

<b>LFC Requester:</b>	<b>Rachel Mercer-Garcia</b>
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**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

**[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)**

*(Analysis must be uploaded as a PDF)*

**SECTION I: GENERAL INFORMATION**

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

**Date Prepared:** 1/11/25 *Check all that apply:*  
**Bill Number:** HB 11 Original  Correction   
 Amendment  Substitute

**Sponsor:** Rep. Christine Chandler **Agency Name and Code** University of New Mexico, 952  
**Short Title:** Paid Family and Medical Leave Act **Number:** \_\_\_\_\_  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(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>						

(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:

- Establishes the paid family medical leave act, which requires employees to contribute .5% of their earnings and requires employers to contribute .4% of their employees' earnings to a fund for the purpose of operating the paid family and medical leave program.
- Provides up to 12 weeks of paid family and medical leave, compensated at a calculated rate that is below an employee's regular earnings (with the exception of employees earning the minimum wage, who are compensated at the minimum wage).

#### **FISCAL IMPLICATIONS**

<b>UNM CAMPUS</b>	<b>EMPLOYEE COST</b>	<b>EMPLOYER COST</b>	<b>TOTAL UNM COST</b>
Main	\$1,816,264	\$1,453,011	\$3,269,275
Health Sciences	\$1,871,216	\$1,496,973	\$3,368,189
Gallup	\$50,615	\$40,492	\$91,108
Los Alamos	\$14,620	\$11,696	\$26,316
Taos	\$36,992	\$29,593	\$66,585
Valencia	\$42,733	\$34,186	\$76,919
<b>Grand Total</b>	<b>\$3,832,440</b>	<b>\$3,065,952</b>	<b>\$6,898,391</b>

As outlined above, the fiscal implications of this legislation on UNM are significant, totaling nearly \$7M annually. The costs shown in the "Employee Cost" column reflect the cost to UNM of a .5% pay increase necessary for employees to make mandatory contributions to the program without realizing a decrease in their take home pay. It is not clear from this legislation whether additional operating funds will be appropriated to institutions to cover the cost of the Employer Contributions, and whether institutions will receive increased compensation appropriations to provide salary increases to offset the cost of Employee Contributions without reducing take home pay.

#### **SIGNIFICANT ISSUES**

##### ***Eligibility expansion to temp and on-call employees:***

UNM has a strong track record of investing in its employee benefits programs, particularly for benefits-eligible regular faculty and staff, as outlined below. However, the proposed state PFML will fill a current gap for temporary, on-call, and student employees who are not in a benefits-eligible status. These employees currently have limited access to paid leave, and it is anticipated that the state PFML program will be a significant benefit to them.

##### ***Lower threshold to benefits than Federal FMLA:***

As proposed, the bill provides for a lower threshold for eligibility than the federal Family Medical Leave Act. Specifically, the bill requires only that an employee pay into the Fund for six months during any twelve-month period to be eligible for PFML, whereas Federal FMLA requires an employee work 1,250 hours in the twelve-month period preceding the leave. As such, part-time employees who are unable to meet the hours-worked requirement for Federal FMLA will likely meet eligibility criteria for PFML, increasing leave benefits available to these employees.

***Potential for “Leave-Stacking” with employer leave programs:***

As written, it is unclear whether employees who have already exhausted their 12 weeks of Federal Family Medical Leave Act benefits remain eligible for the State PFML benefits, which raises a potential concern of “leave stacking.” For instance, assume a UNM employee exhausts 12 weeks of Federal FMLA using their accrued parental, sick, or annual leave. It appears that they would remain eligible to request 12 weeks of State PFML, potentially taking 24 weeks of family and medical leave in within a single year, potentially posing challenges to maintaining business operations.

***Potential challenges with reporting requirements and timelines:***

Some of the timelines associated with employer reporting requirements – such as reporting to the Department within 10 days of an employee returning to work following either continuous or intermittent leave as outlined in Section 8(B)– may prove problematic and may be more effectively determined via the rulemaking process than codified in statute. For example, the majority of UNM employees are paid on a monthly basis, and report leave usage a month in arrears (e.g. employee leave taken in November is reported by employees in early December and processed in UNM’s payroll system as part of the December payroll). As such, there can be as many as eight weeks between the time that leave is taken by an employee and when it’s reportable from UNM’s payroll system, posing significant challenges to reporting leave usage and an employee’s return to work in a centralized and systematic manner.

***Summary of UNM’s current paid leave benefits:***

UNM provides a significant amount of paid leave benefits to faculty and staff. In general, these programs provide for leave compensation at an employee’s full salary and without the requirement of monetary contributions from employees.

UNM regular faculty are eligible for a semester of parental leave at full pay, as well as up to six months of paid sick leave for cases of extended illness or injury. In addition, faculty on 12-month appointments accrue more than four weeks of annual leave each year. UNM offers a staff paid parental leave (PPL) program for benefits-eligible that provides for 4-weeks of paid leave to be used in conjunction with other available employee sick and annual leave. UNM’s PPL program compensates employees at full pay without requiring employee contributions. Regular full-time staff employees also accrue nearly seven weeks of sick and annual leave each year (264 hours), and together can accrue a total of nearly 1300 hours of leave before maxing out (1,040 sick leave and 252 annual leave). When used, these leave hours are paid at an employee’s full salary and are often take concurrently with FMLA. Additionally, UNM provides other programs such as a catastrophic leave program to safeguard employees who are required to be out of the office for extended periods of time for medical reasons.

**PERFORMANCE IMPLICATIONS**

## **ADMINISTRATIVE IMPLICATIONS**

Because the bill prohibits the reduction of other paid leave programs, it introduces a significant amount of complexity due to multiple leave programs potentially running in parallel - this will necessitate additional staff resources to manage and oversee these programs, support employees as they navigate the process, and ensure compliance with applicable federal and state laws, policies, and procedures.

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

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

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

## **AMENDMENTS**

### **Responses received from:**

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