

LFC Requester:	R. Mercer-Garcia
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

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: 01/23/2025 *Check all that apply:*
Bill Number: HB11 Original Correction
 Amendment Substitute

Sponsor: Christine Chandler and Mimi Stewart and Patricia Roybal Caballero **Agency Name and Code Number:** General Services Department/35000
Short Title: Paid Family and Medical Leave Act **Person Writing:** Eunice Moya
Title: Act **Phone:** 505-412-5828 **Email:** Eunice.Moya@gsd.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(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: HB11 creates the Paid Family and Medical Leave Program for New Mexico, requiring contributions from employers, employees, and self-employed individuals. It provides employees and self-employed individuals with wage replacement benefits during leave for qualifying family, medical, safe, and exigency circumstances. The New Mexico Department of Workforce Solutions Department (DWS) will oversee the program's implementation, beginning with contributions in 2027 and benefits available in 2028.

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES State agencies must contribute 0.4% of employee wages up to the Social Security wage cap starting in 2027. For agencies with large workforces, this would be a significant increase in personnel related costs. Contributions may increase or decrease annually based on fund solvency but are capped at 0.1% adjustments per year.

PERFORMANCE IMPLICATIONS

State Agencies:

- HR and payroll staff will face increased administrative tasks, including tracking contributions and processing leave requests in coordination with DWS.

Employees:

- Access to wage replacement benefits may improve employee well-being and retention, especially for lower paid workers.

ADMINISTRATIVE IMPLICATIONS

State agencies will require internal adjustments and will need to adjust the HCM system to manage employee contributions and employer remittances.

There would be a significant impact to training human resources personnel on the law's requirements and its intersection with existing leave policies e.g., FMLA, collective bargaining agreements.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The bill aligns with federal FMLA provisions but expands access to paid leave. Employers subject to both will need to update policies to ensure compliance without duplication.

TECHNICAL ISSUES

Clear guidelines are needed for determining whether employer provided leave programs meet or exceed Paid Family and Medical Leave Program requirements to qualify for waivers.

OTHER SUBSTANTIVE ISSUES

Employer contributions may impact smaller agencies budgets, potentially limiting their hiring capacity.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Employees will continue to rely on unpaid leave under FMLA, limiting access to essential caregiving and medical recovery time.

New Mexico may fall behind other states in offering competitive leave benefits that may affect workforce recruitment and retention.

Some populations, including lower paid workers, will continue to face financial hardship during periods of unpaid leave.

AMENDMENTS