

<b>LFC Requester:</b>	<b>Mercer-Garcia</b>
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**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:** 23 January 2025 *Check all that apply:*  
**Bill Number:** HB11 Original  Correction   
 Amendment  Substitute

<b>Sponsor:</b>	<u>Chandler, Stewart, Roybal Caballero</u>	<b>Agency Name and Code Number:</b>	<u>NM Independent Community Colleges 994</u>
<b>Short Title:</b>	<u>Paid Family &amp; Medical Leave Act</u>	<b>Person Writing Phone:</b>	<u>Vanessa K. Hawker Email <a href="mailto:vhawker@hawkerhynson.com">vhawker@hawkerhynson.com</a></u>

**SECTION II: FISCAL IMPACT**

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

	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	Refer to below table					

(Parenthesis ( ) Indicate Expenditure Decreases)

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis: House Bill 11 (HB11) enacts the Paid Family and Medical Leave Act (PFMLA), creates the PFMLA fund, establishes a state of New Mexico-run program whereby an eligible individual will receive a percentage of their wages while on leave from their employer to:

- allow time for the individual to bond with a new child (birth, adoption, or placement of a foster child)
- death of a child under 18 years of age
- care for a family member,
- prepare for/adjust to a spouse’s military deployment
- take action to protect the individual or a member of their family from certain forms of violence.

Family member is defined as: spouse, domestic partner or a person related to the applicant or an applicant’s spouse or domestic partner as:

- biological, adopted or foster child, a stepchild or legal ward or a child to whom the

- applicant stands in loco parentis;
- a biological, foster, step or adoptive parent or legal guardian or a person who stood in loco parentis when the applicant was a minor child;
  - grandparent;
  - grandchild;
  - biological, foster, step or adopted sibling;
  - spouse or domestic partner of a family member; or
  - individual whose close association with the applicant or the applicant's spouse or domestic partner is the equivalent of a family relationship.

HB11 limits the amount of time allowed for paid family and medical leave, provides the benefit calculation, and the requirements an employee must meet in order to be eligible to apply.

Leave includes family leave, safe leave, qualifying exigency leave or medical leave.

Medical leave is leave granted to allow the individual to provide care for a family member if the family member has a serious health condition or to care for their own serious health condition.

Qualifying exigency leave is approved leave based upon the applicant or their family member's active duty service, notice of impending call, or order to active duty.

Safe leave is granted leave to an individual who is the victim or whose family member is the victim of domestic violence, stalking, sexual assault or abuse.

The PFML program is established within the workforce solutions department and creates a temporary advisory committee. The PFMLA applies to all public and private employers (who employ more than 5 individuals) in New Mexico, regardless of whether the employer is physically located in New Mexico. It does not cover employees of the United States, self-employed individuals who do not opt into the program, Indian tribes that have not elected to participate.

Beginning January 1, 2027 through January 1, 2030 each employee will be assessed .5% of their wages up to the social security earnings cap. Employees are not required to contribute from wages paid on leave compensation. Employers will be assessed .4% of employees wages up to the social security earnings cap. Employers are prohibited from recovering the employer assessment from their employees.

Beginning January 1, 2030 the employee assessment will be set at an appropriate amount to generate 55% of the premium set by the workforce solutions secretary. The employer assessment will be set at an appropriate amount to generate 45% of the premium set by the workforce solutions secretary.

Employers who have a paid family medical leave program that is substantially similar to or provides greater employee benefits than those benefits enumerated in HB11 may apply for a waiver from the PFMLA.

Beginning January 1, 2028 eligible employees may apply for leave benefit provided by HB11.

## FISCAL IMPLICATIONS

<b>Direct Employer Costs for HB11 (PFMLA Contributions)</b>			
	<b>FY27 (half year)</b>	<b>FY28</b>	<b>FY29</b>
CCC	24.2	50.8	53.3
CNM	231.3	485.7	510.0
NMJC	47.3	99.4	104.4
LCC	14.7	30.8	32.4
MCC	7.7	16.2	17.0
NMMI	43.1	90.4	94.9
SJC	92.0	193.2	202.9
SFCC	55.8	117.3	123.1
SENMC	24.5	51.5	54.1
<b>Total:</b>	<b>\$540.6</b>	<b>\$1,135.3</b>	<b>\$1,192.1</b>

Notes: FY27 reflects 6 months of contributions as the required contributions begin half-way through FY27.

The above table reflects estimates for 9 of the 11 NMICC institutions. Northern New Mexico College and Western New Mexico University information can be found on the Council of University President's FIR.

It is estimated for the first full fiscal year of contributions, the direct costs to NMICC institutions will be over \$1.1 million.

### SIGNIFICANT ISSUES

Beginning in FY27 HB11 will have a financial impact on higher education institutions as contributions begin in January 2027. To not pass the costs of PFMLA onto students via increased tuition, NMICC institutions request recurring funds in the amount of the calculated PFMLA contribution be appropriated to the institutions.

Also beginning in FY27 employees will be required to contribute .5% of their wages to PFMLA. NMICC respectfully requests the legislature consider funding a compensation increase in an amount to not negatively impact employees' net earnings.