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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/18/18  
 SPONSOR Ely LAST UPDATED 1/26/18 HM 4/aHHHC  
 SHORT TITLE Parental Paid-Leave Working Group SB \_\_\_\_\_  
 ANALYST Klundt/Daly

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

	FY17	FY18	FY19	3 Year Total Cost	R or NR **	Fund Affected
<b>Total</b>	Indeterminate	Indeterminate	Indeterminate	Indeterminate	Nonrecurring	Agency Operating Budgets

Parenthesis ( ) indicate expenditure decreases. \*\* R = recurring; NR = non-recurring

### SOURCES OF INFORMATION

LFC Files

Responses Received From

### SUMMARY

#### Synopsis of HHHC Amendments

The House Health and Human Services Committee amendments to House Memorial 4 reestablishes the parental paid-leave working group, adding representation from the New Mexico federation of labor and representation on behalf of small, medium and large businesses that represent the diverse business community to the same representations provided for in the 2015 memorial. It also adds the New Mexico federation of labor to the memorial's transmittal list.

#### Synopsis of Original Bill

House Memorial 4 seeks to continue the work following House Memorial 2 from 2015 which convened a parental paid-leave working group to develop recommendations of a publicly managed parental leave program in New Mexico. This memorial outlines recommendations as a result of the working group convened from House Memorial 2 (2015), noting that findings and recommendations were presented to the legislative health and human services committee in October 2016.

This memorial requests the parental paid-leave working group continue developing recommendations for establishing a parental paid-leave and paid family-and medical-leave program for New Mexico. The memorial also requests the working group continue to develop

recommendations as to the state agency that would manage the paid leave program, as well as recommendations on implementation of such a program over a three-year period, beginning in July 2020. The memorial recommends implementation of a pilot program for the public sector in year one.

This memorial also calls for the working group to present recommendations to the Legislative Health and Human Services Committee prior to December 31, 2018, for approval of a pilot program in the public sector that could be voted on in the second session of the Fifty-Fourth Legislature in 2019.

### **FISCAL IMPLICATIONS**

Costs appear to be limited to the value of “staff time” related to the state agencies involved, so cost is indeterminate, and will vary by each agency and the individuals assigned to participate in the working group. There could possibly be no fiscal impact and participation in such a working group and any additional research or reporting involved would fall under normal course of business in administering duties as a public agency.

### **SIGNIFICANT ISSUES**

This memorial references the previous House Memorial 2 from 2015, which noted that paid family-leave programs provide substantial benefits to children and the families of children and that other states with paid family leave programs have improved levels of job retention, employee loyalty, and morale without increases in cost. No support for this proposition is referenced in this memorial.

The Workforce Solutions Department (WSD) noted previously that this memorial does not provide any guidance regarding amounts to be paid by employees or the requisite time period employees must work to become eligible for a paid family-leave program. It also does not provide any guidance on a determination of the contribution amounts by employees necessary to create a solvent fund for payments under the plan and the significant cost in administering such a plan. The administration of a paid family-leave program would necessarily involve an initial determination of benefits as well as an appeals process, should benefits be denied, to employees if the proposed leave does not fall within the parameters of the program. Benefit determination and the appeals process would involve very significant costs for administering, in addition to the significant costs necessary to fund the program benefits.

### **ADMINISTRATIVE IMPLICATIONS**

This memorial references that a copy of the memorial will be provided to the Secretary of the Workforce Solutions Department in addition to a number of other New Mexico departments and interested public agencies and organizations. The Workforce Solutions Department would likely be involved in continued discussions with the working group tasked with providing recommendations by the end of 2018, as discussed above.

KK/sb