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FISCAL IMPACT REPORT

ORIGINAL DATE 1/26/09

SPONSOR Ingle LAST UPDATED _____ HB _____

SHORT TITLE Library Division Pay Band Increases SB 85

ANALYST Varela

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$98.6	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From
 State Personnel Office (SPO)
 Department of Cultural Affairs (DCA)

SUMMARY

Synopsis of Bill

Senate Bill 85 appropriates ninety-eight thousand six hundred dollars (\$98,600) from the general fund to the Department of Cultural Affairs (DCA) for expenditure in fiscal year 2010 to fund authorized pay band increases for selected job classifications of employees of the library division.

FISCAL IMPLICATIONS

The appropriation of ninety-eight thousand six hundred dollars (\$98,600) contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of 2010 shall revert to the general fund.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

The Department of Cultural Affairs states that all library employees in every classification were analyzed for their compa-ratios within their pay-band classifications. Ten of those state library employees have compa-ratios below 100 percent in the range of 79-99 percent. Eight full time equivalents are also at the 80 percent compa-ratio and need to be hired at 100 percent fully functioning in order to compete in the regional job markets. This amount will bring all employees to midpoint.

SIGNIFICANT ISSUES

The State Personnel Office (SPO) states that the classified service does not arbitrarily assign classifications to pay bands. The Hay Guide-Chart Profile Method of Job Evaluation has consistently been used since 1989 to determine the internal value (size) of a job based on evaluating the job content. This internal value is quantified and correlates to a specific pay band. The State Personnel Director proposes job classification descriptions and their assigned pay band to the State Personnel Board for adoption in accordance with the provisions set out in 1.7.4.9 NMAC – Assignment of Pay Bands. Any deviation from the assigned pay band (i.e. assigning an alternative pay band) is based on external market factors to address compensation related to recruitment and retention issues. The State Personnel Board assigns alternative pay bands in accordance with the provisions set out in 1.7.4.10 NMAC – Assignment of Alternative Pay Bands. The State Personnel Board is solely authorized to assign pay bands for the Classified Service. According to SPO, the current “Hay” job evaluations are correct for all library classifications in the classified service.

SPO also states that as of January 2, 2009, there were 7 vacant positions out of 56 classified positions in the library division, resulting in a vacancy rate of 12.5 percent. Forty-nine out of fifty-six positions in the Library division are filled. A compa-ratio of 100 percent (salary as a percentage of pay band mid-point) represents the full-performance target policy rate the State is willing to pay for a certain size job. The average compa-ratio for each of the non-managerial library classifications listed below is less than the average statewide classified compa-ratio of 103 percent for the entire classified service. Low vacancy rates along with compa-ratios around 100 percent indicate the department is administering pay properly within the existing pay bands and does not demonstrate a need for increased (alternative) pay bands.

- Librarian – Advanced 98.8%
- Librarian – Operational 86.7%
- Library Assistant – Clerical 97.4%
- Library Tech. – Advanced 104.2%
- Library Tech. – Operational 99.6%
- Library Tech. – Basic 103.4%

PERFORMANCE IMPLICATIONS

DCA states that the retention of fully trained employees is critical to achieving targeted performance levels. By increasing salaries, the State Library projects increased retention of skilled employees. Retaining these highly competent and fully trained employees will ensure that there is sufficient staff to provide the full range of services to library patrons in New Mexico. Examples of services include: interlibrary reference services to all public and tribal library patrons in the state, technology consultants available to help 90 public libraries acquire and use public access computers and on line services, and on-line and telephone reference services to all state agencies.

ADMINISTRATIVE IMPLICATIONS

If enacted, SB85 would bypass the established procedures outlined in 1.7.4.9 NMAC.

RELATIONSHIP

This bill relates to the LFC recommended level of funding for the library division in the Department of Cultural Affairs.

TECHNICAL ISSUES

According to SPO, it is unclear if the appropriation is adequate since the language in the bill does not specify which job classifications in which pay bands the funds would be applied to.

PV/svb