

LFC Requester:	Sunny Liu
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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: 01-30-2025 *Check all that apply:*
Bill Number: HB 201 Original Correction
 Amendment Substitute

Sponsor: Reps. Herrera, Baca, Romero, Gurrola & Moya **Agency Name and Code** New Mexico Regional Cooperatives (NMRECA)
Short Title: Raise School Employee Minimum Wage **Number:** _____
Person Writing Bobbie Gutierrez
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$1,350,000	\$1,350,000	Recurring	Operational

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
				N/A

(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	--	\$591, 579	\$591,579	1,183,158	Recurring	Operational

(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

Synopsis: The increased cost associated with a 4% employee pay raise across 10 RECs will be \$591,579 collectively across 10 RECs beginning in SY 2026 and ongoing.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES: Increased/recurring operational costs; while RECs are not under obligation to provide mandated increases in pay; RECs comply in order to maintain our employees/positions that serve rural education throughout the state.

PERFORMANCE IMPLICATIONS N/A

ADMINISTRATIVE IMPLICATIONS N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP N/A

TECHNICAL ISSUES N/A

OTHER SUBSTANTIVE ISSUES: Since 1997, the Regional Education Cooperatives (RECs) have faced a significant disparity between the statutory language and the actual operating cost increases. The REC statute mandates “open the door costs” coverage; however, the appropriation has only increased from \$103,000 in 1997 to \$135,000 in 2025. This \$32,000 increase does not sufficiently account for the substantial rise in “open the door costs” over these 28 years.

ALTERNATIVES N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL None, other than several mandated raises over the past 28 years which the RECs figure out how to provide in order to stay competitive in providing services and support for rural education.

AMENDMENTS N/A