

LFC Requester:	Joseph Simon
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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: 02/21/2025 *Check all that apply:*
Bill Number: SB 454 Original Correction
 Amendment Substitute

Sponsor: Jay C. Block, Gabriel Ramos, Anthony L. Thornton and Nicole Tobiassen **Agency Name and Code Number:** 790 – Department of Public Safety
Short Title: Public Safety Service Credit Changes **Person Writing:** Louise Riebe
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
NFI	NFI	N/A	N/A

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		
NFI	NFI	NFI	N/A	N/A

(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	NFI	NFI	NFI	NFI	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: 2025 SB438.
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

If passed, this bill would lower the number of years of credited service for normal retirement at any age from 25 years to 20 for credited service performed after the effective date of this act,

Applies to all members (state police, adult correctional officers, adult probation and parole officers, juvenile probation and parole officers and fire) enrolled in state public safety member coverage plan 1 and to municipal police and fire members enrolled under any of the applicable municipal coverage plans.

Also amends state public safety member coverage plan 1 to include all members enrolled under plan 1, not just state police or adult correctional officers, and makes all of them, regardless of dates of service, eligible for the 20 percent boost in service credit.

FISCAL IMPLICATIONS

Of the 630 current New Mexico State Police (NMSP) officers, 403 were commissioned on or after July 1, 2013. As DPS does not have access to any prior service credit, the 403 officers may have accrued with PERA and or ERB prior to coming to NMSP, we cannot make a determination on how many of these officers are Tier I vs. Tier II. DPS defers to PERA for their actuary calculations.

Additionally, DPS does not have insight into the purchase or withdrawal of service credit, military time, airtime, or other permissible service credits, all of which are critical factors in determining the potential fiscal impact.

As this bill would only apply from the effective date forward, that should reduce any potential fiscal impact. The State Police retirement fund within PERA is overfunded by a very significant amount, so this bill change would not likely cause any long-term negative impacts to the solvency of the State Police PERA fund.

SIGNIFICANT ISSUES

The significant issue with Senate Bill 454 is that it does not explicitly address how the existing enhancement plan, which grants officers 1.2 years of service credit for each year worked, will interact with the proposed 20-year retirement eligibility. This creates potential confusion, particularly for officers who joined prior to July 1, 2013 and who are currently on the Tier 1 retirement plan. These officers are able to retire after 20 years and 10 months of service, because they receive 1.2 years of service credit for each year worked.

Without clarification whether officers on the Tier 1 retirement plan would still be allowed to retire after 20 years with the enhanced credit (rather than having to meet the new 20-year standard without the enhancement), there could be confusion regarding their eligibility to retire early.

PERFORMANCE IMPLICATIONS

The bill ensures that all state police members covered under Plan 1 receive equal treatment in terms of how their credited service is calculated. This eliminates disparities in the calculation process that may unfairly affect certain officers, promoting fairness and equal recognition of service.

By providing clear definitions and guidelines regarding age and service requirements for normal retirement, the bill would help current and future state police members better understand what is required to retire. This clarity reduces confusion and ensures that officers are fully informed about their retirement options.

The changes in this bill would also assist State Police with recruiting new officers, which would be beneficial to both the agency and overall public safety.

By reducing the retirement requirement from 25 years to 20 years, this would benefit both current officers who joined after July 1, 2013, as well as those who joined prior to that date. However, the specific impact depends on how the bill addresses the different retirement plans for these two groups.

For officers who joined prior to July 1, 2013, they are currently enrolled in the Tier 1 retirement plan, which allows them to retire after 20 years and 10 months of service, receiving 1.2 years of service credit for each year worked. Under Senate Bill 454, if the language permits these officers to continue under the Tier 1 retirement enhancement plan or allows them to retire after 20 years, it will provide them with a significant benefit.

For officers who joined after July 1, 2013, they currently earn one credit per year of service, meaning they must work 25 years to retire. The bill's language modifies this requirement and allows them to retire after 20 years of service, this would be a substantial improvement in terms of their retirement eligibility.

If this change is applied to all officers, regardless of when they joined, it would allow both current and future officers to retire after 20 years of service instead of 25, potentially improving recruitment and retention. This would be a positive change in terms of enhancing job satisfaction and retention, as officers might be more motivated to remain in service if they can retire earlier.

ADMINISTRATIVE IMPLICATIONS

No administrative implications for DPS.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

2025 SB-438 "State Police Service Credited Calculation".

TECHNICAL ISSUES

No technical issues for DPS.

OTHER SUBSTANTIVE ISSUES

No other substantive issues for DPS.

ALTERNATIVES

No alternatives for DPS.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo will remain.

AMENDMENTS

None at this time.