

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

**August 15, 2022
State Capitol, Room 322
Santa Fe**

The third meeting of the Investments and Pensions Oversight Committee for the 2022 interim was called to order by Representative Patricia Roybal Caballero, chair, on Monday, August 15, 2022, at 10:08 a.m. in Room 322 of the State Capitol in Santa Fe.

Present

Rep. Patricia Roybal Caballero, Chair
Sen. Roberto "Bobby" J. Gonzales, Vice Chair
Rep. Phelps Anderson
Rep. Christine Chandler
Rep. Natalie Figueroa
Rep. Miguel P. Garcia
Sen. Stuart Ingle
Sen. Daniel A. Ivey-Soto
Rep. William "Bill" R. Rehm
Sen. Antoinette Sedillo Lopez
Sen. Elizabeth "Liz" Stefanics

Absent

Sen. William F. Burt
Rep. Linda Serrato

Advisory Members

Rep. Rachel A. Black
Sen. Michael Padilla

Sen. Jacob R. Candelaria
Rep. Doreen Y. Gallegos
Sen. Steven P. Neville
Sen. Shannon D. Pinto
Sen. Mimi Stewart

Staff

Anthony Montoya, Staff Attorney, Legislative Council Service (LCS)
Martin Fischer, Bill Drafter, LCS
Rebecca Griego, Records Officer, LCS
Carrie McGovern, Researcher, 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.

Monday, August 15

State Treasurer's Office (STO): Update (10:14 a.m.)

Tim Eichenberg, state treasurer, STO; Vikki Y. Hanges, chief investment officer, STO; and Anna Murphy, senior portfolio manager, STO, provided an overview of recent investment activities at the STO, including that the agency has over \$14 billion in total assets managed in 2022, compared to \$9 billion in total assets managed in 2021. The presentation can be found here:

<https://www.nmlegis.gov/handouts/IPOC%20081522%20Item%201%20State%20Treasurer's%20Office%20Update.pdf>.

State Investment Council (SIC): Update on Funds Managed by the SIC, Investment Returns and Market Outlook (11:18 a.m.)

Steven K. Moise, state investment officer, SIC; Robert "Vince" Smith, chief investment officer and deputy state investment officer, SIC; and Charles V. Wollmann, director, Communications, Legislative and Client Relations, SIC, provided an update on the performance of various funds managed by the SIC, as well as a positive report on investment returns. While there were record-breaking inflows into the permanent funds, especially the Land Grant Permanent Fund, the presenters noted that a recession is possible in the near future. The presentation can be found here:

<https://www.nmlegis.gov/handouts/IPOC%20081522%20Item%202%20SIC%20Update.pdf>.

Approval of Minutes

On a motion made and seconded, the minutes of the July 7, 2022 meeting were approved with the following amendment to the Return-to-Work Provisions for Educational Retirees: Update on Recent Changes presentation:

"The ERB provided testimony that the return-to-work provisions resulted in vacant positions being filled by individuals returning to work and a net positive impact to the funded status of the Educational Retirement Fund."

Public Employees Retirement Association (PERA): Agency and Senate Bill 72 (2020) Update (1:51 p.m.)

Greg Trujillo, executive director, PERA, spoke about governance changes at the PERA Board of Trustees and improvements to the retirement fund's funded ratio and funding period

due to pension reform provisions enacted in Senate Bill 72 in the 2020 regular session. The presentation can be found here:

<https://www.nmlegis.gov/handouts/IPOC%20081522%20Item%203%20PERA%20Update.pdf>.

PERA: SmartSave 457(b) Deferred Compensation Plan (2:52 p.m.)

Karyn Lujan, manager, PERA SmartSave Deferred Compensation Plan, PERA, provided an update on the SmartSave plan's fiscal year (FY) 2022 activity and initiatives planned for FY 2023. The presentation can be found here:

<https://www.nmlegis.gov/handouts/IPOC%20081522%20Item%204%20SmartSave.pdf>.

New Mexico Work and Save: Update (3:18 p.m.)

Isaiah Zemke, acting chair, New Mexico Work and Save Board, and Claudia Armijo, executive director, New Mexico Work and Save, STO, illustrated the progress made in the past year on the implementation of the New Mexico Work and Save private sector retirement program, which is expected to be fully operational by July 1, 2024. The presentation can be found here:

<https://www.nmlegis.gov/handouts/IPOC%20081522%20Item%205%20New%20Mexico%20Work%20and%20Save%20Update.pdf>.

Adjournment

There being no further business before the committee, the meeting adjourned at 4:22 p.m.