

LFC Requester:

Sunny Liu

AGENCY BILL ANALYSIS - 2026 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:1/28/26 **Bill Number:** HB47A **Original** _ **Amendment** X **Substitute**
Short Title: GROUP INSURANCE CONTRIBUTIONS & SUSTAINABILITY FOR PUBLIC SCHOOLS

Sponsor: Rep. Raymondo Lara for the Legislative Education Study Committee

Name and Code Number: HCA 630

Person Writing: JoLou Trujillo-Ottino

Phone: 505 795-3464 **Email:** JoLou.Trujillo-Ottino@hca.nm.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
\$0.0	\$0.0	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
\$0.0	\$0.0	\$0.0	N/A	N/A

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	\$0.0	\$0.0	\$0.0	\$0.0	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: HB 47A, amended in the House Education Committee to be on changes the group insurance contributions for school districts and charter schools from the current salaried-tiered structure to ~~at least~~ 80% of the cost of insurance regardless of employees' wage levels. The bill appropriates \$73,153,900 from the General Fund to the Public School Fund for expenditures in fiscal year 2027.

HB 47 also requires a comprehensive study on the sustainability of insurance programs for public school employees by the Legislative Education Study Committee, in collaboration with the Legislative Finance Committee, the Public School Insurance Authority, the Albuquerque Public School District, the Public Education Department and the Health Care Authority. The resulting report is due to the Governor, the Legislative Finance Committee and the Public Education Department no later than October 1, 2026.

The bill was amended in the House Education Committee to be on behalf of the Legislative Education Study Committee.

FISCAL IMPLICATIONS

No direct fiscal impact on the State Health Benefits Bureau.

SIGNIFICANT ISSUES

The bill's required completion date for the study, October 1, 2026, may not allow adequate time to gather and analyze the actuarial, financial, and operational data needed to evaluate integration scenarios across multiple large, complex insurance programs. Meaningful projections on sustainability, rate impacts, and administrative alignment may require more time to coordinate data collection among carriers, agencies, and school districts. Because the mandated study would rely on input from multiple entities with different plan years, data systems, and actuarial cycles, the deadline in the bill could constrain the ability to develop fully validated projections and operational models. A longer timeframe would support more accurate fiscal modeling and ensure that any recommendations brought forward are based on complete and reliable information.

PERFORMANCE IMPLICATIONS

The New Mexico Public School Insurance Authority (NMPSIA) would be responsible for implementing the 80% minimum contribution. The Legislative Education Study Committee (LESC) would be responsible for leading the study and the Health Care Authority (HCA) would be required to participate in the study alongside other state entities. While there would be no direct impact on the HCA's performance, participation in the study would require staff time and may require use of HCA's actuarial consultant to provide data and other information. This bill would advance affordable coverage for tens of thousands of education workers and has the potential to leverage state purchasing power to lower costs and improve care.

ADMINISTRATIVE IMPLICATIONS

HCA would work with LESC to inform their study and collaborate with other state agencies on the study. Work on the study would need to begin shortly after passage to meet the deadline of October 1, 2026.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Education workers will continue to pay high premiums, and the state will not study the potential of consolidating state insurance coverage programs.

AMENDMENTS

None.