

**LFC Requester:****Rachel Mercer-Garcia****AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**  
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**SECTION I: GENERAL INFORMATION***{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 1/16/25 *Check all that apply:*  
**Bill Number:** HB11 Original  Correction   
 Amendment  Substitute

**Sponsor:** Rep. Christine Chandler and Sen. Mimi Stewart  
**Short Title:** Paid Family & Medical Leave Act  
**Agency Name and Code:** HCA 630  
**Number:** \_\_\_\_\_  
**Person Writing:** Dustin Acklin  
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**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0.0	\$0.0	NA	NA
\$0.0	\$0.0	NA	NA

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0.0	\$0.0	\$0.0	NA	NA

(Parenthesis ( ) indicate revenue decreases)

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

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	\$0.0	\$0.0	\$391.6	\$391.6	Recurring	SGF

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

**Synopsis:** House Bill 0011 would enact the Paid Family and Medical Leave Act and create a Paid Family and Medical Leave Fund. The Paid Family and Medical Leave Act program would allow employees to file a claim for leave compensation to allow employees to bond with a new child or to care for a family member; limits the time allowed for Paid Family and Medical Leave, exempting certain employees, and providing administration of the program by the Department of Workforce Solutions. The Bill also creates an advisory committee.

#### **FISCAL IMPLICATIONS**

The HCA contribution calculation for HB 11 is based on the total FY25 salaries and benefits operating budget for HCA (see table below), which is \$195,784,800.

63000	<b>FY25 OPBUD</b>
General Fund	\$1,992,879.7
Federal/Other Funds	\$10,193,413.9
<b>GRAND TOTAL</b>	<b>\$12,186,293.6</b>
200-PS & EB	\$195,784.8

Because the contribution starts on January 1<sup>st</sup> and will cover only half of the state fiscal year (the second half), the HCA calculated the amount as 0.4% of the total, then divided that by 2. The result is:

$\$195,784,800 \times 0.004 = \$783,139.2$  then  $\$783,139 / 2 = \$391,569.5$

For half the fiscal year= \$391,569.60.

HB 11 would require the Health Care Authority (HCA) to contribute an amount equal to four tenths percent of each participating employee's wages up to the earning cap established by the federal social security program pursuant to the Federal Insurance Contributions Act beginning January 1, 2027, and for each calendar quarter until January 1, 2030. After January 1, 2030, an amount equal to each participating employee's wages, up to the earnings cap established by the federal social security administration program, at forty-five percent of the premium set by the secretary pursuant to the bill. FY2027 would assume half a year's cost. FY2028 would assume the full year's cost ongoing through January 1, 2030.

#### **SIGNIFICANT ISSUES**

This proposed bill conflicts with the eligibility requirements and parameters of the Federal Family and Medical Leave Act (FMLA). It is not clear if HB 0011 would allow an employee to utilize their own accrued leave in conjunction with their claim for leave compensation under the Federal Paid Family and Medical Leave Act. HCA allows employees to utilize their available accrued leave, unpaid leave or a combination of both if approved for leave taken under the federal FMLA and other HCA medical leave policies. To that extent, its not clear if an employee would be able to receive leave compensation in addition to their normal salaries by taking their accrued sick or annual leave. If the bill is implemented as written, it could allow an employee to receive over 100% of their salaries through a combination leave compensation and their salaries from their employee if allowed to take their accrued leave. This could potentially create perverse incentive.

HB 0011 does not identify if an employee can take their available leave to pay for their portion of health benefits contributions while out on medical leave. Employees often utilize their accrued leave to pay for their portion of benefits contributions while out on medical leave.

HB 0011 may allow a probationary employee as defined under the New Mexico State Personnel Act to take extended leave that could conflict with the successful completion of their probationary period. Probationary employees as defined by the Act may not be eligible and/or entitled to the protections under the federal FMLA.

#### **PERFORMANCE IMPLICATIONS**

N/A

#### **ADMINISTRATIVE IMPLICATIONS**

No IT impact.

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

N/A

#### **TECHNICAL ISSUES**

HB011 appears to have conflicting language regarding the maximum amount of leave compensation for calendar year 2028. Page 15 Line 24 allows for a maximum of twelve weeks of leave beginning January 1, 2028. Page 16 Line 2 allows for a maximum of nine weeks of leave for calendar years 2028 and 2029.

#### **OTHER SUBSTANTIVE ISSUES**

N/A

#### **ALTERNATIVES**

N/A

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

Status Quo

#### **AMENDMENTS**