



State of New Mexico

Office of the Governor

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Governor

For immediate release
March 9, 2005

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Governor Bill Richardson proposes immediate plan to shore up education retirement fund

SANTA FE - Governor Bill Richardson today proposed a bold plan to protect teachers and other educators' retirement. The Governor's plan would provide \$100 million to shore up the educators' retirement fund, currently facing a \$2.4 billion unfunded liability.

Under the Governor's plan, the state would take advantage of low interest rates to issue bonds for this year's capital outlay projects, which will generate an extra \$100 million to be used to immediately provide dollars for the fund overseen by the Educational Retirement Board.

The plan is designed to provide funding for the ERB over the next three years while a task force appointed by the Governor explores long-term solutions. ERB will also present the plan to the State Board of Finance to ensure that the fund has a sound investment strategy for the dollars.

"I want to continue to work with legislators who are as committed as I am to ensuring that educators can count on their pension in the long-run," said Governor Bill Richardson. "This plan shores up the pension fund in the short-term, while protecting teachers' paychecks at a time when they're facing higher health-insurance costs."

Governor Richardson outlined the plan for legislative leaders today, recommending that they consider this immediate effort to protect educators' retirement security.