

LFC Requester:**Chenier****SECTION I: GENERAL INFORMATION***Check all that apply:*

Original Amendment
 Correction Substitute

Date 02/04/23Bill No: HB-28a/HLVMC

Sponsor: Garcia
 Short Title: STATE MINIMUM WAGE
COST-OF-LIVING

**Agency Name
and Code**Number: PED - 924Person Writing Gregory FrostadPhone: (505) 470-5752 Email: gregory.frostad@PED.nm.gov**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
None	None	N/A	NFA

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
None	None	None	N/A	NFA

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None	None	None	None	Recurring	General Fund SEG

(Parenthesis () Indicate Expenditure Decreases)

Relates/Conflicts to: HB-25

Relates to Appropriations contained in the General Appropriations Act

SECTION III: NARRATIVE**BILL SUMMARY****Synopsis of House Labor Veterans and Military Affairs Committee (HLVMC) Amendment:**

The House Labor, Veterans and Military Affairs Committee amendment to House Bill 28 (HB28) adds a definition of the specific consumer price index to be used in calculating the annual increases

to the minimum wage provisions contained in the bill.

The HLVMC amendment also establishes January 1, 2024, and every succeeding January 1 as the date when the annual increase to the minimum wage rate would take effect.

The HLVMC amendment provides that the cost of living calculation used to establish the annual increase will be based on a fraction developed by using the consumer price index ending September 30 of the previous year as the numerator and the consumer price index ending September 30, 2022 as the denominator.

HB28 as amended by the HLVMC changes the date the Workforce Solutions Department is required to publish the minimum wage for the following year from May 1 to November 1, 2023, and every succeeding November 1.

Synopsis of Original Bill: HB28 amends current minimum wage statutes found in Section 50-4-22 NMSA 1978 increasing the current statewide minimum hourly wage of \$12.00/hr. by an annual adjustment tied to the percentage increase in the consumer price index – all urban consumers for the previous year.

The bill also provides for a minimum wage for tipped employees, beginning in 2023, of 25% of the prevailing hourly minimum wage with increments tied to the percentage increase in the consumer price index – all urban consumers for the previous year.

HB28 also provides that for tipped employees, the minimum hourly wage plus tips cannot fall below the statewide minimum hourly wage for all employees.

SIGNIFICANT ISSUES OF THE HLVMC AMENDMENT

The amendments contained in the HLVMC amendment have no implications for the PED, Local School Districts, or Charter Schools. As noted, For the 2022-23 school year, education personnel are receiving a minimum hourly wage of \$15.00. This is the result of language contained in the General Appropriations Act of 2022.

As a result of this, educational minimum salaries are already well above the threshold provided for in this bill. Beginning with \$12.00 and increasing incrementally every year by the percentage increase in the consumer price index – all urban consumers for the previous year, the minimum hourly wage contained in this bill will not reach \$15.00 in the foreseeable future.

It is important to note that the \$15.00/hr. minimum was implemented in the General Appropriations Act of 2022 and is not codified in statute. Although not likely, this minimum could drop in subsequent years.

As a result of the above, this bill will have no practical effect on the state education budget, or any impact on school districts and charter schools.

TECHNICAL ISSUES

N/A

FISCAL IMPLICATIONS

The fiscal implication noted relate to public schools and the impact therein. School district and

charter schools do not have tipped employees and this will not be addressed in this analysis.

For the 2022-23 school year, education personnel are receiving a minimum hourly wage of \$15.00. This is the result of language contained in the General Appropriations Act of 2022.

As a result of this, educational minimum salaries are already well above the threshold provided for in this bill. Beginning with \$12.00 and incrementing annually by the percentage increase in the consumer price index – all urban consumers for the previous year the minimum hourly wage contained in this bill will not reach \$15.00 in the foreseeable future.

It is important to note that the \$15.00/hr. minimum was implemented in the General Appropriations Act of 2022 and is not codified in statute. Although not likely, this minimum could drop in subsequent years.

As a result of the above, this bill will have no practical effect on the state education budget, or any impact on school districts and charter schools.

SIGNIFICANT ISSUES

N/A

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

N/A

AMENDMENTS

N/A