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## FISCAL IMPACT REPORT

ORIGINAL DATE 03/13/21

SPONSOR SFC LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE PERA Board & Meetings SB 430/SFCS

ANALYST Jorgensen

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>		NFI	NFI	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Public Employee Retirement Association (PERA)

### SUMMARY

#### Synopsis of Bill

The Senate Finance Committee substitute for Senate Bill (SB430) changes the membership of the PERA board from a 12-member elected board to a 12-member mostly appointed board. The Secretary of State will be removed from the board and only the two members representing retirees would be directly elected. The board would be composed of

1. The state treasurer or the secretary's designee;
2. The secretary of finance and administration or the secretary's designee;
3. Two retired members who have backgrounds in investments, finance, or pension fund administration to be elected by PERA retirees;
4. Eight board members shall be appointed with due regard to the cultural diversity of the state and geographical representation of counties statewide, as follows:
  - a. One active fire member appointed by a labor union;
  - b. One active police member appointed by a labor union;
  - c. One active municipal general member appointed by a labor union
  - d. One active municipal member appointed who has a background in investments, finance, or pension fund administration, with the New Mexico Association of Counties and New Mexico Municipal League alternating appointments;

- e. One active member of a state plan, other than a state general member, appointed by a labor union;
- f. One active state general member appointed by a labor union;
- g. One active state member who has a background in investments, finance, or pension fund administration, appointed by the Speaker of the House of Representatives;
- h. One active state member who has a background in investments, finance, or pension fund administration, appointed by the president pro tempore of the Senate.

SB430 stipulates that union-appointed members shall be appointed by the union with the largest number of members in a given retirement plan.

### **FISCAL IMPLICATIONS**

Because the size of the board remains the same, there will be no additional costs or savings to PERA as a result of enactment of SB430.

CJ/al