

**MINUTES  
of the  
SECOND MEETING  
of the  
FEDERAL FUNDING STABILIZATION SUBCOMMITTEE**

**July 1-2, 2025  
State Capitol, Room 307  
Santa Fe**

The second meeting of the Federal Funding Stabilization Subcommittee was called to order by Senator William P. Soules, co-chair, on July 1, 2025 at 9:00 a.m. in Room 307 of the State Capitol in Santa Fe.

**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  
Sen. James G. Townsend  
Sen. Linda M. Trujillo  
Sen. Pat Woods

**Absent**

Sen. George K. Muñoz

**Advisory Members**

Sen. Linda M. López  
Sen. Cindy Nava  
Rep. Reena Szczepanski

Rep. Meredith A. Dixon  
Sen. Shannon D. Pinto

**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](http://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.

**Tuesday, July 1**

**Welcome and Introductions (9:00 a.m.)**

Senator Soules welcomed everyone and subcommittee members introduced themselves.

**Health Care Authority (HCA) Program and Administration Impacts from Federal Actions and Proposals (9:05 a.m.)**

Kari Armijo, secretary, HCA, provided an overview of the mission of the HCA and discussed the potential impact of the 2025 federal budget reconciliation on the agency's operations, particularly with regards to Medicaid. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=7/1/2025&ItemNumber=1>.

**Overview of BeWell New Mexico and Impacts of Federal Policy Proposals on Coverage and Access (11:04 a.m.)**

Sara Fitzgerald, director of policy and compliance, BeWell New Mexico, provided a presentation on BeWell New Mexico and the potential impact of the 2025 federal budget reconciliation on its operations. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=7/1/2025&ItemNumber=2>.

**Impact of Congressional Budget Reconciliation on Medicaid, the Federal Supplemental Nutrition Assistance Program and State Fiscal Policy (1:00 p.m.)**

Brian Wanko, senior legislative director, Budgets and Revenue, State-Federal Relations, National Conference of State Legislatures, provided a presentation on the 2025 federal budget reconciliation's anticipated impacts on Medicaid, the federal Supplemental Nutrition Assistance Program and state fiscal policy. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=7/1/2025&ItemNumber=3>.

**Federal Action and Proposal Impacts on New Mexico Hospitals (1:52 p.m.)**

Troy Clark, president and chief executive officer, New Mexico Hospital Association (NMHA), and Julia Ruetten, senior director, Government Affairs, NMHA, provided a presentation on funding for state hospitals and potential changes to that funding stemming from the proposed 2025 federal budget reconciliation. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=7/1/2025&ItemNumber=4>.

**Approval of Minutes (3:16 p.m.)**

Members of the committee unanimously approved the minutes of the May 28, 2025 meeting.

**Presbyterian Healthcare Services (PHS) Outlook on Federal Changes (3:16 p.m.)**

Holly Muller, senior vice president and system chief nursing officer, PHS, and Todd Oberheu, F.A.C.H.E., chief executive, Lincoln County Medical Center, provided a presentation on PHS generally, the impact of Medicaid rate increases on PHS, the investment of PHS in its workforce and access to care and the potential impacts of federal funding cuts to Medicaid on hospitals in rural New Mexico.

**Recess**

The meeting recessed at 4:13 p.m.

**Wednesday, July 2****Reconvene**

The meeting reconvened at 8:34 a.m.

**Federal Funds Update (8:35 a.m.)**

Charles Sallee, director, Legislative Finance Committee, provided a presentation on the federal budget, revenue and spending generally, budget reconciliation versus the annual budget process and the impact of the 2025 federal budget reconciliation on state fiscal policy. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=7/1/2025&ItemNumber=6>.

**Developments in Federal Grants, Distributions and Transfers (10:08 a.m.)**

Mark Melhoff, acting state controller and acting director, Administrative Services Division, Department of Finance and Administration, provided a presentation on recent developments relating to federal grants, distributions and transfers. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=7/1/2025&ItemNumber=7>.

**Federal Education Issues Update (10:25 a.m.)**

John Sena, director, Legislative Education Study Committee, provided a presentation on developments in federal funding for education. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=7/1/2025&ItemNumber=8>.

**Adjournment**

There being no further business before the subcommittee, the meeting adjourned at 10:58 a.m.