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FISCAL IMPACT REPORT

ORIGINAL DATE 10/22/09

SPONSOR Cote LAST UPDATED _____ HB 24

SHORT TITLE Reduce Executive Exempt Positions SB _____

ANALYST Moser

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
(\$8,100.0)	(\$8,100.0)	Recurring	General Fund, Other State and Federal funds

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY10	FY11	FY12	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total	(\$8,100.0)	(\$8,100.0)	(\$8,100.0)	(\$24,300.0)	Recurring	General Fund, Other State and Federal funds

(Parenthesis () Indicate Expenditure Decreases)

This is a duplicate to SB21

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Bill 24 in section 1 modifies the Personnel Act, Section 10-9-4 NMSA 1978, to prohibit employees who are exempt from the Personnel Act, 10-9-1 NMSA 1978, from being eligible to fill a position within the state classified service within the last two years of the elected official in the executive branch under whose administration the exempt employee was appointed or retained. The bill only applies to those exempt employees who are determined to be exempt pursuant to subsections:

- B. members of boards and commissions and heads of agencies appointed by the governor;
- C. heads of agencies appointed by boards or commissions;

- D. directors of department divisions;
- G. those in the governor's office;
- K. not more than two assistants and one secretary in the office of each official listed in Subsections A, B and C of this section, excluding members of boards and commissions in Subsection B of this section; and
- N. state employees if the personnel board in its discretion decides that the position is one of policymaking.

Section 2 of the bill directs the governor to prepare and implement a reduction in force (RIF) plan for exempt employees in cabinet departments and other state agencies under the control of the governor that would reduce the total number of exempt employees under his control by at least 180. The RIF shall not apply to those employees in positions that require senate confirmation or are required by specific law to not be eliminated.

The bill also provides that the RIF shall not apply to exempt employees earning annual salaries less than or equal to \$50 thousand.

The reduction in force shall be accomplished no later than January 22, 2010.

FISCAL IMPLICATIONS

House Bill 24 directs the department of finance and administration to reduce by \$8.1 million the personal services and benefits categories in section 4 of the General Appropriations Act (GAA) of 2009 in those agencies under the control of the Governor in proportion to the number and salaries of exempt employees with an annual salary of more than \$50 thousand.

SIGNIFICANT ISSUES

There are currently in excess of 500 positions under the control of the Governor with another 60 positions being identified as vacant. There are 104 positions with employees earning \$50 thousand or less. The average exempt employee annual salary is approximately \$81.6 thousand.

GM/svb