

NNMHRA LEGISLATIVE NEWS

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THE 2011 NM LEGISLATIVE SESSION AND YOU

During the 2011 legislative session, I will be sending you periodic newsletters and bill tracking reports containing information that may impact you in your job as a human resource professional. This session (50th Legislature – First Session) which started on January 18, will end at noon on March 19. The deadline for introducing legislation is February 17 and the deadline for gubernatorial action is April 8.

Because of the recession and the drop in state revenue, as well as the election of a new Republican Governor, this promises to be an interesting and difficult session. If the Governor holds out for her campaign promise of no new taxes, legislators will have to make significant cuts in state spending in order to balance the state budget. Unlike the federal government, the State of New Mexico must balance its budget because of a Constitutional prohibition against deficit spending.

POTENTIAL HR ISSUES

- **Public employee/teacher salaries, retirement and health care benefits.** Salaries are likely to be frozen or cut. Employee benefit costs will increase while the employer share will decrease. Retirement plan designs may be changed to increase eligibility requirements.
- **Public employee reduction in force.** There is a real potential for RIFs or at least furloughs in public agencies in order to meet the realities of reduced budgets.
- **Substantial increase in the employer payroll tax.** The unemployment fund which is funded by employer payroll taxes is rapidly diminishing. In order to avoid a costly federal takeover of the fund (which NM would eventually have to pay back with interest) employers may see increased costs and the unemployed may see decreased benefits unless the economy makes a sudden dramatic improvement.
- **Health care exchanges.** The deadline for establishing state health care exchanges that would function as a clearinghouse for consumers looking to purchase health care insurance is 2014. This center piece of the new national health care law will emerge as proposed legislation during this session to set up a framework for New Mexico's exchanges. This will surely be a contentious issue and will probably take several years to finalize. A related issue is what entity will be responsible for health care planning in NM.
- **Immigration.** For those of you who depend on immigrants for part of your workforce, there may be an attempt to roll back the immigrant-friendly legislation of the previous administration.
- **Education.** For those of you who sponsor employee continuing education, you can expect to see substantial tuition increases at all state run institutions of higher learning.
- **Employee Commuting Costs.** If your employees have been using the Rail Runner for commuting purposes (a great recruitment tool), this service is under intense fiscal scrutiny.

Although the Democrats still control both houses of the Legislature, they have taken on a much more conservative tone. Don't expect to see issues such as domestic partnerships, gay marriage, and immigrant rights gain much traction.

The Legislature maintains an excellent web site where you can track or print copies of bills and other legislative reports, and access other legislative information, www.nmlegis.gov, click on bill locator.

Keep watching for weekly issues of **NNMHRA Legislative News**, which will be distributed by e-mail and posted to the NNMHRA website, www.nnmhra.org. If you wish to be removed from the NNMHRA Legislative News mailing list, please contact me at DTLARS@AOL.COM.