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AGENCY BILL ANALYSIS 2024 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.nmlegis.gov

{*Analysis must be uploaded as a PDF*}

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 January 17, 2024
Original	X Amendment	Bill No: HM 1
Correction	Substitute	

gov

SECTION II: FISCAL IMPACT

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	-0-	-0-	-0-	-0-	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: N/A

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

House Memorial 1 requests the Legislative Finance Committee to collaborate with the University of New Mexico Bureau of Business and Economic Research and the interim committee that studies investments and pension plans to study and make recommendations to equalize pension benefits between the pension plans managed by the Educational Retirement Board and the Public Employees Retirement Association.

FISCAL IMPLICATIONS

None for Educational Retirement Board (ERB).

SIGNIFICANT ISSUES

In September 2020, the University of New Mexico's Bureau of Business and Economic Research (BBER) presented a report to the Educational Retirement Board that sought to illuminate key differences and key factors that contribute to differentials in employee contributions, active year earnings, and retirement benefits.

The analysis compared three comparable worker types across four discrete time periods, or worker "cohorts." In order to capture variations across time, the four cohorts considered workers beginning service in 1958, 1978, 1998 and 2018. BBER's analysis of state government and education workers with comparable education levels suggested that employees belonging to the PERA Retirement Plan receive more in pension benefits than education workers in the ERB Retirement Plan for all worker types for all four cohorts.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS