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SENATE BILL 300

44TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1999

INTRODUCED BY

Ramsay L. Gorham

AN ACT

RELATING TO PUBLIC ASSISTANCE; AMENDING THE NEW MEXICO WORKS
ACT WAGE SUBSIDY PILOT PROGRAM

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

Section 1. Section 27-2B-19 NMSA 1978 (being Laws 1998,
Chapter 8, Section 19 and Laws 1998, Chapter 9, Section 19) is
amended to read:

"27-2B-19. PILOT PROJECT- - SUBSIDIZED EMPLOYMENT. - -

A. The department [~~may apply for a food stamp
waiver from the United States department of agriculture to
operate a wage subsidy pilot program~~

B. ~~Upon securing a food stamp waiver, the
department]~~ in cooperation with the labor department shall
develop a wage subsidy pilot program to run from [~~the
effective date of the New Mexico Works Act]~~ February 18, 1998

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1 until July 1, [~~2001~~] 2002. The department shall select a
2 class A county, a class B county with a valuation under three
3 hundred million dollars (\$300,000,000), a class B county with
4 a valuation over three hundred million dollars (\$300,000,000),
5 a class C county and a first class county as sites for the
6 wage subsidy pilot program.

7 [~~C.~~] B. The wage subsidy pilot program shall
8 include the following requirements:

9 (1) participating employers shall hire
10 participants who receive cash assistance [~~and food stamps~~] for
11 subsidized job slots that are full time and that offer a
12 reasonable possibility of unsubsidized employment after the
13 subsidy period;

14 (2) participating employers shall receive a
15 subsidy for up to six months. The department may grant an
16 extension of three months to employers operating in areas
17 identified as having a higher unemployment rate than the state
18 average, as defined by the department, if the extension
19 increases the likelihood of ongoing unsubsidized employment
20 for the subsidized employee;

21 (3) subsidized employees shall not be
22 required to work in excess of forty hours per week;

23 (4) subsidized employees shall be paid a wage
24 that is substantially like the wage paid for similar jobs with
25 the employer with appropriate adjustments for experience and

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1 training but not less than the federal minimum hourly wage;

2 (5) subsidized employment does not impair an
3 existing contract or collective bargaining agreement;

4 (6) subsidized employment does not displace
5 currently employed workers or fill positions that are vacant
6 due to a layoff;

7 (7) wage subsidy employers shall:

8 (a) maintain health, safety and working
9 conditions at or above levels generally acceptable in the
10 industry and not less than those of comparable jobs offered by
11 the employer;

12 (b) provide on-the-job training
13 necessary for subsidized employees to perform their duties;

14 (c) sign an agreement for each
15 placement outlining the specific job offered to a subsidized
16 employee and agree to abide by all of the requirements of the
17 program;

18 (d) provide workers' compensation
19 coverage for each subsidized employee; and

20 (e) provide the subsidized employee
21 with benefits equal to those for new employees or as required
22 by state and federal law, whichever is greater;

23 (8) the department shall ~~[make a~~
24 ~~determination of]~~ determine whether a participant is eligible
25 to be a subsidized employee ~~[that includes the following~~

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1 ~~criteria]~~ by establishing:

2 (a) that the participant has sufficient
3 work experience to obtain unsubsidized employment;

4 (b) [~~completion of]~~ that the
5 participant has completed an employment preparation program;
6 or

7 (c) that the department or participant
8 may benefit from this employment strategy [~~by the department~~];

9 (9) a disregard of income earned by the
10 subsidized employee in the subsidized job shall be applied in
11 the eligibility determination for services;

12 (10) the department shall suspend regular
13 payments of cash assistance [~~and food stamps~~] to the benefit
14 group for the calendar month in which an employer makes the
15 first subsidized wage payment to a subsidized employee who is
16 otherwise eligible for cash assistance [~~and food stamps~~];

17 (11) the department shall pay employers each
18 month, from the subsidized employee's cash assistance [~~and~~
19 ~~food stamps~~], the lesser of a fixed subsidy amount determined
20 by the department or the gross wages paid to the subsidized
21 employee;

22 (12) a subsidized employee shall be eligible
23 for supplemental payments if the net monthly full-time wage
24 paid to the subsidized employee is less than the combined
25 monthly total of the cash assistance [~~and food stamps~~] the

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1 participant is eligible to receive. The department shall
2 authorize issuance of a supplemental cash payment to
3 compensate for the deficit. To determine if a deficit exists,
4 the department shall adopt an equivalency scale that is
5 adjustable to household size and other factors; and

6 (13) the department shall determine monthly
7 and pay in advance supplemental payments to eligible
8 subsidized employees. In calculating the payment, the
9 department shall assume that the subsidized employee will work
10 forty hours per week during the month unless an employer
11 provides information that the number of hours to be worked by
12 the subsidized employee will be reduced.

13 ~~[D.]~~ C. Prior to the first session of the forty-
14 fifth legislature, ~~[first session]~~ the department shall report
15 the results of the wage subsidy pilot program to the
16 appropriate legislative interim committee.

17 ~~[E.]~~ D. For the purposes of this section,
18 "benefits" includes health care coverage, paid sick leave and
19 holiday and vacation pay.

20 ~~[F.]~~ E. For the purposes of this section,
21 "subsidized employee" means a participant engaged in a
22 subsidized employment activity.

23 ~~[G.]~~ F. For the ~~[purpose]~~ purposes of this
24 section, "net monthly full-time wage" means a subsidized
25 ~~[employees'-s]~~ employee's wages after the required payroll

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deductions. "

1 FORTY-FOURTH LEGISLATURE

2 FIRST SESSION, 1999

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6 March 3, 1999

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8 Mr. President:

9
10 Your PUBLIC AFFAIRS COMMITTEE, to whom has been referred

11
12 SENATE BILL 300

13
14 has had it under consideration and reports same WITHOUT

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16 RECOMMENDATION.

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18 Respectfully submitted,

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23 _____
24 Shannon Robinson, Chairman
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Adopted _____ Not Adopted _____

1 (Chief Clerk)

(Chief Clerk)

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5 Date _____

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8 The roll call vote was 5 For 0 Against

9 Yes: 5

10 No: 0

11 Excused: Boitano, Ingle, Stockard, Smith

12 Absent: None

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