



New Mexico Work and \$ave Board M E E T I N G M I N U T E S

Via Zoom—Thursday, November 4, 2021, 2:00 to 3:30 pm

Members Present	Members Absent	Others Present	Staff Present
Lynn Hoffman, Chair	Melissa Coleman	Tim Eichenberg, State Treasurer	Claudia Armijo, Interim Executive Director
Connor Browne	DeAnza Valencia	Sam Collins, Deputy Treasurer	Julie Filatoff, STO
Cindy Bryan		Sally Malave, OAG	Maria Spray, STO
Carter Bundy		Hunter Railey, CO Secure Save	
Mary Chowning		Sean Wood, CO Secure Save	
Eric Quintana		Kristina Fisher, Rules Committee Chair	
Isaiah Zemke			

1. Roll Call

Chair Lynn Hoffman called the meeting to order at 2:06 pm.

2. Welcome and Opening Comments

Chair Hoffman welcomed the board members, registered attendees, and staff members from the State Treasurer’s Office and from the Office of the Attorney General. She also noted that this meeting marked the first anniversary of the formation of the NM Work & \$ave Board and thanked everyone for their hard work this past year.

3. Approval of November 4, 2021 Agenda

Chair Hoffman called for a vote on approval of the agenda. Member Browne made a motion to approve; Member Quintana seconded the motion. The motion passed by roll-call vote as follows (Note: Ms. Bryan was having difficulty with her connection so did not vote on this item):

- Mr. Browne: Aye
- Ms. Chowning: Aye
- Mr. Zemke: Aye
- Mr. Bundy: Aye
- Mr. Quintana: Aye
- Chair Hoffman: Aye

4. Special Announcement

Chair Hoffman announced the appointment of Mary E. Chowning to the Work and \$ave Board and as the Chair of the Finance and Funding Committee. Chair Hoffman also thanked Acting Chair Browne for his hard work on guiding the Finance and Funding Committee during the interim.

5. Approval of August 26, 2021 Minutes

Chair Hoffman called for a vote on approval of the August 26, 2021, Board meeting minutes. Member Quintana made a motion to approve; Member Zemke seconded the motion. The motion passed by roll-call vote as follows:

- Mr. Browne: Aye
- Mr. Bundy: Aye
- Ms. Bryan: Aye
- Ms. Chowning: Abstain
- Mr. Quintana: Aye
- Mr. Zemke: Aye
- Chair Hoffman: Aye

6. Presentation and Discussion on Memorandum of Cooperation with Colorado Secure Savings

Chair Hoffman called on Interim Executive Director (IED) Armijo to update the Board on several items she and staff have been working on.

IED Armijo began with an update on the Memo of Cooperation (MoC) she and the Director of the Colorado Secure Savings Program, William “Hunter” Railey, drafted. She reported that the Colorado Secure Savings Program Board approved the MoC last week during its meeting. IED Armijo outlined the highlights and benefits of the collaboration and proposed partnership:

- Increasing the total number of participants in both programs, thus making it more economical for financial service providers, participants, and both states.
- The partnership will total approximately 1.2 million participants combined.
- Other advantages include cost sharing and resource sharing by the states.
- Privacy controls related to data collection, confidential information, and the sharing of information are key.
- The partnership will be in compliance with applicable state and federal laws.
- The partnership also aligns applicable New Mexico and Colorado state laws and regulations.

Member Chowning asked whether any other states have entered into a partnership such as the one proposed by Colorado and New Mexico. IED Armijo explained that this is the first partnership created among states, mainly due to the fact that there are so few states that have enacted this sort of state-facilitated retirement savings program.

Member Browne made the following three-part motion:

- 1) The Board approve the Memorandum of Cooperation between Colorado and New Mexico,
- 2) The Board delegate the authority to conduct the collaboration contemplated by the MoC to the Board Chair and the Interim Executive Director, and
- 3) The Interim Executive Director provide regular updates on the activities of the MoC at each Board meeting held during the collaboration.

The motion was seconded by Member Zemke. The motion passed by roll-call vote as follows:

- Mr. Browne: Aye
- Mr. Bundy: Aye
- Ms. Bryan: Aye
- Ms. Chowning: Aye
- Mr. Quintana: Aye
- Mr. Zemke: Aye
- Chair Hoffman: Aye

Chair Hoffman asked for comments from Mr. Railey and Mr. Wood of Colorado Secure Savings. Both expressed their excitement at the partnership.

7. Interim Executive Director's Report

A. IED Armijo updated the Board on the three-part research and modeling project being conducted by UNM's Bureau of Business and Economic Research (BBER) and Boston College's Center for Retirement Research (CRR).

- BBER is updating the pertinent New Mexico demographic information so that the Board will have fresh data when making design and implementation decisions.
- BBER is sharing the data with CRR so they can perform modeling and create projections to help the Board understand the feasibility of various factors of the two programs to be implemented, e.g., the Retirement Plan Marketplace and the Payroll Deduction IRA.
- The modeling done by CRR will help the W&\$ Board project when the programs will become net-positive and cash-flow positive.
- Funded by AARP and under the supervision of Massena and Associates, both BBER and CRR are on target to meet their reporting deadlines.

Member Bundy wanted to know whether the assumptions on part three (if we do nothing) are based solely on a projection of current savings or whether there are other assumptions being explored. IED Armijo said she was not sure what other assumptions BBER will make but the information requested from them would include the impact of not saving on state resources and safety net programs.

Member Bundy had a second question regarding the cost to the state, particularly as it relates to senior poverty. Will these studies incorporate research on federal and local costs as it seems that Medicaid would have a significant impact on costs? IED Armijo said that was not in the current research scope but could be included. She will follow up with BBER to ask them to include that information.

B. IED Armijo reported on her and Chair Hoffman's presentations to both the Investments and Pensions Oversight Committee and the Legislative Finance Committee. She presented an overview of what the Work and \$ave Board has been doing and reported that both committees expressed their appreciation for the work that the Board and staff have accomplished.

C. IED Armijo put forward a recommendation that the Chair have the authority to represent the Board or to assign representatives she deems appropriate to meet with various entities in advocacy and outreach capacities between regularly scheduled Board meetings.

Member Zemke made a motion that the Board delegate to the Chair the authority to designate, as appropriate, the Interim Executive Director, Board members, or others for Work and \$ave-related strategy and advocacy efforts, and that the Interim Executive Director report back to the Board regarding the advocacy efforts.

The motion was seconded by Member Bundy. The motion passed by roll-call vote as follows:

- Mr. Browne: Aye
- Ms. Bryan: Aye
- Mr. Quintana: Aye
- Mr. Bundy: Aye
- Ms. Chowning: Aye
- Mr. Zemke: Aye

- Chair Hoffman: Aye

8. Committee Reports

A. Finance and Funding Committee Acting Chair Browne reported the following:

- The Finance & Funding Committee met on October 7, 2021.
- The IED provided an update on the Board's three-part Research and Modeling project being completed by UNM's Bureau of Business and Economic research and the Center for Retirement Research at Boston College.
- The project is running on time and is being managed between Massena Associates and AARP on behalf of the Board.
- Next, the IED provided information to the committee about a proposed Memorandum of Cooperation between New Mexico Work and \$ave and Colorado's Secure Choice Savings Program.
- She explained that Colorado's program is an Auto IRA, it does not have a Marketplace, and is not looking at adding a Marketplace, so the collaboration contemplated by the MoC would be for an Auto IRA program only.
- As noted previously, the committee voted to recommend to the full Board its approval of the Memorandum of Cooperation.
- The IED also mentioned that the Board may be asked to approve a Request for Bid for financial service providers that would like to provide a pilot program for the Retirement Marketplace.
- The committee voted to make that recommendation to the full Board at a future Board meeting.
- Lastly, Board Chair Hoffman announced that Governor Lujan Grisham appointed Mary E. Chowning to the Work and \$ave Board and Mary has been appointed as the Chair of Finance and Funding.

B. Rules Committee Chair Kristina Fisher reported the following:

- The committee reviewed both the latest draft rules and regulations for the IRA and Marketplace programs.
- All members agreed to have a thorough look at the draft rules and to provide comments and suggestions over the next several weeks via email in accordance with the timeline listed in section 3, subsection A.
- The committee will meet on November 16, 2021, to go over the markup of drafts, then create a final draft to present to the full Board when it meets again on December 2, 2021.
- Once the rules and regulations have been approved, the committee plans to work with Colorado Secure Savings on the auto-IRA program, with Washington State on the Marketplace program, the Education and Outreach committee, and with other stakeholders to create an education and outreach plan.

C. Education and Outreach Chair Zemke reported the following:

- The Education and Outreach Committee was scheduled to meet on October 25th. That meeting was cancelled for a couple of reasons:
 - ❖ The work delegated to staff and Committee Member Velasquez at the Committee's August 5th meeting is still ongoing and

- ❖ Staff had a very successful meeting with agency representatives from the Department of Workforce Solutions which will likely impact the committee's work going forward.
- The Workforce Solutions Department may be able to provide access to its database and we may be able to more readily identify our target employers for the survey.
- At this time, staff plans to continue meeting with Workforce Solutions to see if we can enter into a data-sharing agreement. If we are successful, once the agreement is in place, staff will assess the information available and determine how to most efficiently use it for outreach, the survey or surveys, and focus groups.
- The next Education and Outreach Committee will be scheduled once we have more information.

9. Recess to Executive Session

Chair Hoffman made a motion to recess to Executive Session in accordance with NMSA 1978, §10-15-1 (H)(2), regarding a vote to appoint the New Mexico Work and \$ave Executive Director. The motion was seconded by Member Browne. The motion passed by roll-call vote as follows:

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| • Mr. Browne: Aye | • Ms. Bryan: Aye | • Mr. Quintana: Aye |
| • Mr. Bundy: Aye | • Ms. Chowning: Aye | • Mr. Zemke: Aye |
| | | • Chair Hoffman: Aye |

The Executive Session recessed at 3:15 p.m.

10. Board Vote to Return to Open Session

Chair Hoffman asked for a motion to return to open session at 3:25 p.m. Member Browne made the motion and Member Zemke seconded. Chair Hoffman confirmed that the only matter discussed was the vote to appoint the Executive Director. The motion passed by roll-call vote as follows:

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| • Mr. Browne: Aye | • Ms. Bryan: Aye | • Mr. Quintana: Aye |
| • Mr. Bundy: Aye | • Ms. Chowning: Aye | • Mr. Zemke: Aye |
| | | • Chair Hoffman: Aye |

The Chair then made a motion to affirm that Claudia Armijo become Executive Director with the removal of the term *Interim* from her title. The motion was seconded by Member Bundy and was passed by roll-call vote as follows:

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| • Mr. Browne: Aye | • Ms. Bryan: Aye | • Mr. Quintana: Aye |
| • Mr. Bundy: Aye | • Ms. Chowning: Aye | • Mr. Zemke: Aye |
| | | • Chair Hoffman: Aye |

The vote was enthusiastic, and members voiced their congratulations to Executive Director Armijo. Ms. Armijo expressed her thanks and her appreciation of the Board and her colleagues who support her in her work.

11. Adjourn

Board adjourned at 3:35 p.m. Next meeting will be December 2, 2021, at 2:00 p.m.