

LFC Requester:	Kelly Klundt
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**AGENCY BILL ANALYSIS
2019 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:
Original **Amendment** _____
Correction _____ **Substitute** _____

Date 2/18/19
Bill No: HB403

Sponsor: Rep. Dow and Sen. Ortiz y Pino
Short Title: PROVIDER PARITY PAY

Agency Name and Code Number: 924 PED
Person Writing Daniel Manzano
Phone: 505-670-3820 **Email** Daniel.Manzano@state.nm.us

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(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:

HOUSE BILL 403 IS RELATING TO PUBLIC PROCUREMENT; ENACTING A NEW SECTION OF LAW TO REQUIRE THAT PUBLIC CONTRACTS PROVIDE FOR INCREASED CONTRACTOR REIMBURSEMENT AND WORKER WAGE INCREASES IN ACCORDANCE WITH AND CONCURRENT WITH STATE MINIMUM WAGE INCREASES.

FISCAL IMPLICATIONS

The Bill does not appropriate any dollars, however, adds a new section of the Procurement Code to include a provision for increasing reimbursements beginning July 1, 2019 to a contractor in direct proportion to any increase in the state minimum wage. PED does not anticipate this Bill to have a fiscal impact to the operations of the Agency.

SIGNIFICANT ISSUES

N/A

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

The Internal Governmental Agreement (IGA) Template will be revised to add the new requirement for public contracts to be reimbursed at the new minimum wage rate in accordance with and concurrent with state minimum wage increases. A review of all IGA's and contracts that cross over the fiscal year will need to be amended to include the new provision of the Procurement Code.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The consequence for not enacting this Bill may result in contractors and or subcontractors not being fully reimbursed for services rendered by individuals employed post to the enactment of the minimum wage increase pursuant to the Minimum Wage Act. There may be a gap in the actual labor costs and the costs reimbursed by the State of New Mexico.

AMENDMENTS