

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/1/08

SPONSOR Rawson LAST UPDATED _____ HB _____

SHORT TITLE Legislator Salaries, Per Diem & Travel, CA SJR 16

ANALYST Wilson

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$2,844.2	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SJR16 relates to SJR 2

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

Senate Joint Resolution 16 proposes an amendment to Article 4, Section 10 of the Constitution of New Mexico to give an annual salary to legislators that is 15% of the salary for United States congressional representatives and senators.

The resolution limits compensation of legislators to an annual salary, and restricts per diem and mileage to ten days per month during the interim and to allow the federal governments rates for out-of-state travel.

The resolution states that per diem and mileage will be paid at the federal government's approved rates for service at in-state meetings required by legislative committees established by the legislature to meet in the interim between sessions.

For service at out-of-state meetings related to a member's legislative duties, the reimbursement can be either per diem and mileage at a rate accepted by the federal government or actual expenses that may be reimbursed for reasonable and necessary travel expenditures pursuant to law.

For in-state and out-of state only ten per diem and mileage days a month are permitted.

The amendment to the Constitution proposed by this resolution shall be submitted to the people for their approval or rejection at the next general election.

FISCAL IMPLICATIONS

The current salary for rank-and-file members of the House and Senate is \$169,300 per year.
15% of the above is \$25,395 per year.
112 legislators @\$25,395 is \$2,844,240

New Mexico's per diems and mileage are currently the same as federally approved rates. Reimbursement for expenses under this resolution should not increase significantly, if at all.

SIGNIFICANT ISSUES

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

In the 2006 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 December 2007 Final Report of The Legislative Structure and Process Study Task Force contains a recommendation for an amendment to Article 4, Section 10 of the Constitution of New Mexico to repeal legislative per-diem and mileage and create a "Legislative Compensation Commission" to set the compensation of members of the legislature every 10 years.

The resolution restricts reimbursement when the legislature is not in session to ten times a month. The purpose of this restriction appears to be to prevent legislators from working fulltime as legislators. New Mexico has always had a "citizens" legislature and this restriction may help to continue the tradition.

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.

RELATIONSHIP

SJR16 relates to SJR 2 which also proposes to amend Article 4, Section 10 of the New Mexico Constitution to provide an annual salary for legislators. Unlike SJR 16, SJR 2 proposes to reimburse legislators for mileage once per week during the legislative session.

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 2008, the per diem rate for Santa Fe is \$144/day and the mileage rate is \$0.505/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 and the mileage rate during the interim also fluctuates slightly.

Senate Joint Resolution 16 proposes to amend the constitution to provide salaries for legislators in addition to the per-diem and mileage currently received by legislators.

DW/bb

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
Source: NCSL 2004

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