses to attend semiannual reviews of

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1 an individual responsibility plan, the participant shall be  
 2 required to enter into a conciliation process pursuant to  
 3 Subsection C of Section 27-2B-14 NMSA 1978. If the participant  
 4 persists in noncompliance with the individual responsibility  
 5 plan process after the conciliation process, the participant  
 6 shall be subject to sanctions pursuant to Section 27-2B-14 NMSA  
 7 1978.

8 K. The participant shall also sign a participation  
 9 agreement that designates the number of hours that the  
 10 participant must participate in work activities to meet  
 11 participation standards.

12 L. The department shall review the current  
 13 financial eligibility of a benefit group when the department  
 14 reviews [~~food stamp~~] supplemental nutrition assistance program  
 15 eligibility.

16 M. The department shall meet semiannually with a  
 17 participant to review and revise the participant's individual  
 18 responsibility plan.

19 N. The department shall develop a complaint  
 20 procedure to address issues pertinent to the delivery of  
 21 services and other issues relating to a participant's  
 22 individual responsibility plan."

23 **SECTION 2.** Section 27-2B-7 NMSA 1978 (being Laws 1998,  
 24 Chapter 8, Section 7 and Laws 1998, Chapter 9, Section 7, as  
 25 amended) is amended to read:

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1 "27-2B-7. FINANCIAL STANDARD OF NEED.--

2 A. The secretary shall adopt a financial standard  
3 of need based upon the availability of federal and state funds  
4 and based upon appropriations by the legislature of the  
5 available federal temporary assistance for needy families grant  
6 made pursuant to the federal act in the following categories:

- 7 (1) cash assistance;  
8 (2) child care services;  
9 (3) other services; and  
10 (4) administrative costs.

11 The legislature shall determine the actual percentage of  
12 each category to be used annually of the federal temporary  
13 assistance for needy families grant made pursuant to the  
14 federal act. Within the New Mexico works program, the  
15 department may provide cash assistance or services to specific  
16 categories of benefit groups from general funds appropriated to  
17 cash assistance or services. The department may exclude these  
18 funds from temporary assistance for needy families maintenance  
19 of effort. The department shall identify alternative state  
20 spending to claim as maintenance of effort and make necessary  
21 arrangements to allow reporting of that spending.

22 B. The following income sources are exempt from the  
23 gross income test, the net income test and the cash payment  
24 calculation:

- 25 (1) medicaid;

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1                   (2) [~~food stamps~~] supplemental nutrition  
2 assistance program benefits;

3                   (3) government-subsidized foster care payments  
4 if the child for whom the payment is received is also excluded  
5 from the benefit group;

6                   (4) supplemental security income;

7                   (5) government-subsidized housing or housing  
8 payments;

9                   (6) federally excluded income;

10                  (7) educational payments made directly to an  
11 educational institution;

12                  (8) government-subsidized child care;

13                  (9) earned income that belongs to a person  
14 seventeen years of age or younger who is not the head of  
15 household;

16                  (10) child support passed through to the  
17 participant by the child support enforcement division of the  
18 department in the following amounts:

19                         (a) fifty dollars (\$50.00) per month  
20 through December 31, 2008; and

21                         (b) no later than January 1, 2009, a  
22 minimum of one hundred dollars (\$100) for one child and two  
23 hundred dollars (\$200) for two or more children as based on the  
24 availability of state or federal funds;

25                  (11) earned income deposited in an individual

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1 development account by a member of the benefit group or money  
2 received as matching funds for allowable uses by the owner of  
3 the individual development account pursuant to the Individual  
4 Development Account Act; and

5 (12) other income sources as determined by the  
6 department.

7 C. The total countable gross earned and unearned  
8 income of the benefit group cannot exceed eighty-five percent  
9 of the federal poverty guidelines for the size of the benefit  
10 group.

11 D. For a benefit group to be eligible to  
12 participate:

13 (1) gross countable income that belongs to the  
14 benefit group must not exceed eighty-five percent of the  
15 federal poverty guidelines for the size of the benefit group;  
16 and

17 (2) net countable income that belongs to the  
18 benefit group must not equal or exceed the financial standard  
19 of need after applying the disregards set out in Paragraphs (1)  
20 through (4) of Subsection E of this section.

21 E. Subject to the availability of state and federal  
22 funds, the department shall determine the cash payment of the  
23 benefit group by applying the following disregards to the  
24 benefit group's earned income and then subtracting that amount  
25 from the benefit group's financial standard of need:

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1                   (1) no less than one hundred twenty-five  
 2 dollars (\$125) of monthly earned income and one-half of the  
 3 remainder, or for a two-parent family, no less than two hundred  
 4 twenty-five dollars (\$225) of monthly earned income and one-  
 5 half of the remainder for each parent;

6                   (2) monthly payments made for child care at a  
 7 maximum of two hundred dollars (\$200) for a child under two  
 8 years of age and at a maximum of one hundred seventy-five  
 9 dollars (\$175) for a child two years of age or older;

10                   (3) costs of self-employment income; and

11                   (4) business expenses.

12                   F. In addition to the disregards specified in  
 13 Subsection E of this section, and between June 28, 2007 and  
 14 June 30, 2008, or until implementation of the employment  
 15 retention and advancement bonus program described in Subsection  
 16 G of this section, the department shall apply the following  
 17 income disregards to the benefit group's earned income and then  
 18 subtract that amount from the benefit group's financial  
 19 standard of need:

20                   (1) for the first two years of receiving cash  
 21 assistance or services, if a participant works over the work  
 22 requirement rate set by the department pursuant to the New  
 23 Mexico Works Act, one hundred percent of the income earned by  
 24 the participant beyond that rate; and

25                   (2) for the first two years of receiving cash

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1 assistance or services, for a two-parent benefit group in which  
2 one parent works more than thirty-five hours per week and the  
3 other works more than twenty-four hours per week, one hundred  
4 percent of income earned by each participant beyond the work  
5 requirement rate set by the department.

6 G. No later than July 1, 2008, New Mexico  
7 employment incentives shall be as follows:

8 (1) the department shall implement an  
9 employment retention and advancement bonus program based on  
10 availability of state or federal funds that includes financial  
11 incentives to encourage a participant to:

12 (a) leave the New Mexico works program  
13 and move into an employment retention and advancement bonus  
14 incentive program;

15 (b) maintain a minimum of thirty hours  
16 per week employment; and

17 (c) leave the employment retention and  
18 advancement bonus incentive program due to increased earnings  
19 above the income eligibility standard and continue employment;

20 (2) the employment retention and advancement  
21 bonus incentive program shall provide a cash bonus and  
22 employment services to a former participant who, upon  
23 application:

24 (a) is currently engaged in paid work  
25 for a minimum of thirty hours per week;

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1 (b) has received cash assistance for at  
2 least three months and one of the last three months;

3 (c) has had a gross income of less than  
4 one hundred fifty percent of the federal poverty guidelines;  
5 and

6 (d) has participated in the employment  
7 retention and advancement bonus incentive program for no longer  
8 than eighteen months;

9 (3) for continued eligibility in the  
10 employment retention and advancement bonus incentive program, a  
11 participant shall:

12 (a) be engaged in paid work for thirty  
13 hours per week for at least one of the past three months;

14 (b) be engaged in paid work for thirty  
15 hours per week for at least four of the past six months;

16 (c) have had gross income less than one  
17 hundred fifty percent of the federal poverty guidelines; and

18 (d) have participated in the program no  
19 more than eighteen months;

20 (4) the department shall provide employment  
21 services to assist participants in gaining access to available  
22 work supports, maintain employment and advance to higher-paying  
23 employment; and

24 (5) the department shall:

25 (a) establish the amount of bonus to be

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1 paid to participants in the employment retention and  
2 advancement bonus program based on availability of state and  
3 federal funds;

4 (b) propose rules to implement the  
5 employment retention and advancement bonus incentive program of  
6 this subsection no later than January 1, 2008; and

7 (c) begin implementation of the  
8 employment retention and advancement bonus incentive program of  
9 this subsection no later than July 1, 2008.

10 H. The department may recover overpayments of cash  
11 assistance on a monthly basis not to exceed fifteen percent of  
12 the financial standard of need applicable to the benefit group.

13 I. Based upon the availability of funds and in  
14 accordance with the federal act, the secretary may establish a  
15 separate temporary assistance for needy families cash  
16 assistance program that may waive certain New Mexico Works Act  
17 requirements due to a specific situation.

18 J. Subject to the availability of state and federal  
19 funds, the department may limit the eligibility of benefit  
20 groups that are eligible because a legal guardian is not  
21 included in the benefit group."

22 **SECTION 3.** Section 27-2B-8 NMSA 1978 (being Laws 1998,  
23 Chapter 8, Section 8 and Laws 1998, Chapter 9, Section 8, as  
24 amended) is amended to read:

25 "27-2B-8. RESOURCES.--

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1           A. Liquid and nonliquid resources owned by the  
 2 benefit group shall be counted in the eligibility  
 3 determination.

4           B. A benefit group may at a maximum own the  
 5 following resources:

6                   (1) [~~two thousand dollars (\$2,000)~~] fifteen  
 7 thousand dollars (\$15,000) in nonliquid resources;

8                   (2) [~~one thousand five hundred dollars~~  
 9 ~~(\$1,500)~~] fifteen thousand dollars (\$15,000) in liquid  
 10 resources, excluding funds deposited in an individual  
 11 development account established pursuant to the Individual  
 12 Development Account Act or a qualified tuition program, as  
 13 defined in Section 529 of the Internal Revenue Code of 1986;

14                   (3) the value of the principal residence of  
 15 the participant;

16                   (4) the value of burial plots and funeral  
 17 contracts for family members; and

18                   (5) the value of work-related equipment up to  
 19 one thousand dollars (\$1,000).

20           C. Vehicles owned by the benefit group shall not be  
 21 considered in the determination of resources attributed to the  
 22 benefit group."

23           SECTION 4. Section 27-2B-14 NMSA 1978 (being Laws 1998,  
 24 Chapter 8, Section 14 and Laws 1998, Chapter 9, Section 14, as  
 25 amended by Laws 2003, Chapter 311, Section 5 and Laws 2003,

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1 Chapter 432, Section 5) is amended to read:

2 "27-2B-14. SANCTIONS.--

3 A. The department shall sanction a member of a  
4 benefit group for noncompliance with work requirements or child  
5 support requirements.

6 B. The sanction shall be applied at the following  
7 levels:

8 (1) twenty-five percent reduction of cash  
9 assistance for the first occurrence of noncompliance;

10 (2) fifty percent reduction of cash assistance  
11 for the second occurrence of noncompliance; and

12 (3) [~~termination of cash assistance and~~  
13 ~~ineligibility to reapply for six months~~] for the third  
14 occurrence of noncompliance, the adult household member who  
15 failed to comply shall be removed from the benefit group for up  
16 to three months or until the adult household member complies.  
17 If the adult household member does not comply by the end of the  
18 third month, the cash assistance shall terminate for the entire  
19 household until the adult household member complies.

20 C. Prior to imposing [~~the first~~] any new sanction,  
21 if the department determines that a participant is not  
22 complying with the work participation requirement or child  
23 support requirements, the participant shall be required to  
24 enter into a conciliation process established by the department  
25 to address the noncompliance and to identify good cause for

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1 noncompliance or barriers to compliance. For each new instance  
 2 of noncompliance, the conciliation process shall occur [~~only~~  
 3 ~~once~~] prior to the imposition of [~~the~~] a new sanction. The  
 4 participant shall have ten working days from the date a  
 5 conciliation notice is mailed to contact the department to  
 6 initiate the conciliation process. A participant who fails to  
 7 initiate the conciliation process shall have a notice of  
 8 adverse action mailed to [~~him~~] the participant after the tenth  
 9 working day following the date on which the conciliation notice  
 10 is mailed. Participants who begin but do not complete the  
 11 conciliation process shall be mailed a notice of adverse action  
 12 thirty days from the date the original conciliation notice was  
 13 mailed.

14 D. Reestablishing compliance shall allow full  
 15 payment to resume.

16 E. Noncompliance with reporting requirements may  
 17 subject a participant to other sanctions, except that an adult  
 18 member of the benefit group shall not be sanctioned for the  
 19 failure of a dependent child to attend school.

20 F. Effective October 1, 2001, the department shall  
 21 not terminate the medicaid benefits of any member of a benefit  
 22 group due to imposition of a sanction pursuant to the  
 23 provisions of this section."

24 **SECTION 5.** Section 27-2D-3 NMSA 1978 (being Laws 2003,  
 25 Chapter 317, Section 3, as amended) is amended to read:

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1 "27-2D-3. APPLICATION--RESOURCE PLANNING SESSION--  
2 INDIVIDUAL EDUCATION PLAN--REVIEW PERIODS.--

3 A. Application for cash assistance or services  
4 shall be made to the department. The application shall be in  
5 writing or reduced to writing in the manner and on the form  
6 prescribed by the department. The application shall be made  
7 under oath by an applicant with whom a dependent child resides  
8 and shall contain a statement of the age of the child,  
9 residence, a complete statement of the amount of property in  
10 which the applicant has an interest, a statement of all income  
11 that the applicant and other benefit group members have at the  
12 time of the filing of the application and other information  
13 required by the department.

14 B. The department shall assist applicants in  
15 completing the application for cash assistance or services and  
16 shall evaluate applicants to determine all department programs  
17 for which the applicant may be eligible. The department shall  
18 process all expedited [~~food stamp~~] supplemental nutrition  
19 assistance program benefit applications within two business  
20 days of submission, and the department shall deliver expedited  
21 [~~food stamps~~] supplemental nutrition assistance program  
22 benefits to eligible applicants within seven days of the  
23 application.

24 C. At the time of application for cash assistance  
25 and services, an applicant and the department shall identify

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1 everyone who is to be counted in the benefit group. Once an  
 2 application is approved, the recipient shall advise the  
 3 department if there are any changes in the membership of the  
 4 benefit group.

5 D. No later than thirty days after an application  
 6 is filed, the department shall make referrals and act on the  
 7 application.

8 E. No later than five days after an application is  
 9 approved, the department shall provide reimbursement for child  
 10 care.

11 F. Whenever the department receives an application  
 12 for assistance, a verification and record of the applicant's  
 13 circumstances shall promptly be made to ascertain the facts  
 14 supporting the application and to obtain other information  
 15 required by the department. The verification may include a  
 16 visit to the home of the applicant, as long as the department  
 17 gives adequate prior notice of the visit to the applicant.

18 G. The department shall work with the recipient to  
 19 develop an individual educational plan that:

20 (1) sets forth the educational goal for the  
 21 recipient, identifies barriers to that goal and identifies the  
 22 steps to be taken by the recipient to achieve that goal;

23 (2) describes the services the department may  
 24 provide so that the recipient may complete the recipient's  
 25 educational goal; and

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1 (3) provides for meetings with the recipient  
2 [~~every six months or~~] at the end of each academic term to  
3 review the eligibility of the benefit group and to review and  
4 revise the recipient's individual education plan.

5 H. The recipient and the department shall sign the  
6 recipient's individual education plan. The department shall:

7 (1) not allow a recipient to decline to  
8 participate in developing an individual education plan;

9 (2) not waive the requirement that a recipient  
10 develop an individual education plan; and

11 (3) emphasize the importance of the individual  
12 education plan to the recipient."

13 SECTION 6. Section 27-2D-4 NMSA 1978 (being Laws 2003,  
14 Chapter 317, Section 4, as amended) is amended to read:

15 "27-2D-4. EDUCATION WORKS PROGRAM--ELIGIBILITY--  
16 RESTRICTIONS--REQUIREMENTS.--

17 A. A person who is eligible [~~to~~] for cash  
18 assistance can receive education works services [~~or cash~~  
19 ~~assistance~~] if the person demonstrates that:

20 (1) the person:

21 (a) does not have a high school diploma  
22 or high school equivalency and is seeking to obtain one;

23 (b) has been accepted or has been  
24 determined to be eligible to enroll in a vocational training  
25 program; or

1                   (c) has been accepted or has been  
 2 determined to be eligible to enroll in a two- or four-year  
 3 post-secondary or graduate or post-graduate degree program; and

4                   (2) the diploma, certificate or degree the  
 5 person will receive will increase the person's ability to  
 6 engage in full-time paid employment.

7                   B. A recipient shall not receive cash assistance  
 8 funded by the temporary assistance for needy families block  
 9 grant during the period in which the recipient is receiving  
 10 cash assistance pursuant to the Education Works Act.

11                  C. A recipient shall apply for all financial aid  
 12 available from the vocational school or post-secondary,  
 13 graduate or post-graduate educational institution that the  
 14 recipient attends.

15                  D. During the twenty-four months of participation  
 16 in the education works program, a recipient shall engage in at  
 17 least twenty hours per week of class time, studying, work,  
 18 work-study or volunteering. The department shall assume that a  
 19 recipient spends one and one-half hours studying for every hour  
 20 of class time.

21                  E. A recipient ~~[may participate in the education~~  
 22 ~~works program for no more than twenty-four months, except that~~  
 23 ~~a recipient may participate in the education works program for~~  
 24 ~~one additional academic term following the twenty-four-month~~  
 25 ~~participation limit, or for two additional academic terms~~

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1 ~~following the twenty-four-month participation limit at the~~  
2 ~~discretion of the director, if doing so will result in the~~  
3 ~~recipient earning a degree]~~ participating in the education  
4 works program to obtain a:

5 (1) high school equivalency or diploma may  
6 participate for no more than four months. An additional two  
7 months may be allowed at the discretion of the director, if  
8 doing so will result in the recipient obtaining the high school  
9 equivalency or diploma; or

10 (2) certification, two-year or four-year  
11 degree may participate for no more than twenty-four months,  
12 except that a recipient may participate in the education works  
13 program for one additional academic term following the twenty-  
14 four-month participation limit at the discretion of the  
15 director, if doing so will result in the recipient earning a  
16 degree.

17 F. The number of recipients enrolled in the  
18 education works program is limited to the number of recipients  
19 who can be served by the funds available.

20 G. For purposes of this section, "work" means work-  
21 study, training-related practicums, internships, paid  
22 employment, volunteering or any other activity approved by the  
23 department."

24 SECTION 7. Section 27-2D-5 NMSA 1978 (being Laws 2003,  
25 Chapter 317, Section 5, as amended) is amended to read:

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1           "27-2D-5. FINANCIAL STANDARD OF NEED.--

2           A. The secretary shall adopt a financial standard  
3 of need based upon the availability of state funds.

4           B. The following income sources are exempt from the  
5 gross income test, the net income test and the cash payment  
6 calculation:

7                           (1) medicaid;

8                           (2) [~~food stamps~~] supplemental nutrition  
9 assistance program benefits;

10                          (3) government-subsidized foster care payments  
11 if the child for whom the payment is received is also excluded  
12 from the benefit group;

13                          (4) supplemental security income;

14                          (5) government-subsidized housing or housing  
15 payments;

16                          (6) federally excluded income;

17                          (7) educational payments made directly to an  
18 educational institution;

19                          (8) government-subsidized child care;

20                          (9) earned income that belongs to a person  
21 seventeen years of age or younger who is not the head of  
22 household;

23                          (10) child support passed through to the  
24 participant by the child support enforcement division of the  
25 department in the following amounts:

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1 (a) fifty dollars (\$50.00) per month  
2 through December 31, 2008; and

3 (b) no later than January 1, 2009, a  
4 minimum of one hundred dollars (\$100) for one child and two  
5 hundred dollars (\$200) for two or more children as based on  
6 availability of state and federal funds; and

7 (11) other income sources as determined by the  
8 department.

9 C. The total countable gross earned and unearned  
10 income of the benefit group shall not exceed eighty-five  
11 percent of the federal poverty guidelines for the size of the  
12 benefit group.

13 D. For a benefit group to be eligible to  
14 participate:

15 (1) the total countable gross earned and  
16 unearned income that belongs to the benefit group shall not  
17 exceed eighty-five percent of the federal poverty guidelines  
18 for the size of the benefit group; and

19 (2) earned and unearned income that belongs to  
20 the benefit group shall not equal or exceed the financial  
21 standard of need after applying the disregards set out in  
22 Paragraphs (1) through (4) of Subsection E of this section.

23 E. Subject to the availability of state funds, the  
24 department shall determine the cash payment of the benefit  
25 group by applying the following disregards to the benefit

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1 group's earned income and then subtracting that amount from the  
 2 benefit group's financial standard of need:

3 (1) no less than one hundred twenty-five  
 4 dollars (\$125) of monthly earned income and one-half of the  
 5 remainder, or for a two-parent family, no less than two hundred  
 6 twenty-five dollars (\$225) of monthly earned income and one-  
 7 half of the remainder for each parent;

8 (2) monthly payments made for child care at a  
 9 maximum of two hundred dollars (\$200) for a child under two  
 10 years of age and a maximum of one hundred seventy-five dollars  
 11 (\$175) for a child two years of age or older;

12 (3) costs of self-employment income; and

13 (4) business expenses.

14 F. In addition to the disregards specified in  
 15 Subsection E of this section, and between June 28, 2007 and  
 16 June 30, 2008, or until implementation of the employment  
 17 retention and advancement bonus program in the New Mexico Works  
 18 Act, the department shall apply the following income disregards  
 19 to the benefit group's earned income and then subtract that  
 20 amount from the benefit group's financial standard of need:

21 (1) for the first two years of receiving cash  
 22 assistance or services, if a participant works over the work  
 23 requirement rate set by the department pursuant to the New  
 24 Mexico Works Act, one hundred percent of the income earned by  
 25 the participant beyond that rate; and

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1 (2) for the first two years of receiving cash  
2 assistance or services, for a two-parent benefit group in which  
3 one parent works more than thirty-five hours per week and the  
4 other works more than twenty-four hours per week, one hundred  
5 percent of income earned by each participant beyond the work  
6 requirement rate set by the department.

7 G. The department may recover overpayments of cash  
8 assistance on a monthly basis not to exceed fifteen percent of  
9 the financial standard of need applicable to the benefit group.

10 H. Subject to the availability of state and federal  
11 funds, the department may limit the eligibility of benefit  
12 groups that are eligible because a legal guardian is not  
13 included in the benefit group."

14 SECTION 8. Section 27-2D-6 NMSA 1978 (being Laws 2003,  
15 Chapter 317, Section 6, as amended) is amended to read:

16 "27-2D-6. RESOURCES.--

17 A. Liquid and nonliquid resources owned by the  
18 benefit group shall be counted in the eligibility  
19 determination.

20 B. A benefit group may at a maximum own the  
21 following resources:

22 (1) [~~two thousand dollars (\$2,000)~~] fifteen  
23 thousand dollars (\$15,000) in nonliquid resources;

24 (2) [~~one thousand five hundred dollars~~  
25 ~~(\$1,500)~~] fifteen thousand (\$15,000) in liquid resources,

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1 excluding funds deposited in an individual development account  
2 established pursuant to the Individual Development Account Act  
3 or a qualified tuition program, as defined in Section 529 of  
4 the Internal Revenue Code of 1986;

5 (3) the value of the principal residence of  
6 the participant;

7 (4) the value of burial plots and funeral  
8 contracts for family members; and

9 (5) the value of work-related equipment up to  
10 one thousand dollars (\$1,000).

11 C. Vehicles owned by the benefit group shall not be  
12 considered in the determination of resources attributed to the  
13 benefit group."

14 SECTION 9. Section 27-2D-9 NMSA 1978 (being Laws 2003,  
15 Chapter 317, Section 9) is amended to read:

16 "27-2D-9. SATISFACTORY PARTICIPATION.--

17 A. To maintain satisfactory participation in the  
18 education works program, a recipient shall:

19 (1) be a full-time student as defined by the  
20 school that the recipient attends if the recipient is attending  
21 a two-year, four-year or post-graduate school program; or

22 (2) follow the terms agreed upon with a high  
23 school equivalency, technical or vocational training  
24 institution if the recipient is participating in a high school  
25 equivalency, technical or vocational training program.

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1           B. A recipient may demonstrate good cause for  
2 failure to maintain satisfactory participation in the education  
3 works program, and must work with the department to address the  
4 barrier, in any month of participation for the following  
5 reasons:

6                   (1) extended illness or injury of the  
7 recipient;

8                   (2) the recipient is the primary caretaker for  
9 a special needs child or an ill or aging parent; or

10                   (3) the recipient has been assessed to have a  
11 learning disability or a mental or physical health problem.

12           C. If a recipient falls below the academic standard  
13 of the school in one academic term, [~~he~~] the recipient shall be  
14 placed on probationary status for one academic term to improve  
15 [~~his~~] the recipient's grades. If a recipient's overall grade  
16 point average falls below 2.0 based on a four-point system, the  
17 department shall place [~~him~~] the recipient on probation for a  
18 maximum of two academic terms to allow [~~him~~] the recipient to  
19 bring up [~~his~~] the recipient's overall grade point average.

20           D. If a recipient fails to complete necessary  
21 educational requirements, the department shall remove the  
22 recipient from the education works program.

23           [~~D.~~] E. A recipient shall:

24                   (1) attend classes as scheduled and  
25 participate as required by the standard of the school;

1 (2) report to the department a change that  
 2 may affect the benefit group's eligibility for or anything  
 3 that may affect the [~~recipients~~] recipient's ability to  
 4 participate in the education works program;

5 (3) provide the department with copies of  
 6 any financial aid award letters; and

7 (4) provide the department with copies of  
 8 [~~his~~] the recipient's grades as they become available.

9 [~~E.~~] F. If a recipient does not comply with  
 10 Subsection C of this section or with the provisions of the  
 11 Education Works Act, the department may require the recipient  
 12 to apply for public assistance pursuant to the New Mexico  
 13 Works Act. This decision shall be made in writing, and the  
 14 recipient shall have the opportunity to appeal the decision."

15 **SECTION 10. CONTINGENT EFFECTIVE DATE.**--The provisions  
 16 of this act become effective upon enactment into law of an  
 17 appropriation for expanding eligibility for the public  
 18 assistance programs created by the New Mexico Works Act and  
 19 the Education Works Act in the General Appropriation Act of  
 20 2025, the General Appropriation Act of 2026 or the General  
 21 Appropriation Act of 2027. The secretary of health care  
 22 authority shall notify the New Mexico compilation commission  
 23 and the director of the legislative council service by July  
 24 1, 2027 that the health care authority has received the  
 25 necessary appropriation in one of those acts.

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