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FISCAL IMPACT REPORT

ORIGINAL DATE 1/22/08

SPONSOR Rawson LAST UPDATED _____ HB _____

SHORT TITLE Legislative Salaries SJR 2

ANALYST Fernandez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY08	FY09	FY10	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total			2,890.9	2,890.9	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Senate Joint Resolution 2 proposes to amend Article 4, Section 10 of the New Mexico Constitution to provide an annual salary for legislators and to permit payment of mileage once per week during a legislative session.

FISCAL IMPLICATIONS

SJR2 proposes to amend the constitution to provide an annual salary for each member of the legislature that is 15 percent of the salary for United States congressional representatives and Senators.

The current 2008 salary for rank-and-file members of the House and Senate is \$169,300 per year. Leaders of the House and Senate are paid a higher salary than rank-and-file members as follows:

- Senate Majority Leader - \$188,000 x .15 = \$28,200
- Senate Minority Leader - \$188,000 x .15 = \$28,200
- House Majority Leader - \$188,000 x .15 = \$28,200
- House Minority Leader - \$188,000 x .15 = \$28,200
- Speaker of the House - \$217,400 x .15 = \$32,610
- Rank-and-File - \$169,300 x .15 = \$25,395

Based on the salaries listed about the cost to provide an annual salary of \$25,395 for 107 legislators would be \$2,717,265; the cost to provide an annual salary of \$28,200 for leaders of the House and Senate, including Speak of the House would be \$145,410 for a total cost of \$2,890,875.

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SJR 2 also proposes to reimburse legislators for mileage once per week during the legislative session. Currently, legislators are reimbursed mileage for one round trip during each legislative session. The cost to implement this requirement would depend on the number of legislators requesting mileage reimbursement once per week and distance traveled. The cost would also vary depending on a 30 or 60 day legislative session.

Depending on when the proposal would be approved by the voters would determine the fiscal year when the impact would occur.

Secretary of State may incur additional expenses to place this proposal on the ballot at the next general election. The exact costs are unknown but should be minimal.

SIGNIFICANT ISSUES

Legislative compensation was an issue considered by the Governor’s Task Force on Ethics Reform and was considered by the Legislative Structure and Process Study Task Force.

In the 2006 Governor’s Task Force on Ethics Reform, *Report of Recommendations*, the task force recommended \$10,000 annually for legislative expense reimbursement accounts. “Funds from the legislative expense reimbursement accounts should be used by legislators to pay for the expenses directly related to their legislative duties. Such expenses might include staff, telephone, travel and other constituent service-related expenses. Legislators should only be paid for expenses incurred.” The recommendation anticipated that some legislators would receive less than the annual amount of \$10,000.

The December 2007 *Final Report of The Legislative Structure and Process Study Task Force* contains a recommendation for an amendment to Article 4, Section 10 of the Constitution of New Mexico to repeal legislative per-diem and mileage and create a “Legislative Compensation Commission” to set the compensation of members of the legislature every 10 years.

Information comparing salaries and expenses for legislators in other states is contained in Appendix B of the *Final Report of The Legislative Structure and Process Study Task Force*.

ADMINISTRATIVE IMPLICATIONS

Passage of this proposal would result in additional administrative duties to Legislative Council Service for the processing of the weekly payments.

OTHER SUBSTANTIVE ISSUES

Currently, Article 4, Section 10 provides the compensation of legislative members to per diem at the internal revenue service per diem rate for the city of Santa Fe during legislative sessions and the internal revenue service standard mileage rate for each mile traveled to and from the seat of government. As of January 2008, the per diem rate for Santa Fe is \$144/day and the mileage rate is \$0.505/mile.

During the interim between sessions, legislative members receive per diem at the same rates listed above however, it should be noted that the internal revenue service per diem rates increases slightly during the summer months and the mileage rate during the interim also fluctuates slightly.

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SJR 2 proposes to amend the constitution to provide salaries for legislators in addition to the per diem and mileage currently received by legislators.

CTF/bb

Attachment

NCSL Backgrounder: Full- and Part-Time Legislatures

In the Blue states, average lawmakers spend the equivalent of half of a full-time job doing legislative work. The compensation they receive for this work is quite low and requires them to have other sources of income in order to make a living. The blue states have relatively small staffs. They are often called traditional or citizen legislatures and they are most often found in the smallest population, more rural states. Again, NCSL has divided these states into two groups. The legislatures in Blue are the most traditional or citizen legislatures. The legislatures in Blue Lite are slightly less traditional. States are listed alphabetically within subcategories.

Table 1 shows the breakdown of states by category. Table 2 shows the average scores for the Red, White and Blue states for time on the job, compensation and staff size. For 2005 legislator compensation figures, go to <http://www.ncsl.org/programs/legismgt/about105salary.htm>.

Table 1. Red, White and Blue Legislatures

Red	Red Light	White	Blue Light	Blue	
California	Alaska	Alabama	Missouri	Georgia	Montana
Michigan	Illinois	Arizona	Nebraska	Idaho	New
New York	Florida	Arkansas	North	Indiana	Hampshire
Pennsylvania	Ohio	Colorado	Carolina	Kansas	North
	Massachusetts	Connecticut	Oklahoma	Maine	Dakota
	New Jersey	Delaware	Oregon	Mississippi	South
	Wisconsin	Hawaii	South	Nevada	Dakota
		Iowa	Carolina	New Mexico	Utah
		Kentucky	Tennessee	Rhode Island	Wyoming
		Louisiana	Texas	Vermont	
		Maryland	Virginia	West Virginia	
		Minnesota	Washington		

Source: NCSL 2004

Source: NCSL 2004

Table 2. Average Job Time, Compensation and Staff Size by Category of Legislature

Category of Legislature	Time on the Job (1)	Compensation (2)	Staff per Member (3)
Red	80%	\$68,599	8.9
White	70%	\$35,326	3.1
Blue	54%	\$15,984	1.2

Notes:

1. Estimated proportion of a full-time job spent on legislative work including time in session, constituent service, interim committee work, and election campaigns.
2. Estimated annual compensation of an average legislator including salary, per diem, and any other unvouchered expense payments.
3. Ratio of total legislative staff to number of legislators.

Source: NCSL, 2004