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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
54th Legislature, 1st Session, 2019

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|------------------------|--|----------------------------|------------------|
| Bill Number | <u>SB580</u> | Sponsor | <u>Campos</u> |
| Tracking Number | <u>.213800.2</u> | Committee Referrals | <u>SEC/SCORC</u> |
| Short Title | <u>School Bus Driver Salary & Gross Receipts</u> | | |
| Analyst | <u>Bedeaux</u> | Original Date | <u>2/18/19</u> |
| | | Last Updated | <u></u> |

BILL SUMMARY

Synopsis of Bill

Senate Bill 580 (SB580) would require school districts, state-chartered charter schools, and school bus contractors entering into a contract after June 14, 2019 to pay school bus drivers a salary of \$150 for each day the driver performs school bus driving services.

FISCAL IMPACT

SB580 does not contain an appropriation.

Under SB580, a school bus driver that works on a normal 183-day contract would make a salary of \$27,450 per year. This is a significant salary increase for most school bus drivers; based on FY19 Public Education Department (PED) wage data, school bus drivers make an average salary of about \$16,900 per year, or about \$93 per day. The cost of bringing the daily wage of all school bus drivers employed by school district and state-chartered charter schools to \$150 per day would be approximately \$6.7 million. Without an appropriation to offset the cost of wage increases, SB580 would require school districts and state-chartered charter schools to pay for the increase using operational funding.

An additional cost would also exist for school bus contractors entering contracts after the effective date of the legislation, June 14, 2019. Wage and salary data for these drivers is not available, but the cost would likely be significant. The increase in wages would be accompanied by an amount equal to the appropriate gross receipts tax in the county where each contractor operates, ranging from about 6 to 9 percent.

SUBSTANTIVE ISSUES

School bus drivers remain among the lowest paid public school employees, along with educational assistants, school cafeteria workers, and maintenance personnel. In FY19, the Legislature appropriated \$12.2 million to increase salaries for all school personnel other than teachers by an average of 2 percent. The Legislative Finance Committee recommendation for FY20 includes

\$25.5 million to increase other school personnel compensation by an average of 4 percent. The executive recommendation for FY20 includes \$6 million to increase the minimum wage for all school personnel to \$12 per hour, and an additional \$37.7 million to increase compensation for all school personnel by an average of 6 percent after employees are brought to the new \$12 minimum wage.

TECHNICAL ISSUES

While clearly not the intent of the bill, language in SB580 may prevent school districts, charter schools, and school bus contracts from exceeding the \$150 per day salary included in the bill. The sponsor may wish to amend Subsection A of the bill to read “a school district or state-chartered charter school shall pay to a school bus driver a salary of at least one hundred fifty dollars (\$150) per day...”

OTHER SIGNIFICANT ISSUES

Data for this analysis was obtained from PED and used under the following assumptions:

1. School bus drivers that work for one FTE are on contract for 183 days. School bus drivers listed at less than one FTE were assumed to work a number of days equal to their FTE times 183.
2. The salary listed for each school bus driver was divided by the number of days worked per year to calculate the driver’s FY19 daily rate.
3. Daily rates below \$150 were increased to that minimum daily rate included in SB580. The increase in wages was multiplied by the number of days the contractor was estimated to work in FY19.

RELATED BILLS

Related to HB31, Phased-In Minimum Wage Increase, which would increase the minimum wage from \$7.50 to \$10 in FY20, \$11 in FY21, \$12 in FY22, and then make an annual adjustment in the minimum wage based on the percent increase in the consumer price index for urban consumers (CPI-U), rounded to the nearest \$0.05.

Related to HB46, Increase Minimum Wage, which would increase the statewide minimum wage to \$15 per hour and provide for an annual adjustment in the minimum wage based on the percent increase in the CPI-U, rounded to the nearest \$0.05.

Related to SB437, Raise Minimum Wage & Create Separate One, which would gradually increase the minimum wage to \$10 per hour by April 2020, and would create a separate minimum wage of \$8.50 per hour for students.

SOURCES OF INFORMATION

- LESC Files

TB/mhg