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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/30/2006

SPONSOR Griego LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Dept. Of Public Safety Salary Increases SB 594

ANALYST Moser

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$6,255.7	Recurring	General Fund and State Road fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Public Safety (DPS)

### SUMMARY

#### Synopsis of Bill

Senate Bill 594, Dept. Of Public Safety Salary Increases, appropriates \$6,255,693 dollars from the general fund to the department of public safety for the purpose of providing all commissioned officers of the department with an average 20 percent salary increase as determined by the secretary of DPS and the director of the State Personnel Office.

### FISCAL IMPLICATIONS

The appropriation of \$6,255,693 contained in this bill is a recurring expense to the general fund and to the state road fund for these officers employed by the motor transportation division. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund. Increases will be based upon a plan determined by the secretary of DPS and by the state personnel director with employees being placed in an appropriate step based upon longevity and job performance.

### SIGNIFICANT ISSUES

Analysis of state police turnover and market place data indicates that across the board increases in pay will not in the long term impact the ability of the department to attract and retain state po-

lice officers. While employee morale may be improved it will be short-lived and will not address the problems associated with recruitment. The compensation plan needs to be modified at the entry level, probationary periods need to be reviewed and policies on salary advancement and promotion need to be reviewed. This is necessary to meet the demands of a competitive labor market. DPS has made significant efforts to improve its human resources area and has worked with Hay Associates to provide assistance in the development of a pay plan and revisions to its pay plan.

The ability to attract recruits is difficult at best when applicants' experience is not credited and pay levels for a new recruit are set at \$7.25 per hour for an 18 week program as compared to a City of Albuquerque police recruits receiving \$14.19/hour for a 25 week program.

In 2005 the LFC reported that "Upon graduation the newly commissioned state police officer (patrolman) receives a base pay of \$15.60/hr (\$32,572 per year), must serve a two year probation period and is not eligible for another salary increase until completion of the probationary period (2 years). The salary range for a patrolman tops out at \$34,391/yr. and the officer is not eligible for promotion to senior patrolman until after serving 5 years as a patrolman. At this new level his/her pay is adjusted to \$16.94/hr (\$35,365/yr) which tops out at \$45,267 at the end of 15 years. Conversely the Albuquerque Police Department moves the newly commissioned officer to an entry level salary of \$14.71/hr (30,596.80/yr). However, after one year the officer is eligible to be promoted to a Police Officer First Class and receives a salary of \$19.00/hr (39,520.00/yr). This position tops out at \$20.50/hour (\$42,640.00/yr)."

It is not unusual for organizations to experience higher turnover within the first five years of employment. However, given DPS's strict salary guidelines regarding entry level salaries coupled with no salary increases during the two year probationary period and a maximum potential of 6 percent in salary increases in the first five years of employment, there is a much higher probability that officers would leave within the first five years of employment because of inadequate compensation.

Transfers to other police forces do result in salary increases for the employee in most cases. This is not always because the salary plans are better. Often times it is because the other police department or agency recognizes the employee's prior experience and education inclusive of their time with the state police. The state police do not reciprocate in looking at incoming applicants. Upon entering the service of the state police, even candidates with substantial experience in law enforcement receive no recognition of that experience and are compensated at the same level as candidates with no experience. This is atypical of what good human resource policy dictates and results in a noncompetitive environment. Better qualified applicants who would look to NM state police will go elsewhere rather than accept a complete dismissal of their experience or education.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

The GAA provides for a five percent salary increase for all commissioned officers of the department of public safety and an additional average of five percent for all officers below the rank Lieutenant within DPS.

**TECHNICAL ISSUES**

DPS indicates that “...if the intent of this legislation is to fully support the Law Enforcement Officer Compensation Plan, the following average increases should apply in accordance with the proposed Law Enforcement Officer Compensation plan;

- 17.3% average for New Mexico State Police Officers
- 20.2% average for Special Investigation Division officers
- 18% average for the Motor Transportation officers”

The bill indicates an average 20% increase for all officers. It appears that the department feels that this legislation is in excess of what its needs are.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Continued turnover and inability to recruit.

GM/mt