

LFC Requester: _____

**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

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{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original Amendment
Correction Substitute

Date 1/31/2024
Bill No: SB70

Sponsor: Joseph Cervantes Agency Name and Code: Workers' Compensation Administration; 632
Short Title: Supreme Court Justice Salaries Person Writing: Michael J. Holt
Phone: 505-841-6822 Email: Michael.Holt@wca.nm.gov

SECTION II: FISCAL IMPACT

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY24 | FY25 | FY26 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|-------|-------|-------|-------------------|---------------------------|--------------------------------------|
| Total | 245.0 | 245.0 | 245.0 | 735.0 | Recurring | Workers' Compensation Administration |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

SJC Committee substitute for SB 70 increases the annual salaries of justices of the supreme court to \$232,600 effective July 1, 2024. The bill also states that judges of the court of appeals shall receive an annual salary that is 95% of the annual salary of a justice of the supreme court, and district court judges shall receive an annual salary that is 95% of the annual salary of a judge of the court of appeals.

FISCAL IMPLICATIONS

Workers' compensation administrative law judges' salaries are set in NMSA 52-5-29(C) which states that judges "shall be compensated at a rate equal to ninety percent of that of district court judges." The current salary of a workers' compensation judge is \$155,694. This bill would increase each workers' compensation judge's salary to \$188,929, with related increases in the amount that the agency contributes for employees to PERA of 19%, to FICA of 2% and to RHC of 2%, for a total of an additional 23% of the proposed salary increase per judge. The Workers' Compensation Administration currently has six full-time administrative law judges. The cumulative annual fiscal impact will be \$242,000 per year in increased salary and salary-related costs going forward.

ADMINISTRATIVE IMPLICATIONS

While the bill does make an appropriation to the courts from the general fund to cover the increases in salaries, the Workers' Compensation Administration (WCA) does not receive general funds. The WCA would need to pull from agency surplus to cover costs. An increase to cover the salaries for the current six judges would amount to approximately 10% of the WCA's current available surplus (surplus minus planned and approved appropriations).

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The bill is identical to HB 113 and HB 141