

RISK MANAGEMENT ADVISORY BOARD

**November 5, 2025
Via Microsoft Teams**

1. CALL TO ORDER

The meeting of the Risk Management Advisory Board was called to order at 10:35 a.m. The meeting was held via Microsoft Teams.

1. ROLL CALL

Members Present:

Teresa Costantinidis, CFO of UNM
Blaine Moffatt, Designee for Attorney General
Rennette Apodaca, Designee for CFO of Albuquerque Public Schools

Members Not Present:

Alice Kane, Superintendent of Insurance
Jacob Gable, Designee for Wayne Probst, Dept. of Finance & Administration
Tom Pratt, CFO of a Local Public Body
Carla Martinez, Attorney
Shawna Casebier, Director of Legislative Council

Others Present:

Andrew Magida, RMD
Markita Sanchez, RMD
Gerardo Ruelas, RMD
Kimberly Ulibarri, OMPR

A Quorum was not present.

2. APPROVAL OF THE AGENDA – SKIPPED DUE TO LACK OF QUORUM

3. APPROVAL OF THE APRIL 8, 2025, MEETING MINUTES – SKIPPED DUE TO LACK OF QUORUM

4. FINANCE UPDATE – (Gerardo Ruelas, RMD)

Gerardo Ruelas of the Risk Management Division presented the finance update beginning with the State Unemployment Fund. Markita Sanchez, RMD's Financial Bureau Chief responded to a question about the State Unemployment slide since she works with unemployment. She explained that RMD works closely with the Department of Workforce Solutions (DWS) and because they are a state agency, they assigned this task to RMD to handle the billing. Every

calendar year (run on such because DWS runs on federal funds), DWS sends RMD the claims data for all the entities that are in their pool and RMD bills it out. It's dollar for dollar reimbursable, plus 5%, for the use of the contracted third-party administrator (TPA). The revenue comes 3 years later, so there is a lag between when RMD pays the claims upfront to DWS on behalf of the entities in the pool and then they get the money back. RMD doesn't make any money, it is strictly just for claims. It was explained that even during the pandemic, RMD did not bill anybody for any claims paid because the claims were paid by the ARFA funds. RMD was able to pay all the claims and still have a balance.

The Chair asked if there were any further questions about the state unemployment cash balance information. Board member Apodaca stated she had a couple of questions.

Member Apodaca asked if RMD anticipates what's happening in the federal government could have an effect on the balance. Ms. Sanchez stated not that she has heard but if things continue, it probably will. If grants are cut at the state level for any of our agencies and people are riffed for that reason, and RMD cannot backfill where they are getting paid from with state funds then she can see where it might in FY27. As of right now, it is not affecting the state at all, but, again, typically New Mexico has a higher unemployment rate than average in the United States except for right now, it's the opposite, which is strange. New Mexico's unemployment rate is lower than anywhere else in the United States. Whether or not this will end up affecting us, there is a possibility it could.

Member Apodaca then asked about the table in red, the Projected YREND Fund Ratios with 249%, 260%, and 283%. She asked if this means that the projected liabilities are covered at over 100% revenue. Ms. Sanchez responded that yes, looking at historical payments they are making, this fund is doing well. They haven't seen large unemployment since COVID and since the federal government paid for a lot of those claims for them, they weren't impacted to the extent they could have been. However, RMD doesn't now know what '27 will bring, taking into consideration the shut down and the cut in federal grants across the nation. This slide doesn't reflect what it could be, it could be much worse, but we just don't know at this time. It is best to take these figures in a cautionary sense.

The presentation continued with the Local Public Body Unemployment slide. This fund covers unemployment for participating local public bodies as well as partial payments of contractual expenses for TPAs to assist members with hearing and unemployment processes. The focus was on the projection for 2026 and that is set to be \$3.4 million. There was discussion regarding the training the TPA and RMD offer to the various entities in their pool so as to cut down on employment claims. There are various training courses to help agencies to properly dismiss employees, correct procedures to follow and ways to document so as to cut down on claims.

The Chair asked if there is too much money in these funds, do the entities pay a lower amount? Ms. Sanchez explained that the departments only pay for the claims that they have incurred. RMD pays DWS every quarter for claims that are real time claims. In three years, the entity responsible for the claims will be billed. There is no telling what might occur in the three

years. Maintaining the balances in these funds is crucial because of not knowing what might occur. Planning for economic hardships is the focus for these funds.

The presentation continued with 356, the Public Property Fund. This fund covers property claims for state agencies and higher education institutions in the RMD insurance pool as well as blanket property policies placed by state brokers. This fund projected we will have \$9.2 million at the end. Member Apodaca asked for an example of claims that are paid under this fund. Ms. Sanchez gave an example of a high-speed chase by a state police officer and in their pursuit, they damage someone's property, take out a fence or garden or any potential damage to private property in performance of their duties. This fund covers making an individual "whole" again, fixing the fence and any other damage to private property. Another example was if there is a flood in a state building and restoration services are required. This fund pays for that type of claim. Hail, flood, and fire claims are also covered under this fund.

Member Apodaca asked if this fund covered theft and Ms. Sanchez stated no. Andrew Magida gave a few examples of exemptions, situations that this fund does not cover. Ms. Sanchez stated that the largest piece of property is the state fleet and public safety vehicles which are very costly to repair.

Member Moffat asked how this fund works in conjunction with ongoing fires, and FEMA funding and those types of things. Ms. Sanchez said that the fund does work with FEMA, and she recalled a settlement that Mr. Crawley of RMD/PAC was involved in regarding the Las Vegas fire. RMD was reimbursed but, yes, this fund is impacted by those types of claims. Member Moffat stated that while it appears these funds get paid out, there is potential reimbursement from FEMA. Ms. Sanchez stated that his understanding was correct.

The presentation continued with Fund 359, Workers Compensation. This fund covers workers' compensation claims filed by state employees and participating higher education institutions. It also covers attorneys' fees and expenses for litigated claims. Member Apodaca had a question on training, asking if there was also training that affects this fund? Such as for injuries, to prevent them? Ms. Sanchez said, yes, there was training offered. RMD is working with POMS. POMS has gone to various agencies to present training such as OSHA, which is slips, trips, and falls training. RMD is working on revamping their rule as it relates to their safety program. RMD helps with training development, but the agencies themselves must work internally to see what specific training they need or want.

Secretary Conn added that the agency has started safety days with the various agencies that fall under the General Services Department umbrella within the Joseph Montoya Building. She discussed the different trainings that were offered throughout the day and explained that these trainings will be offered in the various state buildings starting with Santa Fe.

The Chair asked about CCMSI, the third-party administrator (TPA) for workers' comp. How they fit into the vision being discussed with regard to the training, etc. Ms. Sanchez stated that it has been going very well. CCMSI and RMD sit down and discuss the various claims, where they are and what needs to be done. Theresa Griego has been coordinating the meetings with

various agencies to discuss the claims and review them with CCMSI. There were no further questions.

The presentation continued with the Public Liability Fund, 357. This fund covers tort claims filed against state agencies, participating higher education institutions and local public bodies. It also pays for state plaintiff attorneys' fees and expenses. RMD is projecting that this fund will be in the negative, around \$11.2 million based on current trends. The Chair asked about the changes in the FY27 projections and asked what was happening with that. Ms. Sanchez explained that RMD had recently negotiated their premium development worksheet with LFC for FY27. It went well. RMD had to lay out their projected claims amounts and their projected liabilities, open claims and claims being settled. LFC and DFA are allowing RMD to bill and collect from the insured which is what will turn this fund around in FY27. Being allowed to bill everyone in the pool for more, based on claims, losses and exposures.

The Chair asked if this was a case where the covered entities' bills will all go up the same amount or is it a function of the actual claims from those entities. Ms. Sanchez explained that it was a function of the actual claims of those entities. Civil rights and the changes to the Civil Rights Act have greatly impacted this fund.

Member Moffat asked a question about the Claim Frequency by Coverage Type slide. He inquired where they saw the increase in claims coming from in the general liability section considering it is almost twice the amount in FY25. It was discussed that New Mexico has become a very litigation-friendly state. Member Moffat and Mr. Magida discussed pending cases that may affect claims in the future and whether they might help reduce the number of claims in general. Member Apodaca mentioned that root-cause analyses might be beneficial to reduce claims. Mr. Magida discussed ways to use root-cause analyses for this purpose.

The presentation finished with Mr. Ruelas discussing FY26 RFP's and contract awards.

5. OFFICE OF MITIGATION, PREVENTION AND RESOLUTION UPDATE - (Kimberly Ulibarri)

Kimberly Ulibarri introduced herself to the Chair and the Board Members, taking a moment to explain the updated name of the department she oversees. She advised the Board that the name became official on July 1, 2025, with the office of Department of Finance & Administration (DFA). They are now known as the Office of Mitigation, Prevention and Resolution (OMPR).

Ms. Ulibarri reminded the Board that she was before them approximately two years ago and the office was known as the ADR Loss Prevention Bureau. Ms. Ulibarri went on to explain there was a lot of confusion over their original name and what it meant and what the office did. She stated they spent the last year introducing themselves and spreading the word about their services. The office had meetings in various cities and towns with different agencies and offices striving to explain their offerings – mediation, restorative practices, safety, trainings, etc.

Ms. Ulibarri explained how the early days were very rough. Trying to encourage and reach out to different agencies, not just the Risk Management Insurance Pool or state employees but to other individuals who never considered or understood the concept of looking at things in a different way. Because of the difficulties in connecting with bureaus, agencies and employees, OMPR spent the next year building the infrastructure and revamping the bureau. She discussed the many ways they adapted and changed to provide better service by training mediators in restorative practices, expanded mediation services, hiring new contractors and staff, and tailored training. They developed connections and relationships that had never been in place before, and started having quarterly meetings, both in person and virtually.

Ms. Ulibarri went on to detail how the OMPR services have been being used and the word is spreading through various methods and sources, and they are being called in regularly and have been very helpful and successful with assisting in de-escalating situations and office environments. She discussed that even with success and the growing assistance being requested, their office is not perfect and has made adjustments and is continuously open to new ideas and approaches. They are still in a pilot phase and realize change and growth are needed to continue in order to provide specialized services for various agencies that have different needs and situations that arise that are particular to their offices.

The Chair commented that it was a great presentation and asked if any Board members had questions or comments. There were none, but Member Apodaca shared experiences of APS and methods they have used in the past and having the data to track to see where OMPR is successful or where it can pivot such as surveys, follow ups, etc., to be able to show the progress and success of the program. Ms. Ulibarri stated that this type of data is what they have been working on. There wasn't any system in place previously, but OMPR is working to implement a system that can capture all of that information.

6. LEGAL BUREAU STAFFING UPDATE (Andrew Magida)

The Chair stated that the Contract Updates were going to be skipped over and she moved onto the legal bureau staffing update. Mr. Magida reported that as of August 27, 2025, the legal bureau is 100% fully staffed. The bureau has 8 attorneys, 4 law clerk/paralegals, and it's rolling.

7. BOARD DISCUSSION ITEMS – There were none.

8. PUBLIC COMMENTS – No members of the public requested to speak.

9. NEXT MEETING – TO BE DETERMINED

The next meeting will be held in March after the legislative session is concluded.

10. ADJOURN

With all business concluded at 11.43 a.m., the meeting was adjourned.

Signed and approved:

Approved and Signed at the 05/27/2026 RMAB Meeting

Teresa Costantinidis, Chair