F I S C A L   I M P A C T   R E P O R T

SPONSOR Ryan	**ORIGINAL DATE** 2/28/2011 **LAST UPDATED**	**HB**	
SHORT TITLE Limit Exempt Employees in the Executive Branch		**SB**	68
	ANALYST Hoffmann		

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	**FY12**	**FY13**	**3 Year Total Cost**	**Recurring or Non-Rec**	**Fund Affected**
Total						

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to House Bill 51

SOURCES OF INFORMATION
LFC Files

Responses Received From
Office of the State Auditor (OSA)
State Personnel Office (SPO)
Secretary of State (SOS)
Public Regulation Commission (PRC)
State Land Office (SLO)

SUMMARY

Synopsis of Bill

Senate Bill 68 allows the governor 165 exempt employees plus an additional 20 exempt employees in the Governor's Office. The Lieutenant Governor, Secretary of State, State Auditor and the State Treasurer would be limited to five exempt employees each. The Public Regulation Commission (PRC) would be limited to 10 exempt employees and the Commissioner of Public Lands would be limited to nine exempt employees.

FISCAL IMPLICATIONS

Senate Bill 68 makes no appropriation. If the bill is passed, the restriction on the number of exempt positions under the executive would be likely be reduced from its current level and thus providing cost savings. The total number of exempt employees could still increase due to action by the Personnel Board's authorization additional policy-making positions.

SIGNIFICANT ISSUES

The Office of the State Auditor (OSA) currently has 5 positions exempt from the Personnel Act pursuant to Subsections K and D of Section 10-9-4 NMSA 1978. Therefore, the limitations imposed by this bill would not impact the exempt positions of the OSA.

The Secretary of State's office reports it presently has two positions that are mandated by statute – Assistant Secretary (8-4-2) and Director of the Bureau of Elections (8-4-5). The remaining 4 exempt positions would be allowed by the bill. Therefore, there would be minimal fiscal impact on the office.

A SPO report from the SHARE system as of January 7, 2011 showed there were 469 active exempt employees in the GOVX salary plan. When excluding exempt employees in elected official's offices (Attorney General, State Auditor, Secretary of State, State Treasurer, Public Regulation Commission and Commissioner of Public Lands) and excluding Public School Insurance Authority, there were 186 exempt employees.

The Public Regulation Commission notes it is limited to 10 employees exempt from the Personnel Act pursuant to Subsections B, C, D, K, L or N of Section 10-9-4 NMSA 1978. However, the bill excludes "those employment positions created in statute. Therefore, any one of these positions also created by the PRC statute, Section 8-8-1, NMSA 1978, would not be subject to the limitations in SB 68.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 68 is a fixed-number approach to maintaining a stable size for the exempt workforce in the executive branch. House Bill 51 has a similar objective, and seeks to accomplish it by allocating

- no more than one exempt assistant or deputy secretary to a department,
- no more than one assistant or deputy division director per division, and
- no more than one administrative assistant and one secretary to a cabinet secretary.

Additionally, the approach used by House Bill 51 would restrict the growth of the exempt workforce by eliminating the Personnel Board's ability to authorize additional policy-making positions. These two bills would be in conflict if both were passed, due to the duplication of some of the positions described.

JCH/bym