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FISCAL IMPACT REPORT

SPONSOR Varela DATE TYPED 2/9/04 HB 68/aHGUAC

SHORT TITLE Worker's Comp Ombudsman Employment SB _____

ANALYST Gilbert

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
			\$5.8	Recurring	WCA Fund

(Parenthesis () Indicate Expenditure Decreases)

Conflicts with SB 30

SOURCES OF INFORMATION

LFC Files

Response Received From

Workers' Compensation Administration (WCA)

SUMMARY

Synopsis of HGUAC Amendment

The House Government and Urban Affairs Committee amendment to House Bill 68 reinstates language stricken from §52-5-1.4C NMSA 1978, which would have allowed worker' compensation ombudsmen to hold any other position in the WCA without the five years waiting period after leaving such position. Instead, this subsection was amended to change the employment restriction from five years to only one year.

Additionally, HB 68/aHGUAC reinstates the original wording in §52-5-2B NMSA 1978, which states that workers' compensation judges' may be reappointed for five-year terms. HB 68 had reduced this period to only two-year reappointments. This amendment resolved the conflict between this bill and SB 30 relating to judicial terms.

Synopsis of Original Bill

House Bill amends the Workers' Compensation Administration Act to remove the current requirement that any person who serves as an ombudsman is ineligible to hold any other position

in the workers' compensation administration for at least five years after leaving the ombudsman position. It also reduces a subsequent term of a workers' compensation judge from five years to two years. Lastly, it increases the director's salary from ninety-five percent of a district court judge's salary to ninety-five percent of a court of appeals' judge's salary (5% pay increase).

Significant Issues

This bill allows Workers' Compensation Administration (WCA) ombudsman to pursue an expanded career track. The WCA states that this change will facilitate the hiring of qualified individuals.

FISCAL IMPLICATIONS

HB 68 does not contain an appropriation, but the WCA estimates the annual cost to implement this bill to be \$5.8.

CONFLICT

HB 68 contains a provision (section 2B) regarding judicial terms that is not included in SB 30.

OTHER SUBSTANTIVE ISSUES

According to the WCA, the Workers' Compensation Advisory Council approved a similar bill, but with an appropriation clause and with a one year restriction on employment elsewhere in the WCA. The WCA Advisory Council did not approve a bill to reduce judicial terms.

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