

LFC Requester: Simon



**PUBLIC EDUCATION DEPARTMENT
BILL ANALYSIS
2025 REGULAR SESSION**

SECTION I: GENERAL INFORMATION

Check all that apply:

Original Amendment
Correction Substitute

Date Prepared: 02/28 /25
Bill No: HM44

Agency Name and Code: PED - 924

Sponsor: Lara

PED Lead Analyst: David Vincent

SCHOOL EMPLOYEE

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Short Title: INSRUANCE PREMIUM WORK GROUP

PED Policy Director: Denise Terrazas

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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	N/A	Nonrecurring	NFA

Duplicates/Relates to Appropriation in the General Appropriation Act: The General Appropriation Act contains a proposed appropriation of approximately \$4.5 billion to the state equalization guarantee that includes funding to provide all affected employees a minimum hourly wage of \$15.00, as well as including approximately \$135 million to provide an average four percent salary increase to all public school personnel, as well as approximately \$141 million to provide and average salary increase of four percent for public school transportation personnel.

SECTION III: NARRATIVE

BILL SUMMARY

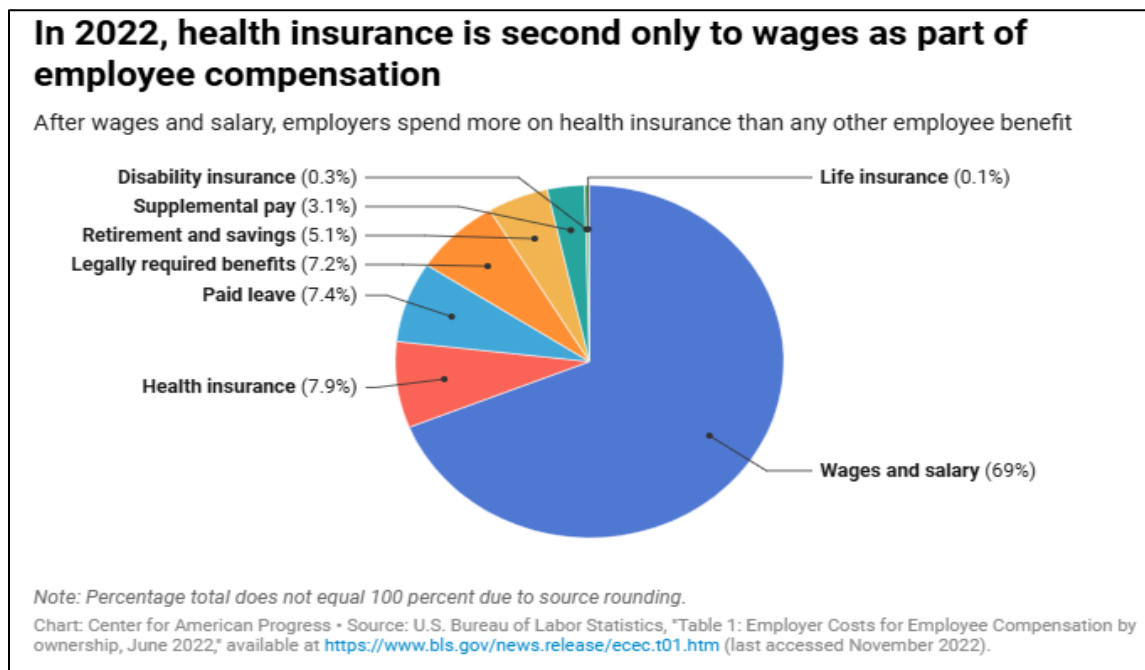
Synopsis: House Memorial 44 (HM44) requests the Legislative Education Study Committee (LESC) to form a working group comprising representatives from relevant state agencies, including the Public Education Department (PED), the Department of Finance and Administration, the General Services Department, the Public School Insurance Authority, and representatives from school districts and charter schools. The working group would be requested to analyze the increasing insurance premiums for school employees and evaluate the current group insurance contribution structures as outlined in the [Public School Insurance Authority Act](#). The LESG would then prepare a written report of the working group's findings and recommendations to submit to the governor and the legislature.

FISCAL IMPLICATIONS

The memorial does not contain an appropriation.

SIGNIFICANT ISSUES

According to [a report](#) from the Legislative Finance Committee, the average total cost of health insurance plans for state workers in New Mexico was \$7,794 per year in 2022, slightly less than the national average of \$7,911. New Mexico employees paid an average \$1,741 for coverage, or about 22 percent of the total premium. For family coverage, total premiums averaged \$21,857. However, state and educational employees in New Mexico typically pay more, with state employees paying as much as \$2,474 for single coverage and public school employees paying as much as \$3,097 for single coverage. The Center for American Progress note, as premiums rise, the [cost of health insurance](#) grows as a share of total compensation, cutting into employees' take-home pay (below).



Escalating insurance premiums may offset the benefits of recent salary increases for school employees, potentially undermining legislative efforts to improve compensation. The working group's analysis may provide insights into mitigating these financial challenges.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

PED would be asked to participate in the working group along with several other stakeholders.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to:

- House Bill 156, Increase Educational Salaries
- House Bill 195, Raise School Employee Minimum Wage
- House Bill 422 Teaching Resident Stipends
- Senate Bill 343, Teacher Salary Rates Changes

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

None.

AMENDMENTS

None.