MINUTES
of the
SECOND MEETING
of the
INVESTMENTS AND PENSIONS OVERSIGHT COMMITTEE

July 1-2, 2026
Ventana Room
Albuquerque Museum
2000 Mountain Road NW
Albuquerque

The second meeting of the Investments and Pensions Oversight Committee (IPOC) for the 2026 interim was called to order by Representative Cynthia Borrego, chair, on Wednesday, July 1, 2026, at 10:11 a.m. in the Ventana Room of the Albuquerque Museum in Albuquerque.

Present	**Absent**
Rep. Cynthia Borrego, Chair	Sen. Roberto "Bobby" J. Gonzales, Vice Chair
Rep. Mark Duncan	Rep. Linda Serrato
Sen. Natalie Figueroa	Rep. Sarah Silva
Rep. William A. Hall II (7/1)	
Rep. Tara L. Lujan	
Sen. Antoinette Sedillo Lopez (7/1)	
Sen. Elizabeth "Liz" Stefanics	
Sen. Pat Woods	

Advisory Members

Rep. Patricia Roybal Caballero (7/2)	Rep. Gail Armstrong
Sen. Anthony L. Thornton	Rep. Stefani Lord
	Sen. George K. Muñoz
	Sen. Mimi Stewart

(Attendance dates are noted for those members not present for the entire meeting.)

Staff
Paul Estok, Staff Attorney, Legislative Council Service (LCS)
Sabina Gaynor, Staff Attorney, LCS
Clinton Turner, Fiscal Policy Analyst, LCS
Cristina Vasquez, Staff Attorney, LCS

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.

Wednesday, July 1

Welcome and Introductions (10:11 a.m.)

Representative Borrego welcomed everyone to the meeting, and committee members and staff introduced themselves.

The Educational Retirement Board (ERB): Information and Updates (10:19 a.m.)

David Archuleta, executive director, ERB, provided an update on the ERB, noting that the agency moved into its new office building in December 2025, that a new pension administration system is in the works and should be ready in the fall of 2027 and that most ERB retirees are set to receive a cost-of-living adjustment (COLA) of 1.6% on July 1, 2026. He also said that the ERB's 2027 legislative priorities include an appropriation for retirees to receive a thirteenth check for temporary inflation relief, creating a trust fund to pay COLAs, eliminating the state income tax on pensions and creating safety nets for members receiving pensions under a certain amount. The presentation materials can be found here:

https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=7/1/2026&ItemNumber=1.

The Retiree Health Care Authority (RHCA): Information and Updates (11:34 a.m.)

Neil Kueffer, executive director, RHCA, described the RHCA's pre-Medicare and Medicare medical plans, voluntary benefits offered to its members and enrollments for each plan. He emphasized that the RHCA has tried to avoid large premium swings, even with inflation and skyrocketing prescription drug costs. Investment-wise, the RHCA's funded ratio improved to 54.5% in 2025 (versus 11.3% in 2017), and its trust fund balance hit a 10-year high of $2.1 billion in May 2026. The presentation materials can be found here:

https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=7/1/2026&ItemNumber=2.

Approval of Minutes (1:19 p.m.)

On a motion made and seconded and with no opposition, the minutes of the June 5, 2026 IPOC meeting were approved as submitted.

Review of *Bartlett v. Cameron* (1:20 p.m.)

Ms. Vasquez reviewed an explanatory case brief of the New Mexico Supreme Court's *Bartlett v. Cameron* case, which explored whether Article 20, Section 22 of the Constitution of New Mexico grants public pension retirees an annual COLA to their retirement benefit, based on a certain COLA formula, for the entirety of their retirement. The court found that any future COLA to a benefit is not a property right under the Constitution of New Mexico; however, once a COLA has been paid, that COLA becomes a property right. The presentation materials can be found here:

https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=7/1/2026&ItemNumber=3.

The Public Employees Retirement Association (PERA): Information and Updates (1:31 p.m.)

Greg Trujillo, executive director, PERA, presented updates from the PERA, explaining how two rounds of pension reform over the last 13 years have led to gradual improvements that should become more pronounced over time. Without additional funding being allocated to the PERA, its unfunded liability is expected to increase until around 2045, after which the unfunded liability will begin to decrease. According to Mr. Trujillo, upcoming challenges for the PERA include: COLAs not keeping up with inflation; long-term fund solvency; the judicial and magistrate retirement plans being underfunded; and recruitment and retention issues at state agencies. The presentation materials can be found here:

https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=7/1/2026&ItemNumber=4.

Public Comment (2:47 p.m.)

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

Recess

The meeting recessed at 3:21 p.m.

<u>Thursday, July 2</u>

Reconvene

The meeting reconvened at 9:10 a.m.

Update from the State Investment Council (SIC) (9:17 a.m.)

Jon Clark, state investment officer, SIC, and Kristin Varela, chief investment officer, SIC, provided SIC updates, highlights of which include that, as of May 31, 2026, the SIC oversees $74.8 billion in permanent, endowment and reserve funds, making it the second-largest sovereign wealth fund in the United States and among the top 30 globally. Mr. Clark said that SIC assets grew by $5.8 billion in fiscal year (FY) 2026 and that it will return $2.8 billion to the state this year. In addition, Mr. Clark said that SIC assets under management growth have greatly outpaced authorized staffing levels and that the SIC will likely request money for more staff and to pay competitive salaries. The presentation materials can be found here:

https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=7/1/2026&ItemNumber=5.

Overview and Analysis of Funds Managed by the Office of the State Treasurer (OST) (10:52 a.m.)

Laura M. Montoya, state treasurer, OST; Ricky Serna, deputy state treasurer, OST; and Anna Murphy, investment portfolio and local government investment pool manager, OST, presented an overview of the OST. The presenters noted that in FY 2025, the OST had $19.4 billion in managed assets, with $16.06 billion in state funds and $3.32 billion in local government investment pool funds, and it earned $722 million in interest, equivalent to $1.9 million per day. Treasurer Montoya stated that the OST has fewer employees than it did 10 years ago while its managed assets have grown considerably and it has taken on more risk, making the hiring of five more staff a priority for the OST. The presentation materials can be found here:

https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=7/1/2026&ItemNumber=6.

Public Comment (12:07 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 12:30 p.m.