

Legislative Round Up

56th Legislature, Second Session

Thursday, February 1, 2024

Day Sixteen

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

In Committees

Senator Gonzales: King of the Roads



**Senator
Bobby Gonzales**

Politically speaking, there are probably a lot of things that are sexier than roads - they're flat, they don't vote nor do they give you a hug. But without good roads it's very tough to conduct commerce and attract tourism. In many ways, roads are the arteries through which our economic lifeblood flows. No one knows this better than Sen. Bobby Gonzales (D-Los Alamos, Rio Arriba, Santa Fe and Taos), who has for years (starting with his service in the House) championed the need to adequately fund our roads.

Too often the Legislature has siphoned off revenues intended to go into the road fund for other things. Gonzales' Senate Bill 184 intends to change that. The bill was given a Do Pass recommendation today by the Senate Tax, Business and Transportation Committee on a vote of 8-0, sending it to the Senate Finance Committee, of which Gonzales is a member. The bill is very straightforward: It moves motor vehicle excise funds to the state road fund (75%) and

transportation project fund (25%). Currently nearly 60% of these funds are diverted away from roads to the general fund.

Greater Albuquerque Chamber of Commerce President and CEO Terri Cole testified in favor of the legislation, saying, "I'm here today to support SB 184. I've watched the legislative process for many years, and funding our roads has always been a challenge, and let's call it a gnarly issue. Road funds have been diverted for other purposes, and we always seem to be struggling with how to pay for road improvements and new construction. Mr. Chair and Senator Wirth, I know Senator Wirth will appreciate my next comment. We are joining today with the New Mexico Municipal League and the Sierra Club in support of the bill. Good roads are a key to all our organizations' work. Please support the bill. Thanks to Senator Gonzales for sponsoring the bill." Also joining in support were the Association of General Contractors and McKinley County.



Price Transparency: What the Doctor Ordered

These days, everything costs a little bit (or a lot!) more. Price hikes for prescription drugs, however, are especially notorious, sometimes creating terrible dilemmas when patients have to choose between costly treatment and other necessities.

Rep. Pamela Herndon (D-Bernalillo) has a plan to help bring these cost increases under control. As Herndon explained to the House Appropriations and Finance Committee today, House Bill 33 is surprisingly simple: manufacturers, pharmacy services administrative organizations, health insurers and pharmacy benefits managers must report annually on prescription drug prices and market trends to the New Mexico Office of the Superintendent of Insurance. From there, the superintendent interprets all of these reports to in turn present them to the Legislature.

Herndon's expert witness said the substitute for the bill clarifies language around reporting requirements and confidentiality, and ups the appropriation to the Office of the Superintendent of Insurance.

"But what effect will this information really have?" asked Rep. Cathrynn Brown (R-Eddy and Lea). An expert witness explained that by shining a light on price increases, health plans, providers and other decision-makers can make choices that save themselves and their patients money, while manufacturers will have to open about costs.

The Chamber stood alongside a wide variety of stakeholders in supporting the bill, including AARP, health plans, Blue Cross and Blue Shield, and the New Mexico Center on Law and Poverty. "Costs keep rising for New Mexico residents, and prescription drugs are no exception," said Chamber Senior Vice President Sara Fitzgerald. "We need more transparency – for

consumers and for providers – so patients can get the treatments they need at a fair price.”

The bill passed HAFC on a unanimous vote, but was brought back up at the end of the committee meeting to remove the appropriation from the bill. Following that change, the bill passed unanimously again and is headed to the House floor.



Police Officer Retention Bonuses Get Green Light

A bill to incentivize veteran police officers to stay in the force whipped through the House Appropriations and Finance Committee this afternoon. The committee passed House Bill 193 on a unanimous Do Pass motion in under eight minutes. (Was that ... speeding?)

HB 193 proposes to give law enforcement officers a retention bonus – up to 5% of their base salary – when they finish another year of service at five-year, 10-year, 15-year and 20-year milestones. And, for those true veteran officers with more than 21 years of service, they can receive up to 5% of their base salary each year in retention bonuses. An earlier amendment specifies the officer has to stay at the same law enforcement agency to qualify for this benefit.

An amendment adopted at today’s hearing makes some technical fixes and removes the appropriation from the bill. Sponsors Art De La Cruz (D-Bernalillo) and Meredith Dixon (D-Bernalillo) said these extra disbursements, which will come from a separate fund called the Law Enforcement Protection Fund, are already in the budget.

The bill saw support from the New Mexico State Police and the Department of Public Safety. On such a short timeline, the committee didn’t hear virtual testimony, but the Chamber also supports HB 193. Here’s what we would have offered in support:

We need an all-of-the-above approach to combating the shortage of sworn officers in our communities, and that means working to recruit new officers to our ranks – AND holding on to our most seasoned officers, too. It’s a hard job, and we certainly can’t blame a veteran officer for wanting to enjoy a well-deserved retirement. But the experience these officers add to their unit is critical. While we can’t put a price on their deep knowledge, we should make an effort to show them their commitment is valued. That will help keep our veteran law enforcement officers for as long as we can, and show our younger officers they can have a long and fulfilling career where they are. We urgently need more officers out on our streets to help make our communities safer – and we want them to be the best and most experienced we have.

This bill will next be voted on by the whole House – hopefully with the same speed we saw tonight!



Public Safety Return-To-Work Gets Do Pass

The House Labor, Veterans and Military Affairs Committee dug into HB 236, Public Safety Retirees Returning to Work, sponsored by Rep. Gail Chasey and Sen. Mimi Stewart (both D-Bernalillo) and T. Ryan Lane (R-San Juan).

Characterized as a “mirror bill” of Senate Bill 87, which we wrote about Wednesday, the bill substitute received an 8-1 vote and now moves to House Judiciary. Again, there’s a lot to like in this bill, which is designed to be a “bridge” to fill job openings until the training academies and recruiting efforts can catch up.

Committee members commented repeatedly that it's a 180-degree turn when the unions are supporting a “double-dipping” proposal. And they are. Carter Bundy, political action representative for the American Federation of State County and Municipal Employees (AFSCME), was again an expert witness for the bill, and Shaun Willoughby, head of the Albuquerque Police Officers' Association, testified in strong support. Bundy explained that like SB 87, this bill will allow some retired public safety employees to return to work under carefully crafted guardrails to not only protect their pension fund but also current mid-level and new incoming employees. Rehired retired employees can:

- Return to work while still collecting their pension for three years. They and their employer would pay into the pension fund, but the employee would not accrue service credit. At the end of three years they could opt to continue working and stop collecting their pension or leave.
- Only fill entry-level, front-line positions provided the vacancy rate of the hiring entity is greater than 10 percent. The “retired member shall have no seniority based on pre-retirement employment for purposes of selecting shifts.”
- Be considered for rehire if they retired prior to Dec. 31, 2023, and subsequent employment begins prior to July 1, 2027.

Both Bundy and Willoughby said staffing levels are at critical, crisis proportions. The second expert witness, from the New Mexico Association of Counties, shared that corrections facilities' vacancy rates are running from over 20 percent to 68 percent, and the Bernalillo County Metropolitan Detention Center has 200 unfilled positions. And a representative from the Administrative Office of the Courts shared that just 10 days ago, a man walked into the magistrate court in Española, where there is no screening security staff, sat down and had a medical episode. Court staff quickly alerted the judge, a retired law enforcement officer, who jumped off the bench to help render aid – turns out it was in the form of Narcan. As the man was being revived, a loaded handgun fell out of his pocket. “Police took three minutes to get there, she said. “A lot could have happened in that three minutes” if our judge hadn't been trained to deal with such situations, she added, and that kind of experience is what our agencies are in desperate need of.

D'Val Westphal from the Chamber testified that “this program has a real chance of increasing the number of experienced law enforcement and corrections officers in our state. And smart guardrails will ensure the pension fund is not adversely affected while eliminating any chance of

abuse by early retirees simply looking to double dip. HB 236 is designed to deliver more officers to help keep our state safe.”

Committee Chairman Rep. Eliseo Lee Alcon (D-Cibola and McKinley) was the lone “no” vote, expressing concerns that retirees would come back, take plumb positions and crush the morale of dedicated workers who aren't double dipping. We appreciate his concerns, but the reality is when workers in our correctional facilities are pulling mandatory double shifts; when our law enforcement, firefighters, paramedics can't get a day off; and when a judge has to jump off the bench to render aid and secure a loose handgun, we've got to do something.

HB 236 is that something. Here's to getting it through the session and into law.



Matching Funds Bill Headed to House Floor

This evening the House Appropriations and Finance Committee gave a resounding Do Pass to an amended House Bill 177, the N.M. Match Fund, sponsored by Reps. Meredith A. Dixon (D-Bernalillo), Gail Armstrong (R-Catron, Sierra, Socorro and Valencia), Sen. Pat Woods (R-Curry, Quay and Union) Rep. Susan K. Herrera (D-Rio Arriba, Sandoval, Santa Fe and Taos) and Sen. Pete Campos (D-Colfax, Guadalupe, Harding, Mora, Quay, San Miguel & Taos).

The bipartisan, bicameral support speaks to just how smart this bill is. The N.M. Match Fund would use \$100 million to set up a non-reverting fund to “make grants to an eligible entity: (a) for state matching funds for federal grants; and (b) to offset higher project costs incurred to comply with federal requirements.” As we've said before, that makes literal dollars and sense, as federal grants that require local matching money are often providing double, triple or more of what communities put up in matching federal dollars.

While the original bill included a \$100 million appropriation, Dixon explained to the committee that the amendment strips out the appropriation as there is already \$50 million in the budget proposal and the remaining \$50 million is in the works.

As with the bill's hearing in the House Rural Development, Land Grants And Cultural Affairs Committee, supporters ran the gamut, from the New Mexico Oil and Gas Association to Conservation Voters New Mexico. All agreed the fund would help build/repair infrastructure in the state while putting more New Mexicans to work on projects from roads and water to clean energy and broadband.

The Chamber's D'Val Westphal testified:

"HB 177 is all about smart money, the creation of a \$100 million matching fund for use by state, local and Indian agencies to secure federal funding for much needed projects – think repair of existing, and construction of new, roads and highways, bridges, water systems and other high-dollar, and high-priority infrastructure needs. The governor referenced the need for this fund in her State of the State address so that New Mexico doesn't leave any money on the table. Ensuring our villages, towns, cities, counties, water associations, pueblos and more have the required matching funds to leverage federal dollars is just smart money."

HB 177 is now headed to the floor – here's to representatives doing their part to ensure New Mexico communities have the dollars to leverage federal investments in better infrastructure.



Veterans' Tax Break Moves Forward

This afternoon the House Labor, Veterans and Military Affairs Committee gave a unanimous 9-0 Do Pass to HB 264, Military Retirement Pay Tax Exemption Sunset, sponsored by Rep. Harry Garcia (D-Bernalillo, Cibola, McKinley, San Juan, Socorro and Valencia).

The proposal is a simple one: Remove the 2026 sunset on the tax law that exempts the first \$30 thousand of their military retirement. Lawmakers passed the graduated exemption in 2022 and started it at \$10,000. The current \$30,000 is the ceiling.

Garcia explained the proposal has passed the House and Senate before, only to be vetoed by the governor. He said he just wants "our veterans to be treated with respect" and sees the tax exemption as a way to attract more, and very qualified, workers.

Most of us know our state has a proud history of service in the nation's military branches. In fact, Workforce Solutions says in 2019 we ranked 10th in the nation for concentration of veterans – around 145,000 men and women, 9.1 percent of the civilian population, compared to the U.S. average of 7.3 percent. Unfortunately, we fall down when it comes to how we treat these veterans. Only 11 states tax military retirement benefits, and we're one of them. The \$30,000 exemption is a modest tax break that can pay big dividends in people power.

Testimony in person and in zoom was only in support of the proposal, including from a retired Navy veteran representing the Veterans and Military Families Caucus. She said extending the tax exemption will make New Mexico "an even more desirable place" for retirees, who have expertise and energy to share.

D'Val Westphal, executive vice president of policy and programs with the Greater Albuquerque Chamber of Commerce, told the committee:

“Thirty percent of New Mexico’s veterans are under the age of 55. These are educated, trained individuals who have many years ahead to contribute to our communities and our economy. It makes no sense not to fight to keep them here, and to attract more of them by continuing a modest break on their military pensions.”

The bill now moves to House Tax and Revenue, and with the session on the downhill slide, it’s important it move over and through the Senate to the governor for her signature. Our men and women who wore the uniform have earned this modest tax break.

On the House Floor



Weak Grad Requirements Head to Senate

A bill that likely devalues New Mexico’s high school diploma passed the House today by a vote of 57-1. The Chamber stands opposed to this measure, although we recognize there are some positive features.

Some Good Points

House Bill 171, sponsored by House Education Chair Andrés Romero (D-Bernalillo), proposes to change high school graduation requirements by effectively reducing elective credits and requiring school districts and charter schools to set two credits of requirements of their own.

The bill also mandates districts and charters create graduate profiles, or locally-informed goals for competencies students should have, and develop Next Step Plans to help students identify their goals and plan to reach them. Ultimately, sponsors said, the bill aims to increase student engagement – and fight chronic absenteeism – by giving students more flexibility in choosing courses that align with their life goals.

Creating more opportunities for school districts and charter schools to engage with their local community is a good thing. So is supporting students as they set life goals and make plans to reach them – helping young people find their way is the right thing to do, and it pays dividends for our communities when they’re successful.

Eliminating Algebra II Doesn’t Add Up

But this bill also removes a requirement that all students take Algebra II. Here’s why that’s a

problem:

Algebra II remains a basic prerequisite requirement for entrance at most higher education institutions. A student who wants to switch to a college-bound track in their senior year may not be able to complete the requirement for Algebra II in time, locking them into a pathway when they could have kept their options open.

State assessments for high schoolers include the SAT – which includes significant Algebra II content. In eliminating this requirement, are we setting our kids up for failure?

“I’ve never used what I learned in Algebra II once in my day-to-day life!” In reality, we use critical thinking and reasoning skills we learn through different school subjects every day, without even realizing it. It’s like football players doing bench presses: chances are, they’ll never have to bench press on the field during a game, but the strength that exercise builds is critical. Students can already opt-out of Algebra II and choose a different course path.

No Financial Literacy Requirement

Just as importantly, this bill doesn’t have a requirement for a dedicated course in financial literacy. It’s as necessary a skill for a student on a college track as it is for someone who will be learning a trade and might one day manage or run a business. Debt can stifle a young person’s dream. And basic, sound investing can begin to produce intergenerational wealth where there had been none previously, stepping people out of the despair of poverty.

Rep. Cathrynn Brown (R-Eddy and Lea) emphasized the benefits of financial literacy by citing studies and polls that demonstrate the desire for students to have this kind of training and the lifelong benefits. It gets them ready for life. Brown’s sentiments were echoed by Rep. Marian Matthews (D-Bernalillo) who, as a teacher at CNM, encountered sad stories of students racking up impossible amounts of debt, which became life-altering. Other legislators endorsed the need for this requirement as well, however, proponents of the bill state that it’s up to local school districts if and how to teach financial literacy, which they can do as part of social studies, economics or mathematics.

We urge the Senate to add back the requirements for Algebra II and to establish financial literacy as a requirement.

On the Senate Floor



School Board Training Heads to Senate Floor

The Senate passed Senate Bill 137 today on a vote of 30-9, sending the measure to the House. The purpose of the bill is to strengthen New Mexico’s local school district and charter school leadership through increased training and transparency. The Chamber strongly supports this measure as a key to lifting school achievement. Opposition to the measure centers around

overriding local control through a state mandate to local school districts.

On the lighter side, Sen. Crystal Diamond Brantley had the quote of the day, speaking in opposition, when she said, "It's the voter's right to choose who they want to run their government. We vote in complete yoyos all the time, but it's the people's right to determine whether a candidate is qualified. Boards should be trained but should not be mandated."

The bill, sponsored by Senate Pro Tem Mimi Stewart (D-Bernalillo), sets a new requirement of 10 training hours for new school board members and charter school governing board members. More specifically, the bill breaks down what that training should cover: two hours each of ethics and school personnel, public school finance, open meetings and public records, governance and supervision, and student achievement and support services. Established board members stay current with five hours of training each year.

An amendment to the bill also prohibits the board from terminating a district superintendent without cause or extending their contract within 60 days of a new board member swearing in. This is to ensure any new board members have time to learn the ropes before making such an important decision.

The bill also places a strong emphasis on transparency, requiring all board members to disclose any individuals or organizations that contributed more than \$1,000 to their campaign, and requiring public reporting on which board members haven't completed the necessary training. Even more importantly for the community, the bill would mandate board meetings be webcast, recorded and archived for people to watch later for at least two years.

It is the Chamber's view that leadership matters, and it starts at the top. Local school boards set the tone for our district administrators and our principals, who lead schools of hundreds, sometimes thousands, of kids. This bill will help board members attain the skills they need – like an awareness of finance and legal topics, and the value of data for helping students set and reach academic performance goals.

SB 137 is supported by school superintendents, school boards and charter schools and policy think tank Think New Mexico. Many of these stakeholders were involved in the development of the bill last year, long before it received a unanimous endorsement from the Legislative Education Study Committee. It's a thoroughly vetted piece of legislation that will strengthen our local education boards to ensure they can lead their districts and charter schools to achieving even more.

Around the Roundhouse



Stars Twinkle Inside the Roundhouse

Former Maryland delegate Mark Shriver (yes of Kennedy clan fame) and actress, businesswoman and philanthropist Jennifer Garner made appearances in both chambers to promote Save the Children foundation today.

Shriver has been a long-time champion of child welfare and now serves as a special advisor to the president and CEO of Save the Children. Garner has served on the board for 15 years as a strong proponent of literacy, nutrition and early childhood education. Garner has family ties in New Mexico.



Are We Blue?

No we're not! But the Roundhouse was awash in a sea of FFA blue coats as our own young stars visited both chambers, listened to committee and floor sessions and talked with legislators. FFA is not just for rural kids but works to build leadership and life skills throughout the state. Nationwide, there are 945,000 members, including some in U.S. territories. Their motto really resonates: learning to do, doing to learn, earning to live, living to serve.

Signing Off from Santa Fe



In case you missed it this morning, today is national serpent day - we're not even going to go there. It's also the day in history when "I want to Hold Your Hand" became the Beatles first No. 1 hit in the United States. And, just as a heads up, tomorrow is Groundhog Day - no, not legislation that we've seen time after time - but the real deal. Punxsutawney Phil will give us a clue on how much more winter is left. Of course, he's only right about 50% of the time, yep, about the same as most weather forecasts.

Whether you want more winter or long for spring, we'll bring you all the news and views of important Roundhouse developments. Glad you could join us today and, until tomorrow, have a 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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