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:	26 January 2025	Check all that apply:	
Bill Number:	SB133	Original	x Correction
		Amendment _	_ Substitute

Sponsor:	Wirth	Agency Name and Code Number:	NM Independent Community Colleges 994	
Short	Educational Retirees Returning	Person Writing	Vanessa K. Hawker	
Title:	to Work	Phone:	Email vhawker@hawkerhynson.com	

SECTION II: FISCAL IMPACT

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Indeterminate	Indeterminate	Indeterminate			Post- secondary Institutions

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

<u>Synopsis:</u> Senate Bill 133 (SB133) amends 22-11-25.1 NMSA 1978, education retirement return to work, changing the allowed annual salary of a return to work educational retirement retiree from \$15 thousand to \$25 thousand.

FISCAL IMPLICATIONS

SB133 does not contain an appropriation. The increase allowed maximum salary for educational retirees who return to work under the salary maximum provision would provide institutions additional flexibility in assigning faculty members to classes.

SIGNIFICANT ISSUES

To provide the education and training programs needed not only by our students, but also needed by our local employers, New Mexico's community colleges offer a variety of programs of study,

examples include: teacher education, nursing, emergency medical technician, linesperson, construction, plumbing, electrian, oil & natural gas operations, computer sciences, coding, welding, truck driving, OSHA training, logic controls, etc. With the diversity of course offerings, community colleges utilize is significant number of part-time faculty.

To meet the needs of our students, institutions will rehire retired faculty under the two education retirement board provisions: the maximum salary provision and the maximum time worked provision.

Since the \$15 thousand annual maximum return to work provision was implemented, part-time faculty per class compensation has increased. To stay below the \$15 thousand maximum salary, institutions may be required to reduce the number of classes these part-time retired return to work faculty teach.

It is appropriate to increase the maximum amount to track with increased part-time faculty per class compensation.

OTHER SUBSTANTIVE ISSUES

SB133 does not address the other group of return-to-work retirees, those who do not have a salary cap but are limited to a total of 36 months. NMICC requests consideration of increasing the total number of months to 60.

ALTERNATIVES

SB133 could be amended to include an inflation escalator allowing the maximum salary to automatically increase on an annual basis or SB133 could be amended to allow the educational retirement board to annually set the salary maximum.