

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

**July 7, 2022
State Capitol, Room 322
Santa Fe**

The second meeting of the Investments and Pensions Oversight Committee for the 2022 interim was called to order by Representative Patricia Roybal Caballero, chair, on Thursday, July 7, 2022, at 9:14 a.m. in Room 322 of the State Capitol in Santa Fe.

Present

Rep. Patricia Roybal Caballero, Chair
Sen. Roberto "Bobby" J. Gonzales, Vice Chair
Rep. Phelps Anderson (via Zoom)
Rep. Natalie Figueroa
Rep. Miguel P. Garcia
Rep. William "Bill" R. Rehm
Sen. Antoinette Sedillo Lopez
Sen. Elizabeth "Liz" Stefanics

Absent

Sen. William F. Burt
Rep. Christine Chandler
Sen. Stuart Ingle
Sen. Daniel A. Ivey-Soto
Rep. Linda Serrato

Advisory Members

Rep. Rachel A. Black

Sen. Jacob R. Candelaria
Rep. Doreen Y. Gallegos
Sen. Steven P. Neville
Sen. Michael Padilla
Sen. Shannon D. Pinto
Sen. Mimi Stewart

Staff

Anthony Montoya, Staff Attorney, Legislative Council Service (LCS)
Rebecca Griego, Records Officer, LCS
Carrie McGovern, Researcher, 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.

Thursday, July 7

Legislative Finance Committee (LFC) Investment Performance Report (9:17 a.m.)

Jennifer Faubion, economist, LFC, provided an investment performance report for the third quarter of fiscal year 2022 (the period of January 1 through March 31) for the Public Employees Retirement Association, the Educational Retirement Board (ERB), the Land Grant Permanent Fund and the Severance Tax Permanent Fund. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=7/7/2022&ItemNumber=1>.

Return-to-Work Provisions for Educational Retirees: Update on Recent Changes (10:22 a.m.)

David Archuleta, executive director, ERB, updated committee members on the following legislation enacted during the 2022 regular session: House Bill 73, which expands return-to-work provisions for educational retirees, and Senate Bill 36, which increases employer contributions into the Educational Retirement Fund. The ERB provided testimony that the return-to-work provisions resulted in vacant positions being filled by individuals returning to work and a net positive impact to the funded status of the Educational Retirement Fund. The presentation can be found here:

<https://www.nmlegis.gov/handouts/IPOC%20070722%20Item%202%20Educational%20Retirement%20Board.pdf>.

Overview and Discussion of a Proposal for a Public Bank of New Mexico (11:15 a.m.)

Elaine Sullivan, board president, Alliance for Local Economic Prosperity, and Harold Dixon, former president and chief executive officer, State Employees Credit Union, gave a presentation on a proposal to create a public bank of New Mexico and outlined the possible benefits of a public bank. The presentation can be found here:

<https://www.nmlegis.gov/handouts/IPOC%20070722%20Item%203%20Public%20Bank.pdf>.

Public Comment (11:44 a.m.)

Paul Gibson, co-founder, Retake Our Democracy, spoke in favor of establishing a public bank of New Mexico and noted that it could help community banks throughout the state provide loans.

Nancy M. Bearce, treasurer, Bernalillo County, also voiced her support for a public bank of New Mexico, calling it a "banker's bank" that would support other banks.

Hamilton Brown, a retired physician from Taos, said that a public bank of New Mexico could provide funding for local businesses and electric cooperatives and added that legislation creating a public bank could include a sunset provision that terminates the bank if it does not perform as intended.

Curt Johnson, former South Dakota commissioner of school and public lands, expressed support for a public bank of New Mexico and noted the successes of the Bank of North Dakota, which has existed for over 100 years and is the first public bank in the United States.

Economic Development Funding as Strategic State Investments (1:52 p.m.)

Jon Clark, deputy secretary, Economic Development Department (EDD); Mark Roper, director, Economic Development Division, EDD; and Johanna Nelson, strategic programs manager, EDD, presented on how economic development funding is a strategic state investment, highlighting several successes of the EDD's economic development programs, including the Job Training Incentive Program, Local Economic Development Act projects, the Collateral Assistance Program and the New Mexico MainStreet Program. The presentation can be found here:

<https://www.nmlegis.gov/handouts/IPOC%20070722%20Item%204%20Economic%20Development%20Funding%20as%20Investments.pdf>.

Approval of Minutes (3:43 p.m.)

On a motion made by Senator Gonzales and seconded by Representative Rehm, and without opposition, the minutes of the May 16, 2022 meeting were approved as submitted.

Retiree Health Care Authority (RHCA): Update and Review of Health Care and Prescription Drug Costs (3:44 p.m.)

Neil Kueffer, executive director, RHCA, provided an overview of recent events and cost-containment strategies at the RHCA, including an update on health care and prescription drug costs. The presentation can be found here:

<https://www.nmlegis.gov/handouts/IPOC%20070722%20Item%205%20Retiree%20Health%20Care%20Authority.pdf>.

Adjournment

There being no further business before the committee, the meeting adjourned at 4:23 p.m.