

LFC Requester:	Anne Hanika-Ortiz
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**AGENCY BILL ANALYSIS
2017 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply: Date 1/30/2017
Original **Amendment** **Bill No:** SB144
Correction **Substitute**

Sponsor: Senator Craig W. Brandt **Agency Code:** 924
Short Title: SCHOOL SUBSTITUTE **Person Writing:** Aguilar
TEACHER RETIREMENT **Phone:** 505-827-6519 **Email:** Paulj.aguilar@state.nm.us

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY17	FY18		
	None Noted		

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate Bill 144 defines the term substitute as it pertains to educational retirement and clarifies the membership status of employees employed as substitutes.

FISCAL IMPLICATIONS

Substitutes comprise a very small number of the total staffing at school districts and charter schools. The fiscal impact on the solvency of the Educational Retirement Board is minimal and will not have a long-term fiscal effect.

SIGNIFICANT ISSUES

During the 2016 interim, staff of the Educational Retirement Board (ERB) proposed to include those substitutes working more than the threshold of .25 FTE or working more than quarter time to be required to become regular members of the ERB and pay contributions toward retirement.

A number of questions were raised with regard to this and to whether these employees fell under the definition of a regular employee or were considered to be contract employees. A survey of various districts found there was no uniform practice regarding the status of these employees.

One distinction was whether long-term substitutes should be considered for inclusion as regular members. The ERB Board determined that too many questions remained unanswered and tabled the matter.

As part of the discussion, some substitutes were interested in the idea of having a retirement program but no effort was made by these folks to address the board expressing interest.

This bill serves to define substitutes as not meeting the definition of a regular member or a provisional member and will not be required to become members of the retirement system.

This bill serves to define substitutes as not eligible for membership in the retirement system and will not be required to make mandatory contributions.