



## **FY23-FY26 Strategic Plan**

## Executive Summary

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The New Mexico Educational Board (NMERB) strategic plan lists a set of goals and measurable objectives that will be used to guide the organization over the course of the next three years based on measurable objectives of our performance. These measures will vary by department, reporting frequency, and may evolve to accommodate changes or enhancements to our business processes. This will allow us to accommodate external factors beyond the organization's control, while grounded in sound principals that will guide our approach to the universe of possibilities affecting pension programs.

### **Vision Statement**

To be an effective and trusted manager of New Mexico's Educational retirement system.

### **Mission Statement**

Providing secure retirement benefits for New Mexico's educational employees – past, present, and future.

### **Values**

Innovation, Integrity, Quality, Respect, Service, Stewardship, Transparency

## Overview

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The Educational Retirement Act was passed in 1957 following efforts to create a public pension plan. Beginning in the early 1920s, with first serious efforts taking place in 1925 when Governor Arthur Hannett and the Legislature passed House Bill 178, An Act Relating to the Retirement of Faculty Members in State Educational Institutions and Providing for the Payment of Annuities. This marked the beginning of what is now the present-day New Mexico Educational Retirement Board.

The agency is governed by a nine-member Board of Directors ("the Board") consisting of the following:

- Secretary of Education, or designee of the Secretary
- State Treasurer
- A member elected by the New Mexico Association of Educational Retirees (4-year term)
- A member elected by the National Education Association of New Mexico (4-year term)
- A member elected by the New Mexico Association of University Professors (4-year term)
- Two members appointed by the Governor (4-year term)
- A member elected by the American Federation of Teachers New Mexico (4-year term)
- Secretary of Higher Education, or designee of the Secretary

The Educational Retirement Board has grown to provide pension benefits to all public education employees subject to the Educational Retirement Act. Employer groups include 220 charter schools, public schools, state agencies, universities and colleges, and special schools.

## Agency Programs

Executive Leadership  
Administrative Services  
Member Services  
Information Technology Services  
Investments  
Communications  
Legal Services

### Significant Challenges

- Inflation and market volatility
- National and geopolitical tensions
- Future plan participation
- Recruitment and retention of qualified staff
- Succession planning
- Pressure to pursue alternative pension arrangements
- Changes to future funding streams
- Internal communication – organizational changes, personnel transactions, policies, procedures, and guidelines
- External communication – rules, deadlines, benefit explanation, establishing expectations

### Agencywide Goals

1. Financial Integrity & Good Governance
2. Meet Member Expectations
3. Technological Innovation
4. Organizational Strength

### FY24-26 Strategic Priorities

- Procurement and implementation of new Pension Administration System (PAS)
- Design and development of new central office complex
- Recruitment and retention of qualified personnel
- Compliance with reporting requirements contained in GASB Statements 25, 53, 67, 68, 87 and 72
- Continuous improvement to the funded ratio of the Trust Fund
- Implementation of internal audit recommendations
- Board member training and education
- Employee training and education

## Internal and External Assessments

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### Financial Integrity & Good Governance

- Is the program on track to achieve full funding within 30-years?
- Are investments meeting performance targets?
- Is NMERB recognized as an upholder of good governance standards?
- Is NMERB leadership competent and recognized for their management efforts?
- Is NMERB transparent and accountable?

### Meet Member Expectations

- Do Members, Employers and general public understand the value of NMERB benefits?
- Do Members feel respected and listened to when communicating with our office?
- Are we providing Members with timely and accurate information?
- Are stakeholder relationships healthy and productive?
- Are Board Members and staff knowledgeable about challenges and issues facing NMERB?
- Are Members engaged and educated on their NMERB benefits, and prepared for retirement?
- Are we reducing the number of inactive accounts?

### Technological Innovation

- Are current IT issues being addressed in a timely manner?
- Is our IT network meeting the needs of our staff? Is it safe and secure?
- Is the implementation of a new Pension Administration System on time and on budget?
- Does our new Pension Administration System meet our business needs?
- Are Members able to securely access, update and make changes to their accounts?
- Are Members utilizing the online tools being made available for them?

### Organizational Strength

- Are the Board Members engaged, well-trained and active?
- Is NMERB recruiting and retaining a highly trained workforce?
- Is NMERB evolving its workforce needs i.e., training, education, scheduling & flexibility?
- Do NMERB's facilities and office space meet the needs of its workforce?

## Measures

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### Executive Leadership

Department Mission: To effectively administer the Educational Retirement Act and to support an environment that facilitates employee achievement and satisfaction.

Measure	FY23 Target
1 Percent of agency goals met	100%
2 Number of days to fill vacant positions	<30
3 Agency vacancy rate	<10%
4 Percent of employees meeting mandatory training requirements	100%
5 New facility development measure	TBD
6 Funding period of unfunded actuarial accrued liability, in years	30

### Administrative Services

Department Mission: To provide comprehensive financial and administrative support to all stakeholders and comply with all state, federal and GASB reporting requirements.

Measure	FY23 Target
1 Percent of prior year audit findings resolved	100%
2 Percentage of LAU payments reconciled by the last day of the month	100%
3 Percentage of budget projections completed monthly	100%
4 Percent of payments made within thirty days of receipt of invoice	100%
5 Percentage of member checks re-issued within 48 hours	100%
6 Percent of major fund reconciliations completed within twenty-one days after the official closing of the books each quarter	100%
7 Number of internal trainings completed	100%
8 Percent of internal audit recommendations implemented	100%

### Member Services

Department Mission: To provide quality customer service.

Measure	FY23 Target
1 Percent of calls answered in less than 3 minutes	85%
2 Number of inactive accounts eliminated	500
3 Percent of calls dropped	<10%
4 Number of in-person appointments	5,500
5 Number of virtual appointments	600

### Information Technology Services

Department Mission: To provide safe and reliable computing resources to all aspects of the organization.

Measure	FY23 Target
1 Average number of days to resolve help desk tickets	2
2 Number of security breaches	0
3 Compliance w/PAS implementation timeline	100%
4 Network downtime	<0.5%

## Investments

Department Mission: Manage investment portfolio in accordance with Board approved parameters based on balanced approach between risk and return.

<b>Measure</b>	<b>FY23 Target</b>
1 Five-year annualized investment returns to meet or exceed board approved reference portfolio benchmark, in basis points	>=Benchmark Index
2 Five-year performance ranking in national peer survey of public plans	<=50th
3 Ten-year performance investment returns to meet or exceed board approved reference portfolio benchmark, in basis points	>=Benchmark Index
4 Ten-year performance ranking in a national peer survey of public plans	<=50th
5 Average rate of net return over the last five years	7.00%
6 Average rate of net return over the last ten years	7.00%

## Communications

Department Mission: To provide relevant, timely and helpful information to internal and external stakeholders.

<b>Measure</b>	<b>FY23 Target</b>
1 Number of Member and Retiree seminars attended	20
2 Number of NMERB initiated communication pieces i.e., newsletters, fliers, Facebook	24
3 Number of members registered with retirement account	400

## Legal Services

Department Mission: To provide timely and accurate legal advice and analysis to agency leadership.

<b>Measure</b>	<b>FY23 Target</b>
1 Percent of fiscal impact reports completed within 24 hours of receipt	100
2 Number of days to review/approval contracts	2
3 Number of business days to review/approve independent contractor applications	3