

NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Watchman DATE TYPED: 02/02/01 HB HJR 15
 SHORT TITLE: State Legislators' Salaries SB _____
 ANALYST: Burch

APPROPRIATION

| Appropriation Contained | | Estimated Additional Impact | | Recurring or Non-Rec | Fund Affected |
|-------------------------|------|-----------------------------|------|----------------------|---------------|
| FY01 | FY02 | FY01 | FY02 | | |
| | | | ** | Nonrecurring | General Fund |

** See Fiscal Implications Section of this report.

Relates to House Bill 449

SOURCES OF INFORMATION

LFC files.
Secretary of State

SUMMARY

Synopsis of Bill

House Joint Resolution 15 amends Article 4, Section 10 of the Constitution of New Mexico to provide an annual salary for legislators not to exceed the average salary paid to legislators in the five contiguous states.

FISCAL IMPLICATIONS

If passed, this question would appear on the ballot in the November 2000 general election. The next general election that would include constitutional questions on the ballot will be in November 2002. Should the question be approved by the voters, the change would not make a fiscal impact until the 2003 Legislature. Based on the current salaries of legislators in Arizona (\$24,000), Colorado (\$30,000), Oklahoma (\$38,400), Texas (\$7,200) and Utah (\$4,500), the average salary in New Mexico would be about \$20,820. The total recurring cost to the state general fund would approximate \$2,331.8 beginning in FY03. (See attachment for the six-state comparison of legislative salaries and benefits and other expense allowances.)

Also, the Secretary of State reports it costs \$30.0 to place an item on the ballot. Included in the cost is: (1) the publishing of constitutional amendments in English and Spanish for four consecutive weeks in one newspaper in each county of the state; (2) the oral translation and radio broadcast into

House Joint Resolution 15 -- Page 2

the Native American languages of Tewa, Tiwa, Towa, Keres, Zuni, Mescalero Apache, Jicarilla Apache and Navajo; and (3) the printing of amendments booklets in English and Spanish (including Spanish language translation cost) and distribution to all county clerks (100,000 booklets were printed for 2000 general election). Therefore, there would be a nonrecurring cost to the general fund of \$30.0 in FY03. This bill does not contain the appropriation needed to fund these costs.

RELATIONSHIP

House Bill 449 amends Section 2-1-8 NMSA 1978 and provides for a salary for legislators contingent upon the adoption by the people of an amendment to the constitution approving legislative salaries. The annual salary provided for in this bill is \$21,000, payable in 12 equal installments on the first day of each calendar month.

DKB/njw
Attachment

TABLE 1. COMPENSATION & LIVING EXPENSE ALLOWANCE DURING SESSION, 2000

| State | Salary | Per Diem |
|------------|----------------|--|
| Arizona | \$24,000/year. | \$35/day for 1 st 120 days of regular session and special session and \$10/day thereafter. Members residing outside Maricopa County receive an additional \$25/day for the 1 st 120 days of a regular session and a special session and an additional \$10/day thereafter. Set by statute. |
| Colorado | \$30,000/year. | \$45/day for members living in the Denver metro area. \$99/day for members living outside Denver. Per diem is determined by the legislature. |
| New Mexico | None. | \$136/day tied to federal rate & the constitution. |
| Oklahoma | \$38,400/year. | \$103/day tied to federal rate. |
| Texas | \$ 7,200/year. | \$118/day set by the Ethics Commission. |
| Utah | \$ 100/day. | \$75/day lodging allotment for each calendar day, tied to federal rate. \$42/day per diem for each calendar day. (NOTE: Regular session is 45 days long.) |

TABLE 2. LIVING EXPENSE ALLOWANCE DURING INTERIM, 2000

| State | Interim Per Diem |
|------------|--|
| Arizona | \$35/day with prior approval of presiding officer set by statute. |
| Colorado | Members are reimbursed for actual expenditures. |
| New Mexico | \$136/day tied to federal rate. |
| Oklahoma | \$25/day set by the legislature. |
| Texas | Senators receive \$118/day for legislative business in Travis County, not to exceed 10 days per month. Representatives receive \$118/day for legislative business in Travis County, not to exceed 12 days per month. Per diem amount is determined by the Ethics Commission and the number of days is determined by the Senate Caucus and the Committee on House Administration. |
| Utah | \$42/day meals; up to \$75/day for lodging. |

TABLE 3. ADDITIONAL COMPENSATION FOR HOUSE/ASSEMBLY LEADERS, 1999

| State | Presiding Officer | Majority Leader | Minority Leader | Other Leaders |
|------------|--|-----------------|-----------------|-----------------------------|
| Arizona | None. | None. | None. | None. |
| Colorado | All leaders receive \$99/day during interim when in attendance at committee or leadership matters. | | | |
| New Mexico | None. | None. | None. | None. |
| Oklahoma | \$17,932 | \$12,364 | \$12,364 | Speaker pro tem, \$12,364 |
| Texas | None. | None. | None. | None. |
| Utah | \$1,000 | \$500 | \$500 | Whips and asst whips, \$500 |

TABLE 4. ADDITIONAL COMPENSATION FOR SENATE LEADERS, 1999

| State | Presiding Officer | Majority Leader | Minority Leader | Other Leaders |
|------------|--|-----------------|-----------------|-----------------------------|
| Arizona | \$500 | None. | None. | None. |
| Colorado | All leaders receive \$99/day during interim when in attendance at committee or leadership matters. | | | |
| New Mexico | None. | None. | None. | None. |
| Oklahoma | \$17,932 | \$12,364 | \$12,364 | None. |
| Texas | None. | None. | None. | None. |
| Utah | \$1,000 | \$500 | \$500 | Whips and asst whips, \$500 |

TABLE 5. ADDITIONAL COMPENSATION FOR COMMITTEE CHAIRS, 1999

| State | Additional Compensation for Committee Chairs |
|------------|--|
| Arizona | None. |
| Colorado | None. |
| New Mexico | None. |
| Oklahoma | \$12,364 for Appropriations and Budget Committee Chairs. |
| Texas | None. |
| Utah | None. |

TABLE 6. STATE LEGISLATORS' TRAVEL ALLOWANCE, 1999

| State | Mileage | Access to State Autos | Credit Card | Phone Card/ Phone Allowance |
|------------|---|---|-------------|------------------------------------|
| Arizona | 30¢/mile on actual miles. | Access to motorpool for legislative trips only. | No. | No. |
| Colorado | 20¢ or 24¢ if 4wd vehicle. Actual miles paid. | No. | No. | Yes. Official state business only. |
| New Mexico | 32.5¢/mile tied to federal rate | No. | No. | No. |
| Oklahoma | 32.5¢/mile tied to federal rate. | No. | No. | \$1,000 during interim. |

| State | Mileage | Access to State Autos | Credit Card | Phone Card/ Phone Allowance |
|-------|--|-----------------------|---|---|
| Texas | 28¢/mile set by General Appropriations bill; an allowance for single, twin and turbo engines from 40¢ to \$1/mile is also given. | No. | Members are eligible for American Express Cards for official use. | Official state business only. House members are limited to available balance in their monthly operating accounts. |
| Utah | 31¢/mile, round trip from home to capital. | No. | No. | Yes. Legislative use only. |

TABLE 7. CAPITOL OFFICE, DISTRICT OFFICE AND STAFFING ALLOWANCES, 1999

| State | Allowances |
|------------|---|
| Arizona | None. |
| Colorado | \$2,000/year. |
| New Mexico | None. |
| Oklahoma | \$350/year for unvouchered office supplies plus seven rolls of stamps. |
| Texas | Senate: \$25,000/month for staff salaries. House:\$9,750/month for staff salaries, supplies, stationery, postage, district office rental, telephone expense, etc. |
| Utah | None. |

TABLE 8. HEALTH, DENTAL AND OPTICAL INSURANCE BENEFITS FOR STATE LEGISLATORS, 1999

| State | Health | Dental | Optical |
|------------|---|--|-----------------------------------|
| Arizona | State pays a set amount, legislator pays remaining balance; depending on plan selected. | Optional at legislator's expense. | Optional at legislator's expense. |
| Colorado | State pays a portion, legislator pays a portion; amount differs according to plan selected. | State pays full amount. Dependents coverage at legislator's expense. | Not available. |
| New Mexico | Not available. | Not available. | Not available. |
| Oklahoma | State pays full amount. | State pays full amount. | Optional at legislator's expense, |
| Texas | State pays for legislator, legislator pays for dependent coverage. | Optional at legislator's expense. | Included in health coverage. |
| Utah | State pays full amount depending on plan chosen. | State pays full amount depending on plan chosen. | Optional at legislator's expense. |

TABLE 9. DISABILITY AND LIFE INSURANCE BENEFITS FOR STATE LEGISLATORS, 1999

| State | Disability Insurance | Same as State Employee Plan | Life Insurance | Same as State Employee Plan |
|------------|---|------------------------------------|---|------------------------------------|
| Arizona | State pays portion and legislator pays portion for long-term disability; short-term disability available at legislator's expense. | Yes. | Legislator may opt to purchase up to 3 times additional life insurance above the standard \$10,000 base that all state employees receive. | Yes. |
| Colorado | Not available. | No. | State pays full amount for \$12,000 policy. | Yes. |
| New Mexico | Not available. | No. | Not available. | No. |
| Oklahoma | State pays full amount. | Yes. Same as management employees. | State pays full amount (\$20,000). For optional amounts above that, legislator pays. | Yes. Same as management employees. |
| Texas | Optional at legislator's expense. | Yes. | Optional at legislator's expense. | Yes. |
| Utah | Optional at legislator's expense. | Yes. | State pays full amount for basic coverage (\$18,000). Additional coverage optional at legislator's expense. | Yes. |

TABLE 10. RETIREMENT BENEFITS FOR LEGISLATORS, 1999

| State | Participation | Same as State Employees | Minimum Age and Service Requirement | Contribution Rate |
|------------|---------------|-------------------------|---|---|
| Arizona | Optional. | No. | Age 65 with 5+ years of service; or age 60 with 25+ years of service. | 7%. |
| Colorado | Mandatory. | No. | Age 60 with 5 years of service. | 8% of gross salary. |
| New Mexico | Optional. | No. | Age 65 with 5+ years of service; age 64 with 8+ years of service; age 63 with 12+ years of service; or any age with 14+ years of service. | \$100 per year for service after 1959. |
| Oklahoma | Optional. | No. | Age 60 with 6 years of service. | Optional contribution of 4.5%, 6%, 7.5%, 8.5%, 9% or 10%. |
| Texas | Optional. | No. | Age 60 with 8 years of service; or age 50 with 12 years. | 8% |
| Utah | Mandatory. | No. | Age 65 with 4 years of service. | Non-contributory. |

TABLE 11. RETIREMENT BENEFITS FOR LEGISLATORS, 1999

| Estimated Monthly | | | | |
|-------------------|------------------|--------------------|--------------------|---|
| State | 4 Years | 12 Years | 20 Years | Benefit Formula |
| Arizona | \$333.33/month. | \$1,000/month. | \$1,667/month. | 4%/year of credited service x 3 year average; maximum is 30% of member's average yearly salary. |
| Colorado | Not yet vested. | \$350/month. | \$729/month. | 2.5% x HAS x creditable service through 20 years plus 1.5% x HAS for 21 through 40 years. Maximum benefit = 80% of employee's HAS. |
| New Mexico | \$83.33/month. | \$250/month. | \$416.66/month. | \$250 x years of service (after 1959) |
| Oklahoma | \$426.68 at 10%. | \$1,280.04 at 10%. | \$2,133.40 at 10%. | Average participated salary x length of service x computation factor depending on optional contributions ranging from .019 to .040. |
| Texas | Not eligible. | \$2,288.25/month. | \$3,813.75/month. | 2.25% x district judge's salary (currently \$8,475) x length of service. |
| Utah | Varies. | Varies. | Varies. | \$10/month x years of service; adjusted semi-annually according to consumer price index, limited to maximum of 4%. |