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# **REGULAR MEETING OF THE BOARD OF DIRECTORS**



**April 2, 2024  
9:30 AM**

**CNM Workforce Training Center, Room 207  
5600 Eagle Rock Ave. NE, Alb. NM 87113  
Online: <https://meet.goto.com/NMRHCA/boardmeeting>  
Telephone: 1-224-501-3412 / Access Code: 724-176-285**

New Mexico Retiree Health Care Authority  
Regular Meeting

BOARD OF DIRECTORS

**ROLL CALL**

**April 2, 2024**

	Member in Attendance		
Ms. Saunders, President			
Mr. Salazar, Vice President			
Ms. Larranaga-Ruffy, Secretary			
Mr. Archuleta			
Ms. Montoya			
Mr. Washburn			
Ms. Sandoval			
Mr. Pyle			
Ms. Alirez			
Mr. Caruana			

## NMRHCA BOARD OF DIRECTORS

April 2024

Ms. Therese Saunders, President  
NEA-NM, Classroom Teachers Assoc., &  
NM Federation of Educational Employees  
5811 Brahma Dr. NW  
Albuquerque, NM 87120  
[tsaunders3@mac.com](mailto:tsaunders3@mac.com)  
505-934-3058

The Honorable Ms. Laura M. Montoya  
NM State Treasurer  
2055 South Pacheco Street  
Suite 100 & 200  
Santa Fe, NM 87505  
[laura.montoya@sto.nm.gov](mailto:laura.montoya@sto.nm.gov)  
505-955-1120

Mr. Tomas E. Salazar, PhD, Vice President  
NM Assoc. of Educational Retirees  
PO Box 66  
Las Vegas, NM 87701  
[salazarte@plateautel.net](mailto:salazarte@plateautel.net)  
505-429-2206

Mr. David Archuleta  
ERB Executive Director  
Educational Retirement Board  
PO Box 26129  
Santa Fe, NM 87502-0129  
[david.archuleta@erb.nm.gov](mailto:david.archuleta@erb.nm.gov)  
505-476-6152

Ms. Leanne Larranaga-Ruffey, Secretary  
Alternate for PERA Executive Director Public  
Employees Retirement Association  
33 Plaza La Prensa  
Santa Fe, NM 87507  
[leanne.larranaga@pera.nm.gov](mailto:leanne.larranaga@pera.nm.gov)  
505-476-9332

Mr. Lance Pyle  
NM Association of Counties  
Curry County Administration  
417 Gidding, Suite 100  
Clovis, NM 88101  
[lpyle@currycounty.org](mailto:lpyle@currycounty.org)  
575-763-3656

Ms. Donna Sandoval  
NM Municipal League  
100 Marquette Ave  
City/County Building  
Albuquerque, NM 87102  
[donnasandoval@cabq.gov](mailto:donnasandoval@cabq.gov)  
505-768-2975

Ms. Raquel Alirez  
Classified State Employee  
401 Broadway NE  
Albuquerque, NM 87102  
[raquel.alirez@dws.nm.gov](mailto:raquel.alirez@dws.nm.gov)  
505-365-3474

Mr. Gerry Washburn  
Superintendents' Association of NM  
408 N Canyon  
Carlsbad, NM 88220  
[gerry.washburn@carlsbadschools.net](mailto:gerry.washburn@carlsbadschools.net)

Mr. Lee Caruana, MD  
Retired Public Employees of New Mexico  
[leecaruana13@gmail.com](mailto:leecaruana13@gmail.com)

Regular Meeting of the  
NEW MEXICO RETIREE HEALTH CARE AUTHORITY  
BOARD OF DIRECTORS

April 2, 2024  
9:30 AM

CNM Workforce Training Center  
5600 Eagle Rock Ave NE, Alb. NM 87113  
Online: <https://meet.goto.com/NMRHCA/boardmeeting>  
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AGENDA

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1. Call to Order	Ms. Saunders, President	
2. Roll Call to Ascertain Quorum	Ms. Beatty, Recorder	
3. Pledge of Allegiance	Ms. Saunders, President	
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5. Approval of Regular Meeting Minutes March 5, 2024	Ms. Saunders, President	6
6. Public Forum and Introductions	Ms. Saunders, President	
7. Committee Reports	Ms. Saunders, President	
8. Staff Updates		
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b. Human Resources	Mr. Witt, Deputy Director	
c. 2024 Spring Wellness Fairs	Mr. Biggs, Communications Director	12
d. February 29, 2024, SIC Report	Mr. Kueffer, Executive Director	13
9. State Investment Council Updates & Investment Performance Report – Dec. 2023	Mr. Wollman, Director, Communications, Legislative & Client Relations, SIC Ms. Iglesias, Investment Strategist, SIC	15
10. FY24 Contract Amendments	Mr. Kueffer, Executive Director	33
11. FY24 New Contract for CareView Microsoft Environment Upgrade (Action Item)	Mr. Long, Chief Information Officer	34
12. FY25 Operating Budget (Action Item)	Ms. Ayanniyi, Chief Finance Officer	35
13. FY25 Contracts Amendments/New (Action Item)	Mr. Kueffer, Executive Director	38
14. Legislative Proposal for 2025 Regular Session (Action Item)	Mr. Kueffer, Executive Director	40

15. Other Business

Ms. Saunders, President

16. Date & Location of Next Board Meeting

Ms. Saunders, President

May 7, 2024 – 9:30AM

CNM Workforce Training Center

5600 Eagle Rock Ave NE, Alb. NM 87113

17. Adjourn

**MINUTES OF THE**  
**NEW MEXICO RETIREE HEALTH CARE AUTHORITY/BOARD OF DIRECTORS**

**REGULAR MEETING**

**March 5, 2024**

**1. CALL TO ORDER**

A Regular Meeting of the Board of Directors of the New Mexico Retiree Health Care Authority was called to order on this date at 9:30 a.m. in Room 207, CNM Workforce Training Center, 5600 Eagle Rock Avenue, NE, Albuquerque, New Mexico.

**2. ROLL CALL TO ASCERTAIN A QUORUM**

A quorum was present.

**Members Present:**

Ms. Therese Saunders, President  
Dr. Tomas Salazar, Vice President  
Ms. LeAnne Larrañaga-Ruffy, Secretary  
Ms. Christine Anaya, designee of Hon. Laura M. Montoya, NM State Treasurer [virtual]  
Ms. Raquel Alirez [virtual]  
Mr. David Archuleta  
Dr. Lee Caruana  
Mr. Lance Pyle [virtual]  
Ms. Donna Sandoval  
Dr. Gerry Washburn [virtual]

**Members Excused:**

None.

**Staff Present:**

Mr. Neil Kueffer, Executive Director  
Mr. Keith Witt, Deputy Director  
Mr. Mark Hayden, General Counsel  
Ms. Sheri Ayanniyi, Chief Financial Officer  
Mr. Raymond Long, Chief Information Officer  
Mr. Jess Biggs, Communications Director  
Mr. Alexander George, Network Administrator  
Ms. Judith Beatty, Recorder

**3. PLEDGE OF ALLEGIANCE**

Chair Saunders led the Pledge.

**4. APPROVAL OF AGENDA**

Dr. Salazar moved approval of the agenda, as published. Ms. Sandoval seconded the motion, which passed unanimously by roll call vote.

**5. APPROVAL OF REGULAR MEETING MINUTES: February 6, 2024**

Ms. Larrañaga-Ruffy moved approval of the February 6, 2024, meeting minutes. Ms. Sandoval seconded the motion, which passed unanimously by roll call vote.

**6. PUBLIC FORUM AND INTRODUCTIONS**

Guests introduced themselves.

Lisa Hentz, account executive with Blue Cross Blue Shield, said she would be leaving the state to pursue other opportunities. She thanked the board for allowing her to serve the NMRHCA and its members over the years.

**7. COMMITTEE REPORTS**

- The Executive Committee and Finance Committee met and voted on certain items for approval on today's agenda. [Chair Saunders]

**8. STAFF UPDATES**

**a. Human Resources: Mr. Witt**

Mr. Witt presented updates.

**b. Legislative Updates: Mr. Kueffer**

-- SB 135 (Step Therapy Guidelines) passed and was signed by the Governor. Although the behavioral health component was removed from the bill, the NMRHCA is estimating a financial impact of at least \$1 million over a three-year period. The effective date of this bill is January 1, 2025.

-- Senate Bill 128 (State Fire retirement) passed and was signed by the Governor. This would move some individuals into the enhanced plan with PERA. The NMRHCA manages its plan by having enhanced and non-enhanced members, and there are certain criteria associated with each of the plans. For non-enhanced plan members, there is 25 years of service and a minimum age of

55, but this does not apply to the enhanced plan members, so this will create some impact on the agency. Two years ago, after DPS changed from the non-enhanced to enhanced, the NMRHCA received some funds but not the full actuarial amount. Staff will work with Segal to see what kind of impact this will create.

-- Senate Bill 14 (creating the Health Care Authority) passed and was signed by the Governor. This increases the size of the NMRHCA board from 12 to 13 with the addition of the director of HCA's State Benefits Division. In addition, the executive director would be participating in the Interagency Behavioral Health Purchasing Collaborative, and the NMRHCA and HCA would follow a single process for procurement of contracts ("consolidated purchasing"). This bill takes effect on July 1, 2024.

-- Senate Joint Resolution 5 (adding new section to NM Constitution prohibiting expenditure of trust funds created through the Retiree Health Care Fund for any purpose except for the sole and exclusive benefit of the trust beneficiaries) failed by a 25-14 vote on the Senate floor.

Mr. Kueffer commended Jess Biggs on the flyer he created regarding the joint resolution, which was sent out to all of the members.

Dr. Caruana suggested that, if SJR 5 is reintroduced at the next session, more lead time will be necessary in order to garner support.

Chair Saunders stated that, with new legislators coming on board after the November election, it will be very important to educate them on the NMRHCA. The flyer Mr. Biggs created on SJR 5 would be very helpful to distribute to them.

**c. January 31, 2024, SIC Report: Mr. Kueffer**

Mr. Kueffer reported a \$3 million decrease in market value, for a final market value of \$1.336 billion. Unrealized gains of \$8.8 million contributed to the loss.

**9. FY14 ASSET MANAGEMENT CONSULTING SERVICES RFP (ACTION ITEM)**

**Chair Saunders said the Finance Committee approved this item.**

Mr. Kueffer stated that the trust fund currently exceeds \$1 billion. Prior practice has been to do biannual asset reviews; however, with the fund's growth and an ever-changing market, it has been determined that a more consistent review is necessary. In addition, other services will be requested to ensure that all aspects of managing the funds are addressed, such as policies and procedures, investment strategies, and reporting. He said NMRHCA staff is working with NMPSIA, another IBAC member, on the scope of work, deadlines, contractual compliance, and other items to be included in the RFP.



Mr. Kueffer said the RFP is tentatively scheduled for release in mid to late March, with submission of proposals in April, selection of finalists, oral presentations, and best and final to be determined. Staff will present a recommendation of award for approval at a future board meeting after the RFP process is completed. The plan is to have a qualified professional consulting firm in place by July 1, 2024.

Mr. Kueffer stated that the NMRHCA retains the option to select the vendor that is best for them should the NMRHCA and NMPSIA choose different vendors.

Responding to Ms. Larrañaga-Ruffy, Mr. Kueffer said the NMRHCA plans to advertise the RFP but will also solicit bids from vendors in order to garner as much as interest as possible.

Mr. Kueffer requested approval to issue an RFP in conjunction with IBAC member NMPSIA for professional asset management consulting services.

**The motion passed unanimously by roll call vote, with Ms. Anaya in abstention. [Ms. Sandoval seconded this motion following discussion in Agenda Item 10.]**

#### **10. TRAVEL REQUEST (ACTION ITEM)**

**Chair Saunders said the Executive Committee approved this request.**

Mr. Kueffer requested permission for staff to attend the Express Scripts Government Advisory Panel Meeting and Outcomes Symposium in Washington, D.C. on May 7-9. Topics expected to be covered are the rapidly changing regulatory landscape, the growing mental health crisis, affordability of weight loss drugs, care for patients with chronic conditions, and the impact of biosimilars.

**The motion passed unanimously by roll call vote, with Ms. Anaya in abstention.**

A procedural question was raised. Dr. Caruana stated that, according to standard parliamentary procedure, when an action item or motion has been passed by a committee and sent to a board, it technically is considered a motion and a second. It is immediately placed before the board for discussion, followed by a vote.

Dr. Caruana said most legislative bodies and boards are now using the Standard Code of Parliamentary Procedure by Alice Sturgis and not Robert's Rules of Order, which was written in the 1800s.

Mr. Kueffer noted that the board's policies and procedures document refers to Robert's Rules of Order. He said he would consult with counsel and report back to the board at the June meeting.

**Dr. Salazar said he would second the committee decision just to be on the safe side.**

**Ms. Sandoval seconded the motion on Item 9.**

**11. IBAC BENEFIT PLAN COMPARISONS 2024**

Mr. Witt reviewed a comparison grid of the plans that the NMRHCA offers to the other IBAC partners and their employees. A comparison is prepared annually to make sure that what the NMRHCA is offering continues to be of value to its members and retirees.

**12. OTHER BUSINESS**

None.

**13. EXECUTIVE SESSION: 10:25 a.m.**

- Pursuant to NMSA 1978, Section 10-15-1(H)(6): Contents of Competitive Sealed Proposals Solicited Pursuant to the Procurement Code – Discussion of RFP #24-021CG for Pre-Medicare Medical

**Mr. Archuleta moved to enter executive session pursuant to NMSA 1978, Section 10-15-1(H)(6): Contents of Competitive Sealed Proposals Solicited Pursuant to the Procurement Code – Discussion of RFP #24-021CG for Pre-Medicare Medical.**

**Dr. Salazar seconded the motion, which passed unanimously by roll call vote.**

[The board came out of executive session at 10:58 a.m.]

**Dr. Caruana moved to come out of executive session. Ms. Sandoval seconded the motion, which passed unanimously by roll call vote. [Not present: Dr. Washburn.]**

**14. MEDICAL, DENTAL & VISION RFP (ACTION ITEM)**

Mr. Kueffer said staff requests approval to enter contract negotiations with the highest scoring vendors for the NMRHCA's pre-Medicare medical benefits.

**Mr. Archuleta moved for approval. Dr. Salazar seconded the motion, which passed unanimously by roll call vote. [Not present. Dr. Washburn.]**

**15. DATE AND LOCATION OF NEXT BOARD MEETING**

April 2, 2024 – 9:30 a.m.  
CNM Workforce Training Center  
5600 Eagle Rock Ave NE, Albuquerque NM 87113

**16. ADJOURN: 11:00**

Accepted by:

---

Therese Saunders, President

# REWIND YOUR AGE

## The Annual NMRHCA Wellness Fair

Be kind (to yourself).  
Please rewind (your age).

Be Kind.  
Please  
Rewind.

REWIND YOUR AGE!

### IN PERSON

May 17th in Albuquerque

June 7th in Santa Fe

June 14th in Las Cruces

### VIRTUAL

June 21st

Activities  
Door Prizes  
Give Aways  
Food

### SESSIONS

Think Young, Feel Young:  
The Mindset of Living Younger

Muscle Mastery:  
Decoding Ageless Strength

Powering Up with a Protein Centric  
Diet for Living Younger

Rejuvenate Your Vitality:  
Unlocking the Power of Sleep for  
Ageless Wellness

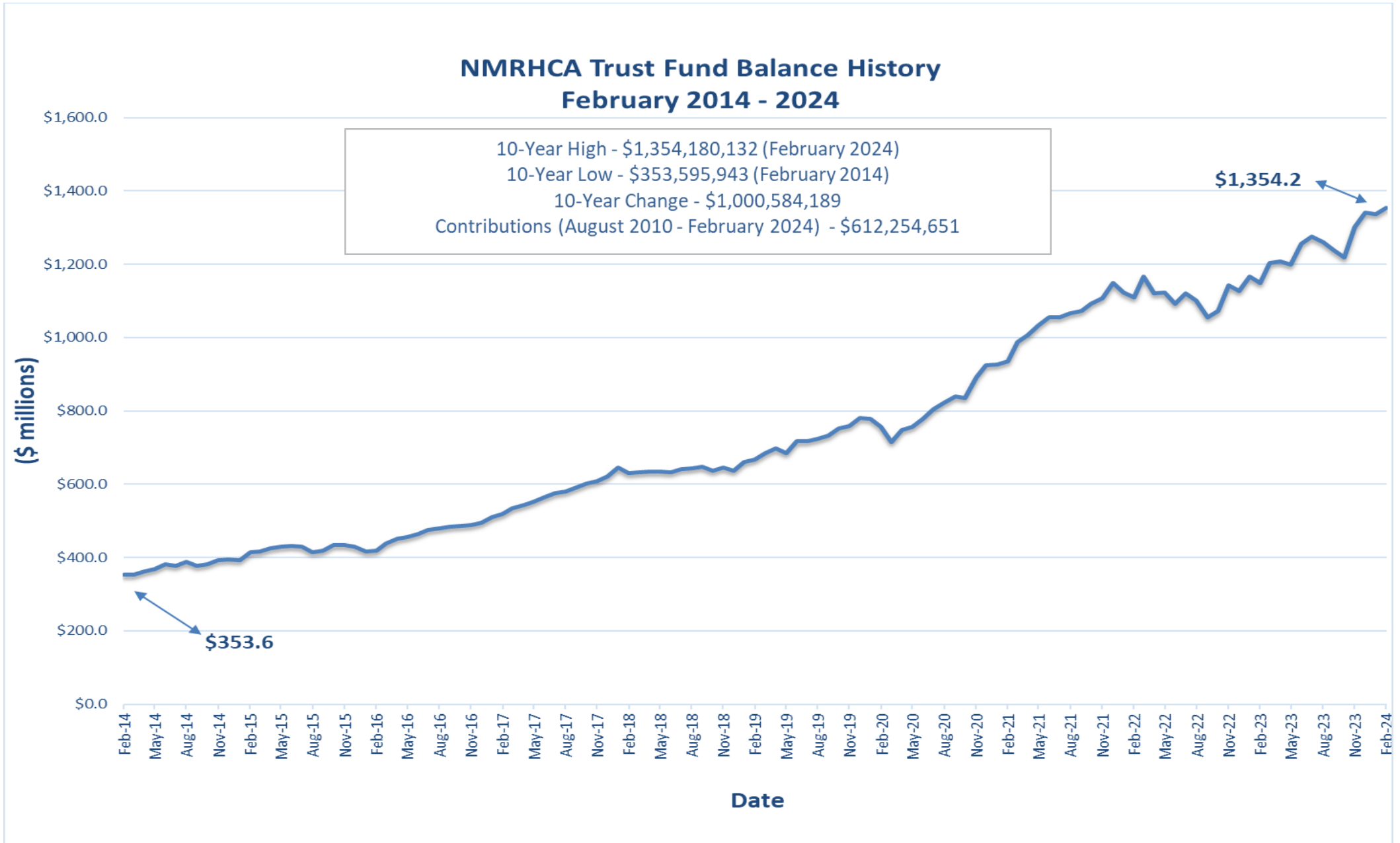
[CLICK HERE FOR DETAILED INFO](#)

[CLICK HERE TO REGISTER](#)

**New Mexico Retiree Health Care Authority (CP)**  
**Change in Market Value**  
**For the Month of Feb 2024**  
(Report as of March 15, 2024)

Investment Name	Prior Ending Market Value	Contributions	Distributions	Fees	Income	Gains - Realized	Gains - Unrealized	Gains - Realized & Unrealized	Market Value
Core Bonds Pool	212,751,949.34	-	-	(42,901.01)	519,305.75	(299,287.29)	(3,096,069.03)	(3,395,356.32)	209,832,997.76
NM Retiree Health Care Authority Cash Account	-	-	-	-	-	-	-	-	-
Non-US Developed Markets Index Pool	176,647,091.71	-	-	(20,059.79)	215,209.33	(254,861.53)	2,325,405.14	2,070,543.61	178,912,784.86
Non-US Emerging Markets Active Pool	98,956,803.02	-	-	(112,936.70)	66,662.58	179,065.31	3,952,036.33	4,131,101.64	103,041,630.54
Private Debt Market Pool	197,275,164.70	-	-	-	686,980.17	(5,322.52)	(221,260.97)	(226,583.49)	197,735,561.38
Private Equity Pool	191,860,899.05	-	-	-	49,676.99	538,558.68	(642,785.59)	(104,226.91)	191,806,349.13
Real Estate Pool	131,609,918.03	-	-	-	(21,186.15)	(68,817.53)	(157,563.55)	(226,381.08)	131,362,350.80
Real Return Pool	66,376,100.11	-	-	(11,297.90)	147,586.50	77,155.95	76,888.42	154,044.37	66,666,433.08
US Large Cap Index Pool	233,298,317.26	-	-	(5,053.75)	378,117.87	6,875,248.37	5,324,866.51	12,200,114.88	245,871,496.26
US SMID Cap Alternative Weighted Index Pool	28,051,540.99	-	-	(2,407.06)	49,800.34	(1,649.39)	853,242.93	851,593.54	28,950,527.81
Sub - Total New Mexico Retiree Health Care	1,336,827,784.21	-	-	(194,656.21)	2,092,153.38	7,040,090.05	8,414,760.19	15,454,850.24	1,354,180,131.62
<b>Total New Mexico Retiree Health Care A</b>	<b>1,336,827,784.21</b>	<b>-</b>	<b>-</b>	<b>(194,656.21)</b>	<b>2,092,153.38</b>	<b>7,040,090.05</b>	<b>8,414,760.19</b>	<b>15,454,850.24</b>	<b>1,354,180,131.62</b>

# Trust Fund



# NEW MEXICO RETIREE HEALTH CARE AUTHORITY

Performance Updates and General Overview from SIC

Charles Wollmann, Communications Director  
Dawn Iglesias, Investment Strategist  
April 2, 2024



# PERFORMANCE REPORTING AS OF 12/31/2023

Retiree Health Care Authority



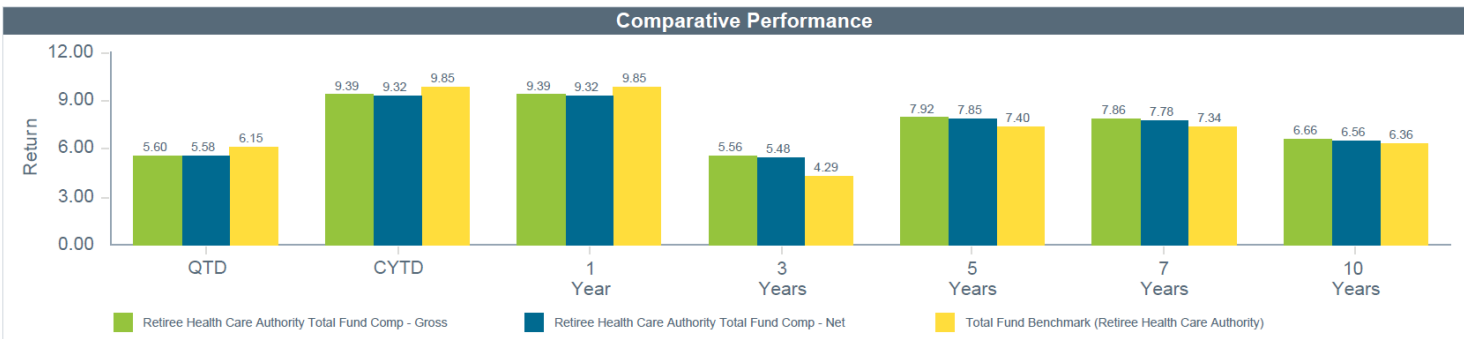


# PERFORMANCE REPORTING AS OF 12/31/2023

New Mexico State Investment Council  
Retiree Health Care Authority Total Fund Comp

As of December 31, 2023

Overview	Asset Allocation vs. Target Allocation				
The New Mexico Retiree Health Care Authority (NMRHCA) was established in 1990 to provide health care coverage to retirees of state agencies and eligible participating public entities. Approximately 300 public entities including cities, counties, universities and charter schools participate in NMRHCA. The agency provides medical plans for both non Medicare and Medicare eligible retirees and their dependents as well as dental, vision and life insurance. The Authority currently provides coverage to approximately 58,000 retirees and their dependents.	Market Value (\$)	Allocation (%)	Target (%)	Difference (%)	
	US Large Cap Index	230,089,895	17.17	14.00	3.17
	US Small/Mid Cap Alt Wtd Index	29,203,026	2.18	2.00	0.18
	Non-US Developed Markets Index	177,630,254	13.26	14.00	-0.74
	Non-US Emerging Markets Active	102,768,480	7.67	10.00	-2.33
	US Core Bonds	213,042,547	15.90	20.00	-4.10
	Private Debt Market	196,875,633	14.69	15.00	-0.31
	Real Return	66,417,125	4.96	5.00	-0.04
	Real Estate	131,711,005	9.83	10.00	-0.17
	Private Equity	192,179,512	14.34	10.00	4.34
<b>Total Fund</b>	<b>1,339,917,477</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>	



	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	2020
<b>Retiree Health Care Authority Total Fund Comp - Gross</b>	5.60	9.39	9.39	5.56	7.92	7.86	6.66	-6.98	15.61	9.88
<i>Total Fund Benchmark (Retiree Health Care Authority)</i>	6.15	9.85	9.85	4.29	7.40	7.34	6.36	-8.53	12.88	10.22
<b>Difference</b>	-0.55	-0.46	-0.46	1.27	0.52	0.52	0.30	1.55	2.73	-0.34
<b>Retiree Health Care Authority Total Fund Comp - Net</b>	5.58	9.32	9.32	5.48	7.85	7.78	6.56	-7.05	15.51	9.83
<i>Total Fund Benchmark (Retiree Health Care Authority)</i>	6.15	9.85	9.85	4.29	7.40	7.34	6.36	-8.53	12.88	10.22
<b>Difference</b>	-0.57	-0.53	-0.53	1.19	0.45	0.44	0.20	1.48	2.63	-0.39

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	% Return
<b>CYTD</b>	<b>1,127,761,495</b>	<b>100,000,000</b>	<b>112,155,982</b>	<b>1,339,917,477</b>	<b>9.32</b>

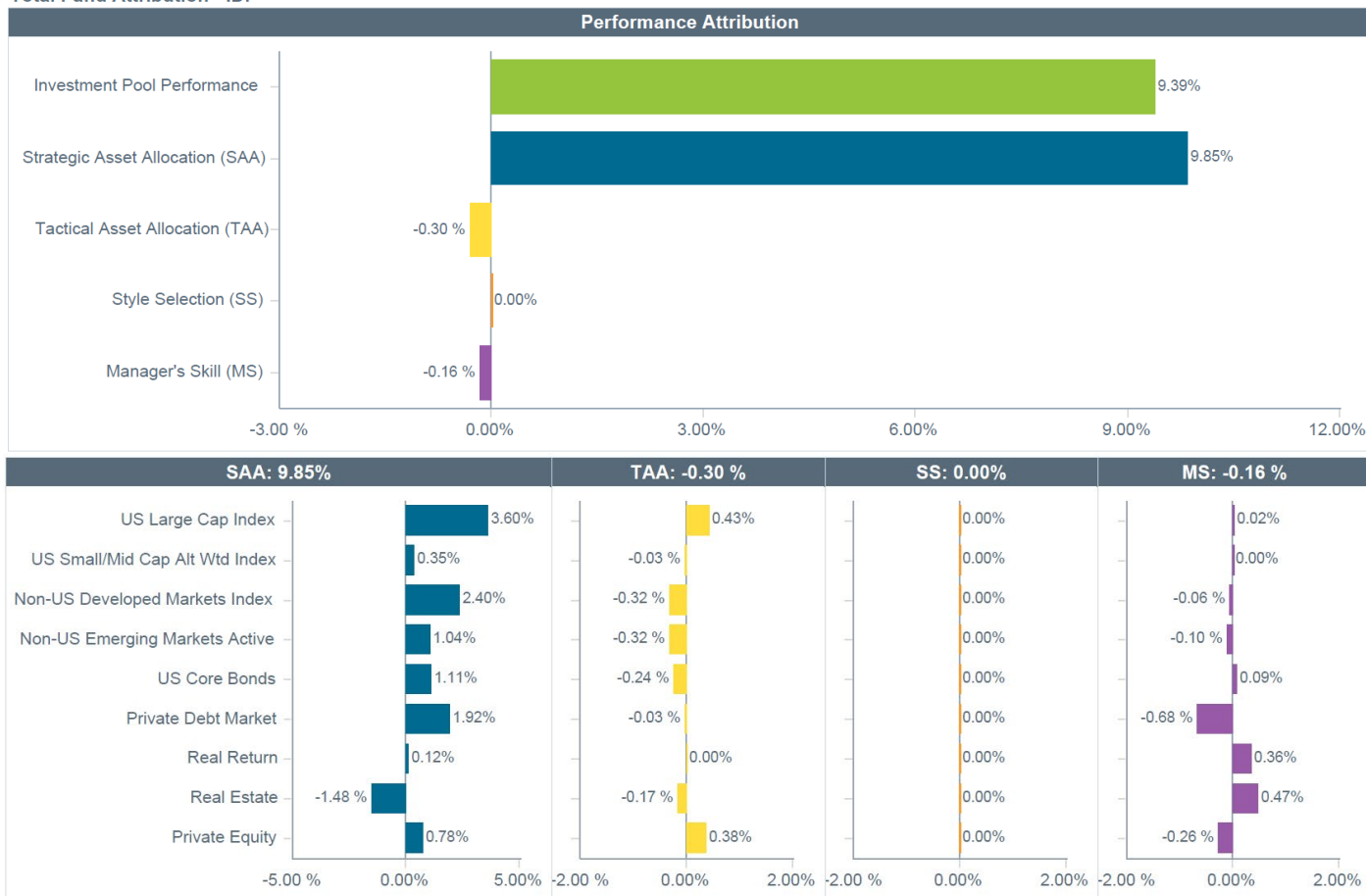
Allocations shown may not sum up to 100% exactly due to rounding. Performance shown is net of fees, except where noted otherwise. Performance includes receipt of additional units of the US Large Cap Index Pool effective July 1, 2020.



# PERFORMANCE REPORTING AS OF 12/31/2023

New Mexico State Investment Council  
 Retiree Health Care Authority Total Fund Comp  
 Total Fund Attribution - IDP

1 Year Ending December 31, 2023



Performance shown is gross of fees. Calculation is based on monthly periodicity. See Glossary for additional information regarding the Total Fund Attribution - IDP calculation.



# PERFORMANCE REPORTING AS OF 12/31/2023

New Mexico State Investment Council  
Third Party Investment Pools  
Comparative Performance

As of December 31, 2023

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	Since Incep.	Inception Date
<b>US Equity</b>												
<b>US Large Cap Active Pool</b>	<b>12.99</b>	<b>10.69</b>	<b>32.23</b>	<b>32.23</b>	<b>5.71</b>	<b>14.38</b>	<b>13.87</b>	<b>11.90</b>	<b>-24.95</b>	<b>19.04</b>	<b>7.23</b>	<b>05/01/1999</b>
Russell 1000 Index	11.96	8.44	26.53	26.53	8.97	15.52	13.21	11.80	-19.13	26.45	7.47	
<b>US Large Cap Index Pool</b>	<b>11.98</b>	<b>8.47</b>	<b>26.65</b>	<b>26.65</b>	<b>9.02</b>	<b>14.81</b>	<b>12.70</b>	<b>11.46</b>	<b>-19.09</b>	<b>26.47</b>	<b>7.70</b>	<b>05/01/1999</b>
Russell 1000 Index	11.96	8.44	26.53	26.53	8.97	15.52	13.21	11.80	-19.13	26.45	7.47	
<b>US Small/Mid Cap Active Pool</b>	<b>14.89</b>	<b>10.00</b>	<b>17.76</b>	<b>17.76</b>	<b>3.15</b>	<b>11.34</b>	<b>7.70</b>	<b>6.56</b>	<b>-19.27</b>	<b>15.44</b>	<b>8.11</b>	<b>11/01/1998</b>
US Small/Mid Cap Equity Custom Index	14.03	8.18	16.93	16.93	2.22	10.11	7.69	7.53	-20.44	14.82	8.66	
<b>US Small/Mid Cap Alt Wtd Index Pool</b>	<b>15.12</b>	<b>9.44</b>	<b>16.05</b>	<b>16.05</b>	<b>7.16</b>	<b>10.89</b>	<b>N/A</b>	<b>N/A</b>	<b>-16.28</b>	<b>26.67</b>	<b>4.99</b>	<b>09/01/2018</b>
S&P Sm Cap 600 Index (Cap Wtd)	15.12	9.45	16.05	16.05	7.28	11.03	8.31	8.66	-16.10	26.82	5.12	
<b>Non-US Equity</b>												
<b>Non-US Developed Markets Active Pool</b>	<b>9.37</b>	<b>5.45</b>	<b>17.13</b>	<b>17.13</b>	<b>4.29</b>	<b>9.01</b>	<b>8.03</b>	<b>5.39</b>	<b>-13.72</b>	<b>12.25</b>	<b>6.39</b>	<b>09/01/2013</b>
Non-US Developed Markets Custom Index	10.52	6.07	17.51	17.51	3.31	7.92	6.76	4.23	-15.53	11.08	5.37	
<b>Non-US Developed Markets Index Pool</b>	<b>10.36</b>	<b>6.41</b>	<b>16.36</b>	<b>16.36</b>	<b>3.69</b>	<b>8.26</b>	<b>6.97</b>	<b>4.34</b>	<b>-15.00</b>	<b>12.71</b>	<b>4.59</b>	<b>05/01/1999</b>
Non-US Developed Markets Passive Custom Index	10.40	6.68	16.90	16.90	3.34	8.00	6.73	4.16	-16.01	12.40	4.22	
<b>Non-US Emerging Markets Active Pool</b>	<b>8.61</b>	<b>3.69</b>	<b>8.61</b>	<b>8.61</b>	<b>-6.97</b>	<b>4.05</b>	<b>5.27</b>	<b>2.43</b>	<b>-22.29</b>	<b>-4.60</b>	<b>2.53</b>	<b>10/01/2013</b>
MSCI Emg Mkts Index (USD) (Net)	7.86	4.71	9.83	9.83	-5.08	3.68	4.98	2.66	-20.09	-2.54	2.78	
<b>Non-US Emerging Markets Index Pool</b>	<b>8.52</b>	<b>5.03</b>	<b>11.84</b>	<b>11.84</b>	<b>-3.84</b>	<b>4.55</b>	<b>5.58</b>	<b>3.04</b>	<b>-19.68</b>	<b>-1.01</b>	<b>7.06</b>	<b>05/01/1999</b>
MSCI Emg Mkts Index (USD) (Net)	7.86	4.71	9.83	9.83	-5.08	3.68	4.98	2.66	-20.09	-2.54	6.64	
<b>Fixed Income</b>												
<b>US Core Bonds Pool</b>	<b>6.68</b>	<b>3.49</b>	<b>6.06</b>	<b>6.06</b>	<b>-3.40</b>	<b>1.38</b>	<b>1.49</b>	<b>N/A</b>	<b>-13.85</b>	<b>-1.34</b>	<b>1.54</b>	<b>11/01/2014</b>
Bloomberg US Agg Bond Index	6.82	3.37	5.53	5.53	-3.31	1.10	1.29	1.81	-13.01	-1.55	1.42	
<b>Credit Plus Pool</b>	<b>6.45</b>	<b>4.67</b>	<b>7.78</b>	<b>7.78</b>	<b>-2.27</b>	<b>2.48</b>	<b>2.69</b>	<b>3.13</b>	<b>-13.54</b>	<b>0.15</b>	<b>4.72</b>	<b>05/01/1999</b>
Bloomberg US Unv Bond Index	6.83	3.76	6.17	6.17	-2.97	1.44	1.57	2.08	-12.99	-1.10	4.17	
<b>Private Debt Market Pool</b>	<b>2.06</b>	<b>4.45</b>	<b>7.95</b>	<b>7.95</b>	<b>8.14</b>	<b>6.29</b>	<b>6.40</b>	<b>5.91</b>	<b>2.52</b>	<b>14.26</b>	<b>4.10</b>	<b>04/01/2006</b>
Private Market Fixed Income Custom Index	3.88	7.65	12.42	12.42	3.53	3.02	3.31	3.89	-7.84	7.12	5.61	

Performance shown is gross of fees, except for Private Debt Market, Private Equity, Real Estate, and Real Return investments, which are shown net of fees. Performance is annualized for periods greater than one year. Performance shown for Private Equity, Real Estate, and Real Return investments is 0.00% during intra-quarter months. \*Indicates performance is lagged 1 quarter.

# PERFORMANCE REPORTING AS OF 12/31/2023

New Mexico State Investment Council  
Third Party Investment Pools  
Comparative Performance

As of December 31, 2023

	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2022	2021	Since Incep.	Inception Date
<b>Private Equity</b>												
<b>Private Equity Pooled Funds*</b>	0.40	2.22	5.75	5.75	17.41	14.78	14.82	12.67	2.45	49.40	12.11	07/01/2011
Cambridge US PE Legacy Index (Horizon) (Mthly) (1 Qtr Lag)	0.89	3.61	7.47	7.47	18.21	14.96	15.86	14.38	2.96	49.28	14.15	
MSCI All Country World Index (USD) (Net)+3%	11.86	8.85	25.87	25.87	8.92	15.07	13.35	11.16	-15.91	22.09	11.54	
<b>Real Estate</b>												
<b>Townsend-Reported Real Estate Composite*</b>	-1.98	-3.94	-9.31	-9.31	9.26	6.51	7.26	8.99	19.15	20.72	5.52	10/01/2004
NCREIF ODCE Index (Net) (1 Qtr Lag)	-2.10	-4.93	-12.88	-12.88	6.19	4.72	5.43	7.19	20.96	13.64	6.50	
<b>Real Return</b>												
<b>Real Return Composite*</b>	2.03	4.80	9.35	9.35	13.43	7.03	6.09	4.90	15.02	16.05	5.27	06/01/2012
Real Return Custom Index	1.42	2.30	2.54	2.54	6.39	5.96	4.44	3.10	4.20	12.70	2.84	

The Private Equity Pooled Funds excludes the Severance Tax Stock Distributions account, which differs from the Private Equity Composite (Ex. State). As such, performance for the Private Equity Pooled Funds differs from the Private Equity Composite (Ex. State).

Performance shown is gross of fees, except for Private Debt Market, Private Equity, Real Estate, and Real Return investments, which are shown net of fees. Performance is annualized for periods greater than one year. Performance shown for Private Equity, Real Estate, and Real Return investments is 0.00% during intra-quarter months. \*Indicates performance is lagged 1 quarter.

# PERFORMANCE REPORTING AS OF 12/31/2023

## New Mexico State Investment Council Investment Pool Performance Commentary

As of December 31, 2023

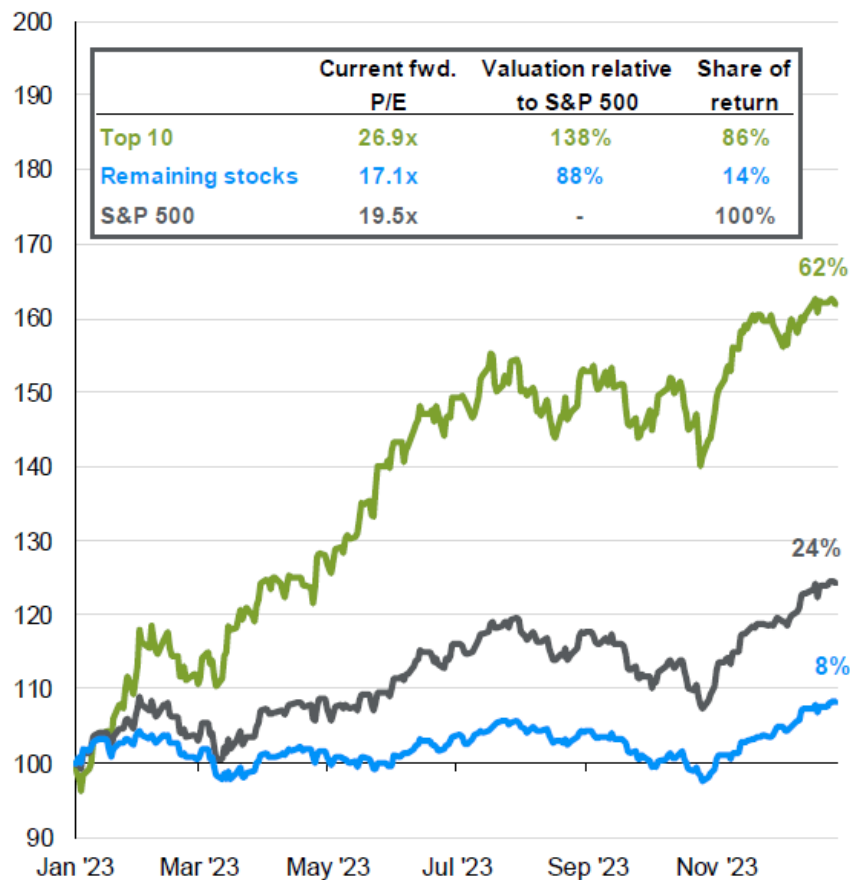
- The **Capital Markets Environment** saw most risk assets rebound from subdued conditions in the previous quarter to finish the year with significant positive returns—a stark turnaround compared to performance in 2022. For instance, the MSCI All Country World Index, a broad measure of the global stock market, returned 22.2% in 2023 compared to returns of -18.4% in 2022.
- The **US Large Cap Active Pool** outperformed the Russell 1000 Index by 103 basis points over the quarter on a relative basis. T. Rowe Price Large Cap Growth was the best performing manager on a relative basis, outperforming the Russell 1000 Index by 53 basis points, driving the pool's relative outperformance. T. Rowe Price's outperformance was driven by its sector selection within information technology and energy.
- The **US Large Cap Index Pool** kept pace with the Russell 1000 Index over the quarter.
- The **US Small/Mid Cap Active Pool** outperformed the US Small/Mid Cap Equity Custom Index by 86 basis points during the quarter. Stock selection within utilities and industrials was the largest contributor to relative performance.
- The **US Small/Mid Cap Alt Wtd Index Pool** kept pace with the S&P Small Cap 600 Index (Cap Weighted) during the quarter.
- The **Non-US Developed Markets Active Pool** underperformed the Non-US Developed Markets Custom Index by 115 basis points over the quarter. LSV Int'l Large Cap Value was the worst relative performing manager within the composite for the quarter trailing the MSCI EAFE IM Index (USD) (Net) by 125 basis points. Relative underperformance was driven by the pool's stock selection within the EMEA (Europe, Middle East, & Africa) and Asia Pacific markets.
- The **Non-US Developed Markets Index Pool** kept pace with the Non-US Developed Markets Passive Custom Index during the quarter.
- The **Non-US Emerging Markets Active Pool** outperformed the MSCI Emerging Markets Index (USD) (Net) by 75 basis points during the quarter. William Blair Emerging Markets was the best performing manager on a relative basis, beating the MSCI Emerging Markets Index (USD) (Net) by 141 basis points. William Blair's region selection within the Americas was the largest contributor to the pool's relative performance.
- The **Non-US Emerging Markets Index Pool** outperformed the MSCI Emerging Markets Index (USD) (Net) by 66 basis points during the quarter. AB Emerging Markets Index seeks to replicate the index via stock trading and the use of ETFs for some markets. Performance of ETFs may appear to diverge from its benchmark due to the use of systematic fair-value pricing.
- The **US Core Bonds Pool** underperformed the Bloomberg US Agg Bond Index by 14 basis points over the quarter. BlackRock US Treasury Index was the worst performing manager on a relative basis, underperforming the Bloomberg US Agg Bond Index by 111 basis points. The pool's significant underweight to agency MBS, which outperformed much of the other core sectors over the quarter, helped drive the relative underperformance against the benchmark.
- The **Credit Plus Pool** underperformed the Bloomberg US Universal Bond Index by 38 basis points over the quarter. Shenkman HY Short Duration was the worst performing manager on a relative basis, trailing the Bloomberg US Universal Bond Index by 275 basis points. The pool's overweight to high yield bonds and subsequent underweight to agency MBS and US Treasuries drove the relative underperformance over its benchmark. High yield and bank loans both posted negative relative returns for the quarter as higher quality bonds outperformed lower quality bonds.
- The **Private Debt Market Pool** underperformed the Private Market Fixed Income Custom Index by 182 basis points during the quarter.
- The **Private Equity Pooled Funds** underperformed the Cambridge US Private Equity Index (1 Quarter Lag) by 49 basis points and underperformed the MSCI All Country World Index (USD) (Net) +3% by 1146 basis points, respectively, for the quarter ending September 30, 2023.
- The **Real Estate Composite** outperformed the NCREIF ODCE Index (Net) (1 Quarter Lag) by 12 basis points for the quarter ending September 30, 2023.
- The **Real Return Composite** outperformed the Real Return Custom Index by 61 basis points for the quarter ending September 30, 2023.

Performance shown is gross of fees, except where noted otherwise.

# PUBLIC MARKET INVESTMENTS – U.S. EQUITY

## Performance of the top 10 stocks in the S&P 500

Indexed to 100 on 1/1/2023, price return, top 10 held constant



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management

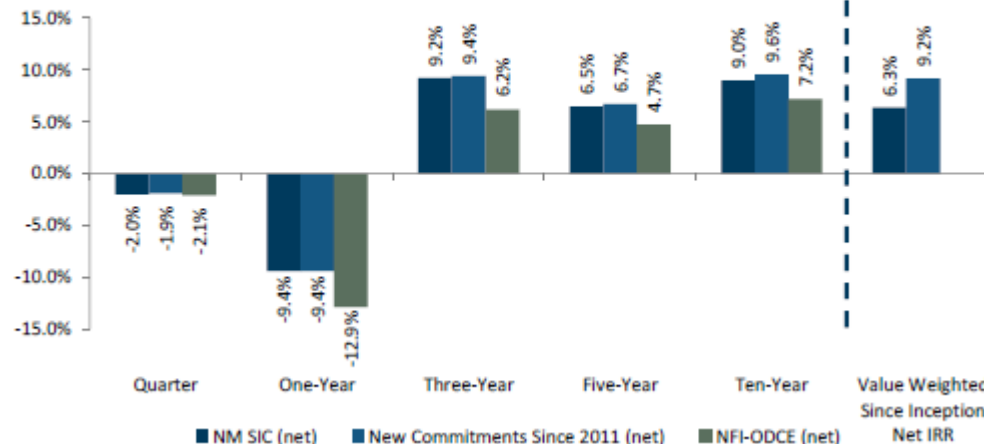
## New Mexico State Investment Council US Large Cap Index Pool vs. Russell 1000 Index Portfolio Characteristics

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	6.47	6.47	0.00	12.60
Microsoft Corp	6.37	6.37	0.00	19.34
Amazon.com Inc	3.12	3.12	0.00	19.52
NVIDIA Corporation	2.68	2.68	0.00	13.86
Alphabet Inc	1.89	1.89	0.00	6.75
Meta Platforms Inc	1.78	1.78	0.00	17.90
Alphabet Inc	1.61	1.61	0.00	6.89
Tesla Inc	1.56	1.56	0.00	-0.70
Berkshire Hathaway Inc	1.49	1.49	0.00	1.82
Eli Lilly and Co	1.12	1.12	0.00	8.73
% of Portfolio	28.09	28.09	0.00	

- The Russell 1000 Index returned 26.5% in 2023, led by stocks in the technology and communication services sectors.
  - Market concentration is nearing its highest level in more than 50 years.
  - The “Magnificent Seven” stocks (Microsoft, Apple, Alphabet, Amazon, Nvidia, Meta, and Tesla) have been the largest driver of equity returns in recent years and again the dominant contributors in 2023, accounting for more than half of the market increase.

# PRIVATE MARKET INVESTMENTS – REAL ESTATE

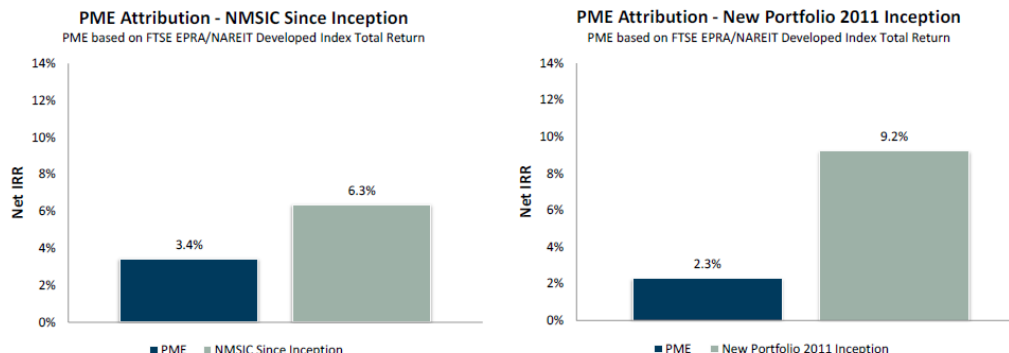
**NMSIC Total Real Estate Portfolio Performance\***  
As of September 30, 2023



- NMSIC’s Real Estate portfolio continues to outperform the benchmark NFI-ODCE (net of fees).
- Downward valuation adjustments across the RE portfolio driving quarterly and annual negative performance. Factors include:
  - Elevated interest rates
  - Limited transaction activity
  - Volatility in the U.S. 10-year Treasury
  - Broader economic conditions

- The RE portfolio shows outperformance on a PME basis as well.

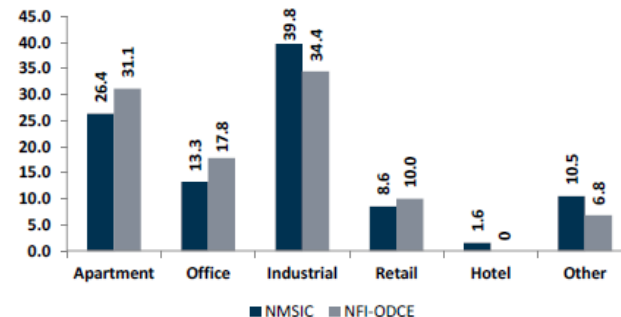
## Public Market Equivalent (PME) Analysis



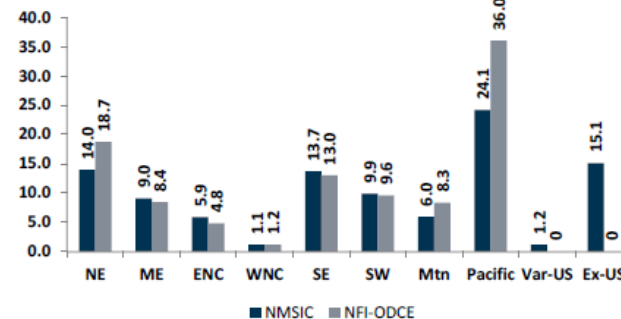
# PRIVATE MARKET INVESTMENTS – REAL ESTATE

- As of 3Q23, NMSIC’s RE portfolio consisted of 64% exposure to core investments and 36% exposure to non-core investments, on a market value basis.
  - When factoring in unfunded commitments, the portfolio exposure changes to 48% core and 52% non-core.
- From 2011-2020, NMSIC committed \$1.9 billion to 28 non-core funds.
  - Except for 2013 and 2015, all vintages have an above-median net IRR.
- The RE portfolio is well diversified, strategically underweight the office and retail sectors, and strategically overweight the industrial and “other” property types.

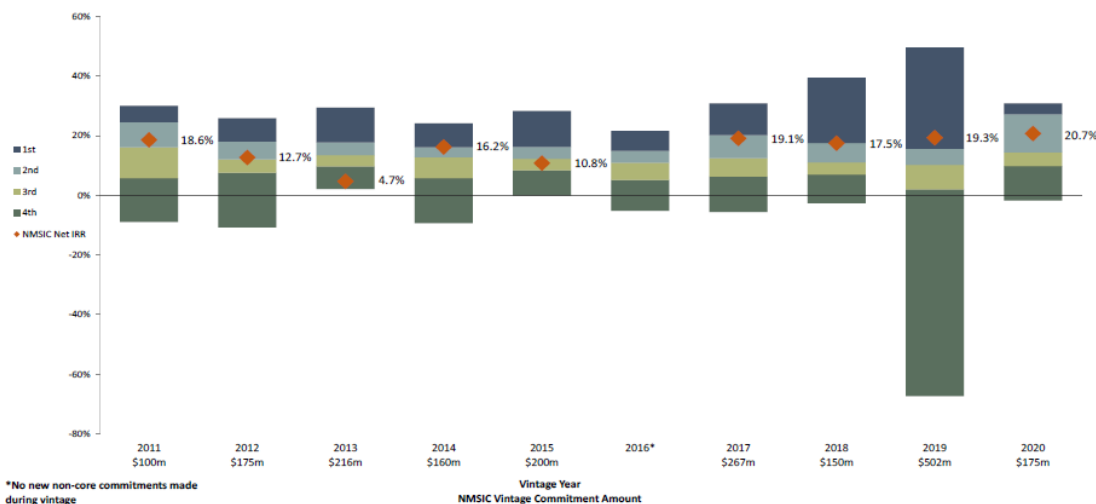
Property Type Diversification (%)



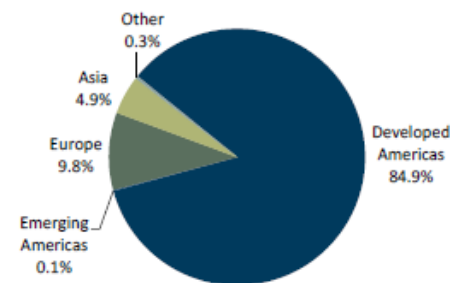
Geographic Diversification (%)



NMSIC Vintage Year Peer Comparison (Net IRR)  
Rebalanced Portfolio 2011-2020<sup>1</sup>



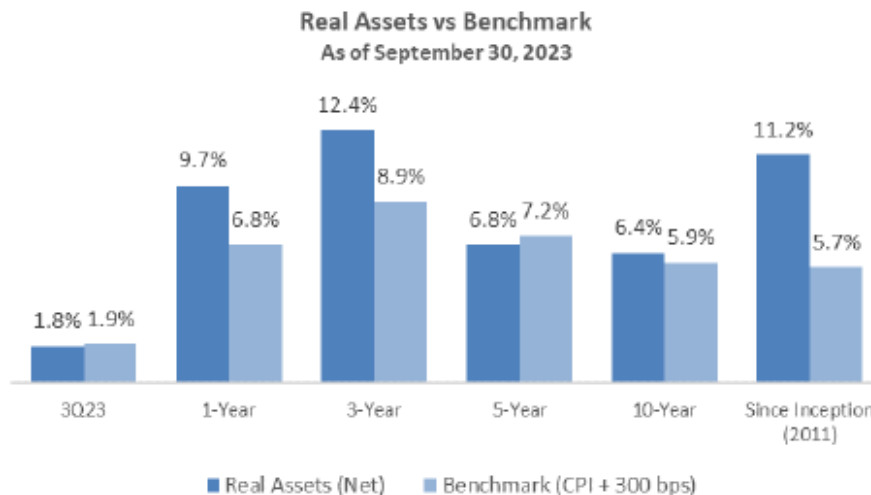
Global Geographic Diversification





# PRIVATE MARKET INVESTMENTS – REAL RETURN

- The Real Return portfolio outperformed its benchmark (CPI+300bps) since inception.
- The largest portion of the portfolio - Real Assets - also performed well relative to the benchmark for most time periods, despite volatile economic conditions, tightening Fed policy, and geopolitical events.
- Objectives for the Real Assets portfolio include:
  - Portfolio diversification and volatility reduction
  - Inflation hedging
  - Income generation
  - Attractive risk-adjusted returns
  - Capital Preservation



## Real Return Sector Performance As of September 30, 2023

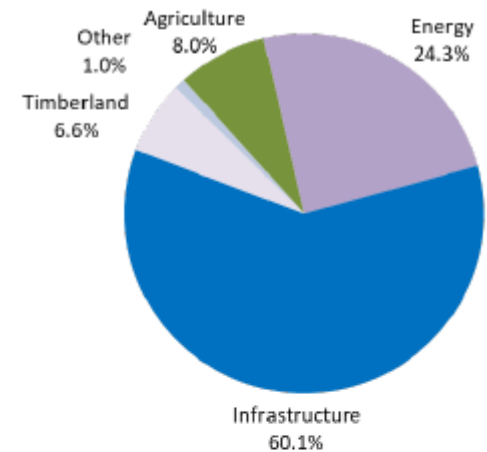
Returns (%)	Market Value	Quarter		1 Year		3 Year		5 Year		10 Year		Since Inception		TWR Inception	Net IRR	Equity Multiple
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET			
Real Assets	\$2,833,345,272	2.2	1.8	12.4	9.7	15.2	12.4	9.2	6.8	9.1	6.4	15.4	11.2	2Q11	7.4	1.3
Financial Assets	\$277,689,103	1.3	1.1	4.0	3.1	6.4	5.5					6.5	5.6	3Q19	4.9	1.1
MLP	\$345,164,341	7.9	7.7	23.0	22.1	39.1	38.3	8.3	7.6			4.1	3.4	3Q15	3.0	1.3
<b>Total Portfolio</b>																
Real Return	\$3,456,198,716	2.7	2.3	12.7	10.3	17.3	14.9	8.3	6.3	6.8	4.5	13.5	9.7	2Q11	6.4	1.3
CPI + 300 BPS			1.9		6.8		8.9		7.2		5.9		5.7			

*"TGRS" means total gross return, before management fees; "TNET" means total net return; "TWR" means time weighted return.*

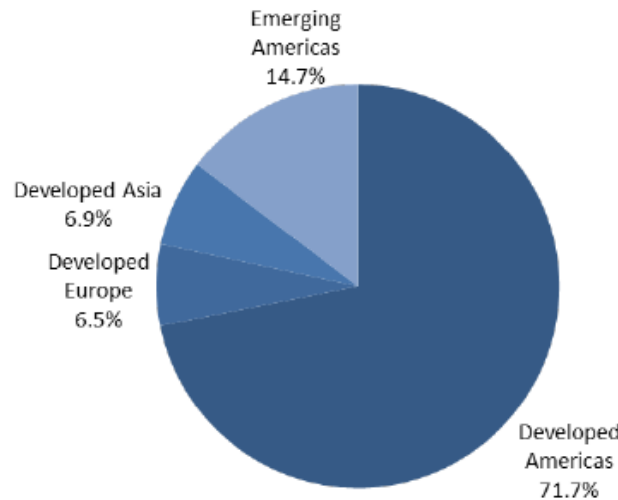
# PRIVATE MARKET INVESTMENTS – REAL ASSETS

- Private market energy and infrastructure investments are the largest components of the real asset portfolio.
- The portfolio is diversified across four primary subsectors (infrastructure, energy, timberland, and agriculture), with a strategic overweight to infrastructure, which is also broadly diversified.
- The portfolio is currently overweight in the Developed Americas, although geographic diversification is expected to change as unfunded commitments are drawn and new commitments are made.

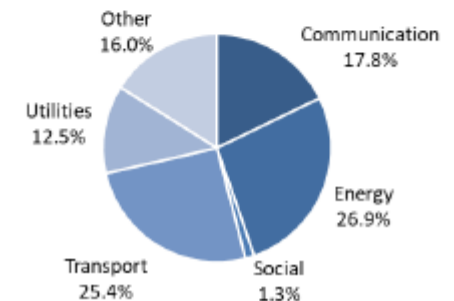
**NMSIC Real Assets by Market Value**



**NMSIC Geographic Diversification by Market Value**



**Infrastructure Portfolio Diversification**



# PRIVATE MARKET INVESTMENTS – PRIVATE CREDIT

- Previously the “non-core fixed income” portfolio - now liquidating hedge fund exposures and refocusing the portfolio on private credit.
- New benchmark for private market exposures: Credit Suisse Leverage Loan Index + 2%
  - Better structural match to broad private credit composite performance
  - The 2% acts a minimum additional return (premium) for illiquidity of private market debt investments
- The Private Credit portfolio returned 7.9% for the year ending 3Q2023, with a since-inception return of 5.5% for the total portfolio, and a since-inception return of 9.2% excluding legacy/liquidating investments.

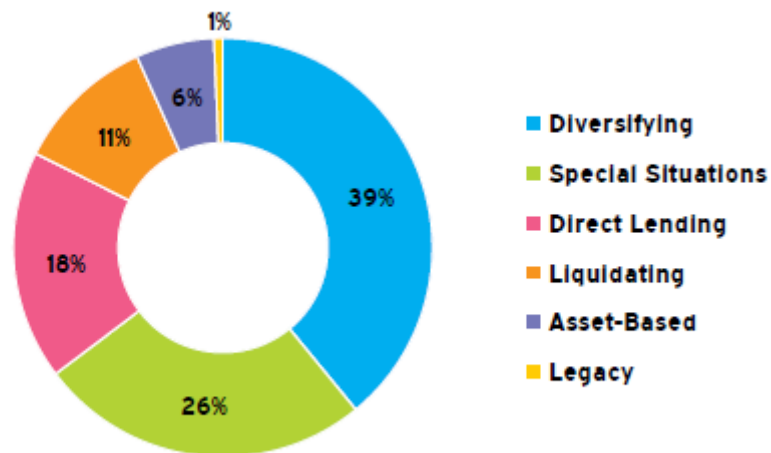
## By Strategy

	Number	Committed (\$ M)	Contributed (\$ M)	Unfunded (\$ M)	Distributed (\$ M)	Remaining		DPI (X)	TVPI (X)	IRR (%)
						Value (\$ M)	Exposure (\$ M)			
Asset-Based	3	700.0	135.2	564.8	0.0	173.0	737.8	0.00	128	10.4
Direct Lending	8	925.0	568.1	390.1	207.2	507.7	897.8	0.36	126	10.6
Diversifying	12	1,475.0	1,143.7	415.8	306.7	1,119.9	1,535.6	0.27	125	9.8
Special Situations	13	1,841.0	1,080.9	884.6	615.0	734.9	1,619.5	0.57	125	8.2
Legacy	5	310.0	290.2	28.1	338.0	19.7	47.7	1.16	123	4.3
Liquidating	7	1,702.6	1,750.9	76.1	1,850.4	311.2	387.3	1.06	123	3.5
<b>Total</b>	<b>48</b>	<b>6,953.6</b>	<b>4,969.1</b>	<b>2,359.4</b>	<b>3,320.1</b>	<b>2,866.4</b>	<b>5,225.7</b>	<b>0.67</b>	<b>124</b>	<b>5.5</b>
<b>Total ex. Legacy/Liquidating</b>	<b>36</b>	<b>4,941.0</b>	<b>2,928.0</b>	<b>2,255.2</b>	<b>1,131.7</b>	<b>2,535.5</b>	<b>4,790.7</b>	<b>0.39</b>	<b>125</b>	<b>9.2</b>

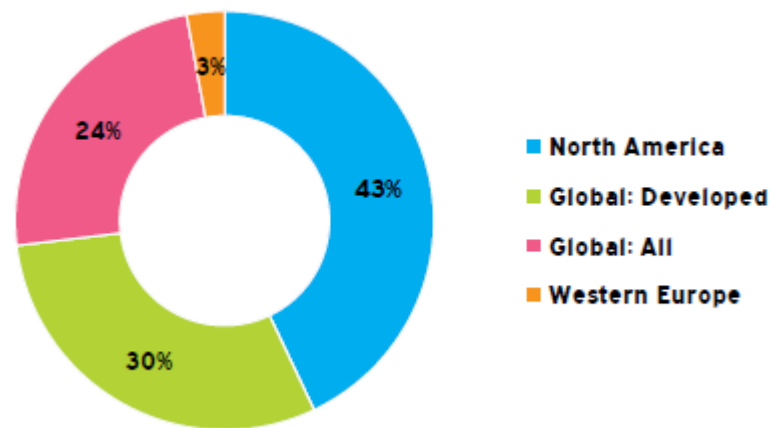
# PRIVATE MARKET INVESTMENTS – PRIVATE CREDIT

- Typical goals of debt investments:
  - Relatively predictable and consistent source of income
  - A reliable source of liquidity (through debt payments) to meet near-term and intermediate-term cash needs
  - The mitigation of mark-to-market losses during periods when market or economic stress causes assets with high sensitivity to growth or future earnings levels to decline in value
  - The maximization of returns within the Fixed Income asset class and for the portfolio as a whole
  
- Drivers of debt investment returns
  - Time value of money / Interest rate risk
  - Certainty of payment / Credit risk
  - Ability to transact / Liquidity

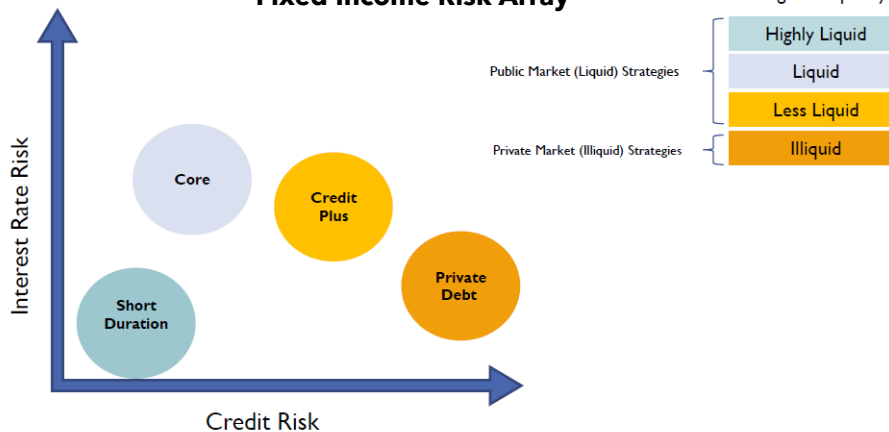
Diversification by Strategy



Diversification by Geographic Focus



Fixed Income Risk Array



# PRIVATE MARKET INVESTMENTS – PRIVATE EQUITY

- Private equity fund commitments made 2011 and after have generated a 16% net IRR. The total portfolio since inception has a net IRR of 12.3%.
- Growth and buyout strategies have yielded the largest relative returns.

## IRR Horizon Performance

As of September 30, 2023 (\$ in millions)

Portfolio	Quarter	1-year	3-year	5-year	10-year	Inception	
	IRR	IRR	IRR	IRR	IRR	IRR	Net Gain/Loss
2009 and Before	4.5%	13.9%	9.0%	3.3%	5.1%	10.5%	1,263.4
2011 and After	(0.6%)	6.0%	18.9%	16.0%	16.2%	16.0%	2,873.7
<b>Grand Total</b>	<b>(0.5%)</b>	<b>6.2%</b>	<b>18.6%</b>	<b>15.2%</b>	<b>13.3%</b>	<b>12.3%</b>	<b>4,137.1</b>

Source: Invient

Note that the portfolio is divided to show 2011 vintage year and after funds reflecting the new private equity strategy implemented in 2011 while funds with vintage years 2009 and before are shown for comparison purposes.

## NM SIC National Private Equity Performance (by Investment Strategy)

As of September 30, 2023 (\$ in millions)

Strategy	# of Funds	Commit.	Contributed	Distributed	NAV	Total Value	Net Multiple <sup>1</sup>		Net IRR <sup>1</sup>	
							9/30/2023	9/30/2022	9/30/2023	9/30/2022
<b>Active Commitments</b>										
Venture Capital	23	\$ 531.5	\$ 253.0	\$ 160.2	\$ 112.2	\$ 272.4	1.08x	1.07x	2.0%	1.5%
Growth	22	1,072.0	1,020.8	838.3	866.6	1,704.9	1.67x	1.70x	13.6%	14.3%
Buyout	73	3,901.8	3,297.6	3,150.7	2,496.9	5,647.6	1.71x	1.69x	14.0%	13.7%
Special Situations	18	866.2	788.0	848.5	282.1	1,130.6	1.43x	1.45x	9.2%	9.3%
<b>Sub-total</b>	<b>136</b>	<b>\$ 6,371.5</b>	<b>\$ 5,359.4</b>	<b>\$ 4,997.8</b>	<b>\$ 3,757.8</b>	<b>\$ 8,755.5</b>	<b>1.63x</b>	<b>1.63x</b>	<b>12.2%</b>	<b>12.1%</b>
<b>Liquidated Funds</b>	<b>71</b>	<b>1,100.5</b>	<b>1,162.3</b>	<b>1,671.0</b>	<b>-</b>	<b>1,671.0</b>	<b>1.44x</b>	<b>1.47x</b>	<b>9.6%</b>	<b>10.4%</b>
<b>Sold Funds</b>	<b>46</b>	<b>457.5</b>	<b>451.9</b>	<b>684.2</b>	<b>-</b>	<b>684.2</b>	<b>1.51x</b>	<b>1.51x</b>	<b>26.6%</b>	<b>26.6%</b>
<b>Grand Total</b>	<b>253</b>	<b>\$ 7,929.6</b>	<b>\$ 6,973.7</b>	<b>\$ 7,352.9</b>	<b>\$ 3,757.8</b>	<b>\$ 11,110.7</b>	<b>1.59x</b>	<b>1.59x</b>	<b>12.3%</b>	<b>12.6%</b>

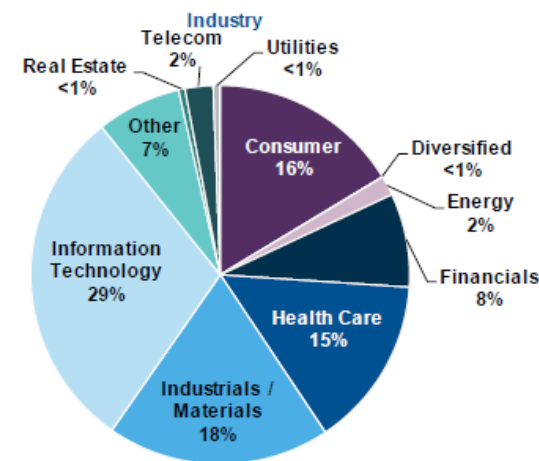
Source: Invient

<sup>1</sup> Performance since Inception

# PRIVATE MARKET INVESTMENTS – PRIVATE EQUITY

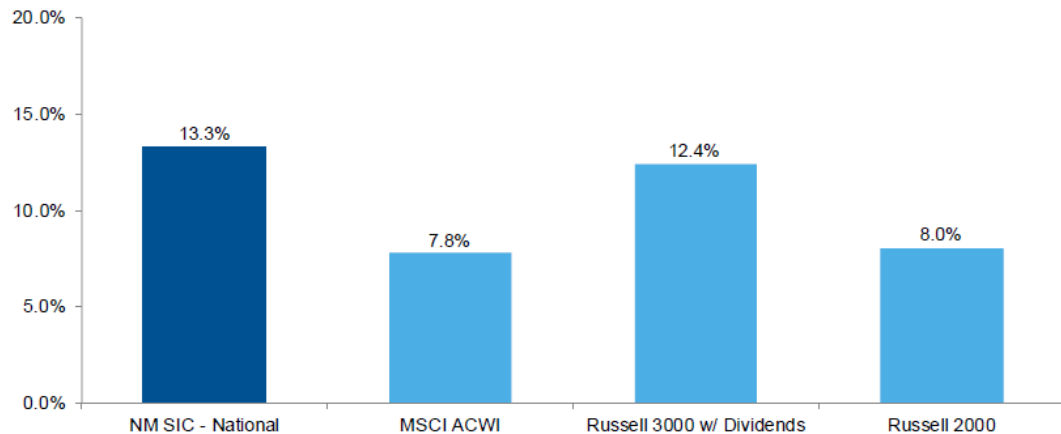
- The Private Equity portfolio is performing better than several public benchmarks on a PME basis.
- The underlying portfolio companies are diversified across a number of industries, with information technology companies having the largest allocation and industrials/materials having the second largest allocation.
- Geographic diversification is based on the headquarters of the underlying portfolio companies.

## Diversification by Industry

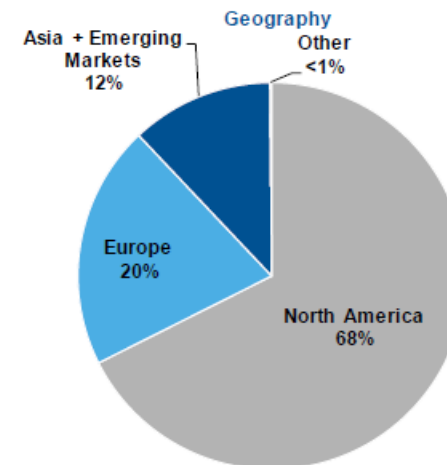


## NM SIC National Private Equity Performance Relative to Benchmarks

As of September 30, 2023



## Diversification by Geography



# PUBLIC AND PRIVATE MARKET CLIENT POOLS – OPTIONS AND COSTS

Market Cap/Style	Management	Benchmark	Annual Management Fee (est.)	Underlying investment managers
Large Cap US Equity Active	Active	Russel 1000 Index	0.19%	T.Rowe Price, Northern Trust
Large Cap US Equity Index	Passive	Russel 1000 Index	0.004%	Northern Trust
Small/Mid Cap US Equity Active	Active	US Small/Mid Custom Index	0.43%	BlackRock
Small/Mid Cap US Equity Index	Passive	S&P Small Cap 600 Index	0.04%	Northern Trust
Non-US Developed Markets Active	Active	Non-US Developed Custom Index	0.41%	LSV, T.Rowe, Neuberger Berman, & MFS
Non-US Developed Markets Index	Passive	Non-US Developed Custom Index	0.05%	AllianceBernstein
Non-US Emerging Markets Active	Active	MSCI Emerging Index	0.57%	BlackRock & Wm. Blair
Non-US Emerging Markets Index	Passive	MSCI Emerging Index	0.12%	AllianceBernstein
Credit Plus Pool	Active	Bloomberg US Universal	0.20%	PGIM, Loomis Sayles, Shenkman
US Core Bonds	Blend	Bloomberg US Agg Bond Index	0.09%	BlackRock & PIMCO
Private Market Debt	Active	Non-Core Fixed Custom Index	0.63%	US Mid-market Lending, Credit, Distressed/Other
Real Estate	Active	NCREIF ODCE Index (Net)	1.07%	Core & Non-Core Real Estate
Real Return	Active	Real Return Custom Index	1.05%	Infrastructure, Private Energy, Agriculture, Timber
Private Equity	Active	Cambridge US PE Index	0.80%	Buyout, Venture, Growth Equity, Special Situations

## MISCELLANEOUS SIC MATTERS

- Council appointed Jon Clark as new State Investment Officer in January
- Legislature appointed two new Council members: Kelly O'Donnell & Allen Sanchez
- 2024 Legislature created three new endowment funds to be managed by SIC:
  - Higher Education Trust Fund
  - Workforce Development & Apprenticeship Trust Fund
  - Capital Development & Reserve Fund
- Fund distributions to top \$2B for first time in FY25
- AUM Growth +\$8.75 billion in CY23
- Q&A



## Healthcare Benefits Administration & Program Support FY24 Contract New/Amendments

### Background

NMRHCA staff is amending the Medicare Advantage Prescription Drug Plan agreement with Presbyterian Health Plan as shown below in the Healthcare Benefits Administration chart. The increase is based on projected expenditures through June 30, 2024. The proposed amendment will increase Presbyterian Health Plan's MAPD contract to accommodate the expected shortfall due to the increase of premiums for the second half of fiscal year 2024. The increase will meet the projected expenses for the remainder of the fiscal year. In addition, a new proposed IT agreement is shown in the Program Support chart below. If the contract is approved, there is a sufficient budget in Program Support for the new contract.

### Healthcare Benefits Administration Contractual Services Information for FY24

FY24 Approved/Adjusted Operating Budget								
	\$390,421,700							
Contract	Amount Encumbered YTD	Expended 3.26.24	Contract Balance	Percent Remaining	Proposed Amendment	Revised Total	Projected	Shortfall/Surplus
BCBS -- Self Insured	\$122,500,000	\$74,439,775	\$48,060,225	39.2%	\$0	\$122,500,000	\$114,500,000	\$8,000,000
Presbyterian -- Self Insured	\$55,000,000	\$32,498,637	\$22,501,363	40.9%	\$0	\$55,000,000	\$48,500,000	\$6,500,000
Presbyterian MA	\$15,250,000	\$11,409,605	\$3,840,395	25.2%	\$2,000,000	\$17,250,000	\$16,300,000	\$950,000
BCBS MA	\$3,000,000	\$1,070,758	\$1,929,242	64.3%	\$0	\$3,000,000	\$1,500,000	\$1,500,000
Humana MA	\$1,450,000	\$611,629	\$838,371	57.8%	\$0	\$1,450,000	\$840,000	\$610,000
UnitedHealthcare MA	\$8,000,000	\$3,327,235	\$4,672,765	58.4%	\$0	\$8,000,000	\$4,600,000	\$3,400,000
Express Scripts	\$129,500,000	\$74,897,997	\$54,602,003	42.2%	\$0	\$129,500,000	\$111,000,000	\$18,500,000
Delta	\$24,400,000	\$17,129,561	\$7,270,439	29.8%	\$0	\$24,400,000	\$23,400,000	\$1,000,000
Standard	\$14,500,000	\$10,228,981	\$4,271,019	29.5%	\$0	\$14,500,000	\$14,000,000	\$500,000
Davis Vision	\$2,850,000	\$1,891,631	\$958,369	33.6%	\$0	\$2,850,000	\$2,600,000	\$250,000
PCORI Fee	\$45,000	\$40,451	\$4,550	10.1%	\$0	\$45,000	\$ 42,000.00	\$3,000
<b>Total</b>	<b>\$376,495,000</b>	<b>\$227,546,260</b>	<b>\$148,948,740</b>	<b>39.6%</b>	<b>\$2,000,000</b>	<b>\$378,495,000</b>	<b>\$337,282,000</b>	<b>\$41,213,000</b>
Unencumbered Balance	\$13,926,700	\$13,926,700	\$13,926,700	100.0%	\$11,926,700	\$11,926,700	\$0	\$0

### Program Support Contractual Services Information for FY24

FY24 Approved Operating Budget - Program Support/Contractual Services --- \$702,300							
FY24 Approved/Adjusted Operating Budget							
	\$702,300						
Contract	Amount Encumbered YTD	Expended 3.26.24	Contract Balance	Percent Remaining	Proposed Amendment/New	Revised Total	
1 Segal	\$320,000	\$186,667	\$133,333	41.7%	\$0	\$320,000	
2 Judith Beatty	\$7,000	\$5,625	\$1,375	19.6%	\$0	\$7,000	
3 Moss Adams	\$75,780	\$49,777	\$26,003	34.3%	\$0	\$75,780	
4 Rodey	\$40,000	\$9,143	\$30,857	77.1%	\$0	\$40,000	
5 Work Quest	\$4,291	\$2,757	\$1,534	35.8%	\$0	\$4,291	
6 RESPEC	\$58,551	\$33,418	\$25,134	42.9%	\$0	\$58,551	
7 PERA (MOU)	\$22,100	\$0	\$22,100	100.0%	\$0	\$22,100	
8 Real Time Solutions (Webhost)	\$1,400	\$0	\$1,400	0.0%	\$0	\$1,400	
9 APS (MOU)	\$78,850	\$42,480	\$36,370	46.1%	\$0	\$78,850	
10 Albuquerque Computers	\$376	\$376	\$0	0.0%	\$0	\$376	
11 RESPEC	\$9,902	\$0	\$9,902	100.0%	\$0	\$9,902	
12 REDW	\$35,000	\$0	\$35,000	100.0%	\$0	\$35,000	
13 SHI International Group	\$0	\$0	\$0	0.0%	\$48,045	\$48,045	
<b>Total</b>	<b>\$653,251</b>	<b>\$330,242</b>	<b>\$323,008</b>	<b>49.4%</b>	<b>\$48,045</b>	<b>\$701,296</b>	
Unencumbered Balance	\$49,049	\$49,049	NA	NA	\$1,004	\$1,004	

## **FY24 CareView Microsoft Environment Upgrade – (Action Item)**

### **Overview:**

NMRHCA's Core Application, CareView, is the primary platform for managing member information, enrollment, recording premiums, reporting on membership, etc. This platform was originally built with a Microsoft environment, consisting of Microsoft Server 2012, Microsoft SQL Server 2012, and Microsoft SharePoint Server 2013. Since its conception began in 2012 and its development in 2014, the technology and technical environment it runs on has stayed the same. CareView functionality is dependent on each of these core Microsoft products to be operating correctly. However, at this time, none of these environments are supported by Microsoft due to being outdated and preventing necessary updates of security patches needed for each product to help protect this technical environment. Regular Support and Security updates ended for all products around October 2017, and Security only updates ended in Oct 2023. The programming code/logic and SharePoint application setup constitutes a specialized piece of software that requires specific knowledge and experience tied intrinsically to this technical foundation that the platform runs on.

The CareView platform is still a viable solution, but the technical environment (2012) has not had an upgrade since the platform's development. This foundation is necessary to the viability of this application, the security of our system, the data it uses, and needs updating. NMRHCA IT staff does have some knowledge but needs to have singularly dedicated experts in each product area to correctly update all the Microsoft server components, especially the SharePoint portion. This will ensure CareView programming code recognizes this newer server software. NMRHCA IT staff does not have the dedicated staff, nor the required skills to address this properly.

### **Scope of Work:**

The agency requires a group of experts that specialize in upgrading Microsoft Server products to address the needs described above. This will be done by hiring specific services through SHI using a State-Wide Price Agreement (SWPA) and NASPO Contracts. The vendor will provide these experts with the required knowledge, experience, and skills that will work at the direction of NMRHCA to implement and synchronize these upgrades with each other and with our CareView application.

This work (160hrs) will focus on upgrading the (3x) servers that CareView runs on for a total cost of \$48,045.

The following work will be performed:

- Build new Server 2022 environment.
- Build new SQL Server 2022 environment.
- Build a new SharePoint 2019 environment.
- Migrate existing SQL database instances to newly built servers.
- Migrate SharePoint 2013 environment.
  - The first stage will be to upgrade to SharePoint 2016.
  - The second stage will be to upgrade to SharePoint 2019.
- Document SharePoint installation and configuration.
- Assist with deployment of custom application to SharePoint 2019 with SQL 2002 database environment.

The selected contracted vendor will work with NMRHCA IT staff and shall keep the agency apprised of all findings, recommended changes, and all progress periodically and as frequently as possible. They shall also engage the agency's IT as needed to provide sufficient knowledge transfer and ensure the process documentation is accurate.

### **Requested Action:**

NMRHCA staff respectfully request approval to hire a contractor with Microsoft Specialists to upgrade each of these products to the latest releases – Server 2022, SQL Server 2022, and SharePoint 2019.

## **FY25 Operating Budget – (Action Item)**

**Background:** The State Budget Act (Section 6-3-7 NMSA 1978) mandates the completion and submission of the FY25 operating budget to the State Budget Division (SBD) by close of business Wednesday, May 1, 2024. The State Budget Act specifies that operating budgets require SBD approval, and expenditures cannot be made without such approval. In addition, the Retiree Health Care Act (Section 10-7C-16) includes a requirement that “expenditures for the administration of the Retiree Health Care Act shall be made as provided by an operating budget adopted by the board.” In accordance with these requirements, the FY25 operating budget submitted by the agency will be consistent with the amounts contained in Laws 2024, Chapter 69, otherwise known as the General Appropriation Act of 2024.

<b>Table I</b>						
(\$ shown in thousands)						
Agency	FY24 Approved Operating	FY24 Adjusted Operating	FY25 Request	HB2/GAA	Comp/ Package (OPBUD2)	Total
Personal Services & Employee Benefits*	\$ 2,585.9	\$ 2,585.9	\$ 2,831.8	\$ 2,673.9	\$ 77.8	\$ 2,751.7
Contractual Services	\$ 391,079.0	\$ 391,079.0	\$ 402,800.0	\$ 402,775.0	\$ -	\$ 402,775.0
Other	\$ 670.2	\$ 670.2	\$ 675.0	\$ 670.2	\$ -	\$ 670.2
Other Financing Uses*	\$ 3,913.4	\$ 3,913.4	\$ 4,235.1	\$ 4,047.4	\$ 77.8	\$ 4,125.2
<b>Total</b>	<b>\$ 398,248.5</b>	<b>\$ 398,248.5</b>	<b>\$ 410,541.9</b>	<b>\$ 410,166.5</b>	<b>\$ 155.6</b>	<b>\$ 410,322.1</b>
<b>Healthcare Benefits Administration</b>						
Contractual Services	\$ 390,376.7	\$ 390,376.7	\$ 402,026.7	\$ 402,026.7	\$ -	\$ 402,026.7
Other	\$ 45.0	\$ 45.0	\$ 45.0	\$ 45.0	\$ -	\$ 45.0
Other Financing Uses*	\$ 3,913.4	\$ 3,913.4	\$ 4,235.1	\$ 4,047.4	\$ 77.8	\$ 4,125.2
<b>Subtotal</b>	<b>\$ 394,335.1</b>	<b>\$ 394,335.1</b>	<b>\$ 406,306.8</b>	<b>\$ 406,119.1</b>	<b>\$ 77.8</b>	<b>\$ 406,196.9</b>
<b>Program Support</b>						
Personal Services & Employee Benefits*	\$ 2,585.9	\$ 2,585.9	\$ 2,831.8	\$ 2,673.9	\$ 77.8	\$ 2,751.7
Contractual Services	\$ 702.3	\$ 702.3	\$ 773.3	\$ 748.3	\$ -	\$ 748.3
Other	\$ 625.2	\$ 625.2	\$ 630.0	\$ 625.2	\$ -	\$ 625.2
<b>Subtotal</b>	<b>\$ 3,913.4</b>	<b>\$ 3,913.4</b>	<b>\$ 4,235.1</b>	<b>\$ 4,047.4</b>	<b>\$ 77.8</b>	<b>\$ 4,125.2</b>
<b>Total</b>	<b>\$ 398,248.5</b>	<b>\$ 398,248.5</b>	<b>\$ 410,541.9</b>	<b>\$ 410,166.5</b>	<b>\$ 155.6</b>	<b>\$ 410,322.1</b>
FTE	27	27	29	28	28	28

\*Subject to change based on Compensation Package

The sections highlighted are for appropriations for agency-wide compensation increases in FY25. The allocation provided is to support the pay increases and employer contribution toward medical insurance premium authorized in Section 8 of the General Appropriation Act. The increases apply to all employees (classified and exempt) and will be reflected in the personal services and employee benefits category of Program Support and the other financing uses category of the Healthcare Benefits Administration Program.

### **Section 4: Fiscal Year 2025 Appropriations.**

#### ***Performance Measure and Reversion.***

Performance Measure:

- (a) Output: Minimum number of years of positive fund balance – Target 30

Reversion Language:

Any unexpended balances in program support of the retiree health care authority remaining at the end of fiscal year 2025 from this appropriation shall revert to the healthcare benefits administration program.

## **Section 8. Compensation Appropriations.**

Subsection A. Sixty-five million seven hundred fifty-six thousand nine hundred dollars (\$65,756,900) is appropriated from the general fund to the department of finance and administration for fiscal year 2025 to pay all costs attributable to the general fund of providing an across-the-board salary increase of three percent to employees in budgeted positions who have completed their probationary period subject to satisfactory job performance. The salary increases shall be effective the first full pay period after July 1, 2024, and distributed as follows:

(3) eighteen million nine hundred fifty-one thousand one hundred dollars (\$18,951,100) for incumbents in positions in the classified service governed by the State Personnel Act, except for the department of the environment;

(5) one million five hundred seventy-five thousand eight hundred dollars (\$1,575,800) for executive exempt employees, except for the department of the environment;

Subsection C. Nine million three hundred seventy thousand one hundred dollars (\$9,370,100) is appropriated from the general fund to the department of finance and administration for fiscal year 2025 for the general fund share of medical insurance premiums paid by employers on behalf of state employees, two-year and four-year public postsecondary educational institutions, the New Mexico military institute, New Mexico school for the blind and visually impaired and New Mexico school for the deaf. Any unexpended balances remaining at the end of fiscal year 2025 shall revert to the appropriate fund.

Subsection F. Except for employees supported with federal funds at the department of the environment, for those state employees whose salaries are referenced in or received as a result of nongeneral fund appropriations in the General Appropriation Act of 2024, the department of finance and administration shall transfer from the appropriate fund to the appropriate agency the amount required for the salary increases equivalent to those provided for in this section. Such amounts are appropriated for expenditure in fiscal year 2025. Any unexpended balances remaining at the end of fiscal year 2025 shall revert to the appropriate fund.

## **Section 13. Certain Fiscal Year 2024 Budget Adjustment Authorized.**

Subsection B. Pursuant to Sections 6-3-23 through 6-3-25 NMSA 1978, those budget adjustments specified in this section are authorized for fiscal year 2025.

Subsection C. In addition to the specific category transfers authorized in Subsection E of this section and unless a conflicting category transfer is authorized in Subsection E of this section, all agencies, including legislative agencies, may request category transfers among personal services and employee benefits, contractual services and other.

Subsection D. Unless a conflicting budget increase is authorized in Subsection E of this section, a program with internal service funds/interagency transfers appropriations that collects money in excess of those appropriated may request budget increases in an amount not to exceed five percent of its internal service funds/interagency transfers, and a program with other state funds that collects money in excess of those appropriated may request budget increases in an amount not to exceed five percent of its other state funds contained in Section 4 of the General Appropriation Act of 2024. To track the five percent transfer limitation, agencies shall report cumulative budget adjustment request totals on each budget request submitted. The department of finance and administration shall certify agency reporting of these cumulative totals.

Subsection E. In addition to the budget authority otherwise provided in the General Appropriation Act of 2024, the following agencies may request specified budget adjustments:

(10) the healthcare benefits administration program of the retiree health care authority may request budget increases from other state funds for claims;

### **Other Substantive Information:**

Subsection D authorizes budget adjustments by program as follows:

		GAA	5%	Total
Healthcare Benefits Administration		\$ 406,119.1	\$ 20,306.0	\$ 426,425.1
Program Support		\$ 4,047.4	\$ 202.4	\$ 4,249.8
		\$ 410,166.5	\$ 20,508.3	\$ 430,674.8

**Requested Action:**

The deadline for submission is prior to the next regularly scheduled board meeting, therefore, NMRHCA staff respectfully requests that the Board of Directors delegate final adoption of the FY25 operating budget to the Finance Committee, upon review at its regularly scheduled meeting (to be scheduled last week of April). Final adoption will include a three percent pay increase for all employees subject to the State Personnel Act and executive exempt employees including the executive director.

**Healthcare Benefits Administration & Program Support**  
**FY25 Contract Amendments/New Contracts – (Action Item)**

The charts below include a list of new or existing contracts that need to be amended for fiscal year 2025 as required to meet our business obligations. This is for both the administration of the Healthcare Benefits Administration Program and Program Support.

**Healthcare Benefits Administration Program FY25 Proposed Contract Amendments**

The proposed contracts administered through the Healthcare Benefits Administration Program are as follows:

<b>FY25 Approved Operating Budget</b>	<b>\$402,026,700</b>		
	<b>Proposed</b>		
	<b>Contract</b>	<b>Contract</b>	<b>Amendment</b>
<b>Vendor</b>	<b>Amount</b>	<b>Term</b>	<b>Type</b>
1 Express Scripts	\$125,000,000	July 1, 2022 - June 30, 2026	Term & Comp
2 Standard Life Insurance	\$15,500,000	July 1, 2023 - June 30, 2027	Term & Comp
3 Vendor A -- Self Insured - Medical	\$122,500,000	July 1, 2024 - June 30, 2028	New
4 Vendor B -- Self Insured - Medical	\$55,000,000	July 1, 2024 - June 30, 2028	New
5 Vendor C MAPD	\$16,500,000	July 1, 2024 - June 30, 2028	New
6 Vendor D MAPD	\$10,000,000	July 1, 2024 - June 30, 2028	New
7 Vendor E MAPD	\$1,800,000	July 1, 2024 - June 30, 2028	New
8 Vendor F MAPD	\$8,500,000	July 1, 2024 - June 30, 2028	New
9 Vendor G - Dental	\$19,500,000	July 1, 2024 - June 30, 2028	New
10 Vendor H - Dental	\$8,500,000	July 1, 2024 - June 30, 2028	New
11 Vendor I - Vision	\$3,250,000	July 1, 2024 - June 30, 2028	New
<b>Total</b>	<b>\$386,050,000</b>	<b>NA</b>	<b>NA</b>
<b>Unencumbered Balance</b>	<b>\$15,976,700</b>	<b>Available for mid/end-year adjustments</b>	

The proposed amounts for FY25 are based on FY24 projected expenditures and assume the following variables:

1. Express Scripts - projected costs based on FY24 projected expenditures to include changes from the Inflation Reduction Act.
2. Standard (Life Insurance) – projected costs based on FY24 projected expenditures and participation.
3. Vendor A (Self-Insured Medical) – projected costs based on FY24 projected expenditures + medical trend – decrease participation.
4. Vendor B (Self-Insured Medical) – projected costs based on FY24 projected expenditures + medical trend – decrease participation.
5. Vendor C (Medicare Advantage) – projected costs based on FY24 projected expenditures – decrease in participation and RFP.
6. Vendor D (Medicare Advantage) – projected costs based on FY24 projected expenditures + growth in participation and RFP.
7. Vendor E (Medicare Advantage) - projected costs based on FY24 projected expenditures + growth in participation and RFP.
8. Vendor F (Medicare Advantage) - projected costs based on FY24 projected expenditures + growth in participation and RFP.

9. Vendor G (Dental) – projected costs based on FY24 projected expenditures - decrease in participation and RFP.
10. Vendor H (Dental) – projected costs based on FY24 projected expenditures + growth in participation and RFP.
11. Vendor I (Vision) – projected costs based on FY24 projected expenditures and RFP.

**Program Support FY25 Proposed Contract Amendments/New**

The proposed contracts administered through Program Support are as follows:

<b>FY25 Approved Operating Budget</b>		<b>\$748,300</b>		
		<b>Proposed Contract Amount</b>	<b>Contract Term</b>	<b>Type</b>
<b>Vendor</b>				
1	Segal - Benefit & Actuary Consultant	\$320,000	July 1, 2023 - June 30, 2027	Term/Comp
2	Judith Beatty	\$7,000	July 1, 2023 - June 30, 2024	New/Small
3	Moss Adams - Audit Services	\$77,940	July 1, 2023 - June 30, 2025	Term/Comp
4	Vendor A - Legal Services	\$25,000	July 1, 2023 - June 30, 2024	New/Small
5	RESPEC	\$60,862	July 1, 2023 - June 30, 2024	Price Agreement
6	PERA MOU - HR Services	\$22,432	July 1, 2023 - June 30, 2024	MOU
7	Vendor B - Shredding Services	\$4,500	July 1, 2023 - June 30, 2024	New/Small
8	Real Time Solutions (Webhost)	\$1,700	July 1, 2023 - June 30, 2024	Price Agreement
<b>Total</b>		<b>\$519,434</b>		
<b>Unencumbered Balance</b>		<b>\$228,866</b>	<b>Available for mid/end-year adjustments</b>	

The proposed contracts and amounts for FY25 assume the following:

1. Segal (Benefit & Actuary Consulting Services) – multiyear contract amount for expenditures related to benefit consulting services, solvency projections, GASB employer allocation schedules, HIPAA compliance support.
2. Judith Beatty – projected expenditures based on prior year actuals.
3. Moss Adams (Audit Services) – Based on request for proposal response.
4. Vendor A (legal services) - for fees consistent with historical expenditures and contingencies.
5. RESPEC – projected amounts associated with ongoing maintenance related to CareView based on FY24.
6. PERA MOU – shared HR services based on prior year and expected change for new MOU with PERA.
7. Vendor B – document destruction services projected expenditures based on historical expenditures.
8. Real Time Solutions (Webhost) – projected expenditures based on historical expenditures.

**Requested Action:**

NMRHCA staff respectfully request approval of the proposed amendments and new contracts as listed in the charts above for fiscal year 2025.

## **History of Proposed Legislation & New Proposed 2025 Legislation – (Action Item)**

### **Background:**

New Mexico Retiree Health Care Authority (NMRHCA) was established in 1990 to provide health care coverage to retirees of state agencies and eligible participating public entities. As stated under legislative findings, public employees faced a severe problem in securing medical insurance upon retirement due to growing inflation costs. Approximately 302 public entities including cities, counties, universities, and charter schools participate in NMRHCA with approximately 66,000 retirees and their dependents covered.

### **History of Legislation:**

#### **1990 - Retiree Health Care Authority Act (“ACT”) Section 10-7C-1 et seq.**

- Purpose to provide comprehensive core group health insurance for persons who have retired from certain public service in New Mexico.
- Legislative Findings (10-7C-3)
  - Public employees face a severe problem in securing continuing medical insurance upon retirement citing medical care inflation exceeding general inflation.
  - Public employees covered by the Act have entered into public employment in circumstances where they have received, in exchange for their services, a present salary and an expectation of receiving a future stream of benefits, including certain retirement benefits.
  - Nothing in the Act shall prohibit the legislature from increasing or decreasing participating employer or employee contributions, eligible retiree premiums or group health insurance coverage.
- Employee and Employer Contributions
  - 1990 – 2001 (12 years) Employee 0.50% / Employer 1.00% / Total 1.5% of salary.

#### **2002**

- Employee and Employer Contributions
  - 2002 – 2009 (8 years) Employee 0.65% / Employer 1.30% / Total 1.95% of salary.

#### **2007 – December 15<sup>th</sup>, House Bill 728 Work Group Report**

RHCA is facing three significant challenges:

1. The RHCA fund was projected to be insolvent by June 2014. However, annual revenues have fallen short of expenditures requiring RHCA to take funding from both its reserves and long-term investments to cover current costs.
2. New accounting standards require New Mexico to publish the unfunded liability associated with non-pension retirement benefits and a significant unfunded actuarial accrued liability could eventually affect the state’s bond rating.
3. Because costs exceed revenues, benefits cannot be pre-funded, questioning the future viability of the retirement healthcare system.

Tasks: examine long term actuarial trend, examine contribution rates between retirees and current employees, determine sources of revenues from state and political subdivisions and feasibility of



creating 2 separate classes of retirees, examine options for improving actuarial soundness, evaluate need to establish feasibility as securing RHCA fund as an irrevocable trust.

Conclusions: “No single action by the Executive, Legislature or RHCA will restore the balance needed to the current retiree health insurance system. The HB 728 work group realized early on in its study that all participants in the system, retirees, active employees, and employers, will need to participate in addressing the state’s unfunded liability and in moving the system into permanent solvency.”

“As the study began, it became apparent that New Mexico must take fiscally prudent actions now to plan for liabilities that have been accrued for retiree health care and develop an equitable approach given the current lack of pre-funding of benefits. Additionally, the state must ensure that its actions maintain the bond ratings of the state and participating entities.”

### **2009 Session**

#### **HB 351 – Retiree Health Care Act Contributions, Chapter 287**

- Increased funding to NMRHCA by increasing employee and employer contributions from 1.95% to 3.00% over a 4-year period / 1.95% to 3.75% of salary for “enhanced plans”.
- Removed sunset on \$3 million yearly supplemental distribution from Tax Suspense Fund initiated in 2007.

#### **HB 573 – Adjustment of Retirement Plans, Chapter 288**

- Public Employees Retirement Association of New Mexico (PERA) and New Mexico Educational Retirement Board (ERB) plan adjustments in addition to changes included in HB 351
- Section 10-7C-15(G) NMSA 1978 – Notwithstanding any other provision in the Retiree Health Care Act and at the first session of the legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act

### **2010**

- Employee and Employer Contributions
  - 2010 (1 year) Employee 0.833% / Employer 1.660% / Total 2.493% of salary.

### **2011**

- Employee and Employer Contributions
  - 2011 (1 year) Employee 0.917% / Employer 1.840% / Total 2.757% of salary.

### **2012**

- Employee and Employer Contributions
  - 2012 – 2022 (11 year) Employee 1.0% / Employer 2.0% / Total 3.0% of salary.

### **2013 Regular Session (SB 71)**

- Introduced legislation requesting 2.5% total contribution of salary increase. - The bill passed through multiple committees in both chambers but received no floor votes.

### **2014 Regular Session (HB 363 & SB 135)**

- Introduced legislation requesting 2.5% total contribution of salary increase – HB 363 passed through multiple committees in both chambers and passed only the house floor vote.

#### **2015 Regular Session (HB 436 & SB 169)**

- Introduced legislation requesting 1.25% contribution of salary increase – HB 436 passed through multiple committees in both chambers and passed only the house floor vote.

#### **2016 Regular Session (HB 58 & SB 35)**

- Introduced legislation requesting 1.25% contribution of salary increase – HB 58 passed through multiple committees in both chambers and passed only the house floor vote.

#### **2016 Special Session**

##### **SB7 Public Fund Distribution Changes**

- Permanent removal of \$3 million annual special distribution from taxation and revenue suspense fund.
- Removal of annual 12% increase in transfers received from taxation and revenue suspense fund regular distribution.

##### **Resulting Impact**

- Solvency period reduced to 2030 (post SB7 implementation).
- Projected deficit spending 2020.
- Reduction of \$350 million revenues over life of Trust Fund.
- Need for an increase for both employee & employer contributions.

#### **2017 Regular Session (HJM 1)**

- House Joint Memorial 1 had no fiscal impact but continued to emphasize the importance of the program. The memorial passed committees and House of Representatives, but action was postponed indefinitely in the Senate.

#### **2018 Regular Session**

- No proposed legislation.

#### **2019 Regular Session (HB 95)**

- Introduced legislation requesting 1.5% total of salary contribution increase – The bill did not pass through committees and further action was postponed indefinitely.

#### **2020 Regular Session (HB 45) – LOBBYIST HIRED**

- Introduced legislation requesting 0.5% total contribution increase – Passed-through multiple committees in both chambers, then passed both the house and senate floor votes before being vetoed by Governor.

#### **2021 Regular Session (SB 21)**

- Introduced legislation to amend certain definitions in the Retiree Health Care Act. Passed through multiple committees, both floor votes and signed into law by Governor.

### **2022 Regular Session (SB 112)**

- Introduced legislation requesting 0.5% total contribution increase and referred to committee but tabled and action postponed indefinitely.

### **2023 Regular Session (HB 150 & SB 193)**

- HB150 introduced legislation requesting 0.5% total contribution increase and passed the first committee before being tabled.
- HB193 introduced legislation requesting 0.5% total contribution increase and passed first committee then no further action.

### **2024 Legislative Session (SJR 5):**

New Mexico Retiree Health Care Authority (NMRHCA) proposed the below for the 2024 session.

- SJR5 was introduced legislation for the New Mexico Retiree Health Care Authority to protect the NM retiree health care trust fund as a property right under the NM Constitution.

*Similar to what was previously enacted for both our sister agencies, the Public Employee Retirement Association (PERA) and Educational Retirement Board (ERB).*

In addition, a request for a special appropriation for one-time money of \$150 million was made.

### **2025 Legislative Session: Propose**

New Mexico Retiree Health Care Authority (NMRHCA) is proposing the below for consideration of the Board for the 2025 session.

- To file a Joint Resolution for the New Mexico Retiree Health Care Authority to protect the NM retiree health care trust fund as a property right under the NM Constitution.

*Similar to what was previously enacted for both pension system agencies, the Public Employee Retirement Association (PERA) and Educational Retirement Board (ERB).*

### **Requested Action:**

The staff respectfully requests approval from the Board of Directors on the proposed legislative action pertaining to the protection of the RHCA trust fund by way of a joint resolution for the upcoming 2025 Legislative session.