



NEW MEXICO STATE TREASURER'S OFFICE

LEGISLATIVE FINANCE COMMITTEE

FISCAL YEAR 2026
BUDGET PRESENTATION

OCTOBER 22, 2024



Laura M. Montoya
State Treasurer



Janice Y. Barela
Deputy State Treasurer



Kristen Dorland
Chief Financial Officer



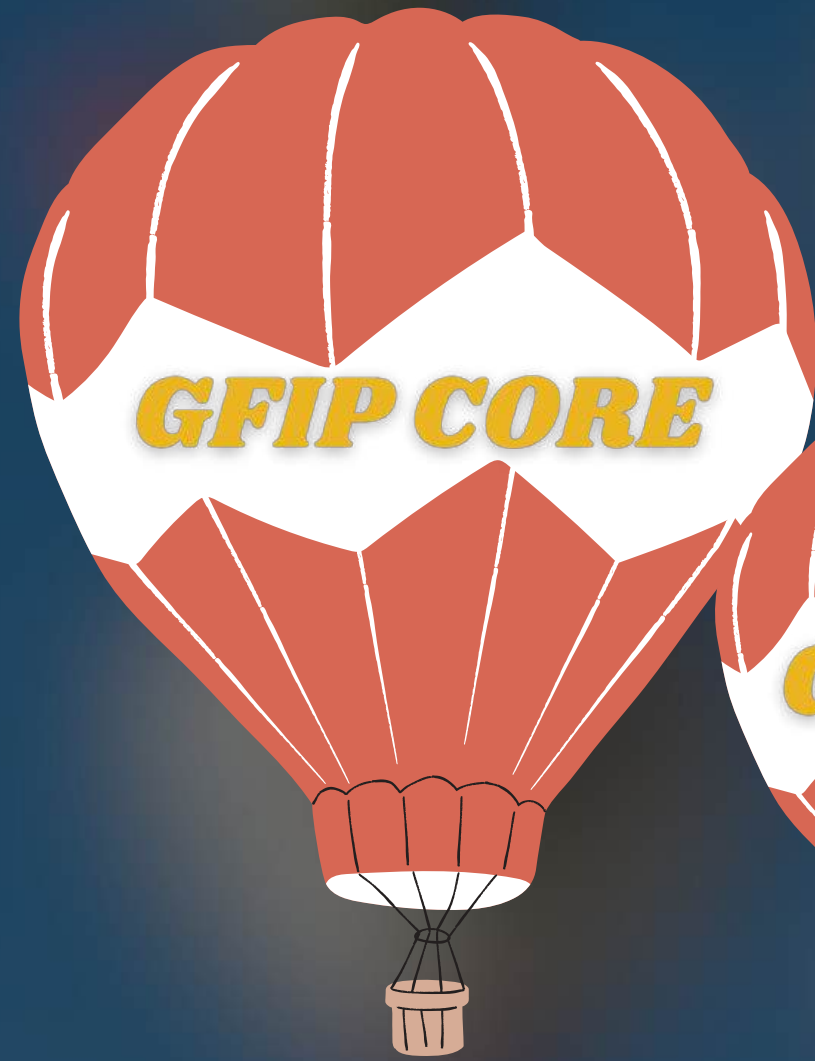
BOARDS, COUNCILS & COMMISSIONS



WHAT THE STATE TREASURER'S OFFICE MANAGES

- Active Investment Management
 - **Over \$17 billion in total assets managed**
 - General Fund CORE
 - General Fund Liquidity
 - Bond Proceeds - Taxable
 - Bond Proceeds - Tax-Exempt
 - Severance Tax Bonding Fund
 - Local Government - Short Term
 - Local Government - Medium Term
- Technology Notes
- General Obligation Bonds
- Paying Agent for Outstanding Bond Issues
- Collateral Management

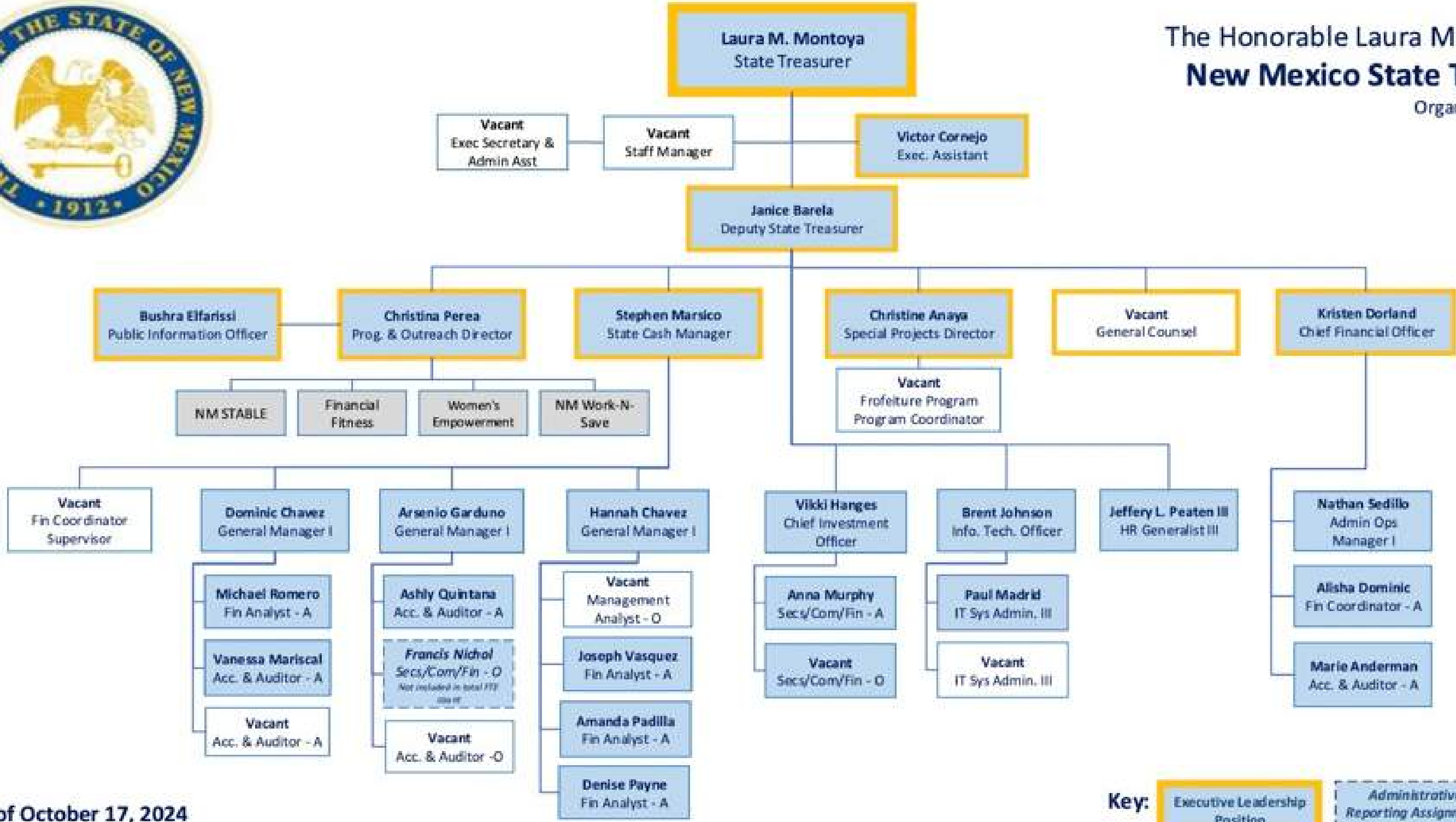






The Honorable Laura M. Montoya New Mexico State Treasurer

Organizational Chart



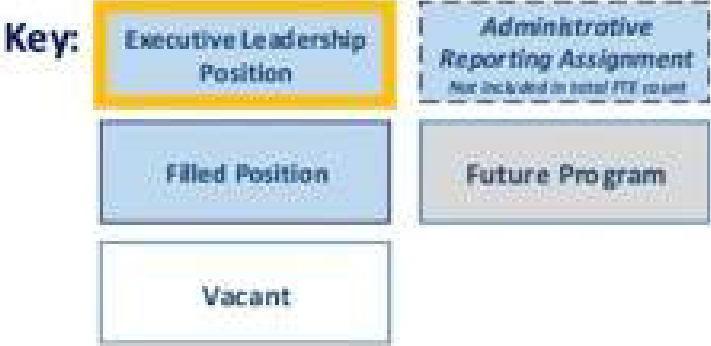
As of October 17, 2024

Total Number of Funded Positions: 27

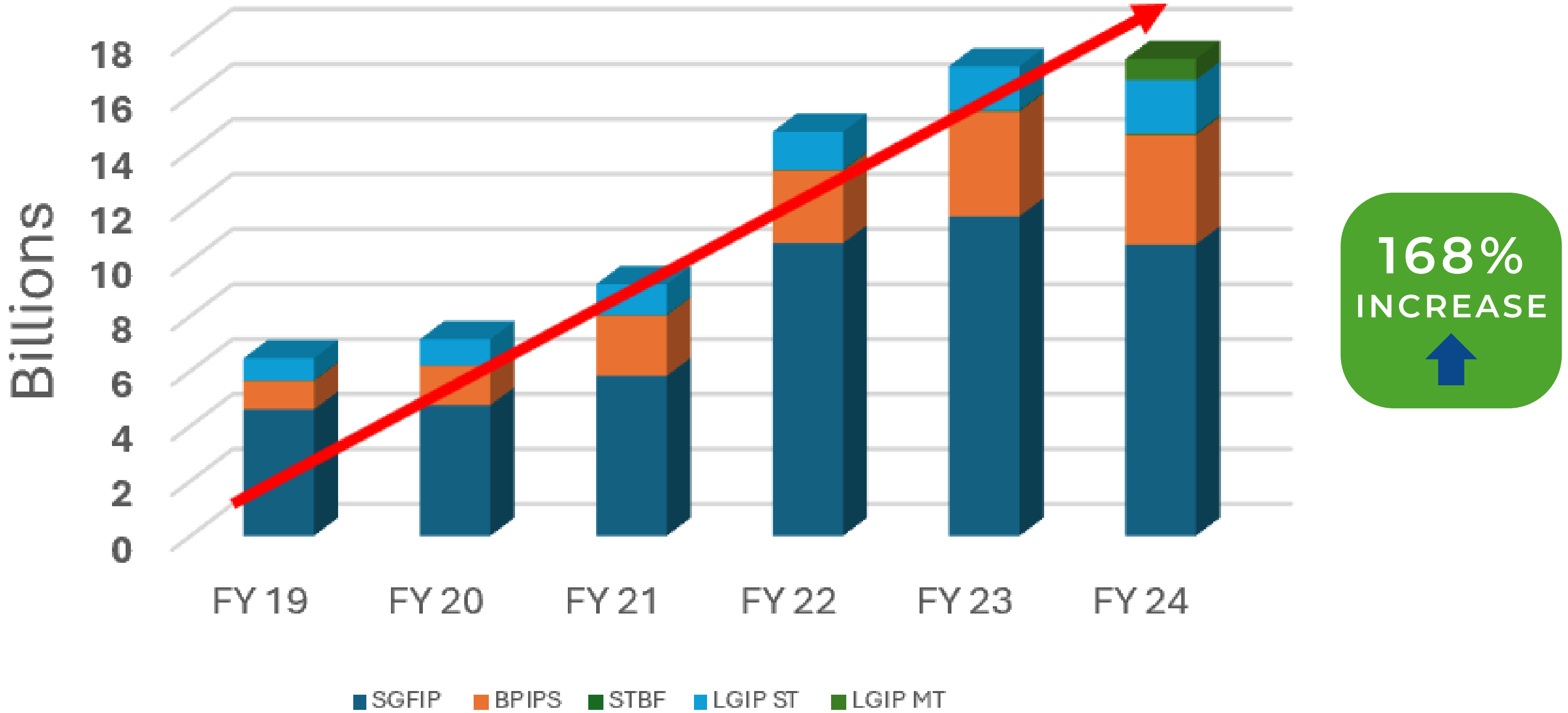
Total Number of Unfunded Positions: 8

Filled Positions: 26

Vacant Positions: 1 Funded out of 9

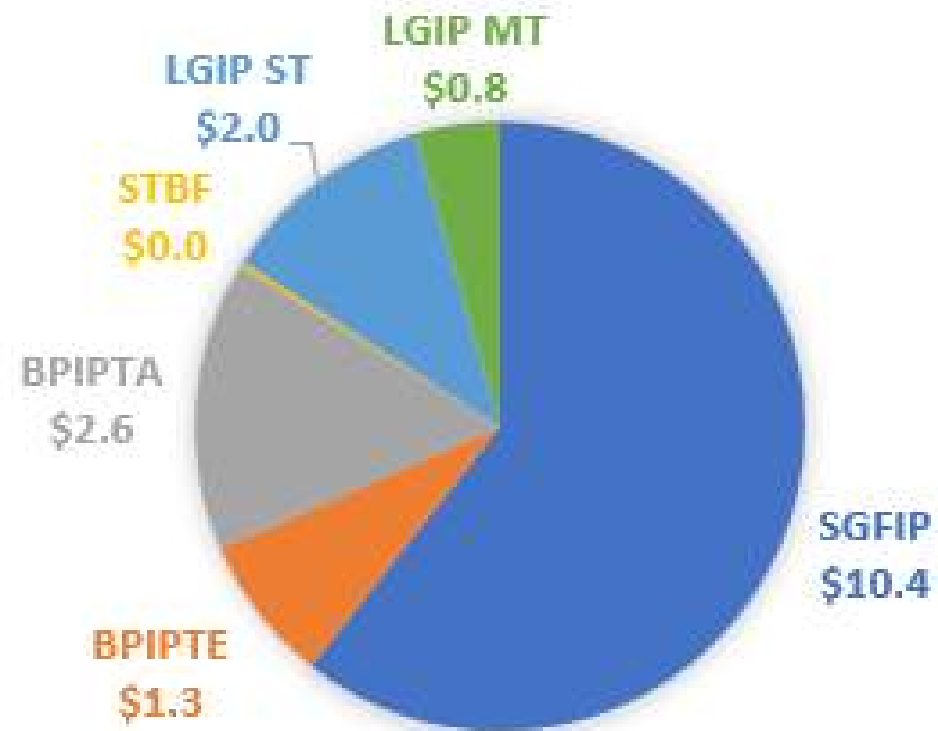


ASSETS UNDER MANAGEMENT



ASSETS UNDER MANAGEMENT

STATE TREASURER'S OFFICE ASSETS UNDER MANAGEMENT (IN THE BILLIONS)



Fiscal Agent Activity by Fiscal year

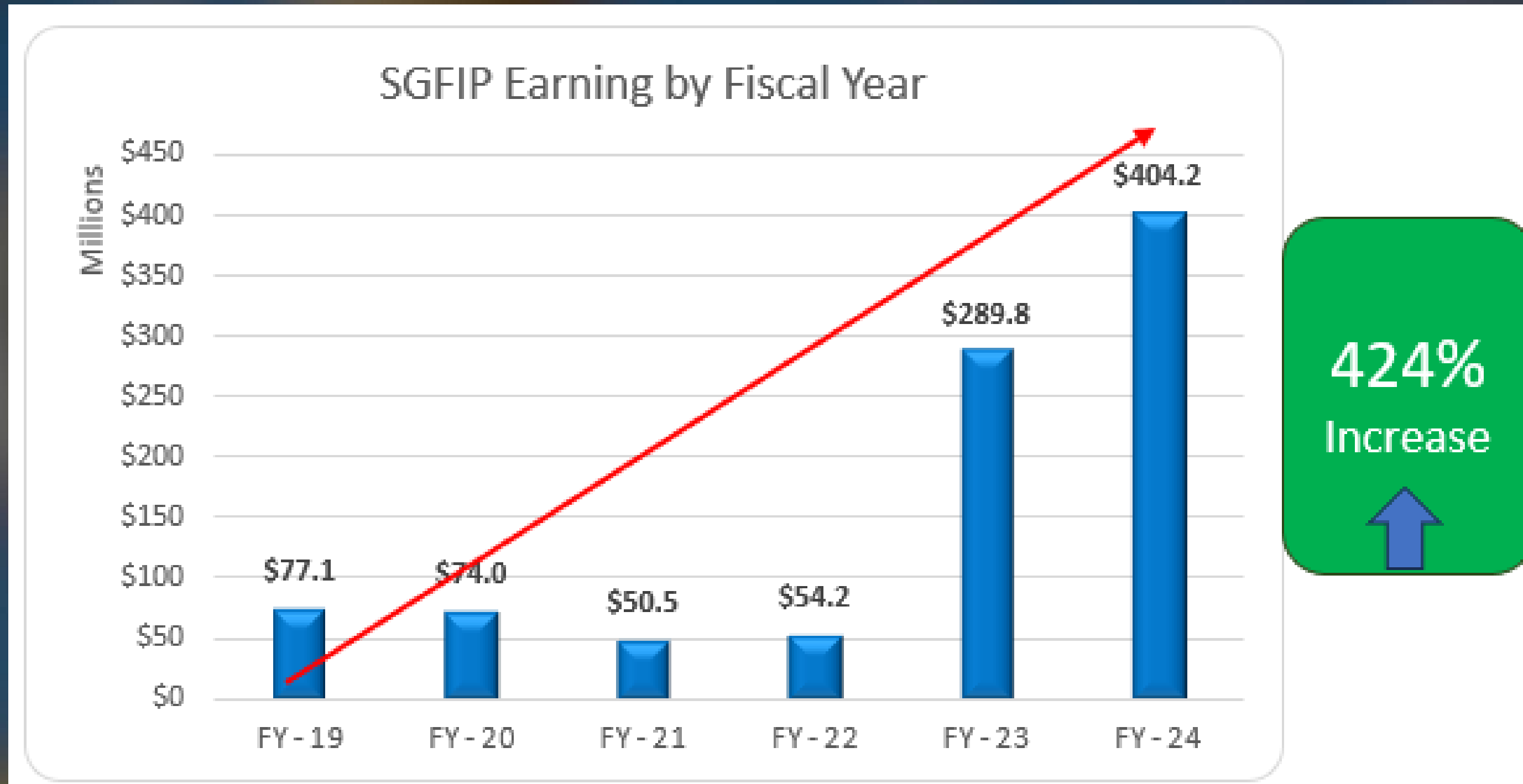


52%
Increase
↑

During the fiscal year, STO added a newly created fund Local Government Investment Pool Medium Term (LGIP MT).



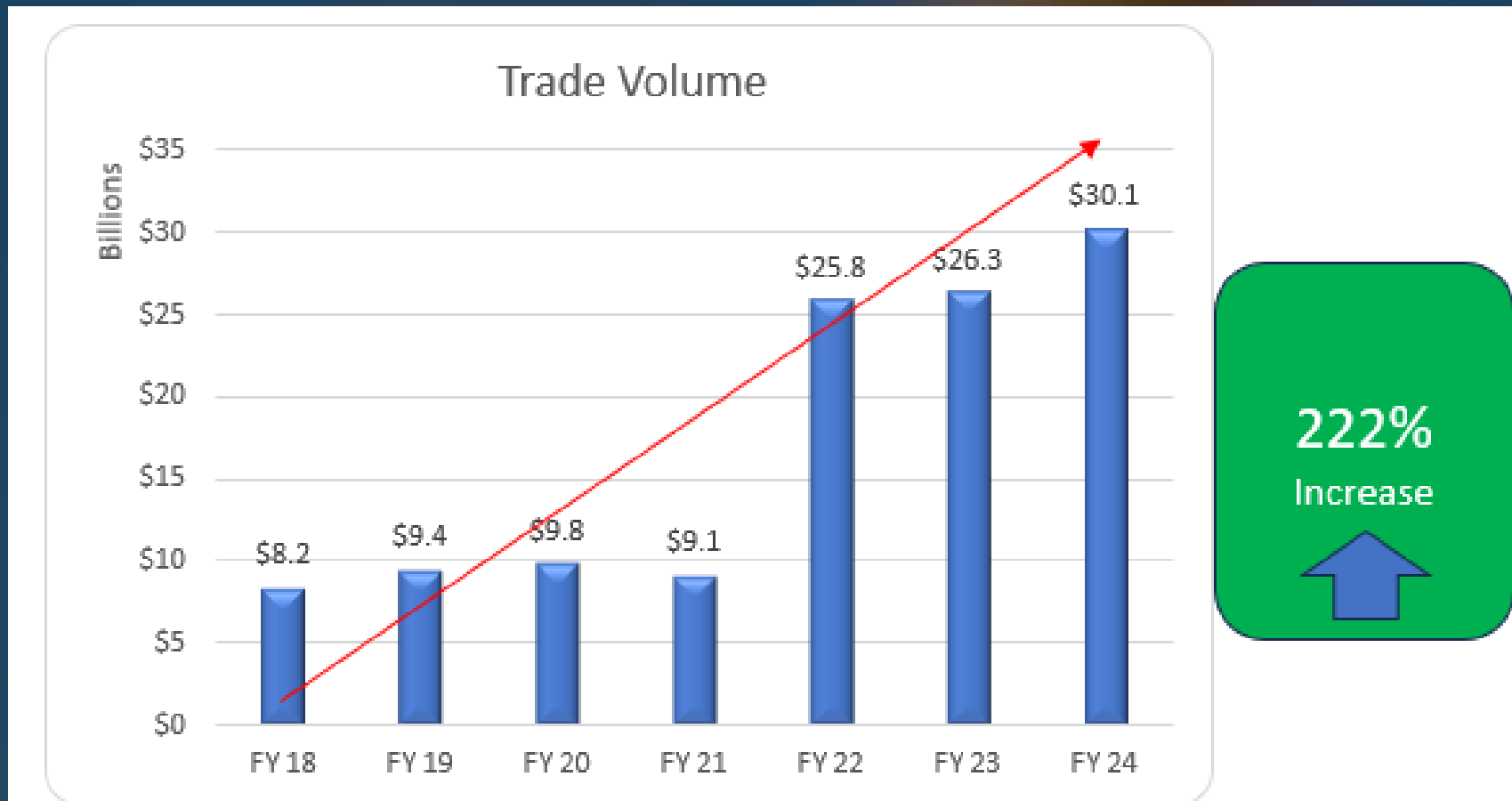
SGFIP EARNING BY FISCAL YEAR



SGFIP had a record-breaking year for earnings, FY24 totaled approximately \$404 million. This total is an increase of 424% from FY19 and 40% from prior year where the SGFIP earned \$290 million. Higher balances and higher interest rates were big factors in this fiscal year's earnings.



SGFIP EARNING BY FISCAL YEAR



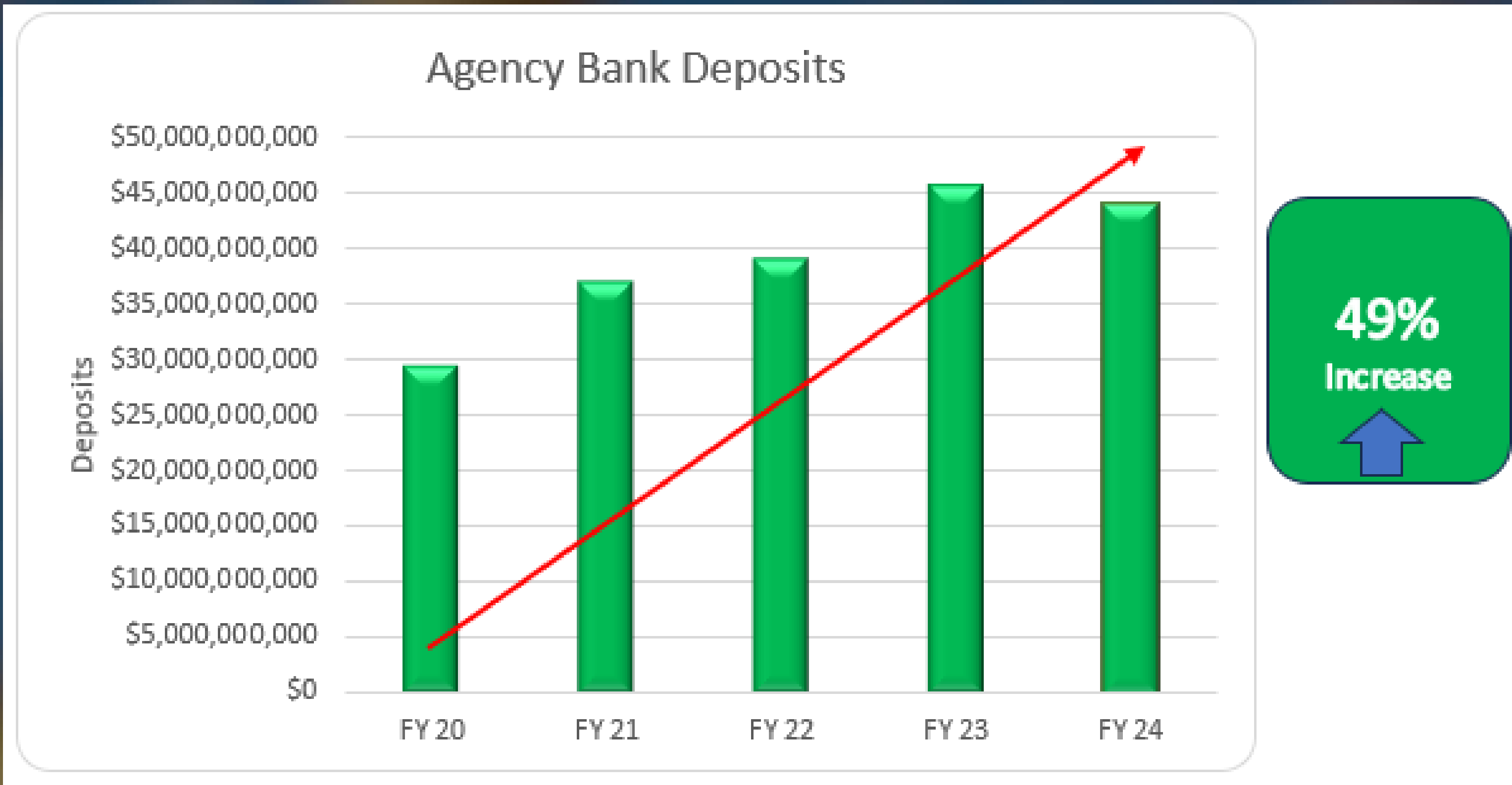
From FY19 to FY 24, trade volume increased by over \$20 billion.



Adding in Repo, brings you to over \$70 billion. Total increase was \$9.2 billion.

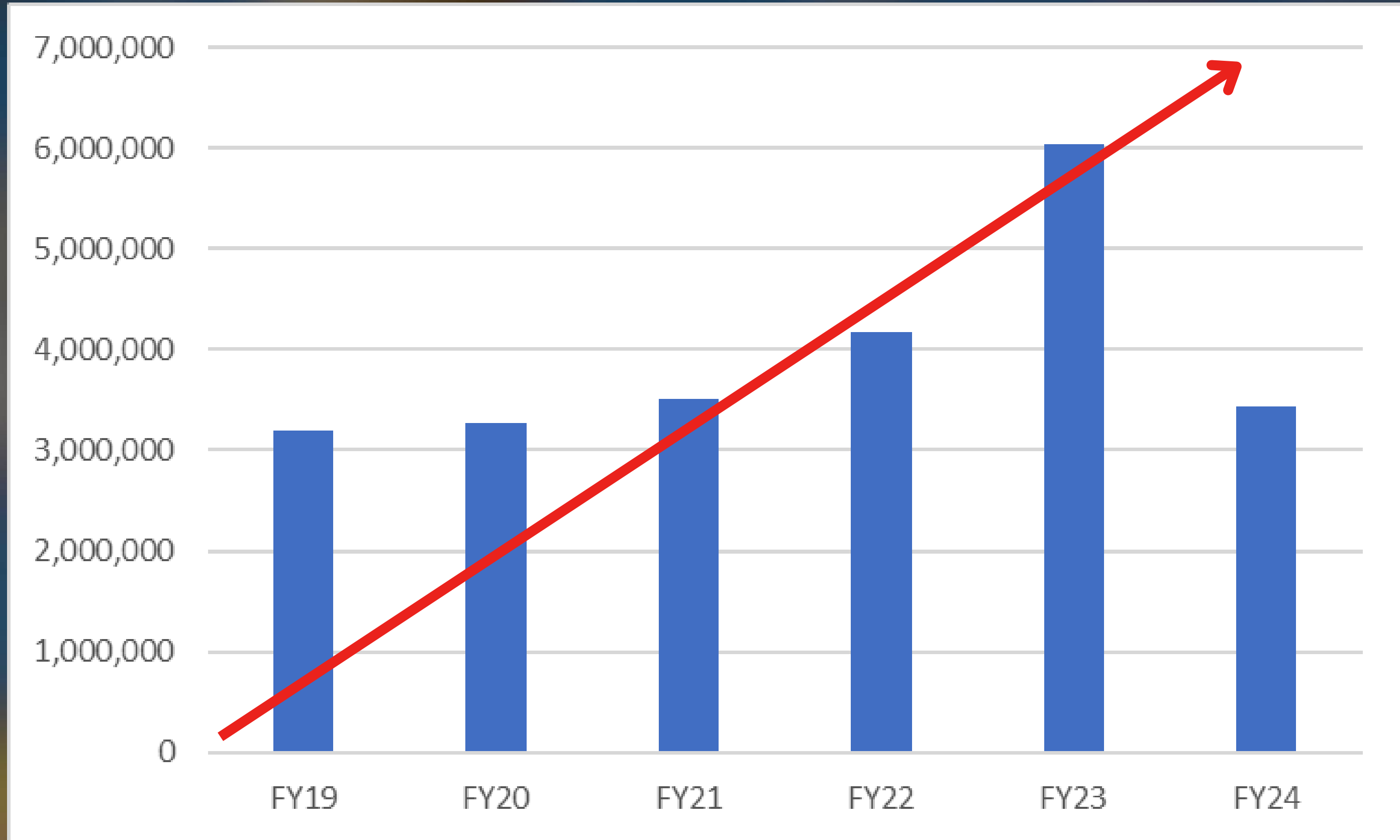


AGENCY BANK DEPOSITS



AP TRANSACTIONS

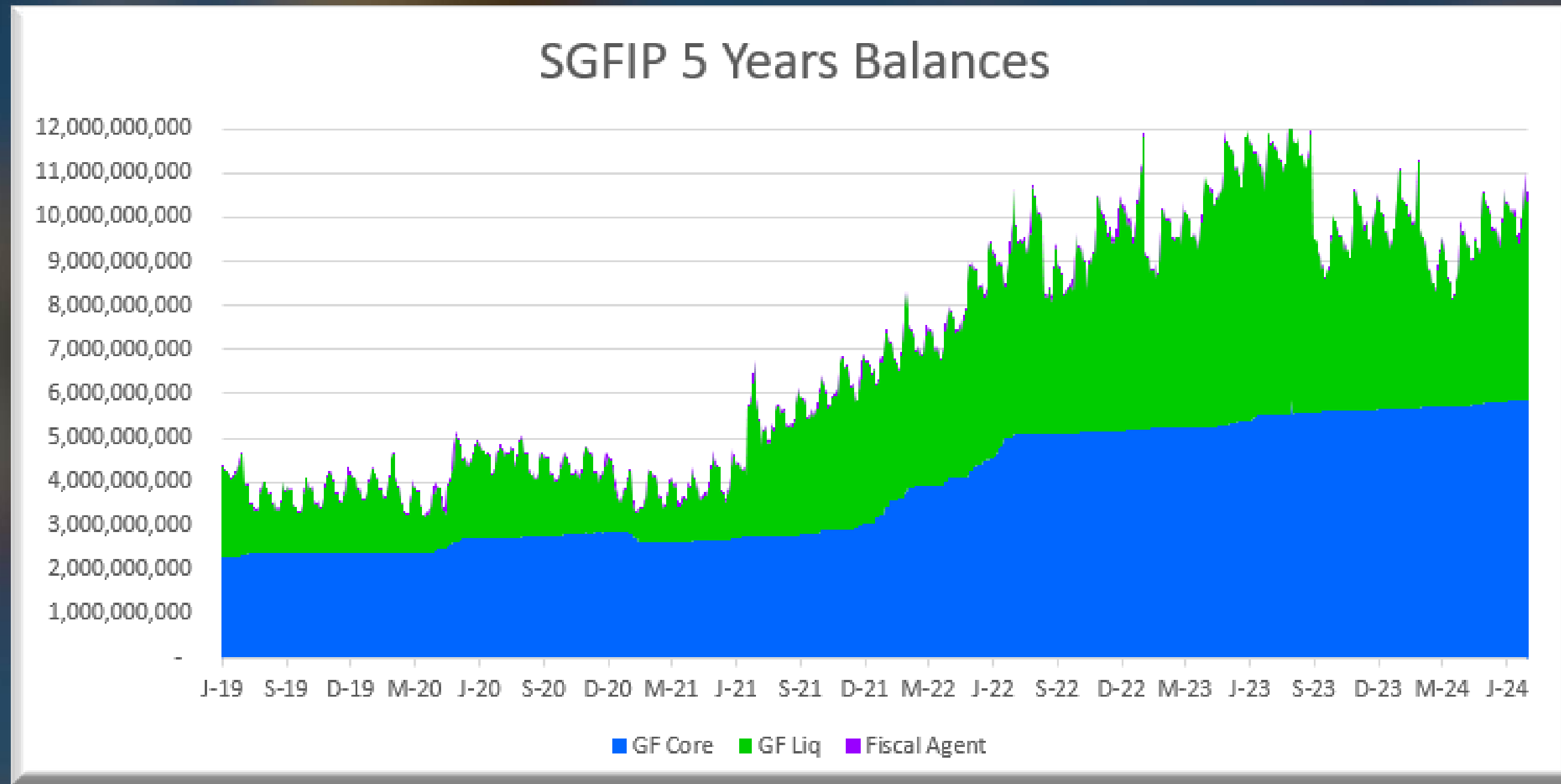
AP # of payments



Fiscal Year



SGFIP 5 YEARS BALANCES



FY24 revenues show continued strength after a record-breaking FY23. The strength is shared across revenues-income tax, gross receipts tax, selective sales tax, and investment income. This has led to higher balances in the SGFIP, which is depicted in the chart below. During the fiscal year \$4.7 billion was transferred to reserves.



FY26 APPROPRIATION REQUEST

	FY25 Budget	FY26 Request	\$ Change	% Change	Description
200-Personnel	\$3,866.60	\$4,337.60	\$471.00	12.2%	Fund 3 vacant FTE with 5 FTE still unfunded
300-Professional Services	\$522.50	\$581.00	\$58.50	11.2%	AVM, L.P. contract for overnight repurchase agreement (REPO) services
400-Other	\$717.20	\$972.80	\$255.60	35.6%	Fee increases for: Investment Accounting Software License DoIT Rates Employee Training & Education Other minor increases across various operational line items
	\$5,106.30	\$5,891.40	\$785.10	15.4%	
General Fund Increase			\$636.00	13.5%	

Total Number of Funded Positions: 30 FTE out of 35 FTE

Total Number of Unfunded Positions: 5 FTE

Filled Positions: 26 FTE

Vacant Positions: 4 FTE - 2 in Cash Management, 1 NAChA, 1 IT

INVESTMENT OBJECTIVES

Safety
Liquidity
Yield

Investments are primarily high-quality, short-duration, U.S. Government and Agency bonds that minimize credit and interest rate risk

Section 6-10-10.1 NMSA 1978



ALLOWABLE INVESTMENTS

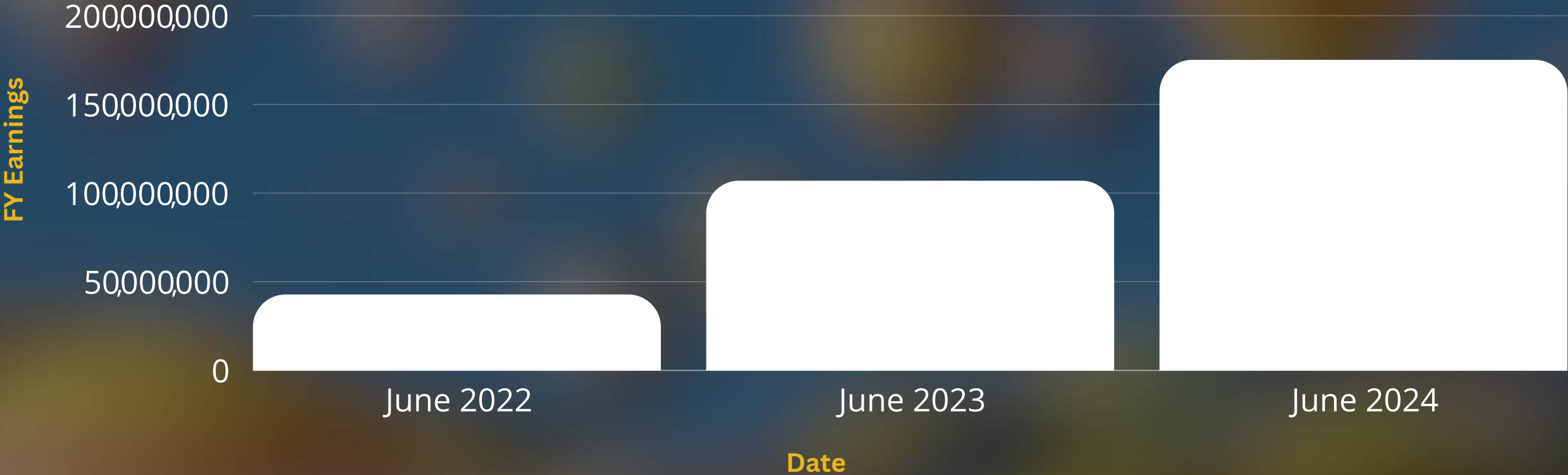
Permissible Investments

- Maximum maturity of five years
 - US Treasuries
 - US Government Agencies
 - Corporate bonds rated AA or better
 - Supranationals rated AAA
- **Maximum maturity of three years**
 - Corporate bonds rated A or better
 - Municipal bonds rated A or better
- **Cash Equivalents**
 - Repurchase agreements with approved counterparties
 - NM collateralized bank deposits
 - Commercial paper rated at least A1, P1 or F1
 - Municipal variable rate demand notes rated A or better

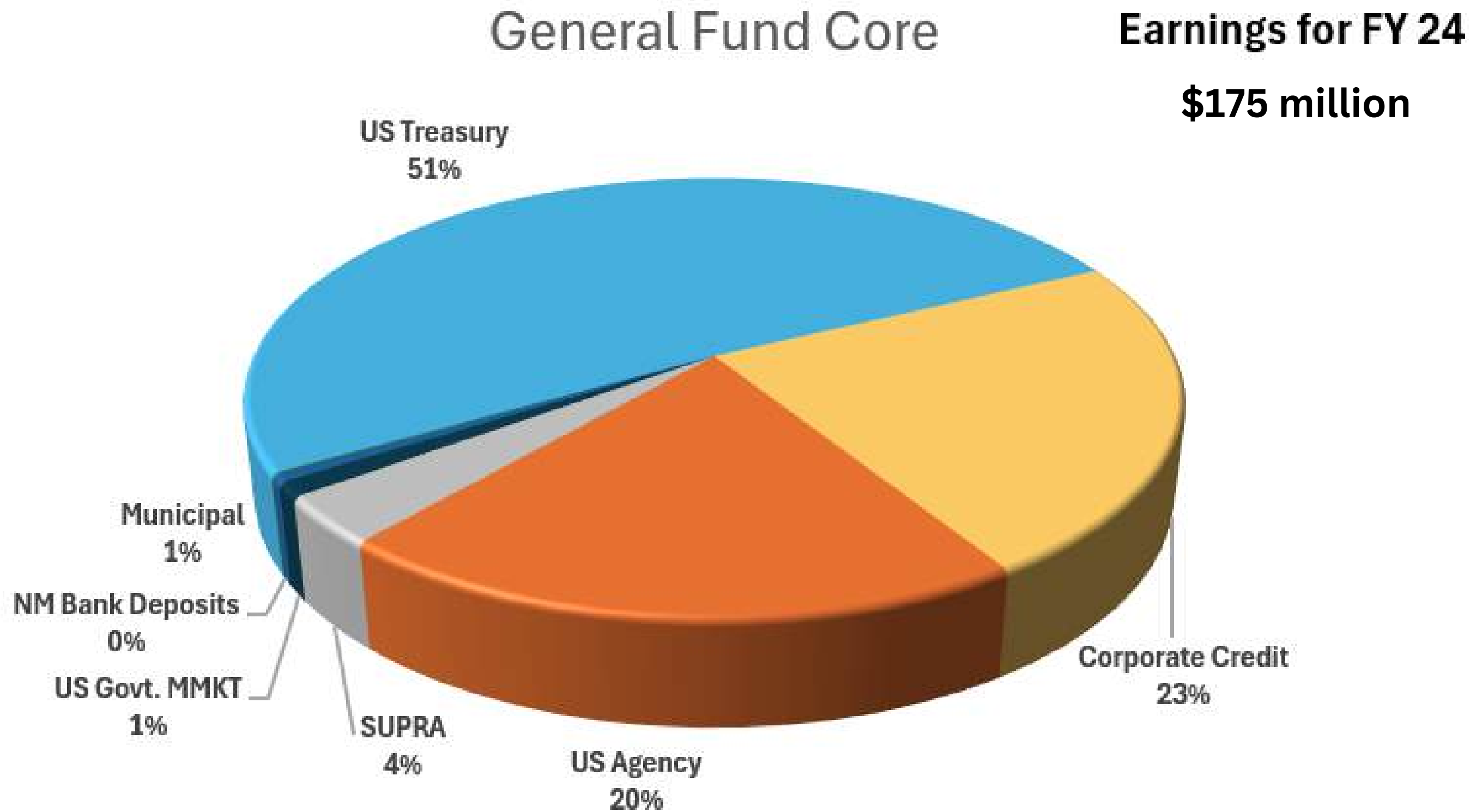


General Fund CORE

Date	Market Value	FY Earnings	FY Change in Unrealized Gains/Losses	FY Total
6/30/2024	\$5,581,679,360	\$175,137,956	\$77,795,928	\$252,933,884
6/30/2023	\$5,230,475,825	\$106,973,003	\$ (61,982,018)	\$44,990,986
6/30/2022	\$4,874,998,175	\$42,822,262	\$ (168,326,868)	\$ (125,504,606)

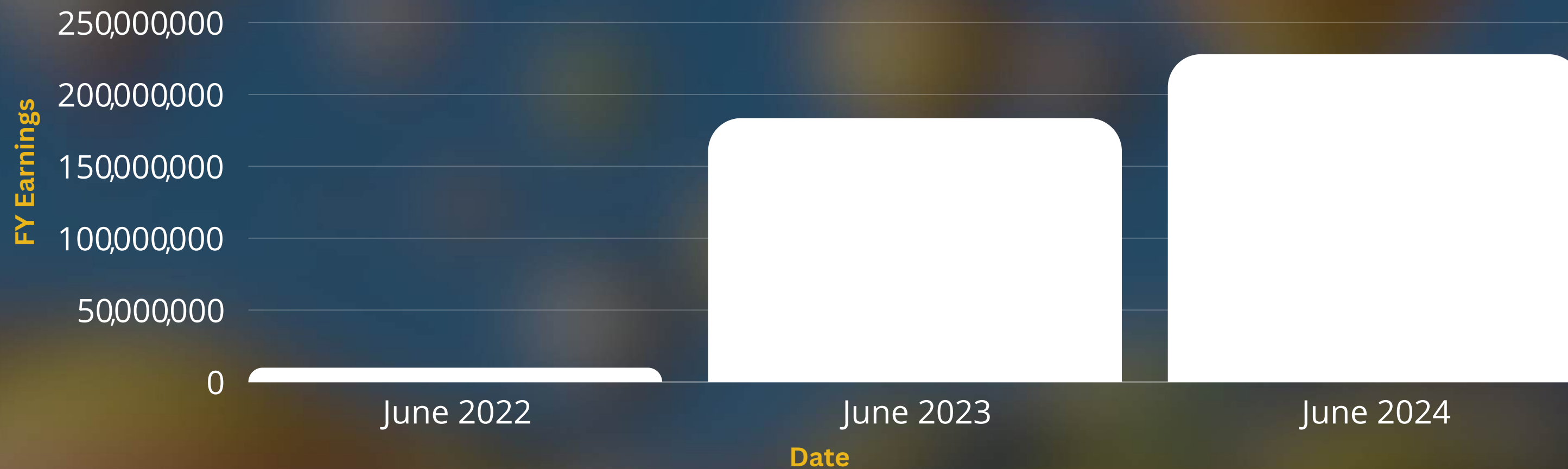


GENERAL FUND CORE

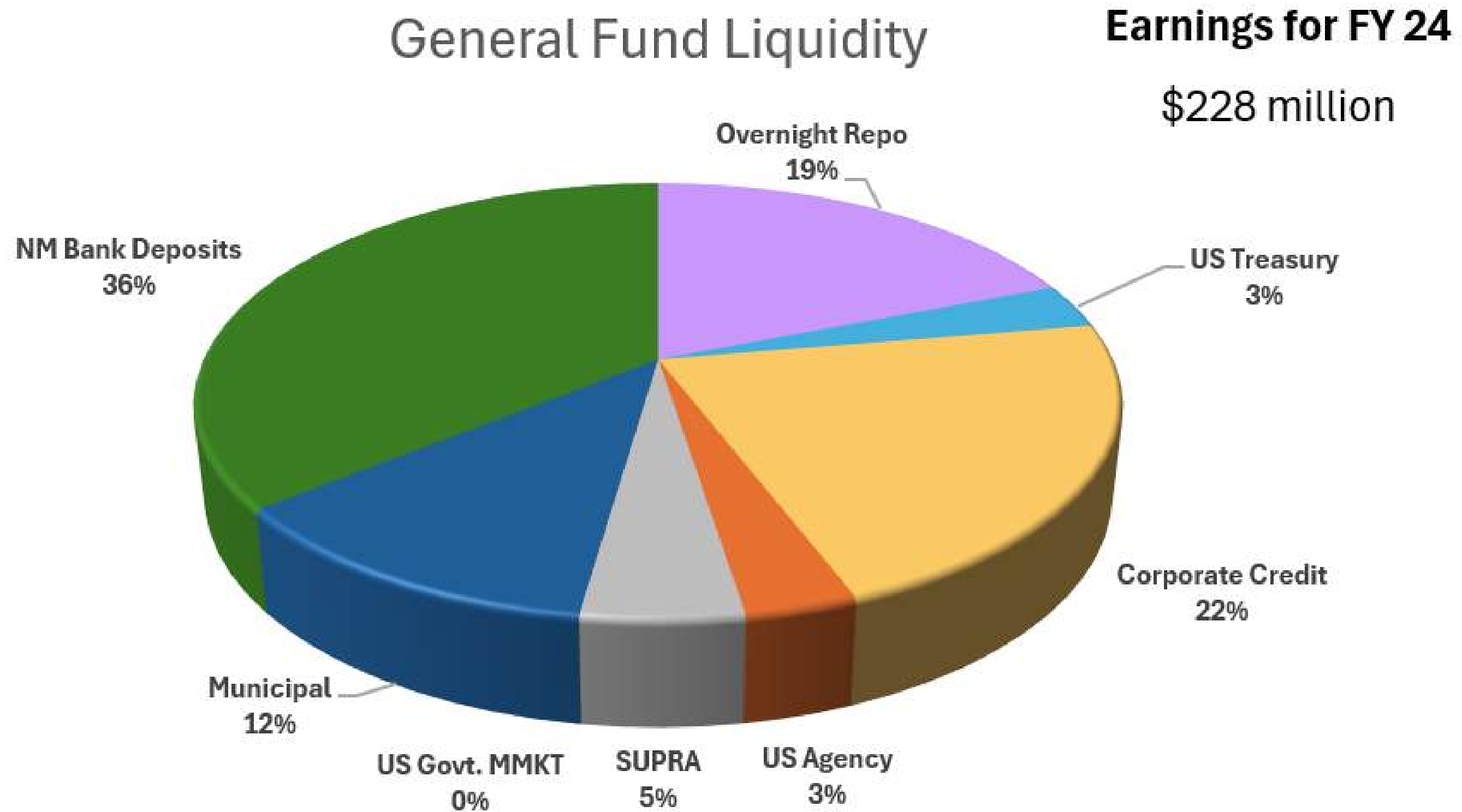


General Fund Liquidity

Date	Market Value	FY Earnings	FY Change in Unrealized Gains/Losses	FY Total
6/30/2024	\$4,500,909,959	\$227,949,440	\$388,054	\$228,337,494
6/30/2023	\$6,100,547,287	\$183,505,706	\$483,649	\$183,989,355
6/30/2022	\$5,598,314,861	\$9,929,922	\$ (1,188,248)	\$8,741,674

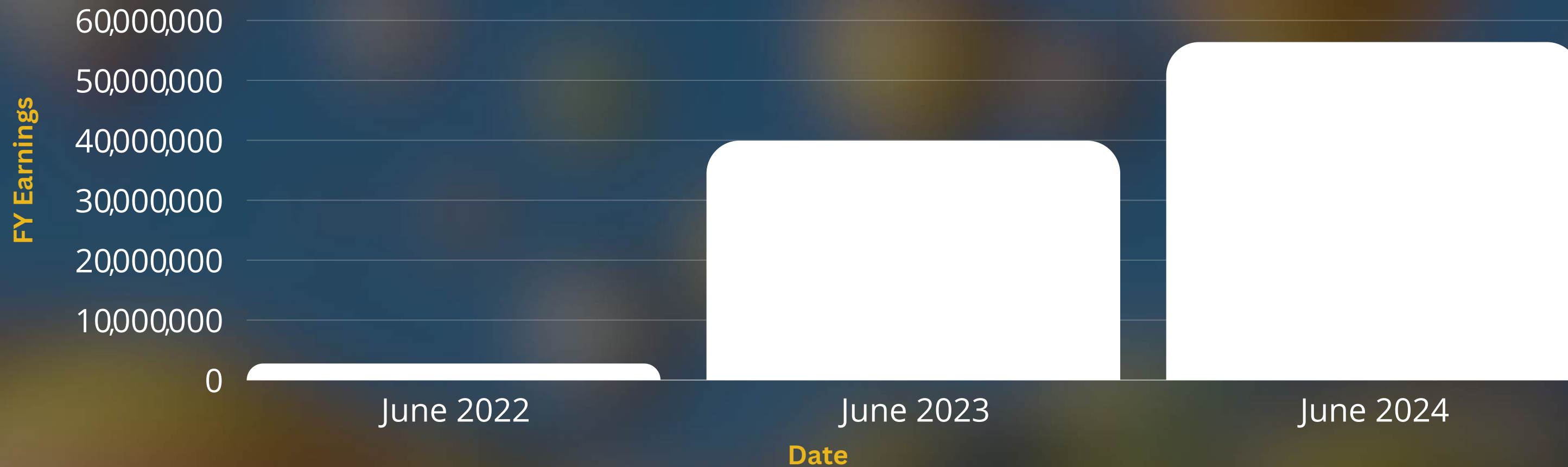


GENERAL FUND LIQUIDITY

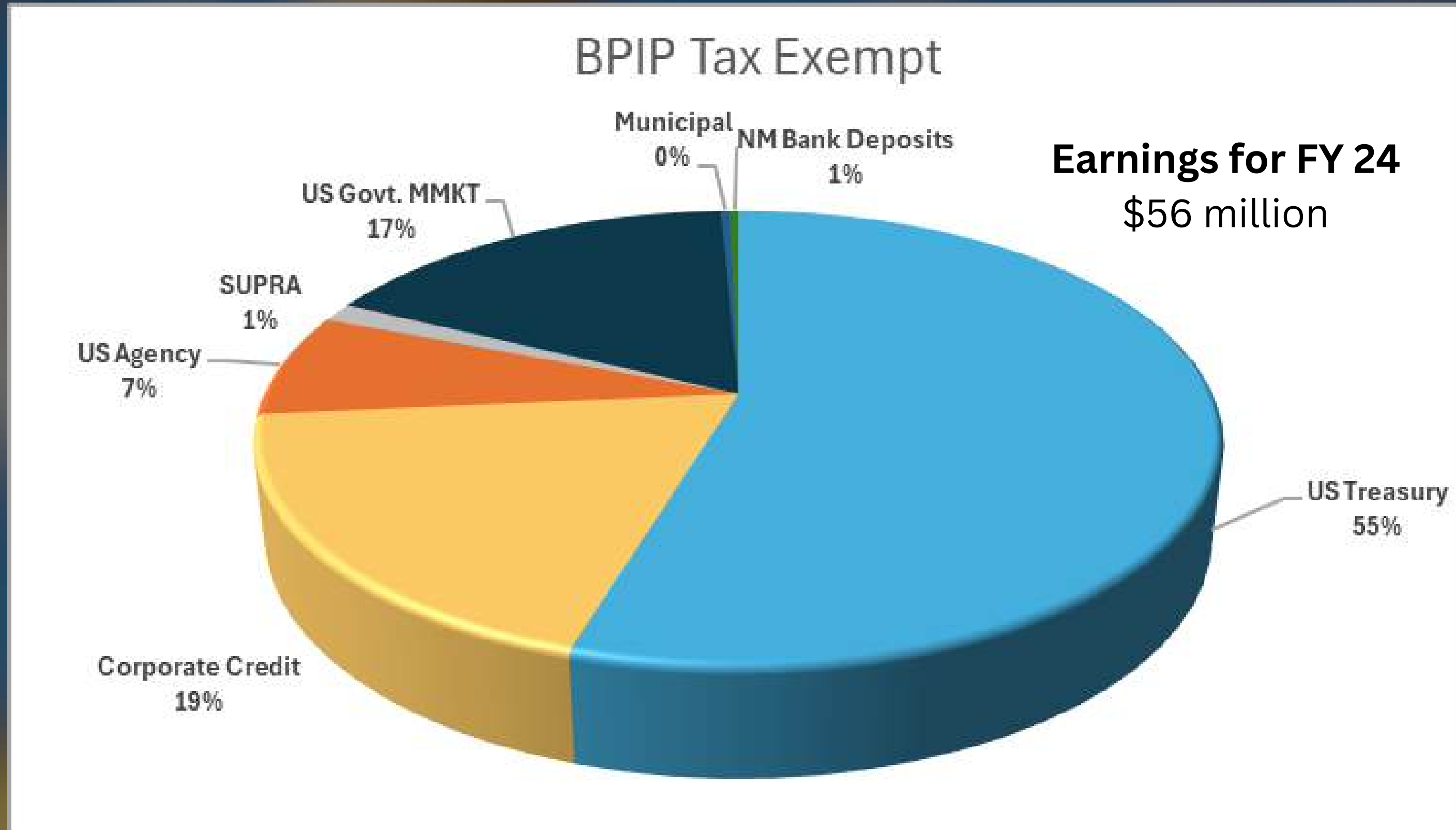


Bond Proceeds - Tax-Exempt

Date	Market Value	FY Earnings	FY Change in Unrealized Gains/Losses	FY Total
6/30/2024	\$1,328,205,239	\$56,388,352	\$11,906,312	\$68,294,664
6/30/2023	\$1,632,798,670	\$39,944,376	\$ (2,835,380)	\$32,108,996
6/30/2022	\$1,251,800,152	\$2,756,872	\$ (12,888,207)	\$ (10,131,334)

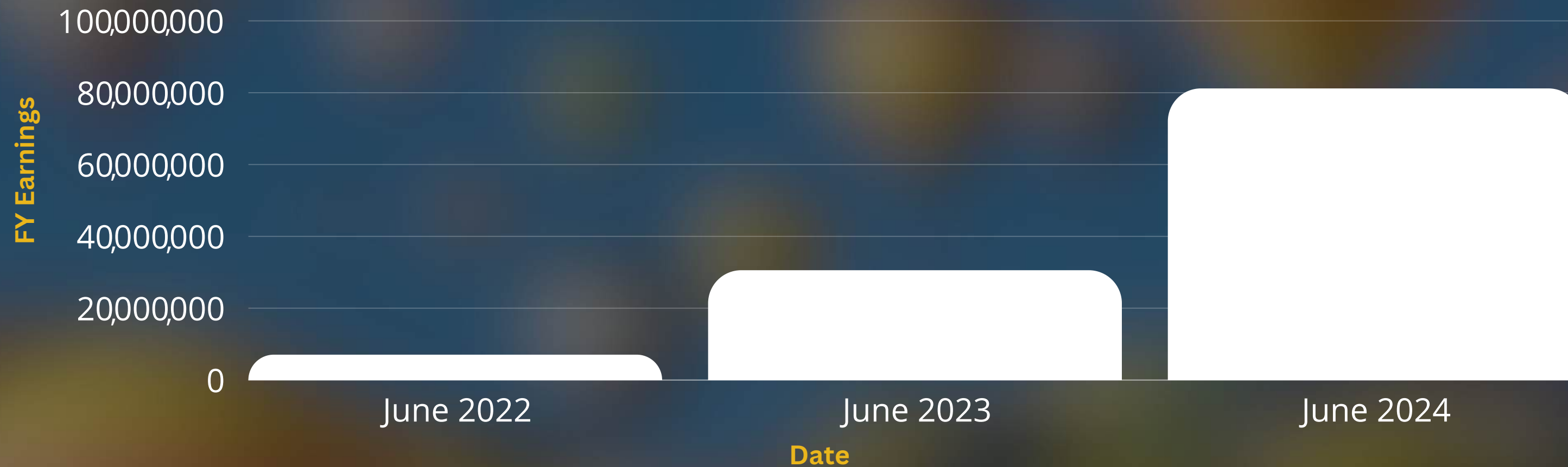


Bond Proceeds - Tax-Exempt

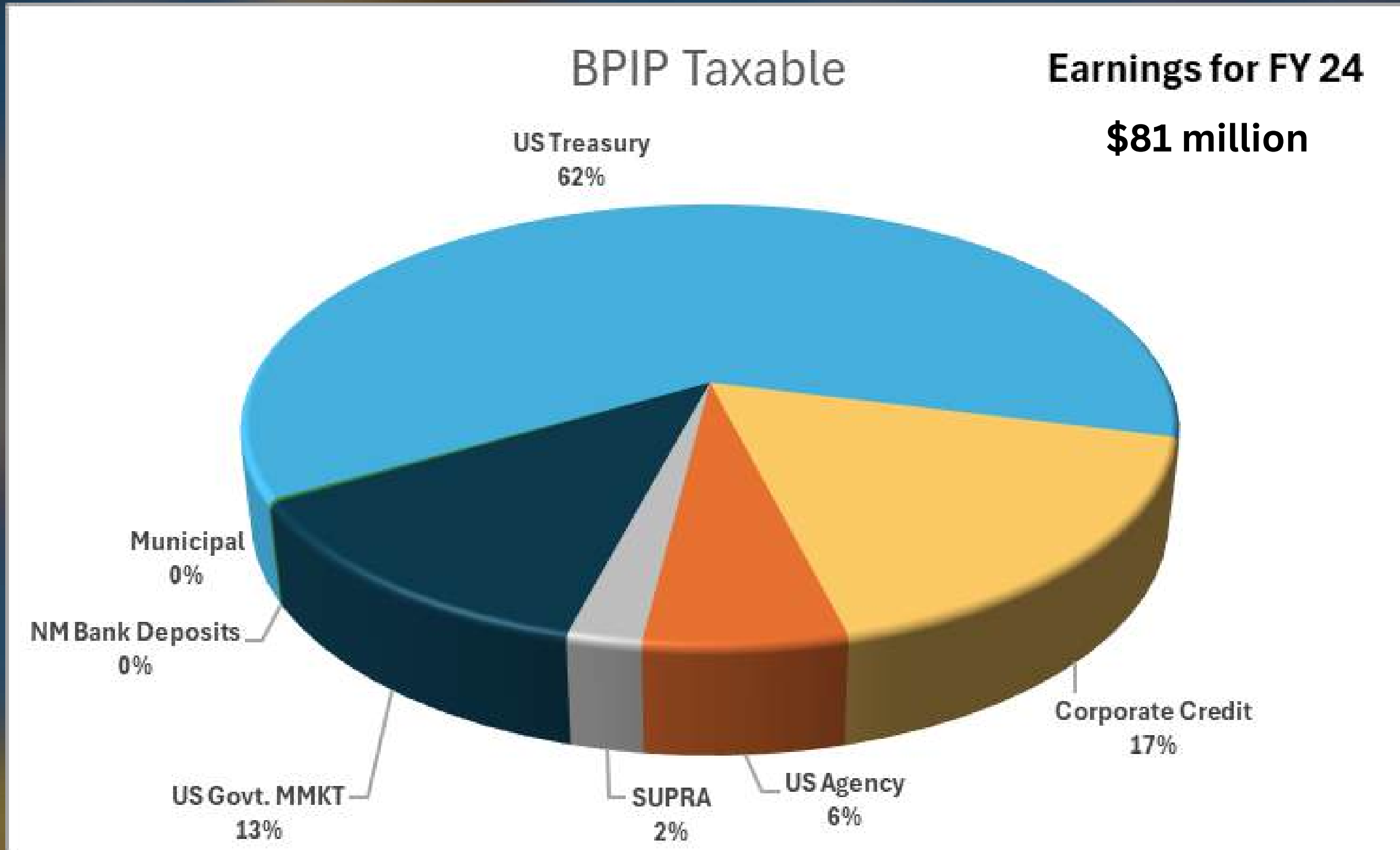


Bond Proceeds - Taxable

Date	Market Value	FY Earnings	FY Change in Unrealized Gains/Losses	FY Total
6/30/2024	\$2,627,100,155	\$81,189,762	\$19,134,343	\$100,324,105
6/30/2023	\$2,103,481,459	\$30,574,014	\$ (3,720,248)	\$26,853,766
6/30/2022	\$1,350,118,441	\$7,060,122	\$ (32,350,918)	\$ (25,290,796)

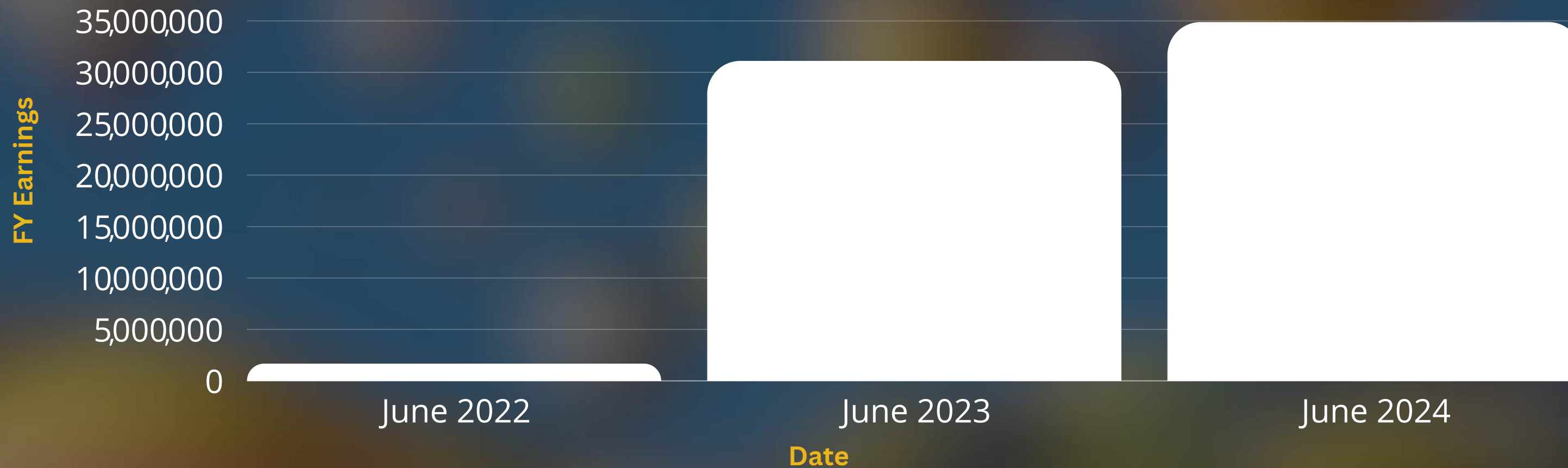


Bond Proceeds - Taxable



Severance Tax Bonding Pool

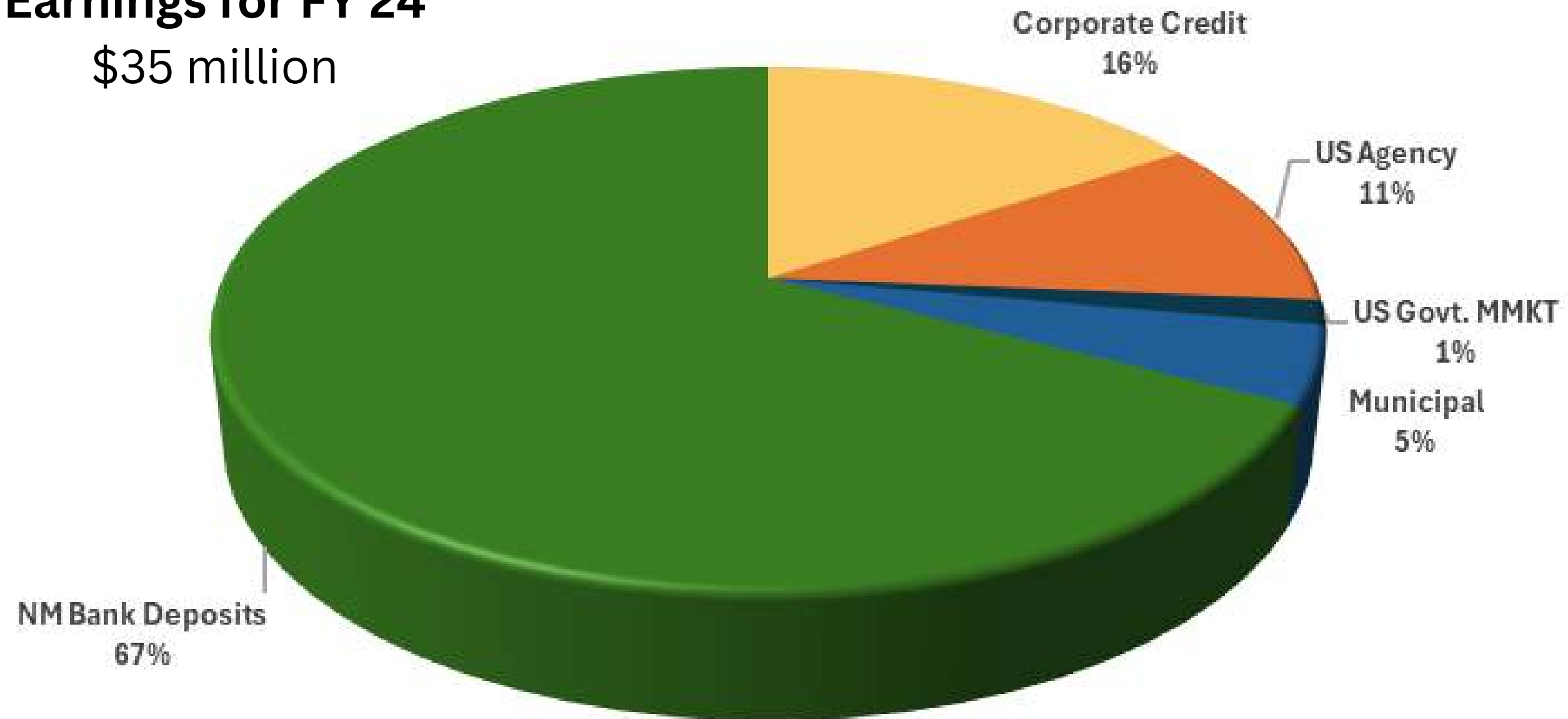
Date	Market Value	FY Earnings	FY Change in Unrealized Gains/Losses	FY Total
6/30/2024	\$46,965,919	\$34,883,839	\$ (3,313)	\$34,880,527
6/30/2023	\$30,510,640	\$31,110,717	\$ (1,620)	\$31,109,097
6/30/2022	\$24,612,285	\$1,674,174	\$1,382	\$1,675,556



Severance Tax Bonding Pool

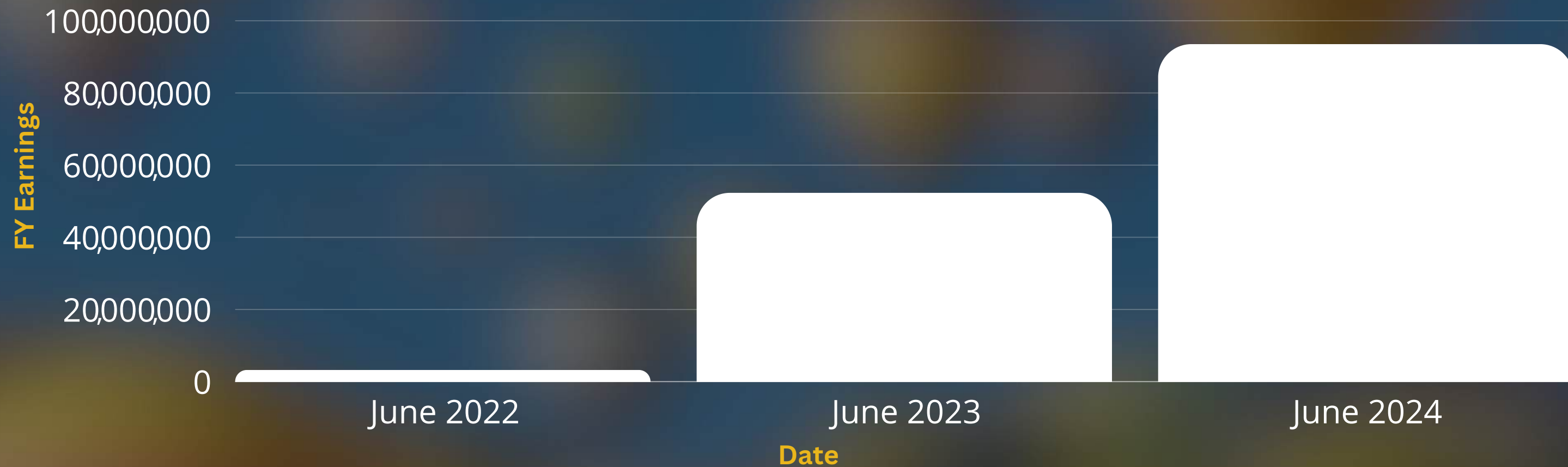
Severance Tax Bonding Fund

Earnings for FY 24
\$35 million

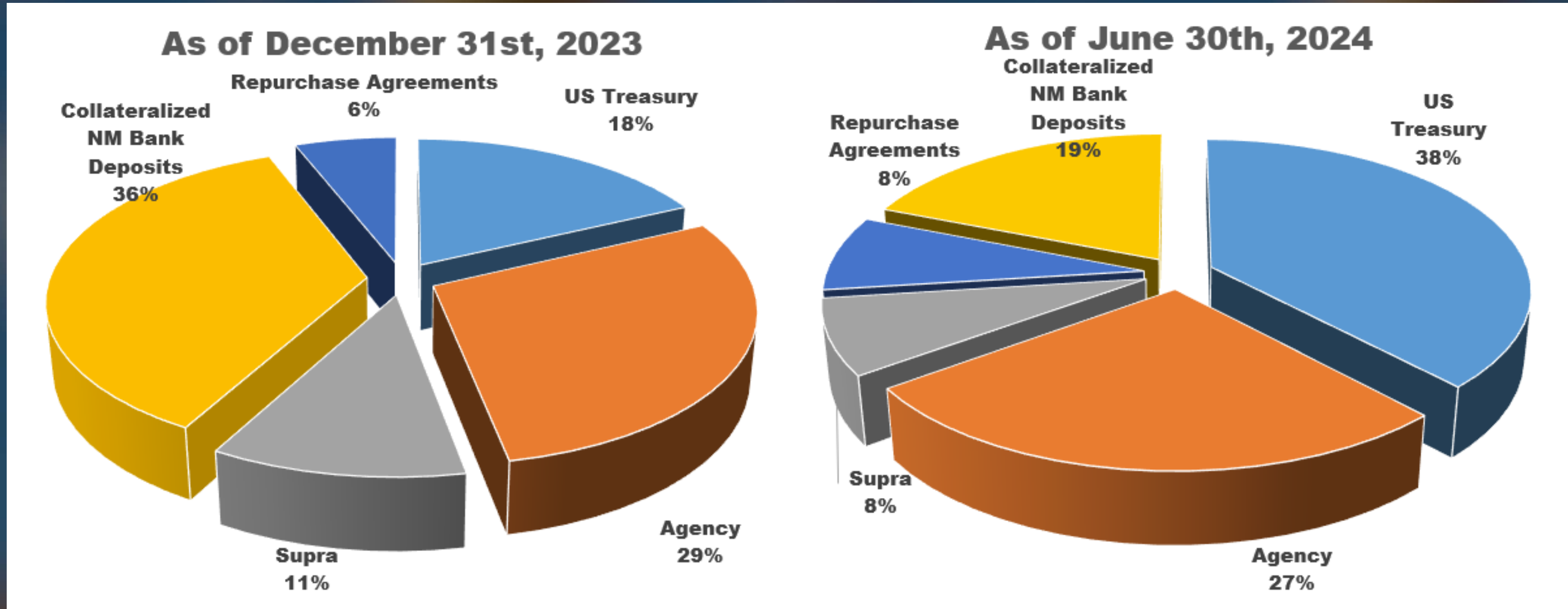


Local Government Investment Pool - Short Term

Date	Market Value	FY Earnings	Estimated 0.05% annual fee using Fiscal Year End MV
6/30/2024	\$1,944,838,724	\$93,524,071	\$972,419
6/30/2023	\$1,610,246,603	\$52,311,785	\$805,123
6/30/2022	\$1,375,527,720	\$3,223,681	\$687,764



Local Government Investment Pool - Short Term Portfolio Sectors



Earnings for FY 24
\$93.5 million



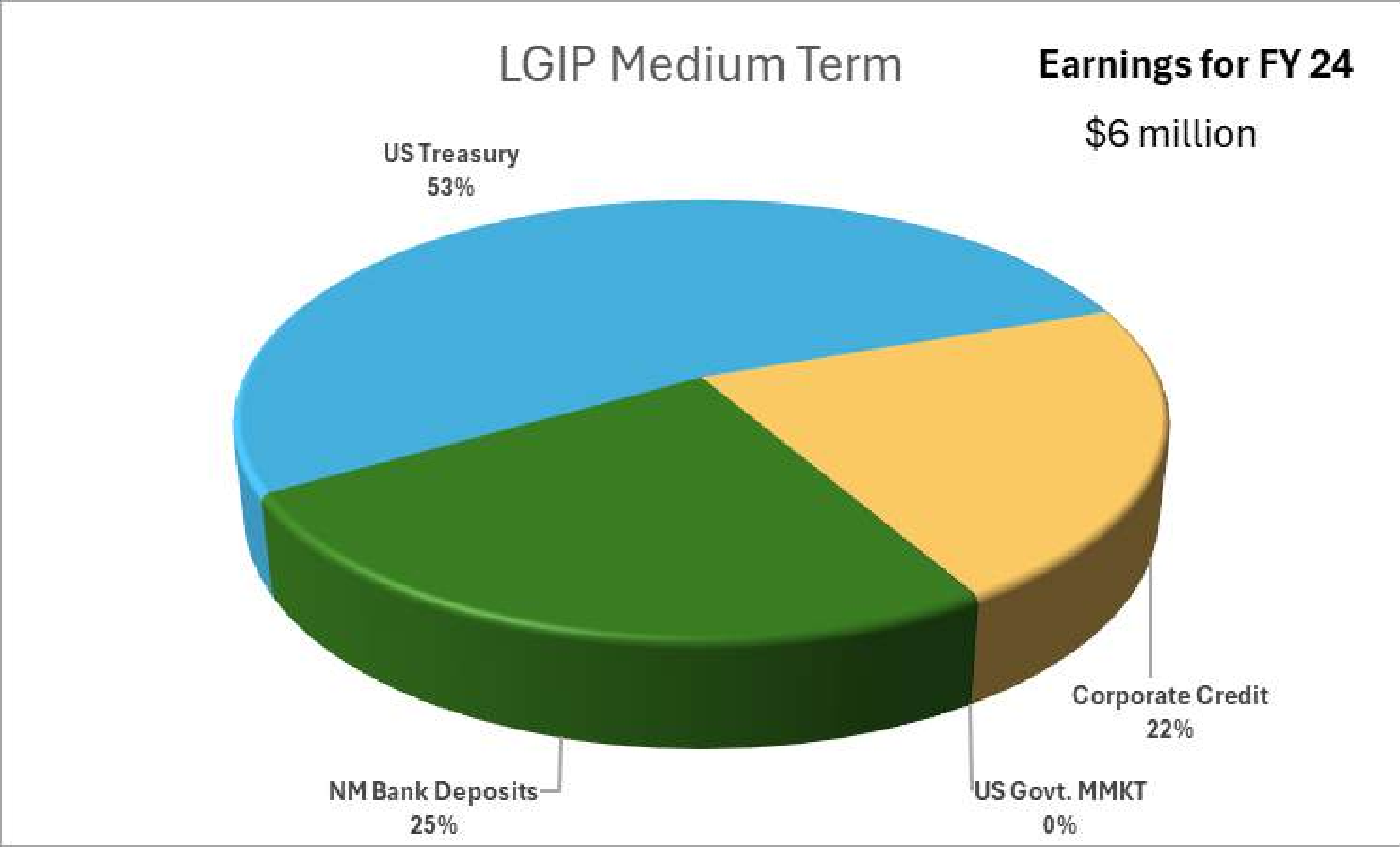
Local Government Investment Pool - Medium Term

Date	Market Value	FY Earnings	FY Change in Unrealized Gains/Losses	FY Total	Estimated 0.05% annual fee using Fiscal Year End MV
6/30/2024	\$752,887,673	\$6,217,702	\$421,332	\$6,639,034	\$376,444

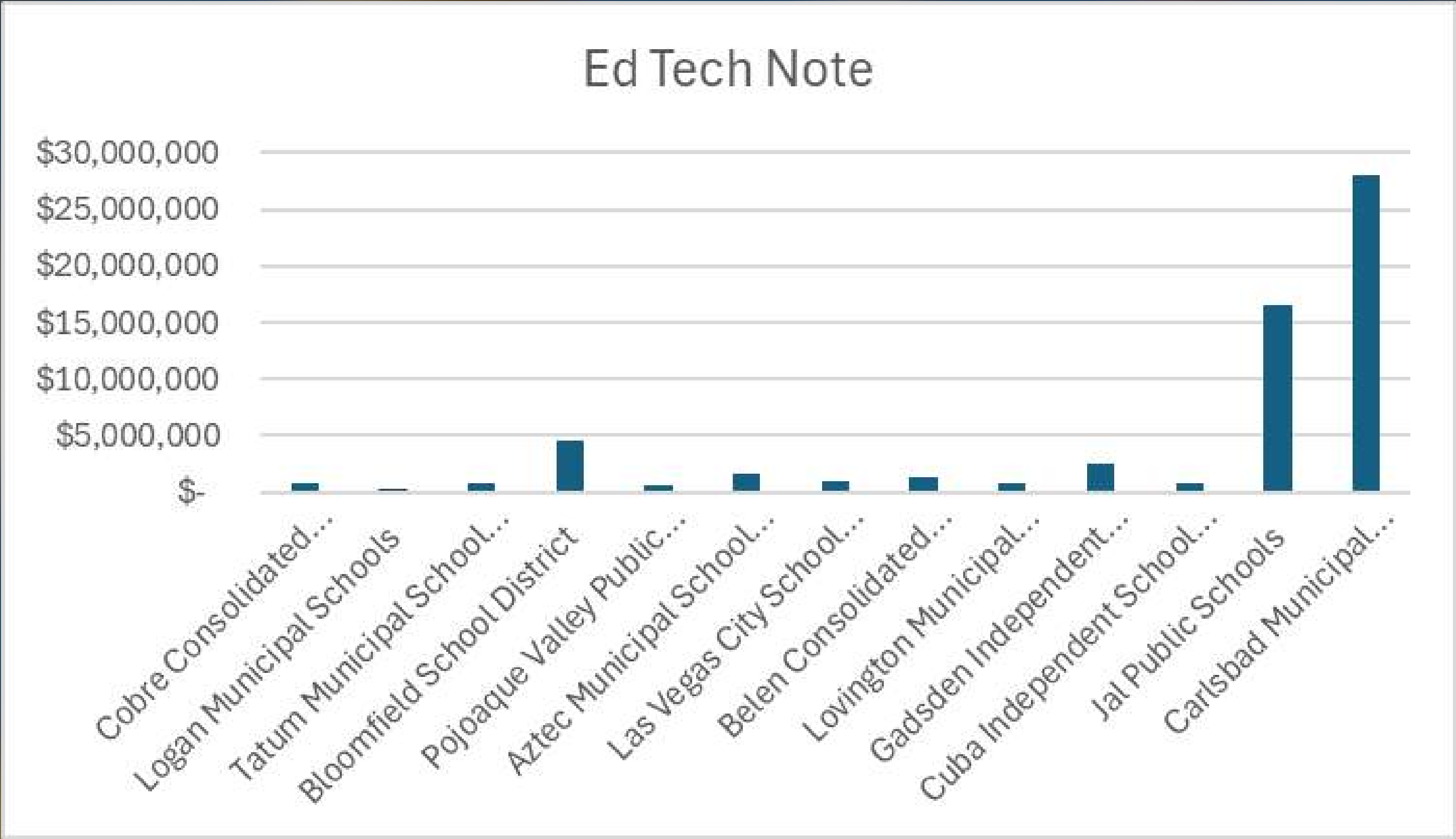
- Notes:**
- (1) These figures are generated using a combination of accrued earnings, realized and unrealized gains and losses. They are unaudited and may be subject to revision.
 - (2) Account balances fluctuate during the month, holdings are calculated as of month-end. Performance includes adjustments for fund flows during the month.
 - (3) Holdings are reported on a "Trade Basis".
 - (4) Cash Balances are month-end cash balances at Fiscal Agent Bank (Wells Fargo).
 - (5) LGIP Conforms to GASB 31, as such accounting and earnings are reported to participants on an amortized basis.
 - (6) Source: STO Records, Fiscal Agent Bank Statements, QED Financial Systems, JP Morgan Custody Reporting.



Local Government Investment Pool - Medium Term Portfolio Sectors



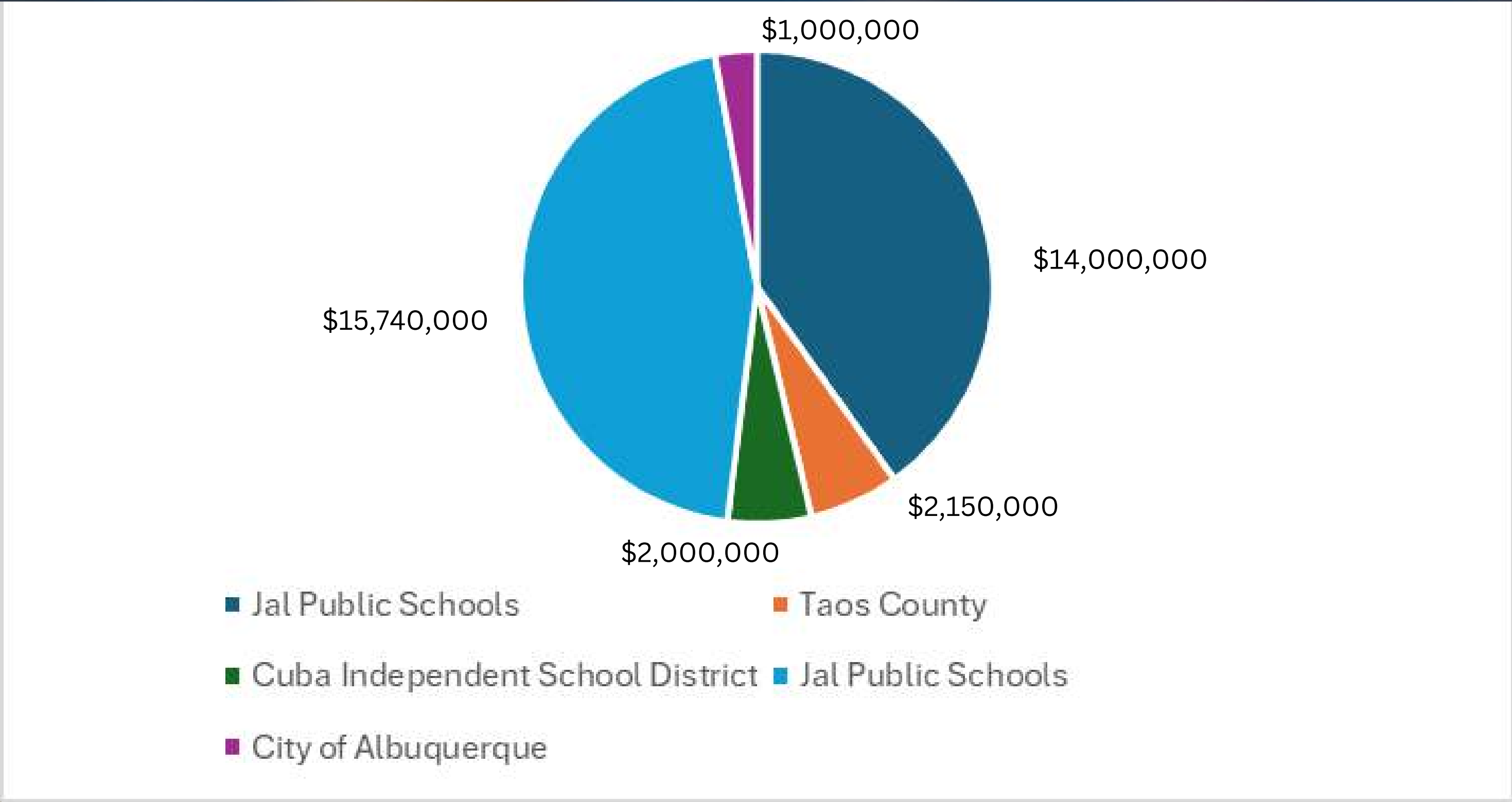
Education Technology Notes (FY 24)



Total: \$59,824,000



General Obligation Bonds (FY 24)



Total: \$34,890,000



Baby Bonds



- Baby Bonds Pilot
- Baby Bonds Symposium
- Baby Bonds Statewide Outreach & Collaboration





- **1,949 Total Accounts as of 10/14/24**
- **Bernalillo County - majority of opened accounts**
- **NM STABLE Statewide Outreach & Collaboration**

NM STABLE Assets Under Management FY23	\$10,729,122
NM STABLE Assets Under Management FY24	\$15,100,361
Percentage Change in NM STABLE AUM FY24	↑40.7%
NM STABLE Average Account Balance FY23	\$8,556
NM STABLE Average Account Balance FY24	\$10155
Percentage Change in NM STABLE Avg. Account Balance	↑18.7%
NM STABLE Active Accounts as of 6/30/2023	1254
NM STABLE Active Accounts as of 6/30/2024	1487
Percentage Change in NM STABLE Active Accounts FY24	↑18.6%
NM STABLE Accounts opened as of 6/30/2023	1575
NM STABLE Accounts opened as of 6/30/2024	1860
Percentage Change in NM STABLE Accounts FY24	↑18.1%

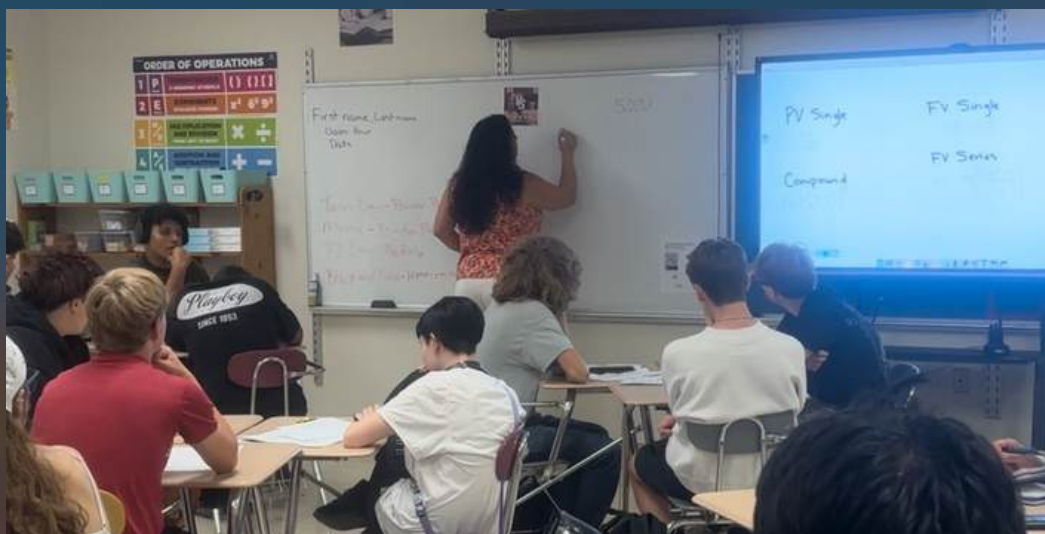
The difference between Active Accounts and Accounts Opened is that Accounts Opened includes ALL accounts (active, closed, & inactive).





Financial Literacy

- Financial Literacy In NM Schools
 - Superintendents
 - Principals
 - School Board Members
 - Students
- Community Share & Listen events
- Financial Literacy Statewide Outreach & Collaboration



CONTACT

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Kristen Dorland, Chief Financial Officer

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