

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

September 25, 2026
Board Room
Joseph M. Montoya Administration Building
Northern New Mexico College
Española

The fourth meeting of the Investments and Pensions Oversight Committee (IPOC) for the 2026 interim was called to order by Representative Cynthia Borrego, chair, on Friday, September 25, 2026, at 10:14 a.m. in the Board Room of the Joseph M. Montoya Administration Building of Northern New Mexico College in Española.

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
Sen. Elizabeth "Liz" Stefanics
Sen. Pat Woods

Absent

Rep. William A. Hall II
Rep. Linda Serrato
Rep. Sarah Silva

Advisory Members

Rep. Gail Armstrong
Rep. Stefani Lord
Sen. George K. Muñoz
Rep. Patricia Roybal Caballero
Sen. Mimi Stewart
Sen. Anthony L. Thornton

Staff

Paul Estok, Staff Attorney, Legislative Council Service (LCS)
Carrie McGovern, Publication and Editing Coordinator, LCS
Clinton Turner, Fiscal Policy Analyst, LCS
Cristina Vasquez, Staff Attorney, LCS
Anthony Lovato, Staff, 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, September 25

Welcome and Introductions (10:14 a.m.)

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

Approval of Minutes (10:19 a.m.)

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

Public Employees Retirement Association (PERA): Discussion of Possible Legislative Proposals (10:20 a.m.)

Greg Trujillo, executive director, PERA; Anthony Montoya, general counsel, PERA; and Joseph Simon, principal analyst, Legislative Finance Committee, reviewed four possible proposals for legislation in anticipation of the 2027 session. The first proposal would provide a one-time appropriation of \$250 million to give retirees a 1.5 percent cost-of-living adjustment (COLA) for the next seven years, which would help to offset recent COLAs not keeping up with inflation. The second proposal would address fund solvency by funding the PERA with \$160 million more per year, which could be through recurring appropriations, a tax distribution or employer contribution increases. The third proposal would provide tax relief through either a tax credit or tax exemption for PERA and Educational Retirement Board (ERB) retirees and federal pension recipients, while the fourth proposal would provide 2.5 percent compounded automatic COLAs for certain PERA retirees who are financially vulnerable. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=9/25/2026&ItemNumber=1>.

Welcoming Remarks (12:58 p.m.)

Hector Balderas, president, Northern New Mexico College; former state representative, District 68; and former attorney general, welcomed the committee to Northern New Mexico College.

The ERB: Information and Updates (1:04 p.m.)

David Archuleta, executive director, ERB, provided an update on the ERB, noting that \$2 billion was added to the ERB's trust fund as of June 30, 2026 and that the ERB should be fully funded by 2044. Mr. Archuleta reviewed three proposals for supplemental COLAs for retirees: supplemental non-compounding COLA payments in July of each of the next five years; additional compounding 2 percent COLAs on July 1, 2027 and July 1, 2028; and creating a reserve fund to pay one-time 2 percent COLAs yearly. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=9/25/2026&ItemNumber=2>.

Investment Strategy for the Patient's Compensation Fund (1:38 p.m.)

Alice T. Kane, superintendent of insurance, Office of Superintendent of Insurance (OSI), and Christian Myers, chief actuary, OSI, presented an overview of the Patient's Compensation Fund. In 2026, the fund's participants included 13 hospitals, 562 individual group entities and 5,233 individual providers and hospital employees, and the fund collected \$184.6 million in surcharges and paid claim settlements of \$91 million. For the first time in recent history, the fund's balance turned positive in 2025 due to rate increases, legislative appropriations and hospital deficit surcharges. Going forward, the OSI would like to implement a formal investment policy and program for the fund. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=9/25/2026&ItemNumber=3>.

United States and New Mexico Economic Outlook (3:03 p.m.)

Michael "Mo" O'Donnell, director, Bureau of Business and Economic Research, University of New Mexico, provided an economic outlook for the United States and New Mexico. According to Mr. O'Donnell, national economic concerns include wars and oil, tariffs and trade, spending cuts, policy uncertainty, immigration, income inequality and artificial intelligence. Over the next five years, it is expected nationally that gross domestic product growth will be tepid, employment growth will be slow and price growth will be robust. For New Mexico in 2026 through 2031, employment growth will be slow, with the most new jobs occurring in professional and technical services,

followed by health care. Income growth will be modest during this time, averaging 4.9 percent per year. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=IPOC&Date=9/25/2026&ItemNumber=4>.

Public Comment (3:49 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 3:57 p.m.