LFC Requester:	Jennifer Faubion

AGENCY BILL ANALYSIS
2024 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

AgencyAnalysis.nmlegis.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}

Check all that apply:

Original X **Amendment** ____
Correction ___ **Substitute** ____

Date Feb. 1, 2024
Bill No: HB 6

Sponsor: Rep. Chandler
Short Title: Paid Family & Medical Leave Act

Agency Name and Code Number: OBAE 361
Person Writing Erin Thompson
Phone: 5052645536 **Email** Erin.thompson@connect.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
0	0	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
0	**0**	**0**	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		12	12	24	recurring	GF

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: HB 11
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

HB 6 would create a Paid Family and Medical Leave Fund with revenues derived from contributions by both employers and employees at a rate of .4 and .5 percent of wages respectively, by which individual workers who qualify could receive 12 weeks of paid leave for the purposes of parental leave or to care for a loved one and several other qualifying purposes. The bill would create a state-run PFML program administered by the Department of Workforce Solutions (DWS), including responsibility for distributing the fund, reviewing claims for paid leave, issuing determinations, and carrying out an appeals process. The legislation outlines what types of employers are required to pay into the fund as well as circumstances by which employers may receive a waiver, based on the number of employees or if the employer already provides paid family and medical leave that is “substantially similar” to the benefits required by the legislation.

FISCAL IMPLICATIONS

Assuming that the state will be a required participant in the PFML program, OBAE estimates an annual fiscal impact beginning in FY 25 of approximately $12,000 to cover the cost of the employer contribution required to be paid into the fund, which will increase by modest amounts in successive years based on salary increases and hiring of additional staff due to our status as an agency with anticipated personnel growth.

SIGNIFICANT ISSUES

None

PERFORMANCE IMPLICATIONS

None

ADMINISTRATIVE IMPLICATIONS

If enacted, the legislation could result in a stronger system of employee recruitment and retention. Simultaneously, it will result in most if not all employees qualifying for additional leave, which may impact productivity and require a plan for filling in the gaps during extended periods of employee absences.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill conflicts with House Bill 11, which is a different proposal for a state PFML program.

TECHNICAL ISSUES

None

OTHER SUBSTANTIVE ISSUES

Based on how the bill is drafted, it is difficult to determine with certainty who will be exempted from the requirements based on what constitutes “substantially similar” in terms of leave options already provided by an employer.

ALTERNATIVES

None

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

AMENDMENTS

None