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  X

Date 2/26/19
Bill No: HB403HLVMC

Agency Name
and Code
PED-924

Sponsor: Rep. Rebecca Dow
Sen. Gerald Ortiz Y Pino

Short Title: PROVIDER PARITY PAY

Person Writing: Daniel Manzano
Phone: 505-670-3820
Email: Daniel.Manzano@state.nm.us

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

<table>
<thead>
<tr>
<th>Appropriation</th>
<th>Recurring or Nonrecurring</th>
<th>Fund Affected</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Parenthesis ( ) Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

<table>
<thead>
<tr>
<th>Estimated Revenue</th>
<th>Recurring or Nonrecurring</th>
<th>Fund Affected</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY19</td>
<td></td>
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<tr>
<td>FY20</td>
<td></td>
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<tr>
<td>FY21</td>
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</tbody>
</table>

(Parenthesis ( ) Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)
<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>3 Year Total Cost</th>
<th>Recurring or Nonrecurring</th>
<th>Fund Affected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
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</tbody>
</table>

(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.