Sunny Liu

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

<u>AgencyAnalysis.nmlegis.gov</u> and email to <u>billanalysis@dfa.nm.gov</u> (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:	January 30, 2025	Check all that apply:			
Bill Number:	HB 201	Original X	Correction		
		Amendment	Substitute		

Sponsor:	Susan K. Herrera, Brian G. Baca, G. Andres Romero, Yanira Gurrola, and Tanya Mirabal	Agency Name and Code Number:	NM - 352		onal Retirement Board
Short	Raise School Employee	Person Writing		Jacob N	Iaule
Title:	Minimum Wage	Phone: <u>505-531</u>	-6739	Email	Jacob.maule@erb.nm.

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropr	iation	Recurring	Fund Affected	
FY25	FY26	or Nonrecurring		
0	0			

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring	Fund
FY25	FY26	FY27	or Nonrecurring	Affected

(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)

SECTION III: NARRATIVE

BILL SUMMARY

<u>Synopsis</u>: The bill intends to increase the minimum salaries for school personnel. For licensed educational assistants, the minimum salary would increase from twenty-five thousand dollars (\$25,000) to thirty thousand dollars (\$30,000). For all other school personnel, the minimum salary would increase from six dollars an hour to fifteen dollars an hour or an annual salary of thirty thousand dollars (\$30,000).

FISCAL IMPLICATIONS

An increase in salaries for ERB members would result in increased contributions from the members and employers. For a plan that receives contributions as a percentage of pay, salary increases impact both benefits and contributions. It is anticipated that the impact of salary changes associated with HB201 would reduce the near-term funded ratios as the increase in projected benefits is immediately recognized in the liabilities, and over the long-term the impact to the plan funding outlook would be largely neutral as additional contributions on the increased salaries increase projected assets and offset the initial increase in projected benefits.

SIGNIFICANT ISSUES

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