

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>HEC</u>	LAST UPDATED	<u>2/2/2024</u>
		ORIGINAL DATE	<u>2/2/2024</u>
SHORT TITLE	<u>Compensation For Higher Ed Staff Study</u>	BILL NUMBER	<u>CS/House Memorial 32/HECS</u>
		ANALYST	<u>Fischer</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

Agency/Program	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	NFI	NFI	NFI	NFI		

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Responses Received From

Higher Education Department (HED)

SUMMARY

Synopsis of House Memorial 32

The House Education Committee substitute for House Memorial 32 requests that the Higher Education Department (HED) work with the Legislative Finance Committee (LFC) and Legislative Education Study Committee (LESC) to study compensation for instructional staff in higher education. The memorial requests that HED report its findings by December 1, 2024.

FISCAL IMPLICATIONS

The committee substitute is unlikely to have a fiscal impact because HED reports it has already committed to collecting data on compensation for instructional staff. Studying compensation of higher education instructional staff is not currently on the LFC's work plan; however, because HED is listed as the primary responsible party for the study, the costs associated with the study can likely be absorbed by LFC.

SIGNIFICANT ISSUES

Being independently governed bodies, New Mexico's higher education institutions set their own pay scales for faculty and instructional staff. In years when the Legislature has provided for compensation increases for state employees, it has also provided for similar increases for higher education staff, typically in a proportion equal to that of state revenue to total revenues of the

institutions. As adopted by the House, the General Appropriation Act (HB2) of 2024 contains \$42.2 million for salary increases for higher education faculty and staff totaling 4 percent.

MF/al/ne/al/hg