

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

FISCAL IMPACT REPORT

SPONSOR <u>Maestas</u>	LAST UPDATED _____ ORIGINAL DATE <u>2/22/23</u>
SHORT TITLE <u>Head Varsity Coach Bonuses</u>	BILL NUMBER <u>Senate Bill 490</u>
	ANALYST <u>Liu</u>

APPROPRIATION* (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
	\$3,340.0	Recurring	General Fund

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Relates to HB272, HB302, HB492, SB384, SB450

Sources of Information

LFC Files

Internal Revenue Service (IRS)

No Response Received

Because of the short timeframe between the introduction of this bill and its first hearing, LFC has yet to receive analysis from state, education, or judicial agencies. This analysis could be updated if that analysis is received.

SUMMARY

Synopsis of Senate Bill 490

Senate Bill 490 appropriates \$3.3 million from the general fund to the Public Education Department (PED) for expenditure in FY24 to distribute to school districts statewide to provide \$5,000 bonuses to each head varsity athletic coach in a public school.

FISCAL IMPLICATIONS

The appropriation of \$3.3 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY24 shall revert to the general fund. Although the bill does not specify future appropriations, establishing a new grant program could create an expectation the program will continue in future fiscal years; therefore, this cost is assumed to be recurring.

The appropriation of \$3.3 million in this bill is sufficient to provide 668 varsity head coaches a \$5,000 bonus in FY24. Approximately 228 high schools in New Mexico serve 12th graders, suggesting the bill could support bonuses for about three varsity head coaches in each high school.

SIGNIFICANT ISSUES

Many school districts currently provide differentials or stipends for varsity head coaches, which can vary depending on the sport. For example, Albuquerque Public Schools (APS) provided the following differentials for head coaches in FY23:

Head Coaching Assignment	Differential	Credit for in-district experience: 6-10 years	Credit for in-district experience: 11+ years
Athletic Trainer	\$7,092	+\$500	\$1,000
Athletic Director	\$7,300	+\$500	\$1,000
Football	\$5,452	+\$500	\$1,000
Basketball	\$4,486	+\$500	\$1,000
Track	\$3,548	+\$500	\$1,000
Wrestling	\$3,548	+\$500	\$1,000
Baseball/Softball	\$3,548	+\$500	\$1,000
Volleyball	\$3,482	+\$500	\$1,000
Cross Country	\$3,482	+\$500	\$1,000
Swimming	\$3,482	+\$500	\$1,000
Soccer	\$2,892	+\$500	\$1,000
Tennis	\$2,287	+\$500	\$1,000
Golf	\$2,287	+\$500	\$1,000

Source: Albuquerque Teachers Federation

Limited statewide information is available on the number of varsity head coaches and the additional compensation for these positions. According to FY23 first reporting date data on school personnel salaries, schools reported 43 athletic director salaries to PED, averaging about \$91.9 thousand and reaching up to \$129.9 thousand. In FY22, school districts and charter schools reported spending \$24.2 million on athletic salary expenses, including \$4.9 million in salary expenses and \$19.2 million in additional compensation for staff associated with athletic activities.

RELATIONSHIP

This bill relates to House Bill 272, which allows chiropractors to determine youth athlete readiness to return to competition after a brain injury; House Bill 302, which allows school-age athletes to use their names, images, likeness, or reputations in a professional capacity; House Bill 492, which prohibits male participation on female athletic teams and male presence in female restrooms; Senate Bill 384, which changes athlete participation restrictions for transfer students; and Senate Bill 450, which appropriates funds to train coaches on CPR and AED procedures.

OTHER SUBSTANTIVE ISSUES

According to the IRS, bonuses under \$1 million are subject to a flat federal tax withholding rate of 22 percent and are counted as supplemental wages.