

New Mexico State Treasurer's Office

FY23 Budget Presentation to Legislative Finance Committee

October 28, 2021



STO Team Members



- Tim Eichenberg, State Treasurer
- Sam Collins, Deputy State Treasurer
- Heather Benavidez, Chief of Staff and ABLE/Financial Literacy Officer
- Charmaine Cook, State Cash Manager
- David Mahooty, Chief Financial Officer
- Vikki Hanges, Chief Investment Officer
- Kathy Duffy, Operations/Forfeiture
- Claudia Armijo, Work and Save Interim Executive Director
- Steve Marsico, Deputy State Cash Manager

What STO Does



- Manages and invests the State's operating cash and bond proceeds.
- Provides banking assistance and services to State agencies.
- Acts as paying agent on the State's outstanding debt/bond issues.
- Manages and invests the New Mexico Local Government Investment Pool (LGIP) on behalf of New Mexico's local governing entities.
- Enforces the State's collateral policy on financial institutions holding State money.
- Operates New Mexico ABLE (Achieving a Better Life Experience) program.
- Administers the Forfeiture Act.
- Oversees the New Mexico Work and Save program.



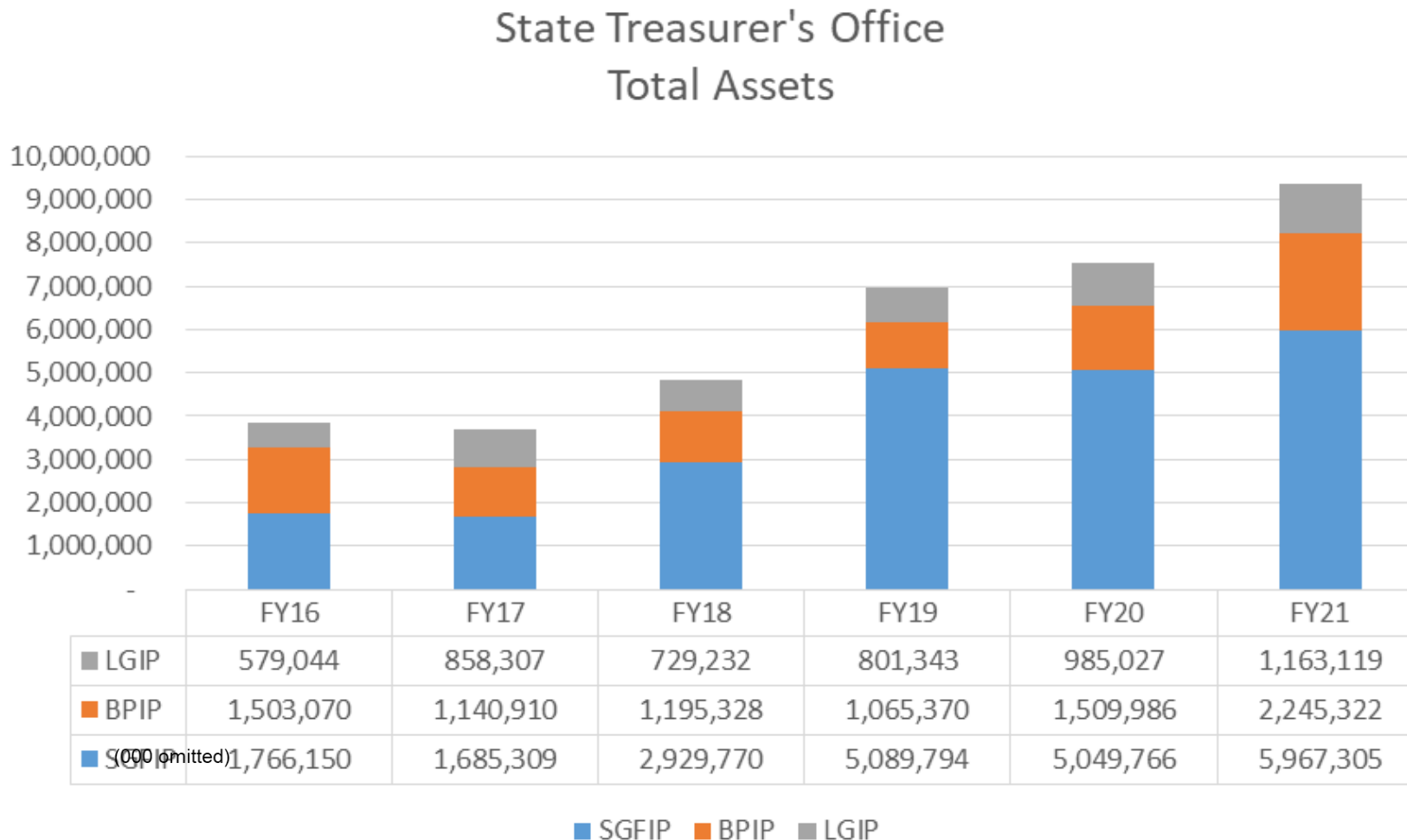
STO's Investment Objectives

- Safety, Safety, Safety
- Liquidity
- Yield

**Investments are primarily high-quality, short-duration,
U.S. Government and Agency bonds
that minimize credit risk and interest rate risk**



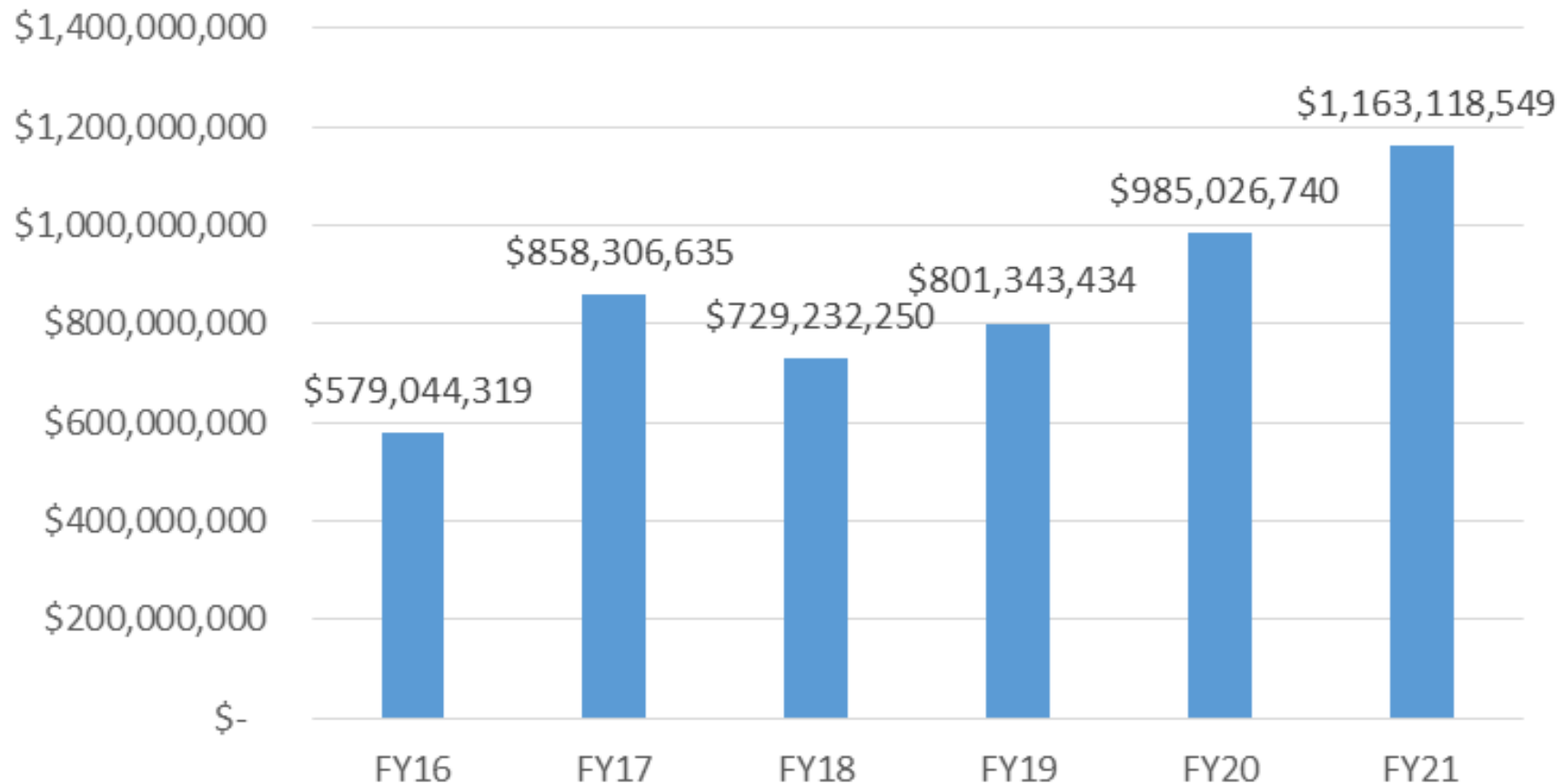
STO's Investment Pools Total Over \$9 Billion



Local Government Investment Pool has Doubled



Local Government Investment Pool Assets





FY21 STO Highlights & Accomplishments

1. Record investment, cash management, and debt service responsibilities managed in an exemplary fashion.
 - STO's core business has been prudently managed.
2. Achieving a Better Life Experience (ABLE) program (launched January 2018) **is operated with no general fund appropriation.**
 - Tax-free savings account for individuals with disabilities.
 - 881 accounts as of June 30, 2021.
 - Number of accounts has increased by 73.38% and 82.78% in FY20 & FY21, respectively. Average account size has also grown.

ABLE has Experienced Significant Growth



ABLE Average Account Balance has Grown

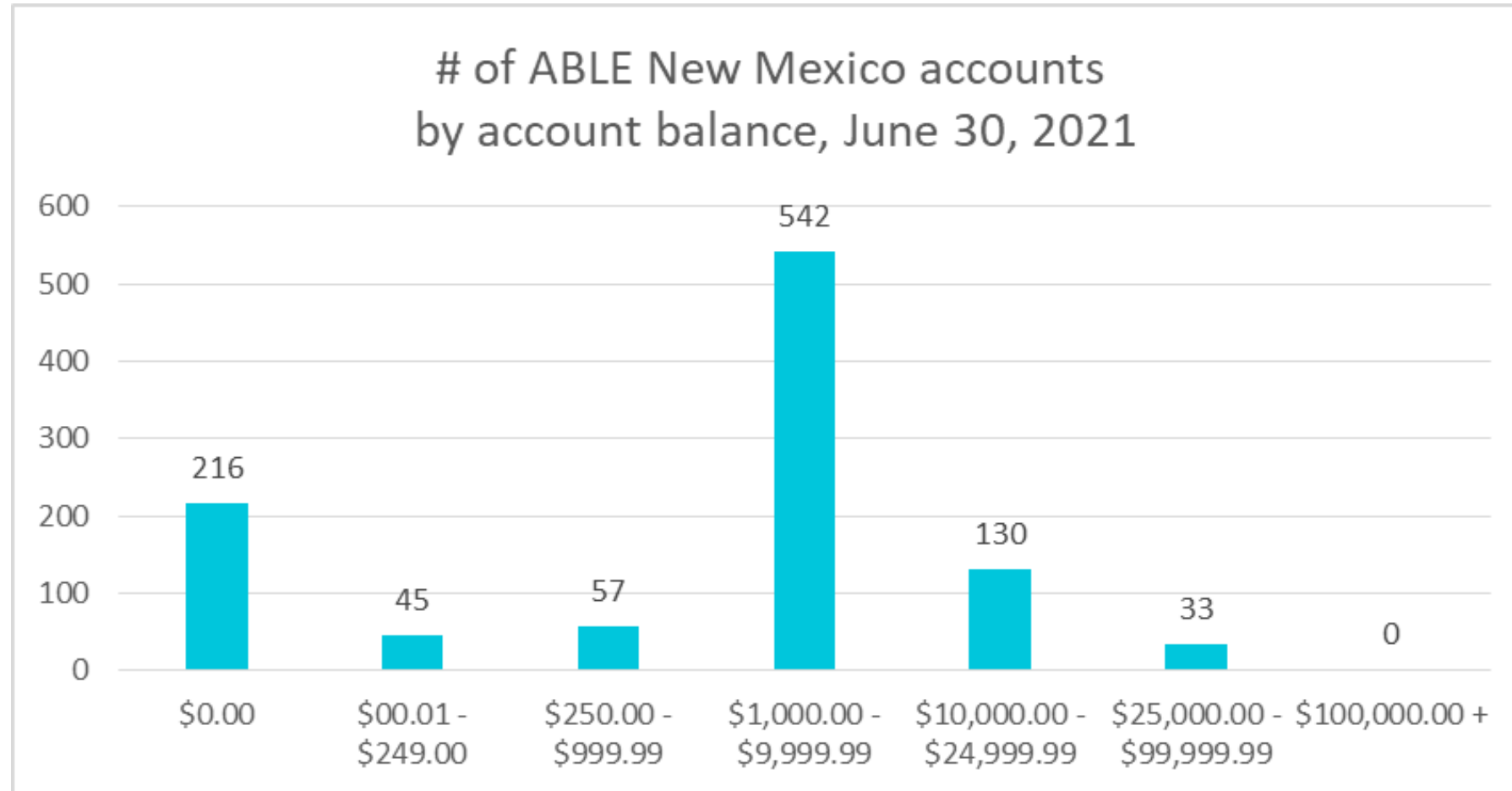


ABLE New Mexico
Average account balance by Fiscal Year





ABLE Account Balance Distribution



69% of ABLE New Mexico account owners have assets totaling from \$1,000 to \$99,999.

FY21 STO Highlights & Accomplishments *(continued)*



3. No findings were identified during FY21 draft audit.
4. LGIP maintained the highest S&P principal stability rating of AAAm (15th consecutive FY).
5. New Mexico Work and Save program implementation is underway!
 - 67% of NM private-sector workers have no retirement savings.
 - HB44 enacted in 2020 established a voluntary state-sponsored retirement plan.
 - New Mexico became one of only 12 states leading the way in helping private-sector employers provide retirement savings options for their workers.
 - Board's first meeting was held October 28, 2020.

Thank you HB44 Sponsors for Your Leadership!



**Representative
Tomás E. Salazar**



**Representative
Christine Chandler**



**Representative
Gail Armstrong**



**Senator
Bill Tallman**



**Senator
Michael Padilla**

Passed with Overwhelming Bipartisan Support
House: 62/1 Senate: 40/0

Work and Save Board of Directors



Lynn Hoffman, JD
Board Chair



DeAnza Valencia, JD
Board Vice Chair



Mary Chowning
Finance & Funding
Committee Chair



Isaiah Zemke
Education & Outreach
Committee Chair



Connor Browne, CFA
Board Member



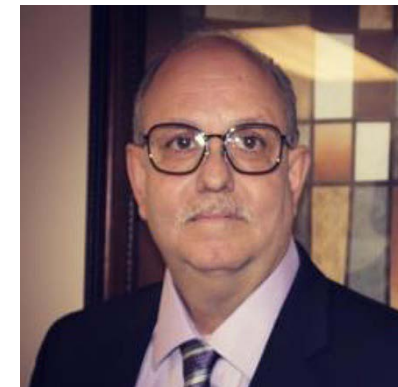
Cindy Bryan
Board Member



Carter Bundy
Board Member



Melisa Coleman
Board Member

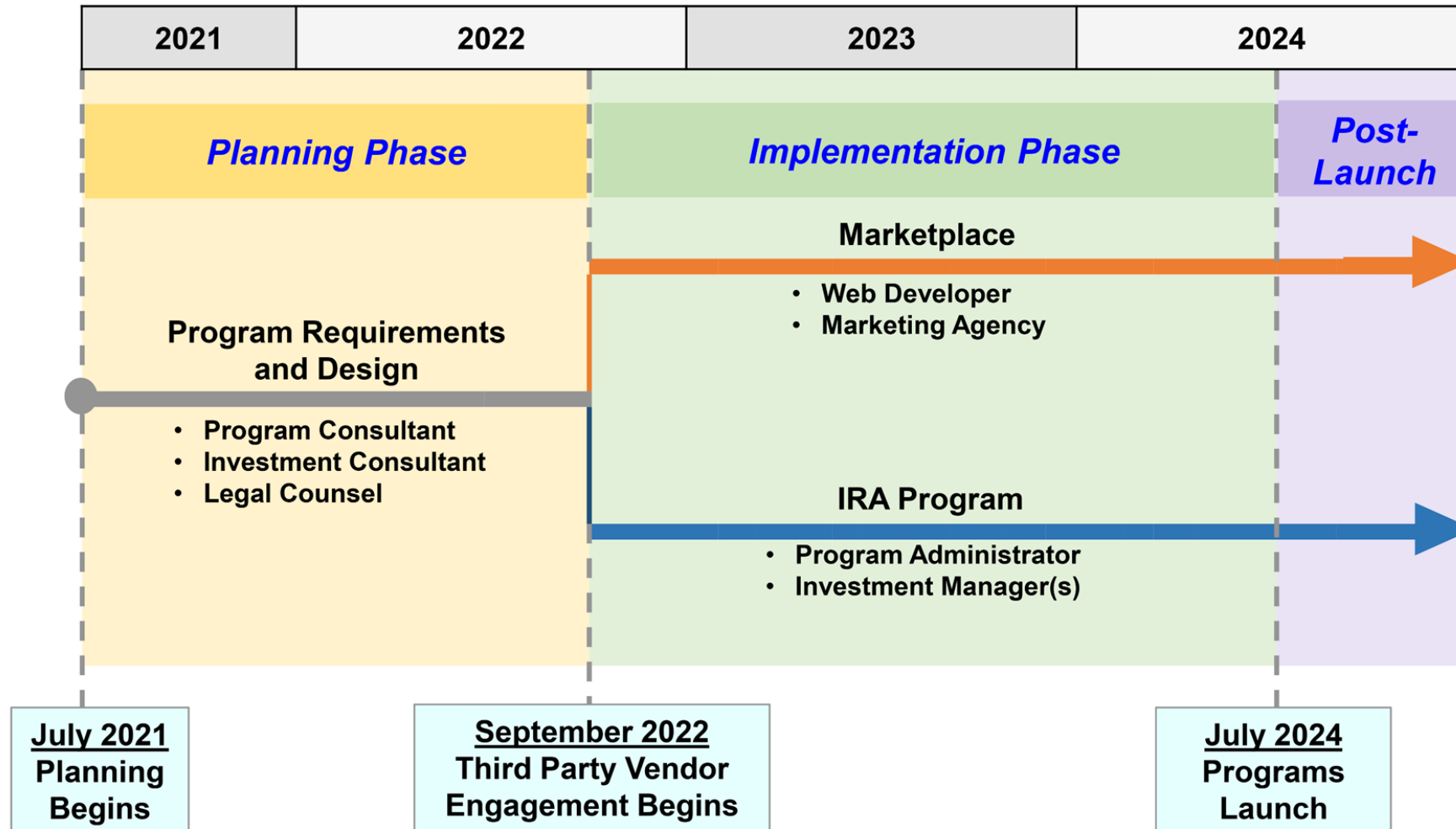


Eric Quintana
Board Member





Work and Save Implementation Timeline





FY23 Request & General Fund Appropriations

(000 omitted)	Legacy	Work & Save Personnel	Work & Save Contracts	GF Approp
FY23 Request	\$3,638.6	\$270.0	\$642.9	\$4,551.5
FY22	3,411.1	200.0	272.4	3,883.5
FY21	3,570.3	118.0	8.0	3,696.3
FY20	3,838.9	-	-	3,838.9
FY19	3,474.3	-	-	3,474.3
FY18	3,428.6	-	-	3,428.6
FY17	3,628.2	-	-	3,628.2

**GF
Appropriations
used for legacy
functions have
generally been
flat.**



Why STO Needs Additional Funding

- \$642,850 for implementation and administration of the Work and Save Program.
- \$60,000 for IT to acquire new service, software subscriptions, and hardware warranties.
- Remaining request is generally flat.

Work and Save's Use of Additional Funding



Description	Cost (000 omitted)
Program consultation	\$201.0
Marketing and outreach	199.5
Investment consultation	112.5
Website design, development and management	95.0
ERISA legal consultation	26.6
Other	8.3
Total	642.9

STO Staffing Summary



- Previous administration had 40 authorized FTEs.
- 35 authorized FTEs.
- 28 FTEs currently.
- Higher wages have been paid to transition staffing mix from predominantly clerical to predominantly professional.
- Reductions in staffing achieved while adding new programs (ABLE, Forfeiture, Work and Save).

Contact Information



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