

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

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Smith DATE TYPED 02/14/04 HB _____

SHORT TITLE Expand Retiree Health Care to Certain Boards SB 263/aSCORC

ANALYST Geisler

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
			See Narrative		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates: HB 343

SOURCES OF INFORMATION

Retiree Health Care Authority (RHCA)

SUMMARY

Synopsis of SCORC Amendments

The Senate Corporations and Transportation Committee amendments to SB 263:

- 1) Expand the RHCA board’s authority to construct or acquire a headquarters facility by providing the option of financing the building from the retiree healthcare fund. Currently the only option available to the RHCA is to seek revenue bond financing from the New Mexico finance authority.
- 2) Increase the authorized dollar limit from \$2.5 million to \$3.8 million for the purpose of planning, designing, acquiring, constructing, equipping and furnishing an administration building, including the acquisition of real property for that purpose.

According to the RHCA, the fiscal impact on the solvency of the retiree healthcare fund is minimal, as long term savings in rental payments will offset the initial use of fund balance either to pay for a facility or to pay the debt service on revenue bonds.

Synopsis of Original Bill

The bill would allow “former participating employer governing authority members” who have served a participating employer for at least four years to participate in the NMRHCA program and requires them to pay monthly premiums of one-twelfth of the annual cost of claims and administration allocated to the member by the board, plus the monthly participation fee set by the board, as was enacted for legislators in the 2003 session.

Significant Issues

According to RHCA, “former participating employer governing authority members” are typically former members of school boards, city councils, and county commissions.

FISCAL IMPLICATIONS

Since this new class of eligible retirees would pay 100% of their costs under the RHCA plans, it is not anticipated that there would be any fiscal implications for this agency.

GGG/yr:dm:lg