

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: January 22, 2026 **Check all that apply:**
Bill Number: HB 98 **Original** **Correction**
Amendment **Substitute**

Sponsor: Rep. Roybal Caballero
Short Title: State Employee Salary & Retention Changes

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SECTION II: FISCAL IMPACT**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(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						

(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: HB 98 would implement a \$15 minimum wage applicable to state employees and higher ed institutions. Further, it would increase minimum wage annually based on CPI. It also makes a variety of changes and additions to accrued leave and remote work requirements for state employees that do not impact employees at higher education institutions.

FISCAL IMPLICATIONS

UNM implemented a \$15 staff minimum wage in FY23, so there is no expected fiscal impact to UNM in FY27. However, it is unclear whether funding to cover the cost of the CPI-driven increases contemplated in FY28 and beyond would be appropriated to institutions on an ongoing basis. Additionally, many UNM employees who would be impacted by this legislation are funded via self-supporting revenues and it is unclear if funding would be appropriated to cover the cost of required salary increases.

SIGNIFICANT ISSUES

The proposed legislation has the prospect of creating financial uncertainty and un-funded requirements in future years if annual changes to the CPI (and thus the minimum wage increases) exceed the amount of funding appropriated for annual salary increases. Additionally, this has the potential to increase salary compression among employees if increases to the minimum wage outpace the annual salary increases appropriated to other employees.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS