

<b>LFC Requester:</b>	<b>MERCER-GARCIA, RACHEL</b>
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**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO  
[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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:** Feb 6 *Check all that apply:*  
**Bill Number:** HB246 Original  Correction   
 Amendment  Substitute

**Sponsor:** P. Roybal Caballero **Agency Name and Code** State Personnel Office 378  
**Short Title:** Minimum Wage **Number:** \_\_\_\_\_  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
None	None		

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
None	None	None		

(Parenthesis ( ) indicate revenue decreases)

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

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	N/A	Unknown	Unknown			

(Parenthesis ( ) Indicate Expenditure Decreases)

## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

#### **Synopsis:**

HB246 Expands the reach of the Minimum Wage Act, raises the minimum wage to \$17/hour and provides, effective January 1, 2027, for automatic, CPI-based indexed hikes of the minimum wage annually. Repeals the power of the Workforce Solutions Department to set a lower minimum wage for agricultural workers and physically or mentally disabled workers.

Expands application of the Minimum Wage Act by broadening the term “employee” to exclude only:

- individuals employed in a bona fide executive, administrative or professional capacity and forepersons, superintendents and supervisors;
- salespersons or employees compensated upon piecework, flat rate schedule or commission basis;
- G.I. bill trainees while under training;
- any employees employed in agriculture if employed as a hand-harvest laborer and paid on a piece-rate basis in a region where such piece-rate pay is customary.

### **FISCAL IMPLICATIONS**

While other employers in New Mexico would have their own fiscal impact, the State of New Mexico currently has 130 classified employees making less than \$17 per hour, so the financial impact to those agencies’ budgets would be minimal.

### **SIGNIFICANT ISSUES**

For instructional purposes, raising the minimum hourly wage to \$17 for state employees would create compaction for those employees who are currently at or just above \$17 per hour. Those employees are likely to have more job responsibilities or are in a higher classification than the 130 state employees who will have their salary raised to \$17 per hour.

To address this, an agency and legislative commitment is needed to financially “internally align” those employees who will require an increase for such alignment. This should be documented, and budget be appropriated to ensure pay inequities are not propagated without remediation.

### **PERFORMANCE IMPLICATIONS**

### **ADMINISTRATIVE IMPLICATIONS**

Using CPI as a component of pay for state employees beginning on January 1, 2026 may be technically and administratively challenging based on the current fiscal year calendar. DFA would be better able to weigh in on this matter.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

### **TECHNICAL ISSUES**

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

**AMENDMENTS**