

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

**August 13, 2025
State Capitol, Room 307
Santa Fe**

The third meeting of the Investments and Pensions Oversight Committee (IPOC) for the 2025 interim was called to order by Representative Cynthia Borrego, chair, on Wednesday, August 13, 2025, at 10:08 a.m. in Room 307 of the State Capitol in Santa Fe.

Present

Rep. Cynthia Borrego, Chair
Sen. Roberto "Bobby" J. Gonzales, Vice Chair
Rep. Mark Duncan
Sen. Natalie Figueroa
Rep. Tara L. Lujan
Sen. Antoinette Sedillo Lopez
Rep. Sarah Silva
Sen. Elizabeth "Liz" Stefanics
Sen. Pat Woods

Absent

Rep. William A. Hall II
Rep. Linda Serrato

Advisory Members

Sen. George K. Muñoz
Rep. Patricia Roybal Caballero
Sen. Anthony L. Thornton

Rep. Gail Armstrong
Rep. Stefani Lord
Sen. Mimi Stewart

Staff

Paul Estok, Staff Attorney, Legislative Council Service (LCS)
Carrie McGovern, Publication and Editing Coordinator, LCS
Lisa Morrison, Staff Attorney, LCS
Cristina Vasquez, Staff Attorney, LCS
Gabriel Suazo, Intern, 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, August 13

Approval of Minutes (10:15 a.m.)

On a motion made and seconded and with no opposition, the minutes of the July 18, 2025 IPOC meeting were approved as submitted.

Update from the State Investment Council (SIC) (10:16 a.m.)

Jon Clark, state investment officer, SIC, presented an update on the SIC, noting that as of June 30, 2025, the SIC is managing \$64 billion in assets, and it had \$8.5 billion in asset growth in fiscal year (FY) 2025. According to Mr. Clark, New Mexico now has the nation's second-largest sovereign wealth fund, trailing only Alaska. With the creation of the Behavioral Health Trust Fund and the Medicaid Trust Fund in 2025, the SIC now oversees 14 permanent, endowment and reserve funds. Distributions from these funds to support various state government functions are expected to total a record \$2.56 billion in FY 2026. In FY 2025, permanent fund distributions constituted 13% of the state revenue stream, and by FY 2050, they are expected to account for 32% of the state revenue stream. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=8/13/2025&ItemNumber=1>.

Introduction to Bitcoin as an Investment (12:00 noon)

Senator Thornton provided an overview of bitcoin, a digital asset class created in 2009 that is designed for fairness, transparency and predictable value and features low fees and a secure peer-to-peer network that is available at all times. He explained that the current money system, in which governments can create unlimited amounts of currency through central banks, results in this currency being devalued. However, bitcoin differs in that there can only be 21 million bitcoin in existence, which means that it does not lose its value and its purchasing power increases over time. Additionally, bitcoin has been the best-performing asset class in 11 of the last 14 years, and pension and sovereign funds are now starting to invest in bitcoin. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=8/13/2025&ItemNumber=2>.

Update from the Small Business Investment Corporation (SBIC) (1:22 p.m.)

Russell Cummins, executive director and investment advisor, SBIC, reviewed recent activities at the SBIC, a nonprofit corporation that provides loans to small businesses through agreements with lending partners, mostly consisting of community development financial

institutions. While the SBIC made venture capital equity investments in the past, it is now focused on expanding the Small Business Lending Program, which fills a critical gap in providing loans to small businesses that do not have access to loans from traditional banks. Currently, the SBIC has \$184 million in assets, and since its creation in 2001, it has originated 7,329 loans totaling \$276 million and supported 25,672 jobs. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=8/13/2025&ItemNumber=3>.

Economic Development Funding as Strategic State Investments (2:28 p.m.)

Mark Roper, director, Economic Development Division, Economic Development Department (EDD), described how economic development funding serves to create jobs and diversify the economy. For example, the Job Training Incentive Program reimburses up to 90% of the trainee wages for newly created jobs, and the Local Economic Development Act provides grants to local governments to support business expansion and relocation, especially in rural and underserved locations. He also highlighted three economic-development-related measures enacted in the 2025 session: the Strategic Economic Development Site Readiness Act, the Trade Ports Development Act and the creation of the Technology and Innovation Division in the EDD. Mr. Roper emphasized that economic development is not a cost, but an investment. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=8/13/2025&ItemNumber=4>.

Overview and Analysis of Funds Managed by the Office of the State Treasurer (OST) (3:10 p.m.)

Laura M. Montoya, state treasurer, OST, and Janice Barela, deputy treasurer, OST, provided an analysis of funds managed by the OST as well as an overview of new initiatives the office is developing. For FY 2025, the OST had more than \$19 billion in total assets managed and saw investment earnings of \$722 million, served 140 agencies and had 1,100 bank accounts. In addition, all of its portfolios outperformed the state benchmarks in FY 2025. Treasurer Montoya said that financial literacy is now being taught in 48 of the state's 89 public school districts, and she described how providing publicly funded trust accounts, known as "baby bonds", to each child born in New Mexico could help the state cope with issues caused by population loss, generational poverty and limited access to capital by giving these children access to an investment they can use between the ages of 18 and 35 to build wealth. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=8/13/2025&ItemNumber=5>.

Adjournment

There being no further business, the third meeting of the IPOC for the 2025 interim adjourned at 4:36 p.m.