

LFC Requester: Mercer-Garcia



PUBLIC EDUCATION DEPARTMENT
BILL ANALYSIS
2025 REGULAR SESSION

SECTION I: GENERAL INFORMATION

Check all that apply:

Original Amendment
Correction Substitute

Date Prepared: 02/15 /25
Bill No: HB246a

Agency Name and Code: PED - 924

Sponsor: Caballero

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Short Title: INCREASE MINIMUM WAGE

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SECTION II: FISCAL IMPACT

(Parenthesis () Indicate Expenditure Decreases)

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
None	None	N/A	NFA

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
None	None	None	N/A	NFA

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None	None	None	None	N/A	NFA

Duplicates/Relates to Appropriation in the General Appropriation Act: None

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis of HEC Amendment: The House Education Committee amendment to House Bill 246 (HB246/aHEC) modifies the definition of employee for minimum wage increases to include employees employed in agriculture and hand harvest laborers being paid on a piece-rate basis.

Synopsis of Original Bill: House Bill 246 (HB246) would amend the [Minimum Wage Act](#) by increasing the minimum wage to \$17 per hour for eligible employees starting January 1, 2027, and by establishing an annual adjustment based on the Consumer Price Index, and broadening the definition of employees who may be eligible to receive minimum wage by eliminating a number of previously listed exceptions to the act including certain nonprofit employees, apprentices, seasonal employees, and certain agricultural workers. The bill also proposes to repeal Section 50-4-23 NMSA 1978, which provides for certain persons with disabilities to be paid less than minimum wage under certain circumstances.

This does not provide an effective date. Laws go into effect 90 days after the adjournment of the legislature enacting them, unless a later date is specified. If enacted, this bill would become effective June 20, 2025.

FISCAL IMPLICATIONS

HB246/aHEC does not contain an appropriation.

[The School Personnel Act](#) defines minimum salary requirements for school personnel. Since FY23, certified school personnel have been paid at a minimum rate of \$15 per hour through language included in the General Appropriation Act. The minimum wage for noncertified school personnel is set by [22-10A-39 NMSA 1978](#) at \$6 per hour and has not been updated since 2003.

Many school employees such as educators and educational assistants are salaried and would not be impacted by the provisions of this bill. Depending on individual school district requirements, this bill may impact such personnel as substitute teachers, maintenance staff, food service staff, custodial staff, and bus drivers. These personnel currently earn at least \$12 per hour, per existing minimum wage requirements.

The current version of the General Appropriation Act includes \$5 million for summer internship opportunities for working-age high school students.

SIGNIFICANT ISSUES

School staff who would be impacted by this bill are important to student learning and classroom safety. HB246 may help schools attract and retain staff and thereby improve educational outcomes for students.

HB246 would classify a registered apprentice or learner as an employee, thereby making certain students enrolled in career-technical education (CTE) programs eligible for the minimum wage increase. HB246 may make it more costly for schools and their community partners to provide student apprenticeships.

Registered apprenticeships are a focus for the PED in multiple ways, including work-based learning, teacher apprenticeships, and the educator-fellows program.

PERFORMANCE IMPLICATIONS

HB246 may make it more costly for schools and their community partners to provide student apprenticeships and the number of work-based learning opportunities may decrease. The requirement to offer minimum wage through apprenticeships may increase student demand for those opportunities.

ADMINISTRATIVE IMPLICATIONS

None.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Conflicts with:

- House Bill 201, Raise School Employee Minimum Wage, which proposes raising the minimum wage for all school employees to either \$15.00 per hour or \$30 thousand per year.
- Senate Bill 317, Youth Apprenticeship, Internship Opportunity program, which provide the payment of wages between \$15 and \$17 per hour, for apprentices and interns who are 16-18 years old.

Relates to:

- House Bill 264, State Employees Salaries, Leave, & Retention, which proposes to raise the minimum wage for state workers to \$15 per hour, with provision for regular increases according to the Consumer Price Index, and proposes to increase their leave accrual rates.
- House Bill 6, IRB Project Minimum Wage, which proposes to require contractors and employees working on internal revenue bond projects be paid the “prevailing wage”.
- House Bill 11, Paid Family & Medical Leave Act, which requires employers to contribute to the newly created paid family and medical leave fund, to be paid out to employees who take paid family or medical leave.
- House Bill 59, which proposes the Earned Wage Access Services Act.
- House Bill 119, Contract Adjustments under Procurement Code, which proposes to require contractors who employ person whose compensation is subject to adjustment by state law request the state agency party to the contract to amend their contract to reflect new compensation.
- House Bill 156, Increase Educational Salaries, which proposes to increase minimum salaries for all levels of teacher and administrator licensure by \$5 thousand per year.
- House Bill 195, School Nurse Salary Tiers & Minimums, which proposes to create a tiered licensure system for school nurses, with minimum salaries tied to teachers’ minimum salaries per licensure level.
- House Bill 305, Public Contract Reimbursement & Wages, which proposes to hold harmless contractors for state agencies and increase contractors and subcontractors’ wages to match changes in costs and minimum wage increases.
- House Bill 368, which proposes to create tax credits for high-wage jobs, as defined by the bill, to encourage urban and rural businesses to create and fill high-wage jobs in New Mexico

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

None.