Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR	НН	C	ORIGINAL DATE LAST UPDATED	_,,	HM	2/HHCS/aHHC	
SHORT TITLE		Parental Paid-Leav		SB			
				ANAI	YST	Peterson	

REVENUE (dollars in thousands)

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		Indeterminate	Indeterminate	Indeterminate	Nonrecurring	Agency operating budgets

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Health (DOH)
State Investment Council (SIC)

SUMMARY

Synopsis of the House Health Committee Amendment

The following organizations be added to the working group to develop recommendations:

- Albuquerque Hispano chamber of commerce
- Las Cruces Hispanic Chamber of Commerce
- African American Chamber of commerce of New Mexico
- Greater Albuquerque Chamber of Commerce
- greater Las Cruces Chamber of Commerce
- Santa Fe Chamber of Commerce
- National Association of Women Business Owners
- New Mexico Association of Commerce and Industry

House Memorial 2 – Page 2

Synopsis of Bill

The House Health Committee Substitute for HM 2 adds language that includes the following:

The family workplace task force has worked since 2011 to encourage family-friendly policies and business in New Mexico and was initially convened to assess and recommend policy options that promote family-friendly workplaces in New Mexico.

Synopsis of Bill

Additionally the substitute expands the task force which includes:

- a. The State Investment Council
- b. The Children, Youth and Families Department
- c. The Workforce Solutions Department
- d. The Taxation and Revenue Department
- e. New Mexico Voices for Children
- f. New Mexico Chambers of Commerce
- g. The Southwest Women's Law Center
- h. The New Mexico Pediatric Society
- i. New Mexico Pediatric Society
- j. New Mexico Women's Agenda
- k. The New Mexico Center on Law and Poverty
- 1. Collective Action Strategies, Incorporated
- m. OLE
- n. El Centro de Igualadad y Derechos
- o. New Mexico Comunidades en accion y de fe
- p. The Bureau of Business and Economic Research of the University of New Mexico.

House Memorial 2 releases to form a task force through the University of New Mexico Bureau of Business and Economic Research (UNM/BBER) to assess the viability of and to make recommendations pertaining to creation of a parental leave fund to subsidize up to 80 percent of the salaries for New Mexico working parents during the first 12 weeks following the birth or adoption of a new baby, or the taking on of a foster child.

The proposal also tasks the group to choose an appropriate agency to manage a parental paid leave program and the parenting workers' leave fund. These findings are to be presented to other Legislative Health and Human Services Committee and the LFC by October 1, 2016.

FISCAL IMPLICATIONS

According to the SIC, costs appear to be limited to value of "staff time" related to the state agencies involved, so cost is indeterminate, and will vary by each agency and the individuals assigned to participate in the working group. SIC would anticipate no fiscal impact and participation in such a working group and any additional research or reporting involved would fall under normal course of business in administering our duties as a public agency, which includes offering financial investment expertise to various other state and governmental agencies.

SIGNIFICANT ISSUES

According to SIC, HM 2 seeks to create a task force with at least a dozen government and private entities with a large number of viewpoints. Having this many entities involved can be challenging to manage given the large number of participants.

DOH notes that the federal government currently oversees the Family and Medical Leave Act (FMLA). Under FMLA, if a business employs at least fifty people, the employs are allowed to take up to twelve weeks of unpaid family and medical leave, as long as the employee has been employed for longer than one year. FMLA leave examples include: the birth or adoption of a child, leave taken to care for a seriously ill family member or due to the employees' health condition which inhibits them from performing the employees job duty.

Additionally, the DOH shows data from the New Mexico Pregnancy Risk Assessment Monitoring Systems (PRAMS). This data indicates that 55.5 percent of women giving live birth in 2012 had a paying job while they were pregnant. Three percent of those indicated that they took no work leave, paid or unpaid, after the birth of their child. That meant they had to return to work on the next business day or take personal sick leave, as negotiated with their employer. Fewer than half 40.8 percent of women who had a paying job also had paid maternity leave. Women with leave said their decision was strained by the following factors: 37 percent could not afford to take the time off; 37 percent said no paid leave was available; 28.2 percent indicated their employer did not offer a flexible schedule; 27 percent said they did not have enough personal leave built up to take the time they needed; 16 percent were afraid to lose their job; and 13 percent said they had too much work to take more time off after the birth of their child. Among women with some type of leave, 49 percent had already returned to work by the time they answered the PRAMS survey (mean= 60 days, postpartum), and 14 percent planned to return to work. The remainder said they would not return to work at all.

OTHER SUBSTANTIVE ISSUES

DOH points out disparity issues that among the 2012 PRAMS birth cohort, just 25 percent of Native American women who had been employed during pregnancy had paid maternity leave compared to 40 percent and 50 percent of Hispanic and non-Hispanic White women, respectively. This indicates a disparity in access to flexible work plans by racial or class-based opportunities in New Mexico. In all three population groups about a third of women said they could not afford to take off the time they really needed and between 13-16 percent of all women expressed a fear of losing their jobs if they took longer leave. Forty percent of Native American women and 39 percent of Whites said paid leave was not an option compared to 32 percent of Hispanic women. A quarter of all women said they did not have enough personal leave to take more time off after the birth of their child.

Overall, among married women, 2 percent said they had no work leave, and among unmarried women, 4 percent reported they had no work leave after the birth of their child. Forty-seven percent of married women had paid work leave compared to 35 percent of unmarried women. This indicates that paid work leave is significantly less accessible to unmarried women than to those with a legal partner.

SEP/je/aml