

<b>LFC Requester:</b>	<b>Kelly Klundt</b>
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**AGENCY BILL ANALYSIS  
2019 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:**

[LFC@NMLEGIS.GOV](mailto:LFC@NMLEGIS.GOV)

*and*

[DFA@STATE.NM.US](mailto: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** 2/26/19  
**Bill No:** HB403HLVMC

**Sponsor:**    Rep. Rebecca Dow  
                   Sen. Gerald Ortiz Y Pino  
**Short**  
**Title:**        PROVIDER PARITY PAY

**Agency Name and Code**  
**Number:**        PED-924  
**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)**

	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<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**

Synopsis:

HOUSE BILL 403HLVMC IS RELATING TO PUBLIC PROCUREMENT; ENACTING A NEW SECTION OF THE MINIMUM WAGE ACT TO REQUIRE THAT PUBLIC CONTRACTS PROVIDE FOR INCREASED CONTRACTOR AND SUBCONTRACTOR 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 minimum wage act requiring increasing reimbursements beginning July 1, 2019 to a contractor and/or subcontractor in direct proportion to any increase in the state minimum wage so that contractors and any subcontractor will be held harmless. Another provision added is any employee at the time of an increased minimum wage who was working at minimum wage pursuant a contract or subcontract will be paid at the new increased 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 terms 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 section of the Minimum Wage Act.

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

This is a substitute Bill for HB403. The substitute Bill adds subcontractor to the provision of increased wages for individuals employed at time the state increasing the minimum wage. It also adds the definition of “subcontract.”

## **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.