



LFC Requester: Simon

**PUBLIC EDUCATION DEPARTMENT  
BILL ANALYSIS  
2025 REGULAR SESSION**

**SECTION I: GENERAL INFORMATION**

Check all that apply:

Original  Amendment   
Correction  Substitute

Date Prepared: 02/06 /25  
Bill No: HB254

Sponsor: Mirabal Moya/Garratt/Baca/  
Gonzales

**Agency Name and Code:** PED - 924

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**Short Title:** ED. RETIREES RETURNING TO  
WORK TIME PERIOD

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**SECTION II: FISCAL IMPACT**

(Parenthesis ( ) Indicate Expenditure Decreases)

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
None	None	N/A	NFA

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
None	None	None	N/A	NFA

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

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	None	None	None	None	N/A	NFA

Duplicates/Relates to Appropriation in the General Appropriation Act: House Bill 141, the current version of the General Appropriation Act, proposes an appropriation of approximately \$31.5 million to the Educational Retirement Board (ERB).

## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

Synopsis: House Bill 254 (HB254) would extend the maximum amount of time from 36 to 84 months for a retired member of the ERB to return to work without suspension of retirement benefits.

The bill does not provide an effective date. Laws go into effect 90 days after the adjournment of the legislature enacting them unless a later date is specified. If enacted, this bill would become effective June 20, 2025.

### **FISCAL IMPLICATIONS**

The bill does not contain an appropriation.

### **SIGNIFICANT ISSUES**

The legislature amended the [Educational Retirement Act](#) in 2022 with the enactment of House Bill 73a (HB73/aHEC), adding a new program for members of ERB to return to employment without suspension of retirement benefits. The 2022 amendment allowed retirees to work for up to 36 months, whether consecutive or nonconsecutive, after a 90-day pause. An [analysis](#) by the Legislative Education Study Committee (LESC) anticipated that the 36-month limit would protect the state from serious consequences of the early retirement incentive, such as an unsustainable imbalance of reduced contributions and increased payouts from the educational retirement fund. As LESC noted, the ERB anticipated that raises in pay for educators would offset the possible negative impact of incentivizing early retirement and return to work.

Extending the limit from three to seven years would allow educational retirees who returned to work under the provisions of the 2022 program to continue to work receiving both full pay and pension for four more years beyond the limit they may have anticipated. [According to a 2024 study from New Mexico State University \(NMSU\), there were:](#)

- 1,259 educator vacancies in the state, with 737 teacher vacancies;
- 280 special education teacher vacancies, the area with highest need, making up 38 percent of all teacher vacancies;
- 179 elementary teacher vacancies, or 24 percent of vacancies overall;
- 87 middle school teacher vacancies; and
- a decrease of 169 student admissions to teacher preparation programs over the previous year.

Enactment of HB245 may act to ameliorate some of these deficiencies by lowering barriers between qualified educators and classrooms.

### **PERFORMANCE IMPLICATIONS**

By extending the time allowed for returning to work without suspension of benefits, HB251 may encourage early retirees to return to work, knowing that they may draw upon their pension while

earning up to seven years of additional salary. Student access to full-time, experienced, qualified educators in public schools may increase.

Enhancing opportunities for future retirees may make education employment more attractive to those just entering the workforce, helping to address [longstanding educator pipeline issues](#).

The bill does not include provisions that would focus its impact directly on hard-to-fill educator vacancies. Indirectly, however, by contributing to the breadth of policies aimed at increasing the supply of qualified educators, hard-to-fill teaching positions may be reduced as a consequence of enacting HB254.

## **ADMINISTRATIVE IMPLICATIONS**

None.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

Relates to Senate Bill 133, which would also incentivize early retirement and returning to employment of experienced educators. However, the provisions of SB133 would affect the return-to-work program in which a limit is placed on returning retirees' maximum salary without a suspension of benefits, whereas HB254 would affect the program which limits the duration of their return to work without suspension of benefits.

Relates to House Bill 251, which would allow an educational retiree to change their beneficiary under certain conditions.

Relates to Senate Bill 75, which would correct technical language throughout the Education Retirement Act.

## **TECHNICAL ISSUES**

None.

## **OTHER SUBSTANTIVE ISSUES**

Employees become members of ERB system after serving in any of a variety of "local administrative units," including public schools, school districts, charter schools, universities, community colleges, the New Mexico School for the Deaf, and the New Mexico School for the Blind and Visually Impaired. Many ERB members are educators, but many are also custodians, maintenance staff, food service personnel, and other administrative and operational positions.

## **ALTERNATIVES**

None.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

None.

## **AMENDMENTS**

None.