

RPENM Weekly Legislative Report from Richard M. Romero and Sue Griffith

Reporting period: 01/31/2016 – 02/07/2016

Red print indicates new information since last update

Committee assignment abbreviations: S – Senate; H – House

Web Link to committees: http://nmlegis.gov/lcs/committees_standing.aspx

Bill Name	Sponsor	Status
HB 43 Public Safety Employee Contribution Payments	Rep. B. Rehm	Referred to the House Rules and Order of Business Committee (HRC). Awaiting analysis. No message from Governor as of 1/31/16.
HB 58 Retiree Health Care Contribution Rates	Rep. T. Salazar, Rep. D. Roch	Ruled germane. Scheduled for a hearing in the House Health Committee (HHC) on 1/26/16 and then to House Appropriation and Finance Committee (HAFC). This legislation is an attempt to extend the solvency of the Retiree Health Care Fund. More analysis next week. The bill is similar to last year's version that passed the House and died in the Senate Finance Committee (SFC). Passes HHC 6-0. Referred to HAFC. LFC analysis follows: House Bill 58 amends the Retiree Health Care Act by increasing employee and employer contributions paid to the Retiree Health Care Authority (RHCA) Fund. The employee contribution rate increases from 1 percent to 1.375 percent of salary over 3 years, starting FY18. The employer contribution increases from 2 percent to 2.75 percent over this same time period. For employees' part of an enhanced retirement plan, the employer's contribution rate would increase from 2.5 percent of each public safety employee's salary to 3.438 percent by FY20.
HB 96 No Pension for Convicted Public Officials	Rep. M McQueen	Referred to HRC. Makes a public official ineligible to receive a pension if the public official is convicted or pled guilty to a corruption offense. No message from Governor as of 1/31/16.
HB 116 Education Employee Retiree Health Care	Rep. J. Hall	Referred to HRC. Allows an eligible employee who is a provisional member (non-certified employee) to decline to participate in the Retiree Health Care Act. No message from governor as of 1/31/16.

Bill Name	Sponsor	Status
HB 171 Law Enforcement Officers Returning to Work	Sen. S. Ingle, Rep. L. Larrañaga	<p>Referred to HRC. This bill has a message from the Governor. This is the return to work bill that Mayor Richard Berry (Albuquerque) pushed last year but died in the Senate Judiciary Committee (SJC). It has some significant changes from last year's bill. More analysis next week. Passed House Safety and Civil Affairs Committee (HCAC) 5-3 (party line vote). Referred to HAFC. LFC analysis follows: House Bill 171 adds an exemption to the PERA Act to allow certain retired police officers to return to work (RTW) and continue to collect their pension during the rehire period.</p> <p>More specifically, HB 171</p> <ul style="list-style-type: none"> • Applies only to law enforcement officers that retired on or before December 31, 2015; • requires a 90-day break in service as an employee or contractor prior to reemployment; • allows the rehired officer to collect a pension with COLA and salary while reemployed; • does not allow the rehired officer to accrue additional pension benefits while reemployed; • requires nonrefundable employee and employer contributions while reemployed; • restricts the reemployment period to no more than five years from date of rehire; • gives the senior-most-ranking officer sole discretion to select retirees for rehire; and • requires a class A county or municipality in a class A county to rehire officers only for ranks below sergeant and the rehires must not exceed 10 percent of the police force (existing employees rehired before the date of the act do not count against that total). <p>FISCAL IMPLICATIONS</p> <p>Because the bill is limited to existing retirees as of December 31, 2015 and because the retired officer and employer make contributions to the fund without any additional accrual of pension benefits to the officer, there is no net actuarial impact to the fund, according to PERA and APD.</p> <p>PERA notes that if the proposed legislation treats members grandfathered under prior RTW provisions as eligible under HB 171's RTW provisions, the grandfathered members' COLAs would no longer be suspended which would have a negative actuarial impact to the PERA Fund.</p> <p>For FY15, the Municipal Police Plan's unfunded liabilities increased from \$491.4 million to \$537.2 million, due to overall investment returns of 1.9 percent, and the plan's ratio of assets to liabilities decreased from 78.3 to 77.6 percent, due to higher than expected salary increases.</p>
HJM 2 Public Employee Benefit Bill Moratorium	Rep. J. Trujillo	Referred to House Government, Elections and Indian Affairs Committee (HGEIC) then House Ways and Means Committee (HWMC). Asks for a moratorium on legislation affecting the PERA fund.
SB 35 Retiree Health Care Contribution Rates	Sen. G. Kernan	Referred to Senate Public Affairs Committee (SPAC) and then to SFC. Same as HB 58, intended to extend solvency of the Retiree Health Care Fund. Identical companion bill to HB 58.
SJM 3 Public Employee Benefit Bill Moratorium	Sen. G. Munoz	Referred to Senate Rules Committee (SRC) then to SFC. Same as HJM 2 – asks for a moratorium on legislation affecting the PERA fund.