

LFC Requester:

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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO****[AgencyAnalysis.nmlegis.gov](https://www.legis.nm.gov/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: 2/06/2025 *Check all that apply:*
Bill Number: HB305 Original Correction
 Amendment Substitute

Sponsor: Representatives
Rebecca Dow and
Miguel Garcia **Agency Name
and Code
Number:** ECECD
**Person Writing
Analysis:** Eliabeth Groginsky
Short Title: Public Contract
Reimbursements &
Wages **Phone:** 505-231-
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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
NFI	NFI		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
NFI	NFI	NFI		

(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

Synopsis:

HB305 would create a new section of the Minimum Wage Act that will mandate all contracts between a New Mexican state agency and a contractor for services to include two provisions regarding minimum wage and statutory benefits. First, if passed, HB305 would require that under a contract with a state agency, a contractor's reimbursement would be increased when the state minimum wage is increased, or when costs associated with changes to statutory benefits are increased. Second, HB305 proposes that each contract between a state agency and a contract includes a provision that contractors or subcontractors who are paid the state minimum wage receive wage increases in accordance with and concurrent with increases in state minimum wage.

FISCAL IMPLICATIONS

ECECD maintains many agreements with contractors to accomplish its objectives. If HB305 is passed, and the state minimum wage or the cost of statutory benefits is increased during the term of its contracts, ECECD would have to amend all of its contracts to provide contractors with additional funds to cover any wage increase or increased costs associated with statutory benefits. The fiscal impact of this requirement is difficult to estimate without knowing how much an increased minimum wage or increased costs of statutory benefits would be.

SIGNIFICANT ISSUES

None

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

ECECD would need to provide additional oversight to contracts that include minimum wage employees and make necessary amendments to ensure compliance with wage increases. Additionally, if the minimum wage is increased during the term of the contract, ECECD would need to review all open contracts to determine which contractors employ minimum wage employees and would need to process amendments for all of those contracts.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

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