



CWA Local 7076

PUBLIC EMPLOYEES WORKING FOR THE PEOPLE OF NEW MEXICO

IPOC MEETING • NOVEMBER 12, 2021

PERA Governance: Problems and Solutions

» Problem 1:

Lack of confidence in the effectiveness and integrity of the PERA Board.

» Solution A:

Transfer authority to conduct PERA Board elections to the NM Secretary of State's office.

PERA Governance: Problems and Solutions

» Problem 1:

Lack of confidence in the effectiveness and integrity of the PERA Board.

» Solution B:

Develop a matrix of basic qualifications and skills requirements for Board candidates, as recommended by both the National Conference on Public Employee Retirement Systems, (NCPERS), and the Boston College Center for Retirement Research (see attached report).

PERA Governance: Problems and Solutions

» Problem 2:

Lack of transparency, accountability, and chronic underperformance in the management of the investment portfolio, resulting in negative effects on the solvency of the PERA fund and the State's overall bond ratings

» Solution C:

Replace the Secretary of State's position on the Board with one appointed member, selected by stakeholders, with professional investment management qualifications, with *de facto* chairmanship of the Investment Oversight Committee.

PERA Governance: Problems and Solutions

» Problem 2:

Lack of transparency, accountability, and chronic underperformance in the management of the investment portfolio, resulting in negative effects on the solvency of the PERA fund and the State's overall bond ratings

» Solution D:

Prohibit the inclusion of non-disclosure agreements in all investment contracts.

PERA Governance: Problems and Solutions

» **Problem 2:**

Lack of transparency, accountability, and chronic underperformance in the management of the investment portfolio, resulting in negative effects on the solvency of the PERA fund and the State's overall bond ratings

» **Solution E:**

Require mandatory NCPERS training for all elected Board members.

PERA Governance: Problems and Solutions

ADDITIONAL CONCERNS AND SUGGESTIONS:

- » Provide a one-time cash infusion to the PERA fund via a general appropriation, or long-term zero interest loan, as previously suggested by Think New Mexico.

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ADDITIONAL CONCERNS AND SUGGESTIONS:

- » Increase the minimum pay of public workers from current poverty levels, and increase overall pay to competitive levels.