

ERB Update



NEW MEXICO
EDUCATIONAL
RETIREMENT
BOARD

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Customer Service Survey Leads to Improvements

2008 Survey Results Show: NMERB Staff Provided Very Satisfying Service to Members

The results of a customer service satisfaction survey conducted in January by Research & Polling, Inc. for NMERB are in, and overall, the findings are largely favorable.

The survey's purpose was to determine where NMERB is doing well and to identify

areas where the organization can improve its customer service.

Some members had been experiencing difficulty reaching NMERB offices by telephone. In the summer of 2007, NMERB staff learned that many voicemails were going to an unknown

extension and were never retrieved. "We have made significant improvements to the phone system in October 2007 and again in February 2008 that should enable callers to connect directly with customer service staff, rather than leave a voicemail," deputy director Jeff Riggs reports. *continued on page 3*

Goodwin to Focus on Communication with Members

On March 26, 2008, the NMERB named Jan Goodwin its new executive director by unanimous vote of the Board. Goodwin, who was selected from a field of highly-qualified candidates, brings a wealth of investment, management and policy experience to the position. Most recently, Goodwin has been the cabinet secretary for the New Mexico Taxation and Revenue Department.



New Executive Director Jan Goodwin would love to hear from members.

Her goals for her first year with NMERB? "I'd like to improve our already very good customer service," she says. "I'd like to improve communication with our members."

She describes her management style as always having, "An open door policy, and I'm willing to hear about anything that's important to the organization..." *continued on page 4*

Quote

Rest is not idleness,
and to lie sometimes on the grass
under trees on a summer's day,
listening to the murmur of the water,
or watching the clouds float across the sky,
is by no means a waste of time.

~J. Lubbock



Inside this issue

Member Feature:
Janet Kahn Brings the Arts to Elementary School Children

Page 2/5

Customer Service Survey

Tidbits

Page 3

Retiree Healthcare Rate Increase July 1

Diverse ERB Portfolio Less Affected by Volatile Market

Page 4

Q & A: Return to Work (RTW)

Page 5

The Halls are Alive with the Sound of Music

☰ Kahn persuaded APS school officials to greatly expand the elementary school arts program. ☰

It may be a stretch to liken Janet Kahn to Julie Andrews, that bon vivant who brought the joy of music to the von Trapp family, but even so, Kahn has been hugely important to the expansion of music and other arts in New Mexico’s biggest school district after budget cuts left little of those joys to elementary school children.

About 12 years ago, Albuquerque Public Schools (APS) drastically reduced art and music instruction at every elementary school, leaving students with little in the way of creative learning and expression. When the decision was made to restart a fledgling program, Kahn was hired for the job. The art and music teachers she works with say her charisma and personality made a tremendous difference to the support for the program.



“She (Janet Kahn) is tireless. It comes from being passionate and knowing how necessary art is in their lives,” ---APS art teacher.

“Her sense of integrity shines through and that’s why she’s respected and been able to do so much with the program,” says Rick Wild, who teaches music at APS. She managed to help grow the program from a tiny team of

“Through the arts, children learn differences are ok.”

11 music teachers and 11 art teachers to 88 teachers for 85 elementary schools.

“She’s had a strong vision of what it is to bring art and music into children’s lives, into their education, their development as human beings, and why that’s important,” says Wild. “She really is amazing. You want to do a great job because it’s going to reflect on her.”

“I love my teachers and I feel that what we bring to kids is just so terribly important,” Kahn says. “What they do for these students truly makes a difference in their academic and personal lives. The need to be creative in some way is really what makes us human and not just our opposable thumbs.”

“It’s all about art and what we want kids to know and have,” says art teacher, Gina Medina. “She is tireless. Janet allows us to create a real and varied curriculum within the standards and we can talk to her about ideas.”

Is art important?

Why bother with arts at all, some

might ask, when there is so much push these days to improve test scores and graduation rates? Really, it’s a mistake to separate the two says Kahn, because they enhance each other.

For students struggling with academics, sometimes it’s the connection to an art or music class that keeps them in school. “If your day is only filled with those things that you are struggling in, it’s harder to stay in school,” she says. “But if art or music is part of your day, then maybe you’re willing to show up – and study.”

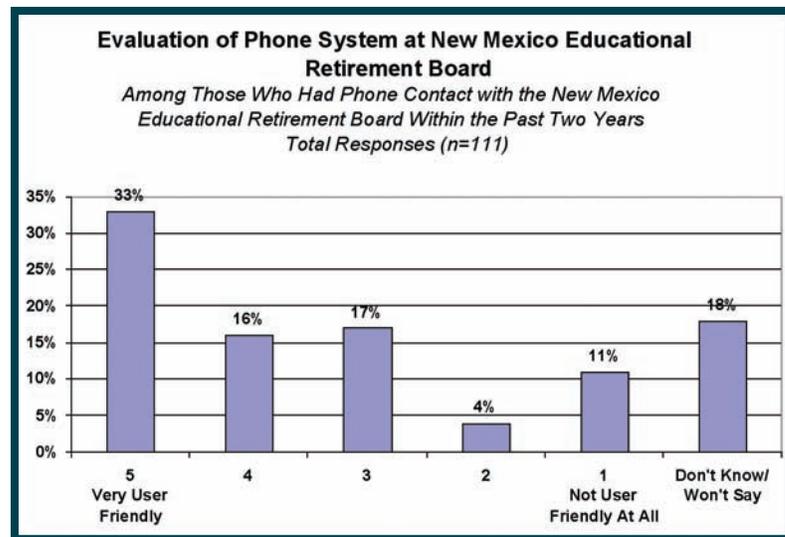
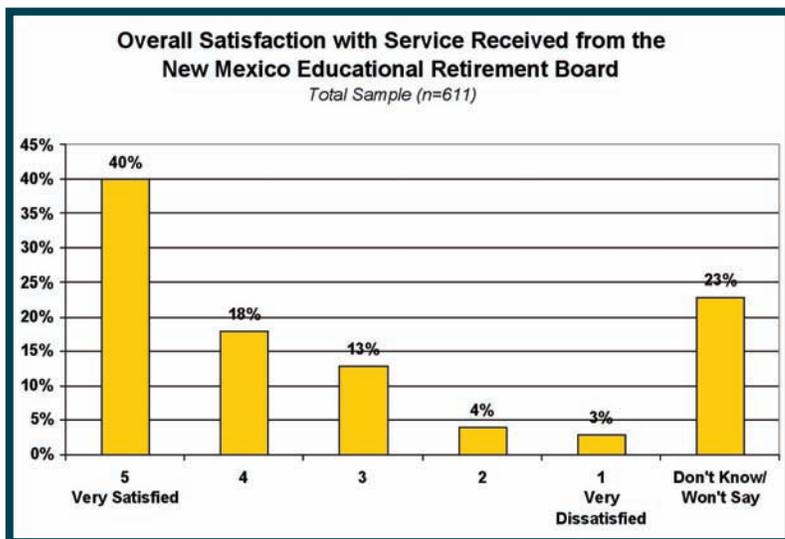
The arts are a form of communication that doesn’t require words. For English language learners, the arts are a wonderful way to level the playing field in the classroom. Some children learn better

continued on page 5

continued from page 1

Majority of Surveyed Members “Satisfied”

≡ NMERB web site and newsletter are considered helpful by most ≡



“Meeting the needs of our members is important to the Educational Retirement Board,” says Riggs. “We want to know how we can best improve the services provided to members. Significant findings from the survey were that members are very satisfied with our service when they work with our staff.”

Overall, the majority of ERB members (58%) express being satisfied with the service they receive from ERB. In fact, just 7% of members express dissatisfaction with the service NMERB provides to its members.

Fourteen percent of NMERB members have visited the NMERB web site within the past year, and among those members, 75 percent rate the web site as being useful. Two-thirds of members recall receiving a newsletter from NMERB within the last year. Among retired members, the vast majority (91 percent) recall receiving a newsletter, as do the vast majority of members who are/were administrators (89 percent). Two-thirds of members who received a newsletter feel it was helpful to them (37 percent feel it was *very helpful*).

Specific performance goals for customer service and improved practices to meet those goals are currently in development. “We’ll perform annual surveys each fall to be sure that we continue to maintain and improve our service to ERB customers,” Riggs says.

For a complete version of the Research & Polling Inc. survey, visit the ERB web site at www.nmerb.org

For Retirees: COLA NEWS: If you are 65 or will turn 65 this year and you were retired by January 1, 2008 you can expect your 2% Cost of Living Allowance effective with your July benefit check which should appear in your checking or savings account on July 31.

If you had to pay more taxes or if you got a big refund on April 15 you may want to change your tax withholding from your ERB benefit. To change tax deductions, go to our web site and download ERB’s tax deduction form, or call us for a copy of the form. Fill out the form and send it to the Santa Fe address at the bottom of the form. If you provide us with a dollar amount that deduction will not change until you instruct us to change the deduction. If you instruct us to use the standard allowances the deduction could change each year as taxes increase or decrease.

For Active Members Withdrawn Service Purchase: You may have earned service with ERB that you withdrew in the past and would like to purchase (Withdrawn Service). Please begin the process at least six months or more before your intended retirement date. The process to purchase withdrawn time has become much more complicated in recent months and takes between two and four months to complete the computation. If you are buying back withdrawn time you must complete the purchase before your retirement date.

Retiree Health Care Rate Increase July 1

Premiums for the retiree health care benefits provided by the New Mexico Retiree Health Care Authority will change effective July 1, 2008. Some plan premiums will increase significantly, some very little, and those who were on the BCBS Medicare Premier plan will see a substantial decrease from last year for a combined plan. Retirees will see the rate changes in their June 30 ERB deposits.

Last year actuaries identified a big change in the fiscal stability of the program. At

current levels the contributions by active employees and employers plus the premiums paid by retirees do not support the benefits. The reserves will be used by 2014 and the RHCA could not provide benefits after that time. A very significant increase in income or a decrease in benefits is needed to extend the benefits beyond 2014. This crisis is an issue for retiree health care benefits not just in New Mexico but for programs all across the nation.

Non-Medicare retirees will

see a significant increase in premiums for those choosing the highest level of coverage with the Gold PPO Plan. The mid-level Silver PPO Plan will see much smaller increases. The lower coverage Bronze PPO Plan actually saw a decrease in premiums.

Coverage that supplements Medicare for those 65 and over saw a small increase in premiums. Changes include a single Blue Cross/Blue Shield plan and the availability of the Lovelace plans throughout New Mexico. The Presbyterian Senior Plans have been

retained. On a positive note, dental benefits from Delta Dental have been added to the United Concordia options.

For more information about New Mexico Retiree Health Care Authority benefits go to their web site at www.nmrhca.state.nm.us or call 1 (800) 233-2576. NMRHCA provides health, dental, vision, life insurance, and long term care insurance for retirees of both the Educational Retirement Board and the Public Employees Retirement Association.

continued from page 1

Goodwin Experienced in Investment Policy

She adds, "I would love to hear from members-- what would they like us to do differently or better?"

Goodwin began working for the state of New Mexico in 1998 as deputy director of the State Investment Council, which manages the state's permanent endowment funds and investments for other state entities. She's drawn to the work because of, "The people. I love working with the people."

In 2000, Goodwin was appointed director of the State Board of Finance. The Board of Finance issues two of the state's major bond programs and provides general supervision of the state's fiscal affairs. From 1996 to 1998, she served as cash management

and investment officer for the city of Santa Fe, where she developed investment policy and managed the city's investments. Those responsibilities entailed working extensively with investment and government communities.

She is a graduate of Wesleyan University (B.A) and the New York University Stern School of Business (M.B.A.) Goodwin is a C.P.A. and a member of the American Institute of Certified Public Accountants. She was also an adjunct lecturer for the New York University Real Estate Masters Program.

An avid hiker, Goodwin also reads just about anything she can get her hands on. She lives in Santa Fe with her two sons.

Diverse ERB Portfolio Less Affected by Volatile Market

Headlines regarding the economy and a volatile stock market are not very encouraging these days. Over the last twelve months ending March 31st, the S&P 500 stock index was down 5.1%. The ERB portfolio was down significantly less, at a negative 1.6%. Our diversification in different asset classes has helped soften the blow of the negative market action. In addition, our longer term five year return is just over 12% per year, well in excess of our long term target return of 8% per year.

The ERB has been working to diversify the fund over the last few years by adding "alternative asset classes". Those are asset classes or strategies that do not follow the "traditional" strategy of buying publically traded stocks and bonds. Specifically in ERB's case, the investment portfolio has "alternative assets" of private equity, real estate and absolute return hedge fund strategies. The purpose of these investments is to help shield the investment portfolio from dramatic downturns in the market. In the twelve months ended March 31st, those investments generated a **positive** return of just over 4%.

The investment philosophy of the Board is to further prudently diversify the fund to guard against significant declines in value and to take a long term approach to the management of the investment portfolio.

Q & A: How Does Return to Work (RTW) Work?

Q: I retired last year. Is that Return to Work program still around?

A: The Return to Work program is still alive and well. It is scheduled to sunset in 2012. It will end on July 1, 2012 unless a new bill gives it a second life.

Most importantly, if you intend to take advantage of returning to work as a retiree, you must have a 12 month layout immediately before applying for permission to participate in the Return to Work program. The layout must have started sometime after your retirement date. If you have been doing ANY kind of work for an ERB employer in the 12 months before you apply you will not be approved for



Return to Work. You must have a request approved by ERB BEFORE you begin working under the RTW program

If you plan to work less than .25 of what the full time equivalent of your new jobs full time hours or earn under \$15,000 in a fiscal year you do NOT need the one year layout as you are not in the Return to Work program. You can work, as an ERB retiree, indefinitely under this rule.

If you have any questions about coming back to work for an ERB employer after retirement please call ERB at 1 (866) 691-2345 to make sure you are not jeopardizing your retirement income.

Member Profile Janet Kahn

kinesthetically, for example, than others do. Dance and drama teachers know very well how movement can be integrated into the classroom. The arts are a great way to use different teaching approaches to fit different learning styles. “No two children learn the same way,” Kahn says, “so a teacher needs to have a bag of tricks that’s wide and deep.”

Classroom teachers get support for arts

Kahn is eager to help classroom teachers supplement the art and music instruction their students receive, but recognizes the challenges. “The stress level of our classroom teachers is off the charts,” Kahn states. “They know students need the arts, but if it’s not going to be tested, they don’t feel they can fit it into their curriculum. So we offer a summer workshop for elementary classroom teachers that focuses on integrating the arts across the curriculum; this year we’re focusing on integration with math. By

making the workshop very participatory, by demonstrating the connections to content standards - and by giving them lots of free supplies, we have found that their confidence and comfort level with the arts is greatly increased. And as a result, we find that these teachers are much more likely to incorporate the arts into their daily classroom instruction.”

Networking with the community

Knowing how difficult the first few years can be for beginning teachers, the elementary Fine Arts program initiated an in-house mentoring program so new teachers can work with experienced teachers for their first two years. A partnership with the University of New Mexico College of Fine Arts and College of Education now places UNM students in art and music education programs with APS elementary art and music teachers for their student teaching experiences.

Kahn also works with over 40 arts-related community individuals and organizations

to help them bring their programs and services to students and teachers. “We are so fortunate to live in a community with such a wealth of arts resources to share with our schools.”

Not just yet

Kahn has been married to husband Charlie for 38 years. He buys and sells cattle and also grazes them outside of Mountainair when rains bring grass. They have two grown children, son Zach who’s studying in Colorado to become a physician’s assistant, and daughter, Jenni, a speech therapist, who also lives in Colorado with her husband and two children. Charlie loves to cook – beef, of course – and Janet loves historical novels and movies.

She’s thinking more these days about retirement, but isn’t ready to. “I need a plan, but I haven’t done that yet. I need something to retire to,” she muses.

continued from page 2

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New Summer Retirement Seminars at ERB

ERB is offering special summer seminars beginning this summer. Since many educational employees have the summer off these seminars will be held during the day at two different Albuquerque locations. There will be three different seminars. Preregistration required for all seminars. Maximum participants – 25. Minimum – 10. All seminars go from 9.00 am to noon.

Questions and Answers: Thinking About Retirement (June 2 and July 7)

In this session we will informally discuss NMERB retirement benefits including Retiree Health Care Authority benefits.

NMERB Albuquerque office at 6201 Uptown Blvd. NE Suite 204.

Exercises from Ready or Not: Your Retirement Planning Guide (June 9 / July 14)

In this session participants will engage in interactive activities from 2 of the chapters from the book. Participants will receive a personal copy of the workbook. Be ready for an interactive session of discussion and small group work. **There will NOT be a specific discussion of NMERB benefits.**

NMERB Albuquerque office at 6201 Uptown Blvd. NE Suite 204.

Financial Planning for Retirement (June 16 and July 21)

In this session, held at the New Mexico Educators Federal Credit Union training center at 3434 Pan American NE, participants will receive specific information about their personal ERB pension benefits. Paul Swanson of ERB will discuss pension benefit options as well as overview New Mexico Retiree Health Care benefits. In the second part of the session Joe Dooley and John Habe, Financial Consultants with NMEFCU, will discuss how to prepare for the financial realities of retirement.

New Mexico Educators Federal Credit Union training center at 3434 Pan American NE.

To register, visit the ERB web site (www.nmerb.org/seminars.php) and fill out the registration form to get information on the location. We'll notify you of any seminar schedule changes.

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