LFC Requester:	Joseph Simon

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.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}

Date Prepared: *19 February 2025*   *Check all that apply:*
Bill Number: *SB 438*   Original __   *x* Correction __
                                    Amendment __   Substitute __

Sponsor: Michael Padilla

Agency Name and Code Number: 790 – Department of Public Safety

Short Title: State Police Service Credited Calculation

Person Writing Carolyn Huynh
Phone: 505681286 **Email:** Carolynn.huynh@dps.

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	**FY26**		
$0.0	$0.0	N/A	N/A

(Parenthesis ( ) indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	**FY26**	**FY27**		
N/A	N/A	N/A	N/A	N/A

(Parenthesis ( ) indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	**FY26**	**FY27**	**3 Year Total Cost**	**Recurring or Nonrecurring**	**Fund Affected**
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY
Related to public employee pensions: Provides an equal calculation of the credited service accrued for all state police members covered under state public safety member coverage plan 1. Also adds clarifications to the age and service requirements for normal retirement.

In current statute, only the credited service of a state police member who was a retired member or a member on or before June 30, 2013 has actual credited service increased by 20% for the purposes of plan 1 coverage. The bill applies the calculation to all state police members.

The age and service requirements for normal retirement under plan 1 are:

For an adult correctional officer member, an adult probation and parole officer member, a juvenile probation and parolee officer member or a state fire member who was a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:
(1) age 65 years or older and five or more years of credited service
(2) age 64 years and eight or more years of credited service
(3) age 63 years and 11 or more years of credited service
(4) age 62 years and 14 or more years of credited service
(5) age 61 years and 17 or more years of credited service
(6) age 60 years and 20 or more years of credited service or
(7) any age and 25 or more years of credited service.

For an adult correctional officer member, an adult probation and parole officer member, a juvenile probation and parolee officer member or a state fire member who was not a retired member or a member on June 30, 2013, the age and service requirements for normal retirement are:
(1) age 60 years or older and five or more years of service credit or
(2) any age and 25 or more years of service credit.

For a state police member who is not specifically covered by another coverage plan, the age and service requirements for normal retirement are:
(1) age 60 years or older and five or more years of service credit or
(2) any age and 25 or more years of service credit.

For a state police member who became a member on or after July 1, 2013, any credited service performed or amount of pension earned prior to the effective date of this act shall not be adjusted to conform to the provisions for calculating credited service accrued.

FISCAL IMPLICATIONS
Of the 630 current New Mexico State Police (NMSP) officers, 403 were commissioned on or after July 1, 2013. As DPS does not have access to any prior service credit the 403 officers may have accrued with PERA and or ERB prior to coming to NMSP, we can not make a determination on how many of these officers are Tier I vs. Tier II. DPS must defer to PERA for their actuary calculations.

Additionally, DPS does not have insight into the purchase or withdrawal of service credit, military time, airtime, or other permissible service credits, all of which are critical factors in determining the potential fiscal impact.

Due to this not being retroactive and only applying from the effective date forward, that should reduce any potential fiscal impact. The State Police retirement fund within PERA is overfunded by a very significant amount, so this bill change should cause no long-term negative impact to the solvency of the State Police PERA fund.

SIGNIFICANT ISSUES
No significant issues for DPS.

PERFORMANCE IMPLICATIONS
There are multiple reasons that DPS is supportive of the changes outlined in this bill. The bill ensures that all state police members covered under Plan 1 receive equal treatment in terms of how their credited service is calculated. This eliminates disparities in the calculation process that may unfairly affect certain officers, promoting fairness and equal recognition of service.

By providing clear definitions and guidelines regarding age and service requirements for normal retirement, the bill would help current and future state police members better understand what is required to retire. This clarity reduces confusion and ensures that officers are fully informed about their retirement options.

The changes in this bill would likely also assist State Police with recruiting new officers, which would be beneficial to both the agency and overall public safety.

ADMINISTRATIVE IMPLICATIONS
No administrative implications for DPS.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP
No conflicts for DPS.

TECHNICAL ISSUES
No technical issues for DPS.

OTHER SUBSTANTIVE ISSUES
No other substantive issues for DPS.

ALTERNATIVES
No alternatives for DPS.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL
Status quo will remain.

AMENDMENTS
No amendments for DPS.