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FISCAL IMPACT REPORT

ORIGINAL DATE 10/21/09

SPONSOR Ryan LAST UPDATED _____ HB _____

SHORT TITLE Reduce Executive Exempt Positions SB 23

ANALYST Moser

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
(\$10,200.0)	(\$24,500.0)	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	(\$10,200.0)	(\$24,500.0)	(\$24,500.0)	(\$59,200.0)	Recurring	General Fund, Other State and Federal funds

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

Senate Bill 23 provides that the governor shall be limited to maintain:

- No more than 200 employees exempt from the Personnel Act pursuant to subsections B, C, D K, L, or N of Section 10-9-4 NMSA 1978 excluding those employees under the control of the attorney general, the state auditor, the secretary of state, the state treasurer, the public regulation commission, the state land office and the office of the lieutenant governor. And
- Not more than 20 employees exempt from the Personnel Act, Section 10-9-4 NMSA 1978, pursuant to Subsection G (exempt employees within the governor's office)

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Senate Bill 23 directs that the governor reduce the number of exempt employees to meet these provisions before January 30, 2010.

Senate Bill 23 provides that the department of finance and administration shall adjust the budgets for FY10 and FY11 of each agency in proportion to the number and salaries of its exempt employees with the remainder of the money appropriated for the personal services and benefits categories in Section 4 of the General Appropriations Act of 2009 to be reverted to the general fund.

Senate Bill 23 contains an emergency provision.

FISCAL IMPLICATIONS

Based upon information from the Department of Finance and Administration there are currently 501 exempt employees under the control of the Governor that have an average salary of \$81.6 thousand. Senate Bill 23 will result in a reduction in personal services and benefits of approximately \$10.2 million in FY10 and \$24.5 million every year thereafter.

SIGNIFICANT ISSUES

Senate Bill 23 applies to the following employees exempted pursuant to these subsections of Section 10-9-4 NMSA 1978 :

- 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;
- 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;
- L. those of a professional or scientific nature which are temporary in nature;
- N. state employees if the personnel board in its discretion decides that the position is one of policymaking.

GM/sb