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# FISCAL IMPACT REPORT

SPONSOR Rui	Z DATE TYPED	3/05/05 <b>HB</b>	HM 36/aHEC
SHORT TITLE	School Secretary and Clerk Salary Study	SB	
		ANALYST	Chabot

## **APPROPRIATION**

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

#### SOURCES OF INFORMATION

LFC Files

Responses Received From
Public Education Department (PED)

Responses Not Received From State Personnel Office

#### **SUMMARY**

#### Synopsis of HEC amendment

The House Education Committee amendment to House Memorial 36 changes the agency to conduct the study to the Office of Education Accountability of the Department of Finance and Administration and changes the date for the report to September 30, 2005.

## Synopsis of Original Bill

House Memorial 35 resolves that the LESC be requested to conduct a study of assessing the appropriate salaries for the skill levels required for public school district secretaries, clerks and bookkeepers, make recommendations for a salary schedule process, and report the findings by December 1, 2005.

### Significant Issues

The memorial states school districts are having an increasingly difficult time hiring qualified

#### House Memorial 36/aHEC -- Page 2

people for secretaries, bookkeepers and clerks requiring specialized training because salaries for these individuals have remained flat while other school employees have increased. This results in high job-turnover rates resulting in increased costs for recruiting, hiring and training.

## **[FISCAL IMPLICATIONS**

While the study itself will be of minimal cost, if minimum salary schedules for these personnel are put into statute, there will be an increased cost to school districts requiring increases in general fund for the State Equalization Guarantee.

Education reform may require the expenditures of at least an additional \$26 million in FY07 as follows: \$16 million for raising minimum salaries of level 3-A teachers to \$45,000; \$4 million for pre-kindergarten; and \$6 million for fine arts. These will be in addition to expected increased costs for opening the doors (fixed costs, insurance, enrollment growth, and increased employer contributions to the educational retirement fund) which could be another \$35 million. In addition, \$4 million is needed for increased employer contributions to educational retirement fund from higher education institutions. It may be prudent to avoid additional commitments to recurring appropriations in future fiscal years.

#### ADMINISTRATIVE IMPLICATIONS

LESC will have to determine the most appropriate method to conduct the study.

#### **TECHNICAL ISSUES**

Page 2, line 13, correct the spelling of "secretaries".

#### **ALTERNATIVES**

An alternative is to allow school districts to establish salary schedules for these positions based upon job requirements and the salaries paid for similar occupations in the private and public sector in the geographic area of the school district.

Another alternative is to request the Department of Finance and Administration Office of Educational Accountability to conduct the study and make recommendations to the Legislature.

## WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

A salary study will not be accomplished.

## GAC/lg