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HOUSE BILL 98

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

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AN ACT

RELATING TO STATE EMPLOYEES; PROVIDING FOR A FUTURE INCREASED
MINIMUM SALARY, ANNUAL LEAVE ACCRUAL RATES AND PAID PARENTAL
LEAVE; PROVIDING FOR STATE EMPLOYEE RECRUITMENT AND RETENTION;
AMENDING AND ENACTING SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 10-7-9 NMSA 1978 (being Laws 1974,
Chapter 10, Section 2) is amended to read:

"10-7-9. MINIMUM SALARY RATE.--

A. Every state employee and every person regularly
employed at a state educational institution named in Article
12, Section 11 of the constitution of New Mexico
[~~constitution~~], except student employees as defined by the
[~~board of educational finance~~] higher education department,
shall receive a salary at a rate equal to at least [four
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1 ~~hundred dollars (\$400) per month]~~ fifteen dollars (\$15.00) per
2 hour.

3 B. On July 1, 2027 and on July 1 of each successive
4 year, the minimum salary rate shall be adjusted by multiplying
5 the minimum salary as of July 1, 2026 by a fraction, the
6 numerator of which is the consumer price index ending in
7 September of the previous year and the denominator of which is
8 the consumer price index ending September 30, 2026; provided
9 that the minimum wage rate shall not be adjusted downward as a
10 result of a decrease in the consumer price index.

11 C. To the extent any provision of this section
12 conflicts with a current collective bargaining agreement
13 negotiated pursuant to the Public Employee Bargaining Act, the
14 provisions of this section shall not apply.

15 D. As used in this section, "consumer price index"
16 means the consumer price index, not seasonally adjusted, for
17 all urban consumers, United States city average for all items,
18 or a successor index, as published by the United States
19 department of labor for a twelve-month period ending September
20 30 each year."

21 **SECTION 2.** A new section of Chapter 10, Article 7 NMSA
22 1978 is enacted to read:

23 "[NEW MATERIAL] STATE EMPLOYEE ANNUAL LEAVE ACCRUAL
24 RATES.--

25 A. State employees shall be eligible for annual
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1 leave accrued at rates that are competitive with public sector
2 employers.

3 B. Effective July 1, 2027, every state employee
4 shall accrue annual leave at the rate of at least:

5 (1) four and sixty-two hundredths hours per
6 pay period if the employee has less than three years of
7 cumulative employment;

8 (2) five and fifty-four hundredths hours per
9 pay period if the employee has three years or more but less
10 than seven years of cumulative employment;

11 (3) six and forty-six hundredths hours per pay
12 period if the employee has seven years or more but less than
13 fourteen years of cumulative employment; and

14 (4) seven and thirty-nine hundredths hours per
15 pay period if the employee has fourteen years or more of
16 cumulative employment.

17 C. To the extent any provision of this section is
18 more restrictive than a current collective bargaining agreement
19 negotiated pursuant to the Public Employee Bargaining Act, the
20 provisions of this section shall not apply.

21 D. As used in this section, "state employee" means
22 an employee as defined in Section 10-9-3 NMSA 1978; provided
23 that the coverage of service exemptions set forth in Section
24 10-9-4 NMSA 1978 shall apply."

25 SECTION 3. A new section of Chapter 10, Article 7 NMSA

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1878 is enacted to read:

"[NEW MATERIAL] STATE EMPLOYEE PAID PARENTAL LEAVE.--

A. Effective July 1, 2027, state employees shall be eligible for paid parental leave of at least twelve work weeks of fully paid parental leave to eligible state employees following the birth or adoption or upon gaining custody of a child. If both parents, including a domestic partner of a parent, are eligible state employees, each parent or partner shall receive paid parental leave.

B. To the extent any provision of this section conflicts with a current collective bargaining agreement negotiated pursuant to the Public Employee Bargaining Act, the provisions of this section shall not apply.

C. As used in this section, "state employee" means an employee as defined in Section 10-9-3 NMSA 1978; provided that the coverage of service exemptions set forth in Section 10-9-4 NMSA 1978 shall apply."

SECTION 4. A new section of Chapter 10, Article 7 NMSA 1978 is enacted to read:

"[NEW MATERIAL] STATE EMPLOYEE REMOTE WORK POLICY.--

A. State agencies shall implement a remote work program to enhance recruitment and retention of a diverse workforce from rural areas of New Mexico that shall provide:

(1) stable and reliable job opportunities for rural New Mexico residents and enhanced workforce retention and

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1 talent recruitment; and

2 (2) increased diversity, equity, inclusion and
3 accessibility with the state as an employer.

4 B. The remote work location is an approved
5 designated duty station other than the official employer work
6 site in New Mexico.

7 C. Position eligibility for both hybrid and full-
8 time work at a remote work location shall be based on
9 applicable job functions, the nature of the work performed,
10 operational needs and a strategic analysis of the employer's
11 needs.

12 D. State employees working at remote work locations
13 shall be full-time residents of New Mexico.

14 E. Evaluation of state employees working at remote
15 work locations shall be based on identification and completion
16 of applicable job functions. While working at a remote work
17 location, a state employee is expected to maintain the same
18 hours of work and productivity, performance, communication and
19 responsiveness standards as when working at the regular work
20 site.

21 F. To the extent any provision of this section
22 conflicts with a current collective bargaining agreement
23 negotiated pursuant to the Public Employee Bargaining Act, the
24 provisions of this section shall not apply.

25 G. As used in this section, "state employee" means

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1 an employee as defined in Section 10-9-3 NMSA 1978; provided
2 that the coverage of service exemptions set forth in Section
3 10-9-4 NMSA 1978 shall apply."

4 SECTION 5. Section 10-9-13 NMSA 1978 (being Laws 1961,
5 Chapter 240, Section 9, as amended) is amended to read:

6 "10-9-13. RULES--ADOPTION--COVERAGE.--Rules promulgated
7 by the board shall be effective when filed as required by law.
8 The rules shall provide, among other things, for:

9 A. a classification plan for all positions in the
10 service;

11 B. a pay plan for all positions in the service;

12 C. competitive entrance and promotion tests to
13 determine the qualifications, fitness and ability of applicants
14 to perform the duties of the position for which they apply.

15 Such rules shall also provide for the awarding to those
16 applicants having a passing grade of two preference points for
17 each year of residency in New Mexico not to exceed a total of
18 ten preference points;

19 D. exemption from competitive entrance tests for
20 those professional persons applying for classified positions in
21 the service who possess recognized registration or
22 certification by another state agency;

23 E. a period of probation of one year during which a
24 probationer may be discharged or demoted or returned to the
25 eligible list without benefit of hearing;

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1 F. the establishment of employment lists for the
2 certification of the highest standing candidates to the
3 prospective employers and procedure to be followed in hiring
4 from the lists;

5 G. hours of work, including allowance for part-time
6 and alternative work schedules, holiday ~~[and]~~ schedules,
7 competitive leave accrual rates and paid parental leave;

8 H. dismissal or demotion procedure for employees in
9 the service, including presentation of written notice stating
10 specific reasons and time for the employees to reply thereto,
11 in writing, and appeals to the board;

12 I. the rejection of applicants who fail to meet
13 reasonable requirements as to age, physical condition,
14 training, experience or moral conduct; ~~[and]~~

15 J. employment of any apparently qualified applicant
16 for a period of not more than ninety days when an emergency
17 condition exists and there are no applicants available on an
18 appropriate employment list as provided in Subsection F of this
19 section. The applicant, if employed, shall be paid at the same
20 rate as a comparable position covered by the Personnel Act; and

21 K. a plan to designate positions eligible for full-
22 time remote work or part-time, or hybrid, remote work for an
23 approved work site other than a designated state work site to
24 bring job opportunities to rural areas of the state and expand
25 employee recruitment opportunities as part of a strategic

analysis of the employer's needs."

SECTION 6. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2026.

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