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FISCAL IMPACT REPORT

SPONSOR:	Garcia	DATE TYPED:	02/11/00	HB	
SHORT TITLE:	Correctional Officer Pay Increase			SB	412
				ANALYST:	Trujillo

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
	\$ 1,600.0			Recurring	GF

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to the General Appropriations Act

SOURCES OF INFORMATION

LFC files.

Corrections Department

SUMMARY

Synopsis of Bill

SB412 appropriates \$1,600,000 from the General Fund to the Corrections Department for expenditure in FY 2001 to provide a five percent (5%) pay increase for correctional officers statewide. Any unexpended or unencumbered balance remaining at the end of FY 2001 shall revert to the General Fund.

Significant Issues

The most significant issue to the Corrections Department is that this appropriation is necessary to assist the Corrections Department in retaining and attracting correctional officers. The Department currently suffers from a high rate of turnover with regard to correctional officers and this appropriation would assist the Department in reducing that turnover.

However, the language of the bill requires that the Department use the appropriation to provide a five percent (5%) pay increase for correctional officers statewide. The Department believes this language is too restrictive and does not allow the Department to implement the pay increase in a way which would be more effective. Specifically, the Department believes that rather than a straight across-the-board five percent (5%) pay increase for existing correctional officers, the following plan should be implemented. The Corrections Department proposes to place Correctional Officer I's at a higher salary range; specifically three (3) ranges higher than the current salary range. This would result in a starting salary range of \$9.686 per hour vs. the current rate of \$8.513 per hour. This proposal is based upon a plan approved by the State Personnel Board as a result of a market pricing review of the Correctional Officer salaries. The Department also proposes to place correctional officer sergeants at a higher salary range; specifically one (1) range higher than the current salary range. Furthermore, the Department proposes to increase the salary of individual correctional officers using a formula based upon the number of years of service with the Corrections Department. The Department believes this plan would be more effective in both recruiting and retaining correctional officers, as opposed to a simple five percent (5%) across-the-board pay increase for existing correctional officers. Furthermore, this plan could be accomplished for the same cost; i.e., for the \$1,600,000 appropriation contained in the bill for FY 2001. Of course, both the language of the bill as written, as well as the

Department's proposed plan would result in a similar fiscal impact in subsequent fiscal years.

LFC staff reports House Appropriations and Finance Committee Substitute for House bills 2, 3, 4, 5, 6, 7, and 9 includes \$654.7 to provide a salary to salary increase and associated benefits for correctional officers to address this area of concern raised by the panel of correction experts in the January 14, 2000 report to the secretary of corrections, attorney general and the New Mexico legislature.

FISCAL IMPLICATIONS

The bill appropriates \$1,600,000 to the Corrections Department, which would be sufficient to either fund the five percent (5%) pay increases for correctional officers statewide, as stated in the bill; or to implement the Department's proposed plan as set out in the "significant issues" section above.

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ADMINISTRATIVE IMPLICATIONS

The bill will result in a minimal increase in the administrative burden upon Department payroll staff who will be required to implement the pay increase. However, the Department will be able to absorb this additional administrative burden.

CONFLICT/DUPLICATION/COMPANIONSHIP/RELATIONSHIP

SB412 relates to House Appropriations and finance Committee Substitute for House bills 2, 3, 4, 5, 6, 7, and 9.

LAT/njw

