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FISCAL IMPACT REPORT

SPONSOR: Stewart DATE TYPED: 03/14/01 HB 390/aHAFC/aSPAC/aSFI#1
 SHORT TITLE: Create Equal Pay Task Force SB _____
 ANALYST: Dunbar

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
		NFI			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

NM Department of Labor
Personnel Board

SUMMARY

Synopsis of SFI#1 Amendment

The Senate Floor amendment #1 amended HB 390 by :

- Increasing the membership in the equal pay task force from 9 to 10 members.
- Increasing the representatives from the business field from 2 to 3 members.
- Indicating that task force members shall represent a geographic balance with in the state.
- Indicating that the task force members shall represent a balance of males and females.

Synopsis of SPAC Amendment

SPAC amends HB390 to clarify the dates of operation of the “equal pay task force”. In addition, the date of the final report, which includes recommendations of the task force, to the governor and legislature was changed to 12/15/02.

Synopsis of HAFC Amendment

The House Appropriation and Finance Committee amendment of HB 390 provides for the following changes to the legislation:

- c Deletes the Section pertaining to appropriation of funds.
- c Changes the timeframe for the operation of the task force from July 1, to December 1, 2001 to July 1, to December1, 2002.

c Removes the state personnel office from having to staff the task force.

The new language on timeframes is ambiguous in that it could be interpreted to read that the Task Force does not have to begin operations until July 1, 2002. Also, should the final report to the Legislature and Governor be changed to December 15, 2002 in Section 1 E?

Synopsis of Original Bill

HB 390 creates a 9-member task force to study the extent of wage disparities, both public and private, between men and women and between minorities and non-minorities, and to develop actions that are likely to lead to the elimination of wage disparities.

Significant Issues

The Task force will perform a study to determine what factors cause wage discrepancies in the private and public sectors, and will analyze gender differences and minority differences in wages. The task force shall make reports to the Legislative Finance Committee and interim committees. A final report of those findings and suggested actions to eliminate the disparities will be submitted to LFC and the Governor by December 15, 2001. State Personal Office (SPO) and NM Department of Labor (NMDOL) will staff the task force.

PERFORMANCE IMPLICATIONS

The State Personnel Office indicates that this unfunded staffing mandate will force State Personnel to divert resources from other projects.

The State Personnel Office has a very small staff of compensation professionals dedicated to operating and improving the classified compensation system. SPO expresses concern that the potentially huge statewide study implied in this bill will divert these scarce resources from their statutory duties in order to study issues well outside the scope of the Executive branch classified system.

FISCAL IMPLICATIONS

HB 390 appropriates \$20.0 from the general fund to pay for the per diem and mileage expenses of the task force members. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 reverts to the general fund.

There is no appropriation to the State Personnel Office or Department of Labor for the cost of providing staff and other assistance to the task force.

ADMINISTRATIVE IMPLICATIONS

NMDOL staff positions are federally funded and the state is precluded from using federal grant funds to pay for non-federal activities. Therefore, DOL writes that an additional appropriation from the general fund will be needed to pay for NMDOL staff time devoted to non-federal program activities. At a minimum, a one-half (.5) FTE will be required to provide staff support to the task force. Another \$20,000 of state funds will be needed to pay for the NMDOL staff position and other incidental costs.

SPO also states that this unfunded mandate could result in substantial staffing personnel costs for the State Personnel Office.

OTHER SUBSTANTIVE ISSUES

SPO maintains that pay equity has long been a concern of the State Personnel Office and that is why it adopted the Hay compensation plan for the state government classified system ten years ago. The Hay plan is designed to determine the relative worth of jobs without regard to race or sex. The mandate in this bill, however, covers the private sector, as well as all the other branches of state government, and all local government entities. This is well beyond the scope of SPO's responsibilities as defined in the Personnel Act.

POSSIBLE QUESTIONS

Is December 15, 2001 a realistic date to complete the study?

BD/ar/njw