

# New Mexico State Treasurer's Office

FY24 Budget Presentation to  
Legislative Finance Committee

October 19, 2022



# STO Executive Staff



- Tim Eichenberg, State Treasurer
- Sam Collins, Deputy State Treasurer
- Heather Benavidez, Chief of Staff and ABLE/Financial Literacy Officer
- Steve Marsico, State Cash Manager
- Dominic Donio, Chief Financial Officer
- Vikki Hanges, Chief Investment Officer
- Claudia Armijo, Work and Save Executive Director
- Kathy Duffy, Operations/Forfeiture



# FY22 STO Highlights & Accomplishments

1. Assets under management increased from \$9.3 to over \$14 billion YOY (a new record).
2. Investment, cash management, and debt service responsibilities managed in an exemplary fashion.
3. Achieving a Better Life Experience (ABLE) program (launched January 2018) **is thriving with no general fund appropriation.**
  - Tax-free savings account for individuals with disabilities.
  - 1,102 active accounts as of June 30, 2022, up from 881 accounts at prior fiscal year end, an increase of over 25%. Total assets exceed \$7.7 million.

# FY22 STO Highlights & Accomplishments *(continued)*



4. **No findings** were identified during FY21 audit.
5. LGIP maintained the highest S&P principal stability rating of AAAm (16<sup>th</sup> consecutive FY). Total assets were \$1.4 billion, \$1.1 billion, and \$946 million at the end of FY22, 21, and 20, respectively.
6. New Mexico Work and \$ave, a retirement plan for the state's 440,000 private-sector workers without a workplace retirement plan.
  - Two programs, both ahead of statutory implementation deadline:
    - 1) The Retirement Plan Marketplace, launch by April 2023
    - 2) The Payroll-Deduction IRA Program, launch by January 2024



# Thank you HB44 Sponsors for Your Leadership!



**Representative  
Tomás E. Salazar**



**Representative  
Christine Chandler**



**Representative  
Gail Armstrong**



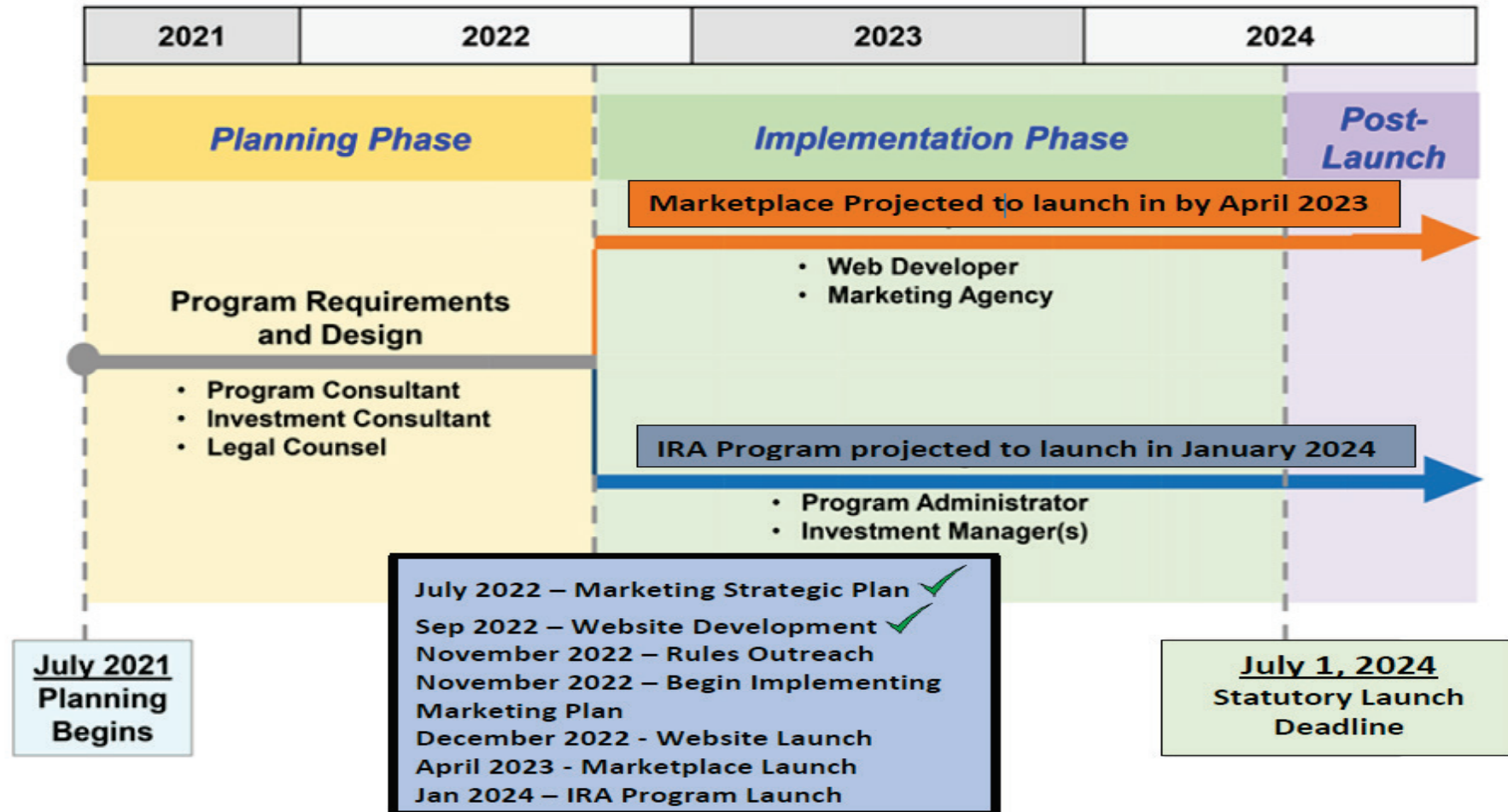
**Senator  
Bill Tallman**



**Senator  
Michael Padilla**

**Passed with Overwhelming Bipartisan Support**  
**House: 62/1      Senate: 40/0**

# Updated Work and Save Implementation Timeline





# Work and \$ave Milestones/Use of Resources

- December 2021
  - RFI Financial Service Providers for Retirement Plan Marketplace
- May 2022
  - Consultant for Marketplace design, plan offerings, approval process, and rules (DRAFT Rules approved by Board September 2022). Key elements:
    - Provider minimum qualifications, assessment process, full-service products, ease of use
    - Retirement Plan Marketplace DRAFT Rules (approved September 2022)



# Work and \$ave Milestones/Use of Resources

- June 2022
  - Consultant: Marketing & Outreach Strategic Plan created for 2 programs (plan approved by Board September 2022). Key plan elements:
    - Brand development and management
    - Messaging, email marketing, newsletters, publications, earned media, social media, and available platforms
    - Outreach and relationship building with stakeholders, advocates, collaborating partners, and public
    - Plan Implementation tracking, data collection, and assessment

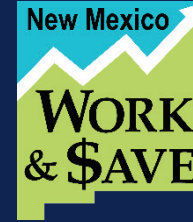




# Work and \$ave Milestones/Use of Resources

- September 2022
  - Consultant: Web Platform Design & Development
    - Work and \$ave online platform design, functionality, and testing through December 2022
    - Retirement Plan Marketplace to launch by April 2023
    - IRA Program to launch by January 2024
- September 20, 2022
  - Retirement \$avings Symposium: Work and \$ave Program Education

# Work and Save Board of Directors



**Isaiah Zemke**  
Acting Chair



**Othiamba Umi, JD**  
AARP



**Melisa Coleman**  
Business Owner



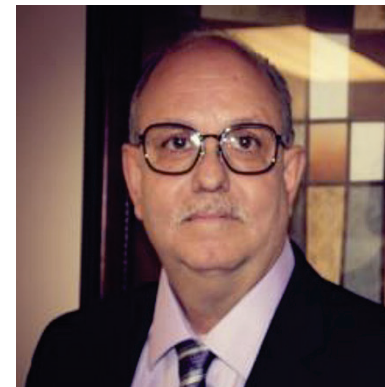
**Connor Browne, CFA**  
City Different Investments



**Cindy Bryan**  
CPA/Partner CRI



**Lorin Saavedra**  
Outsourced CFO - REDW



**Eric Quintana**  
Business Owner



**Sam Collins,**  
Deputy State Treasurer



# Why STO Needs Additional Funding

- Implementation and administration of the Work and \$ave Program:
  - Addition of 2 FTEs
  - Contracts
    - Recurring: \$219,000
    - Non-Recurring: \$671,500 funded by special appropriation request
- Daily repo investment cost: \$100,000 previously paid by BOF
- Fill vacant positions TBD by new administration



# Historical Appropriations and FY24 Request

(000 omitted)

	FY21	FY22	FY23	FY24 Request
GF Appropriation	\$3,696.3	\$3,883.5	\$4,197.3	\$4,950.0
LGIP Fees	390.0	390.0	390.0	390.0
Federal	2.0	2.0	2.0	2.0
Total	\$4,088.3	\$4,275.5	\$4,589.3	\$5,342.0

**General Fund Appropriation increase \$752.7 or 17.9%**

**Total Budget increase \$752.7 or 16.4%**

# Work and \$ave's Special Appropriation Detail



Description	Cost (000 omitted)
Marketing and outreach (2 programs)	\$395.9
Program consulting contracts (administration & investments)	150.0
Website design, development and management	55.0
ERISA legal consultation	30.6
Other	40.0
<b>Total</b>	<b>671.5</b>





# Eichenberg Administration 2015-2022

- Assets under management have grown from less than \$4B to over \$14B.
- Managed through tough times when the State General Fund Investment Pool dipped below \$1B.
- Authorized FTE decreased from 40 to 35.
- ABLE program launched and operating successfully.
- Work and \$ave program legislation approved; implementation underway.
- Assembled a strong and stable team that is anchored by classified staff who will ensure stability through the upcoming change in administration.
- Agency has run smoothly—no news is good news!

# Contact Information



Tim Eichenberg, State Treasurer

2055 South Pacheco Street, Suites 100 & 200

Santa Fe, NM 87505

505.955.1120