

LFC Requester:

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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: 1/26/26 **Bill Number:** SB0125 **Original** **Amendment** **Substitute**
Short Title: SCHOOL GROUP INSURANCE CONTRIBUTIONS; ELIMINATES WAIVERS
Sponsor: Sen. Gonzales
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	NA	NA

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
\$0	\$0	\$0	NA	NA

(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	NA	NA

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

SHB – Senate Bill 125 proposes a series of reforms intended to strengthen the stability, equity, and long-term sustainability of the Public School Insurance Authority (PSIA). The bill standardizes employer contribution requirements for school districts and charter schools by setting a minimum contribution level of 80 percent of the cost of insurance, replacing the current salary-tiered structure. It also eliminates future waivers from participation in PSIA health, disability income, and term life plans, beginning July 1, 2027, to reduce fragmentation and strengthen the overall risk pool for school employee benefits.

In addition, the bill reinforces consolidated purchasing principles and requires the use of reference-based pricing for hospital services, limiting excessive price variation and promoting greater transparency in provider payments.

FISCAL IMPLICATIONS

SHB – None

ITD – None

SIGNIFICANT ISSUES

SHB – None

ITD – None

PERFORMANCE IMPLICATIONS

SHB – None

ITD – None

ADMINISTRATIVE IMPLICATIONS

SHB – None

ITD – None

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB125 is related to a similar bill, HB47, in the House.

TECHNICAL ISSUES

SHB - None

OTHER SUBSTANTIVE ISSUES

SHB - None

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS