

<b>LFC Requester:</b>	<b>Sunny Liu, LFC</b>
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**AGENCY BILL ANALYSIS  
2018 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:**

**[LFC@NMLEGIS.GOV](mailto:LFC@NMLEGIS.GOV)**

*and*

**[DFA@STATE.NM.US](mailto:DFA@STATE.NM.US)**

*{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

Check all that apply: **Date** 1/26/2018  
**Original**     **Amendment**        **Bill No:** SB57  
**Correction**     **Substitute**   

**Sponsor:** Senator Daniel A. Ivey-Soto    **Agency Code:** 924  
**Short Title:** SCHOOL DISTRICT PERSONNEL MINIMUM SALARIES    **Person Writing:** Matthew Montano  
**Phone:** \_\_\_\_\_    **Email:** Matthew.montano@state.nm.us

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY18	FY19	FY20		

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
 Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis:

SB57 seeks to increase the minimum wage for school district cafeteria staff, bus drivers, all non-certified school personnel and licensed educational assistants from \$6.00 per hour to \$16.00 per hour beginning July 1, 2019.

**FISCAL IMPLICATIONS**

The total cost of SB57 is an estimated \$61.0 million to increase the minimum wage to \$16.00 an hour for instructional assistants and non-certified personnel. See significant issues section for further information, including a table of estimated increases. Beginning in fiscal year 2021 (FY 21) and after, SB57 proposes to link the proposed \$16.00 per hour minimum wage to the change in the consumer price index.

SB57 does not contain an appropriation. Lacking any appropriations to pay the cost of implementing the provisions of SB57, these expenditures will be absorbed by school districts and charter schools, possibly requiring staff realignment to meet the salary requirements contained in the bill.

While section 22-10A-39 of the Public School Personnel Act calls for a \$6.00 hourly rate for such employees, it is probable that school districts and charters schools employing these staff members are following federal, state, county and municipal minimum wage laws. The federal, hourly minimum wage is \$7.25, the state of New Mexico's is \$7.50, the City of Santa Fe's is \$11.09 and the city of Albuquerque's is \$8.80 for employees who do not receive health care and/or child care benefits and \$7.95 for those who do. As a result, an increase to \$16.00 an hour would likely put pressure on districts to eliminate some educational assistants and many non-certified staff; this is particularly true given the limited additional revenues to direct toward public education.

**SIGNIFICANT ISSUES**

As shown in the table below, SB57 would impact numerous school district and charter school personnel. Using the associated job codes and making some assumptions regarding contractual pay for standard 183 (nine month) or 260 day (12 month) contracts, PED staff were able to determine a statewide average hourly rate. The increased cost was calculated for those staff that would see an increase in their hourly rate to \$16.00 per hour. These increases would also be subject to an associated benefits cost increase which was also added to the total. The table also assumes that hourly rates for job codes that are above the new proposed minimum wage remain flat because, ideally, the provisions of SB57 would not negatively impact other job classifications. However, if implemented, the provisions in SB57 do not ensure that school district and charter school personnel making above the minimum wage would not see a reduction

to the hourly rate.

Personnel Type	# of FTE	Total Current Cost	Current Hourly (7 hours a day, 183 day contract)	Current Hourly (8 hours/day, 260 day contract)	Total Cost Under SB57 (\$16.00/hour)	Increases to Contracts	Increase to Benefits @30%	Total Cost Increase
<b>Instructional Assistants</b>								
Instructional Asst. Grades 1-12	1025	\$17,913,597.83	\$13.64		\$21,008,400	\$3,094,802.17	\$928,440.65	\$4,023,242.82
Instructional Asst. Special Ed.	2734.91	\$42,968,710.66	\$12.26		\$56,054,715.36	\$13,086,004.70	\$3,925,801.41	\$17,011,806.11
Instructional Asst. ECE	967.19	\$15,779,925.66	\$12.74		\$19,823,526.24	\$4,043,600.58	\$1,213,080.17	\$5,256,680.75
Instructional Asst. Preschool (excludes Special Ed.)	73.68	\$1,077,629.52	\$11.42		\$1,510,145.28	\$432,515.76	\$129,754.73	\$562,270.49
<b>Non-certified Personnel</b>								
Health Assistants	259.47	\$4,591,151.21	\$13.81		\$5,027,490.72	\$436,339.51	\$130,901.85	\$567,241.36
Secretarial/Clerical/ Technical Assistants	2513.19	\$62,677,361.36	\$19.47		\$51,510,342.24			
School/Student Support & Duty Personnel	379.35	\$11,420,174.64	\$23.50		\$7,775,157.60			
Special Ed Assistant (Non-Instructional)	26.28	\$794,637.62	\$23.60		\$538,634.88			
Bus Drivers & Crosswalk Guards	252.28	\$7,311,630.67	\$22.62		\$5,170,730.88			
Data Processing	369.99	\$15,730,777.84		\$20.44	\$12,313,267.20			
Business Office Support	399.74	\$15,123,716.80		\$18.19	\$13,303,347.20			
Maintenance & Custodial	3337.03	\$85,244,508.74		\$12.28	\$111,056,358.40	\$25,811,849.66	\$7,743,554.90	\$33,555,404.56
Food Service	42.50	\$981,994.86	\$18.03		\$871,080			
<b>TOTAL COST INCREASE</b>						\$46,905,112.38	\$14,071,533.71	\$60,976,646.09

Source: PED OBMS FY17 Actual Operational Expenditures by Job Class

Based on the above chart, the total additional cost for raising the minimum wage to \$16.00 per hour for instructional assistants and non-certified personnel is \$60,976,646.09.

## PERFORMANCE IMPLICATIONS

## ADMINISTRATIVE IMPLICATIONS

It is unlikely the full cost of SB57 could be implemented as an appropriation to the State Equalization Guarantee. As a result, an increase in the minimum wage for these instructional assistants and non-certified personnel would cause revisions to Operating budgets regarding staffing levels and may include job losses. Additional administrative costs would be incurred for tracking a separate minimum wage requirement at school districts and charter schools, and by the

PED to enforce a minimum wage that varies from other governmental jurisdictions.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

**TECHNICAL ISSUES**

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

**AMENDMENTS**