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## FISCAL IMPACT REPORT



SPONSOR: Stewart DATE TYPED: 01/31/02 HB 379

SHORT TITLE: Public Employees Equal Pay Act SB \_\_\_\_\_

ANALYST: Gilbert

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
		\$0.1	See Narrative	Recurring	General Fund
		\$0.1	See Narrative	Recurring	Local Governments

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Response Received

Department of Labor (DOL)

State Personnel Office (SPO)

#### No Response

Department of Finance and Administration (DFA)

### SUMMARY

#### Synopsis of Bill

House Bill 379 prohibits wage differences of public employees based on gender or ethnicity for those who perform the same or similar work. Aggrieved employees may file a complaint with the New Mexico Human Rights Commission and pursue a formal grievance as provided in Sections 28-1-10 through 28-1-13 NMSA 1978.

#### Significant Issues

Section 3 of this bill states that public employers shall not discriminate against public employees on the basis of gender or ethnicity when the work performed is similar, except where wages of the governmental entity are pursuant to:

- ❑ a seniority system;
- ❑ a merit system;
- ❑ a system that measures earnings by quantity or quality of production; or
- ❑ a differential based on any factor other than gender or ethnicity.

The majority of public employees in New Mexico are currently covered by one of the above mentioned personnel systems. Thus this bill should have little impact on most public employers.

Section 5 of this bill prohibits employers from reducing the wages of employees in order to comply with the provisions of this bill.

According to the Department of Labor, this bill duplicates law that currently prohibits discrimination in terms of employments under § 28-1-7 of the New Mexico Human Rights Act.

### **FISCAL IMPLICATIONS**

There is no appropriation contained in this bill. However, if employee complaints increase significantly as the result of this bill, the New Mexico Human Rights Commission (NMHRC) may need additional resources, thus impacting the general fund. and local government budgets.

### **ADMINISTRATIVE IMPACT**

The NMHRC could face a workload increase if a large number of aggrieved individuals file complaints pursuant to this bill.

### **OTHER SUBSTANTIVE ISSUES**

Not allowing employers to reduce the wages of certain employees in order to ensure gender or ethnicity pay equivalence (as mandated by this bill) could force employers to implement layoffs as an alternative.

RLG/prr:ar