

MINUTES
of the
THIRD MEETING
of the
FEDERAL FUNDING STABILIZATION SUBCOMMITTEE

July 31-August 1, 2025
Tenderfoot Katie's Meeting Room
7 Thunderbird Road
Taos Ski Valley

The third meeting of the Federal Funding Stabilization Subcommittee was called to order by Representative Patricia A. Lundstrom, co-chair, on July 31, 2025 at 9:02 a.m. at Tenderfoot Katie's Meeting Room in Taos Ski Valley.

Present

Rep. Patricia A. Lundstrom, Co-Chair
Sen. William P. Soules, Co-Chair
Rep. Cathrynn N. Brown
Rep. Mark Duncan
Rep. Susan K. Herrera
Rep. Raymundo Lara

Absent

Sen. George K. Muñoz
Sen. James G. Townsend
Sen. Linda M. Trujillo
Sen. Pat Woods

Advisory Members

Sen. Linda M. López (7/31)
Sen. Cindy Nava
Sen. Shannon D. Pinto
Rep. Dayan Hochman-Vigil

Rep. Meredith A. Dixon
Rep. Reena Szczepanski

Guest Legislators

Sen. Roberto "Bobby" J. Gonzales
Rep. D. Wonda Johnson (8/1)

(Attendance dates are noted for members not present for the entire meeting.)

Staff

Clinton Turner, Fiscal Policy Analyst, Legislative Council Service (LCS)
Sabina Gaynor, Staff Attorney, LCS
Nicole Waguespack, Researcher, LCS

Handouts

Handouts and other written testimony are in the meeting file and posted on the legislature's website.

References to Webcast

The time reference noted next to each agenda item in this document is cross-referenced to the webcast of the subcommittee meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and subcommittee discussions for agenda items can be found on the recorded webcast for this meeting.

Thursday, July 31

Welcome and Introductions (9:02 a.m.)

Representative Lundstrom welcomed everyone, and subcommittee members introduced themselves.

Welcoming Remarks (9:15 a.m.)

Chris Stagg, councilor and former mayor, Village of Taos Ski Valley, provided welcoming remarks to the subcommittee.

State Tax Impacts of H.R.1 — The Federal One Big Beautiful Bill Act (OBBA) (9:32 a.m.)

Helen Hecht, uniformity counsel, Multistate Tax Commission, and Richard Anklam, president and executive director, New Mexico Tax Research Institute, provided a presentation on the tax implications that may result from the 2025 federal budget reconciliation. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=7/31/2025&ItemNumber=2>.

Approval of Minutes (11:47 a.m.)

Members of the subcommittee unanimously approved the minutes of the July 1-2, 2025 meeting.

Overview of OBBA Items Impacting New Mexico Taxes (1:32 p.m.)

Stephanie Schardin Clarke, secretary, Taxation and Revenue Department (Tax & Rev), and Lucinda Sydow, chief economist, Tax & Rev, provided a presentation on the elements of the 2025 federal budget reconciliation that will impact New Mexico taxes. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=7/31/2025&ItemNumber=3>.

Review of State-Federal Litigation (2:59 p.m.)

Anjana Samant, deputy counsel for impact litigation, State Department of Justice, provided a presentation on state and federal litigation stemming from recent federal funding changes.

Recess

The meeting recessed at 3:41 p.m.

Friday, August 1**Reconvene**

The meeting reconvened at 7:34 a.m.

Medicaid Overview (7:34 a.m.)

Eric Chenier, principal analyst, Legislative Finance Committee (LFC), provided a presentation consisting of an overview of Medicaid, including state Medicaid enrollment and spending. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=7/31/2025&ItemNumber=5>.

Federal Budget Reconciliation and LFC Framework for Response (8:26 a.m.)

Mr. Chenier provided a presentation on the 2025 federal budget reconciliation and the LFC's proposed framework for legislative recommendations to address federal funding reductions. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=7/31/2025&ItemNumber=6>.

Update on Educational Issues and the Federal Funding Freeze (9:32 a.m.)

Daniel Estupiñan, senior fiscal analyst, Legislative Education Study Committee; Geoffrey Tager, general counsel, Public Education Department (PED); and Kenneth Stowe, director of strategic initiatives, PED, provided updates on federal educational funding. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=7/31/2025&ItemNumber=7>.

Adjournment

There being no further business before the subcommittee, the meeting adjourned at 11:00 a.m.