

LFC Requester:	Kelly Klundt
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**AGENCY BILL ANALYSIS
2017 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original **Amendment** _____ **Date** 2/19/2017
Correction _____ **Substitute** _____ **Bill No:** HB433

Sponsor: Rep. Candy Spence Ezzell **Agency Code:** 924
 Rep. Bob Wooley
Short VOCATIONAL **Person Writing** Aguilar
Title: REHABILITATION ACT **Phone:** 505-827-6519 **Email** Paulj.aguilar@state.nm.us

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY17	FY18		
	None Noted		

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

House Bill 433 moves the Division of Vocational Rehabilitation (DVR) from the Public Education Department (PED) to the Department of Workforce Solutions (DWS).

The bill makes technical changes to align existing statute with the move of the division and moves some provisions relating to the Commission for the Blind to the appropriate sections of the NMSA. The bill further provides for the transfer of money, appropriations, personnel and property of DVR to DWS.

The bill also provides that DVR collaborate with the state independent living council and, through the state plan for independent living, identify the designated state agency to administer the independent living services program. The bill provides for execution of the transition of living services to the identified agency for fiscal year 2019.

House Bill 433 updates certain definitions regarding “person with a disability” and “vocational rehabilitation” to align with federal definitions and makes a technical correction to the provision of fair hearings.

The bill also clarifies that vocational rehabilitation does not include services for the blind and removes a section regarding the school for the Blind and Visually Impaired.

FISCAL IMPLICATIONS

No general fund impact is projected from the provisions of HB-433. DVR is a stand-alone agency with its own agency code and appropriation. All appropriations for DVR are contained in the General Appropriations Act as a single agency and would be transferred in their entirety without having to pull funding from other agencies.

Since the functions of DVR are more closely aligned with those of DWS, it is expected that cost savings will be realized over time as some of the functions of the agencies may overlap.

SIGNIFICANT ISSUES

The Rehabilitation Act of 1973 was the first major legislative effort to secure an equal playing field for individuals with disabilities. This legislation provides a wide range of services for persons with physical and cognitive disabilities. Those disabilities can create significant barriers to full and continued employment, the pursuit of independent living, self-determination, and inclusion in American society. The Rehabilitation Act has been amended twice since its inception, once in 1993 and again in 1998. The Division of Vocational Rehabilitation is the state agency charged with carrying out the provisions of the Rehabilitation Act.

In 2014, the federal government enacted the Workforce Innovation Opportunity Act (WIOA) that is intended to assist job seekers and workers access employment, education, training, and support services to succeed in the labor market and match employers with skilled workers they need to compete in the global economy. The major foci of the Act are:

- An alignment of Federal Investments to Support Job Seekers and Employers
- To help employers find workers with skills necessary to meet business needs
- To align goals and increase accountability and information for job seekers and the Public
- To foster regional collaboration to meet the needs of regional economies
- To target workforce services to better serve job seekers
- To improve services to individuals with disabilities
- Support Access to Services

An analysis of the responsibilities for DVR suggests that none of the functions of the division are related to the function of the PED. An analysis of these focus areas suggests that most of the

responsibilities of DVR are well aligned with DWS. Additionally, efficiencies for clients would be realized by having the ability to assign DVR staff to regional workforce offices to support clients during the intake process.

The DWS currently operates a statewide network of more than 20 offices, many of which are located in the same locales as DVR offices and is better positioned to coordinate the activities of DVR.

PERFORMANCE IMPLICATIONS

HB-433 will support the PEDs strategic lever #1 focusing on a better return on investment.

ADMINISTRATIVE IMPLICATIONS

The DWS will assume administrative oversight of DVR and will receive a department that is fully operational with a history of good customer service and sound administrative functions.