

Editorial: Double-dipping didn't work then and won't work now

By Albuquerque Journal Editorial Board Mar 1, 2023

In theory, it makes sense: Allow retirees to keep receiving their full pension, but come back to work to fill the front-line ranks of everything from police officers to social workers. In practice, it simply doesn't shake out that way.

New Mexico found that out the hard way two decades ago: Double-dipping encourages experienced people to leave (exacerbating staffing shortages); those who do return to work go back to their higher-up positions, not to the empty front-line jobs (a successful EEOC complaint filed years ago ensured Albuquerque police retirees landed behind desks, not on the streets); and the next generation of employee leaders end up discouraged with no way to advance.

In 2010, our House and Senate repealed double-dipping, 65-3 and 35-6, respectively. The Fiscal Impact Report from that year's successful Senate Bill 207 said that, under double-dipping, "unemployment remains high in the state" and "state employees may feel low morale and perceive a ceiling for advancement because retirees return to top-level positions."

The policy is also a budget-buster. The FIR in 2010 projected the repeal would save millions for state employers, as well as the general and PERA pension funds. Senate Bill 124, House Bills 64, 65, 227 and other double-dipping legislation are well-intentioned, wrong-headed attempts that will reduce, not shore up, staffing.

Our public employers and lawmakers would do better to incentivize delayed retirement, publicize the availability of such things as the Law Enforcement Protection Fund for longevity and retention bonuses, and finally establish pipelines with our universities and colleges for next-generation employees.

This editorial first appeared in the Albuquerque Journal. It was written by members of the editorial board and is unsigned as it represents the opinion of the newspaper rather than the writers.



To: New Mexico Legislators

January 25, 2022

From: AFSCME, APOA, CWA, IAFF, and the NM Federation of Labor

Re: **Please oppose HB 50, HB 105 & HB 106 (re-instating double dipping)**

DOUBLE DIPPING ACTS AS A WAGE SUPPRESSION TOOL: By having PERA double the take home pay of a significant percentage of employees, the employer can pay less to fill its other spots. The state legislature shouldn't artificially lower wages by allowing double dipping. Employers need to start paying at least market rates to hire their workers rather than relying on PERA to artificially fill positions and keep wages down.

DOUBLE DIPPING COMPROMISES PERA SOLVENCY: Even if return to work bills can be structured to avoid long-term negative impacts on PERA, there can be immediate negative hits to PERA, and long-term solvency problems if assumptions don't pan out. Everyone made significant sacrifices to put PERA on a solvency path in 2013 and again in 2020. Those sacrifices were never meant to ensure that the well-connected could double their take-home pay. If double dipping is allowed to continue for future retirees, it will incentivize workers retiring sooner than they ever would have, creating a major run on PERA.

DOUBLE DIPPING HURTS FRONT-LINE STAFFING: Double dipping doesn't make cities safer and actually exacerbates street officer shortages. When APD double dippers were asked to work on the street, they successfully filed an EEOC age discrimination complaint. APD was forced to settle and gave them desk jobs. As of mid-2016, 78% of APD's double dippers were in desk jobs, not on the street, leaving less money to hire front-line workers.

The clause in HB 105 and HB 106 requiring "entry level" positions doesn't solve the problem. There's no explicit suspension of PERA when a double dipper is promoted; there's not a definition of "entry level", so it could mean "entry level management"; and if double dippers bring an action based on age discrimination, the entry level clause will likely be stricken.

DOUBLE DIPPING IS EXTREMELY UNPOPULAR WITH THE PUBLIC AND ENDANGERS THE LONG-TERM PUBLIC SUPPORT FOR PENSIONS: Taxpayers don't like public servants collecting full pensions and keeping their job as if they never retired. The frequent (justified) media critiques of double dipping tarnish retirement for all workers and put public support and the political viability of defined benefit retirement plans at risk. Given that these bills are incredibly broad, applying to all employers and positions, the public blowback will be unavoidable.

THERE ARE OTHER SOLUTIONS: Just this session, Gov. Lujan Grisham is proposing a \$100 million law enforcement fund to recruit and retain more law enforcement officers. There is also the potential to tap into the Law Enforcement Protection Fund to pay for retention bonuses, as well as adding longevity pay (which is already moving this session). Thank you.

Shaun Willoughby, Albuquerque Police Officers Association (APOA)
Carter Bundy, American Federation of State, County & Municipal Employees (AFSCME)
Dan Secrist, Communications Workers of America (CWA)
Justin Cheney, International Association of Fire Fighters (IAFF)
Vince Alvarado, New Mexico Federation of Labor (NMFL)

https://www.santafenewmexican.com/opinion/my_view/double-dipping-would-worsen-new-mexicos-staffing-shortage/article_72c26212-b78c-11ed-8b6a-7306b9d68880.html

MY VIEW JUSTIN CHENEY AND CARTER BUNDY

"Double dipping" would worsen New Mexico's staffing shortage

By Justin Cheney and Carter Bundy

Feb 28, 2023

New Mexico governments face a serious staffing crisis. Many departments and agencies, including those providing life and death services, have vacancy rates of 30% or more. This crisis leads to tragedies in the Children, Youth, Families Department, risks deadly riots in jails, leaves too few folks to answer 911 calls and creates long police response times. Plus, it causes delays in everything from construction inspections to the Motor Vehicle Department.

We appreciate legislators trying to fill vacancies and know they mean well. Unfortunately, there is pressure by well-connected government management insiders to use “double dipping” to avoid addressing the underlying staffing crisis. “Double dippers” draw full retirement while also collecting full pay and benefits — usually for the same work they retired from. Yes, we have to try something, but experience shows double dipping only exacerbates staffing problems. And we know there are effective alternatives.

Double dipping isn't some innovative policy idea. We tried it in the 2000s. You know what happened: 50- and 60-somethings with decades of experience didn't rush back to front-line work as the police, firefighters, corrections officers or CYFD investigators we need. Most jumped straight to desk jobs or applied for them as soon as they could. They cried “age discrimination” to the Equal Employment Opportunity Commission to avoid the front lines. Double dippers won't go to a front-line job for long and will use courts to guarantee promotions.

Meanwhile, our young talent leaves the state because double pay for some ensures the next generation of New Mexicans can't move up. And using the Public Employees Retirement Association to supplement payroll for insiders means keeping wages below market values for everyone else, leading to even more vacancies.

Not only will our ability to recruit and retain new workers be crippled, but most double dipping bills will incentivize an exodus of our most experienced workers, too. As soon as a worker is first eligible to

retire, they have every reason to leave as soon as possible to start the clock on when they can come back to collect full pay and benefits, plus 100% of their “retirement” pay.

Sunsets don’t help. Management becomes top-heavy with double dippers and claims it can’t live without it. Even if it sunsets, we’ll be nine years further behind market pay with even more vacancies and no plan to recruit and pay new workers, deepening our staffing crisis.

There are real solutions. The state can easily pay market rates for workers we need. For local governments who don’t have oil and gas revenue, there’s a huge state fund to help. We’ll never have a better time to stop kicking the can of hiring problems down the road.

- Lift pension caps so workers stay three to four years longer.
- Offer longevity pay.
- Pick up more health care costs for each year of service.
- Develop a higher-ed pipeline like the administration is doing for CYFD.

In 2022, Santa Fe gave 16% raises to police, improved workplaces and vehicles and nixed a no-beard rule. Vacancies dropped from 22% to 10%. Albuquerque raised APD salaries 15% and staffing increased.

Albuquerque police Officer Association President Shaun Willoughby calls double dipping “high-level management scratching each other’s backs.” We know he’s right because we’ve been there (in 2010, the House and Senate repealed double dipping by 65-3 and 35-6 margins). Let’s learn from our mistakes and not rely on counterproductive, gimmicky schemes. Instead, focus on solutions proven to improve staffing.

Justin Cheney is the vice president of the New Mexico Professional Firefighters Association, and Carter Bundy is the New Mexico political action representative for AFSCME.