

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: SB 152

52nd Legislature, 2nd Session, 2016

Tracking Number: .202928.3

Short Title: Minimum Salary for Certain School Personnel

Sponsor(s): Senator Daniel A. Ivey-Soto

Analyst: David Craig

Date: February 2, 2016

Bill Summary:

SB 152 amends sections of the *School Personnel Act* to increase to \$15 per hour the minimum wage rate paid to certain school personnel in FY18. Beginning in FY19, the minimum wage rate is adjusted based on the consumer price index (CPI).

Fiscal Impact:

SB 152 does not carry an appropriation.

SB 152 would have a significant financial impact on school districts and charter schools. The Public Education Department (PED) estimates the fiscal impact to be approximately \$24.7 million to raise the minimum wage to \$15 per hour of non-certified personnel, including health assistants, school bus drivers and crosswalk guards, custodial staff, and cafeteria staff. Albuquerque Public Schools estimates that the fiscal impact to the school district of raising the minimum wage to \$15 per hour is approximately \$9.9 million which appears to coincide with PED's statewide estimate. The Educational Retirement Board (ERB) expects that the salary increases proposed in SB 152 would have a minor positive impact on the actuarial status of the educational retirement fund.

At a Glance:

- SB 152 would increase the salary for many of the lowest paid employees in public schools, but would also increase costs to school districts and state-chartered charter schools to employ uncertified school personnel.
- SB 152 would require school districts to provide a minimum wage rates at least as high as other government employers.
- Since SB 152 does not make an appropriation, school districts and state-charter schools will need to fund the costs of SB 152 from existing funds, beginning in FY19.

Detailed Bill Provisions:

Effective July 1, 2017, SB 152 amends sections of the *School Personnel Act* to increase to \$15 per hour the minimum wage rate paid to all school district cafeteria staff and school bus drivers, whether under contract or employment; and all non-certified school personnel and licensed

educational assistants. Beginning in FY19, the \$15 per hour minimum wage rate shall be adjusted by the year-to-year percentage change in the CPI.

Substantive Issues:

Since January 1, 2009, the state's *Minimum Wage Act* (Section 50-4-19 through Section 50-4-30 NMSA 1978) has set the minimum wage an employer, including the state or any political subdivision of the state, shall pay to certain employees at \$7.50 an hour. However, language in the *School Personnel Act* (Section 22-10-39 NMSA 1978) indicates that, notwithstanding the provisions of the *Minimum Wage Act*, a local school district shall pay a minimum wage rate of \$6.00 per hour to all non-certified school personnel. In theory, this state statutory language allows school districts to pay a lower minimum wage rate than other government employers. In practice, school districts and charters schools employing these staff members are required to also follow federal law and local ordinances for minimum wage rates.

PED indicates it is probable that school districts and charters schools employing staff are following federal, state, county, and municipal minimum wage laws. The federal minimum wage rate is \$7.25 per hour; as indicated above, the state of New Mexico's minimum wage rate is \$7.50; and local municipalities have their own minimum wage rates – for example, the city of Santa Fe's minimum wage rate is \$10.84, and the city of Albuquerque's minimum wage rate is \$8.75.

Related Bills:

SB 14 *Teacher & Principal Minimum Salary Increases*

HB 89 *Public Employee Salary Increases*

HB 154 *Increase Minimum Wage*