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FISCAL IMPACT REPORT

SPONSOR Robinson ORIGINAL DATE 2/6/07 HB _____
LAST UPDATED 3/17/07
SHORT TITLE Legislative Salaries SJR 10/aSFI#1
ANALYST Fernandez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY07 | FY08 | FY09 | 3 Year Total Cost | Recurring or Non-Rec | Fund Affected |
|--------------|------|------|-----------|----------------------|-------------------------|------------------|
| Total | | | \$4,480.0 | \$4,480.0 | Recurring | General Fund |

(Parenthesis () Indicate Expenditure Decreases)

Conflicts with HJR 6, SJR 12, HB 820, SB 796

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of SFI#1

The Senate Floor amendment strikes the provision that would have provided a salary for each member of the legislature to that of the annual salary of a Class A county commissioner and replaces it with a compensation limit to the equivalent of twice the annual federal poverty guidelines for a family of four.

Synopsis of Original Bill

Senate Joint Resolution 10 proposes to amend Article 4, Section 10 of the New Mexico Constitution which provides for the compensation of legislative members, to provide a salary for each member of the legislature.

FISCAL IMPLICATIONS

The Senate Floor amendment provides for a salary for each member of the legislature equivalent to twice the annual federal poverty guidelines for a family of four or an amount of \$40,000 annually.

Based on a salary of \$40,000 multiplied by 112 legislators, if SJR10 is approved by the legislature and the voters at the next general election or special election, the cost to implement a constitutional requirement to provide salaries for legislators would be \$4,480,000.

Depending on when the proposal would be approved by the voters would determine the fiscal year when the impact would occur.

Secretary of State may incur additional expenses to place this proposal on the ballot at the next general election. The exact costs are unknown but should be minimal.

SIGNIFICANT ISSUES

Legislative compensation was an issue considered by the Governor's Task Force on Ethics Reform and is under consideration by the Legislative Structure and Process Study Task Force.

In the Governor's Task Force on Ethics Reform, *Report of Recommendations*, the task force recommended \$10,000 annually for legislative expense reimbursement accounts. "Funds from the legislative expense reimbursement accounts should be used by legislators to pay for the expenses directly related to their legislative duties. Such expenses might include staff, telephone, travel and other constituent service-related expenses. Legislators should only be paid for expenses incurred." The recommendation anticipated that some legislators would receive less than the annual amount of \$10,000.

The Legislative Structure and Process Study Task Force will produce a final report of its conclusions and recommendations by December 21, 2007 for action during the 2008 legislative session.

The information comparing actions regarding salaries and expenses for legislators in other states are shown on the attachment obtained from the NCSL website.

ADMINISTRATIVE IMPLICATIONS

Passage of this proposal would result in additional administrative duties to Legislative Council Service for the processing of the payments. It is not clear if members would receive the entire payment in one lump sum, a monthly or bi-weekly payment. Also, the effective date when this would go into effect if approved by the voters is not clear. That is, if approved by the voters would it be effective the following fiscal year beginning on July 1?

CONFLICT

Senate Joint Resolution 10 conflicts with House Joint Resolution 6 and Senate Joint Resolution 12 with are duplicate bills that also propose to amend Article 4, Section 10 of the New Mexico Constitution to provide an annual distribution for expenses directly related to the duties of the member's office not to exceed 15 percent of the annual salary provided for the justices of the Supreme Court.

House Joint Resolution 6 is a companion to House Bill 820 which amends Section 1-19-29.1 NMSA 1978 to prohibit the expenditure of campaign contributions received by members of the legislature for duties reasonably related to their office; and provides for an annual distribution to members of the legislature for expenses directly related to the duties of their office. The provisions of the bill shall become effective upon certification by the secretary of state that the constitution of New Mexico has been amended as proposed by HJR 6.

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Senate Joint Resolution 12 is a companion to Senate Bill 796 which amends Section 1-19-29.1 NMSA 1978 to prohibit the expenditure of campaign contributions received by members of the legislature for duties reasonably related to their office; and provides for an annual distribution to members of the legislature for expenses directly related to the duties of their office. The provisions of the bill shall become effective upon certification by the secretary of state that the constitution of New Mexico has been amended as proposed by SJR 12

OTHER SUBSTANTIVE ISSUES

Currently, Article 4, Section 10 provides the compensation of legislative members to per diem at the internal revenue service per diem rate for the city of Santa Fe during legislative sessions and the internal revenue service standard mileage rate for each mile traveled to and from the seat of government. As of January 2007, the per diem rate for Santa Fe is \$142/day and the mileage rate is \$0.485/mile.

During the interim between sessions, legislative members receive per diem at the same rates listed above however, it should be noted that the internal revenue service per diem rates increases slightly during the summer months. For example, from September 1, 2005 - September 31, 2005 the rate was \$141.00/day then from October 1, 2005 – September 31, 2006 the rate increased to \$144/day. The mileage rate during the interim also fluctuates slightly.

SJR 10 proposes to amend the constitution to provide salaries for legislators in addition to the per-diem and mileage currently received by legislators.

CTF/mt

Attachment

NCSL Backgrounder: Full- and Part-Time Legislatures

In the Blue states, average lawmakers spend the equivalent of half of a full-time job doing legislative work. The compensation they receive for this work is quite low and requires them to have other sources of income in order to make a living. The blue states have relatively small staffs. They are often called traditional or citizen legislatures and they are most often found in the smallest population, more rural states. Again, NCSL has divided these states into two groups. The legislatures in Blue are the most traditional or citizen legislatures. The legislatures in Blue Lite are slightly less traditional. States are listed alphabetically within subcategories.

Table 1 shows the breakdown of states by category. Table 2 shows the average scores for the Red, White and Blue states for time on the job, compensation and staff size. For 2005 legislator compensation figures, go to <http://www.ncsl.org/programs/legismgt/aboutl05salary.htm>.

Table 1. Red, White and Blue Legislatures

| Red | Red Light | White | Blue Light | Blue | |
|--------------|---------------|-------------|------------|---------------|-----------|
| California | Alaska | Alabama | Missouri | Georgia | Montana |
| Michigan | Illinois | Arizona | Nebraska | Idaho | New |
| New York | Florida | Arkansas | North | Indiana | Hampshire |
| Pennsylvania | Ohio | Colorado | Carolina | Kansas | North |
| | Massachusetts | Connecticut | Oklahoma | Maine | Dakota |
| | New Jersey | Delaware | Oregon | Mississippi | South |
| | Wisconsin | Hawaii | South | Nevada | Dakota |
| | | Iowa | Carolina | New Mexico | Utah |
| | | Kentucky | Tennessee | Rhode Island | Wyoming |
| | | Louisiana | Texas | Vermont | |
| | | Maryland | Virginia | West Virginia | |
| | | Minnesota | Washington | | |

Source: NCSL 2004
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Table 2. Average Job Time, Compensation and Staff Size by Category of Legislature

| Category of Legislature | Time on the Job (1) | Compensation (2) | Staff per Member (3) |
|--|------------------------|---------------------|-------------------------|
| Red | 80% | \$68,599 | 8.9 |
| White | 70% | \$35,326 | 3.1 |
| Blue | 54% | \$15,984 | 1.2 |
| Notes: | | | |
| 1. Estimated proportion of a full-time job spent on legislative work including time in session, constituent service, interim committee work, and election campaigns. | | | |
| 2. Estimated annual compensation of an average legislator including salary, per diem, and any other unvouchered expense payments. | | | |
| 3. Ratio of total legislative staff to number of legislators. | | | |

Source: NCSL, 2004

