

LFC Requester: \_\_\_\_\_

**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  Amendment \_\_\_\_\_  
Correction \_\_\_\_\_ Substitute \_\_\_\_\_

Date 1/24/2024

Bill No: SB 3

Sponsor: Sen. Stewart

Agency Name and Code Number: Central New Mexico Community College (968)

Short Title:

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
0.00	0.00	NA	None

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		

(Parenthesis ( ) Indicate Expenditure Decreases)

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

	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(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:

SB 3 Proposes the Paid Family and Medical Leave Act. It creates a temporary Paid Family and Medical Leave Implementation Advisory Committee in the Workforce Solutions Department and the Paid Family and Medical Leave Fund. SB 3 will compensate employees and provide leave for those needing parental leave and maternity; victims of domestic violence, stalking, or sexual assault; employees who are personally experiencing a serious health condition or those of a close family member; following the death of a minor child; or to take leave for a family member on active military duty.

**FISCAL IMPLICATIONS**

Central New Mexico Community College would have the following fiscal impacts

- From 1/1/2026-1/1/2029
  - CNM would pay an amount equal to .4% of each participating employee’s wages up to the earnings cap established by the federal social security program.
- After 1/1/2029:
  - CNM would be assessed an amount equal to each participating employee’s wages at 45% of the premium set by the secretary in section E of Section 3.
- As it stands CNM currently offers generous combination of both paid and unpaid Medical, Family, Military and Domestic Abuse leave benefits, including:
  - Annual: FT staff: 80 to 176 hr/year (10 to 22 days/year)
  - Sick: FT staff: 4 hr/pay period (104 hr/year) up to 2080 hours max accrual (260 days)
  - (PT staff accrual is pro-rated)
  - FT faculty: 3 hr/pay period up to 1362 hours max accrual (227 days)
  - Personal: FT staff: 8 hr/year
  - (PT staff accrual is pro-rated)
  - FT faculty: 30/hr/year
  - Bereavement: FT staff: 3 days/qualifying death event (24 hrs for FT fte, 12 hrs for PT fte)

- FT faculty: 3 days/qualifying death event (6 hrs for FT fte)
  - Military: 15 days/year (paid, with allowance for additional unpaid leave)
  - Domestic Abuse: 14 days/year (unpaid)
- Administration of FML resources according to both the federal and proposed state provisions (which are in some ways different) may result in misalignment that would complicate administration of FML benefits and would create an onerous burden on employers to administer.
  - CNM already provides generous paid leave, without cost to employees, at levels which leave usage trends would indicate more than adequately meet the needs of employees.
  - Based on the level of employee requests and usage experience, employee leave needs are already effectively being met by the College's existing leave and benefits package.
  - Annual, Sick and Personal leave benefits already provided by the college are generous, equitable, and meet the leave needs of most employee situations, and with more flexibility of usage; in those infrequent cases where additional needs exist, the college benefits plan also includes paid catastrophic leave and long-term disability to augment extended leave needs.
  - Human Resources at CNM have not received feedback from its employee base voicing interest in an additional leave program or higher amount of paid leave benefits, and in light of the proposed cost to employees, employees may not support the proposed program.
  - The college's post-pandemic experience shows employees prefer to use remote work, when possible, rather than be fully out on sick leave. This helps mitigate lost productivity due to employee absences. Proposed legislation could de-incentivize productivity.
  - Provisions of proposed leave providing 12 weeks of paid leave (especially if this would be in addition to 12 weeks federal FML unpaid leave, as well as individual employee paid AL, SK, PL benefits) would result in extensive employee absence from duty, which employers would need to fill via interim assignments and substitute teachers, effectively doubling staff costs: 2 employees paid for 1 job with impacts to productivity, efficiencies, and student learning insofar as interim staff and substitute teachers may not offer an equivalent level of mastery.
  - Fiscal costs would be untenable for employers and may result in layoffs, reductions in current paid leave benefits necessitated to offset costs of the proposed leave legislation.

## **SIGNIFICANT ISSUES**

Also important to note is that there is no funding source recommended to offset the increased employer costs nor additional compensation for employees. This would have a detrimental effect on CNM's finances. This is the case with proposed enhanced benefit schemes and compensation increases. An example of this would be previous mandated compensation increases that were funded at 80% percent across the Higher Education Sector. This resulted in only 56% compensation funding for CNM for our "pay mix" as determined by HED. The 2.7 - 2.8%

recommendations for our I&G would mostly go to this year's compensation increases if approved. Additional unfunded enhanced benefit schemes along with compensation increases would put CNM in a more precarious state with its finances, leading to possible raises in tuition or potential layoffs. This analysis also takes into account our small enrollment increases and Opportunity Scholarship funding, as our tuition only comprises only 15% of CNM's revenue stream.

## **PERFORMANCE IMPLICATIONS**

## **ADMINISTRATIVE IMPLICATIONS**

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

SB3 is a duplicate of HB 6

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

## **ALTERNATIVES**

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

## **AMENDMENTS**