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LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS
54th Legislature, 1st Session, 2019

Bill Number SB439 **Sponsor** Sedillo Lopez
Tracking Number .213134.1 **Committee Referrals** SEC/SPAC
Short Title Educational Retirement Board Membership
Analyst Bedeaux **Original Date** 2/13/19
Last Updated _____

BILL SUMMARY

Synopsis of Bill

Senate Bill 439 (SB439) would increase the number of members on the New Mexico Educational Retirement Board (ERB) from seven to nine, including an additional governor appointee with a background in public education and an individual elected by New Mexican members of the American Federation of Teachers (AFT).

FISCAL IMPACT

SB439 does not contain an appropriation.

ERB members are eligible to receive reimbursement for mileage to travel to ERB meetings, but analysis from ERB states the fiscal impact is insignificant.

SUBSTANTIVE ISSUES

SB439 would expand teacher union representation on ERB. Currently, members of the National Educational Association New Mexico (NEA-NM) elect representation to ERB, but members of AFT do not.

ERB is made up of the following 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 NEA-NM;
- 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.

SB439 would add the following two additional members:

- One governor appointee with a background in public education; and
- One member elected by New Mexican members of AFT.

ADMINISTRATIVE IMPLICATIONS

Analysis from ERB notes the board will need to update its regulations regarding board composition to align with SB439.

OTHER SIGNIFICANT ISSUES

The ERB manages benefits for retirees of New Mexico's education system. Educational employees make contributions to ERB, and the board votes on policies to invest funds strategically, maximize returns, and provide disbursements for retirees. ERB is also supported by a full-time staff, including an executive director, legal counsel, and investment analysts.

While the governor is able to appoint two individuals to ERB, only one of those appointments was filled since at least 2016. ERB staff explained an additional two ERB members would not significantly affect current operations, but noted the total number of members should be an odd number to avoid tie votes.

SOURCES OF INFORMATION

- LESC Files
- New Mexico Educational Retirement Board (ERB)

TB/mc