

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

**July 18, 2025
State Capitol, Room 307
Santa Fe**

The second meeting of the Investments and Pensions Oversight Committee (IPOC) for the 2025 interim was called to order by Representative Cynthia Borrego, chair, on Friday, July 18, 2025, at 10:14 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. William A. Hall II
Rep. Tara L. Lujan
Sen. Antoinette Sedillo Lopez
Rep. Linda Serrato
Sen. Elizabeth "Liz" Stefanics

Absent

Rep. Sarah Silva
Sen. Pat Woods

Advisory Members

Rep. Stefani Lord
Sen. Anthony L. Thornton

Rep. Gail Armstrong
Sen. George K. Muñoz
Rep. Patricia Roybal Caballero
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.

Friday, July 18

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

David Archuleta, executive director, ERB, and Bob Jacksha, chief investment officer, ERB, provided an overview of and updates on the ERB. Mr. Archuleta reviewed the three ERB-related bills that were enacted during the 2025 session, which made changes to return-to-work and beneficiary provisions as well as administrative changes, and he also noted that the ERB is implementing a new pension administration system and will move into a new Santa Fe building soon. Regarding investments, Mr. Jacksha said that the ERB's diverse asset allocation policies lessen investment risks, the ERB has met most targets for investment returns and the ERB's trust fund hit a new high of \$17.8 billion in assets as of March 31, 2025. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=7/18/2025&ItemNumber=1>.

Approval of Minutes (10:21 a.m.)

On a motion made and seconded and with no opposition, the minutes of the May 22, 2025 IPOC meeting were approved as submitted.

The Public Employees Retirement Association (PERA): Information and Updates (1:03 p.m.)

Greg Trujillo, executive director, PERA, presented a review of the PERA's structure and history, noting that it has 31 different plans and two tiers of benefits for 49,816 active members and 46,026 retired members. Long-term solvency concerns led to PERA pension reforms in 2013 and 2020, which resulted in the two benefit tiers, employer and employee contribution increases and the cost-of-living adjustment (COLA) variable rate model. Mr. Trujillo described upcoming challenges for the PERA, including COLAs not keeping up with inflation, a static funded ratio that is not expected to improve until the end of the decade, state agency recruitment and retention issues and investment staff compensation. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=7/18/2025&ItemNumber=2>.

The Retiree Health Care Authority (RHCA): Information and Updates (2:05 p.m.)

Neil Kueffer, executive director, RHCA, and Linda Atencio, deputy director, RHCA, gave a breakdown of and recent updates for the RHCA. According to the presenters, the RHCA

has more than 93,000 active employees and more than 65,000 retiree participants and offers its retiree members four pre-Medicare plans and six Medicare plans as well as voluntary plans for dental, vision and supplemental term life insurance. While ongoing challenges include lower Medicare reimbursement rates, higher premium increases in some Medicare advantage plans, increased prescription drug costs and health care provider and pharmacist shortages, the presenters noted that the RHCA's trust fund balance hit a 10-year high of \$1.7 billion in May 2025 and the RHCA's funded ratio has improved dramatically from 11.34% in 2017 to 46.99% in 2024. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=7/18/2025&ItemNumber=3>.

Public Comment (3:23 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 3:28 p.m.