



It is likely that some school districts would utilize a trainee wage for some trainee employees, slightly lessening the fiscal impact. The 60-day limit to the trainee period means the trainee wage would not significantly affect the annual \$1.3 million projection.

**SUBSTANTIVE ISSUES**

The Public School Code currently lists a minimum wage rate of \$6 per hour, a rate lower than the federal minimum wage of \$7.25 and the statewide minimum wage of \$7.50. School district and charter schools are currently required to pay personnel at least \$7.50 per hour. The local minimum wage provisions in Bernalillo County, Santa Fe County, and the city of Las Cruces are all higher than this are all higher than \$9 per hour.

A study by the National Conference of State Legislatures (NCSL) confirms that 32 states currently have a statewide minimum wage higher than \$7.50. A ballot initiative in Colorado increased the minimum wage to \$9.30 on January 1, 2017, with steady increases to \$12 in 2020. After that, the minimum wage will be increased annually for the cost of living. A ballot initiative in Arizona raised the minimum wage to \$10 on January 1, 2017. The local minimum wage in Flagstaff, AZ was raised to \$15 per hour. Texas’ minimum wage mirrors the federal \$7.25 figure, although local counties and cities may have a higher minimum wage.

**Full Annual Cost of SB206  
by Personnel Category**

	New Wages and Benefits at 30%	Percent of Total
<b><i>Certified Personnel</i></b>		
Educational Assistants	\$43,169	3%
Teachers	\$37,095	3%
Other Certified Staff	\$24,942	2%
<b><i>Noncertified Personnel</i></b>		
Bus Drivers	\$218,533	17%
Cafeteria Workers	\$515,304	40%
Educational Assistants	\$30,834	2%
Healthcare	\$2,080	0.2%
Maintenance	\$61,357	5%
Support Staff	\$252,710	19%
Teachers	\$29,816	2%
Other Noncertified Staff	\$86,554	7%
<b><i>Statewide FY20 Impact</i></b>	<b>\$1,302,393</b>	<b>100%</b>

Source: LESC Analysis of PED Data

Raising the minimum wage without also raising the wages and salaries of other workers can result in a climate of pay compression. Pay compression occurs when there is little difference in the salaries of new employees and experienced employees. Imagine a minimum wage employee hired two years ago whose starting hourly rate of \$7.50 steadily grew to a rate of \$9. If SB206 were signed into law, this employee would make exactly as much as a brand new hire on October 1, 2019. The fiscal impact to school districts and charter schools would be exacerbated if they received pressure to maintain significant differences in job salary based on education level, qualifications, skills, and performance.

**ADMINISTRATIVE IMPLICATIONS**

SB206 does not allocate state funds for increased compensation in school districts and state-chartered charter schools. Given that the public school funding formula does not include a provision for wage increases, SB206 places a significant financial burden on school districts, which would have to spend operational funds to offset the cost of increased wages.

**OTHER SIGNIFICANT ISSUES**

The House Appropriations and Finance Committee substitute for House Bill 2 (HAFC/HB2) includes language that would increase the minimum salaries of level 1, 2, and 3 teachers. Additional language in Section 8 of the bill includes appropriations of \$31.3 million to increase

licensed teacher salaries by 2.5 percent, \$14.1 million to increase certified and non-certified personnel salaries by 2 percent, and \$1.5 million to increase school district and charter school transportation employee salaries by 2 percent.

Data for this analysis was obtained from PED and used with the following assumptions.

1. Records that were entered with a full time equivalency (FTE) or salary equal to zero were excluded.
2. Records for athletic coaches were excluded.
3. The hourly wage of a salaried employee is equal to salary divided by the number of hours worked per year.
4. Per PED staff analysis, employees entered as business office administrators, maintenance employees, or data personnel were considered to have worked a full-year schedule, or 2080 hours per year. Other employees were considered to have worked on an abbreviated schedule, 7 hours per day for 183 days, or 1281 hours per year.
5. Holding all above assumptions, if an employee was calculated as making less than the minimum wage, it was assumed that employee was making exactly the minimum wage for fewer total hours. This assumption affected 342 of the 42,173 employees (less than 1 percent) in the dataset.

## **RELATED BILLS**

Related to HB60, Increase Minimum Wage, which increases the statewide minimum wage to \$15 per hour in FY20, adjusted annually for the cost of living.

Related to SB57, School District Personnel Minimum Salaries, which increases the minimum wage of non-certified personnel and certified educational assistants to \$16 per hour.

Related to SB317, Public Employee Salary Increases, which appropriates \$51.2 million to the state equalization guarantee to provide a 2.5 percent increase in salary for school district and charter school personnel.

Related to appropriations in the General Appropriation Act, HAFB/HB2, of \$31.3 million to increase licensed teacher salaries by 2.5 percent, \$14.1 million to increase certified and non-certified personnel salaries by 2 percent, and \$1.5 million to increase school district and charter school transportation employee salaries by 2 percent.

## **SOURCES OF INFORMATION**

- LESC Files
- Public Education Department
- National Conference of State Legislatures

**TCB/rab**

**Fiscal Impact of SB206 to School Districts and Charter Schools  
FY19 and FY20 and Subsequent Fiscal Years  
Cost of Wages and Benefits at 30 Percent**

	School District or Charter School	FY18 Cost	Increase in FY19 (vs. FY18)		Increase in FY20 and Subsequent Years	
	<b>SCHOOL DISTRICTS</b>					
1	ALAMOGORDO	\$38,098,869	\$39,033	0.10%	\$52,044	0.14%
2	ALBUQUERQUE	\$664,209,245	\$100,384	0.02%	\$133,845	0.02%
3	ANIMAS	\$2,789,631				
4	ARTESIA	\$29,584,269	\$8,905	0.03%	\$11,873	0.04%
5	AZTEC	\$19,917,067	\$29,035	0.15%	\$38,713	0.19%
6	BELEN	\$30,568,305	\$4,739	0.02%	\$6,318	0.02%
7	BERNALILLO	\$24,855,093	\$12,511	0.05%	\$16,681	0.07%
8	BLOOMFIELD	\$21,020,895	\$46,251	0.22%	\$61,669	0.29%
9	CAPITAN	\$5,920,283	\$11,904	0.20%	\$15,872	0.27%
10	CARLSBAD	\$64,579,687	\$32,989	0.05%	\$43,985	0.07%
11	CARRIZOZO	\$3,242,155	\$1,129	0.03%	\$1,505	0.05%
12	CENTRAL CONS.	\$47,251,399	\$13,942	0.03%	\$18,590	0.04%
13	CHAMA	\$3,483,398				
14	CIMARRON	\$6,607,449	\$1,249	0.02%	\$1,665	0.03%
15	CLAYTON	\$5,640,928				
16	CLOUDCROFT	\$3,703,677	\$1,640	0.04%	\$2,187	0.06%
17	CLOVIS	\$52,939,893	\$12,014	0.02%	\$16,019	0.03%
18	COBRE CONS.	\$11,229,006	\$665	0.01%	\$887	0.01%
19	CORONA	\$2,057,536	\$5,157	0.25%	\$6,876	0.33%
20	CUBA	\$6,357,792	\$374	0.01%	\$499	0.01%
21	DEMING	\$42,317,652	\$25,507	0.06%	\$34,009	0.08%
22	DES MOINES	\$1,756,535				
23	DEXTER	\$8,618,956	\$1,654	0.02%	\$2,205	0.03%
24	DORA	\$3,218,797				
25	DULCE	\$7,075,505				
26	ELIDA	\$2,007,430				
27	ESPANOLA	\$26,684,203	\$23,597	0.09%	\$31,463	0.12%
28	ESTANCIA	\$5,461,277	\$2,588	0.05%	\$3,450	0.06%
29	EUNICE	\$6,068,029				
30	FARMINGTON	\$72,889,703	\$14,858	0.02%	\$19,810	0.03%
31	FLOYD	\$3,986,098	\$1,558	0.04%	\$2,077	0.05%
32	FT SUMNER	\$4,649,583				
33	GADSDEN	\$98,828,014	\$152,896	0.15%	\$203,861	0.21%
34	GALLUP	\$91,616,626	\$13,048	0.01%	\$17,398	0.02%
35	GRADY	\$2,796,045	\$3,466	0.12%	\$4,621	0.17%
36	GRANTS	\$29,687,182	\$18,522	0.06%	\$24,696	0.08%
37	HAGERMAN	\$3,809,627	\$1,453	0.04%	\$1,937	0.05%
38	HATCH	\$8,819,377	\$477	0.01%	\$636	0.01%
39	HOBBS	\$68,236,574	\$3,908	0.01%	\$5,211	0.01%
40	HONDO	\$1,721,894	\$3,366	0.20%	\$4,488	0.26%
41	HOUSE	\$2,117,466				
42	JAL	\$4,243,431	\$4,037	0.10%	\$5,383	0.13%
43	JEMEZ MOUNTAIN	\$3,675,854	\$243	0.01%	\$324	0.01%
44	JEMEZ VALLEY	\$4,719,211	\$8,841	0.19%	\$11,788	0.25%
45	LAKE ARTHUR	\$2,160,375				
46	LAS CRUCES	\$169,335,742	\$67,197	0.04%	\$89,596	0.05%
47	LAS VEGAS CITY	\$13,551,675	\$8,041	0.06%	\$10,721	0.08%
48	LOGAN	\$4,675,970				
49	LORDSBURG	\$5,421,846	\$3,825	0.07%	\$5,100	0.09%

**Fiscal Impact of SB206 to School Districts and Charter Schools  
FY19 and FY20 and Subsequent Fiscal Years  
Cost of Wages and Benefits at 30 Percent**

	School District or Charter School	FY18 Cost	Increase in FY19 (vs. FY18)		Increase in FY20 and Subsequent Years		
50	LOS ALAMOS	\$30,011,686	\$776	0.00%	\$1,035	0.00%	50
51	LOS LUNAS	\$56,386,303	\$70,841	0.13%	\$94,455	0.17%	51
52	LOVING	\$5,752,847	\$401	0.01%	\$535	0.01%	52
53	LOVINGTON	\$25,896,269					53
54	MAGDALENA	\$5,197,899					54
55	MAXWELL	\$2,521,390	\$1,517	0.06%	\$2,023	0.08%	55
56	MELROSE	\$3,884,375	\$1,755	0.05%	\$2,340	0.06%	56
57	MESA VISTA	\$2,874,643	\$1,413	0.05%	\$1,884	0.07%	57
58	MORA	\$2,531,033					58
59	MORIARTY-EDGEWOOD	\$21,497,406	\$41,659	0.19%	\$55,545	0.26%	59
60	MOSQUERO	\$883,537	\$2,225	0.25%	\$2,966	0.34%	60
61	MOUNTAINAIR	\$2,471,660	\$3,439	0.14%	\$4,586	0.19%	61
62	PECOS	\$5,243,948	\$1,139	0.02%	\$1,518	0.03%	62
63	PENASCO	\$7,304,495	\$11,566	0.16%	\$15,421	0.21%	63
64	POJOAQUE	\$14,505,942	\$531	0.00%	\$708	0.00%	64
65	PORTALES	\$20,121,530					65
66	QUEMADO	\$2,618,171					66
67	QUESTA	\$6,881,133					67
68	RATON	\$6,804,246	\$13,512	0.20%	\$18,016	0.26%	68
69	RESERVE	\$2,584,288	\$1,560	0.06%	\$2,080	0.08%	69
70	RIO RANCHO	\$105,949,007	\$64,103	0.06%	\$85,470	0.08%	70
71	ROSWELL	\$64,100,787					71
72	ROY	\$1,134,535					72
73	RUIDOSO	\$12,976,007	\$4,173	0.03%	\$5,564	0.04%	73
74	SAN JON	\$2,693,687					74
75	SANTA FE	\$100,031,883					75
76	SANTA ROSA	\$7,921,292	\$2,738	0.03%	\$3,651	0.05%	76
77	SILVER CITY	\$22,415,735	\$14,357	0.06%	\$19,143	0.09%	77
78	SOCORRO	\$12,849,906	\$955	0.01%	\$1,273	0.01%	78
79	SPRINGER	\$3,058,801	\$2,796	0.09%	\$3,728	0.12%	79
80	TAOS	\$20,762,605	\$7,273	0.04%	\$9,697	0.05%	80
81	TATUM	\$6,523,228	\$334	0.01%	\$446	0.01%	81
82	TEXICO	\$6,350,826					82
83	TRUTH OR CONS.	\$11,119,146	\$396	0.00%	\$528	0.00%	83
84	TUCUMCARI	\$7,883,474	\$3,284	0.04%	\$4,378	0.06%	84
85	TULAROSA	\$8,850,578					85
86	VAUGHN	\$1,719,374	\$1,832	0.11%	\$2,443	0.14%	86
87	WAGON MOUND	\$2,477,393	\$3,138	0.13%	\$4,184	0.17%	87
88	WEST LAS VEGAS	\$12,274,563	\$12,743	0.10%	\$16,991	0.14%	88
89	ZUNI	\$13,237,637					89
	<b>STATE CHARTERED CHARTER SCHOOLS</b>						
90	ABQ SCHOOL OF EXCELLENCE	\$2,032,801					90
91	ABQ SIGN LANGUAGE ACADEMY	\$2,739,200					91
92	ACADEMY OF TRADES AND TECH	\$1,126,410					92
93	ACE LEADERSHIP HIGH SCHOOL	\$2,356,459					93
94	ALBUQUERQUE INSTITUTE OF MATH & SCIENCE	\$2,115,747					94
95	ALDO LEOPOLD CHARTER	\$2,009,745	\$2,449	0.12%	\$3,265	0.16%	95
96	ALMA D'ARTE CHARTER	\$1,438,731					96
97	AMY BIEHL CHARTER HIGH SCHOOL	\$3,525,174					97
98	ANTHONY CHARTER SCHOOL	\$722,654					98

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	School District or Charter School	FY18 Cost	Increase in FY19 (vs. FY18)		Increase in FY20 and Subsequent Years		
99	CARINOS DE LOS NINOS	\$1,171,993					99
100	CESAR CHAVEZ COMMUNITY SCHOOL	\$1,770,884					100
101	CORAL COMMUNITY CHARTER	\$1,846,085					101
102	COTTONWOOD CLASSICAL PREP	\$4,372,055					102
103	DEAP	\$389,474	\$975	0.25%	\$1,300	0.33%	103
104	DREAM DINE	\$240,500					104
105	ESTANCIA VALLEY CLASSICAL ACADEMY	\$2,351,747					105
106	EXPLORE ACADEMY	\$1,924,625					106
107	GILBERT L SENA CHARTER HS	\$1,880,342					107
108	HEALTH LEADERSHIP HIGH SCHOOL	\$2,067,937					108
109	HORIZON ACADEMY WEST	\$2,524,814					109
110	J PAUL TAYLOR ACADEMY	\$1,444,385					110
111	LA ACADEMIA DOLORES HUERTA	\$932,491	\$335	0.04%	\$447	0.05%	111
112	LA PROMESA EARLY LEARNING	\$2,037,867					112
113	LA TIERRA MONTESSORI SCHOOL	\$791,128					113
114	LAS MONTANAS CHARTER	\$1,275,117					114
115	MCCURDY CHARTER SCHOOL	\$2,022,778					115
116	MEDIA ARTS COLLABORATIVE CHARTER	\$2,240,436					116
117	MISSION ACHIEVEMENT AND SUCCESS	\$5,065,410					117
118	MONTE DEL SOL CHARTER	\$2,722,019	\$1,713	0.06%	\$2,284	0.08%	118
119	MONTESSORI ELEMENTARY SCHOOL	\$2,109,085					119
120	NEW AMERICA SCHOOL	\$1,865,841					120
121	NEW AMERICA SCHOOL - LAS CRUCES	\$1,417,975	\$6,697	0.47%	\$8,930	0.63%	121
122	NEW MEXICO CONNECTIONS ACADEMY	\$4,055,619					122
123	NM SCHOOL FOR ARTS	\$2,013,710	\$1,758	0.09%	\$2,344	0.12%	123
124	NORTH VALLEY CHARTER	\$2,614,352					124
125	RED RIVER VALLEY CHARTER SCHOOL	\$678,536					125
126	ROOTS AND WINGS COMMUNITY	\$446,111					126
127	SANDOVAL ACADEMY OF BILINGUAL EDUCATION	\$447,448					127
128	SCHOOL OF DREAMS ACADEMY	\$3,705,129					128
129	SIX DIRECTIONS INDIGENOUS SCHOOL	\$594,281	\$975	0.16%	\$1,300	0.22%	129
130	SOUTH VALLEY PREP	\$1,398,584					130
131	SOUTHWEST PREPARATORY LEARNING CENTER	\$981,607					131
132	SOUTHWEST SECONDARY LEARNING CENTER	\$1,830,084					132
133	STUDENT ATHLETE HEADQUARTERS (SAHQ)	\$495,737	\$1,345	0.27%	\$1,793	0.36%	133
134	SW AERONAUTICS MATHEMATICS AND SCIENCE	\$1,586,503					134
135	TAOS ACADEMY	\$3,066,467	\$2,082	0.07%	\$2,776	0.09%	135
136	TAOS INTEGRATED SCHOOL OF THE ARTS	\$1,033,801					136
137	TAOS INTERNATIONAL SCHOOL	\$1,215,031					137
138	TECHNOLOGY LEADERSHIP	\$1,628,072					138
139	THE ASK ACADEMY	\$4,582,738	\$975	0.02%	\$1,300	0.03%	139
140	THE GREAT ACADEMY	\$1,123,093					140
141	THE MASTER PROGRAM	\$1,483,789					141
142	TIERRA ADENTRO	\$2,137,379	\$1,828	0.09%	\$2,437	0.11%	142
143	TIERRA ENCANTADA CHARTER SCHOOL	\$1,397,838					143
144	TURQUOISE TRAIL CHARTER SCHOOL	\$2,527,817	\$3,267	0.13%	\$4,356	0.17%	144
145	WALATOWA CHARTER HIGH	\$721,497	\$938	0.13%	\$1,251	0.17%	145
147	<b>Grand Total</b>	<b>\$2,498,807,652</b>	<b>\$976,795</b>	<b>0.04%</b>	<b>\$1,302,393</b>	<b>0.05%</b>	147

Source: LESC Analysis of PED Data