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**LEGISLATIVE EDUCATION STUDY COMMITTEE**  
**BILL ANALYSIS**  
**54th Legislature, 1st Session, 2019**

**Bill Number** HB397                      **Sponsor** Trujillo, L./Trujillo, C.

**Tracking Number** .212224.1              **Committee Referrals** HEC/HAFC

**Short Title** School Employee Minimum Salaries

**Analyst** Bedeaux                                      **Original Date** 2/8/19  
**Last Updated** 2/8/19

**BILL SUMMARY**

Synopsis of Bill

House Bill 397 (HB397) would increase the statutory minimum wage for school personnel from \$6 per hour to \$12 per hour.

**FISCAL IMPACT**

HB397 does not contain an appropriation.

Based on wage data for 48,173 public school employees obtained from the Public Education Department (PED), LESC staff estimates the statewide impact of raising the minimum wage for all school personnel to \$12 per hour and providing benefits at 30 percent would be \$11.4 million, or about 0.6 percent of the total cost of employee salaries, recurring annually.

If enacted without an appropriation to cover salary increases, HB397 would require school districts and charter schools to fund salary increases using existing operational funding. The executive recommendation for FY20 includes \$6 million to increase the minimum wage for school personnel to \$12 per hour, but based on LESC analysis, the executive recommendation will not cover the full cost of HB397.

**Cumulative Statewide Cost of  
HB397 by Personnel Category**  
(thousands)

	FY20	
<b><i>Certified Personnel</i></b>		
Educational Assistants	\$2,591.8	23%
Healthcare Personnel	\$172.4	2%
Teachers	\$145.2	1%
Other Certified Personnel	\$191.7	2%
<b><i>Noncertified Personnel</i></b>		
Bus Driver	\$1,702.1	15%
Cafeteria Worker	\$3,510.1	31%
Custodian	\$114.7	1%
Educational Assistant	\$840.1	7%
Healthcare	\$24.3	0%
Maintenance	\$575.2	5%
Teacher	\$79.0	1%
Other Noncertified Personnel	\$1,465.3	13%
<b>Statewide Total</b>	<b>\$11,411.9</b>	

Source: LESC analysis of PED data

As shown in the table above, much of the new minimum wage would be realized by certified educational assistants, followed by noncertified employees, including noncertified educational assistants, bus drivers, and cafeteria workers.

## **SUBSTANTIVE ISSUES**

The Public School Code currently lists a minimum wage rate of \$6 per hour, a rate lower than the federal minimum wage of \$7.25 per hour and the statewide minimum wage of \$7.50 per hour. School districts and charter schools are currently required to pay personnel at least \$7.50 per hour, but the local minimum wage provisions in the City of Albuquerque, Bernalillo County, Santa Fe County, and the city of Las Cruces are all higher than the statewide minimum wage.

According to the National Conference of State Legislatures, 30 states and the District of Columbia began 2019 with a minimum wage higher than New Mexico's \$7.50 per hour. New Mexico's minimum wage is significantly lower than some nearby states. In Colorado, the minimum wage for 2019 is \$11.10 per hour and will increase to \$12 per hour on January 1, 2020. In Arizona, the minimum wage is \$11 per hour and will increase to \$12 per hour on January 1, 2020. Washington and Massachusetts are the only states that currently have a minimum wage of \$12 per hour, and the District of Columbia has a minimum wage of \$13.25 per hour.

## **OTHER SIGNIFICANT ISSUES**

In FY19, the Legislature appropriated \$12.2 million to increase salaries for school personnel other than teachers by an average of 2 percent. The Legislative Finance Committee (LFC) recommendation for FY20 includes \$25.5 million to increase other school personnel compensation by an average of 4 percent. The executive recommendation for FY20 includes \$6 million to increase the minimum wage for all school personnel to \$12 per hour, and an additional \$37.7 million to increase compensation for all school personnel by an average of 6 percent after employees are brought to the new \$12 minimum wage.

Data for this analysis was obtained from PED and used under the following assumptions:

1. Records that were entered with a full-time equivalency (FTE) or salary equal to zero were excluded.
2. Records for athletic coaches were excluded.
3. The hourly wage of a salaried employee is equal to salary divided by the number of hours worked per year.
4. Per PED staff analysis, employees entered as business office administrators, maintenance employees, or data personnel were considered to have worked a full-year schedule, or 2080 hours per year. Other employees were considered to have worked on an abbreviated schedule of 7 hours per day for 183 days, or 1281 hours per year.
5. Holding all above assumptions, if an employee was calculated as making less than the minimum wage, it was assumed that an employee's salary was incorrectly entered in the dataset. These employees were assumed to have made exactly minimum wage on an abbreviated contract. This assumption affected 342 of the 42,173 employees (less than 1 percent) in the dataset.

## **RELATED BILLS**

Related to HB31, Phased-In Minimum Wage Increase, which would increase the minimum wage from \$7.50 to \$10 in FY20, \$11 in FY21, \$12 in FY22, and then make an annual adjustment in the minimum wage based on the percent increase in the consumer price index for urban consumers (CPI-U), rounded to the nearest \$0.05.

Related to HB46, Increase Minimum Wage, which would increase the statewide minimum wage to \$15 per hour and provide for an annual adjustment in the minimum wage based on the percent increase in the CPI-U, rounded to the nearest \$0.05.

Related to SB437, Raise Minimum Wage & Create Separate One, which would gradually increase the minimum wage to \$10 per hour by April 2020, and would create a separate minimum wage of \$8.50 per hour for students.

Related to SB1 and HB5, Public Education Changes, which would amend the School Personnel Act to increase minimum salaries for teachers, level 3-A counselors, principals, and assistant principals.

**SOURCES OF INFORMATION**

- LESC Files

**TB/rsg**

Cumulative Statewide Impact of HB397 to School Districts and Charter Schools  
(thousands)

		New Minimum Wage:	\$12.00	
School District or Charter School		FY19 Wages	FY20 Increase	FY20 Percent Increase
<b>Public School Districts</b>				
1	ALAMOGORDO	\$ 29,306.8	\$ 354.6	1.2%
2	ALBUQUERQUE	\$ 510,930.2	\$ 1,130.9	0.2%
3	ANIMAS	\$ 2,145.9	\$ 3.6	0.2%
4	ARTESIA	\$ 22,757.1	\$ 150.1	0.7%
5	AZTEC	\$ 15,320.8	\$ 269.3	1.8%
6	BELEN	\$ 23,514.1	\$ 109.2	0.5%
7	BERNALILLO	\$ 19,119.3	\$ 164.3	0.9%
8	BLOOMFIELD	\$ 16,169.9	\$ 351.6	2.2%
9	CAPITAN	\$ 4,554.1	\$ 72.7	1.6%
10	CARLSBAD	\$ 49,676.7	\$ 345.1	0.7%
11	CARRIZOZO	\$ 2,494.0	\$ 2.9	0.1%
12	CENTRAL CONS.	\$ 36,347.2	\$ 222.3	0.6%
13	CHAMA	\$ 2,679.5	\$ 1.9	0.1%
14	CIMARRON	\$ 5,082.7	\$ 19.5	0.4%
15	CLAYTON	\$ 4,339.2	\$ 13.9	0.3%
16	CLOUDCROFT	\$ 2,849.0	\$ 24.7	0.9%
17	CLOVIS	\$ 40,723.0	\$ 211.1	0.5%
18	COBRE CONS.	\$ 8,637.7	\$ 124.3	1.4%
19	CORONA	\$ 1,582.7	\$ 22.3	1.4%
20	CUBA	\$ 4,890.6	\$ 5.9	0.1%
21	DEMING	\$ 32,552.0	\$ 312.4	1.0%
22	DES MOINES	\$ 1,351.2	\$ 2.4	0.2%
23	DEXTER	\$ 6,630.0	\$ 65.9	1.0%
24	DORA	\$ 2,476.0	\$ 18.0	0.7%
25	DULCE	\$ 5,442.7	\$ 8.3	0.2%
26	ELIDA	\$ 1,544.2	\$ 14.9	1.0%
27	ESPANOLA	\$ 20,526.3	\$ 220.9	1.1%
28	ESTANCIA	\$ 4,201.0	\$ 32.2	0.8%
29	EUNICE	\$ 4,667.7	\$ 18.8	0.4%
30	FARMINGTON	\$ 56,069.0	\$ 335.3	0.6%
31	FLOYD	\$ 3,066.2	\$ 17.4	0.6%
32	FT SUMNER	\$ 3,576.6	\$ 16.8	0.5%
33	GADSDEN	\$ 76,021.5	\$ 1,254.1	1.6%
34	GALLUP	\$ 70,474.3	\$ 252.6	0.4%
35	GRADY	\$ 2,150.8	\$ 29.6	1.4%
36	GRANTS	\$ 22,836.3	\$ 283.6	1.2%
37	HAGERMAN	\$ 2,930.5	\$ 29.0	1.0%
38	HATCH	\$ 6,784.1	\$ 50.5	0.7%
39	HOBBS	\$ 52,489.7	\$ 291.8	0.6%
40	HONDO	\$ 1,324.5	\$ 24.8	1.9%
41	HOUSE	\$ 1,628.8	\$ 9.1	0.6%
42	JAL	\$ 3,264.2	\$ 27.4	0.8%
43	JEMEZ MOUNTAIN	\$ 2,827.6	\$ 15.2	0.5%
44	JEMEZ VALLEY	\$ 3,630.2	\$ 45.3	1.2%
45	LAKE ARTHUR	\$ 1,661.8	\$ 0.1	0.0%
46	LAS CRUCES	\$ 130,258.3	\$ 870.3	0.7%
47	LAS VEGAS CITY	\$ 10,424.4	\$ 76.7	0.7%
48	LOGAN	\$ 3,596.9	\$ 14.3	0.4%
49	LORDSBURG	\$ 4,170.7	\$ 17.6	0.4%
50	LOS ALAMOS	\$ 23,085.9	\$ 79.9	0.3%
51	LOS LUNAS	\$ 43,374.1	\$ 651.8	1.5%

		New Minimum Wage:	\$12.00		
School District or Charter School	FY19 Wages	FY20 Increase	FY20 Percent Increase		
52	LOVING	\$ 4,425.3	\$ 15.2	0.3%	52
53	LOVINGTON	\$ 19,920.2	\$ 37.6	0.2%	53
54	MAGDALENA	\$ 3,998.4	\$ 25.0	0.6%	54
55	MAXWELL	\$ 1,939.5	\$ 15.0	0.8%	55
56	MELROSE	\$ 2,988.0	\$ 34.3	1.1%	56
57	MESA VISTA	\$ 2,211.3	\$ 16.2	0.7%	57
58	MORA	\$ 1,946.9	\$ -	0.0%	58
59	MORIARTY-EDGEWOOD	\$ 16,536.5	\$ 345.4	2.1%	59
60	MOSQUERO	\$ 679.6	\$ 10.6	1.6%	60
61	MOUNTAINAIR	\$ 1,901.3	\$ 8.5	0.4%	61
62	PECOS	\$ 4,033.8	\$ 18.6	0.5%	62
63	PENASCO	\$ 5,618.8	\$ 91.8	1.6%	63
64	POJOAQUE	\$ 11,158.4	\$ 44.9	0.4%	64
65	PORTALES	\$ 15,478.1	\$ 109.2	0.7%	65
66	QUEMADO	\$ 2,014.0	\$ 26.3	1.3%	66
67	QUESTA	\$ 5,293.2	\$ 37.8	0.7%	67
68	RATON	\$ 5,234.0	\$ 94.0	1.8%	68
69	RESERVE	\$ 1,987.9	\$ 2.6	0.1%	69
70	RIO RANCHO	\$ 81,499.2	\$ 623.2	0.8%	70
71	ROSWELL	\$ 49,308.3	\$ 77.3	0.2%	71
72	ROY	\$ 872.7	\$ -	0.0%	72
73	RUIDOSO	\$ 9,981.5	\$ 66.4	0.7%	73
74	SAN JON	\$ 2,072.1	\$ 16.4	0.8%	74
75	SANTA FE	\$ 76,947.6	\$ 154.2	0.2%	75
76	SANTA ROSA	\$ 6,093.3	\$ 35.8	0.6%	76
77	SILVER CITY	\$ 17,242.9	\$ 118.0	0.7%	77
78	SOCORRO	\$ 9,884.5	\$ 96.4	1.0%	78
79	SPRINGER	\$ 2,352.9	\$ 25.7	1.1%	79
80	TAOS	\$ 15,971.2	\$ 95.4	0.6%	80
81	TATUM	\$ 5,017.9	\$ 26.8	0.5%	81
82	TEXICO	\$ 4,885.3	\$ 15.1	0.3%	82
83	TRUTH OR CONS.	\$ 8,553.2	\$ 18.2	0.2%	83
84	TUCUMCARI	\$ 6,064.2	\$ 28.3	0.5%	84
85	TULAROSA	\$ 6,808.1	\$ 20.7	0.3%	85
86	VAUGHN	\$ 1,322.6	\$ 15.6	1.2%	86
87	WAGON MOUND	\$ 1,905.7	\$ 40.9	2.1%	87
88	WEST LAS VEGAS	\$ 9,442.0	\$ 101.0	1.1%	88
89	ZUNI	\$ 10,182.8	\$ 18.6	0.2%	89
<b>State-Chartered Charter Schools</b>					
90	ABQ SCHOOL OF EXCELLENCE	\$ 1,563.7	\$ 1.8	0.1%	90
91	ABQ SIGN LANGUAGE ACADEMY	\$ 2,107.1	\$ 6.2	0.3%	91
92	ACADEMY OF TRADES AND TECH	\$ 866.5	\$ 0.5	0.1%	92
93	ACE LEADERSHIP HIGH SCHOOL	\$ 1,812.7	\$ -	0.0%	93
94	ALBUQUERQUE INSTITUTE OF MATH & SCIENCE	\$ 1,627.5	\$ -	0.0%	94
95	ALDO LEOPOLD CHARTER	\$ 1,546.0	\$ 7.5	0.5%	95
96	ALMA D'ARTE CHARTER	\$ 1,106.7	\$ 0.5	0.0%	96
97	AMY BIEHL CHARTER HIGH SCHOOL	\$ 2,711.7	\$ -	0.0%	97
98	ANTHONY CHARTER SCHOOL	\$ 555.9	\$ 4.8	0.9%	98
99	CARINOS DE LOS NINOS	\$ 901.5	\$ -	0.0%	99
100	CESAR CHAVEZ COMMUNITY SCHOOL	\$ 1,362.2	\$ 12.9	0.9%	100
101	CORAL COMMUNITY CHARTER	\$ 1,420.1	\$ -	0.0%	101
102	COTTONWOOD CLASSICAL PREP	\$ 3,363.1	\$ -	0.0%	102
103	DEAP	\$ 299.6	\$ 4.1	1.4%	103
104	DREAM DINE	\$ 185.0	\$ -	0.0%	104
105	ESTANCIA VALLEY CLASSICAL ACADEMY	\$ 1,809.0	\$ 5.4	0.3%	105

		New Minimum Wage:		\$12.00	
School District or Charter School	FY19 Wages	FY20 Increase	FY20 Percent Increase		
106	EXPLORE ACADEMY	\$ 1,480.5	\$ 1.5	0.1%	106
107	GILBERT L SENA CHARTER HS	\$ 1,446.4	\$ 7.5	0.5%	107
108	HEALTH LEADERSHIP HIGH SCHOOL	\$ 1,590.7	\$ 0.5	0.0%	108
109	HORIZON ACADEMY WEST	\$ 1,942.2	\$ 4.0	0.2%	109
110	J PAUL TAYLOR ACADEMY	\$ 1,111.1	\$ 1.9	0.2%	110
111	LA ACADEMIA DOLORES HUERTA	\$ 717.3	\$ 1.6	0.2%	111
112	LA PROMESA EARLY LEARNING	\$ 1,567.6	\$ 0.7	0.0%	112
113	LA TIERRA MONTESSORI SCHOOL	\$ 608.6	\$ -	0.0%	113
114	LAS MONTANAS CHARTER	\$ 980.9	\$ 7.4	0.8%	114
115	MCCURDY CHARTER SCHOOL	\$ 1,556.0	\$ -	0.0%	115
116	MEDIA ARTS COLLABORATIVE CHARTER	\$ 1,723.4	\$ -	0.0%	116
117	MISSION ACHIEVEMENT AND SUCCESS	\$ 3,896.5	\$ -	0.0%	117
118	MONTE DEL SOL CHARTER	\$ 2,093.9	\$ 4.6	0.2%	118
119	MONTESSORI ELEMENTARY SCHOOL	\$ 1,622.4	\$ 7.0	0.4%	119
120	NEW AMERICA SCHOOL	\$ 1,435.3	\$ -	0.0%	120
121	NEW AMERICA SCHOOL - LAS CRUCES	\$ 1,090.7	\$ 33.4	3.1%	121
122	NEW MEXICO CONNECTIONS ACADEMY	\$ 3,119.7	\$ -	0.0%	122
123	NM SCHOOL FOR ARTS	\$ 1,549.0	\$ 7.5	0.5%	123
124	NORTH VALLEY CHARTER	\$ 2,011.0	\$ -	0.0%	124
125	RED RIVER VALLEY CHARTER SCHOOL	\$ 522.0	\$ -	0.0%	125
126	ROOTS AND WINGS COMMUNITY	\$ 343.2	\$ 2.8	0.8%	126
127	SANDOVAL ACADEMY OF BILINGUAL EDUCATION	\$ 344.2	\$ -	0.0%	127
128	SCHOOL OF DREAMS ACADEMY	\$ 2,850.1	\$ -	0.0%	128
129	SIX DIRECTIONS INDIGENOUS SCHOOL	\$ 457.1	\$ 7.5	1.6%	129
130	SOUTH VALLEY PREP	\$ 1,075.8	\$ 8.7	0.8%	130
131	SOUTHWEST PREPARATORY LEARNING CENTER	\$ 755.1	\$ -	0.0%	131
132	SOUTHWEST SECONDARY LEARNING CENTER	\$ 1,407.8	\$ -	0.0%	132
133	STUDENT ATHLETE HEADQUARTERS (SAHQ)	\$ 381.3	\$ 4.9	1.3%	133
134	SW AERONAUTICS MATHEMATICS AND SCIENCE	\$ 1,220.4	\$ -	0.0%	134
135	TAOS ACADEMY	\$ 2,358.8	\$ 7.5	0.3%	135
136	TAOS INTEGRATED SCHOOL OF THE ARTS	\$ 795.2	\$ -	0.0%	136
137	TAOS INTERNATIONAL SCHOOL	\$ 934.6	\$ -	0.0%	137
138	TECHNOLOGY LEADERSHIP	\$ 1,252.4	\$ -	0.0%	138
139	THE ASK ACADEMY	\$ 3,525.2	\$ 7.5	0.2%	139
140	THE GREAT ACADEMY	\$ 863.9	\$ 7.5	0.9%	140
141	THE MASTER PROGRAM	\$ 1,141.4	\$ -	0.0%	141
142	TIERRA ADENTRO	\$ 1,644.1	\$ -	0.0%	142
143	TIERRA ENCANTADA CHARTER SCHOOL	\$ 1,075.3	\$ -	0.0%	143
144	TURQUOISE TRAIL CHARTER SCHOOL	\$ 1,944.5	\$ 22.5	1.2%	144
145	WALATOWA CHARTER HIGH	\$ 555.0	\$ 7.5	1.4%	145
	<b>Statewide Total</b>	<b>\$ 1,922,159.7</b>	<b>\$ 11,411.9</b>	<b>0.6%</b>	

Source: LESC Analysis of PED Data