

The background features a large, faint seal of the New Mexico State Auditor. The seal is circular and contains the text "SEAL OF THE STATE AUDITOR" around the perimeter. In the center, there is a figure holding a scale and a sword, with a banner below it. A red vertical bar is located in the top right corner of the slide.

New Mexico State Treasurer's Office

Investments & Pensions Oversight Committee

Representative Cynthia Borrego (District 17), Chair
Senator Roberto "Bobby" J. Gonzales (District 6), Vice Chair

July 2, 2026



STO Mission & Vision

Mission

We provide excellence and growth in banking, investing in public service with full transparency and trust for New Mexicans and the state of New Mexico. Our work uplifts and empowers New Mexicans through programs that strengthens our families, economy, and state.

Vision

Securing Today, Building Tomorrow. We deliver effective cash management and investment services by balancing safety, liquidity, and yield, through transparency, innovation, and dedicated programs.



Did You Know?

- The State Treasurer's Office manages:
 - Investments on behalf of the State and local governments
 - 1,100 bank accounts for 140 state government agencies
 - Overnight Repo pool
 - Education & Technology notes on behalf of eligible entities
 - General Obligation Bonds
 - Paying agent for outstanding bond Issues
 - Collateral and cash flow management
 - Collaborate across 13 Boards, Councils and Commissions

\$19.4 Billion in Managed Assets (FY25)



(\$17.3 Billion in FY24)

\$16.06 Billion
State Funds



\$3.32 Billion
LGIP Funds

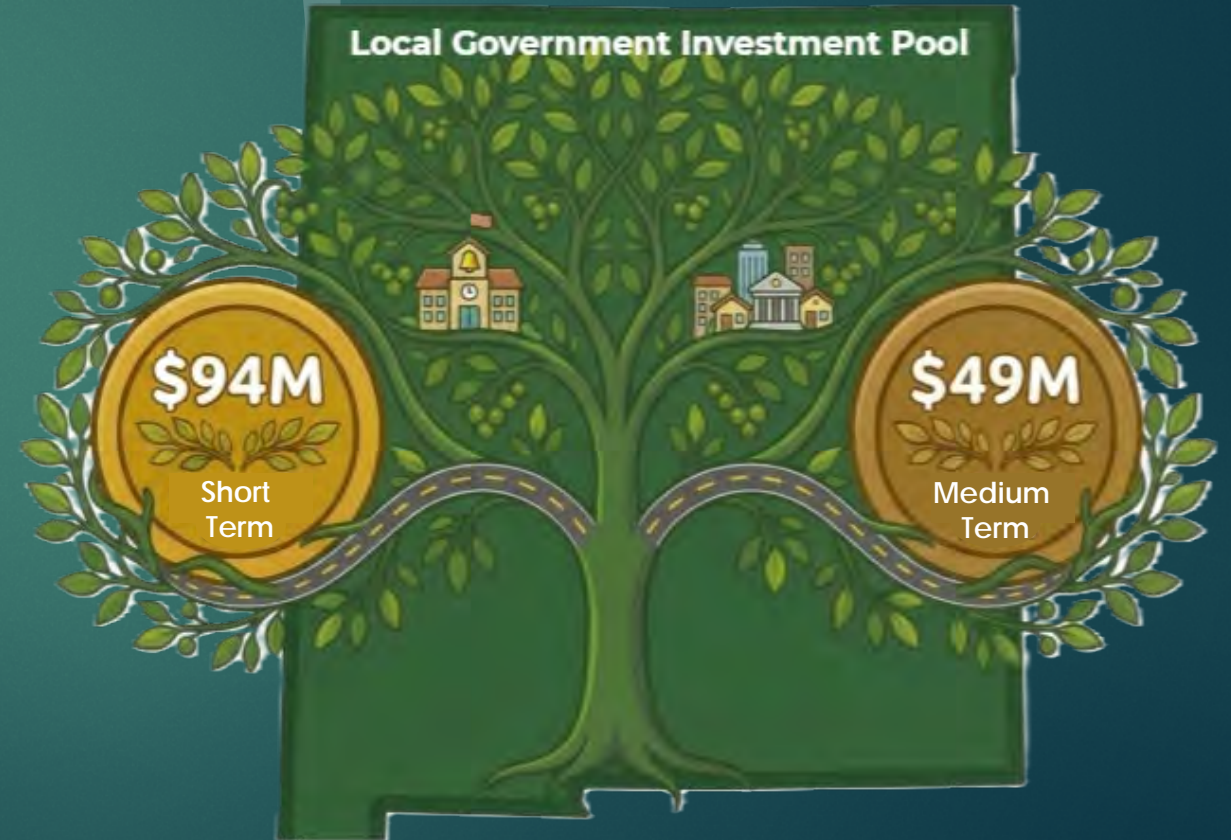
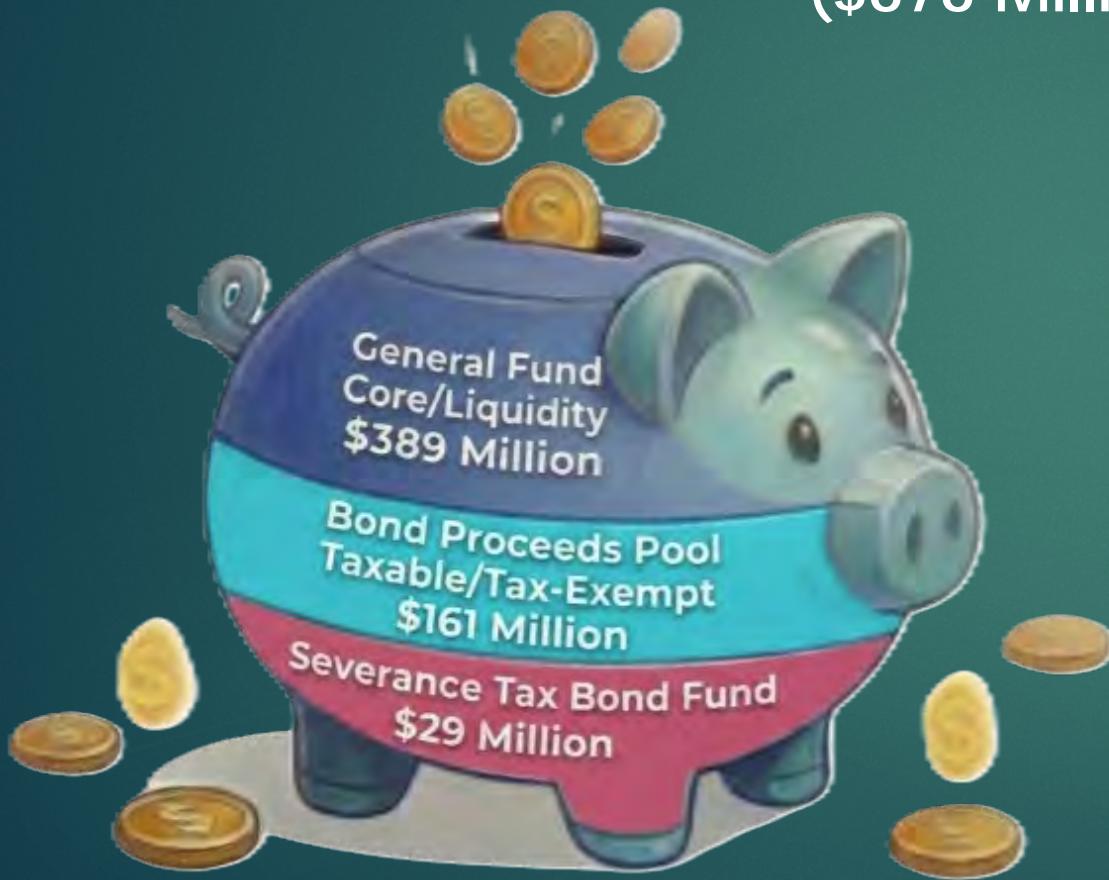


STO Earned Interest



\$722 Million in FY25

(\$676 Million in FY24)





Operational Scalability: Staff Capacity vs. Asset Growth



- Since taking the helm in 2023, Treasurer Montoya has led the increase of managed assets.
 - Assets grew from \$14.5B to \$19.4B with a decline in budgeted staff.
 - In FY15, 29 staff were managing \$4.1B
 - In FY25, 26 staff were managing \$19.4B (5X the size of the FY15 portfolio)

- In FY25, the State Treasurer's Office earned \$722M in interest across all seven pools.
 - 7% increase in FY25 earnings across all funds compared to FY24.
 - FY25 earnings for LGIP (ST and MT) were 43% greater than FY24.
- \$1.9M Per Day of Interest Earned



Education & Technology Notes



FY24

Cobre Consolidated School District
Logan Municipal Schools
Tatum Municipal School District
Bloomfield School District
Pojoaque Valley Public School District
Aztec Municipal School District
Las Vegas City School District
Belen Consolidated School District
Lovington Municipal School District
Gadsden Independent School District
Cuba Independent School District
Jal Public Schools
Carlsbad Municipal School District
Jal Public Schools
Taos County
Cuba Independent School District
Jal Public Schools
City of Albuquerque

Total: \$94,714,000.00

FY25

Cobre Consolidated School District
Aztec Municipal School District
Tatum Municipal School District
Tucumcari Public Schools
Carlsbad Municipal School District
Cuba Independent School District
Gadsden Independent School District
Bloomfield Schools
Belen Consolidated School District
Central New Mexico Community College
Lovington Schools
Jal Public Schools
San Juan College
Bloomfield Schools
Santa Fe Public Schools
Carlsbad Municipal School District
Farmington Municipal School District
Las Cruces Public Schools
Bloomfield Schools
City of Albuquerque
Santa Fe Public Schools

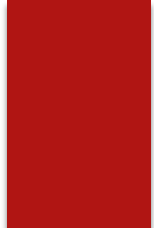
Total: \$205,300,000.00

FY26

Chama Valley Independent Schools #19
Gadsden Independent School District
Carlsbad Municipal School District
Bernalillo County
City of Albuquerque
Cobre Consolidated School District
Belen Consolidated School District
Cuba Independent School District
Aztec Schools
Lovington Municipal School District
Logan Municipal Schools
Jal Public Schools
Capitan Municipal School District No. 28

Total: \$169,765,000.00

STO Progress



FY2022

FY2025

\$14.5 Billion In Assets Under Management

Local Government Investment Pool (LGIP)

\$1.5 Billion In Assets **123** Local Government Participants **243** Accounts

5 Investment Pools

- General Fund
- Taxable Bond Proceeds Investment Pool
- Tax-Exempt Bond Proceeds Investment Pool
- Local Government Investment Pool
- Severance Tax Bonding Pool

\$68 Million Earned On Investments

28 Hard-working STO Employees **16th** Consecutive Fiscal Year LGIP rated AAAm by S&P

FY2022: \$6,986.55
FY2021: \$6,898.39
FY2020: \$5,495.80

Average NM STABLE Account Balances

\$6.9 Million Assets Under Management **1,332** NM STABLE Accounts

Trade Volume
\$22 Billion



For Sep - Nov, 2025
Total Trades = 5,919

For Sep - Nov, 2024
Total Trades = 2,922

Quarterly Increase =
2,997 (102.5%)

\$19.4 Billion In Assets Under Management

Local Government Investment Pool (LGIP)

\$3.37 Billion In Assets **129** Participants **\$143.5 Million** Earnings

259 Accounts **Added** Medium-Term Pool

6 Investment Pools

- General Fund
- Taxable Bond Proceeds Investment Pool
- Tax-Exempt Bond Proceeds Investment Pool
- Local Government Investment Pools
- Severance Tax Bonding Pool

\$722 Million Earned On Investments

28 Hard-working STO Employees **19th** Consecutive Fiscal Year LGIP rated AAAm by S&P **PCI Audit** compliant for a fourth straight year

FY2025: \$11,754.65
FY2024: \$10,512.73
FY2023: \$8,743.98

Average NM STABLE Account Balances

\$20.2 Million Assets Under Management **1,714** NM STABLE Accounts



What is LGIP? (ST & MT)

currently 135 participants

- Safety
 - Short Portfolio Average Maturity – Maximum 60 Days
 - Treasury & Government Related Securities Only
 - **100%+ Collateralized Bank Deposits and Repurchase Agreements**
 - Strong Governance – STIC, Board of Finance, Investment Advisor
- Liquidity
 - Daily Liquidity vs. “locked up” CD or Treasury Bill Alternatives
- Yield
 - Low Fees and Expenses
 - Currently 0.05% Management Fee
 - Attractive Yield vs. Privately Managed Money Market Funds
- Prime Money Market Mutual Fund Rules Don't Apply:
 - No Floating NAV
 - No Liquidity Fee on Redemptions During Times of Stress
 - No Redemption Gates

ABQ BERN CO WATER UTILITY AUTH
ALBUQUERQUE HOUSING AUTHORITY
ALBUQUERQUE PUBLIC SCHOOLS
AMAFCA
ANGEL FIRE PUBLIC IMPROVEMENT
BERNALILLO COUNTY TREASURER
BERNALILLO PUBLIC SCHOOL
BIG MESA MDWCA
CABALLO SOIL AND WATER CONS.
CAMINO REAL REGIONAL UTILITY A
CATRON COUNTY
CENTRAL NM COMMUNITY COLLEGE
CHAMA VALLEY IND SCHOOL DISTRI
CHAVES COUNTY TREASURER
CIBOLA COUNTY TREASURER
CITY OF ALAMOGORDO
CITY OF AZTEC
CITY OF CLOVIS
CITY OF DEMING
CITY OF ESPANOLA
CITY OF EUNICE
CITY OF GALLUP
CITY OF GRANTS
CITY OF HOBBS
CITY OF JAL
CITY OF LAS VEGAS
CITY OF LORDSBURG
CITY OF LOVINGTON
CITY OF PORTALES
CITY OF ROSWELL
CITY OF SANTA FE
CITY OF SOCORRO
CITY OF TRUTH OR CONSEQUENCES
CITY OF TUCUMCARI

CLAUNCH-PINTO SWCD
CLOVIS COMMUNITY COLLEGE
COLFAX COUNTY TREASURER
COUNTY OF SIERRA
CURRY COUNTY
EAST TORRANCE SOIL & WATER CON
EASTERN N M UNIVERSITY - ROSWELL
EASTERN NEW MEXICO WATER UTILI
EASTERN NM UNIVERSITY - PORTAL
EDUCATION TRUST BOARD
EL VALLE DE LOS RANCHOS WATER
ELDORADO AREA WATER & SANITATI
ELEPHANT BUTTE IRRIGATION DIST
ESTANCIA MUNICIPAL SCHOOLS
EUNICE PUBLIC SCHOOLS
EUNICE SPECIAL HOSPITAL DISTRI
FIRST JUDICIAL DISTRICT COURT
GILA REGIONAL MEDICAL CENTER
GRANT COUNTY TREASURER
GREENFIELD MDWCA
GUADALUPE COUNTY TREASURER
HIDALGO COUNTY TREASURER
HOBBS MUNICIPAL SCHOOLS
JAL HOSPITAL DISTRICT.
LAS CRUCES SCHOOL DISTRICT #2
LINCOLN COUNTY TREASURER
LOBO DEVELOPMENT CORPORATION
LOS ALAMOS COUNTY
LOVINGTON MUNICIPAL SCHOOLS
MCKINLEY COUNTY TREASURER
MESA DEL SOL
MESA DEL SOL TAX INCREMENT DIS
MESALANDS COMMUNITY COLLEGE
MIDDLE RIO GRANDE CONS. DISTRI

MORA COUNTY
N CENTRAL REGIONAL TRANSIT DIS
NEW MEXICO HIGHLANDS UNIVERSIT
NEW MEXICO INSTITUTE OF MINING
NEW MEXICO JUNIOR COLLEGE
NEW MEXICO PUBLIC SCHOOL INS A
NEW MEXICO RENEWABLE ENERGY TR
NEW MEXICO SELF-INSURER'S FUND
NM COUNTY INSURANCE AUTHORITY
NM EDUCATIONAL ASST. FOUNDATIO
NM INSTITUTE OF MINING & TECH
NM MORTGAGE FINANCE AUTHORITY
NM SCHOOL FOR THE DEAF
NOR LEA GENERAL HOSPITAL
POJOAQUE VALLEY SCHOOL DISTRIC
QUESTA INDEPENDENT SCHOOLS
RAMAH NAVAJO CHAPTER
RIO ARRIBA COUNTY TREASURER
RIO RANCHO PUBLIC SCHOOLS
RIO SAN JOSE FLOOD CONTROL DIS
ROSWELL INDEPENDENT SCHOOL DIS
SAN ANTONIO MDWCA
SAN JUAN COUNTY TREASURER
SAN MIGUEL COUNTY
SANDOVAL COUNTY TREASURER
SANTA FE COUNTY
SANTA FE PUBLIC SCHOOLS
SECOND JUDICIAL DISTRICT COURT
SEVENTH JUDICIAL DISTRICT COUR
SMALL BUSINESS INVESTMENT CORP
SOCORRO COUNTY TREASURER
SOUTHERN SANDOVAL COUNTY AFCA
STB FUND

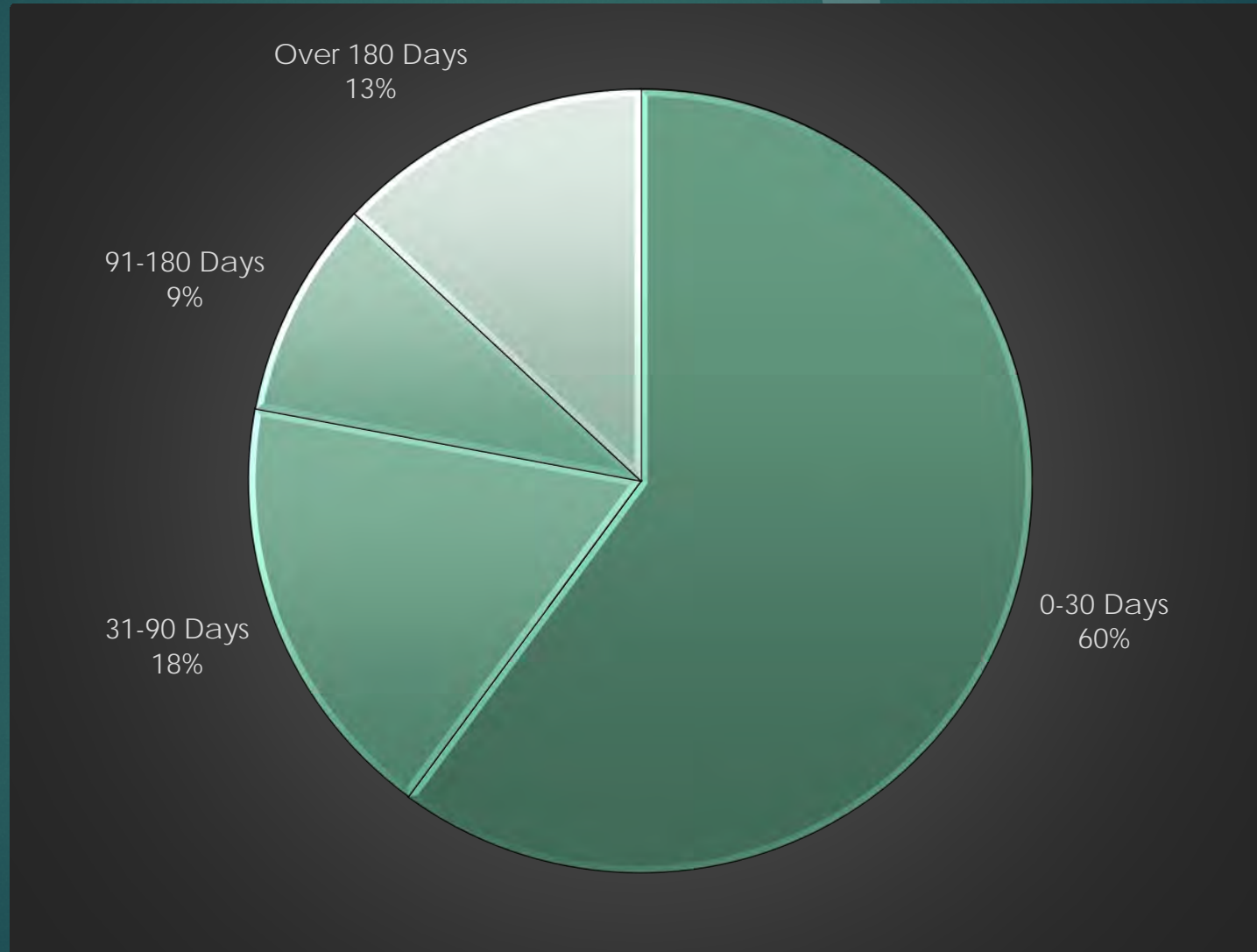
SW D
SW REGIONAL COOPERATIVE CTR
T OR C MUNICIPAL SCHOOLS
TAOS MUNICIPAL SCHOOLS
TAOS SOIL & WATER CONSERVATION
TATUM MUNICIPAL SCHOOLS
THIRD JUDICIAL DISTRICT COURT
TORRANCE COUNTY TREASURER
TOWN OF COCHITI LAKE
TOWN OF ELIDA
TOWN OF ESTANCIA
TOWN OF HURLEY
TOWN OF MESILLA
TOWN OF MOUNTAINAIR
TOWN OF RED RIVER
TOWN OF SILVER CITY
TOWN OF TAOS
TULAROSA MUNICIPAL SCHOOLS
VALENCIA COUNTY TREASURER
VILLAGE OF ANGEL FIRE
VILLAGE OF CORRALES
VILLAGE OF EAGLE NEST
VILLAGE OF HATCH
VILLAGE OF LOS RANCHOS
VILLAGE OF MOSQUERO
VILLAGE OF QUESTA
VILLAGE OF SAN YSIDRO
VILLAGE OF SANTA CLARA
VILLAGE OF TAOS SKI VALLEY
VILLAGE OF TAOS SKI VALLEY TID
VILLAGE OF TIJERAS
VILLAGE OF TULAROSA
VILLAGE OF WILLIAMSBURG
WINROCK TOWN CENTER TID
STATE INVESTMENT COUNCIL

LGIP Total: \$3.32 Billion; Earnings: \$143.3 Million



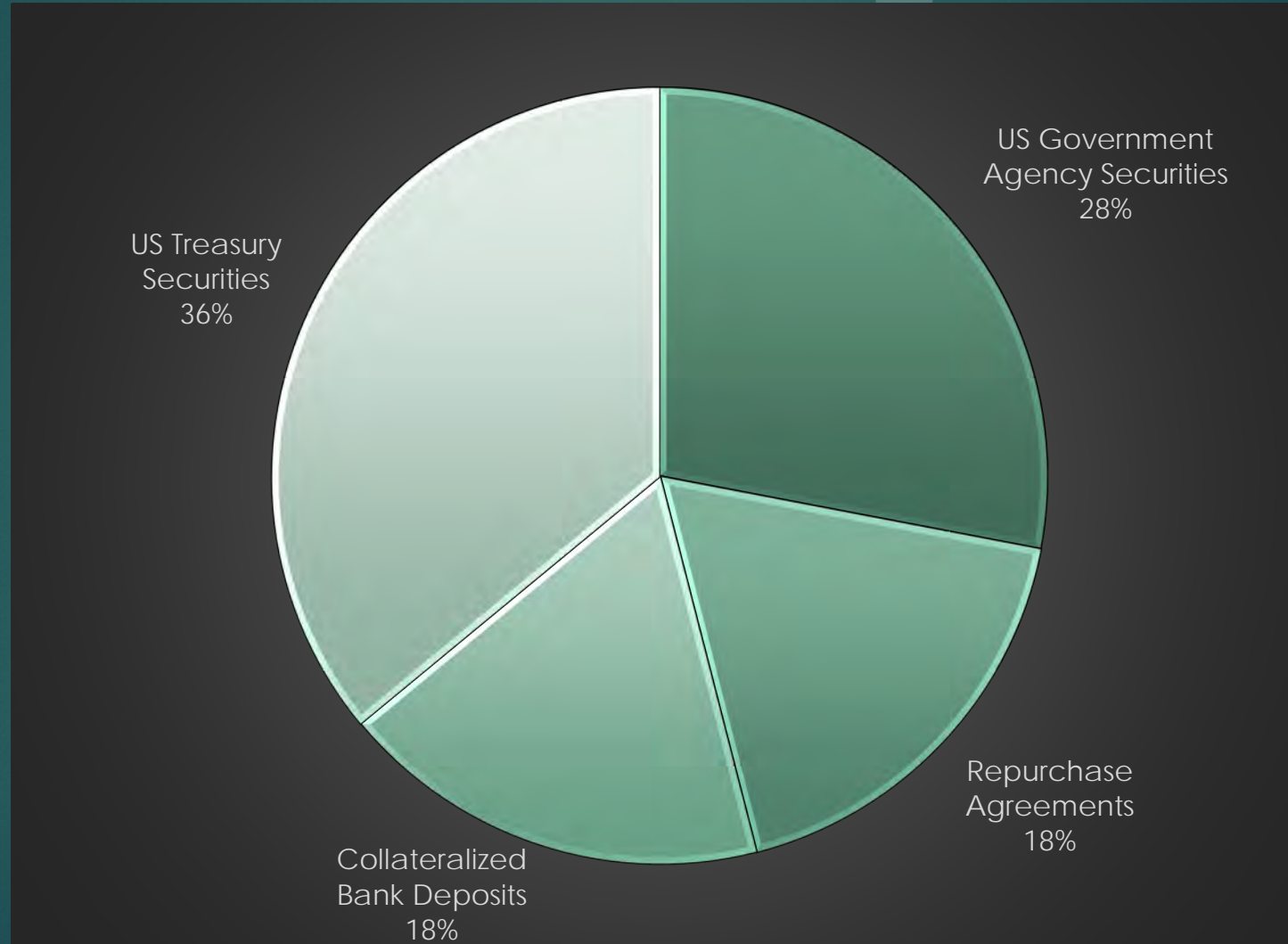
Short-Term LGIP Maturity Distribution

As of March 31st, 2026



Short-Term LGIP Asset Allocation

As of March 31st, 2026

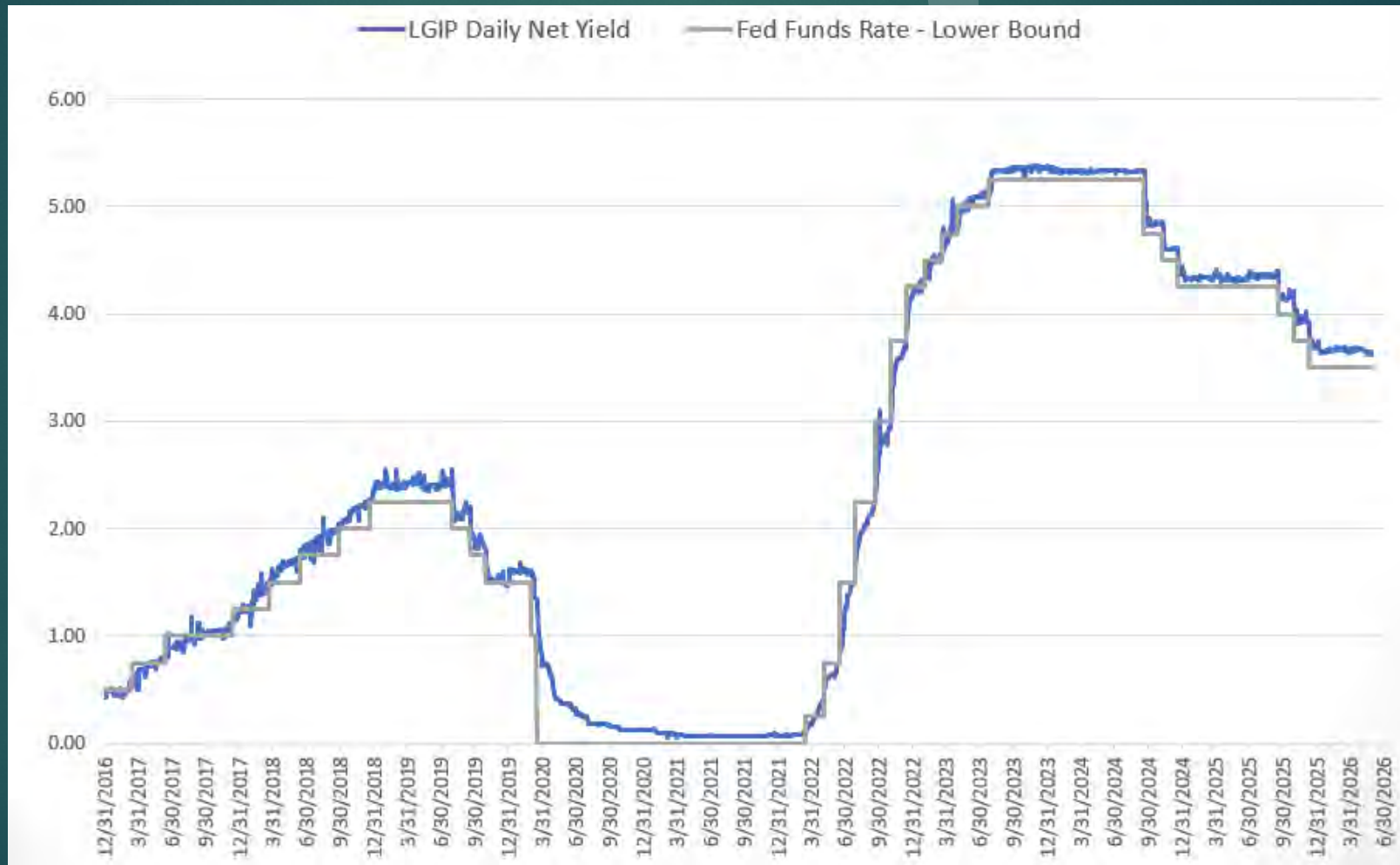


Market Overview



- **Current Federal Funds rate 3.50% - 3.75%**
 - Fed has reduced the policy range a cumulative 1.75% since September 2024, after reaching a high of 5.25%-5.50% in 2023
 - At the June FOMC meeting, the Fed projected a year-end Fed Funds rate of 3.75%, implying a 0.25% rate increase by year end. The March forecast had been a 0.25% rate decrease.
 - The market is ahead of the Fed, pricing a year-end Fed Funds rate at 4.00%.
 - Kevin Warsh, new Fed Chair, surprisingly hawkish at first press conference following June Fed meeting.
- **Fed inflation target is 2% average over time**
 - Core PCE Deflator, the Fed's preferred measurement, is 3.4%, up from the recent low of 2.6% reached in April 2025
 - CPI is 4.2%, rising to a 3-year high, with the war in Iran putting significant pressure on oil prices.
- **Unemployment rate currently 4.3%**
 - Fed views the labor market as cooling off and is watching closely for further signs of weakness
- **Q1 GDP third revision surprised to the upside, coming in at 2.1% vs. the 1.6% expected**

LGIP Yield Tracks Federal Funds Rate



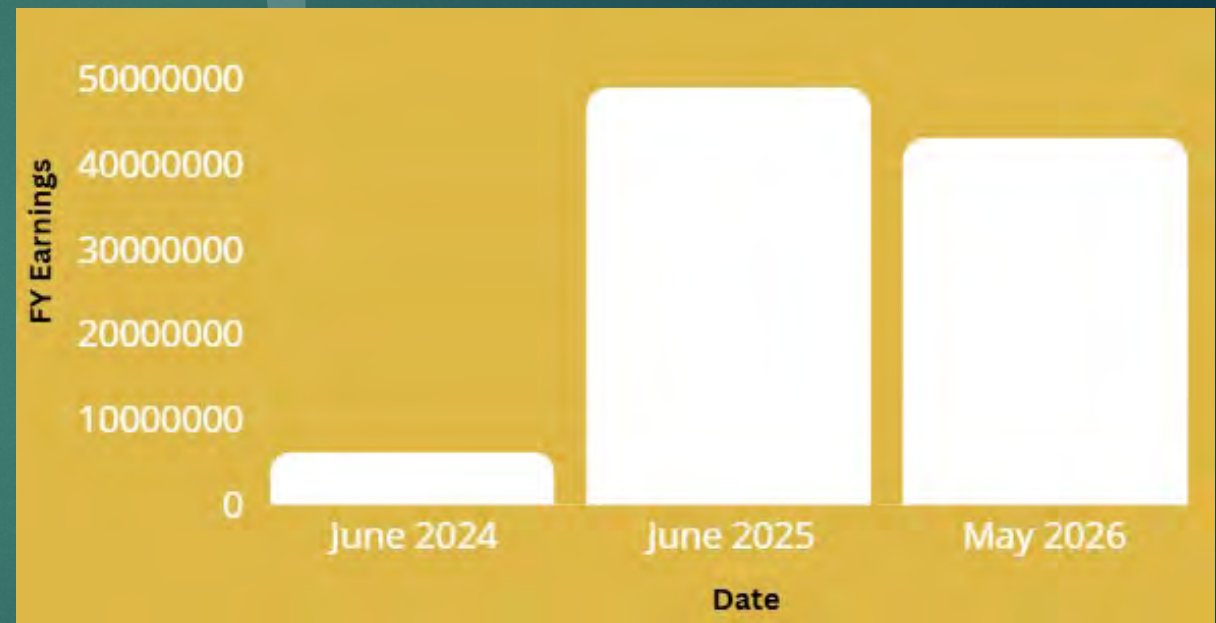
Short-Term

Date	Market Value	FY Earnings	Estimated 0.05% annual fee using Fiscal Year End MV
5/31/2026	\$2,421,210,797	\$84,133,841	\$1,210,605
6/30/2025	\$2,274,939,551	\$94,562,790	\$1,137,470
6/30/2024	\$1,944,838,724	\$93,524,071	\$972,419
6/30/2023	\$1,610,246,603	\$52,311,785	\$805,123
6/30/2022	\$1,375,527,720	\$3,223,681	\$687,764



Medium-Term

Date	Market Value	FY Earnings	FY Change in Unrealized Gains/Losses	FY Total	Estimated 0.05% annual fee using Fiscal Year End MV
5/31/2026	\$1,086,149,930	\$43,089,304	\$7,779,006	\$35,310,298	\$543,075
6/30/2025	\$1,054,579,725	\$49,006,191	\$6,919,924	\$55,926,115	\$527,290
6/30/2024	\$752,887,673	\$6,217,702	\$421,332	\$6,639,034	\$376,444



Disclaimer

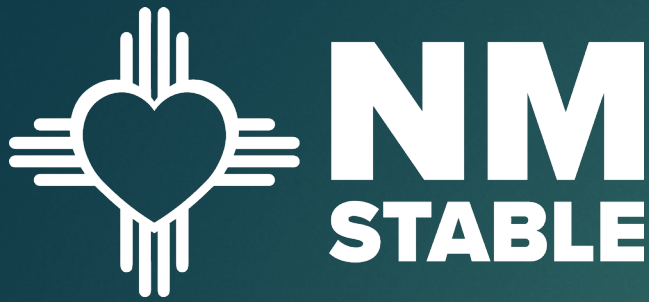
- NM LGIP is not a registered Money Market Fund
- NM LGIP is not regulated by the SEC
- Past performance does *not* guarantee future results
- Risks:
 - Interest rate
 - Credit
 - Counterparty
 - Management
 - NAV not guaranteed
 - The Treasurer can take measures to protect the NAV of the Pool





Programs & Outreach

- Financial Fitness
- Government Budget, Finance & Investment Certification (UNM & NMSU)
- NM STABLE



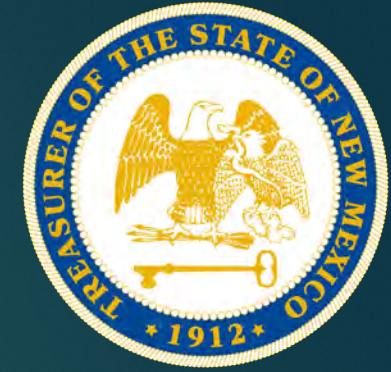
- ▶ \$25 Enrollment Incentive Match for new account enrollment all year long
- ▶ January 1, 2026: The qualifying age of disability onset increased from 26 to 46 years old, expanding access to NM STABLE accounts
- ▶ No more monthly fees
- ▶ Higher contribution limits

NM STABLE Assets Under Management as of 06/30/2024	\$15,100,360.86
NM STABLE Assets Under Management as of 06/30/2025	\$20,170,971.41
NM STABLE Assets Under Management as of 06/30/2026	\$25,642,046.71
Percentage Change in NM STABLE AUM	69.81%
NM STABLE Average Account Balance as of 06/30/2024	\$10,154.44
NM STABLE Average Account Balance as of 06/30/2025	\$11,754.65
NM STABLE Average Account Balance as of 06/30/2026	\$12,556.27
Percentage Change in NM STABLE Avg. Account Balance	23.65%
NM STABLE Active Accounts as of 06/30/2024	1,487
NM STABLE Active Accounts as of 06/30/2025	1,714
NM STABLE Active Accounts as of 06/30/2026	2,049
Percentage Change In NM STABLE Active Accounts	37.79%
NM STABLE Total Accounts Opened as of 06/30/2024	1,860
NM STABLE Total Accounts Opened as of 06/30/2025	2,175
NM STABLE Total Accounts Opened as of 06/30/2026	2,615
Percentage Change In NM STABLE Accounts	40.59%

The difference between Active Accounts and Total Accounts Opened is that Total Accounts Opened includes ALL accounts (active, closed, & inactive).



2027 Legislative Priorities



- Budget
 - LGIP admin. Fee
 - GSD Procurement
- Financial Fitness As a High School Graduation Requirement
 - Currently, 67% of students are receiving financial fitness instruction by way of a required course
- CYFD Foster Youth & RSDI Accounts (SB283-2025)
 - Ensure interest earned remains in youth accounts
- Baby Bonds
 - Foster youth & RSDI
 - All Medicaid recipients

LGIP FY25 vs FY26



FY26 LGIP Admin Fees Collected/Projected

July	August	September	October	November	December	January	February	March	April	May	June	Total
Actuals											Projected	
(140,032.08)	(140,483.97)	(136,582.52)	(140,876.32)	(136,036.61)	(142,679.53)	(145,421.19)	(133,712.57)	(148,699.59)	(144,586.36)	(149,566.77)	(145,452.00)	(1,704,129.51)
Days in Month												
31	31	30	31	30	31	31	28	31	30	31	30	365
FY25 LGIP Admin Fees Collected												
July	August	September	October	November	December	January	February	March	April	May	June	Total
Actuals												
(123,159.79)	(122,870.90)	(119,689.65)	(125,149.75)	(123,183.81)	(129,071.09)	(130,187.46)	(119,730.51)	(134,254.97)	(131,176.87)	(135,970.37)	(135,301.81)	(1,529,746.98)
FY26 vs FY25 Actuals												
(16,872.29)	(17,613.07)	(16,892.87)	(15,726.57)	(12,852.80)	(13,608.44)	(15,233.73)	(13,982.06)	(14,444.62)	(13,409.49)	(13,596.40)	-	(164,232.34)
					Base Budget	BAR	Adjusted Budget	Collected	Excess Revenue			
					564,000.00	350,000.00	914,000.00	(1,558,677.51)	644,677.51			

- In FY25, STO was able to generate \$1,529,746.98 in revenue. STO had \$401K worth of LGIP revenue built into its base budget and only had the availability to BAR \$350K. In perspective, STO only received half the total amount of fees that STO collected in FY25.
- In FY26, STO was appropriated \$564K in revenue into its base budget and the availability to BAR \$350K.
- In FY27, STO budget for staff was reduced by \$620,00 and BAR authority was increased to \$500,000 – support for hiring full-time staff.

Base Budget Plus LGIP Fees

New Mexico Statutes § 6-10-10.1 — Local Government Investment Pool

The state treasurer shall charge participating governments reasonable audit, administrative and investment expenses for the investment and administrative services provided pursuant to this subsection.

Subject to appropriation by the legislature, amounts deducted from the accounts of participating governments for charges permitted pursuant to this section shall be expended by the state treasurer for the administration and management of the local government investment pool, services provided to participating governments related to investment of their money.

Category	FY26	FY27	Diff	% Diff
Personnel Services and Benefits	\$3,867,200	\$3,245,300	-\$621,900	-16%
Contractual	\$526,200	\$1,923,300	\$1,397,100	266%
Other	\$862,000	\$951,700	\$89,700	10%
Totals	\$5,255,400	\$6,120,300	\$864,900	16%

LGIP Revenue Increase	\$713,500
Total Budget Increase	\$864,900
Total GF Increase	\$151,400

Bar Authority	
FY26	FY27
\$350,000	\$500,000



Budget Risks and Priorities

In 2027, the State Treasurer will work with Legislators to ensure the Office's budget is reflective of the growth in total assets under management

- Fund current expenditures with General Fund and provide BAR authority equal to estimated LGIP Fees

The current budget model presents risks:

- Sustaining full-time staff with BAR authority subject to annual legislative approvals.
- As LGIP programs grow, increased capacity for their oversight cannot be achieved.
- As the amount of total assets under management increases, limited capacity to grow staff can result in risk to IT and financial security, and proper oversight and controls.

A 2025 external audit of investment activity yielded the following recommendations:

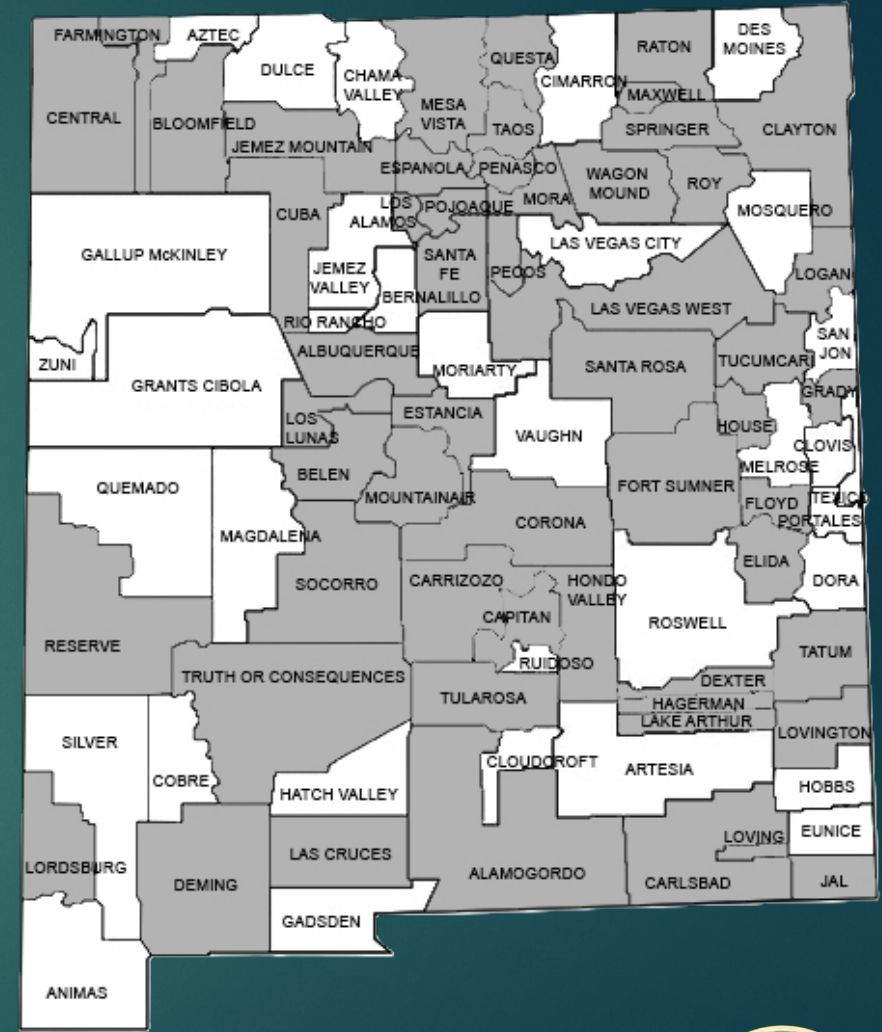
- Evaluate Current Staffing: Given the Office's asset value and trade volume each year we recommend that a thorough evaluation of their staffing levels be conducted to ensure they are sufficient to meet the Office's responsibilities.
- Industry standard for portfolio managers is 1 staff for every \$4B; current level is 1 staff for every \$10B.
- The Chief Investment Officer (CIO) should serve primarily as the trade reviewer and approver, to help ensure strategic oversight of investment activities and investment policy compliance.

Staff Priority	Salary and Benefits
Chief Investment Officer	\$385,000
Chief Information Office	\$210,000
General Counsel	\$210,000
Portfolio Manager	\$280,000
Portfolio Manager	\$280,000
Total Salary & Benefits	\$1,365,000



Financial Fitness

- As of May 2026, 56 school districts, enrolling 66% of New Mexico students (187,816) have made financial literacy a graduation requirement.
 - Total Student Population in New Mexico: 308,913.
- 43 of those districts require completion of a year-long financial literacy course, while 13 require at least a semester.
- Percentage of Total Student Population in these Districts: 66.11%.
- Interim Goal January 2027: 75%



How Can Baby Bonds Address It?

Baby bonds offer a long-term solution to the state's short- and long-range challenges by giving every child born in New Mexico access to an investment they can use between ages 18–35 to build wealth.

The investment is designed to:

- **Jumpstart homeownership:** Baby bond funds can support down payments or home renovations, increasing access to ownership and equity-building, especially for first-time buyers.
- **Expand access to education:** By covering tuition, training, and other higher educational costs, baby bonds reduce reliance on student loans and improve degree completion and career readiness.
- **Fuel entrepreneurship:** Aspiring business owners can use baby bonds to launch or grow ventures, especially in capital-starved communities.
- **Improve mobility and job access:** Purchasing a reliable vehicle helps rural and low-income recipients access education and employment.
- **Offer long-term stability:** Unused funds convert into retirement savings after age 65—building a safety net where none exists for many today.



- ▶ \$242 million in new household wealth from home equity, retirement savings, and debt reduction.
- ▶ \$151 million in business revenue and entrepreneurial activity.
- ▶ \$130 million in new tax revenues—including property taxes, gross receipts, and excise taxes—across all levels of government.
- ▶ 860 job-years created and \$47 million in new labor income.
- ▶ \$90 million boost to GDP, driven by new demand across key sectors.
- ▶ 25% reduction in out-migration would keep an estimated 1,500 more residents per age cohort working and living in New Mexico.



Thank You

Laura M. Montoya, State Treasurer
Ricky Serna, Deputy State Treasurer



2055 S Pacheco Street
Suites 100 & 200
Santa Fe, New Mexico 87505
(505) 955-1120
nmsto.gov