



January 25, 2018

To: New Mexico Legislators
From: AFSCME and the Albuquerque Police Officers Association (APOA)
Re: Please vote NO on HB 137 (re-instating double dipping)

DOUBLE DIPPING IS A FISCALLY RECKLESS RAID ON PERA TO DOUBLE SALARIES

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. Those sacrifices were never meant to ensure a few connected politicians' friends could double their salary.

The fundamental fiscal problem with double dipping is that it alters behavior. Instead of many officers working past 20 years and retiring at 25 or 40 years, many will start drawing pensions at first eligibility, meaning PERA will pay out 5 to 20 years more than it otherwise would have. This is borne out by experience--when New Mexico first allowed double dipping, the percentage of workers who retired within a month of first eligibility jumped from 2% to 7%--a 350% increase.

DOUBLE DIPPING HURTS STAFFING AND IS BAD FOR EMPLOYEE DEVELOPMENT

Double dipping does nothing to 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.

If a senior employee can double dip, they're incented to hoard the knowledge and skills for that job. Double dipping limits upward mobility and training of young workers, causing many to quit.

DOUBLE DIPPING IS HARD TO LIMIT BY JURISDICTION, JOB TITLE, OR DURATION

Double dipping is hard to limit to one area or one profession. If double dipping passes, other high-level workers from water utility managers to state agency execs will ask to raid PERA, too.

DOUBLE DIPPING IS EXTREMELY UNPOPULAR WITH THE PUBLIC AND ENDANGERS THE LONG TERM POLITICAL SURVIVAL OF 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.

A SOLUTION LOOKING FOR A PROBLEM

Media reports, including those in ABQ Free Press, show no other major jurisdiction in the state is having significant hiring issues. In response to the point that our officers could retire and move to Arizona, Colorado, or Texas to work, that's a tiny fraction of double dippers. The fact that we can't stop all double dipping is no reason to not halt 95% or more of it. It's much less likely that workers will uproot their families to move where they have few or no insider contacts.

Finally, there is every reason to believe that the last few years of PERA phasing in a longer waiting period to receive a COLA accelerated some retirements. Now that the 2013 reforms are fully phased in, there is no longer any incentive for police to retire earlier to get their COLA earlier.

THERE ARE OTHER SOLUTIONS

Even assuming there is an ongoing problem with hiring at APD, there are other solutions. One is to make sure that every officer knows that Senate Bill 27, the 2013 pension reform bill, allows all PERA members to accrue up to 90% of their three year high salary (prior to SB 27, there was an 80% cap).

There is the potential to tap into the Law Enforcement Protection Fund to pay for retention bonuses. This fund is in excellent shape and is intended to keep officers safe--which better staffing does. The fund has reverted \$25 million to the general fund just since 2011 and is poised to net over 7 million new dollars this year

We need to make sure pay is competitive so that we don't lose officers and other workers to Denver, Phoenix, and beyond after we've invested at the front end to train them. We need to have succession planning, where senior workers recruit, groom, and train younger workers to succeed them. We need top-notch training to ensure workers handle difficult situations so they're heroes, not scapegoats. They should never have a shortage of the best equipment. Loan forgiveness for higher education and training has already been extended to CYFD workers, and that program should be expanded to other employees whose education and knowledge is in demand.

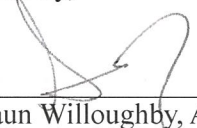
SUMMARY

New Mexico survived 92 years without double dipping, and most jurisdictions have been smart about adapting since double dipping was banned on an overwhelming, bipartisan vote in 2010 (65-3 in the House). Non-Albuquerque municipalities surveyed have 93% staffing and county sheriffs offices are at 91% staffing--and both are going higher (above 95%) in the next few months as new cadet classes continue to outpace retirements. The police shortage issue is largely an Albuquerque-specific phenomenon, reflective of APD leadership over the last decade.

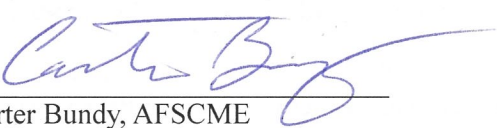
HB 137 extends double dipping to corrections. Front-line COs almost never want to come back to those front-line jobs, meaning that corrections double dipping will just become another boondoggle for administrators and won't improve public safety--in fact, just as with police, it transfers more of our limited budgets away from where we need it: on the streets and front lines.

Poor management in one city is not an excuse to undo stability in our critical retirement funds, or to create policies that hurt public safety to reward the well-connected. AFSCME and APOA respectfully ask you to oppose any and all double dipping legislation this session, including House Bill 137.

Sincerely,



Shaun Willoughby, APOA President



Carter Bundy, AFSCME