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FISCAL IMPACT REPORT

ORIGINAL DATE 1/24/08

SPONSOR Griego LAST UPDATED _____ HB _____

SHORT TITLE State Police Salary Increases SB 292

ANALYST Peery-Galon

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$2,948.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

State Personnel Office (SPO)
Department of Public Safety (DPS)

SUMMARY

Synopsis of Bill

Senate Bill 292 appropriates \$2,948.0 from the general fund to the Department of Public Safety for the purpose of providing an eight percent salary increase for the State Police.

FISCAL IMPLICATIONS

The appropriation of \$2,948.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

SIGNIFICANT ISSUES

SPO states the bill proposes an eight percent compensation package for State Police officers. SPO notes this is not the compensation package recommended by the governor, which is a three percent step increase for State Police Officers.

DPS states an eight percent salary increase would enable the New Mexico State Police to become more competitive in the law enforcement market. DPS reports the State Police is

loosing officers and potential recruits to other law enforcement agencies due to lack of competitive pay.

DPS notes the following from a pay survey conducted by the department in the fall of 2007:

- The department's law enforcement pay has fallen significantly relative to the market overall in the past 12 months, noting the average patrolman pay is the 7th lowest in the market and in comparison with the eight surrounding states DPS patrolman pay is 13 to 17 percent behind the market;
- It is estimated that 80 percent of the law enforcement agencies around the country have high vacancies they cannot fill;
- Recruitment has moved from a local focus to agencies spending large marketing budgets in nationwide efforts to attract candidates from other states;
- Agencies are using a variety of incentives to attract new and experienced officers, such as sign-on bonuses (\$2,000 to \$10,000+), low interest home loans or partial down payments on home purchases, and bonuses to employees who refer a new officer;
- In New Mexico, Hobbs, Las Cruces and Albuquerque are offering sign-on bonuses of \$5,000 to \$7,500. The city of Santa Fe has increased its sign-on bonus for lateral hires from \$5,000 to \$10,000; and
- The cities of Santa Fe, Farmington, Rio Rancho, Bernalillo and Hobbs provided significant pay increases this past year averaging nine to 18 percent for patrolmen;
- Overall patrolman pay in New Mexico increased an average of 7.1 percent in the past 12 months.

Also, DPS reports the current vacancy rate for State Police officers is 14.5 percent. DPS notes that training law enforcement officers is extremely expensive with certification training costing \$50,000.

PERFORMANCE IMPLICATIONS

SPO states a higher salary would allow the Department of Public Safety to potentially retain qualified, experienced law enforcement officers which would provide more safety and security to the citizens of New Mexico. SPO notes the proposed legislation would help the Department of Public Safety in achieving its identified performance standards.

DPS states if the proposed legislation were to pass and be signed by the governor, the New Mexico State Police would be ranked in the top three in the state in salary in the current market. DPS states this ranking would make the department more competitive and assist in recruiting more officers. It should also curtail the high, and very expensive, turnover rate to other law enforcement agencies.

ADMINISTRATIVE IMPLICATIONS

SPO states the proposed percentage does not coincide with the salary structure, or step plan, used by the Department of Public Safety. This step plan is based on an "approximate" three percent difference between steps in most cases. SPO notes it will be difficult to maintain the current step system with this salary increase.

SPO states the Human Capital Management team of the Department of Information Technology would be able to write an automated computer program to process salary increases.

DPS notes the New Mexico State Police pay plan can be applied to the eight percent average increase proposed through application of the combination of step increases, lump sum payments and structure adjustments.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 292 has a relationship with Senate Bill 200.

TECHNICAL ISSUES

SPO states it is unclear whether the proposed legislation's intent is to include recruits and high ranking officers, and whether it includes only law enforcement officers or all employees in the State Police salary plan, such as dispatchers, secretaries and law enforcement instructors. SPO also notes there is no specific effective date for the salary increase identified in the proposed legislation.

OTHER SUBSTANTIVE ISSUES

SPO notes there is an ongoing "bidding war" in recruiting and retaining qualified law enforcement officers within the state and across state lines. The Department of Public Safety is currently struggling to fill existing positions with qualified law enforcement candidates. SPO states that a salary increase could potentially assist in retaining law enforcement officers to remain with the Department of Public Safety rather than accept employment with another law enforcement agency or leave the law enforcement profession in search of other career opportunities.

DPS notes the proposed legislation does not provide funding for equal salary increases for the Motor Transportation or Special Investigation Divisions. DPS reports it has been attempting to create internal equity within the Law Enforcement Program when it comes to salary and benefits. Additional funding for the other divisions would assist the department in reaching internal equity.

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