

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

**October 8-9, 2025
State Capitol, Room 307
Santa Fe**

The fifth meeting of the Investments and Pensions Oversight Committee (IPOC) for the 2025 interim was called to order by Representative Cynthia Borrego, chair, on Wednesday, October 8, 2025, at 9:14 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. Elizabeth "Liz" Stefanics
Sen. Pat Woods (10/8)

Absent

Rep. William A. Hall II
Sen. Antoinette Sedillo Lopez
Rep. Linda Serrato
Rep. Sarah Silva

Advisory Members

Sen. George K. Muñoz (10/8)
Sen. Anthony L. Thornton (10/9)

Rep. Gail Armstrong
Rep. Stefani Lord
Rep. Patricia Roybal Caballero
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)
Carrie McGovern, Publication and Editing Coordinator, LCS
Lisa Morrison, 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, October 8

Welcome and Introductions (9:14 a.m.)

Representative Borrego welcomed everyone to the meeting and asked committee members to introduce themselves.

National Association of State Retirement Administrators (NASRA): Public Retirement Issues and Trends (9:16 a.m.)

Keith Brainard, research director, NASRA, gave a presentation on national public retirement issues and trends and how New Mexico's two pension systems administered through the Educational Retirement Board (ERB) and the Public Employees Retirement Association (PERA) compare to those of other states. He noted that the funding levels of the ERB and the PERA are less than the United States aggregate, largely due to insufficient employer and employee contributions to both New Mexico plans, although the ERB has improved its progression to full funding through a recent increase in employer contributions. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=10/8/2025&ItemNumber=1>.

Approval of Minutes (11:03 a.m.)

On a motion made and seconded and with no opposition, the minutes of the September 12, 2025 meeting were approved as submitted.

Quantum Briefing for the IPOC (11:03 a.m.)

Alex Greenberg, economic development advisor, Office of the Governor, described the economic development potential of quantum computing and how New Mexico is uniquely positioned to benefit from this technology. He said that New Mexico already has a legacy of leadership in applied physics, and its national laboratories and the University of New Mexico (UNM) have been at the forefront of quantum technology, but the state needs to make further investments to keep that advantage. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=10/8/2025&ItemNumber=2>.

Review of Cost-of-Living Adjustments (COLAs) (1:02 p.m.)

Greg Trujillo, executive director, PERA, and Janie Shaw, actuary, Gabriel, Roeder, Smith & Company, presented an overview of the different kinds of COLAs and how this

necessary yet expensive pension benefit affects the PERA's unfunded liability and amortization period. For informational purposes, the presenters described a number of different COLA scenarios and how each would affect the PERA's pension fund performance. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=10/8/2025&ItemNumber=3>.

Preview of 232419.1 — A PERA Cleanup Bill (2:36 p.m.)

Anthony V. Montoya, general counsel, PERA, reviewed a proposed bill (.232419.1) for the upcoming regular legislative session that is a technical cleanup of several sections of law pertaining to the PERA. According to Mr. Montoya, the bill removes several ambiguities that should result in fewer administrative burdens for the PERA. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=10/8/2025&ItemNumber=4>.

The New Mexico Economy: Current Data and Outlook (2:57 p.m.)

Michael O'Donnell, director, Bureau of Business and Economic Research, UNM, gave a presentation on New Mexico's current economic situation and how that is forecast to change in the next five years. He said that currently, the state's employment data has seen continued improvement, its unemployment rate is moderate and oil and gas prices have held steady while drilling and production have been robust. In the near future, slowdowns in hiring are expected, yet employment should see slight growth, and income growth should average 4.9% per year in 2025 through 2029. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=10/8/2025&ItemNumber=5>.

Recess

The meeting recessed at 3:52 p.m.

Thursday, October 9

Reconvene

The meeting reconvened at 9:35 a.m.

Exemplary Pension Practices and State Trends (9:37 a.m.)

Corryn Hall, senior manager, State Fiscal Policy Project, Government Performance, The Pew Charitable Trusts, described how an analysis of the pension practices of three states with well-funded pension systems identified four common practices: the states provide a path to retirement security, they maintain fiscal sustainability, they plan for uncertainty and they ensure investment transparency. She also noted recent pension trends that include the adoption of risk

reporting practices, special reserve funds for pensions, a layered amortization funding policy shift and taking investment volatility into account in pension policies. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=10/8/2025&ItemNumber=6>.

ERB: Investment Overview (10:40 a.m.)

Bob Jacksha, chief investment officer, ERB, reviewed the ERB's investment practices, emphasizing that risk and return are equally important criteria when evaluating investment returns. According to a third-party investment consultant, the ERB's excess return per year over the past 10 years was worth an extra \$1.6 billion, during which time the ERB maintained one of the lowest risk levels. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=10/8/2025&ItemNumber=7>.

Adjournment

There being no further business before the committee, the meeting adjourned at 11:04 a.m.