

Greater Albuquerque Chamber of Commerce

Legislative Round Up

56th Legislature, Second Session

Tuesday, February 13, 2024

Day Twenty-Eight

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



From Noon Today!



Capital Outlay Bill Advances to Senate Floor

The Senate Finance Committee approved Senate Bill 275, the annual capital outlay bill, sending it to the Senate floor on a unanimous Do Pass recommendation. The bill is a combination of statewide and local projects, which are determined by the governor and members of the Legislature. The governor uses 1/3 of the funds available and the House and Senate members divide and use 1/3 of the funds each.

Because of the huge amount of funds available, all of these projects, totaling around \$1 billion, will be paid for in cash, negating the use of severance tax bonds, thereby avoiding interest costs and reserving bond issuance should a rainy day occur (like a significant economic downturn). In addition to the state and local projects, \$320 million of road projects will be included in the capital outlay bill as well as \$30 million for tribal projects. The road and tribal projects will also be paid for in cash.

The capital outlay bill is 250 pages long, covering all the counties in the state. There are 583 separate local projects and 99 separate local road projects. Here are some selected items of interest to our Albuquerque/Bernalillo County communities:

Statewide projects

- \$30 million for a literacy institute facility; \$9 million for improvements at correctional facilities and \$10 million for Mainstreet programs
- Section 16 of the bill contains many smaller appropriations for charter and regular public schools. One of the large sums is \$1.5 million for a career development center at the Gordon Bernell charter school
- \$8 million for improvements for State Fair facilities
- \$1.2 million for affordable housing on properties owned by the middle Rio Grande housing collaborative
- \$1.5 million to acquire abandoned properties and open spaces
- \$1.1 million for crime-fighting technology - Bernalillo County Sheriff's Department
- \$5 million for the Swede Scholer Mesa del Sol regional outdoor recreational complex
- \$1.8 million for affordable housing via the Albuquerque Workforce Housing Opportunity Act
- \$15.5 million for improvements at the Balloon Fiesta Park.
- \$10.1 million for improvements at the Albuquerque Railyards
- \$6.1 million for a "cradle to career" learning center at a science and children's center.
- UNM

\$850,00 for athletic improvements

\$950,000 for an indoor football practice field

\$15 million for the comprehensive cancer center

\$2 million for a new humanities and social science facility

\$1 million for Popejoy Hall improvements

\$2.8 million for football team facilities

Once approved by the Senate, the bill will then go to the House. Given the short time left in the session and the importance of this bill, you can expect to see it move very quickly.



Boost to Rainy Day Funds in Final Stretch

SB 217, sponsored by Sen. Nancy Rodriguez (D-Santa Fe), went before the House Appropriations and Finance Committee today for its last committee referral. The bill received unanimous committee approval.

The bill proposes an \$82-million transfer from the Severance Tax Bonding Fund to the Severance Tax Permanent Fund (STPF); this would be the second annual “installment” of \$82 million in a 10-year strategy to increase the STPF balance by \$1 billion. The plan is to make \$82-million appropriations each year through 2033.

In more practical terms, the sponsor’s expert witness explained that this year’s capital projects would be funded using General Fund surpluses this year – in other words, cash – instead of the state’s long-term bonding capacity, and the savings from that switch will now flow into the STPF.

“Using the GF for capital outlay rather than bonding has the potential to general long-term increases to recurring revenue,” said House Tax and Revenue Committee Chair Derrick Lente (D-Rio Arriba, Sandoval and San Juan) in presenting the bill. It’s a strategy that will literally pay dividends for New Mexico.

The current STPF balance is approximately \$10 billion, which contributes about \$290 million to the General Fund. If the 10-year plan is fully implemented, the 2033 fund balance is estimated to be \$31 billion, contributing nearly \$1 billion to the General Fund. HB 217 is part of the overall strategy of the Legislature to prepare for an expected decline in oil and gas revenues in the future. The idea is to strengthen the state’s “savings accounts” so that income from fund investments can compensate for any declines in revenues or to be used should difficult economic times befall the state.

Chamber Senior Vice President Sara Fitzgerald spoke to express the GACC’s full support for the bill and urge a Do Pass vote. This bill is part of a strong, long-term strategy, and we congratulate the Legislature and the administration for their foresight and prudent planning.

SB 217 received a unanimous vote of approval and goes to the House floor next.



General Obligation Bonds on to Senate Floor

HB 308 would authorize placing four separate bond issues before voters in November to fund statewide senior citizen centers, libraries and higher education facilities. Also contained in the proposal is \$10 million to implement a statewide public safety radio network to enable seamless communications among law enforcement agencies in the state. In total, if approved, general obligation bonds would be sold raising approximately \$290 million. State property taxes are used to pay off the bonds. This proposal would not raise taxes. The Senate Finance Committee advanced the measure to the Senate floor by a vote of 8-0.

The list of projects that would be funded is quite long - click [here](#) to see the fiscal impact report which contains all the projects. Here are some highlights of interest to Albuquerque and Bernalillo County:

CNM

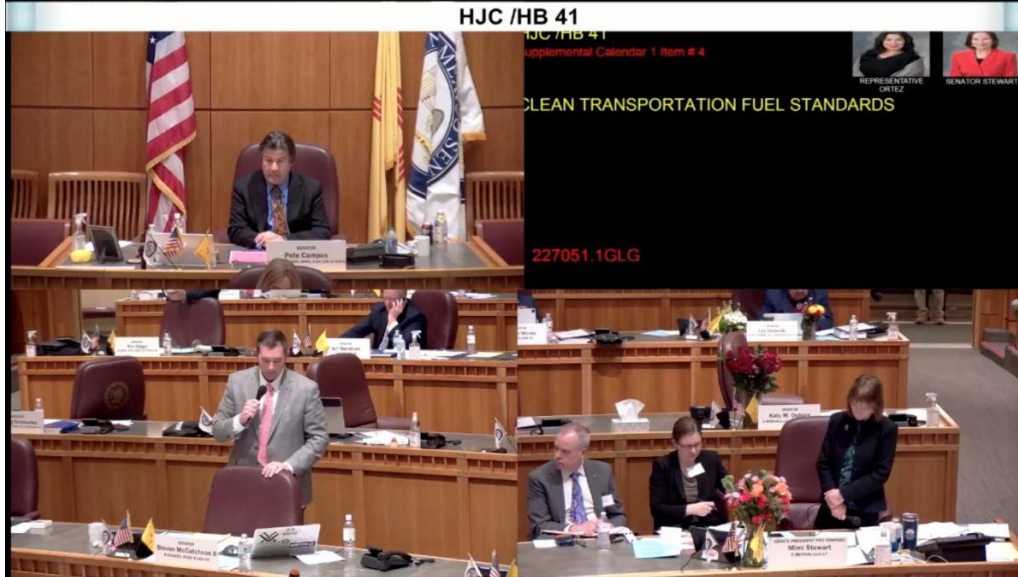
- Ten million dollars (\$10,000,000) to plan, design, construct, furnish and equip a makerspace facility at central New Mexico community college in Albuquerque in Bernalillo county.
- Six million dollars (\$6,000,000) to plan, design, renovate, repair and equip infrastructure and facilities at central New Mexico community college campuses in Albuquerque in Bernalillo County.

Early childhood in ABQ/BernCo

- To the board of regents of the New Mexico school for the blind and visually impaired, four million eight hundred thousand dollars (\$4,800,000) to plan, design, construct, renovate, furnish and equip an early childhood facility at the New Mexico school for the blind and visually impaired in Albuquerque in Bernalillo County.
- To the board of regents of the New Mexico school for the deaf, three million dollars (\$3,000,000) to plan, design, construct, renovate, furnish and equip an early childhood facility at the New Mexico school for the deaf in Albuquerque in Bernalillo County.

UNM (main campus)

- Thirty-five million dollars (\$35,000,000) to plan, design, construct, renovate and equip facilities and infrastructure at the college of pharmacy at the University of New Mexico in Albuquerque in Bernalillo County.
 - Fifty-two million dollars (\$52,000,000) to plan, design, construct, furnish and equip a new humanities and social science facility, including abatement and demolition of existing facilities, at the university of New Mexico in Albuquerque in Bernalillo County.
- Typically, voters approve G.O. bond issues, especially when there is no tax increase involved.



Clean Fuels Program Rolls to Governor's Desk

HB 41, a high-profile initiative by the governor, seeks to implement a program to reduce carbon emissions from transportation fuels. The measure, sponsored by Rep. Kristina Ortez (D-Taos) and Senate President Pro Tempore Mimi Stewart (D-Bernalillo) was moved to the governor's desk when the Senate approved the measure by a straight-party vote of 26-15.

If enacted, the New Mexico Environment Department would be tasked with establishing rules that identify the "carbon intensity" of different fuels and to establish a marketplace for trading credits - producers of high carbon-intensive fuels would have to buy credits from those that produce low carbon-intensive fuels. The goal is to reduce carbon emissions 20% by 2030 and 30% by 2040 from 2018 emission levels. The program is modeled after West Coast initiatives in California, Oregon and Washington as well as British Columbia, Canada. Technology neutrality is a key element in the design - the market will sort which approaches are best, not a government agency picking winners and losers.

The Chamber supports the measure because it is a market-based incentive approach, which is preferable to other more command-and-control approaches that have been proposed. There is extensive support for the bill coming from Chevron, Exxon Mobil, PNM, the New Mexico Chamber of Commerce, tribal representatives and several environmental organizations. Opposition was expressed by the New Mexico Cattle Growers, the New Mexico Independent Petroleum Producers Association, the New Mexico Dairy Producers and some environmental organizations that do not think the bill will produce the desired outcomes.

Opponents assert that the clean fuels program will raise the retail prices of gasoline in the neighborhood of 30 to 50 cents per gallon, which would work a special hardship on rural residents who drive longer distances than their urban counterparts (though 50-cents a gallon would be significant for all motorists and truckers). Sen. Steven McCutcheon (R-Chaves, Eddy and Lea) broke out his calculator and worked through a series of energy measurements to arrive at his conclusion that gas prices will increase. Sen. Greg Nibert (R-Chaves) cited studies from Canada that conclude its programs will increase prices. McCutcheon asserts that those that win are big oil and those that lose are the consumers in New Mexico.

Supporters, however, say there is no correlation between a clean fuels program and the price of gasoline increasing. Stewart held up a photo of gas prices at a Los Angeles gas station showing that clean fuels were cheaper than regular gasoline. She attributes the lower prices to the use of credits. Supporters of the legislation also point to provisions in the legislation that would protect consumers from steep price flyups.

For better or for worse, when the legislation becomes law, a lot of the details of how all this will work are to be established in rulemakings by the Environment Department. Rulemakings can go awry for sure; however, with a program this complex, there seems to be little alternative. As we noted earlier, this market-based approach is superior to command-and-control options that have also been proposed. Harnessing the inherent creativity and innovation of the private sector to

Public Safety Bills on the Move



Re-Hiring Measure Heads to Senate Floor

This morning the Senate Public Affairs Committee voted without discussion or debate to send House Bill 236, short title Public Safety Retirees Returning to Work, to the Senate floor. (Its mirror bill, Senate Bill 87, is waiting to be heard on the House floor.)

The swift movement of these bipartisan, bicameral bills can be credited to both the need for them (they set up a short-term return-to-work program as a “bridge” to fill front-line job openings until the training academies and recruiting efforts can catch up), as well as the experience of the sponsors in passing laws as well as enforcing them.

HB 236 is sponsored by House Majority Floor Leader Gail Chasey (an attorney) and Senate President Pro Tempore Mimi Stewart (both D-Bernalillo), House Minority Floor Leader T. Ryan Lane (R-San Juan and an attorney as well) and Rep. Alan T. Martinez (R-Sandoval). SB 87 is sponsored by Senate Minority Whip Craig W. Brandt (R-Sandoval) and Sen. Daniel A. Ivey-Soto (D-Bernalillo and an attorney and former prosecutor).

There’s been little to no criticism of how the bills will work and what they will do: The American Federation of State County and Municipal Employees (AFSCME), the Albuquerque Police Officers’ Association, New Mexico State Police and the Administrative Office of the Courts have testified repeatedly in strong support of the bills, which 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.

That pattern continued this morning after Chasey presented the bill. SPAC gave it a Do Pass with no testimony, debate or comments. Chairman Sen. Gerald Ortiz y Pino (D-Bernalillo) declared that with support of police officers, deputies, court officers and unions, “who could stand against it?!”

Under the bills, eligible for rehire are:

Adult correctional officer, adult detention officer, courthouse security officer, emergency medical dispatcher, emergency medical technician or paramedic, firefighter, juvenile correctional officer, juvenile detention officer, municipal police officer, peace officer, public safety telecommunicator, sheriff’s deputy, state police officer and protective services investigator.

And those rehired 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.

Testimony from those on the front lines has centered on the fact that staffing levels are at critical, crisis proportions. The corrections facilities’ vacancy rates are running from over 20 percent to 68 percent (the Bernalillo County Metropolitan Detention Center has 200 unfilled positions). Court staff, especially in our more rural areas, who have zero security and screening at their entrances, are having to deal with armed folks walking into their buildings.

The Greater Albuquerque Chamber of Commerce has testified that:

“We’ve all read the headlines of how hard it is for our law enforcement agencies and jails to hire and retain officers. These bills offer a concrete, financial incentive to help encourage trained, experienced law enforcement, corrections and probation and parole officers to return to work. And, they have smart guardrails to eliminate any chance of abuse by double-dipping early retirees and put the rehires where they are most needed – in front-line positions. Let’s help get more officers in positions that will keep our state safe.”

The unions have historically eschewed so-called “double-dipping” proposals that bring back retirees and allow them to continue to collect their pension; they prefer to preserve slots and safeguard advancement opportunities for new recruits. But per the testimony through both chambers, the guardrails in the bill have put those concerns on the back burner.

The bill sets up a smart short-term solution to public safety staffing. Here's to getting it into law.



Targeting the “Bad People Who Do Bad Things”

This afternoon, three bills made it out of Senate Judiciary, a very deliberative committee that has a reputation for dotting “I”s and crossing “T”s, that focus on the small number of criminal offenders wreaking the greatest amount of criminal havoc.

Repeat Felony Offender No Bond Hold

Senate Bill 271, short title Repeat Felony Offender No Bond Hold, got a lightning quick Do Pass vote in the Senate Judiciary on the committee substitute this afternoon. It had been tabled by the same committee earlier in the session but was resurrected with Judiciary Chairman Sen. Joseph Cervantes (D Doña Ana) joining Sen. Daniel A. Ivey-Soto (D-Bernalillo) on the legislation as a sponsor. Both are attorneys; Ivey-Soto is a former prosecutor.

There was no testimony today, but Ivey-Soto had testified earlier that something needs to be

done to stop the repeat offenders that are responsible for an outsized amount of the crime plaguing our state. The bill cracks down on those who commit a serious crime while on pretrial release for a felony. Cervantes said this afternoon that the Legislature has been a driver in criminal justice reform, getting folks to take a hard look at everything from bail reform to the Arnold Tool, and once again it will be good for lawmakers to enact statute that in this case will ensure the court does in fact adopt promised rules to address and improve pretrial detention when it comes to serious repeat offenders.

The New Mexico State Police also testified earlier that what happens with a core group of offenders when arrested and released is “the crime they committed this week is better than the one they committed last week, in great part because they are now familiar with law enforcement’s response and tactics.”

And the Chamber has testified that “if a defendant shows the court they have so little respect for the conditions of their pretrial release that they violate them by committing another serious crime, they should lose the privilege of awaiting trial without maximum supervision. No excuses. They’ve proven their detention is necessary to keep the community safe. It’s also in their best interest – why would we set someone, who has shown they will reoffend, up to fail by handing them the opportunity to rack up more and more charges? That’s the lose-lose scenario we’re now living with and what this bill addresses. The Chamber is in full support of this common-sense bill that puts reasonable consequences in place for defendants who won’t (or can’t) learn from their mistakes.”

The Senate passed SB 271 to the House late Tuesday on a 27-1 vote.

Increase Attempted Murder Penalty

Senate Bill 96, short title Increase Attempted Murder Penalty, also received a Do Pass from Senate Judiciary this afternoon.

Bill sponsor Sen. Antonio Maestas (D-Bernalillo) has explained that SB 96 is aimed at correcting some serious inconsistencies in sentencing – where unreasonably low minimum sentences add insult to injury for murder victims’ families who only want justice.

Currently, first-degree murder is punishable by 30 years to life in prison. Meanwhile, the sentence for second-degree murder is a maximum of 15 years - but as little as no jail time at all. “You can get more time in prison for a subsequent armed robbery where the victim is not even touched or harmed,” Maestas has explained.

His bill would increase the basic sentence for second-degree murder to a range of nine to 15 years, to make it the second-highest penalty, appropriate for the second-most serious crime on the books. The only difference between first- and second-degree murder is that first-degree murder is premeditated, he said. In both cases, the defendant had intent to kill.

In addition, the bill increases the penalty for attempted murder as well. Currently, the maximum sits at three years behind bars. SB 96 would raise that maximum to nine years.

Opponents today included the American Civil Liberties Union of New Mexico, which testified harsher penalties don’t deter crime. New Mexico State Police and the Greater Albuquerque Chamber of Commerce testified in support. The Chamber believes our law enforcement agencies are doing everything they can to keep our streets safe, but our laws need improvement and this bill helps address some serious discrepancies. And, while the punishment should be more severe when someone takes a life, no one should get off with a slap on the wrist just because they didn’t succeed in their attempt. We need to send a message: Don’t even try it.

This evening SB 96 cleared the Senate floor 32-4 and is assigned to House Judiciary. Fingers crossed it makes it to the governor before the session wraps up.

Felon in Possession of Firearm Penalty

Finally on the public safety front, the Senate Judiciary also gave a Do Pass to House Bill 316, Felon in Possession of a Firearm Penalty. As we’ve explained, this bill would increase the penalty for a felon in possession of a firearm (or destructive device) to five years. A new crime of a felon in possession of a firearm for a second or subsequent offense would carry a penalty of

nine years, and the penalty for a serious violent felon in possession of a firearm would be increased to nine years.

HB 316 has bipartisan support, with sponsors Reps. William "Bill" R. Rehm (R-Bernalillo), Dayan Hochman-Vigil, Charlotte Little and House Speaker Javier Martínez (all D-Bernalillo) and Tara Jaramillo (D-Doña Ana, Sierra and Socorro). It was introduced just days ago via the "dummy bill" process.

New Mexico State Police and the Chamber testified in support, focusing on the fact this bill focuses on someone who has committed a serious crime and still picks up a gun despite being ordered by the court not to. Opponents include the Office of the Public Defender, the ACLU and the N.M. Criminal Defense Lawyers Association, who maintained there are already felon/firearm laws in place, harsher punishments don't deter crime, and this would put a strain on the jail and prison system.

Rehm and Sen. Daniel A. Ivey-Soto (D-Bernalillo) hammered out an amended version that passed muster with Judiciary Chairman Sen. Joseph Cervantes (D Doña Ana), who opened the discussion saying the penalty for felons in possession had been increased from 18 month to 5 years, yet he had not heard of it reducing violations. The amendment focuses not on mere possession of a firearm but on those felons who use a firearm "to facilitate the commission of a non-capital crime."

HB 316 targets the group Cervantes said needs to be the focus, "bad people who do bad things." It's headed to the Senate floor, and since it's been amended in this chamber will need to return to the House floor for concurrence.



Matching Funds Headed to Governor

The Senate made quick work of House Bill 177 this afternoon, passing it 37-0 without debate.

Short titled the N.M. Match Fund, HB 177 is a bipartisan, bicameral effort 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).

It would use \$75 million that's already in the budget to set up a non-reverting fund to make grants to around 2,800 entities such as universities and local governments to match funds for federal grants and to offset higher project costs incurred to comply with federal requirements. Supporters have ranged from the New Mexico Oil and Gas Association to Conservation Voters New Mexico. All have 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 President and CEO, Terri Cole, has testified in committee that: "HB 177 is all about smart money, the creation of a \$75 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 governor's desk.



Housing Measure Headed to Senate Floor

Senate Finance gave House Bill 195 a 4-1 Do Pass recommendation between floor sessions today, sending it to the Senate floor.

Short-titled Housing Fund and Changes, HB 195 provides a new funding source for housing construction that targets those in the workforce and those who don't qualify for financial assistance but can't afford what the market is bearing. It's sponsored by Reps. Linda Serrato (D-Santa Fe) and Meredith A. Dixon, Joy Garratt and Majority Whip Michael Padilla (all D-Bernalillo).

As we've explained, under it the state will expand 2022 Serrato-Dixon legislation that has successfully focused on rehabbing and building commercial projects for economic development. How successful? That program, the Opportunity Enterprise Act, drew 33 applications (42 percent from rural areas) and has seven projects in the pipeline – including breweries, restaurants and entrepreneurs. HB 195 would take the next step in providing low income and affordable housing with an eye on projects that support economic development, i.e. put the housing where the jobs are. And the sponsors have said there is money in House Bill 2 for the program, which is designed to have \$75 million for commercial development projects and \$100 million for housing.

The Chamber has supported HB 195 throughout the session as a means to help close the housing gap wherein the state needs at least 30,000 more units. The bill's positives include the state:

1. Partnering with the private sector to create and expand affordable and workforce housing
2. Providing a mechanism to make loans of up to 40 years to development partners
3. Beefing up the oversight board with the Executive Director of NMFA and two gubernatorial appointees with experience in housing, building or development
4. And expanding that board's powers to include evaluating partners and projects for suitability for assistance.

One expert witness testified in committee that “this is really a finance program that’s designed to incentivize the private sector to move into this space” and in doing this, New Mexico can address its housing supply issue by building more “middle housing” – housing for people who aren’t eligible for affordable housing programs but that’s built to be sold below the market rate.

The Chamber has testified in committees that “this bill is all about partnering with the private sector to create and expand affordable and workforce housing. We need more housing, and encouraging well-vetted partnerships with the private sector is a win-win.”

And HB 195 is closing in on a win.



Scholarship Flexibility Heads Back to Senate

Today the House voted 61-2 to approve Senate Bill 239, Lottery and Opportunity Scholarship Changes, as amended.

Sponsored by Sen. Siah Correa Hemphill (D-Catron, Grant and Socorro) and George Muñoz (D-Cibola, McKinley and San Juan), the bill makes important changes to the lottery scholarship requirements that are all about getting college students across the finish line. Rep. Joy Garratt (D-Bernalillo) presented the bill to the floor and explained the bill includes clarifications to some definitions, like counting credit requirements on a per-year basis instead of per-semester and making summer semesters eligible for scholarship coverage. That means a student can take a course load of 12, 12 and six hours rather than 15 and 15, which could better work with their personal responsibilities and keep them from dropping out.

SB 239 as amended also ties the new maximum distribution for the Opportunity Scholarship to

inflation and allows high school students to earn college credit through dual enrollment without those credits counting toward the maximum covered by these programs. And it has important guardrails including rulemaking authority for the Higher Education Department, a sunset provision to prompt legislators to review these changes to ensure they're working, and others. The Chamber has supported the bill in committees, testifying "the bill before you makes good changes that will ensure students can take full advantage of these programs the way we want them to. It clarifies really important requirements and grants our college students meaningful flexibility."

With House approval, HB 239 as amended heads back to the Senate for concurrence, which we hope happens quickly. We'll say it again: This is a great bill that will serve our students and give us more graduates.



Charter Facilities Funding to Senate Floor

The Senate Education Committee today passed a bill to make charter school facility funding more predictable. House Bill 207 passed the committee with unanimous support.

Unlike their district counterparts, charter schools are on their own for figuring out where they'll actually provide instruction to their students. That's why charter schools so often have to make do with old buildings, settle for vacant retail space in strip malls, and get creative to make every square foot do double duty, like using a large, open area as both a cafeteria and a gymnasium or recess space. And up until 2022, if a charter school opted to purchase or build to suit, it was on them to find their own loans – and on the private market where they couldn't get the same interest rates that should be available to them as public schools.

But New Mexico has made progress over the last few years when it comes to facilities, with new

laws that establish a revolving loan fund to rectify this disparity. HB 207 proposes to build on this to create more predictability when it comes to lease assistance.

The bill, sponsored by Reps. Joy Garratt (D-Bernalillo) and Joshua Hernandez (R-Sandoval), proposes to make it mandatory, rather than optional, for the Public School Capital Outlay Council (PSCOC or the Council) to provide grants from the Public School Capital Outlay Fund to districts for the purpose of lease payments for facilities, including charter school facilities.

“This bill makes a simple change that formalizes current practice and will have a big impact on charter schools pursuing long-term facilities,” Hernandez said. Matt Pahl, Executive Director of Public Charter Schools of New Mexico and Hernandez’ expert witness, said this bill doesn’t change any practices; it just changes the perception of risk in the fund by mandating consistent state support for charters’ leases.

The Chamber has been supportive of HB 207 throughout the session. Just like students at any other public school, charter school students deserve safe and comfortable facilities where they can learn and grow, and HB 207 helps deliver on this promise. The bill passed with unanimous support – and it now goes to the Senate floor for one last vote.



Sen. George Muñoz presents HB 196 to the Senate.

Senator's Tackling Government Accountability

Every taxpayer in the state wants the government to be efficient, responsible and accountable for producing the promised results of various services and programs. As the saying goes, "Get the maximum bang for the buck." Legislators want the same thing - which is the purpose behind HB 196, sponsored by House Appropriations and Finance Chair Nathan Small (D-Doña Ana), which passed the Senate today by a vote of 37-0. Senate Finance Chair Senator George Muñoz (D-Cibola, McKinley and San Juan), who presented the bill, observed that this is an attempt to change budgeting across the board by piloting projects, evaluating them and keeping the ones that are successful before funding them permanently. "It's tracking the government as we spend," Muñoz added.

Background

In a nutshell, the bill is a unique (maybe one of its kind) attempt by a Legislature to vet proposed programs or services via pilot programs before they are embedded, or "baked-in," to agency budgets. Admittedly, once baked in, you can't undo the cake. The idea is to set aside funds in an "expendable trust" to be awarded to promising projects over the next three years. The trust is called the "Government Results and Opportunity Expendable Trust" or GRO for short.

Initially, \$216 million would be expended over the first three years - \$100.8 million on "GRO projects" that derive from legislator-initiated projects in their districts, and about \$115 million in 16 selected statewide projects. Some of the pilot programs were requested by the executive branch but most were initiated by the Legislature.

Also, about \$500 million would be placed in the GRO fund for subsequent appropriation for additional projects or to be used as part of the state's reserve. Some amount of excess revenues from the general fund would be diverted to the GRO fund instead of the rainy day fund, which requires a declaration of emergency and 2/3 vote of each chamber to utilize.

The concept is not to create a separate permanent fund but rather to build a short-term pot of money to go after solving poor agency performance - CYFD and public education are often cited as agencies that need a major performance intervention. Another provision of the bill calls for a major updating of the Government Accountability Act, which establishes agency performance measures. This act hasn't been touched for more than 20 years.



No More Capital Project Reauthorizations?

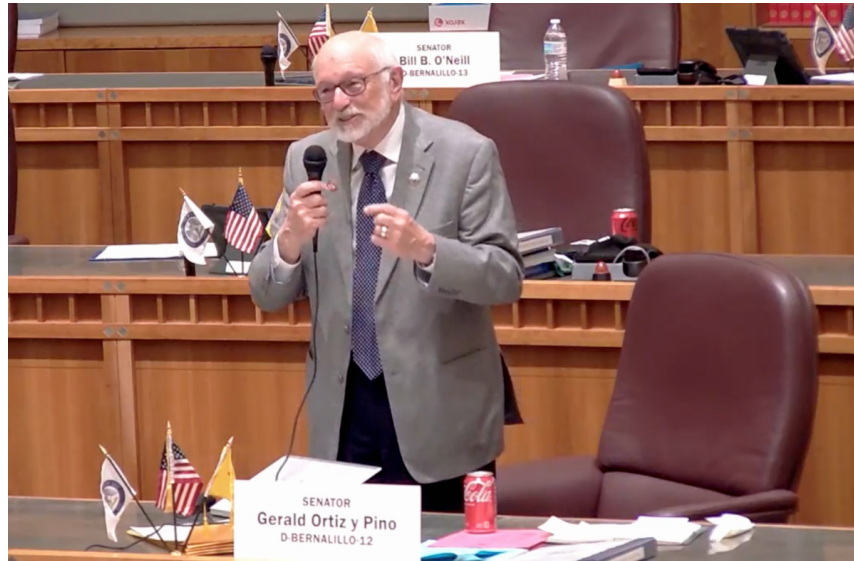
Senate Finance Chair Sen. George Muñoz (D-Cibola, McKinley and San Juan) is fed up with capital projects that get approved and then nothing happens. Today, the SFC passed a bill to reauthorize all kinds of projects, most of which are two years old but some go back as far as 2016. "I'm not doing a reauthorization bill next year," said the veteran legislator. "We have to draw a line in the sand."

Whether that happens is another matter, but the point is made. With more than \$5 billion in money authorized but unspent, Muñoz rightfully underscores the need to get the projects moving and the money spent. The projects are needed, and sometimes there are valid reasons for delay. However, projects are supposed to be "shovel ready" before being approved, and the unspent money could be earning decent appreciation if invested instead of parked in a Treasury account. Sen. Crystal Diamond Brantley (R-Doña Ana, Hidalgo, Luna and Sierra) backed Muñoz's position. "I'm voting no on this bill. I know it'll pass, but I want to make a statement." And that statement is to get the projects moving!

Around the Roundhouse

Fond Goodbyes

Two senators, one already retired and one to retire at the end of his term, were honored by Senate colleagues. The first is Sen. Gerald Ortiz y Pino (D-Bernalillo).



Ortiz y Pino will have completed 20 years of service marked by praise for his honesty, integrity and dedication, according to all that have served with him. "Gerry is such a decent and honest person," said GACC President and CEO Terri Cole. "Whether we agreed or disagreed, Gerry was always available to discuss ideas and to listen to our side of the story." Colleagues described him as the conscience of the Senate and champion of children, social workers and poor people. He also was an advocate for extending health care to all those in need. We wish him all the best as he pursues lots of activities he hasn't had time for. He leaves behind a fine legacy of service.

Veteran Lawmaker Draws Smiles, Tears and the Governor!



Also today, state senators took time out to honor one of their own, recently retired Sen. Stuart Ingle (R-Chaves, Curry, De Baca, Lea and Roosevelt).

Ingle was recognized for serving 10 terms, from 1985 through 2023, and earning a reputation for working across the aisle, being a man of his word and always having a joke at the ready to break

the tension of a session. Senators ranging from William E. Sharer (R-San Juan) to President Pro Tempore Mimi Stewart (D-Bernalillo) shared their memories of being mentored by, and working with, Ingle. Sen. Bill B. O'Neill (D-Bernalillo) read a poem, and Gov. Michelle Lujan Grisham visited the chamber to recognize his service to the people of the state.

The governor's voice cracked a little as she recalled how Ingle was the first to call her when her husband died, how he "never let this place get personal" and how he was a reminder to "not let work prevent us from forging the relationships that allow us to do the good work" for the people of New Mexico.

Chamber President and CEO Terri Cole said "Sen. Ingle is a New Mexico treasure. He was a mentor, friend and wonderful teacher of the legislative process - and a friend of business tried and true. He set examples for us all."

Ingle's visit back to the chamber was a reminder our lawmakers are New Mexicans first, and that the sacrifice the Roundhouse requires can bring out the very best in them. Thank you, Sen. Ingle!

Signing Off from Santa Fe



The main work of the Legislature in a 30-day session was completed today, with the House concurring in Senate amendments to the budget bill, HB 2, sending it to the governor's desk. Also approved by concurrence was HB 252, the tax package. It, too, is on its way to the governor. Two significant financial items remain: capital outlay and authorization of general obligation bonds at the November election. Both of these could be completed tomorrow.

We believe there is also a chance that the Paid Family and Medical Leave Act could be presented to the House. You still have time to contact your legislator and let them know how harmful this legislation is to small businesses. We'll be catching up with all the action and bringing the news and views to you. Thanks for joining us today and have a wonderful Valentine's Day tomorrow!

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.

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