

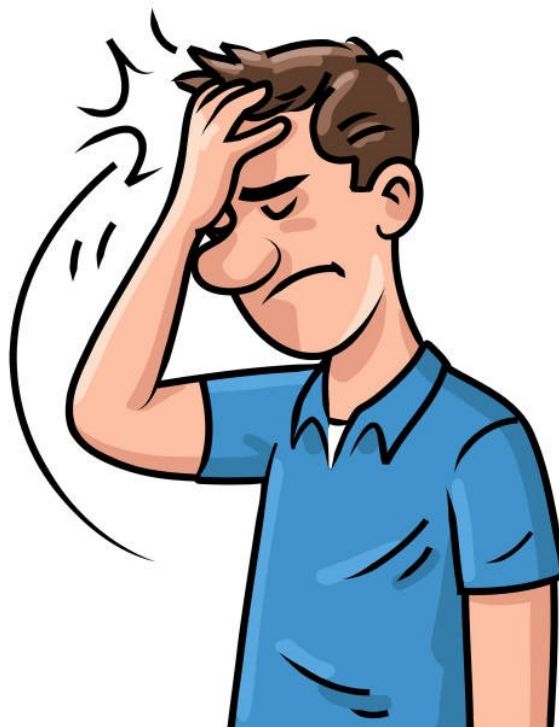
Legislative Round Up

56th Legislature, Second Session

Friday, January 26, 2024

Day Ten

Welcome to the Legislative Roundup, your update on the most important news from the Legislature



Business-Friendly PFMLA Bill Shelved

Well, color us disappointed. On a vote of 7-1, the House Health and Human Services Committee tabled HB 11, sponsored by Rep. Marian Matthews (D-Bernalillo). Matthews crafted an approach to PFMLA that attempted to balance the needs of both employees and employers. The bill was modeled after a successful program implemented in Connecticut. HB 11 was supported by business and opposed by social services and employee advocates. GACC President and CEO Terri Cole supported the measure at Friday's hearing, stating:

I stand in support of HB 11 in the form it is presented today and urge the committee to resist any amendments that would damage the carefully crafted symmetry in the bill. We support HB 11 for these reasons:

1. First, leave is reduced from 12 to 6 weeks, and stacking this leave on top of workers compensation or unemployment insurance is prohibited.
2. Second, leave is granted only for specific and definable events: childbirth, adoption of a child or serious illness in the immediate family.

3. Third, there is no new tax on business; the cost of the program is borne by employees, as is done in several other states.
4. Fourth, businesses are given a role in planning for absences, working toward a mutually acceptable time frame for both the employer and employee whenever possible.

With the defeat of this measure, the focus is now on two identical measures, both opposed by business, SB 3, sponsored by Senate President Pro Tempore Mimi Stewart (D-Bernalillo) and HB 6, sponsored by Reps. Christine Chandler (D-Los Alamos and Santa Fe) and Linda Serrato (D-Santa Fe). It's likely SB 3 will be approved by the Senate Tax, Business and Transportation Committee tomorrow, moving it on to the Senate Finance Committee.

Given that the measure contains a \$250 million tax increase to employers and employees and the uncertainty around fund solvency, the SFC really needs to take a hard look at whether this proposal is ready for prime time. Given the broad leave criteria in the bill - more generous than any other state plan - participation rates could be much higher, which would result in either reducing benefits, raising taxes or the Legislature bailing the fund out.

In the House, HB 6 will next be heard by the House Commerce and Economic Development Committee. The bill has not yet been scheduled for hearing, but this is the committee that stalled last year's version of this program. It remains to be seen whether sponsors of HB 6 are willing to make any changes to address the concerns of small business and accommodate any recommendations of Matthews. There's a lot at stake - we'll stay on top of it and bring you the latest developments.



UNM School of Public Health Gets Funding Traction

This morning, a bill to commit more funding to the hiring and retention of faculty at the University of New Mexico's growing School of Public Health passed its first committee with flying colors. Senate Bill 74 moved smoothly through the Senate Education Committee on a unanimous Do Pass vote.

In 2022, the Legislature appropriated \$10 million to support 13 faculty over two years to start a school of public health as part of UNM's Health Sciences Center. Sponsor Martin Hickey (D-Bernalillo) explained SB 74, as substituted, would appropriate \$11.3 million to support the school's growing number of faculty positions on a recurring basis. This funding would be capped at \$1.5 million in the coming fiscal year and at \$5.1 million and \$4.7 million, respectively, in the two years following that.

Hickey explained that the original version of the bill requested more funding – nearly twice as

much at \$22.2 million – but university leaders had reviewed the institution’s budget and other potential sources of funding, including unspent funds, and made changes to the proposal. The decreasing caps reflect UNM’s growing access to different funding sources as more grant money begins to flow in. (How’s that for some fiscal responsibility? Legislature, take note!)

Hickey’s expert witness, Dr. Tracie Collins, dean of UNM Health Science Center’s College of Population Health, emphasized the importance of continued funding for these faculty positions to attract and keep the best talent. “We recruited them here, and they’ve uprooted their lives to come to New Mexico,” she said – New Mexico needs to show them they can plan to be here for the long haul.

The GACC spoke in support of the bill at the hearing. “UNM School of Public Health is making contributions to our state as more and more graduates are filling critical roles in our health care system,” said Chamber lobbyist J.D. Bullington, urging the committee to vote yes.

Without even needing discussion, the committee passed the bill unanimously. SB 74 heads to the Senate Finance Committee next.

Gang Activity Is in Racketeering Crosshairs



The Senate Health and Public Affairs Committee gave a unanimous Do Pass recommendation to Senate Bill 102, sponsored by Sen. Craig Brandt (R-Sandoval), which, if signed into law, would give law enforcement a huge new tool to go after organized crime and gang activity. The measure amends the Racketeering Act to add these offenses to the list of offenses constituting racketeering:

- Sexual exploitation of children
- Criminal sexual penetration
- Criminal sexual contact
- Dog fighting and cockfighting
- Escape from jail
- Escape from penitentiary
- Assisting escape
- Bringing contraband into places of imprisonment
- Tampering with public records
- Impersonating a peace officer
- Human trafficking

SB102 also expands the definition of “enterprise” to include criminal gangs, defined to mean three or more persons having a common identifying signal or identifiable leadership and who continuously or regularly associate in the commission of criminal activities. In addition, the proposal also creates two new crimes, making it unlawful to:

- Solicit or coerce another person, including a minor, into becoming or continuing as a member of an enterprise or participating in a racketeering activity of an enterprise, which constitutes a third-degree felony; and
- When in a leadership position within an enterprise to knowingly finance, supervise or conspire to commit, through the direction of members of the enterprise, any racketeering activity, which constitutes a first-degree felony.

As Brandt explained, New Mexico laws are too narrow and, currently, most of these cases are handled at the federal level. There's a clear need to bring our laws up to speed. Sen. Antoinette Sedillo Lopez (D-Bernalillo) agreed with that assessment, stating, "New Mexico is attractive for organized crime because our laws are so weak." Brandt's proposal is strongly supported by law enforcement including the Governor's Task Force on Organized Crime, the Attorney General's Office, the State Police and the Department of Public Safety.

GACC lobbyist J. D. Bullington weighed in with the Chamber's support: "This bill would also target the leaders of such enterprises, specifically making it a crime to solicit or coerce another person, including a minor, into being a member of or working with their criminal enterprise, as well as financing or supervising racketeering activity." If passed, SB 102 would give law enforcement the ability to go after and convict the entire chain of criminal activity, not just the lower levels. Rather unfortunately, the bill still has to jump two more hurdles in the Senate, the Senate Judiciary and the Senate Finance committees. We urge these committees to give prompt attention to SB 102 so it can reach the governor's desk this session.



Law Enforcement Gets Return-To-Work Boost

Senate Bill 87, also sponsored by Sen. Craig Brandt (R-Sandoval), would allow some retired members to return to work under some specific provisions that were presented today in the form of a committee substitute. In short, the retired employee could only fill entry-level, front-line positions provided that the vacancy rate of the hiring entity is greater than 10 percent. The employee must have retired prior to the date of enactment of this bill, and the opportunity to return to work must be completed prior to July 1, 2027. Positions that can be filled are:

- adult correctional officer
- adult detention officer
- courthouse security officer
- emergency medical dispatcher
- emergency medical technician
- firefighter
- juvenile correctional officer
- juvenile detention officer

- municipal police officer
- public safety telecommunicator
- sheriff's deputy
- State Police officer
-

J.D. Bullington testified in favor of the bill for the Chamber, observing this is a concrete proposal to help with the shortage of law enforcement and public safety employees throughout the state. The bill will next be considered by the Senate Finance Committee.



Angel Tax Credit Helps New Businesses Soar

The House Commerce and Economic Development Committee unanimously gave a Do Pass recommendation to House Bill 83, titled Angel Investment Credit Eligibility, on Friday.

HB 83 is sponsored by a bipartisan group of lawmakers who understand that new businesses often need an “angel” to help finance them in those early days, weeks, months and even years. They are Reps. Linda Serrato (D-Santa Fe), Doreen Y. Gallegos (D- Doña Ana), Dayan Hochman-Vigil (D-Bernalillo), Meredith A. Dixon (D-Bernalillo) and Joshua Hernandez (R-Sandoval).

The name of the bill doesn’t do the program justice, but committee members and those testifying in favor of the extension, which will allow the program to run through 2030, sure did. There was not a single voice of opposition in the hearing, and many recalled the challenges of starting a business, of watching some fail but the stakeholders pick themselves up and try again, of the need to encourage and support New Mexico entrepreneurship.



Sherman McCorkle

Gallegos and Nora Meyers Sackett, director of the State of New Mexico Economic Development's Office of Strategy, Science and Technology, explained that from 2012 to 2019, 355 “angels” have helped startups in New Mexico via the program, some more than once. The Chamber’s own Sherman McCorkle (chairman, CEO and co-founder of Sandia Science & Technology Park Development Corporation and our Legislative Session and Local Government Advocacy Chair) got a specific shout-out from Sackett for his support of fledgling businesses using the program.

The Angel Tax Credit got its start in 2007 with the guidance of then-Rep. Jane Powdrell-Culbert (R-Sandoval), Serrato said, and she and Sacket warned that 31 state have some version of it. If it is allowed to expire this year, those new business ideas and the folks who have them will likely go elsewhere.

Like the House Commerce Committee, the Chamber doesn’t want that to happen. D’Val Westphal, executive vice president for policy and programs, testified that “HB 83 simply extends a good program, the Angel Investment Tax Credit, for five more years, to December 31, 2030. Under the program an accredited investor who makes a qualified investment can apply for a credit – one that can’t exceed 25 percent of the investment or go over \$62,500. What we are talking about here is helping the small and medium businesses that are the fabric of our state’s private sector economy.”

Many talk about encouraging investment in New Mexico to diversify the economy – the Angel Investment Tax Credit walks that talk. It’s now headed to House Taxation and Revenue, where we encourage the committee to extend this good program for another five years.

History Shows State School Board Is No Fix



There are some things that deserve to come back in style – but a failed system of political-based bureaucratic governance isn’t one of them, especially when our children’s educations depend on a system that delivers accountability.

There’s a solid reason New Mexico moved from a statewide Board of Education to a centralized Department of Public Education in 2003 – lawmakers, and then voters, determined it was time to have someone answer for our public schools, and to have the buck stop with a secretary of education and the governor rather than more than a dozen politicians elected in low-information

rices.

Back in 2003, Constitutional Amendment 1 passed with a 10 percent margin; more than 100,000 New Mexicans turned out in the special election to demand a state Cabinet post of secretary of education along with an elected Public Education Commission to oversee the state's charter schools.

Unfortunately, some senators in 2024 have put on rose-colored glasses and believe our schools were truly better pre-2003. They weren't.

The New Mexico Legislative Council Service put together a primer on the 2003 amendment. For those with fond memories of our school performance back then, LCS said a justification for dumping the state school board included the fact that:

"New Mexico's public school system is in dire need of improvement. No one is happy with the results of the status quo, and the state has continued to throw money at the old system for years with few, if any, positive results. The state department of public education has ranked 126 of New Mexico's public schools as "probationary." This amounts to almost 20 percent of the 675 public schools that were ranked. Of those probationary schools, 58 have been ranked as probationary for the past three years, the entire time frame for which the department has kept the statistics. These dismal numbers alone provide a powerful reason to dramatically change the governance structure of the state's public school system."



Sound familiar? Sure it does. And bringing back a failed system of governance won't change it. Yet on Friday the Senate Education Committee gave a do pass to Senate Joint Resolution 9, sponsored by Sens. Steven P. Neville (R-San Juan), William P. Soules (D-Dona Ana) and Mimi Stewart (D-Bernalillo). The bill would once again send a constitutional amendment to voters, this time to rewind the clock to pre-2003 and dump the Public Education Department (which oversees traditional public schools and their affiliated charter schools and answers to the governor) and PEC (which oversees state-authorized charters) in favor of a 15-member state school board that essentially answers to no one.

Soules and Neville both defended their legislation as a way to improve New Mexico's schools by having consistency in oversight. It's hard to square how having 15 individuals, some elected, some appointed, serving six-year terms offers more consistency (or accountability) than a governor and Cabinet secretary. And while there has been unusually high turnover in the current administration's Cabinet post, that turnover has had everything to do with the individuals involved and nothing to do with the system itself. Some education secretaries, like all employees, have family responsibilities or health issues that take them away, and some simply don't work out. And so we move on.

We don't go back to a failed model.

Back in 2003 the LCS defense of moving to the PED/PEC system included “the current 15-member state board of education is simply too large to create coherent and effective statewide educational policy, and has made it nearly impossible for the superintendent of public instruction to effectively manage New Mexico's public schools. Raising the state department of public education to Cabinet-level status clearly sets public education as a priority in New Mexico, and the new structure will allow commission members to provide input from the various regions of the state while making the executive branch more directly responsible and accountable for the improved performance of our public schools.”



Amanda Aragon

Several audience members made this point at Friday's hearing, including Amanda Aragon, executive director of NewMexicoKidsCAN. She emphasized that “I, too, am frustrated by the lack of improved academic outcomes - but we were frustrated by that 20 years ago - when we moved to the system we have today.” And she added that switching to SJR 9's elected-board model “will make education more political, not less. Education politics have gotten far worse over the last 20 years. Look at the school board elections in our country and state - we cannot realistically believe that statewide elections for a state school board would be any less political - which is why of all the elected state boards in the country, only five are elected through partisan elections, which is what this resolution would do.”

The Chamber agrees. We believe having a partially or fully elected group run our education system will deliver greater politics, not greater progress. And that's the last thing we need in education. Remember, we put an elected body in charge of utility regulation and ended up with a daily cocktail of bad decisions - and we just retreated from that model. And lawmakers are now considering bills to deal with the history of poor school board governance across the state. We're concerned the same things would happen with a state-level board.

Aragon drilled down to the heart of the matter by telling the committee “instruction is our core problem - and we believe our energy and attention would be better spent improving our instruction. Our solutions lie in the classroom” rather than in a bill that has had little discussion and upends the current governance structure of 850 public schools that serve 300,000 students.”

Know that this retread legislation (it died in the House last year) is more than a false solution to fix our struggling schools; it's also a threat to the state's high-performing charter schools.

Also speaking against the proposed constitutional amendment was Matthew Pahl, executive director of Public Charter Schools of New Mexico. He pointed out abandoning the current structure puts the state's high-quality charter schools, many which serve low-income and minority students and deliver academic results far above the state average, in real jeopardy. These charter schools “are the shining star of public education” in New Mexico. They need to be protected, encouraged, replicated. They do not need to be put in the middle of a battle that has everything to do with politics and nothing to do with academic outcomes.

We'll close by saying the number of adult decision makers is not what's driving students' unacceptably low academic performance. We can add more captains to rearrange the deck chairs, but the ship's still going to sink unless we become more student-centered and relentlessly

focused on growing high-performing public schools of all types, replicating innovations and practices that work, requiring every child to read by the third grade, and requiring the highest level of training and development for school leaders and teachers.

Those are the changes everyone should support, not going back to an adult-focused model that failed 20 years ago. SJR 9 is not going to fix what's broken. Let's not advance a so-called solution that hasn't worked before and won't again.

Around the Roundhouse

Temper, Temper



Debate on the Senate floor got rather heated today over the nomination of former Senate Majority Leader Michael Sanchez to the State Board of Finance. Senate Minority Whip Craig Brandt (R-Sandoval) described Sanchez as a "tyrant," which prompted presiding officer Lieutenant Governor Howie Morales to strike the gavel, admonishing senators to be respectful and not personally attack an individual.

Sanchez' nomination was subsequently approved on a vote of 26-8. Also, there was objection by Republicans to excusing two senators from the floor, a routine courtesy extended to all senators.

In addition, there were multiple quorum calls. All this occurred after Majority Leader Peter Wirth (D-Santa Fe) and Minority Whip Craig Brandt (R-Sandoval) had a bit of dust up over the boycott by Republicans of the Tax, Business and Transportation Committee hearing on SB 3, the proposed Paid Family and Medical Leave Act.

Signing Off from Santa Fe



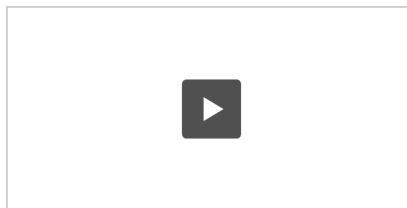
It's the weekend - except for a couple of committee meetings tomorrow. Apparently, Majority Leader Peter Wirth (D-Santa Fe) retreated from his plan to hold a Senate floor session tomorrow after members pointed out that this will be the last weekend they can go home to their families since from here to the end of the session, weekend work will be in order. Thanks, Leader Wirth! So, we'll be taking the weekend off as well, and we'll be back Monday with all the news and views. If you still have a team in the playoffs, good luck! Until Monday, we wish you a peaceful and relaxing time with your family and loved ones over the weekend. Good evening.

The Legislative Roundup, published during the New Mexico Legislative Session by the Greater Albuquerque Chamber of Commerce, provides information on local and state public policy and business issues that affect you.

For questions, please email D'Val Westphal at dwestphal@greaterabq.com.



Working to make our city and state a great place to start and grow a business and a safe, exciting place to work and raise a family.



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