

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: 1/22/25

Check all that apply:

Bill Number: SJR2Original x Correction Amendment Substitute Sponsor: Sen. Gonzales/Rep. BorregoShort Title: Employee Retiree Health CareFunds

Agency Name

and Code

HCA-630

Number:

Person Writing

Colin Baillio

Phone:

Email Colin.baillio@hca.nm.**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$0.0	\$0.0	NA	NA

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
\$0.0	\$0.0	\$0.0	NA	NA

(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	\$0.0	\$0.0	\$0.0	\$0.0	NA	NA

(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

Synopsis:

SJR 2 seeks to amend Article 20 of the New Mexico Constitution by adding a new section to ensure the protection of funds associated with the Public Employees Retiree Health Care (PERHC) system. Under the resolution, all funds within the PERHC system must be held in a trust and used solely for the benefit of retirees, members, and other beneficiaries or for administrative expenses related to the system. These funds cannot be used, diverted, or pledged for any other purpose. The PERHC Board would act as trustees of the fund and hold exclusive fiduciary responsibility for its administration and investment. The board would also have the sole authority to adopt actuarial assumptions based on recommendations from an independent actuary. Members who meet the minimum service requirements of a retiree health care plan will gain vested property rights with constitutional due process protections, safeguarding their benefits under state and federal law. The resolution permits adjustments to retiree health care plans if they are aimed at enhancing or preserving the fund's actuarial soundness. If passed, the proposed amendment to the State Constitution will be submitted for approval or rejection by voters at the next general or special election.

FISCAL IMPLICATIONS

There is no direct fiscal impact on State Health Benefits (SHB).

SIGNIFICANT ISSUES

While the resolution prioritizes retirees' benefits, the restrictions on fund use might limit flexibility for addressing broader financial needs if the state faces a fiscal downturn.

PERFORMANCE IMPLICATIONS

None.

ADMINISTRATIVE IMPLICATIONS

No IT impact.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

None.

OTHER SUBSTANTIVE ISSUES

The Health Care Authority has seat on the Retiree Health Care Board. The HCA, by leveraging its health care insurance coverage purchasing power, aims to drive down healthcare costs for state employees over the long-term.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo

AMENDMENTS

None.