

LFC Requester:

Sunny Liu

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

**[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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:** 1/30/2026

*Check all that apply:*

**Bill Number:** SB 0188

Original  Correction

Amendment  Substitute

**Sponsor:** Mimi Stewart

**Agency Name  
and Code**

New Mexico Public Schools

**Number:**

Insurance Authority 34200

**Short  
Title:** PAID PARENTAL LEAVE  
FOR SCHOOL EMPLOYEES

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		

(Parenthesis ( ) indicate expenditure decreases)

**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
<b>Total</b>						

(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**

Senate Bill 188 creates a new Act within the Public School Code to provide paid parental leave for qualified, eligible school employees. Under the new Act, school district and charter schools are required to provide up to 12 weeks of paid parental leave for eligible employees for birth, adoption or placement of foster children.

The bill defines terms including “qualified employee,” “parental leave,” “qualifying event,” “period of parental leave,” and “employer.” Full-time employees who have been continuously employed for at least fifty-two weeks immediately before the leave may take up to twelve weeks of paid leave following the birth, adoption, or foster care placement of a child, if they are eligible, with PED setting the standard to determine eligibility. The leave is generally consecutive by week, with specific allowances for foster parents. During this period, employees receive full regular pay, and health insurance coverage continues under the same conditions as if the employee were working. Leave counts toward years of service but carries no cash value, cannot be accrued or paid out, and does not normally affect retirement calculations.

Upon returning from parental leave, employees are entitled to return to the same position or an equivalent one with the same wages, benefits, and working conditions. The Public Education Department will create a reimbursement process to cover eligible costs for employers, including expenses for substitute educators. Each employer must maintain written procedures for parental leave applications and submit annual reports on usage to the Department. The Department will compile these reports, providing data on participation, demographics, and impacts, and adopt rules to implement the Act by August 1, 2026.

The bill appropriates \$7,500,000 non reverting from the general fund for fiscal year 2027 and subsequent years to cover reimbursements and administration. The Act becomes effective July 1, 2026.

#### **FISCAL IMPLICATIONS**

SB 188 requires paid parental leave for full-time school district and charter school employees with at least 52 consecutive weeks of employment prior to leave who meet PED eligibility requirements, following the birth, adoption, or foster care placement of a child.

The Public Education Department (PED) is responsible for administering reimbursements to employers (school districts or charter schools), including eligible substitute costs, and adopting rules for implementation by August 1, 2026.

For our agency, the fiscal impact is likely de minimis; any fiscal impact would be a result of administrative burdens if there is an influx of customer service needs to the agency, as benefits and health coverage costs remain the responsibility of the schools.

## **SIGNIFICANT ISSUES**

SB 188 directs PED to develop eligibility requirements and promulgate rules to establish the eligibility by August 1, 2026. It may be beneficial for PED to collaborate with Workforce Solutions and State Personnel Office in developing eligibility rules to ensure compliance within NM Human Rights law (1978 §28-1-1 et seq), constitutional parameters, and federal and state workplace fairness standards.

## **PERFORMANCE IMPLICATIONS**

SB 188 requires PED rulemaking. Providing paid parental leave is a popular and important benefit to offer employees. This bill may have the positive impact of increasing retention of qualified employees and improving recruitment of school personnel.

## **ADMINISTRATIVE IMPLICATIONS**

A potential administrative impact would come as a result of employees missing the dependent enrollment deadline. Employees must enroll dependents within 30 days of a qualifying event. For members with newborns, they are allowed to use proof of birth documentation provided by the hospital and do not need to wait for the child's state issued birth certificate. Historically the agency has observed this qualifying life event can be challenging for members to manage and as a result when the deadline is missed, they are routed into an exception process. In these situations, benefits are already delayed and require NMPSIA staff to manually process the enrollment in collaboration with our Third-Party Administrator (TPA) and the employer, any retroactive changes require leadership intervention to ensure coverage is effective as of the child's date of birth or eligible dependent effective date. If more members take extended leave, NMPSIA may experience an increase in this type of administrative workload. It should be noted, NMPSIA takes customer service seriously and our staff cares deeply for our members, whether they are teachers, janitors, or administrative support staff, we recognize this is an important and joyful time in their lives. We are committed to taking the necessary extra steps to ensure our members are supported and they are treated with the attention and care they deserve.

Additionally, NMPSIA will experience an administrative burden regarding modifying plan language and documents to ensure a complete understanding of a members Long-Term disability benefits and the new paid parental leave benefits. Any benefits available to members should be clear and easy to access when they are eligible.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

HM 7 - Study State Gov't Work Without Benefits

HB 98 - State employee paid leave (includes custody of child, not limited to foster child custody)

## **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

This bill matches the current job protections under Family and Medical Leave Act (FMLA), but importantly adds the requirement for **paid leave** to parents for birth, adopt or placement of a foster child.

## **ALTERNATIVES**

Have paid parental leave for all state employees, not just “qualified” public school employees.

Include paid leave protections for employees who are caregiving for spouse, parents, or family members.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

While public school employees currently are entitled to limited leave and 12 weeks leave without pay, the current structure creates a difficult conundrum for new parents who may feel pressured financially to return to work. This bill is focused on paid parental leave, to support new parents adapt to the demands of parenting. Parenting generally is not an emergency – there is time for the school employers to plan and find substitute employees to step into the place of the new parent while they are on leave.

## **AMENDMENTS**

None noted at this time.