

UNM Retiree Association, Legislative Committee Annual Report, July 2021/June 2022 – 6/28/22

First, thank you to the Legislative Committee members Steve Borbas, Vi Florez, Louise Kahn, Alfred Mathewson, Les McFadden, Fred Rose, and Connie Vance for their service on the committee. We also want to thank our outgoing President, Tim Backes, and Past-President, Kevin Malloy, for their service and willingness to attend key meetings throughout 2021/2022.

The UNM Retiree Association Legislative Committee is charged with coordinating the legislative business of the Association as directed by the Board of Directors including monitoring and reporting Education Retirement Board activities. The committee coordinates legislative and state agency advocacy efforts on behalf of the Retiree Association. It is comprised of retired staff and faculty. Committee members volunteer many hours to protect your Education Retirement Board (ERB) defined pension benefits and Retirees' Cost of Living Adjustment (COLA). A variety of methods were used to reach our objectives.

The committee met throughout the year to discuss any actions taken by ERB Administrators, ERB Board of Trustees, ERB Investment Committee, New Mexico Investment Pension Oversight Committee (IPOC), Legislators, or the Governor which could affect the effectiveness of the ERB Board of Trustees, pension benefit and fund. We researched and strategized ways to increase contributions from the New Mexico Legislature to protect NM Educational Retire pension fund's sustainability without affecting retirees' COLA and possible candidates for the ERB Board of Trustees Governor appointed vacancy.

We met with legislators to educate them about the ERB pension fund and members' benefits. We were in discussion with the new ERB Executive Director, David Archuleta, ERB Board of Trustees, Chairperson, Russell Goff, ERB Board of Trustees AAUP representative, Don Duszynski, and other state stakeholders on possible legislation with one goal - to protect the ERB pension fund and the COLA for current and future retirees. Reaching out to other stakeholders has increased our circle of influence in protecting UNM retiree's defined pension benefit.

We had the following guests at our meetings:

- July 21 LC meeting – Senator Harold Pope
- October 21 – Legislative Finance Charles Sallee, Deputy Director of Budget and Connor Jorgenson, Principal Analyst for General Services and Pension
- November 21 – Barbara Damron, former UNM Director of Government and Community Relations
- December 21 – Russell Goff, New Mexico Association of Educational Retirees (NMAER), Executive Director and NMAER Representative to Educational Retirement Board, Chairperson
- January 22 – Reilly White, Associate Professor, UNM Anderson School of Management

- March 22 – Senator Mimi Stewart and Representative Joy Garratt
- April 22 – AFT New Mexico President, Whitney Holland
- May 22 – AFT New Mexico Retirees, President, Anne Pierce-Jones

During the 2022 legislative session, we followed committee hearings and floor session votes affecting UNM active employees and retirees. UNM retiree members were updated on all legislation and encouraged to contact their legislators to let their voice be heard. For the 2022 Legislative Session, we followed the following legislation and reported back to our members:

HB 73 & SB 172, EDUCATIONAL RETIREES RETURNING TO WORK

Sponsor: Representatives Joy Garratt and Phelps Anderson & Rep. Garratt and Senator Munoz.

Synopsis: Governor's Bill. Exempts any retired ERA members who “sit out” for at least 90 days after retirement and return to employment for no more than 36 consecutive months from the requirement to suspend pension benefits during that employment. This bill applies to Higher Education faculty and staff too.

Status: HB 73 HEC received a unanimous **DO PASS**. The bill moved to House Labor Veterans & Military Committee (HLVMC) where it is received a unanimous **DO PASS**. The House gave the bill a **DO PASS** on 2/12/22, 62 Yes and 1 No. Senate Education Committee on 2/14/22 gave SB 73 a unanimous **DO PASS**. SB 73 is received a unanimous **FINAL DO PASS** in the Senate on 2/17/22, with 41 Yes and 0 No votes.

Current Location: **Signed into law by Governor Michelle Lujan Grisham on March 1, 2022.**

SB 36, CONTRIBUTIONS TO THE EDUCATIONAL RETIREMENT

Sponsor: Senator Mimi Stewart and Representative Natalie Figueroa

Synopsis: The bill consists of an increased employer/state contribution with the goal to achieve full funding in a shorter period of time. Increases the rate of contribution by local administrative units (employer’s share) to the Educational Retirement Fund from the current 15.15 percent of a member’s annual salary to 17.15 percent as of July 1, 2022, and 18.15 percent as of July 1, 2023. Increases contributions by state educational institutions for participants in the alternative retirement plan from the current 4.25 percent to 6.25 percent as of July 1, 2022, and 7.25 percent as of July 1, 2023. It does not include changes to the ERB COLA.

Status: SB 36 received a unanimous **DO PASS** and moved to the Senate Finance Committee (SFC) where it received a **DO PASS**, 9 Yes, 1 No votes and 1 Excused. Received a **DO PASS** in the Senate, 35 Yes and 0 No votes. Received a **DO PASS**, 7 Yes and 0 No votes in the House Education Committee. SB 36 received a unanimous **DO PASS** in the House Appropriations and Finance Committee (HAFC) on 2/14/22. It was moved to the House where it received a **FINAL DO PASS**, 52 Yes and 12 No votes on 2/15/22.

Current Location: **Signed into law by Governor Michelle Lujan Grisham on March 1, 2022.**

HB 163, CHANGES TAX

Sponsor: Christine Chandler, Javier Martinez, Peter Wirth, Micaela Lara Cadena, Michael Padilla

Synopsis: Exempts Social Security Income from Income Tax for certain individuals. Those individuals making \$100,000 or less and married couples making \$150,000 or less will qualify.

Status: Signed into law by Governor Michelle Lujan Grisham on March 8, 2022.

We want to applaud Senator Mimi Stewart for sponsoring both SB 36 this year and SB 42 last year. When SB 42 was only partially funded in 2021, she did not give up on supporting your retirement benefits. Instead, she carried forth with SB 36 and asked Representative Natalie Figueroa to join in and carry it in the House. They worked to get SB 36 passed, providing an additional 2% funding over the next two years. The 2% increase from SB 42 and 2% from SB 36 provides a significant increase to the ERB fund, decreasing the assumed funding period from 42 years down to 33 years.

Each month ERB receives employer and member contributions from 216 public schools, colleges, universities, and state agencies totaling \$65 million. As of June 30, 2021, ERB had over 163,314 members. Of these, 60,197 were working across New Mexico and 52,790 were receiving retirement benefits each month totaling \$1.1 billion. The average annual pension benefit paid to a retiree is \$23,052.

We will continue to work to protect your COLA. We will continue to engage in dialogue about why your defined pension benefit needs to be protected versus moving to a defined contribution plan. We will continue to educate our lawmakers on the differences between your ERB pension benefits in comparison to PERA's pension benefits. We will continue to reach out to all stakeholders. We will continue to connect with AFT New Mexico, AFT New Mexico Retirees and New Mexico Association of Educational Retirees. We will continue to work on behalf of UNM retirees.

This year's Legislative Session was very productive. A note of thanks to everyone who contacted your representative during the legislative session. If you are interested in joining the UNM RA Legislative Committee's efforts, please contact Breda Bova, bova@unm.edu or Dubra Karnes-Padilla, dubra@unm.edu.

Sincerely,

Breda Bova, Legislative Committee Co-Chair

Dubra Karnes-Padilla, Legislative Committee Co-Chair