

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 03/07/11

SPONSOR Lundstrom LAST UPDATED \_\_\_\_\_ HJM 3

SHORT TITLE Study Exempt and Classified Positions SB \_\_\_\_\_

ANALYST Graeser

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
<b>Total</b>		NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
State Personnel (SPO)

### SUMMARY

#### Synopsis of Bill

House Joint Memorial 3 directs the State Personnel Office to work together with the Legislative Finance Committee to study the number of exempt and their positions, salary ranges, salaries, benefits and perquisites. This bill specifies that the study include recommendations for bringing exempt salaries and benefits into parity with classified salaries and requests the State Personnel Office to reconsider many of the positions that have been determined to be policymaking. This bill requires that a report containing recommendations for changes in law, rules, policies and the exempt salary plan be presented to the Governor and the New Mexico Legislative Council by September 1, 2011.

HJM 3 was developed by the Government Restructuring Task Force.

### FISCAL IMPLICATIONS

There is no appropriation contained in HJM3. The outcome of the study may possibly result in future monetary savings.

**SIGNIFICANT ISSUES**

SPO notes the following:

Historically, SPO has supported the fact that exempt and classified salary and benefits should be more in parity with each other. There has been both Legislative and Executive interest in the past to that ensure parity exists not only between positions in the classified and executive exempt service, but also between the salaries and benefits of similar positions in the judicial branch of government overseen by the Administrative Office of the Courts (AOC) and the Administrative Office of the District Attorneys (AODA).

The State Personnel Board annually reviews the justification for each position that has been identified as policy-making and ensures that it is still needed in that capacity before approving for another year. Several policy-making positions have existed for multiple years and some are established to support an individual policy initiative of a particular administration.

In 1989, there was a study done on exempt executive positions in the Act on Compensation Equity (ACE) project that included an analysis that considered the size of jobs. In 2005 the State Personnel Office conducted a classification study on managers in the classified service. In order to determine the relative job size for classified manager positions SPO identified the size of job for many executive exempt positions. The State Personnel Office can utilize this information in this review. This information is based on sound methodology.

The Executive Reorganization Act statutorily brings definition to the size and scope of executive exempt positions. This definition may not be included the current salary plan that covers executive exempt positions.

**PERFORMANCE IMPLICATIONS**

None identified for the State Personnel Office

**ADMINISTRATIVE IMPLICATIONS**

SPO notes that, "...SPO employs highly qualified classified staff that has established professional contacts in other state governments and regularly participates in numerous annual and ad-hoc surveys on salaries, benefits and pay practices. Sound methodologies and formats currently exist and can easily be enhanced to collect specific relevant data."

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to HB66, SB68 and SB163

**AMENDMENTS**

SPO suggests that the legislature might consider expanding the scope of this review to cover positions in other salary plans in other branches of state government to determine if parity exists.

LG/ mew