



REVISED 12 noon 05 24 2022 (submission due date extended)

May 24, 2022

## **REQUEST FOR QUOTES**

### **PROFESSIONAL CONSULTING SERVICES—Development of Strategic Plan for Communications, Marketing, and Outreach of New Mexico Work and \$ave Board and Programs**

Greetings:

#### **Introduction and Work and \$ave Programs**

The New Mexico State Treasurer’s Office is seeking quotes from qualified firms to provide professional consulting services to the New Mexico Work and \$ave Board (“the Board”) for the development of a comprehensive communications, marketing, and outreach strategic plan.

Pursuant to the New Mexico Work and Save Act (“the Act”) at NMSA 1978 §§ 58-33-1 *et seq.*, the Board is administratively attached to the State Treasurer’s Office. The Board is statutorily required to design and provide continued oversight for the operation of two voluntary private-sector retirement savings programs that will be available through the yet-to-be-developed Work and \$ave online platform. The two programs will consist of:

1. The Retirement Plan Marketplace (“Marketplace”)—an online portal connecting private-sector employers with Board-approved financial service providers who offer qualified affordable, employer-sponsored retirement plans, and
2. The payroll-deduction IRA Program (“IRA Program”)—a portable, payroll-deduction retirement savings program facilitated by employers who do not offer their workers a qualified retirement plan. The IRA Program allows the workers to save for their retirement through payroll-deducted contributions remitted by their employer through the Work and \$ave platform to a Roth individual retirement account. The IRA Program will be operated by Board-approved financial service providers, including a program administrator/record keeper and one or more investment managers.

#### **Background**

Workplace retirement plans are the primary method Americans use to accumulate retirement savings. Yet, for many Americans, a secure retirement may seem out of reach. Fewer than half of all workers in the U.S. (approximately 81 million) have access to a retirement savings plan through their employer

In New Mexico approximately 440,000 private-sector employees work for an employer that does not offer a workplace payroll-deduction retirement program. Workers in New Mexico businesses



with fewer than 100 employees are much less likely to have access to a plan than workers in larger businesses. Studies have shown that employees are 15 times more likely to save for retirement if they have the option of payroll deduction at their place of employment.

Many smaller companies and nonprofits choose not to offer retirement savings to their employees for multiple reasons, including cost, complexity, and the risk of legal liability. The costs of setting up a 401k plan can be prohibitive for small employers, especially if such a plan includes an employer match. Also, an employer takes on fiduciary responsibilities when setting up a 401k plan for their employees. To address the retirement savings gap in New Mexico, Work and \$ave is being established to create retirement savings options for employees of businesses that do not offer a workplace retirement plan.

The Work and \$ave Board held its first meeting on October 28, 2020. The original deadline for launching both programs was January 1, 2022. Due to the pandemic, the Legislature extended the launch deadline to July 1, 2024.

The Board conducts its work through Work and \$ave staff and Board Committees. A review of the Board's progress as well as the status of each program, can be found in the FY21 Annual Report provided electronically with this RFQ.

### **Work and \$ave Staff**

NM Work and \$ave is staffed by 2 fulltime employees: the executive director and the program coordinator. Limited additional staffing resources are available through the State Treasurer's Office. Contractor will work collaboratively with Work and \$ave staff ("staff").

### **Purpose and Program Stakeholders**

The purpose of this Request for Quotes ("RFQ") is to contract with a consulting firm that will work with staff to assist the Board in its development of a strategic plan for comprehensive communications, marketing, and outreach designed to educate, engage, and collaborate with program stakeholders.

Program stakeholders include:

1. The 440,000 New Mexico private-sector employees without access to a workplace retirement savings plan;
2. New Mexico's private-sector employers who do not offer a retirement savings plan at work, including non-profits and sole proprietors;
3. State and federal policymakers, including the governor, legislators, and government agency heads; and,
4. Policy Influencers, including chambers of commerce, advocacy groups and associations, labor unions and trade groups, and financial service professionals and providers.



### **Contractor Qualification Requirements**

To perform the services under this RFQ, the Contractor:

1. should have demonstrable experience in the development and implementation of cost-effective strategic plans, including comprehensive communications, marketing, and outreach plans for broad-reaching, long-term private or public initiatives;
2. should have demonstrable experience in consulting to include project development and management, planning and strategies - experience consulting with governmental agencies as well as private entities is preferred; and,
3. experience working with and presenting to policy-making bodies is desirable.

### **Contact/Scope of Work/Services**

Contractor's point of contact for this project is the Work and \$ave Executive Director. The Contractor shall perform the work under the direction of the Executive Director. Upon contract execution, Contractor shall attend an initial meeting with staff and the Board Chair to discuss plan development steps and services expectations. Additional meetings will be required as needed throughout the specified contract period. Contractor shall develop a comprehensive targeted Communications, Marketing, and Outreach Plan ("Plan") including a timeline with sequencing of key steps and including the following:

1. **Brand Development and Management.** Integration of the Work and \$ave logo into an overall brand for clear program identification, recognition, and management.
2. **Key Messaging and Social Media.** Development of consistent core messaging for programs. Identify methods and various forms of professional messaging for initial introduction of programs to stakeholders, followed by continuing communications and outreach using an array of resources, including print, email, social media, digital platforms, and apps.
  - Design, implementation, and management of social media presence and communication strategies including content development and posting of relevant material and coverage from and of the media and events.
  - Identification of viable platforms to utilize and integrate into the plan including YouTube, Twitter, Pinterest, Instagram, etc.
3. **Outreach and Relationship Building Strategies with Targeted Stakeholders,** including analyses of cost effectiveness of various modes of communication. This section may also include:
  - Contacts, introductions, and relationship-building steps.
  - Coordination of events geared toward specific stakeholders and partners to increase exposure and understanding of programs.
  - Regular communication and dissemination of information via mobile apps, email blast capabilities, advertising, and in-person contact.



- Continued regular communication, meetings, and brainstorming with staff and Board committees as requested, partner advocates, targeted stakeholders, and other identified interested parties.
- Facilitation of outreach meetings held in various regions of the State to establish ongoing communication and information dissemination.
- Coordination with outreach capabilities of state agencies including Workforce Solutions Department, Taxation and Revenue Department and Secretary of State.

**4. Tracking Plan Activities and Follow-up**, which may include:

- Management of email marketing/data-collection system (such as MailChimp, Constant Contact, etc.).
- Creation of email marketing efforts and outreach.
- Creation and implementation of data-collecting initiatives to increase database.
- Creation of partnerships to ensure widespread reach.
- Utilizing agreed-upon messaging and information, including creation of newsletter.
- Coordination of Work and \$ave key messages, emails, newsletter, publications, and collateral material.

**5. Media Kit Development**, which may include:

- Ongoing message-specific campaign to targeted media outlets.
- Relevant listings in trade, community, and other member-based organizations.
- Targeted outreach with a focus on areas of significance in relation to stakeholder base.
- Distribution of press releases to trade publications, business organizations, community groups, advocates, and general news outlets.
- Vetting of media inquiries; facilitation and coordination of valuable media opportunities.
- Process for tracking, reviewing, and clipping media coverage.

### **Timeline**

Services pursuant to this RFQ will begin under a contract on or after July 1, 2022. Contractor must be available virtually on or about July 19, 2022 as requested to present a status update of the Strategic Plan for Committee review before Plan finalization. The services provided pursuant to this RFQ should be completed by Contractor no later than August 10, 2022. This contract will expire on September 30, 2022.

### **Quotes**

Please provide the following firm information in your Quote/Response:

1. Firm Name
  - a. Name of Individual Completing RFQ
  - b. Telephone Number (cell and work)
  - c. Email
  - d. Business Address



- e. Year Firm Founded
  - f. Does firm have personnel or facilities, or has offered services in the State of New Mexico?
  - g. If yes to section f, please provide background
  - h. Other appropriate firm information
2. Describe in detail your firm's experience similar and responsive to this RFQ.
  3. Describe the proposed content, steps, sections, or subject areas to be included in the comprehensive Communications, Marketing and Outreach Plan to be developed by your firm for the Work and Save programs. Your proposed Plan should include a timeline with sequencing for each step or subject area.
  4. Describe your firm's experience with standard software/cloud products such as Microsoft Office, Google Suite, email marketing, Adobe Creative Cloud Design, website hosting, website content marketing systems (i.e., WordPress), etc.
  5. Provide brief résumés for the staff members who will work on this project.
  6. Provide any other additional information deemed useful, informative or appropriate for the Board's consideration in furthering this project.
  7. Please ensure your response does not exceed ten (10) pages in length.

### Costs

If a fixed price quote is not provided, Contractor shall provide an hourly rate along with an estimate of hours required to perform the work provided in the Scope of Work. Please also provide the estimated hours and hourly rates for others you anticipate using to perform all or part of the work.

### Quote Submission

Please submit your Quote/Response to this Request for Quote via email only by 4:00 p.m. Mountain Time on Thursday, June 9, 2022 to:

**Name: Dominic Donio, Procurement Manager**

**Telephone: (505) 955-1141**

**Email: [dominic.donio@state.nm.us](mailto:dominic.donio@state.nm.us)**

### Anticipated Award Date:

The Board anticipates awarding the contract under this RFQ on or about June 13, 2022.



**Annual Report 2021  
New Mexico Work & \$ave Board**

Lynn Hoffman, Chair  
Claudia Armijo, Executive Director  
Administered through the New Mexico State Treasurer's Office  
March 3, 2022



Email: [Claudia.Armijo@state.nm.us](mailto:Claudia.Armijo@state.nm.us)

Website: <https://nmsto.gov/special-programs/work-and-save/>

Phone: [\(505\) 819-8174](tel:(505)819-8174)

New Mexico State Treasurer's Office  
2055 South Pacheco Street, Suite 100  
Santa Fe, New Mexico 87505  
(505) 955-1120

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## Introduction

This first Annual Report of the New Mexico Work and \$ave Board provides the historical background and purpose leading to the enactment of the New Mexico Work and Save Act, as well as highlights of the work of the New Mexico Work and \$ave Board from its initial organizational meeting in October 2020 through December 31, 2021. Additional information from January 2022 is included as it is pertinent to the report.

Pursuant to the New Mexico Work and Save Act, compiled at NMSA 1978, Sections 58-33-1 *et seq.*, the Work and \$ave Board (the Board) is responsible for the design, implementation, and operation of two state-managed, private-sector retirement savings programs:

- The Retirement Plan Marketplace
- The payroll-deduction IRA Program

The Board as fiduciary will design and implement a web-based platform from which users can access the Retirement Plan Marketplace or the IRA Program. The Marketplace is intended to connect private-sector employers interested in offering an employer-sponsored retirement plan with Board-approved financial service providers offering affordable and simple employer-sponsored qualified plans.

The IRA Program is a workplace-facilitated payroll deduction retirement savings program in which an employer withholds contributions from a worker's gross wages and remits those contributions to the program administrator, who then credits the contributions to the worker's Roth IRA. A worker's account in the IRA Program is portable, meaning it follows the worker when they change jobs. The IRA Program is not an employer-sponsored plan and employers are prohibited from contributing to their workers' IRA accounts. Additionally, the IRS-imposed contribution limits of \$6,000 per calendar year (\$7,000 for workers age 50 and older) apply to the accounts opened under the Work and \$ave IRA Program.

The role of the employer in the IRA Program is to simply facilitate workers' abilities to contribute to their IRA accounts by withholding worker contributions and remitting them on behalf of the worker to the program administrator through an electronic bank transfer. This process functions much like any other withholding that employers process with their payroll.

The IRA Program default retirement savings option for workers is a Roth IRA. However, the Board has the authority to offer a Traditional IRA in the future.

The New Mexico Work and \$ave Board is uniquely structured as an independent, but administratively attached, State of New Mexico agency. It is attached to the State Treasurer's Office (STO), and the work performed on behalf of the Board is administered through the STO budget and staff. Currently, the STO provides two FTEs to run the Work and \$ave programs—an executive director and a program coordinator. The executive director reports to the Board.

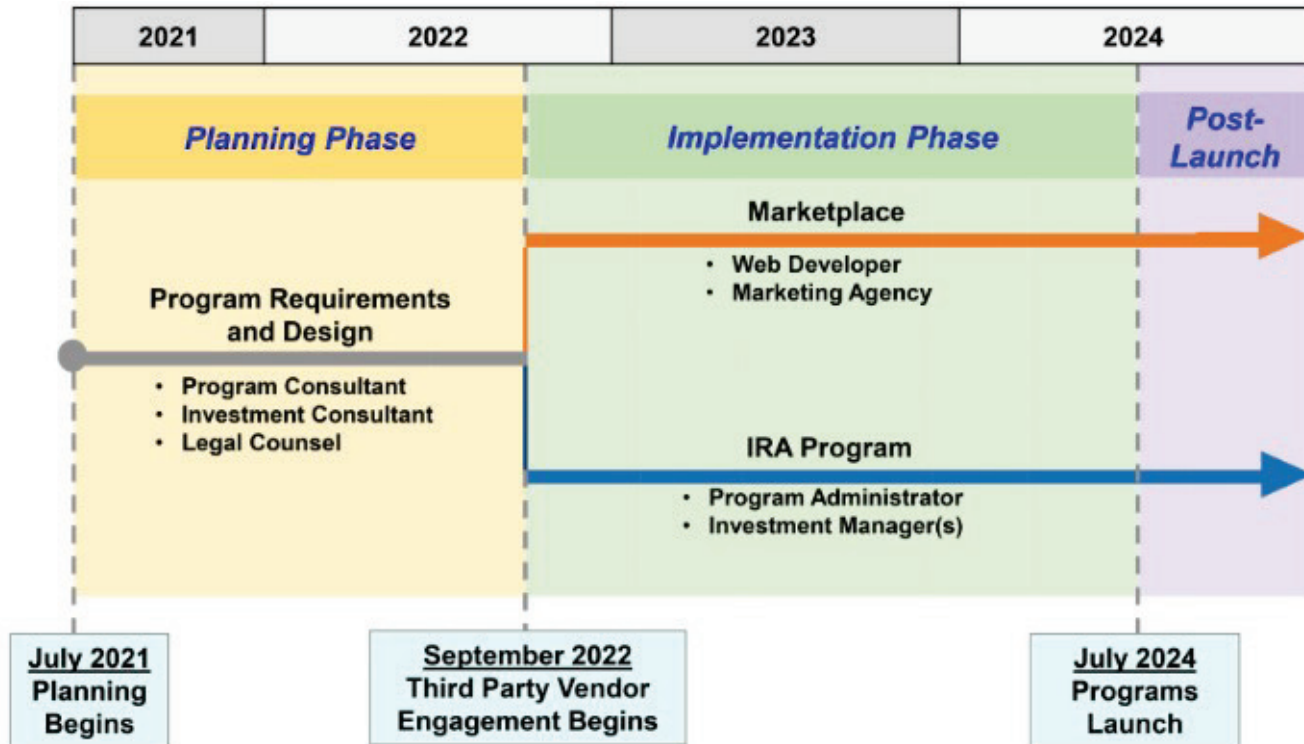


In 2020, the Board elected a chair and vice chair. In 2021, the Board formed three working committees:

- Education and Outreach
- Finance and Finding
- Rules

The committees are comprised of Board members and outside appointees with specific skills and knowledge beneficial to the work of their respective committee. Pursuant to its authority under the act, the Board officially appointed the executive director in 2021.

The Board is on course to finalize the program design for the Marketplace and the IRA Program in 2022. Both programs will include a testing phase prior to their initial launch. The program services, including administration, custody, and investment management, will be delivered by third-party financial service providers with oversight by the Board. Work and \$ave is focused on attracting qualified service providers to initiate the delivery of saving options by July 2024.



**Figure 1. Work and \$ave Implementation Timeline**

The Board notes that the proposed Auto-IRA Partnership Agreement with Colorado referenced in more detail beginning on page 13 is projected to significantly accelerate the timeline for implementation of services and reduce program costs.

## A Message from the New Mexico Work and \$ave Board Chair, Lynn Hoffman



On behalf of the New Mexico Work and \$ave Board, I am pleased to present the Board's first Annual Report for the year ending December 31, 2021. This report provides information about the Work and \$ave programs; Board members, advisors, and staff; and includes milestones since the Board's initial organizational meeting in October 2020.

I am grateful and privileged to serve with a professional, dedicated, and hardworking Board of public-service volunteers. The nine-member Board was appointed by the Governor, the Treasurer, the Senate Pro Tempore, and the Speaker of the House. The productivity and collegiality of the Board is all the more remarkable considering that many of us have never met in person, being called upon to do our work virtually throughout the Covid pandemic.

We have made great progress and look forward to continuing that progress as we finalize the design and begin implementation of New Mexico's state-managed private-sector retirement plan, one of the first such plans in the nation. As prioritized by the Governor and the Legislature, our mission is to successfully address the large and growing retirement savings deficit for 430,000+ private-sector workers in New Mexico: 64% of our citizens have zero money saved for retirement and will face financial insecurity after a lifetime of hard work. Social Security is expected to replace only 49% of pre-retirement income and our failure to address the resulting savings gap is projected to cost New Mexico taxpayers an additional \$1.9 billion by the year 2035.

I would like to thank State Treasurer Tim Eichenberg for his vision and commitment to New Mexico's private-sector workers who do not have access to a workplace retirement savings plan. Without Treasurer Eichenberg's efforts and the support of the 2018 Task Force, the Work and \$ave programs could not come to fruition. I also want to thank AARP New Mexico for its leadership, advocacy, and financial and professional support; thought leader Think New Mexico; and Colorado Treasurer Dave Young and the Colorado Secure Savings Program Board with whom the Work and \$ave Board has worked closely to explore options for creating the first-in-the-nation, multi-state auto-IRA partnership.

I offer admiration and gratitude to Senators Bill Tallman and Michael Padilla and to Representatives Gail Armstrong, Christine Chandler, and Tomás Salazar who sponsored House Bill 44 creating the New Mexico Work and Save Act. Thanks also to the New Mexico State Legislature for passing House Bill 44 and amending it in 2021, and to the Honorable Michelle Lujan Grisham, New Mexico's Governor, for signing HB 44 into law.



I also recognize and appreciate the leadership of Senator Tallman and Representative Linda Serrato for their introduction of legislation in the 2022 session.

The Work and \$ave Board is honored by the opportunity to assist hard-working New Mexicans in their quest for greater financial stability in the form of retirement savings. We are fortunate to have the professionalism, hard work, and expertise of our Executive Director, Claudia Armijo. Empowering individuals to save for their retirement will ultimately lead to more financially secure retirees and will reduce reliance on state support and programs. New Mexico will benefit from the greater financial wellbeing, dignity, and health of its retirees and their families.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lynn Hoffman".

Lynn Hoffman  
Chair, New Mexico Work and \$ave Board

# About New Mexico Work and Save Act: History and Purpose, 2017–2020

The Retirement Income Security Task Force studied the retirement savings deficiencies in New Mexico's private-sector workforce. When it comes to saving for retirement:

- 62% of private-sector New Mexico workers age 18 to 64 work for businesses that **do not offer** a retirement plan.
- 67% of private-sector workers in New Mexico have **\$0** saved for retirement, which is a larger percentage than the national average.
- More than 50% of New Mexico's older citizens rely on Social Security income for more than 50% of their family income.
- Approximately 33% of New Mexicans aged 65 or older rely on Social Security income for more than 90% of their family income.
- Social Security benefits average only about \$1,160 per month in New Mexico; therefore, many workers rely on employer-sponsored retirement plans to supplement their income as they age.
- The number of New Mexicans 60+ years old who have saved less than \$10,000 for retirement will increase by 111,500 to a total of 469,000 by 2040.
- New Mexicans with access to a private-sector employer-based retirement plans are as likely to participate as all US workers (74% each), but a smaller share have access to plans (34% vs. 42% nationally).
- A smaller share of New Mexicans participates in private-sector employer plans
- (25% vs. 31% nationally). This pattern holds steady according to nearly every worker and employer characteristic; e.g., firm size, part-time status, earnings, education.
- Of persons ages 50+, 56% of employed New Mexicans have no retirement savings.
- Only 27% have \$10,000 or more in savings.
- By 2040, New Mexico's population of age 60+ will grow by one-third, from 465,000 to 614,000.



## 2017: Senate Joint Memorial 12

Sponsored by Senator Bill Tallman and passed by the Legislature in 2017, SJM 12 called for New Mexico State Treasurer Tim Eichenberg, to form the Retirement Income Security Task Force to study retirement savings among the State's private-sector workers. The task force, chaired by Treasurer Eichenberg—along with representatives from various state agencies, AARP New Mexico, and the State's business community—was charged with studying New Mexicans' retirement income preparedness and with providing options to implement one or more retirement savings vehicles for private-sector employees having limited or no access to a workplace retirement plan.

SJM 12: <https://www.nmlegis.gov/Sessions/17%20Regular/final/SJM012.pdf>

## 2017–2018

Throughout 2017 and 2018 the task force held seven meetings, including meetings with key stakeholders. Ultimately, the task force provided recommendations including that New Mexico launch a hybrid state-facilitated secure choice model. The task force presented its findings and recommendation to the Investments and Pensions Oversight Committee on August 10, 2018. The task force recommended that New Mexico create a hybrid secure choice plan including designing and implementing a:

- **Retirement Plan Marketplace**—A web-based marketplace to help businesses voluntarily find and set up affordable employer-sponsored retirement plans, and
- **Voluntary Payroll Deduction IRA**—An employer-facilitated, employee contribution IRA program.

The task force also recommended that, if the combination of the Marketplace and voluntary IRA program do not meaningfully meet the goals of increased retirement savings program participation, an automatic State IRA program should be triggered by a pre-determined measurable event to replace the voluntary State IRA program. The task force concluded that the State is facing a growing retirement savings gap that should be addressed in a meaningful way because the gap puts an increasing strain on the State's support resources and continued reliance on those resources. The final report of the task force was issued on October 16, 2018. Read the final report here:

[https://nmsto.gov/wpcontent/uploads/2019/02/UNMBBER\\_Treasurer-Task-Force-Report\\_101518.pdf](https://nmsto.gov/wpcontent/uploads/2019/02/UNMBBER_Treasurer-Task-Force-Report_101518.pdf)

## 2020

In 2020, following release of the task force report, Senators Bill Tallman and Michael Padilla, and Representatives Tomás Salazar, Christine Chandler, and Gail Armstrong introduced House Bill 44, which created the New Mexico Work and Save Board. The Act delegates to the Board the duties and authority to design and implement voluntary retirement savings programs for private-sector and non-profit employees and the self-employed. The retirement savings programs included a payroll-deduction Roth IRA Program, and a web-based Retirement Savings Plan Marketplace designed to connect employers with financial service providers who offer affordable, Board-approved retirement plans. The Act provides liability protections for employers participating in the IRA Program and the confidentiality of participants and account information. Work and \$ave programs are voluntary for both employers and employees. Another component of the New Mexico Work and Save Act is that the Board must provide financial education information for employees and employers. House Bill 44 can be accessed here: <https://nmlegis.gov/Sessions/20%20Regular/final/HB0044.pdf>

Due to the Covid-19 pandemic, the Board membership was not fully constituted until late September 2020. The Board held its organizational meeting on October 28, 2020.

# New Mexico Work and \$ave Milestones at a Glance

## February 2020

- HB 44 signed into law by Governor Michelle Lujan Grisham on February 26, 2020.

## October 2020

- Organizational Meeting on October 28, 2020.
- Adoption of Board's Open Meeting Act Resolution #01-2020.
- Election of Board Chair and Vice Chair.
- Approval of Board Charter.

## November 2020

- Board Programs Orientation: Presentation of key facts, features, comparisons, and progress of existing Secure Choice programs and their significance to New Mexico Work and \$ave.

## December 2020

- Adoption of Board Resolution 03-20 approving proposed 2021 legislation to extend deadline for program launch and clarify Board duties.
- Adoption of Board Resolution 02-20 delegating the Chair, the Vice Chair, Chair designees, and Interim Executive Director to represent the Work and \$ave Board regarding proposed legislation and any other Board-related legislation during the 2021 legislative session.

## January 2021

- SB 129, sponsored by Senator Bill Tallman, enacted to allow the Board to extend the deadline for implementation of both the IRA Program and the Retirement Plan Marketplace to July 1, 2024.

## March 2021

- Committee appointments to the Rules, Education and Outreach, and Finance and Funding committees.
- Presentation and discussion of draft charters for the three Work and \$ave committees.

## April 2021

- Approval of revised committee charters.
- Approval of AKF Consulting to assist with design, build, and implementation of IRA and Marketplace programs, and to advise on next steps.

## June 2021

- AKF Consulting met with the Work and \$ave Board and all three committees to create the Work and \$ave Project Plan Outline
- Board approved AKF Consulting's Project Proposed Plan.

## July 2021

- Initial Meeting with Colorado and New Mexico IRA Program Executive Director to discuss partnership between New Mexico Work and \$ave and Colorado Secure Savings program.

## October 2021

- New Mexico Work and \$ave signs Memorandum of Cooperation with the Colorado Secure Savings Program Board.
- Board Chair and Executive Director present to legislative Investments and Pensions Oversight Committee.
- Board Chair and Executive Director join STO in presenting FY 23 Budget request to Legislative Finance Committee. See presentation here:  
<https://nmlegis.gov/handouts/ALFC%20102721%20Item%2018%20STO-Final%20FY23-Presentation%20to%20LFC.PDF>

## November 2021

- Board Member Othiamba Umi and Work and \$ave Executive Director Armijo record Facebook Live webinar at Albuquerque Hispano Chamber of Commerce. View webinar here:  
<https://www.facebook.com/AHCNM/videos/267951285400407>
- Work and \$ave and Colorado Secure Savings Program make national news for efforts to form first-in-nation IRA partnership.

## December 2021

- Board approves legislative revisions to require certain employers who do not offer a retirement plan to automatically enroll their workers in the IRA Program.

## January 2022

- Board reviews extensive 3-Part Research & Modeling Project final results Presented by UNM's Bureau of Business and Economic Research (BBER) and Boston College's Center for Retirement Research (CRR).
- Board endorses HB 176 requiring employers who have been in business for 24 months, do not offer a workplace retirement plan, and have 5 or more workers to auto-enroll their workers in the IRA Program. Read HB 176 here:  
<https://www.nmlegis.gov/Sessions/22%20Regular/bills/house/HB0176.pdf>

## New Mexico Work and Save 2021 Year in Review—A Closer Look

Since its first meeting in October 2020, and through December 31, 2021, the Board convened 10 full board meetings. At its organizational meeting, the Board Charter was adopted and expressed the over-arching purpose of the Board as:

The purpose and mission of the New Mexico Work and Save Board (Board) is to advance the retirement readiness of New Mexico's private-sector workforce by creating a state-facilitated retirement plan for private-sector employers and workers. The Board will accomplish this mission by carrying out the provisions of the New Mexico Work and Save Act (the Act) at NMSA 1978 §58-33-1 et seq. so as to provide for the successful design, implementation, and administration of: A. the New Mexico Retirement Plan Marketplace (Marketplace), and B. the New Mexico Work and Save (Work and Save).



In the 2021 60-day Legislative Session, Senator Tallman carried Senate Bill 129, which was passed and signed by Governor Lujan Grisham. SB 129 contained limited revisions to the original Work and Save Act - primarily an extension of time for the Board to design and implement the Marketplace and the IRA Program. The new deadline is July 1, 2024 and requires that the Marketplace be implemented prior to the IRA Program.

In early 2021, the Board created three working group Committees:

- Finance & Funding
- Education & Outreach
- Rules

These committees are comprised of board members and outside knowledgeable and experienced advocates. They include Jessica Eckman and Beth Velasquez of AARP, Kristina Fisher of Think New Mexico, and Santa Fe attorney Lisa Enfield. Combined, these committees met 14 times from April 2021 through December 2021.

Each Committee adopted a Charter outlining its unique purpose and compatibility with the purpose and mission adopted in the Board's Charter.

- The purpose of the **Finance and Funding Committee** is to conduct due diligence and make recommendations to the Work & Save Board regarding finance and funding matters related to the Board's mandate under the New Mexico Work and Save Act.
- The purpose of the **Education and Outreach Committee** is to conduct due diligence and make recommendations to the Work & Save Board regarding education and outreach related to the Board's mandate under the New Mexico Work and Save Act.



- The purpose of the **Rules Committee** is to conduct due diligence and make recommendations to the Work & \$ave Board regarding rules and proposed rulemaking processes related to the Board's mandate under the New Mexico Work and Save Act.

In Spring 2021, the Board executed a short-term contract with AKF Consulting (AKF), an independent Municipal Advisor registered with the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). AKF is a leading strategic advisor to state-run investment programs, including 529 College Savings plans and ABLE and Secure Choice plans. Prior to its engagement with New Mexico Work and \$ave, AKF served as the Program Consultant to the CalSavers Secure Choice Retirement Board, the Connecticut Retirement Security Authority, the Illinois Secure Choice Board, and the Maryland Small Business Retirement Savings Program Board. AKF was hired to assist the Board in developing the timeline and plan for the design and rollout of both the Marketplace and the IRA Program.

Based on its consulting services and the experiences of other states, AKF guided the Board through the high-level processes for program design, contracting with providers, and implementing the two programs. Key advice provided to the Board was that best practices requires "fresh" demographic data before beginning program design. Additionally, AKF advised that the third-party investment managers and program administrators would expect updated data consisting of numbers by employer size of the target population of employer and workers, and the expected participation rates for both employers and workers. Since the existing data forming the findings and foundation of the 2018 task force report was from 2017, AKF advised the Board to provide updates in its 3-Part Research & Modeling Project. At its June 2021 meeting, the Board approved the AKF proposed timeline.

In July 2021, at the suggestion of New Mexico State Treasurer Tim Eichenberg and Colorado State Treasurer Dave Young, the Executive Directors from each state's Secure Choice program began meeting on a semi-regular basis. The purpose of the meetings was to share ideas and opportunities, discuss common program goals, and determine if the two programs could combine efforts to design, build, and operate an Auto-IRA program partnership. One outcome of the meetings was the drafting and signing of a Memorandum of Cooperation (MoC) between the program Boards of the two states. The MoC was signed in October 2021. Since that time, the Executive Directors have met regularly and continue to work toward the goal of forming the first-in-the-nation multi-state Auto IRA partnership. Basic tenets of the MoC include a commitment by both states in the following areas:

- Shared goals to design, build, and maximize access to simple, portable, and sustainable retirement savings programs for private-sector workers;
- Alignment of statutes to facilitate administration and investment management for state partners;
- Shared missions and visions to launch a workplace payroll-deduction Auto-IRA for a combined nearly 1.4 million private-sector workers without access to an employer retirement savings plan;
- Leveraging available funds, resources, and economies of scale;
- Ensuring best practices in the design and operation of an Auto-IRA program through a collaborative partnership; and,
- Commitment to be a link between stakeholders and policymakers.

A copy of the executed MoC can be viewed on the Work and \$ave web page at:  
<https://nmsto.gov/special-programs/work-and-save/#meetingminutes>

In November 2021 New Mexico and Colorado made national news with their signing of the MoC in pursuit of an Auto IRA partnership:

Pensions & Investments Magazine  
November 16, 2021

## Colorado, New Mexico team up on state-run IRA programs



[MARGARIDA CORREIA](#)

Colorado and New Mexico are planning to work together to operate their state-run auto-enroll IRA programs, according to a news release from Colorado's treasurer's office.

Executives of the two state-facilitated programs — the Colorado Secure Savings Program and the New Mexico Work and Save Program — signed a memorandum of cooperation on Nov. 9 to pursue a formalized partnership agreement, the news release said.

State executives touted the partnership as a way to reduce costs through shared program administration. A partnership would also give retirement savers a portable benefit should they move to jobs across state lines, they said.

"Our partnership illustrates a shared vision and commitment by Colorado and New Mexico to build a low-cost, portable retirement savings program for our states' private sector workers. By combining both states' resources and saver participants, the partnership will ensure the program is operational sooner, self-sustaining sooner and workers can start saving sooner," said Claudia Armijo, executive director of New Mexico Work and Save, in the news release.

The executives also billed the partnership as the nation's first auto-enroll IRA multistate program.

The Colorado and New Mexico programs are state-facilitated payroll-withholding IRA savings programs for private-sector workers that do not have access to a workplace retirement savings plan. Both states enacted their programs through legislation passed in 2020.

The Colorado Secure Savings Program requires employers with five or more workers to make the state savings program available to their workforce if they do not offer one themselves. The New Mexico Work and Save Program is a program that employers can voluntarily make available to their workers.

Colorado is planning to implement its program in October 2022, while New Mexico has its implementation set for July 2024.

The anticipated partnership is expected to give almost 1 million Coloradans and nearly 430,000 New Mexicans access to a retirement savings option, the news release said.

In mid-2021, the Finance and Funding Committee outlined research questions for a Board-commissioned 3-Part Research & Modeling Project. The research, generously funded by AARP New Mexico, contained three parts. Parts 1 and 3 were completed by the University of New Mexico's Bureau of Business and Economic Research (BBER), and Part 2 was completed by the Center for Retirement Research (CRR) at Boston College. Broadly stated, the research asked:

- Part 1: What is the segmented breakdown of New Mexico's private-sector employers and their workers that could be participants in the IRA program?
- Part 2: Using the data from Part 1, as well as experience studies, what are the projected outcomes under a voluntary program, a program with a soft requirement, a program that includes a penalty, and a program with a partnership?
- Part 3: What will it cost the State if meaningful steps to fill the retirement savings gap in the private sector are not achieved?

See full Board Commissioned 3-Part Research & Modeling Project questions at: <https://nmsto.gov/wp-content/uploads/2022/02/W-and-S-3-Part-Research-and-Modeling-Project-Recommendation.pdf>

In mid-January 2022, the Board received the final research reports. The findings and projections were unambiguous in determining that voluntary retirement savings programs would be largely unsuccessful in reducing New Mexico's retirement income savings gap because the participation by employers and workers would be minimal at best. According to CRR, this dim outlook is applicable to both a voluntary Marketplace and a voluntary IRA Program.



The success of a state-managed retirement program can be measured by the program's ability to reduce the retirement savings gap among the state's private-sector workers. The research, coupled with the experiences of states currently operating state-managed retirement plans, indicates that - without exception - a primary factor for success will be the program's ability to attract the necessary third-party financial service providers to operate the program. These critical service providers perform the program's daily operations that include account custody, recordkeeping, account holder services, communications, optimal investment choices, reporting requirements, and management. Designing the Marketplace and IRA Program so as to attract reliable and experienced financial service providers is key to the Board because it is a proven step to program success—and program success is the proven step to reducing the State's retirement savings gap. Below are key findings from the CRR Research:

## Marketplace

As of this report, only one state (Washington) has introduced a retirement plan marketplace. Washington's marketplace program has been in operation for three years. Outcomes through December 2020 indicated that firms currently enrolled in the marketplace account for less than 1% of eligible employers. Despite other voluntary programs implemented at the state and federal level to help address the private-sector retirement savings coverage problem, the percentage of employers offering a retirement plan nationwide has not budged over the past

40 years. The key question is, how many employers would voluntarily participate in New Mexico's Retirement Plan Marketplace? Without strong employer participation, CRR projects that few third-party administrators may find it attractive to list their plans on the Marketplace due to fee caps and other requirements.

## IRA Program

According to CRR, the success of any payroll-deduction IRA program can be measured as follows:

- First, the extent to which employers and employees participate and to which employees accumulate meaningful balances in their accounts.
- Second, the extent to which the program provides enough revenue to attract a private-sector administrator and cover the State's start-up costs.

Once employers sign up, the next challenge is to convince employees to join the program, which is a particular challenge in New Mexico with the absence of auto-enrollment. New Mexico's IRA Program has the potential to help hundreds of thousands of workers save for retirement. However, the voluntary nature of both employer and employee participation will severely limit the program's effectiveness. If New Mexico were to make its IRA Program mandatory, exempting small firms with fewer than 5 workers—like California, Illinois, Oregon, and Colorado—the program would reach the vast majority of uncovered workers. States that provide an exclusion to smaller employers still allow these employers to participate in the auto-IRA on a voluntary basis.

Access final research reports here:

BBER: <https://nmsto.gov/wp-content/uploads/2022/02/Report-W-and-S-Parts-1-and-3-UNMBBER-2021-01-19.pdf>

CRR: Study A: <https://nmsto.gov/wp-content/uploads/2022/02/Report-W-and-S-Part-2A-BCCRR-2021-01-19.pdf>

Study B: <https://nmsto.gov/wp-content/uploads/2022/02/Report-W-and-S-Part-2B-BCCRR-2021-01-19.pdf>

Based on the participation projections, the Board recommended legislation that would place a requirement on certain employers to auto-enroll their workers in the IRA Program. House Bill 176 contained that requirement and was sponsored by Representative Linda Serrato and Senator Bill Tallman.

The bill required New Mexico private-sector employers who did not offer an employer-sponsored retirement plan (typically a 401k defined contribution plan), who have 5 or more workers, and who have been in business for at least 24 months to register and automatically enroll their workers in the IRA Program. HB 176 did not contain a penalty for non-compliance with the requirement, nor any enforcement mechanism. Instead, it contained a \$300 annual tax credit for up to five years as a means to incentivize employer participation; **a carrot instead of a stick.**

The Board understood that passing legislation during one of the State's short sessions is difficult under the best of circumstances. The short session lasts for only 30 days, and bills are assigned to multiple committees in each chamber. However, the Board was steadfast in its commitment to ensure that the IRA Program design would be based upon sound data, sound projections and proven structures of programs already operating in other states.

Once HB 176 was introduced and progressed through the legislative process, support for the proposal gained momentum among advocacy groups like The Small Business Majority, AARP New Mexico, and AFSCME Council 18. The bill passed the House Commerce and Economic Development Committee but did not advance further before the end of the 30-day legislative session.



## New Mexico Work and Save Board

### Chair Lynn Hoffman



Lynn Hoffman's career includes law, real estate development, investment banking, wealth management, and private-equity consulting. She retired after two decades as a Director of Boston Private Financial Holdings. As a private investor and entrepreneur in Boston, she syndicated investment partnerships, acquired and developed historic real estate, and served as CEO and General Partner of related companies. Lynn was an investment banker with Paine Webber specializing in structured financings and take-over defense.

Ms. Hoffman was a member of the New Mexico State Investment Council (SIC) and its Investment Committee, and chaired the Governance Committee. Previous community involvement includes the Museum of New Mexico Foundation, the Massachusetts Society for the Prevention of Cruelty to Children, Babson College, New England Conservatory of Music, and Harvard Community Health Plan. She established Endowment for Children in Crisis. Ms. Hoffman earned her Juris Doctorate from Boston University School of Law and her Bachelor of Arts in Sociology from Pitzer College in Claremont, California.

### Connor Browne, CFA



Connor Browne is a founder and the CEO of City Different Investments, a new investment management firm based in Santa Fe, New Mexico. Previously he led the New Mexico Recovery Fund, LP, a state-backed emergency lending program run by Sun Mountain Capital. He moved to Santa Fe in 2001 and worked at Thornburg Investment Management until early 2020. He was a portfolio manager on a number of equity funds and strategies while at Thornburg. He has a BA in Economics from Princeton

University and is a CFA charterholder.

Mr. Browne has supported many non-profit organizations in New Mexico, especially Big Brothers Big Sisters Mountain Region, where he volunteered as a big brother and served as Board President; and Reading Quest, where he currently serves as Board Chair.

Mr. Browne and his wife, Christina, an emergency room physician at the University of New Mexico, are particularly focused on helping to create better opportunities for at-risk youth. They have four daughters and an adopted son and can't imagine a better place to raise their family.

### Cindy Bryan



Cindy Bryan is a forward-thinking small business consultant with a demonstrated history of partnering with businesses to find unique solutions that blend familiar tasks with the speed and convenience of modern technology. During her nearly 30 years of experience in public accounting, she has partnered and led a full range of accounting, tax, consulting, audit, and client accounting services.

Ms. Bryan's passion is serving a client base of oil and gas industry support services companies, working interest owners, small operators, and a wide range of local businesses to meet their goals. She is the immediate past chair of the Hobbs Chamber of Commerce Executive Committee. She uses this industry knowledge in her client and internal training. In addition to training on taxation, accounting, and auditing, she holds general leadership classes for a number of professional associations and business executives, including the Economic Development Corporation of Lea County, chambers of commerce, and local boards of realtors. She has also written articles for various trade publications.

Ms. Bryan's audit experience includes local governmental agencies, particularly school districts and municipalities. She has provided the technical review of the financial statements for government entities, banks, hospitals, nonprofits, construction contractors, and SEC registrants. She has also performed desk reviews of financial statements of governmental entities for the New Mexico Office of the State Auditor.

## Carter Bundy



Carter Bundy has been with the American Federation of State, County and Municipal Employees (AFSCME) Political Action Department for almost 20 years, 19 in New Mexico. He is currently AFSCME International's Political Action Representative for New Mexico, Arizona, and Nevada, and has been involved in retirement security policy and legislation since 2004. Previously he was a State Director on the Gore 2000 campaign and a lawyer in New York City handling pro bono worker rights cases and commercial litigation.

Mr. Bundy served on the Retirement Income Security Task Force that provided recommendations to the legislature, culminating in passage of House Bill 44, the New Mexico Work and Save Act. Mr. Bundy graduated from the University of Virginia (home of the reigning NCAA men's basketball champions) and Berkeley Law at the University of California, Berkeley. He lives in Santa Fe with his wife, 10-year-old boy, and dog.

## Mary E. Chowning



Mary Chowning is an accomplished senior executive with more than 30 years of experience in financial management, including positions within midsize public and private companies as CFO, CEO, and COO. She has served on private and public company and non-profit boards for more than 15 years.

She currently serves on the Board of Directors at Qumu Corporation, where she is the Audit Committee Chair and a Qualified Financial Expert; Gunnar Optiks, LLC, where she is the Finance Chair; and Chicago Scenic Studios, Inc., where she is on the Finance Committee and the Granville & Erlene Walker Scholarship Foundation. Prior to her current board roles, she held board, audit committee, and executive committee positions for private companies in manufacturing, insurance, and public interest.

## Melissa Coleman



Melissa Coleman assumed ownership and management of La Puerta Originals, Inc., in January 2004 and is the President and CEO. Ms. Coleman held various management positions with the predecessor company, La Puerta Architectural Antiques, from 2000 to 2004. Prior to that she was managing partner of Chance Companies, LLC, an investment and real estate holding company.

Ms. Coleman's professional career includes Director of Campaign and Development for the Institute of American Indian Arts in Santa Fe, New Mexico; Director of Development for the National Museum of the American Indian, Smithsonian Institution, New York; and Campaign and Communications Manager for United Ways in New York, Chicago, and Memphis.

Ms. Coleman holds a Bachelor of Arts in Journalism from the University of Memphis, Tennessee. Her community involvement includes Foundation Board Member for the Institute of American Indian Art, Board President of the Santa Fe Waldorf School, and membership in other non-profit organizations in the Santa Fe community. She is the mother of Chance and Story and wife to Scott.

## Eric C. Quintana



Eric Quintana is the CEO of Performance Maintenance, Inc. (PMI) in Española. He and his wife, Celina Urquilla, founded PMI in 1994. The company's 10,000-square-foot headquarters—soon to be 17,000 square feet—includes a retail warehouse and distribution center and employs 160 employees. PMI provides services regionally and sells supplies across the continental United States. Through its green solution system, PMI uses environmentally certified products, utilizes and sells recycled paper

products, and operates equipment with less environmental impact. PMI has developed and distributes its own line of Green-It environmentally safe products.

Mr. Quintana earned an Associate of Applied Science degree in Machine Tool Technology at Northern New Mexico Community College. Under his leadership PMI has received the Entrepreneurial Success Award from the New Mexico Small Business Development Center, the HUBZone Small Business of the Year Award from the U.S. Department of Energy, Business of the Year from the Española Valley Chamber of Commerce. PMI is a successful graduate of the U.S Small Business Administration's 8(a) program.

Eric and Celina Quintana have two sons, Eric Jr. and Daven, who work alongside their parents and will lead PMI into the future.

## Othiamba Umi, JD



Othiamba Umi is the Associate State Director for Advocacy for AARP New Mexico. He is a licensed New Mexico attorney and has extensive experience in lobbying and policy work. Mr. Umi is passionate about improving the lives of New Mexicans. In his previous role as field director for Think New Mexico, he helped coordinate grassroots organizing and coalition-building efforts, especially regarding retirement security and social



mobility issues. Before his advocacy work, Mr. Umi was an assistant trial attorney with the Second Judicial District Attorney's Office.

Mr. Umi holds a degree in psychology and Spanish from the University of New Mexico and is a graduate of the University of New Mexico School of Law. He currently serves as a board member for the New Mexico Lottery Authority and is a member of the Santa Fe Food Depot Advocacy Committee.

## Isaiah Zemke



Isaiah Zemke is a Business Agent who works for the Sheet Metal, Air, Rail & Transportation Workers Local 49. He represents its members in a collective bargaining agreement and is their lobbyist at the New Mexico Legislature. He believes in helping New Mexicans create a better future for themselves and their families. Mr. Zemke has recently negotiated collective bargaining agreements with employers and passed first-in-the-nation Fire Life Safety legislation that requires routine inspections of smoke/fire dampers in Heating, Ventilating, and Air Conditioning (HVAC) mechanical duct systems.

Mr. Zemke has served as a trustee on multi-employer plans and has 20 years of experience in the construction industry in the state of New Mexico.

## Work and \$ave Staff

### Executive Director Claudia Armijo, JD



Claudia Armijo joined the New Mexico State Treasurer's Office as Executive Director for New Mexico Work and Save in July 2020. She has worked for the State of New Mexico since 2000 when she began her public service as an attorney with the New Mexico Legislative Council Service. Before joining the Treasurer's Office, Ms. Armijo held positions with the New Mexico Sentencing Commission, the Public Employees Retirement Association, and the Regulation and Licensing Department.

Ms. Armijo has a Juris Doctorate from the University of Denver, Sturm College of Law, and a Bachelor of Science in Business and Management from the University of Redlands. Prior to attending law school, she was a small business owner.

### Program Coordinator Maria Spray



Maria Spray joined the Work and \$ave staff in June 2021. Prior to that, she served as Program Coordinator/Manager for the Scholar Programs Department at the School for Advanced Research and as Program Assistant for the Development Department at St. John's College, Santa Fe. She has also worked overseas as an English teacher with the U.S. Peace Corps and as a private tutor.

Ms. Spray has a Master of Arts Degree in Liberal Arts from St. John's College and a Bachelor of Arts Degree in Psychology from the University of New Mexico. She is a native of Santa Fe and still lives in her childhood home. Ms. Spray serves on the Board of Directors of the Sangre de Cristo Chapter of the Audubon Society.

### Staff Manager Julie Filatoff



Julie Filatoff joined the State Treasurer's Office in 2016. She is the Staff Manager and Executive Assistant to Treasurer Tim Eichenberg. Prior to joining the State, she was a Marketing Coordinator for several New Mexico-based engineering, environmental science, and architectural firms.

Ms. Filatoff received her Bachelor of Arts Degree in Art and Marketing from California State University, Long Beach. A graphic designer for more than three decades, she is responsible for all print and online communications at STO, including assisting Work & \$ave. Ms. Filatoff is the Vice President of Santa Fe Book Arts Group, a 501(c)3 educational nonprofit organization.

# Consultants, Research, and Collaboration

## Consultants

- AKF Consulting [akfconsulting.com](http://akfconsulting.com)
- Massena Associates, LLC <https://www.massenaassociates.com/>

## Research

- AARP New Mexico <https://states.aarp.org/new-mexico/>
- Bureau of Business and Economic Research (BBER), University of New Mexico <https://bber.unm.edu/>
- Center for Retirement Research (CRR), Boston College <https://crr.bc.edu/>

## Collaboration

- AARP New Mexico <https://states.aarp.org/new-mexico/>
- Albuquerque Hispano Chamber of Commerce <https://www.ahcnm.org/>
- Center for Retirement Initiatives (CRI) Georgetown University <https://cri.georgetown.edu/>
- Colorado Secure Savings Program <https://treasury.colorado.gov/colorado-secure-savings-program>
- National Association of State Treasurers (NAST) <https://nast.org/>
- New Mexico Attorney General's Office <https://www.nmag.gov/>
- Think New Mexico <https://www.thinknewmexico.org/>
- Washington State Retirement Marketplace <https://retirement-marketplace.com/>

## Special Recognition: Treasurer Eichenberg and Former Board Members

### New Mexico State Treasurer: 2015–2022

#### The Honorable Tim Eichenberg



Tim Eichenberg assumed office on January 1, 2015, becoming the 29<sup>th</sup> State Treasurer of New Mexico. Raised in Albuquerque, New Mexico, he attended Albuquerque Public Schools and graduated from the University of New Mexico.

Leading the charge to address income insecurity for New Mexico's retired private-sector workers is one of many examples of Treasurer Eichenberg's efforts during his career in public service. He was elected Bernalillo County Treasurer where the reforms implemented during his tenure saved taxpayers money and led to his re-election. Mr. Eichenberg served two terms as Bernalillo County Treasurer.

#### Treasurer Eichenberg's Statewide Public Service:

- Appointed by Governor Richardson to the position of New Mexico State Property Tax Director.
- Elected to the New Mexico State Senate in 2008.
- As a State Senator, Eichenberg served on the Public Affairs and Judiciary committees, and was Chair of the Restructuring Committee, which sought to streamline State government and save taxpayers money.
- In 2010, Eichenberg carried the Governmental Conduct Act, establishing a code of ethics for all government employees.
- In 2012, Eichenberg served as Chair of the Revenue Stabilization and Tax Policy Committee.
- 2014 elected as State Treasurer (re-elected in 2018)
- 2017–2018 Chair, Retirement Income Security Task Force; **catalyst for New Mexico Work and \$ave.**

Treasurer Eichenberg also works in the private sector operating a small business in Albuquerque as a Property Tax Consultant. He is also a Real Estate Broker, State Certified Appraiser, and licensed General Contractor (GB-98).

#### DeAnza Valencia—Former Vice Chair



DeAnza Valencia is the former Advocacy Director for AARP New Mexico. She is a licensed New Mexico attorney and engagement strategist with over 20 years of experience working in public policy, communications, and community affairs.

Ms. Valencia is the past president of the New Mexico State Bar Association's Elder Law Section and the Committee on Women and the Legal Profession. She also serves on a number of non-profit boards including the Friends of

the Montessori Foundation. She is deeply committed to creating and advancing effective policy solutions to help New Mexico's most vulnerable adults.

Ms. Valencia holds two undergraduate degrees from New Mexico State University, a master's degree from the School of Justice & Social Inquiry at Arizona State University, and is a graduate of the University of New Mexico School of Law.

## **T. Spencer Wright—Former Finance and Funding Chairperson**



Mr. Wright is a retiree from the State of New Mexico. At the State he was an investment professional, managing the state's general funds and also a portion of the teacher's pension plan (NM ERB). He has an extensive background in municipal finance, advising state and local governments about fiscal matters and debt issuance. He served as a legislative analyst for the New Mexico Senate.

Mr. Wright volunteered on a number of boards and served as the chair on for the Vermont Higher Education Investment Plan. He is currently board chair for Alta Mira Specialized Family Services in Albuquerque and the Treasurer of Court Appointed Special Advocates (CASA) First (Santa Fe) and the NM CASA Association (Statewide). He volunteers for TaxHelp New Mexico in Santa Fe. Formerly, he was Board Treasurer for Assistance Dogs of the West and for the Vermont Student Loan Assistance Corporation (VSAC).