

SUPREME COURT OF THE STATE OF NEW MEXICO

New Mexico Department of Workforce Solutions v. Nancy Garduño

NM Dep't of Workforce Solutions v. Garduño, 2016 NMSC 2 (2015) · No. S-1-SC-34,546 · Decided November 19, 2015

SUMMARY

The New Mexico Supreme Court held that a claimant acquires a constitutionally protected property interest in unemployment benefits upon an initial eligibility determination and receipt of payments. However, it concluded that the Department of Workforce Solutions did not violate procedural due process by notifying the claimant of the employer’s appeal 130 days later, because the claimant received notice and a meaningful opportunity to participate before benefits were terminated and recoupment was ordered.

CASE DETAILS

COURT	Supreme Court of the State of New Mexico
WRITING FOR THE COURT	Petra Jimenez Maes; Barbara J. Vigil; Edward L. Chávez; Charles W. Daniels; Richard C. Bosson, Retired Sitting by Designation
JURISDICTION	New Mexico
DECIDED	November 19, 2015
DOCKET	S-1-SC-34,546
DISPOSITION	reversed
PROCEDURAL POSTURE	The New Mexico Department of Workforce Solutions sought certiorari review of a Court of Appeals decision holding that delayed notice of an employer's appeal violated Garduño's procedural due process rights and barred collection of overpaid unemployment benefits.
STANDARD OF REVIEW	Administrative orders are generally reviewed for arbitrariness, capriciousness, abuse of discretion, lack of substantial evidence, or lack of conformity with law. Because the appeal presented the constitutionality of the Department's procedures, the constitutional question was reviewed de novo.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	New Mexico Department of Workforce Solutions v. Nancy Garduño

TOPICS

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PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether Garduño acquired a constitutionally protected property interest in unemployment benefits when the Department initially determined that she was eligible and began paying her benefits.
2. Whether the Department's failure to notify Garduño of Albertsons' appeal for 130 days violated procedural due process.
3. Whether the Department could recoup benefits paid during the administrative appeal process after Garduño was determined to be ineligible.

HOLDINGS

1. Garduño acquired a constitutionally protected property interest in unemployment benefits when the claims examiner initially determined that she was eligible and she began receiving benefit payments; the Department could not terminate or recoup those benefits without due process.
2. The Department's 130-day delay in notifying Garduño of Albertsons' appeal did not violate procedural due process because she received notice before the merits hearing, participated fully in the hearing, knew that benefits might have to be repaid, and was not deprived of a meaningful opportunity to contest her disqualification.
3. The Department had the legal authority to recoup unemployment benefits paid to Garduño after she was determined to be ineligible, and the due process procedures provided were constitutionally adequate.

KEY QUOTATIONS

"We hold that Garduño acquired a constitutionally protected property interest in unemployment benefits when she began receiving payments and that Garduño's retention of those benefits cannot be terminated without due process." (¶ 12)

"Accordingly, the late notice did not violate due process." (¶ 36)

"The Department's late notice of a pending appeal did not deprive Garduño of due process of law where the late notice neither prejudiced her ability to defend against the employer's assertion that she had been fired for misconduct nor prejudicially delayed her merits hearing." (¶ 40)

FACTUAL BACKGROUND

Albertsons terminated Garduño after surveillance and management investigations indicated that she had given unauthorized discounts to coworkers in violation of the employer's associate-purchase policy. She applied for and began receiving unemployment benefits after the Department initially determined that she was eligible.

Albertsons appealed, but the Department did not notify Garduño for 130 days; after receiving notice, she participated in the appeal hearing and continued filing claims. The administrative law judge ultimately found that she was discharged for misconduct, disqualified her from benefits, and ordered repayment of \$11,256 in benefits paid during the appeal process.

PROCEDURAL HISTORY

Garduño initially received unemployment benefits after a claims examiner determined that she was eligible. Albertsons appealed, but Garduño did not receive notice of the appeal until 130 days later and continued receiving benefits. An administrative law judge later found her ineligible because of employment misconduct and ordered repayment of \$11,256; the board of review and cabinet secretary affirmed. The district court reversed, and the Court of Appeals affirmed in part on procedural due process grounds. The New Mexico Supreme Court granted certiorari and reversed the Court of Appeals.

DISPOSITION

reversed

CASES CITED

- N.M. Dep't of Workforce Solutions v. Garduño, 2014-NMCA-050, ¶¶ 13, 17, 21, 26, 34, 324 P.3d 377
- Millar v. N.M. Dep't of Workforce Solutions, 2013-NMCA-055, ¶¶ 7-9, 16-17, 23, 304 P.3d 427
- N.M. Att'y Gen. v. N.M. Pub. Regulation Comm'n, 2013-NMSC-042, ¶ 9, 309 P.3d 89
- Albuquerque Bernalillo Cty. Water Util. Auth. v. N.M. Pub. Regulation Comm'n, 2010-NMSC-013, ¶ 19, 148 N.M. 21, 229 P.3d 494
- Archuleta v. Santa Fe Police Dep't ex rel. City of Santa Fe, 2005-NMSC-006, ¶¶ 31-32, 137 N.M. 161, 108 P.3d 1019
- Mathews v. Eldridge, 424 U.S. 319, 334-35, 339-40, 347-48 (1976)
- Cafeteria & Rest. Workers Union, Local 473 v. McElroy, 367 U.S. 886, 895 (1961)
- Board of Regents of State Colleges v. Roth, 408 U.S. 564, 576-77 (1972)
- Goldberg v. Kelly, 397 U.S. 254, 262, 264, 267 (1970)
- Wilkinson v. Abrams, 627 F.2d 650, 664-65 & n.18 (3d Cir. 1980)
- California Department of Human Resources Development v. Java, 402 U.S. 121, 131-32 (1971)
- In re Commission Investigation Into 1997 Earnings of U.S. West Communications, Inc., 1999-NMSC-016, ¶ 26, 127 N.M. 254, 980 P.2d 37
- Rayellen Resources, Inc. v. N.M. Cultural Properties Review Committee, 2014-NMSC-006, ¶¶ 19-20, 319 P.3d 639
- Mullane v. Central Hanover Bank & Trust Co., 339 U.S. 306, 314 (1950)
- Welch v. Thompson, 20 F.3d 636, 639 (5th Cir. 1994)
- Franco v. Carlsbad Municipal Schools, 2001-NMCA-042, ¶¶ 6, 14, 130 N.M. 543, 28 P.3d 531
- Lobato v. N.M. Environment Department, 2012-NMSC-002, ¶ 13, 267 P.3d 65

- Uhden v. N.M. Oil Conservation Commission, 1991-NMSC-089, ¶¶ 4-5, 10, 13, 112 N.M. 528, 817 P.2d 721
- State ex rel. Children, Youth & Families Department v. Christopher B., 2014-NMCA-016, ¶ 7, 316 P.3d 918
- Waters-Haskins v. Human Services Department, Income Support Division, 2009-NMSC-031, ¶ 24, 146 N.M. 391, 210 P.3d 817
- Schulte v. Transportation Unlimited, Inc., 354 N.W.2d 830, 831-35 (Minn. 1984)
- Dilda v. Quern, 612 F.2d 1055, 1057 (7th Cir. 1980)
- Commissioner of Natural Resources v. Nicollet County Public Water/Wetlands Hearings Unit, 633 N.W.2d 25, 30 (Minn. Ct. App. 2001)
- Aubin v. Family Dollar, Inc., No. A14-0483, 2014 WL 6724937, at *4-5 (Minn. Ct. App. Dec. 1, 2014)
- Koch v. Sheldahl, No. A03-1562, 2004 WL 1878786, at *4 (Minn. Ct. App. Aug. 19, 2004)
- Ellender v. Schweiker, 575 F. Supp. 590, 593, 600 (S.D.N.Y. 1983)

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