

<b>LFC Requester:</b>	<b>Liu</b>
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**AGENCY BILL ANALYSIS  
2023 REGULAR SESSION**

**SECTION I: GENERAL INFORMATION**

*Check all that apply:*

**Original**     **Amendment**      
**Correction**     **Substitute**   

**Date Prepared:** 02/16/23

**Bill No:** SB437

**Sponsor:** Lopez

**Short Title:**    VOCATIONAL REHABILITATION ACT

**Agency Name and Code**

**Number:**    PED - 924

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
None	None	N/A	NFA

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
None	None	None	N/A	NFA

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	Undetermined	Undetermined	Undetermined	Undetermined	N/A	GF

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in the General Appropriation Act:  
General Fund Public School Support Request

**SECTION III: NARRATIVE**

**BILL SUMMARY**

**Synopsis:** Senate Bill 437 (SB437) would enact the Vocational Rehabilitation Act, create the Vocational Rehabilitation Office and the Vocational Rehabilitation Commission, directly in the Executive Department, rather than as a division of the Public Education Department (PED). Concurrently, the bill would eliminate the existing Vocational Rehabilitation Division of PED.

The bill also requires that all federal funds for vocational rehabilitation flow directly to the newly created office, rather than to the Department of Finance and Administration (DFA).

The effective date of SB437 would be July 1, 2023.

### **FISCAL IMPLICATIONS**

The bill does not contain an appropriation.

### **SIGNIFICANT ISSUES**

DVR, a division of the PED, is required by law to provide guidance, counseling, and a vast array of other services to assist individuals with disabilities to gain, maintain and advance in competitive integrated employment.

Over the last year, DVR has been able to accomplish significant gains, including eliminating the waitlist for services, updating rule for counselor licensure to allow for a larger pool of qualified applicants, partnering with PED to build transition planning capacities with the help of the National Technical Assistance Center for Transition, and establishing access to the PED database to confirm student information and improve its reach to those who require services.

Outreach to state-funded schools and students with disabilities depends on a close working relationship between DVR and PED, which is facilitated by DVR existing within the PED. Further, the Workforce Innovation and Opportunity Act (WIOA) mandates that DVR set aside 15 percent of its budget for students with disabilities to provide Pre-Employment Transition Services (Pre-ETS), which is efficiently accomplished as an integral part of PED. Under a Corrective Action Plan with the federal Rehabilitation Services Administration (RSA), DVR must also continue to collaborate across agency units. DVR depends on PED also for support in the process of scheduling public meetings to address upcoming changes to the Manual of Operating Procedures. These partnerships are crucial to DVR continuing its successful work, and maintenance of DVR under PED is the best and most efficient way to accomplish this.

Creation of the new Vocational Rehabilitation Commission to oversee the proposed Vocational Rehabilitation Office essentially creates a new and unnecessary layer of bureaucracy; DVR's relationship with PED is constructive and effective.

DVR notes that SB437 contains outdated language not aligned with current federal law, which could lead to significant problems in the implementation of federally aligned programs

### **PERFORMANCE IMPLICATIONS**

None.

### **ADMINISTRATIVE IMPLICATIONS**

To move to an independent office, the agency would have to complete many crucial administrative tasks before July 1, 2023, including:

- update memoranda of understanding and agreement and contracts that reference PED;
- update the interagency New Mexico WIOA Plan;
- hold meetings with public input;
- submit all required federal reports;
- work with the RSA to discuss funding;

- confer with the State Rehabilitation Council and State Independent Living Council;
- update the account with the United States Department of Education G5 Grants Management System;
- liquidate remaining obligations and submit a final federal financial report;
- review statute, rule, and policy for other needed updates; and
- communicate to address the transition with the union.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None.

### **TECHNICAL ISSUES**

HB437 removes the definition of “person with a disability” from Section 22-14-1 NMSA 1978, which defines terms for Sections 22-14-2 through 22-14-16 NMSA 1978 yet fails to remove that term from Section 22-14-16 NMSA 1978, leaving that term undefined.

### **OTHER SUBSTANTIVE ISSUES**

The number of seats on the new commission is not sufficient for community representation and input.

### **ALTERNATIVES**

None.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

None.

### **AMENDMENTS**

The sponsor may wish to consider leaving in the definition for “person with a disability” from Section 22-14-1 NMSA 1978 or removing that term from Section 22-14-16 NMSA 1978.