

MINUTES
Legislative Finance Committee
Farmington, NM
July 18 - 20, 2023

Tuesday, July 18

The following members and designees were present on Tuesday, July 18, 2023: Chairman George K. Muñoz; Vice Chairman Nathan P. Small; Senators Nancy Rodriguez, Roberto “Bobby” J. Gonzales, Steven P. Neville, Sia Correa Hemphill, Pat Woods, William E. Sharer, and Pete Campos; and Representatives Meredith A. Dixon, Harry Garcia, Ryan T. Lane, Gail Armstrong, Debra M. Sariñana, and Derrick J. Lente. Guest legislators: Senators William F. Burt, Michael Padilla, and Shannon D. Pinto; and Representatives Anthony Allison, Art De La Cruz, Joy Garratt, Pamela Herndon, Susan K. Herrera, Tara L. Lujan, Rod Montoya, and Randall T. Pettigrew.

Economic Development by the Navajo Nation in New Mexico. Arvin Trujillo, executive administrator for the Office of the Navajo Nation President and Vice President, said President Buu Nygren reports weekly via Facebook on existing issues and administration priorities. The Navajo Nation is currently diversifying its economy, transitioning its energy sector, and rebuilding its government capacity while dealing with pandemic after-effects, housing issues, and little internet and transportation infrastructure. Mr. Trujillo said the Four Corners region is the largest metropolitan statistical area in the country with no freight rail. Also, it does not have an interstate or international commercial air.

The Navajo Nation is focused on the economy, education, government efficiency and effectiveness, health, infrastructure, natural resources, public safety, and social services. Mr. Trujillo said the reservation is reviewing the roles of tribal enterprises and promoting tribal participation in economic-based projects. To address the lack of housing, the Navajo Nation recently announced an initiative to build 1,000 new homes.

Mr. Trujillo said the Navajo Nation will continue to develop positive and effective partnerships with the state and surrounding counties.

Representative Montoya said power plants on the Navajo Nation helped build its middle class, pointing out the potential impact on communities if the Four Corners Generating Station closes.

Representative Allison said Choice NTUA Wireless is preventing other providers from installing broadband in the main part of the reservation. Representative Allison also expressed concern about a stalled capital outlay project to build a jail.

Balancing Mid- to Long-Term Revenues and Expenditures. The consensus revenue estimating group (CREG), comprising staff from the Department of Finance and Administration, LFC, Taxation and Revenue Department (TRD), and Department of Transportation (NMDOT), presented a long-term forecast on revenues and expenditures. DFA Chief Economist Leonardo Delgado said the forecast is based on current data and assumptions, without accounting for potential recessions, market shocks, legislative actions, and other risks.

Reporting on the U.S. economy, Mr. Delgado said inflation continues to moderate in an environment of robust employment gains. The national unemployment rate is currently 3.7 percent. Real gross domestic product (RGDP) growth is expected over the long-term.

In New Mexico, RGDP is projected to average 1.9 percent growth per quarter in the out years. The state reached prepandemic employment levels in the first quarter of this year, with growth now moderating. In May, the unemployment rate was 3.5 percent.

Mr. Delgado said demographic trends and pandemic impacts on the labor market are among the main contributors in increased in wages and salaries, with inflationary factors expected to continue to place upward pressure.

Rystad Energy analysis suggests future oil demand will be driven by three main drivers as the world becomes more electric and fuel efficient: passenger vehicles, commercial transport, and petrochemicals. National forecasters expect U.S. oil production to peak between 2028 and 2033, before dropping off. Mr. Delgado said New Mexico's oil and natural gas production forecast falls in line with national expectations.

NMDOT Interim Chief Economist Michael Morrison said the state road fund received \$546 million in recurring revenues in FY22. Over the next five years, revenues for the fund are expected to grow at an annual average rate of 1 percent, slowly shrinking thereafter. Meanwhile, road construction costs are expected to grow at an annual average rate of 5.9 percent. Mr. Morrison noted New Mexico's gasoline tax has not been revised since FY96, and the diesel tax not since FY04. The fuel tax rates are among the lowest in the nation. New Mexico's passenger vehicle registration fees are also significantly lower than the U.S. average.

Presenting general fund growth scenarios, TRD Chief Economist Lucinda Sydow said CREG's baseline growth scenario dips below the 22-year trend starting in FY37, while the high scenario dips below the trend in FY48. Ms. Sydow pointed out the impact of recently passed legislation—Senate Bill 26—in regulating general fund growth to stabilize volatility.

LFC Interim Director Charles Sallee remarked on long-term planning as a best practice and said key takeaways from today's hearing are

- Tremendous opportunities continue to be at hand, but with risk.
- Near-term fiscal decisions may result in economic prosperity or continue poverty.
- Capital investments can foster economic vitality.

LFC Chief Economist Ismael Torres said long-term planning has already improved out-year prospects with implementation of Senate Bill 26, endowing programs, using cash for capital, and bolstering permanent funds with appropriations.

The general fund is facing new challenges, however. Mr. Torres explained personal income tax (PIT) distributions to the retiree healthcare fund grow 12 percent year-over-year by statute. Other PIT revenues only grow between 2 and 4 percent year-over-year. By FY29, retiree healthcare obligations will be in the top 10 of all tax expenditures, and they will overtake PIT revenue by

FY76. “Take-home” PIT revenues will decrease from 75 percent of collections to only 63 percent by FY50.

Also of concern, bonding capacity’s reliance on oil and gas revenues presents short- to long-term risks on the general fund and for the bonding program.

Room for budget growth and risks in liabilities and compensation will be especially important to consider moving forward. Mr. Sallee said the state may want to spread liabilities and stabilize spending growth. To improve the long-term revenue outlook, Mr. Sallee said the state should

- Foster economic growth to beat current expectations;
- Resist spending all recurring revenues on recurring uses, now and in the future;
- Invest short-term, peak production revenues for future use;
- Extend five-year average protections on oil and gas related-revenues to delay declines; and
- Use short-term, peak production revenues for nonrecurring uses.

In response to Chairman Muñoz, Mr. Torres said outstanding tax-supported long-term bonds currently total about \$2.5 billion.

Long-Term Power Generation and Economic Development for San Juan County. Laura Sanchez, government and public affairs director of the Public Service Company of New Mexico (PNM), said PNM is the largest electricity provider in the state, with a \$3.5 billion rate base, 2.6-gigawatt resource portfolio, 15 thousand miles of transmission and distribution lines, and 540 thousand customers.

Ms. Sanchez said PNM is currently focused on clean energy transformation, with a goal of becoming carbon free by 2040. Currently, PNM’s resource portfolio comprises 45 percent renewables, 32 percent natural gas, 10 percent nuclear, 7 percent coal, and 6 percent battery. PNM closed the San Juan Generating Station last November. Decommissioning of the plant is expected to be completed at the end of 2025. Meanwhile, solar and battery projects are underway as replaced resources.

The Public Regulation Commission (PRC) denied PNM its request to abandon 13 percent of power generated by the Four Corners Coal Plant.

Ms. Sanchez said PNM submitted a comprehensive grid modernization application to PRC last October. If approved, PNM will invest \$344 million to modernize, including advanced meter infrastructure and distribution upgrades. In May, PRC directed PNM to conduct a cost-benefit analysis and file related testimony, which the company expects to complete in November.

Ms. Sanchez said PNM submitted three applications for federal Infrastructure Investment and Jobs Act grants.

Sarah Cottrell Propst, secretary of the Energy, Minerals and Natural Resources Department (EMNRD), said reclamation work is underway at the San Juan Mine, which ended operations last September.

House Bill 142 of 2023 directed the Environment Department and EMNRD to contract for a comprehensive study of the San Juan Generating Station and mine to determine the extent of environmental contamination of the lands and waters adjacent to the generating facility and mine. The agencies are also to develop a restoration and reclamation plan that protects the environment from contamination for human and ecosystem health, preserves surface water quality, and prevents the migration of toxic metal contaminants and off-site pollution. Secretary Cottrell Propst said EMNRD is preparing a request for proposal to hire an independent third party. The study is expected to be completed in 2025.

Secretary Cottrell Propst outlined current state renewable energy policies and laws.

Reporting on grid modernization grant-funded projects, Secretary Cottrell Propst said EMNRD awarded funding to the city of Albuquerque in FY22 for a balanced resource acquisition and information network (BRAIN) data center and computer platform. The BRAIN is an automated energy, water, renewables, and asset management data interface. Its primary benefits to the grid currently are capturing energy usage data and enabling real-time demand response. This year, EMNRD awarded funding to Northern New Mexico College (NNMC) for engineering and construction-ready design documents for a community resilience microgrid project in the village of El Rito. The project is part of an overall effort to restore the 113-year-old campus as a model of energy efficiency that relies upon renewable energy instead of fossil fuels and has a minimal carbon footprint. The restoration will involve applications of new and emerging technologies that can also be student learning experiences. The next application cycle begins in June 2024, with \$270 thousand available.

Secretary Cottrell Propst highlighted funding opportunities through the Infrastructure Investment and Jobs Act and Inflation Reduction Act.

Sydney Lienemann, deputy secretary of the Environment Department (NMED), said the agency supports the transition to clean and zero carbon hydrogen. Hydrogen and other clean energy sources provide fewer jobs, however. NMED recommends building an ecosystem around clean energy production to ensure sufficient job opportunities.

Ms. Lienemann pointed out New Mexico's intrinsic geographic and infrastructure advantages to building hydrogen production in the state. It would also allow the state to leverage opportunities to pair hydrogen production with renewable energy.

Reporting on the status of House Bill 142 of 2022, Ms. Lienemann said NMED is mapping and documenting abandoned uranium mine sites and working with other state agencies and higher education institutions to build an industry and workforce so cleanup efforts benefit impacted communities.

PRC Chief of Staff Cholla Khoury said the agency is committed to bringing New Mexico's energy grid into a clean energy future. PRC opened a docket to inquire about the reliability metrics of investor-owned utilities. Reporting on other activity, Ms. Khoury remarked on the importance of resource planning and overseeing the modernization of the grid. Ms. Khoury said New Mexico is on track to decarbonize by 2045.

County Manager Mike Stark said the economic and demographic landscape of San Juan County has changed dramatically over the past decade due to the decline in coal-fired generation. Employment dropped 11.8 percent and population 6.5 percent. To address these challenges, the county commission adopted a strategic plan in 2021. The plan focuses on the economy, people, locality, and relations. Mr. Stark said the goal is to have the economy fully diversified by 2031.

Reporting on current projects, Mr. Stark said San Juan County supports development of the western inter-states hydrogen hub because it will generate more investment and higher-quality jobs.

In response to Senator Gonzales, Secretary Cottrell Propst said the solar market development tax credit is in high demand and, therefore, the state should consider lifting the \$12 million statutory cap on solar tax credits allowed per tax year.

In response to Representative Sariñana, Ms. Sanchez said PNM is prioritizing the distribution of system upgrades and installation of smart meters to low-income and underserved areas.

Strategic Plan for Expending Energy Transition Act (ETA) Funds. Mark Roper, division director of the Economic Development Department (EDD), said final recommendations by the Energy Transition Act (ETA) committee are forthcoming, with ETA funding readily available. Almost \$6 million is available through EDD.

Sarita Nair, secretary of the Workforce Solutions Department (WSD), said the agency is tasked with administering displaced worker assistance under ETA. To date, WSD has conducted multiple rapid response sessions, provided job search assistance, and distributed direct payments. The agency also created a “bridge program” to serve workers between the date of layoff and next step in their career path and is working with the employers to create a standardized process for unemployment insurance claims.

James Mountain, secretary designee of the Indian Affairs Department (IAD), said the agency was appropriated \$1.8 million for ETA initiatives. Requests for information were solicited last November from parties interested in working with the state to diversify the economy of San Juan County. The following projects were selected:

- Shiprock Traditional Farmers’ Cooperative for sustainable farming,
- Native Renewables for workforce development,
- Diné Introspective for food sovereignty,
- Northern New Mexico Indigenous Farmers for irrigation system, and
- Diné Centered Research and Evaluation for sustainable farming.

In response to Senator Neville, Mr. Roper said funds from the PNM bond sale were not available until July 1.

In response to Chairman Muñoz, Secretary Nair said displaced workers who instead retire are still eligible to receive the one-time payment.

Dual-Credit and Career and Technical Education. Milo McMinn, director of college and career readiness for Farmington Municipal Schools (FMS), said the school district currently serves 11,228 students, of which 40 percent are Native American, 30 percent Hispanic, and 30 percent Caucasian.

Mr. McMinn said the graduation rate of students enrolled in FMS career technical education (CTE) is 96 percent. The school district offers 18 career pathways in various fields, including construction trades, healthcare, information technology, power and energy, and agriculture. Last school year, 1,200 industry certifications were awarded. Mr. McMinn said FMS' strategy is to engage students early, fostering the exploration of careers by middle school. The school district also partners with several career and technical student organizations, including Business Professionals of New Mexico, SkillsUSA, Educators Rising, and Film Prize New Mexico.

Mr. McMinn said 892 students have taken San Juan College (SJC) dual-credit coursework this year. Several of these students also participated in work-based learning. In May, 40 FMS students were awarded associate degrees while receiving a high school diploma.

Looking to the future, FMS is reimagining its career and technology education (CATE) center to develop new programs and pathways that meet local workforce and economic development needs. Mr. McMinn said the goal is to develop the CATE center into a wall-to-wall CTE high school or regional area technical center. For now, new CTE programming will be implemented at the CATE center in the fall of 2024.

Additionally, FMS is working with regional district partners to develop CTE regional industry convenings, shared industry advisories, collaborative curricula development, CTE dual-credit expansion, and create a space to share innovations and promote collaboration within the four corners region.

Delores Becenti, enrollment director of the Navajo Technical University (NTU), said research indicates dual-credit programs

- Increase graduation and completion rates for both high school and college,
- Reduce the need for remedial courses at the college level,
- Shorten time to a diploma or degree completion,
- Reduce the cost of higher education,
- Reinforce the concept of life-long learning through an educational continuum, and
- Provide an alternative for students tempted to leave high school to enter the workforce.

Ms. Becenti said NTU offers dual-credit courses that fulfill general education requirements of college degrees and certificate programs. These courses are part of the general education common core, making them eligible for transfer to New Mexico postsecondary institutions. Ms. Becenti said it ensures students complete coursework that applies to degree checklists. Popular dual-credit courses include culinary, welding, accounting, student success, psychology, and computer courses.

NTU dual-credit enrollment totaled 282 students this spring, which Ms. Becenti said is consistent with enrollment numbers in previous semesters.

Ms. Becenti said NTU degree and certificate programs are designed to prepare students to enter the workforce, including on the Navajo Nation. NTU's culinary arts program is nationally and internationally recognized for producing first-class chefs who are highly recruited to national restaurant chains, cruise lines, casinos, and private chef services. Bureau of Indian Education students (Wingate) have the opportunity to enroll in a summer program, of which trade programs, including welding and construction technology, provide introductory and college skills courses. All NTU certificates and degrees are now recognized under the federal Carl Perkins grant for funding, with the exception of general studies.

NTU is facing challenges, however. Ms. Becenti explained not all on-site teachers and faculty are properly credentialed, which the university is working to address. Some students are not college ready and do not have access to main campus resources. Also, NTU's data system needs to be improved.

Ms. Becenti requested the Legislature increase the funding level of NTU dual-credit courses to \$600 thousand.

SJC President Toni Pendergrass said the community college currently serves 8,300 credit students and 3,500 noncredit students. Forty percent of students are first generation college students, a majority of whom are in their late twenties.

President Pendergrass outlined SJC's strategic direction:

- Increase educational access and attainment through robust K-12, college and university, and employer partnerships that prepare students for existing and future workforce and industry needs;
- Develop initiatives that help students earn short-term credentials, document hard and soft skills, and gain valuable work experiences;
- Create engaging, challenging, and well-supported learning experiences that provide all students opportunities to achieve goals and experience success;
- Advance an equitable, diverse, and inclusive environment for the community, students, and employees to promote a healthy and thriving college; and
- Continue to invest in human, financial, technological, and physical capacity to advance student success.

President Pendergrass said SJC is currently serving 1,800 dual-credit students, near prepandemic levels. SJC's most popular dual-credit CTE programs are welding, energy, business, fire science, and automotive. In academic year 2022-2023, 108 credentials were earned through the programs.

President Pendergrass said, of the students enrolled in SJC dual-credit coursework since 2018, 26 percent have continued at SJC, 8 percent have attended a higher education institution elsewhere, 46 percent have been engaged in higher education, and 112 individuals have earned a bachelor's degree.

President Pendergrass said the monetary benefits generated by a dual-credit education are five times the cost of program delivery, according to the American Institutes for Research.

Michelle Meyering, chief executive officer of the Farmington Boys and Girls Club, said the organization serves about 80 teens during summer break in Farmington. Ms. Meyering talked about a new partnership with Transfr to provide virtual reality (VR) training at the club. The VR modules safely replicates an on-the-job environment in various fields without the overhead of a multi-million dollar training facility. This type of delivery reduces training time compared with traditional methods. Also, immersive simulations have been shown to have higher retention when compared with video tutorials and slide presentations.

In response to Representative Armstrong, President Pendergrass said the Four Corners Educational Council was formed about nine years ago with the mission to improve high school and college graduation rates. The council meets with superintendents in the region monthly.

Wednesday, July 19

The following members and designees were present on Wednesday, July 19, 2023: Chairman George K. Muñoz; Vice Chairman Nathan P. Small; Senators Nancy Rodriguez, Roberto “Bobby” J. Gonzales, Steven P. Neville, Sia Correa Hemphill, Pat Woods, William E. Sharer, and Pete Campos; and Representatives Meredith A. Dixon, Harry Garcia, Ryan T. Lane, Gail Armstrong, Debra M. Sariñana, and Derrick J. Lente. Guest legislators: Senators William F. Burt and Shannon D. Pinto; and Representatives Anthony Allison, Art De La Cruz, Joy Garratt, Pamela Herndon, Susan K. Herrera, Tara L. Lujan, Rod Montoya, Randall T. Pettigrew, and G. Andres Romero.

Public and Higher Educator’s Role in Economic Development. LFC Analyst Amanda Dick-Peddie said New Mexico’s 20-year economic development strategic plan, published in 2020 by the Economic Development Department (EDD), identified the disconnect between higher education institutions and the state’s economic development goals as the third most critical obstacle to economic growth.

Ms. Dick Peddie said, as the state actively works toward diversifying its economy, it will become more crucial that higher education institutions address the gap between industry needs and educational offerings so New Mexico can provide its students with the best possible opportunities for high-paying careers within the state.

To bridge this gap, the plan recommended the Higher Education Department and EDD

- Identify higher education and training institutions that can serve as regional hubs of talent development,
- Require higher education and training institutions to submit annual performance reviews of their courses to identify consistently low producing programs,
- Require higher education and training institutions to have programs recertified every seven years,
- Ensure courses taught by in-state institutions are current and relevant,
- Tailor degree and certification programs to better reflect the needs of current and future industry in New Mexico, and
- Provide incoming students with career information about high-demand fields in the state.

Three years after the plan’s release, it is unclear how much, if any, progress has been made on these recommendations.

Analysis of college graduate data by the National Bureau of Economic Research shows New Mexico is a net exporter of college graduates, with 24 percent of graduates leaving the state. LFC Analyst Connor Jorgensen said one likely reason for the net out-migration of New Mexico college graduates is a lack of jobs in the state. At the same time, employers report a scarcity of qualified workers, which slows private sector growth.

Mr. Jorgensen said improved tracking of student employment outcomes is crucial to the ability of higher education institutions to provide information to students and academic departments on industry needs and student success.

Mr. Jorgensen said, while the state's high school graduation rate has improved in recent years, the overall student population is declining. To prevent erosion of the high-skill labor market, elementary and secondary schools will need to not only increase graduation rates but ensure that graduates are college and career ready. SAT test data currently shows New Mexico students are underprepared for higher education relative to their peers nationwide.

Mr. Jorgensen talked about opportunities for upskilling and said New Mexico has a number of workers in low-wage jobs within high-growth, high-wage fields. For example, the Workforce Solutions Department reports there are 33.7 thousand home health and personal care aides with a median wage of \$22,970. A number of these workers may be interested in and able to complete additional education to become registered nurses with a median wage of \$78,340.

Vice Chairman Small remarked on the need to track New Mexico students from grade school to the workforce. Mr. Jorgensen said the state is in the process of implementing a longitudinal data system, a database that will hold education and workforce data.

Outdoor Recreation Update. Carl Colonius, outdoor recreation planner for the Economic Development Department (EDD), said the Outdoor Recreation Division (ORD) works to ensure all New Mexicans gain from the public health, environmental, and economic benefits of sustainable outdoor recreation. Mr. Colonius said, among the many benefits, trails improve quality of life by providing gathering places, increasing social connections, and encouraging physical activity. They support local economies and increase opportunities for both recreation and active transportation.

Mr. Colonius said New Mexico's outdoor economy contributed \$2.3 billion to the state's gross domestic product in 2022. The industry also employed over 35 thousand New Mexicans.

ORD is committed to ensuring equitable access. Mr. Colonius said \$3 million in outdoor equity funding is currently available for grants. The division also administers Trails+ funding, of which \$10 million is currently available for grants. Sixty-four percent of Trails+ funding is directed to rural and tribal projects.

Warren Unsicker, director of the Farmington Outdoor Recreation Industry Initiative, said the initiative is to make Farmington the center of adventure in the four corners region. Mr. Unsicker and his team are working to develop trails, signage, and marketing. Development of a trail and bike park east of Farmington are among projects under the initiative.

Thursday, July 20

The following members and designees were present on Thursday, July 20, 2023: Chairman George K. Muñoz; Vice Chairman Nathan P. Small; Senators Nancy Rodriguez, Roberto “Bobby” J. Gonzales, Steven P. Neville, Sia Correa Hemphill, Pat Woods, William E. Sharer, and Pete Campos; and Representatives Harry Garcia, Debra M. Sariñana, and Derrick J. Lente. Guest legislators: Representatives Anthony Allison, Art De La Cruz, Joy Garratt, Pamela Herndon, Susan K. Herrera, D. Wonda Johnson, Tara L. Lujan, and Rod Montoya.

Miscellaneous Business.

Action Items. Senator Gonzales moved to adopt the LFC June 2023 meeting minutes, seconded by Senator Rodriguez. The motion carried.

Review of Monthly Financial Reports and Information Items. Charles Sallee, interim director of LFC, briefed the committee on information items.

Program Evaluation: Home Visiting Programming. LFC Program Evaluator Sarah Dinces presented the report *Home Visiting Programming*. Home visiting, parent education and supports for families, likely reduces child maltreatment and improves parenting, but participants often drop out and effectiveness may depend on the home visiting model used. The program, administered by the Early Childhood Education and Care Department (ECECD), holds promise to improve New Mexico’s lower-than-national average maternal and child health outcomes. Furthermore, the state’s commitment to home visiting has made it a national leader due to its strong legislative framework through the Home Visiting Accountability Act and steadily increasing funding. However, enrollment has not kept pace with funding, growing only 53 percent since FY17 while funding increased 216 percent over the same period.

Home visiting outcomes can vary widely depending on models, implementation, and length of service. Home visiting in New Mexico has an expected return on investment ranging from \$1 to \$14 for every dollar spent depending on the model delivered. However, with only 11 percent of participating families completing the Home Visiting Program in FY22, the state’s actual benefit is likely smaller. For some families participating in certain models of home visiting, child maltreatment rates were lower than the state average. Overall, caregivers’ parenting skills are higher than a national average, with some models performing better than others. However, fewer mothers enrolled in home visiting initiate breastfeeding than the state average. The Nurse Family Partnership model consistently saw more positive impacts compared with other models however it accounted for less than 10 percent of slots. Additionally, few families stay in the Home Visiting Program for the expected length of time or receive the expected number of visits, signaling that monitoring of program implementation could be improved with a focus on these factors.

While home visiting services have expanded in recent years, most eligible children remain unserved, with only 6 percent of children under age 5 receiving services in FY22. As the Home Visiting Program expands, counties with high need should be prioritized while the state also grows universal access programs that serve families regardless of if they have high risk. Additionally, if Medicaid were better utilized, the state could serve up to an additional 5,400 children with existing appropriations. Barriers to expansion include different state- and Medicaid-funded rate and

reimbursement structures, low successful referral rates from medical providers, and ineligibility for postpartum enrollment. A coordinated intake and referral system and increased referrals from Medicaid managed care organizations, as well as examining the impact of incentives, could improve enrollment.

LFC staff recommends ECECD

- Update and publish a cost study, using actual financial data from providers, to determine actual costs of home visiting and use it as one component in determining how to adjust reimbursement rates,
- Provide education to medical providers about the value and availability of home visiting,
- Simplify and standardize the referral process and encourage integration of referral prompts into electronic records,
- Prioritize home visiting expansion in areas of high population as well as higher social vulnerability,
- Conduct an evaluation on the impact of virtual visits on outcomes, and
- Ensure the early childhood integrated data system allows for outcome analysis of all early childhood programs, including Home Visiting, by the current timeline.

LFC staff also recommends the Human Services Department (HSD) and ECECD

- Ensure Medicaid-funded home visiting rates are comparable to state-funded home visiting rates including paying by model, and
- Ensure postpartum women can enroll in Medicaid-funded home visiting, including Parents as Teachers.

Finally, the Legislature should consider allocating funds for evaluation of standards-based home visiting to determine expected outcomes for families enrolled in these programs.

Secretary Elizabeth Groginsky said ECECD agrees key recommendations in the report are actionable and important to improve access and the quality of the state's home visiting system. As stated in its written response, the agency is working to improve the early childhood integrated data system and home visiting program accountability.

In FY24, ECECD will increase the number of children and families served in home visiting, with a goal of expanding to approximately 2,000 new families. The agency is targeting services at areas of high populations and higher social vulnerability, including Bernalillo, San Juan, and McKinley counties. ECECD is also working to build the capacity of local agencies in these areas. ECECD is continuing its efforts to attract home visitors to the profession through its Developing Futures campaign, as well as supporting over 30 home visitors to achieve degrees through the ECECD scholarship program.

ECECD is updating the home visiting cost model to ensure funding for the home visiting system is sufficient. The agency is also working with HSD to improve on how Medicaid supports home visiting. Both agencies also reconvened a group with managed care organizations representatives and home visiting providers to strategize on how to increase referrals to home visiting programs. In response to Senator Hemphill, Secretary Groginsky said ECECD is meeting with Save the Children for a potential partnership.

In response to Vice Chairman Small, Secretary Groginsky said home visiting is a best practice for all families, regardless of income and residence.

Ensuring High Quality Early Childhood Services and Educator Development. Elizabeth Groginsky, secretary of the Early Childhood Education and Care Department (ECECD), listed five key components of educator development:

1. Build a common knowledge base through core competencies,
2. Articulate and support career pathways,
3. Ensure availability and accessibility of high-quality professional learning supports,
4. Invest in the compensation and overall well-being of early childhood educators, and
5. Track and analyze data to ensure efficacy of efforts.

This year, ECECD is contracting with a consultant to update New Mexico's early childhood common core content and competencies, which Secretary Groginsky said will reflect current research and practice and be embedded into the state's early childhood teacher preparation programs.

In January 2022, ECECD released a career pathways guide, which outlines steps, options, and financial supports for continuing education in early childhood. Secretary Groginsky said the guide features 18 higher education institutions and illustrates a progression that covers six levels of educational certification and degree attainment.

Secretary Groginsky said ECECD also launched a campaign to recruit people into the childcare field, including educator testimonials and links to resources.

To ensure the availability and accessibility of high-quality professional learning supports, ECECD is investing in early childhood educator scholarships and providing nine higher education institutions with grants to achieve early learning program accreditation. Secretary Groginsky said ECECD is also using federal relief funding to award student success grants and state funding to support professional development for all early childhood professionals through an online platform.

Secretary Groginsky said ECECD used federal relief funding to support the competitive pay for professional grant. The agency also incorporated pay parity in FY24 prekindergarten rates, built enhanced compensation into Childcare Assistance rates, and funded a cost study on the Family, Infant, Toddler Program.

In November 2024, ECECD will deploy a professional development information system, which Secretary Groginsky said will provide a digital front door that makes it easy for early childhood professionals to connect to important resources and career opportunities and track their progress over time. The system will also provide insights that strategically guide where to focus resources, policies, and priorities.

To grow a bilingual and indigenous early childhood workforce, ECECD is providing bilingual and indigenous endowment grants and one-time bilingual incentive payments. Secretary Groginsky said the agency also created a bilingual early childhood pathway and implemented language immersion initiatives.

Kate Noble, president and chief executive officer of Growing Up New Mexico, said the nonprofit organization has been providing direct early childhood services in the state for 20 years. Growing Up New Mexico has also worked with the Legislature and executive branch to develop policies that support early childhood education and care in New Mexico.

Ms. Noble said New Mexico has made great strides in early childhood education and care, but its workforce needs to be developed. Growing Up New Mexico recommends the state looks to case studies and best practices and focuses on establishing career pathways in early childhood, with legislation that ensures a durable and secure wage scale for early childhood professionals.

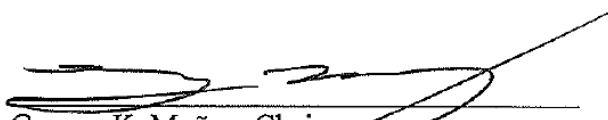
Janell Begay, school readiness and language immersion manager of the Navajo Nation Head Start, said, to meet individual needs of Navajo children and families, Navajo Nation Head Start complies with Head Start Program performance standards, adhering to tribal language preservation and revitalization, Improving Head Start for School Readiness Act of 2007, and Navajo Nation Diné Language Act of 2005.

Ms. Begay said Diné cultural specialists support teachers with implementation of situational Navajo. To promote the Diné language, elders are allowed in the classrooms across the program to speak and model the language through a joint agreement with the Navajo Nation Foster Grandparent Program. Parent and community cultural presentations are provided throughout the school year to support language learning. Diné culture and language specialists meet quarterly with teachers, who are encouraged to enroll into Diné language classes offered by higher education institutions. To ensure progression, Diné culture and language assessments are conducted.

Gwendolyn Wagner, Diné language and culture specialist of Navajo Nation Head Start, provided additional detail on efforts to promote the Diné language in the program.

In response to Representative Herndon, Secretary Groginsky said ECECD's goal is to have 500 indigenous early childhood educators by 2027.

With no further business, the meeting adjourned at 11:03 a.m.


George K. Muñoz, Chairman


Nathan P. Small, Vice Chairman