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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
57th Legislature, 1st Session, 2025

Bill Number	<u>HB11</u>	Sponsor	<u>Chandler/Stewart/Roybal Caballero</u>
Tracking Number	<u>.228927.1</u>	Committee Referrals	<u>HHHC/HCEDC</u>
Short Title	<u>Paid Family & Medical Leave Act</u>		
Analyst	<u>Estupiñan</u>	Original Date	<u>1/24/2025</u>
		Last Updated	<u></u>

BILL SUMMARY

Synopsis of Bill

House Bill 11 (HB11) would require certain amounts of paid family, medical, safe, and exigency leave be available each calendar year for all employees, with the exclusion of federal employees (see substantive issues). Self-employed individuals and Native American tribes may elect to participate in the program.

The bill would require premium contributions to begin on January 1, 2027, and individuals with qualifying events could apply for leave beginning on January 1, 2028.

FISCAL IMPACT

The bill does not contain an appropriation, but the Legislative Finance Committee recommendation for fiscal year 2026 (FY26) includes a \$35 million appropriation from the general fund to the Workforce Solutions Department (WSD) for the purposes of implementing HB11.

As political subdivisions of the state, school districts may be fiscally impacted by HB11. Beginning January 1, 2027, employers would contribute 0.4 percent of each employee's wages to the paid family and medical leave fund, per calendar quarter, up to the earnings cap established by the social security administration program. The total contribution rate may fluctuate up to 0.1 percentage points each year, upon the recommendation of WSD.

Based on the initial employer contribution of 0.4 percent, the bill would not have a fiscal impact on school districts in FY26, but it may have a fiscal impact on school districts of approximately \$8.5 million in FY27 for employees who are paid using operational funds, and may increase to \$18.1 million in FY28. The fiscal impact may be higher for employees paid using federal or other state funds and will also vary depending on whether a school district is deemed eligible to apply for a waiver from the program.

SUBSTANTIVE ISSUES

Amounts of Leave. Beginning January 1, 2028, an applicant would be eligible for a maximum of 12 weeks of family leave in a calendar year. In calendar years 2028 and 2029, an applicant would be eligible for a maximum of nine weeks of medical, safe, or qualifying exigency leave compensation. If an annual financial analysis determines the fund is solvent, the amount of medical, safe, and qualifying exigency leave would thereafter increase to a maximum of 12 weeks.

Qualifying Events and Calculating Benefits. The bill defines “leave” as including family leave, safe leave, qualifying exigency leave, and medical leave. Family leave could include the birth or adoption of a child, safe leave could be used by victims of domestic violence or sexual assault, exigency leave could be used for those whose family members are in active duty service, and medical leave could be used for those caring for a family member with a serious health condition or the applicant’s own serious health condition. These are a narrow range of examples of the qualifying events that could be used for each category of leave and do not represent all potential qualifying events.

To qualify for leave, HB11 requires an employee to have contributed to the paid family and medical leave fund for at least six months in the 12 month period prior to their application. If approved for leave, an individual must be compensated at the same rate as a non-tipped, state-minimum-wage-earning employee working the same number of hours per week as the applicant, plus 67 percent of the applicant’s average weekly wages that are greater than the non-tipped, state minimum wage compensation.

However, the maximum amount of weekly leave compensation would not exceed the annual mean wage of all occupations in the state, as calculated by the United States bureau of labor statistics.

Current Statute for Private Employers. [Section 50-17-3 NMSA 1978](#) requires employees to accrue a minimum of one hour of earned sick leave for every 30 hours worked, with each employee being allowed to use at least 64 hours of paid sick leave in a 12-month period.

Local Collective Bargaining Agreements. There are no federal or state statutes that require a school district or charter school to provide a certain amount of paid or unpaid leave to employees. Instead, school districts and charter schools typically enter into collective bargaining agreements with their employees that include provisions governing employee leave. For example, Albuquerque Public Schools (APS) currently has an [agreement](#) with the Albuquerque Teachers Federation (ATF) providing paid leave for incidents of assault, bereavement, jury duty, personal emergencies, religious activities, personal matters, professional development, the birth of a child, sickness, and military leave. The duration and rate of pay during leave may fluctuate, however, as an employee is compensated 40 percent of their wages for up to 30 days of parental leave.

The amount of leave permitted may also depend on the number of days a public school employee is contracted for. An example of this appears in the collective bargaining [agreement](#) for Central Consolidated School District, where an employee contracted within the range of 176 and 196 days is granted 10 days of paid annual leave, whereas the allowance is 12 days for an employee contracted within a range of 210 and 223. The classification of an employee may also influence the way in which an employee may use their leave, as certified teachers may have additional requirements around how they may use their leave during the school year.

Of note, not every school district or charter school has a collective bargaining agreement, and a collective bargaining agreement entered into by a school district does not apply to the state- or locally-chartered schools in their geographic area.

HB11 states the rights, privileges, and remedies of collective bargaining agreements will be unaffected by the provisions of the bill.

Waivers. If an employer has adopted and operates a paid family and medical leave plan or program that provides leave and leave compensation at similar or greater rates than the provisions of HB 11, that employer may apply for a waiver to exempt the employer and its employees from participating in the paid family and medical leave program. Approval of a waiver would be contingent on employees not being required to pay more for private coverage than the employee would have paid through contributions to the paid family and medical leave fund and that the employer not impose additional restrictions or conditions on leave beyond those explicitly authorized by state law.

ADMINISTRATIVE IMPLICATIONS

WSD anticipates significant operational costs associated with administering the provisions of the bill. The department also notes the option for employers to opt-out of both the fund and the program would place an unfair burden on participating employers and notes the potential for rulemaking that imposes fees on opt-out applications. If enacted through rulemaking, such a fee would place a burden on school districts that choose to opt-out of the program, if they are deemed eligible for that option.

SOURCES OF INFORMATION

- LESC Files
- Department of Workforce Solutions

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