



PERA

Legislative Finance Committee

November 16, 2020

Senator Pete Campos, Chair
Representative Andres G. Romero, Vice-Chair

John Melia, Board Chair
Wayne Propst, Executive Director

Fiscal Year 2022 Budget Request

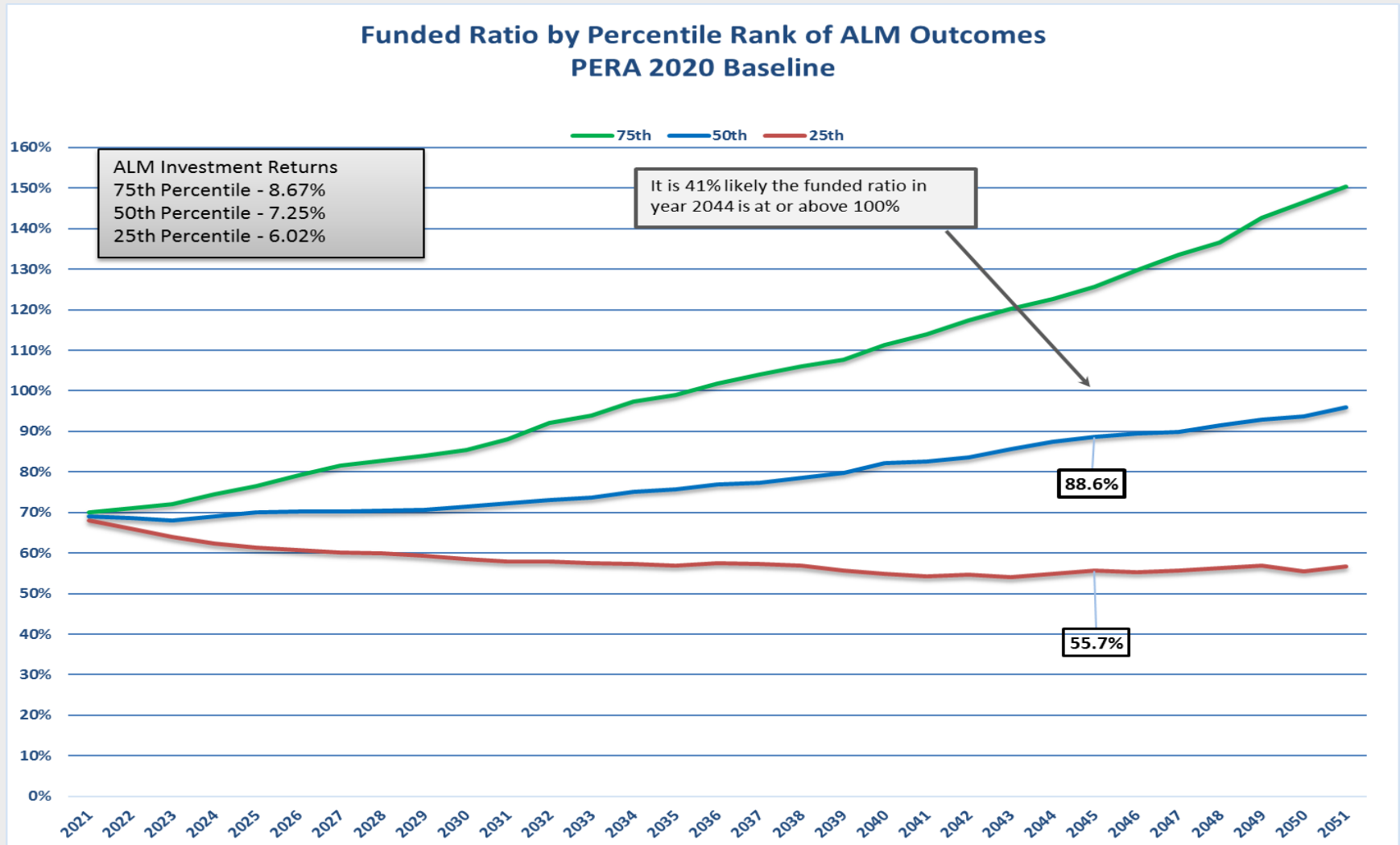
(Dollars in thousands)

Description	FY20 Actuals	FY21 OpBud	FY22 Base Request	Expansion	FY22 Total Request	% Increase/ Decrease over FY21 OpBud
200 Personal Services & Employee Benefits	\$7,628.4	\$8,197.8	\$8,201.3	\$0.0	\$8,201.3	0.04%
300 Contractual Services	\$20,518.7	\$26,306.8	\$25,968.8	\$0.0	\$25,968.8	-1.28%
400 Other	\$1,796.3	\$1,718.9	\$2,038.8	\$0.0	\$2,038.8	18.61%
Total	\$29,943.4	\$36,223.5	\$36,208.9	\$0.0	\$36,208.9	-0.04%
FTE	87.0	87.0	87.0	0.0	87.0	

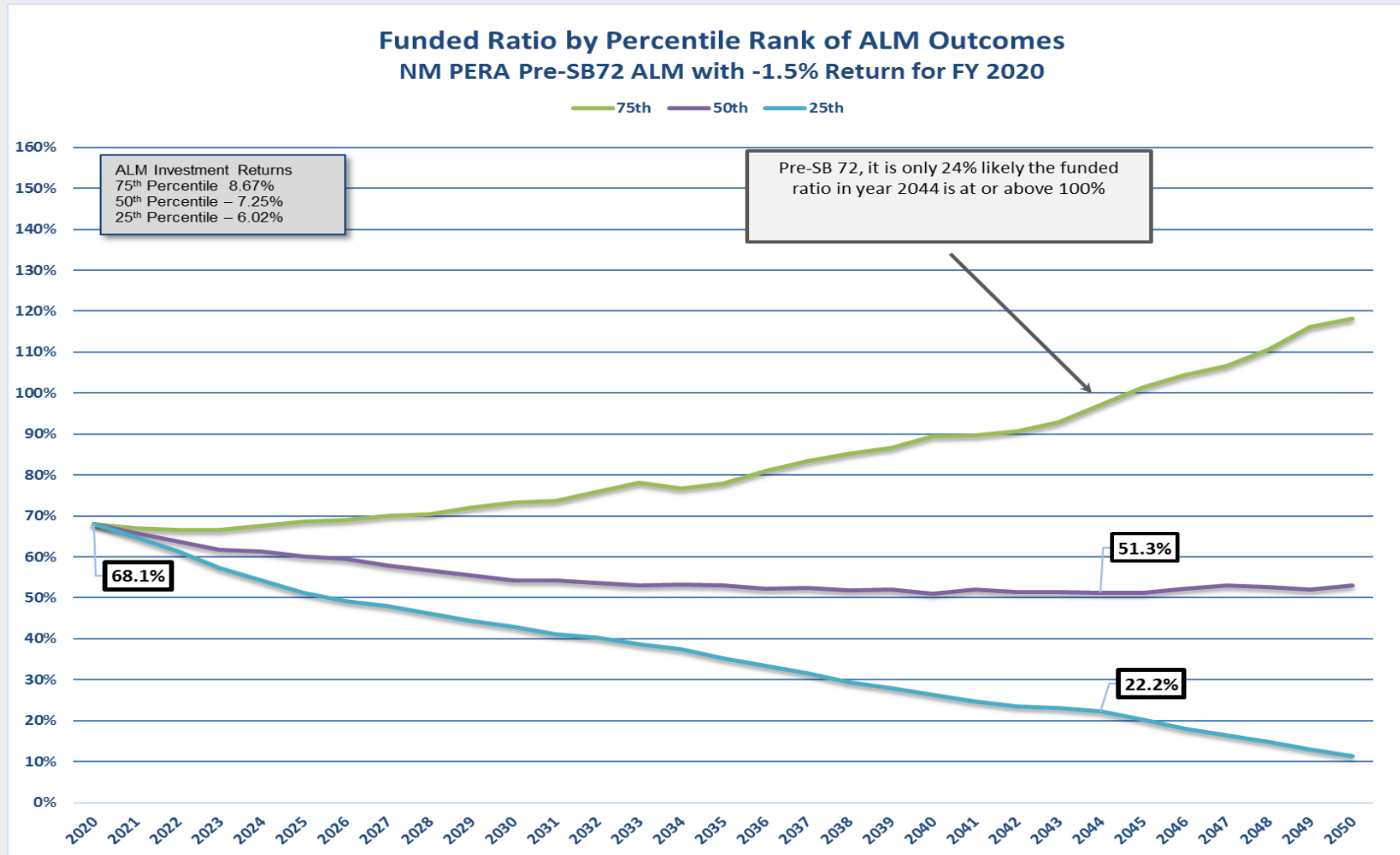
Fiscal Year 2022 Budget Request Highlights

- FY22 request is the fourth year that PERA has submitted a flat budget
- Since FY18, PERA has reverted \$24 million to the Trust Fund
- FY22 *Personnel Services and Employee Benefits* (200 category) request is essentially flat over FY21, and includes a 5% factored vacancy rate
- FY22 request includes a decrease of \$338,000, or 1.28% in *Contractual Services* (300 category) as a result of realignment of budget to the *Other* category;
- FY22 increase of \$319,874 or 18.61%, in the *Other* (400 category) is the result of realignment for Information Technology (IT) maintenance from the *Contractual Services* category to the *Other* category and acquiring cyber insurance and an expected increase in postage
- No requests for expansions or IT appropriations pertaining to special initiatives

PERA Funded Ratio: Post - SB72



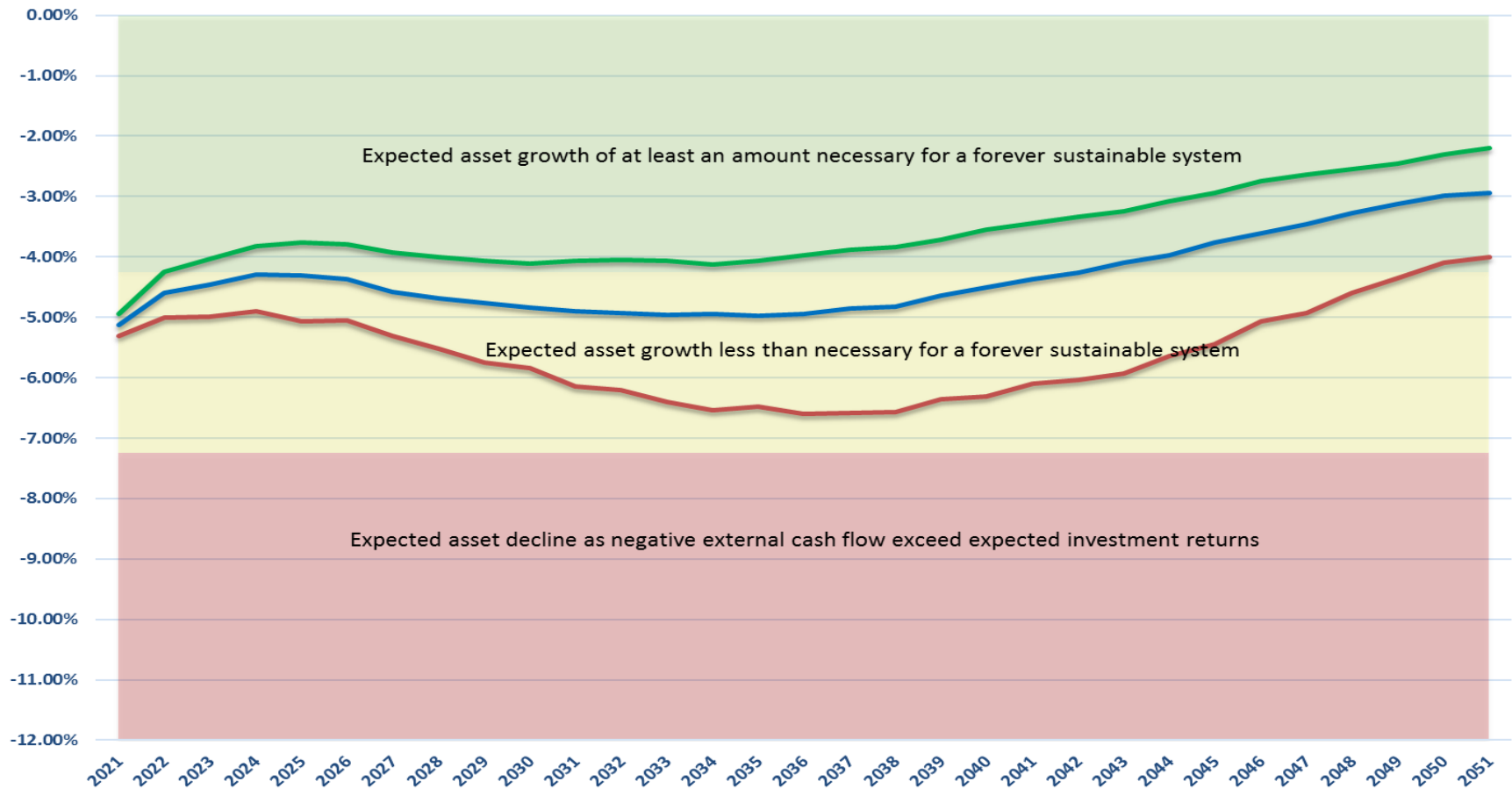
PERA Funded Ratio: Pre - SB72



PERA Cash Flow: Post - SB72

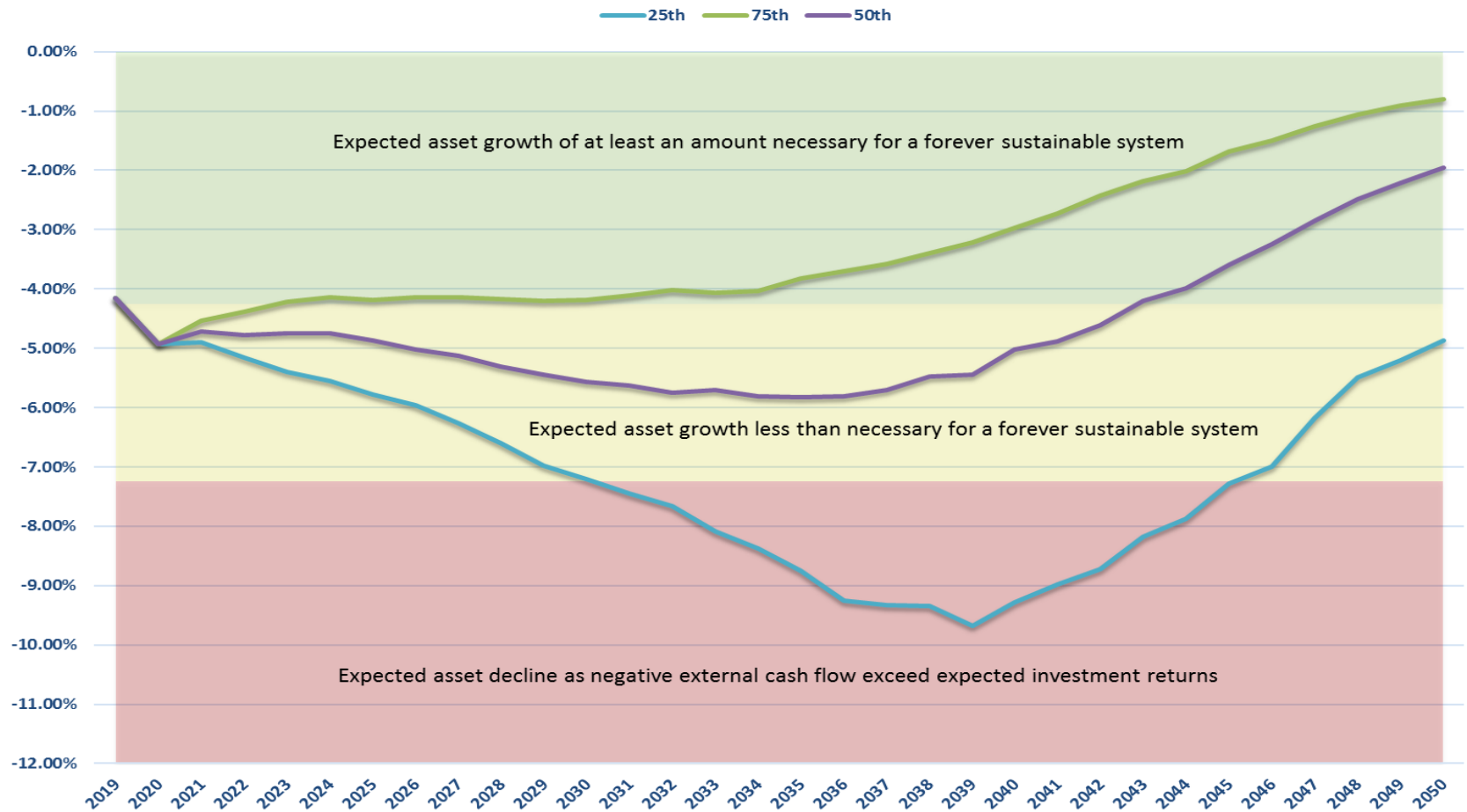
Net Percent of Negative External Cash Flow by Percentile Rank of Outcomes
PERA 2020 Baseline

— 25th — 75th — 50th

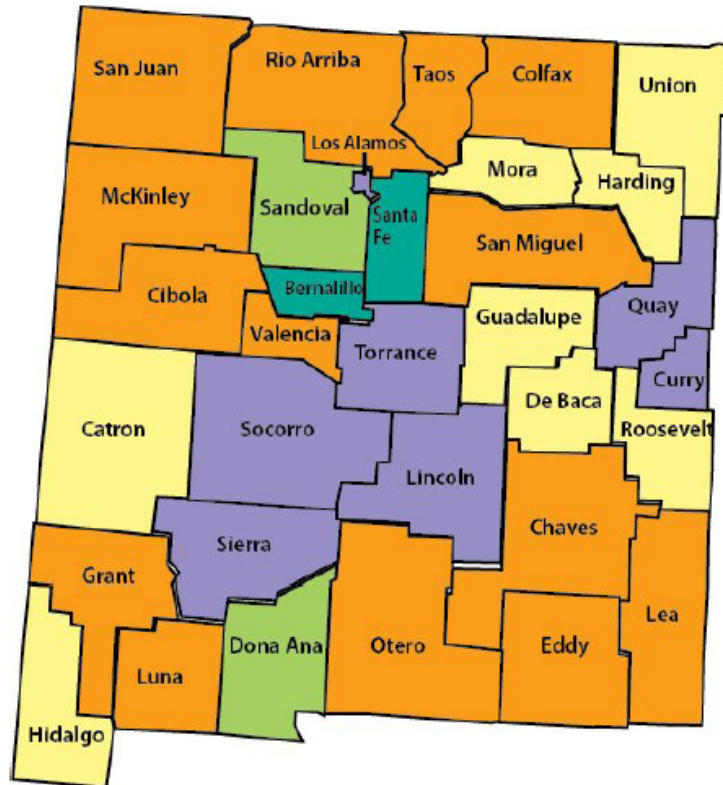


PERA Cash Flow: Pre - SB72

Net Percent of Negative External Cash Flow by Percentile Rank of Outcomes
NM PERA Pre-SB 72 ALM with -1.5% Return for FY2020



PERA's Economic Force in New Mexico



New Mexico PERA has a large impact on the state's economy by providing pension benefits to 42,464 current retirees. In FY19, PERA paid \$1.22 billion in pension benefits, and of that total \$1.1 billion was paid to retirees living in New Mexico. PERA retirement benefits represent a steady stream of income in every county in New Mexico.

**PERA paid
\$1.1 billion to
New Mexico
Retirees in 2019**



PERA Fund Performance

- The PERA Fund balance was \$14.8 billion on June 30, 2020
- As result of the COVID-19 pandemic PERA saw a decline in the market values of investments. For FY20, the Fund returned -1.5% (net of fees)
- PERA Fund paid out benefits of \$1.2 billion during FY20
- PERA Smart Save (457b) balance was \$644 million on June 30, 2020 with 22,865 participants

As of 6/30/2020	1 Year (FY20)	3 Year	5 Year	10 Year	30 Year	Since Inception 6/30/1985
PERA Total Fund Returns (Net of Fees)*	-1.50%	3.90%	4.60%	7.50%	7.90%	8.60%
Policy Benchmark*	-1.50%	3.90%	4.80%	7.30%	7.70%	8.50%