LFC Requester:	

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: *1/22/2026* *Check all that apply:*
Bill Number: *HB0098* Original *X* Correction __
Amendment __ Substitute __

Sponsor: Patricia Roybal Caballero, Pamelya Herndon

Agency Name and Code Number: New Mexico Institute of Mining and Technology 962

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
FY27	FY28		

(Parenthesis ( ) indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY27	FY28	FY29		

(Parenthesis ( ) indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY27	**FY28**	**FY29**	**3 Year Total Cost**	**Recurring or Nonrecurring**	**Fund Affected**
Total	Further information is needed	Further information is needed	Further information is needed	Further information is needed		

(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:

- Relating to state employees;
- Providing for a future increased minimum salary, annual leave accrual rates and paid parental leave;
- Providing for state employee recruitment and retention;
- Amending and enacting sections of the NMSA 1978.

FISCAL IMPLICATIONS

The Institute has compensated all non-student employees at a rate of no less than $15 per hour since FY23, which is consistent with the requirement in Section 1.A.

Given the requirements set forth in Section 1.B and the institute's current business practices, the proposed version of the bill would result in a fiscal impact on the institution if it is not fully funded by the state. Such impacts may include, but are not limited to, the following:

Additional Administration Costs

Section 1.B requires the minimum salary rate to be adjusted annually using a ratio of the prior year's and current year's Consumer Price Index (CPI). The bill does not clearly identify the responsible party for calculating and implementing the adjustment. If this responsibility rests with the agency, the Institute would be required to track, calculate, monitor, compare, and implement the adjustment within its systems. The estimated additional cost is approximately $47,250, representing at least 0.5 FTE in salary and fringe benefits.

Potential Additional Compensation Costs

If the state does not appropriate funding for a salary raise in any given year, or if the appropriation is insufficient to meet the increase required in Section 1.B, the institution would need to identify alternative funding sources to cover the resulting shortfall. The estimated additional cost would vary depending on the number of new employees hired in a given year and the applicable CPI adjustment. For example, if 50 new employees are hired and the CPI adjustment results in a required increase of $0.50 per hour, the additional cost could be approximately $70,200 in salary and fringe benefits in that year.

Associated Equity and Compression Issues
The institute may experience internal equity and pay compression issues as a result of implementing the requirement in Section 1.B.

Assumption
This fiscal analysis is based on the assumption that Sections 2-4 would not apply to the state educational institution. If they do apply, the fiscal impact could be substantially greater.

SIGNIFICANT ISSUES
The bill requires application of the Consumer Price Index, which introduces ongoing fiscal uncertainty for the Institute. If the required adjustments are not fully funded through state appropriations, the institute may need to consider alternative funding sources to absorb these additional costs, including reducing funding in the critical areas, limiting travel and discretionary expenditures, and deferring essential capital improvement projects.

PERFORMANCE IMPLICATIONS
The Institute may need to revise existing policies and procedures to ensure compliance with the requirements of this bill.

ADMINISTRATIVE IMPLICATIONS
Additional guidance and personnel may be needed to effectively interpret and implement the requirements of this bill.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES
If the agency is responsible for monitoring and calculating, the Institute's current financial system is not configured to automatically support these requirements. Implementation will require additional staff time and may necessitate modifications to system rules and configurations.

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES
The state appropriations fully fund the Institute for the costs associated with implementing the requirements of the bill or consider removing the requirement in Section 1.B.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL
Operations would continue under current practices with minimal operational or fiscal impact.

AMENDMENTS