

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: 01.27.2026

Check all that apply:

Bill Number: S-125Original Correction Amendment Substitute Sponsor: Senator Bobbie GonzalesAgency Name
and CodeNM Regional Education
Cooperatives #930Short School Employee Insurance

Number:

Title: Premiums

Person Writing

Bobbie GutierrezPhone: (505) 670-2060Email bj.gutierrez@nmreca.org**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
N/A	N/A	N/A	N/A

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
N/A	N/A	N/A	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	275,000	275,000	275,000	\$825,000	N/A	N/A

(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:

RECs are not required to meet the 80% employer insurance contribution, but the bill reshapes the labor market in ways that directly affect REC stability and rural district support.

- Competitive Pressure Will Increase Immediately
- Even without a statutory requirement, S-125 forces RECs into a new benefits landscape.
- REC employees, especially itinerant SPED staff, diagnosticians, business office staff, and
- PD specialists—will compare their benefits to district /charter offerings.
- RECs risk losing qualified staff unless they match or come close to the new contribution level.

Effect: RECs must voluntarily increase contributions to remain competitive, despite receiving no additional funding.

FISCAL IMPLICATIONS N/A

Note: Collectively, this will cost some of our RECs about \$275K annually, with larger RECs having larger increases and smaller ones.

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

SIGNIFICANT ISSUES YES

PERFORMANCE IMPLICATIONS YES

ADMINISTRATIVE IMPLICATIONS N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP N/A

TECHNICAL ISSUES N/A

OTHER SUBSTANTIVE ISSUES: Increased competition for finding employees for rural education.

ALTERNATIVES RECs could receive a bump in their direct appropriation to help cover the increased cost of funding employers' share of employee benefits.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL N/A

AMENDMENTS N/A