

LFC Requester:	Rachel Mercer-Garcia
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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: 1/23/2025 *Check all that apply:*
Bill Number: HB 11 Original X Correction
 Amendment Substitute

Sponsor: Chandler **Agency Name and Code:** Council of University Presidents
Short Title: Paid Family and Medical Leave Act **Number:** _____
Person Writing: Marc Saavedra
Phone: 505-426-4674 **Email:** Msaav@nmcup.us

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
Total						

(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

The bill creates the Paid Family and medical leave fund and defines who is eligible and also defines a payment schedule for both the employee and employer and prescribes how payment is made into the fund for the first three years and then adjusted according to an actuarial analysis.

The bill defines a family member as an applicant's spouse or domestic partner, or a person related to the applicant or the applicant's spouse or domestic partner. A family member also means a biological, foster, step or adoptive parent or legal guardian or a person who stood in loco parentis; a grandparent, a grandchild, a spouse or domestic partner of a family member, or an individual whose close association with the applicant or the applicant's spouse or domestic partner is the equivalent of a family relationship.

The bill defines leave to include family leave, safe leave, qualifying exigency leave or medical leave. Exigency leave includes the need arising from an applicant's family member's active duty service or notice of an impending call or order to active duty in the armed forces including providing for the care or other needs of a military member's child or other family member; making financial or legal arrangements for military member, attending counseling, military events or ceremonies; spending time with the military member during rest and recuperation leave or return from deployment and making arrangement following the death of the military member.

Safe leave is defined as an applicant or family member who is the victim of domestic violence, stalking, sexual abuse or abuse. It also includes leave for seeking a civil protection order against a perpetrator; obtaining medical care or mental health counseling for the applicant or the employee's children; seeking new housing, relocating or making the employee's home secure from a perpetrator or attending or preparing for court-relating proceedings or seeking legal assistance to address issues related to act of domestic violence, stalking, sexual assault or abuse.

The bill proposes an employee's contribution of 0.5 percent of their wages up to the defined earning cap and an employer contribution of 0.4 percent of the employees wages up to their earnings cap for 3 years starting January 1, 2027. On or after January 1, 2030, the employers are assessed at forty-five percent of the premium set by the Secretary and fifty-five percent of the premium for employees set by the Secretary.

FISCAL IMPLICATIONS

The table below shows the estimate of the direct compensation that would be required by the 4-year institutions. CUP estimates \$19.0 million in direct employer recurring costs in the first three years.

DIRECT EMPLOYER RECURRING COSTS FOR HB11 (PFMLA Contributions)				
\$ in thousands				
<i>Institution</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>TOTAL</i>
ENMU	86.3	181.1	190.2	457.6
NMHU	94.6	198.6	205.5	498.7
NMSU	693.8	1,457.0	1,529.9	3,680.7
NMIMT	683.0	1,389.0	1,413.0	7,577.0
NNMC	79.9	83.9	88.1	251.9
UNM	3,066.0	3,219.2	3,380.2	9,665.4
WNMU	294.2	310.4	327.6	932.1
Total	\$ 4,997.7	\$ 6,839.3	\$ 7,134.4	\$ 18,971.5

Notes: *Projected costs - assumes 5% increase per year.*
UNM's estimates include UNM HSC and its branches.
NMSU and ENMU estimates includes main and branches.

SIGNIFICANT ISSUES

The bill, as proposed, provides for a lower threshold for eligibility than the federal Family Medical Leave Act. Specifically, the bill requires only that an employee pays into the Fund for six months during any twelve-month period to be eligible for PFML, whereas Federal FMLA requires an employee to 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.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

Additional employees would likely have to be hired to administer the program.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS