

**MINUTES
of the
SIXTH MEETING
of the
INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE**

**November 27, 2023
State Capitol, Room 322
Santa Fe**

The sixth meeting of the Investments and Pensions Oversight Committee for the 2023 interim was called to order by Senator Roberto "Bobby" J. Gonzales, chair, on Monday, November 27, 2023, at 10:05 a.m. in Room 322 of the State Capitol in Santa Fe.

Present

Sen. Roberto "Bobby" J. Gonzales, Chair
Rep. Patricia Roybal Caballero, Vice Chair
Rep. Cynthia Borrego
Rep. Natalie Figueroa
Sen. Daniel A. Ivey-Soto
Rep. Alan T. Martinez
Rep. William "Bill" R. Rehm
Sen. Antoinette Sedillo Lopez
Sen. Elizabeth "Liz" Stefanics

Absent

Rep. Ambrose Castellano
Sen. Joshua A. Sanchez
Rep. Linda Serrato

Advisory Members

Rep. Eliseo Lee Alcon

Sen. William F. Burt
Sen. Michael Padilla
Sen. Shannon D. Pinto
Rep. Debra M. Sariñana

Guest Legislator

Rep. Tara L. Lujan

Staff

Cristina Vasquez, Staff Attorney, Legislative Council Service (LCS)
Carrie McGovern, Researcher, LCS
Catherine Sayler, Staff, LCS

Minutes Approval

Because the committee will not meet again this year, the minutes for this meeting have not been officially approved by the committee.

Guests

The guest list is in the meeting file.

Handouts

Copies of all handouts and written testimony are in the meeting file and posted on the legislature's website.

References to Webcast

The time reference noted next to each agenda item in this document is cross-referenced to the webcast of the committee meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and committee discussions for agenda items can be found on the recorded webcast for this meeting.

Monday, November 27

Educational Retirement Board (ERB): Final Update (10:06 a.m.)

David Archuleta, executive director, ERB, and Randall Cherry, general counsel, ERB, provided an update on the ERB. Mr. Archuleta noted that as of June 30, 2023, although the funded ratio dipped slightly by 0.6% to 62.9%, the amortization period decreased by three years to 26 years. Additionally, Mr. Cherry gave an update on a recent New Mexico Court of Appeals case that found that the Department of Finance and Administration did not have the authority to reject approved salary increases for ERB employees. The presentation can be found here:

<https://www.nmlegis.gov/handouts/IPOC%2012723%20Item%201%20Agency%20Update.pdf>.

Approval of Minutes (10:53 a.m.)

On a motion made and seconded, and without opposition, the minutes of the October 31, 2023 meeting were approved as submitted.

Public Employees Retirement Association (PERA): Final Update (10:57 a.m.)

Greg Trujillo, executive director, PERA, and Michael Shackelford, chief investment officer, PERA, presented final PERA statistics for the fiscal year (FY) ending June 30, 2023, including a funded ratio of 67.7%, an amortization period of 53 years and a total fund value of \$16.7 billion, an increase of \$29 million. Furthermore, the PERA paid its retirees \$1.42 billion in benefits, and 90% of retirees received a cost-of-living adjustment in FY 2023. The presentation can be found here:

<https://www.nmlegis.gov/handouts/IPOC%2012723%20Item%202%20PERA--Final%20Update.pdf>.

Retiree Health Care Authority (RHCA): Final Update and Proposed Legislation (12:43 p.m.)

Neil Kueffer, executive director, RHCA, discussed final FY 2023 data for the RHCA, highlights of which include an improved funded ratio of 44.16% and an increase in Retiree Health Care Fund value to \$1.276 billion, a 10-year high. Mr. Kueffer also reviewed the RHCA's legislative proposals, including a one-time legislative appropriation of \$150 million and a proposed constitutional amendment (.226695.1SA) to have the RHCA recognized and

protected under the Constitution of New Mexico, similar to constitutional protections given to the ERB and PERA. The presentation can be found here:

<https://www.nmlegis.gov/handouts/IPOC%20112723%20Item%203%20RHCA--Final%20Update.pdf>.

Motion for Endorsement: On a motion made and seconded, the committee voted to endorse .226695.1SA as submitted, with Senators Ivey-Soto, Sedillo Lopez and Stefanics and Representative Martinez voting 'no'.

Proposed Return-to-Work Legislation (2:11 p.m.)

Representative Rehm proposed legislation (.226680.1) to allow certain retired public employees to return to work for affiliated public employers under certain conditions. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=11/27/2023&ItemNumber=4>.

Motion for Endorsement: On a motion made and seconded, the committee voted to endorse .226680.1 in concept, with Senator Ivey-Soto and Representatives Roybal Caballero, Borrego and Figueroa voting 'no'.

Senator Gonzales next reviewed proposed legislation (.226682.2) to change the pension calculation for state legislator member coverage plan 2.

Motion for Endorsement: On a motion made and seconded, the committee voted unanimously to endorse .226682.2 as submitted.

Endorsed Legislation

The endorsed legislation can be found here:

https://www.nmlegis.gov/Committee/endorsed_legislation?CommitteeCode=IPOC&Year=2023.

Overview and Analysis of Funds Managed by the Office of the State Treasurer (OST) (2:59 p.m.)

Laura M. Montoya, state treasurer, OST, and JR Rael, deputy treasurer, OST, presented an overview of funds managed by the OST and final FY 2023 figures. Ms. Montoya stated that in FY 2023, the OST served 140 agencies, had \$17 billion in managed assets and \$290 million in earnings and saw a trade volume of \$26.3 billion, which is \$18 billion more than in FY 2018. The presentation can be found here:

<https://www.nmlegis.gov/handouts/IPOC%20112723%20Item%205%20State%20Treasurer%20final%20update.pdf>.

Public Comment (3:53 p.m.)

A list of individuals making public comment is available in the meeting file.

Adjournment

There being no further business before the committee, the meeting adjourned at 3:57 p.m.