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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
55th Legislature, 1st Session, 2021

Bill Number SB303 **Sponsor** Sedillo Lopez
Tracking Number .218663.1 **Committee Referrals** SEC/SHPAC
Short Title Change Ed Retirement Board Membership
Analyst Simon **Original Date** 2/9/2021
Last Updated _____

BILL SUMMARY

Synopsis of Bill

Senate Bill 303 (SB303) would add two members to the Educational Retirement Board (ERB): the secretary of the higher education and a member elected by the American Federation of Teachers New Mexico. SB303 allows the secretary of higher education to appoint a designee to serve on ERB.

FISCAL IMPACT

SB303 does not contain an appropriation. ERB reports no fiscal impact. Board members are entitled to mileage and per diem under the provisions of the Educational Retirement Act, but additional costs for ERB's six meetings per year would be minimal.

SUBSTANTIVE ISSUES

Under current law, ERB is made up of seven members:

- The secretary of public education or the secretary's designee;
- The state treasurer or the state treasurer's designee;
- One member elected by members of the New Mexico Association of Educational Retirees;
- One member elected by the National Education Association New Mexico;
- One member elected by New Mexican members of the American Association of University Professors; and
- Two governor appointees with a background in investments, finance, or pension fund administration.

ERB provides a defined-benefit retirement plan for employees of school districts, charter schools, higher education institutions, and some employees of state agencies that provide educational services or who hold a license issued by PED. Article XX, Section 22, of the New Mexico Constitution provides that the board of the educational retirement system is the trustee for the system, with the sole and exclusive responsibility to adopt actuarial assumptions for ERB's plan and to administer and invest the \$13.7 billion educational retirement fund. While ERB's board

includes a representative of NEA-NM, there is not currently a member from AFT-NM. According to AFT-NM, the union represents 23 thousand educators in New Mexico. Additionally, ERB's board includes the secretary of public education, but not the secretary of higher education.

SOURCES OF INFORMATION

- LESC Files
- Educational Retirement Board (ERB)

JWS/kh