

LFC Requester:	Jennifer Faubion
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

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{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 **Amendment**
Correction **Substitute**

Date 1/18/24
Bill No: SB3

Sponsor: Sen. Stewart & Rep. Chandler **Agency Name and Code** University of New Mexico, 952
Short Title: Paid Family Medical Leave Act **Number:** _____
Person Writing Lenaya Montoya
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

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

(Parenthesis () Indicate Expenditure Decreases)

Duplicates: HB 6

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

- Establishes the paid family medical leave act, which requires all state employees to contribute .5% of their earnings to a fund for the purposes of funding leave payments and requires all employers to contribute .4% of their employees' earnings to a fund for the purpose of funding administrative costs.
- Provides up to 12 weeks of paid family and medical leave, compensated at a calculated rate that is below an employee's regular earnings (with the exception of employees earning the minimum wage, who are compensated at the minimum wage).

FISCAL IMPLICATIONS

UNM CAMPUS	EMPLOYEE COST	EMPLOYER COST	TOTAL UNM COST
Main Campus	\$1,661,712	\$1,365,720	\$2,991,082
Health Sciences	\$1,945,965	\$1,747,728	\$3,502,737
Gallup Branch	\$46,015	\$37,048	\$82,826
Los Alamos Branch	\$14,209	\$11,603	\$25,577
Taos Branch	\$33,107	\$26,722	\$59,592
Valencia County Branch	\$40,673	\$32,774	\$73,211
Grand Total	\$3,741,681	\$3,221,596	\$6,735,026

As outlined above, the fiscal implications of this legislation on UNM are significant, totaling nearly \$7M annually. The costs shown in the “Employee Cost” column reflect the cost to UNM of a .5% salary increase necessary for employees to contribute to the program without realizing a decrease in their take home pay due to program contributions.

SIGNIFICANT ISSUES

As proposed, the bill provides for a lower threshold for eligibility than the federal Family Medical Leave Act. Specifically, the bill requires only that an employee pay into the Fund for six months during any twelve-month period to be eligible for PFML, whereas Federal FMLA requires an employee work 1,250 hours in the twelve-month period preceding the leave. As such, part-time employees who are unable to meet the hours-worked requirement for Federal FMLA will likely meet eligibility criteria for PFML, increasing leave benefits available to these employees.

UNM has a strong track record of investing in its employee benefits programs. While it does not currently offer a paid family medical leave program, UNM does offer a paid parental leave (PPL) program for benefits-eligible employees that provides for 4-weeks of paid leave to be used in conjunction with other available employee sick and annual leave. UNM’s PPL program compensates employees at full pay without requiring employee contributions. Regular full-time staff employees also accrue nearly seven weeks of sick and annual leave each year (264 hours), and together can accrue a total of nearly 1300 hours of leave before maxing out (1,040 sick leave and 252 annual leave). When used, these leave hours are paid at an employee’s full salary and are often take concurrently with FMLA. Additionally, UNM provides other programs such as a catastrophic leave program to safeguard employees who are required to be out of the office for extended periods of time for medical reasons.

Further, UNM faculty are eligible for a semester of parental leave at full pay, as well as up to six months of paid sick leave for cases of extended illness or injury.

However, the proposed state PFML will fill a current gap for temporary, on-call, and student employees who are not in a benefits-eligible status. These employees have limited access to paid leave, and it is anticipated that the state PFML program will be a significant benefit to them.

The criteria used for considering a waiver outlined in Section 4 (G) are unclear, specifically as it pertains to existing paid leave programs that run concurrently with FMLA and how the Department will determine what constitutes “substantially similar.”

It is not clear how the reemployment requirements articulated in Section 8 would apply to employees who are subject to an employment agreement or contract with a fixed end date, and whether reinstatement rights extend past the contract end date.

Finally, because it prohibits the reduction of other leave benefits, this legislation also raises the possibility of employees utilizing more than the allotted 12 weeks by stacking other employer-provided leave with the state PFML program. For instance, an employee could take the 12 weeks of state PFML, and then request four weeks of paid PPL from UNM at full pay, and then exhaust any paid sick or annual leave, significantly exceeding the 12-week duration of leave. The additional complexity of these programs potentially running in parallel will be significant, and likely require additional staff resources to manage and oversee these programs.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Duplicate of HB 6.