

LFC Requester:	SIMON, JOSEPH
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to 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: March 3 *Check all that apply:*
Bill Number: HB438-378 Original Correction
 Amendment Substitute

Sponsor: T. Lujan **Agency Name and Code** State Personnel Office 378
Short Title: Pay for Unused Compensatory Leave **Number:** _____
Person Writing Dylan K. Lange
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
None	None	N/A	

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
N/A	None	None		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	Unknown	Unknown			

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

HB438 enacts a new section of Chapter 10, Article 7 NMSA 1978. Requires that an employee of the state or of a political subdivision be provided the opportunity to exchange unused compensatory time for compensation. Employee shall be paid the full value of all unused compensatory leave that is exchanged.

Substitute: Language allows an employee of the state or a political subdivision be provided an opportunity to exchange unused compensatory time at least twice per year.

FISCAL IMPLICATIONS

Forcing agencies to pay out compensatory leave will hamper an agency's ability to fill vacancies and fund priority programs for the full fiscal year. Because of this, it may restrict an agency granting compensatory time or force employees to take the leave in lieu of paying out.

SIGNIFICANT ISSUES

The language in HB438 injects a lack of uniformity in application of the provisions of the bill. Agencies will be free to choose when to grant payments throughout the year without clarity of when they will do so.

Section 2 adds language clarifying that this section does not apply if the requirement conflicts with a current collective bargaining agreement negotiated pursuant to the Public Employee Bargaining Act. This language is superfluous as NMSA 1978, Section 10-7E-17(C) already states that “a collective bargaining agreement that provides greater rights, remedies and procedures to public employees than contained in a state statute shall not be considered to be in conflict with that state statute.”

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS