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FISCAL IMPACT REPORT

SPONSOR Barela **ORIGINAL DATE** 2/03/09 **LAST UPDATED** 2/12/09 **HB** 323a/HHGAC
SHORT TITLE Adjutant General & Deputy General Salaries **SB** _____
ANALYST Weber

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$35.0	\$37.0	\$72.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Military Affairs

SUMMARY

Synopsis of HHGAC amendment

House Health and Government Affairs Amendment, House Bill 323 on page 2, line 5 2009 is changed to 2011. This delays the effective date of the bill for two years.

Synopsis of Original Bill

House Bill 323 changes 9-9-1 NMSA 1978 to adjust the salary of the DMA adjutant general to the average of the two highest salaries of the heads of all cabinet-level departments or agencies except for that of the adjutant general. In addition, the salary of the deputy adjutant general is set at seventy-five percent of the salary of the adjutant general."

FISCAL IMPLICATIONS

The adjutant general's current rate is \$80 per hour. The average of the two highest cabinet secretaries is approximately \$87.50 per hour. The approximate deputy's salary would be \$65 per hour compared to the current rate of \$58 per hour. These new rates would create an addition cost of \$14.50 per hour plus benefits or approximately \$35.3 thousand annually.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

SIGNIFICANT ISSUES

This change may create a conflict with 20-1-5 NMSA 1978 that states:

The adjutant general shall have the military grade of major general and shall receive the same pay and allowances as is prescribed by federal law and regulations for members of the active military the grade of major general, unless a different rate of pay and allowances is specified in the annual appropriations bill.

DOM notes that while well-meaning, the Department could not support such an initiative during a time of economic retraction and austerity.

MW/mt