



NEW MEXICO LEGISLATURE

TOBACCO SETTLEMENT
REVENUE OVERSIGHT
COMMITTEE

2024 INTERIM FINAL REPORT

LEGISLATIVE COUNCIL SERVICE
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INTERIM SUMMARY

Tobacco Settlement Revenue Oversight Committee 2024 Interim Summary

New Mexico receives approximately \$30 million to \$40 million annually in tobacco settlement revenue. Pursuant to Section 6-4-9 NMSA 1978, tobacco settlement revenue is distributed to the Tobacco Settlement Permanent Fund (TS Permanent Fund). A distribution of one-half of the annual revenue is made to the Tobacco Settlement Program Fund (TS Program Fund), and one-half of the annual revenue remains in the TS Permanent Fund, which serves as a reserve fund. Annual settlement payments may be subject to challenge through arbitration by participating tobacco manufacturers.

Section 6-4-10 NMSA 1978 requires that money in the TS Program Fund be expended for health and education purposes. Pursuant to Section 2-19-1 NMSA 1978, the Tobacco Settlement Revenue Oversight Committee is required to monitor the use of tobacco settlement revenue, review evaluations of programs receiving funding from tobacco settlement revenue, prepare recommendations for program funding levels for the next fiscal year and make recommendations as necessary for changes in legislation regarding the use of the tobacco settlement revenue.

The committee met three times during the 2024 interim. The committee heard from various recipients of money from the TS Program Fund, including the Health Care Authority and the University of New Mexico. The presentations focused on the work being done through tobacco prevention and cessation interventions for youth and adults. Additionally, the committee heard from advocates for smoking and vaping prevention and cessation, including the American Heart Association, American Cancer Society and Preventing Tobacco Addiction Foundation/Tobacco 21. The committee discussed potential legislation and reviewed tobacco-focused legislation from other states around the country. However, the committee did not consider any legislation for endorsement.

WORK PLAN AND MEETING SCHEDULE

**2024 APPROVED
WORK PLAN AND MEETING SCHEDULE
for the
TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE**

Members

Sen. Martin Hickey, Chair
Rep. Joanne J. Ferrary, Vice Chair
Sen. Linda M. López

Sen. Gregg Schmedes
Rep. Elizabeth "Liz" Thomson
Rep. James G. Townsend

Advisory Members

Rep. Gail Chasey
Sen. Shannon D. Pinto

Rep. Luis M. Terrazas

Approved Work Plan

The Tobacco Settlement Revenue Oversight Committee (TSROC) was established pursuant to Section 2-19-1 NMSA 1978. The TSROC is tasked with monitoring the use of tobacco settlement revenue, reviewing evaluations of programs receiving funding from tobacco settlement revenues and making recommendations for the program funding and for changes in legislation regarding the use of the tobacco settlement revenue.

In addition to its statutory duties, and as time permits, during the 2024 interim, the TSROC will:

- A. discuss outlawing smoking in racinos;
- B. hear testimony on vaping issues, including:
 - 1. how vaping is being handled in other states;
 - 2. who is accountable for enforcement within school districts based on New Mexico laws; and
 - 3. what is the public campaign to inform about vaping;
- C. discuss allowing for the imposition of administrative penalties on the employees of licensees for certain violations of the Tobacco Products Act;
- D. discuss local preemption;
- E. work with the Department of Health to review the Nicotine Use Prevention and Control Program, including:
 - 1. the program's budget;
 - 2. the program's contracts, subcontracts and accountability;

3. how funding is being used and how to meet expectations with funding gaps; and
 4. the program's staffing and vacancies;
- F. explore the creation of a board with members from the Public Education Department, Higher Education Department, Regulation and Licensing Department and state Department of Justice to work on accountability of tobacco-related laws and funding;
 - G. discuss how the committee can assist and support the state Department of Justice in receiving needed funding to continue tobacco litigation efforts;
 - H. revisit increasing taxes on nicotine products;
 - I. hear from the National Conference of State Legislatures, Empowerment and Tobacco Free Kids about effective prevention tactics among youth;
 - J. hear from the University of New Mexico about uses of the tobacco settlement funding disbursed to the university;
 - K. prepare recommendations to the Legislative Finance Committee for program funding levels for fiscal year 2026 based on the committee's program evaluation process; and
 - L. make findings and recommendations, including proposed legislation, available to the legislature as part of the TSROC's final report.

**Tobacco Settlement Revenue Oversight Committee
2024 Approved Meeting Schedule**

<u>Date</u>	<u>Location</u>
June 10	Santa Fe
August 22	Albuquerque
September 17	Mescalero
October 16	Las Cruces
November TBD	Santa Fe

AGENDAS AND MINUTES

**TENTATIVE AGENDA
for the
FIRST MEETING
of the
TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE**

**June 10, 2024
State Capitol, Room 315
Santa Fe**

Monday, June 10

- 10:00 a.m. **Call to Order and Introductions**
—Senator Martin Hickey, Chair
—Representative Joanne J. Ferrary, Vice Chair
- 10:15 a.m. (1) **Tobacco Settlement Funds: Fiscal Update**
—RubyAnn Esquibel, Principal Analyst, Legislative Finance Committee
 (LFC)
—Brendon Gray, Economist, LFC
- 11:00 a.m. **EXECUTIVE SESSION (Closed Meeting): Tobacco Settlement Funds:
Legal Update**
—Julie Meade, Assistant Attorney General, Office of the Attorney General
- 12:30 p.m. **Working Lunch**
(2) **Proposed Interim Work Plan and Meeting Schedule**
—Senator Martin Hickey, Chair
—Representative Joanne J. Ferrary, Vice Chair
- 1:45 p.m. **Public Comment***
- 2:00 p.m. **Adjourn**

*Members of the public may make virtual public comments during the public comment period of the meeting by following the instructions under the "Virtual Public Comment" section of the Tobacco Settlement Revenue Oversight Committee [web page](#).

**MINUTES
of the
FIRST MEETING
of the
TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE**

**June 10, 2024
State Capitol, Room 315
Santa Fe**

The first meeting of the Tobacco Settlement Revenue Oversight Committee was called to order by Senator Martin Hickey, chair, at 10:20 a.m. on June 10, 2024 in Room 315 of the State Capitol in Santa Fe.

Present

Sen. Martin Hickey, Chair
Rep. Joanne J. Ferrary, Vice Chair
Sen. Linda M. López
Rep. Elizabeth "Liz" Thomson

Absent

Sen. Gregg Schmedes
Rep. James G. Townsend

Advisory Members

Sen. Shannon D. Pinto

Rep. Gail Chasey
Rep. Luis M. Terrazas

Staff

Sean Dolan, Staff, Staff Attorney, Legislative Council Service (LCS)
Erika Falance, Staff, LCS

Guests

The guest list is in the meeting file.

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 committee meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and committee discussions for agenda items can be found on the recorded webcast for this meeting.

Monday, June 10

Welcome and Introductions (10:20 a.m.)

Senator Hickey and Representative Ferrary welcomed members of the committee and the public to the meeting, and committee members introduced themselves.

Tobacco Settlement Funds: Fiscal Update (10:24 a.m.)

RubyAnn Esquibel, principal analyst, Legislative Finance Committee (LFC), and Brendon Gray, economist, LFC, provided an update on the financial health of the tobacco settlement funds as well as ideas to grow the funds in future. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=TSROC&Date=6/10/2024&ItemNumber=1>.

EXECUTIVE SESSION (Closed Meeting): Tobacco Settlement Funds: Legal Update (11:29 a.m.)**Proposed Work Plan and Meeting Schedule (12:57 p.m.)**

Committee members offered suggestions for revising the work plan and meeting schedule for the 2024 interim. Upon discussion, the proposed work plan and meeting schedule were approved by the committee. The approved work plan and meeting schedule can be found here:

https://www.nmlegis.gov/Publications/Work_Plans/TSROCworkplan24.pdf.

Public Comment

There was no public comment.

Adjournment

There being no further business before the committee, the meeting adjourned at 1:51 p.m.

Revised: August 21, 2024

**TENTATIVE AGENDA
for the
SECOND MEETING
of the
TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE**

**August 22, 2024
University of New Mexico
Business and Communications Building
Project ECHO Whale/Dolphin Conference Room
1650 University Boulevard NE
Albuquerque**

Thursday, August 22

- 10:00 a.m. **Call to Order and Introductions**
—Senator Martin Hickey, Chair
—Representative Joanne J. Ferrary, Vice Chair
- 10:15 a.m. (1) **University of New Mexico (UNM) Welcome and Funding Overview**
—Rebecca Napier, Chief Financial Officer, UNM Health Sciences Center
 (HSC)
—Yolanda Sanchez, Ph.D., Director, UNM Comprehensive Cancer Center
- 10:45 a.m. (2) **UNM Tobacco Prevention and Cessation Information**
—Randall Starling, Ph.D., Program Manager, Campus Office of Substance
 and Alcohol Prevention, UNM
—Ronica Martinez, M.D., Medical Director, Student Health and
 Counseling, UNM
- 11:15 a.m. (3) **Tobacco Cessation: Medicaid Interventions**
—Alanna Dancis, Chief Medical Officer, Medical Assistance Division,
 Health Care Authority
- 12:00 noon **Lunch**
- 1:00 p.m. (4) **Youth Vaping Data from Across the Country**
—Tammy Hill, Project Manager, Health, National Conference of State
 Legislatures

- 2:30 p.m. (5) **Panel on Statewide Collaboration for Tobacco Prevention, Cessation and Regulation**
—Phillip Sanchez, Director, Alcoholic Beverage Control Division,
Regulation and Licensing Department
—Leisha Ortiz, Chief, Population and Community Health Bureau, Center
for Healthy and Safe Communities, Department of Health (DOH)
—Janis Gonzales, M.D., M.P.H., Director, Center for Healthy and Safe
Communities, DOH
—Anne Marlow-Geter, Deputy Director, Safe and Healthy Schools Bureau,
Public Education Department

4:00 p.m. **Public Comment***

4:15 p.m. **Adjourn**

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**MINUTES
of the
SECOND MEETING
of the
TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE**

**August 22, 2024
University of New Mexico
Business and Communications Building
Project ECHO Whale/Dolphin Conference Room
1650 University Boulevard NE
Albuquerque**

The second meeting of the Tobacco Settlement Revenue Oversight Committee was called to order by Senator Martin Hickey, chair, on August 22, 2024 at 10:15 a.m. at the University of New Mexico (UNM) in Albuquerque.

Present

Sen. Martin Hickey, Chair
Rep. Joanne J. Ferrary, Vice Chair
Sen. Linda M. López
Rep. Elizabeth "Liz" Thomson

Absent

Sen. Gregg Schmedes
Rep. James G. Townsend

Advisory Members

Rep. Gail Chasey

Sen. Shannon D. Pinto
Rep. Luis M. Terrazas

Staff

Sean Dolan, Staff Attorney, Legislative Council Service (LCS)
Erika Falance, Staff, LCS

Guests

The guest list is in the meeting file.

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Thursday, August 22

Welcome and Introductions (10:15 a.m.)

Senator Hickey and Representative Ferrary welcomed members of the committee and the public to the meeting, and committee members introduced themselves.

UNM Welcome and Funding Overview (10:18 a.m.)

Rebecca Napier, chief financial officer, UNM Health Sciences Center, and Yolanda Sanchez, Ph.D., director, UNM Comprehensive Cancer Center, provided an update on how money from the state's tobacco settlement funds are used for UNM health programs to help the residents of New Mexico. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=TSROC&Date=8/22/2024&ItemNumber=1>.

UNM Tobacco Prevention and Cessation Information (11:53 a.m.)

Randall Starling, Ph.D., program manager, Campus Office of Substance and Alcohol Prevention, UNM, and Ronica Martinez, M.D., medical director, Student Health and Counseling, UNM, provided a presentation on tobacco use among UNM students and the resources the university provides for students who want to quit smoking. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=TSROC&Date=8/22/2024&ItemNumber=2>.

Tobacco Cessation: Medicaid Interventions (10:57 a.m.)

Alanna Dancis, chief medical officer, Medical Assistance Division, Health Care Authority, provided an update on Medicaid services to prevent tobacco use, best practices for Medicaid tobacco cessation programs and Turquoise Care interventions currently in practice. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=TSROC&Date=8/22/2024&ItemNumber=3>.

Youth Vaping Data from Across the Country (1:33 p.m.)

Tammy Hill, project manager, Health, National Conference of State Legislatures, provided a presentation on national youth vaping data and trends, state prevention and intervention considerations and studies about tobacco cessation programs' returns on investment. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=TSROC&Date=8/22/2024&ItemNumber=4>.

Panel on Statewide Collaboration for Tobacco Prevention, Cessation and Regulation (2:26 p.m.)

Phillip Sanchez, director, Alcoholic Beverage Control Division, Regulation and Licensing Department; Leisha Ortiz, chief, Population and Community Health Bureau, Center for Healthy and Safe Communities, Department of Health (DOH); Janis Gonzales, M.D., M.P.H., director, Center for Healthy and Safe Communities, DOH; Arya Lamb, director, Policy and Communications Division, DOH; Christopher Harris, marketing director, Policy and Communications Division, DOH; and Anne Marlow-Geter, deputy director, Safe and Healthy Schools Bureau, Public Education Department, provided an update on the current and future plans for the DOH's Nicotine Use Prevention and Control program, enforcement programs within the state and initiatives for schools to prevent tobacco use among students. The committee and panel discussed how these organizations can collaborate in the future to make a greater impact on tobacco prevention and cessation in New Mexico. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=TSROC&Date=8/22/2024&ItemNumber=5>.

Public Comment (4:31 p.m.)

A list of individuals making public comment is available in the meeting file.

Approval of Minutes (4:34 p.m.)

On a motion made, seconded and duly passed, the minutes of the June 10, 2024 meeting were approved.

Motion to Send Letters (4:34 p.m.)

On a motion made, seconded and duly passed, the committee voted to send two letters to the State Department of Justice and the State Board of Finance.

Adjournment

There being no further business before the committee, the meeting adjourned at 4:36 p.m.

Revised: October 10, 2024

**TENTATIVE AGENDA
for the
THIRD MEETING
of the
TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE**

**October 16, 2024
Dona Ana Community College
East Mesa Main Building (DAEM), Room 205/209
2800 Sonoma Ranch Boulevard
Las Cruces**

Wednesday, October 16

- 8:30 a.m. **Call to Order and Introductions**
—Senator Martin Hickey, Chair
—Representative Joanne J. Ferrary, Vice Chair
- 8:35 a.m. **Review and Approval of Minutes**
- 8:40 a.m. (1) **[Indian Affairs Department's Tobacco Cessation and Awareness Program Overview](#)**
—Seth Damon, Deputy Secretary, Indian Affairs Department
—Karmela Martinez, Operations Manager, Indian Affairs Department
- 10:00 a.m. (2) **[Sunland Park Racetrack and Casino](#)**
—Fred Heinrich, General Counsel, Sunland Park Racetrack and Casino
- 11:00 a.m. (3) **[Preventing Tobacco Addiction Foundation/Tobacco 21 Overview](#)**
—Megan Boelter, Western Regional Director, Preventing Tobacco Addiction Foundation/Tobacco 21
- 12:15 p.m. **Public Comment***
- 12:30 p.m. **Adjourn**

*Members of the public may make virtual public comments during the public comment period of the meeting by following the instructions under the "Virtual Public Comment" section of the Tobacco Settlement Revenue Oversight Committee [web page](#).

NOTE: This meeting was canceled.

Revised: November 18, 2024

**TENTATIVE AGENDA
for the
THIRD MEETING
of the
TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE**

**November 18, 2024
State Capitol, Room 309
Santa Fe**

Monday, November 18

- 8:30 a.m. **Call to Order and Introductions**
—Senator Martin Hickey, Chair
—Representative Joanne J. Ferrary, Vice Chair
- 8:45 a.m. (1) **Sunland Park Racetrack and Casino**
—Fred Heinrich, General Counsel, Sunland Park Racetrack and Casino
- 10:00 a.m. (2) **Preventing Tobacco Addiction Foundation/Tobacco 21**
—Megan Boelter, Western Regional Director, Preventing Tobacco
Addiction Foundation/Tobacco 21
- 11:00 a.m. (3) **The American Heart Association and American Cancer Society**
—Mahesh Sita, Director, Government Relations, American Heart
Association
—Linda Siegle, Lobbyist, Cancer Action Network, American Cancer
Society
- 11:15 a.m. (4) **Nicotine Use Prevention and Control Program (NUPAC) and the
Department of Health (DOH)**
—Leisha Ortiz, Chief, Population and Community Health Bureau, Center
for Healthy and Safe Communities, DOH
—Josh Swatek, Policy Manager, DOH
- 12:00 noon **Public Comment***
- 12:05 p.m. **Adjourn**

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**MINUTES
of the
THIRD MEETING
of the
TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE**

**November 18, 2024
State Capitol, Room 309
Santa Fe**

The third meeting of the Tobacco Settlement Revenue Oversight Committee was called to order by Senator Martin Hickey, chair, on November 18, 2024 at 8:48 a.m. in Room 309 of the State Capitol in Santa Fe.

Present

Sen. Martin Hickey, Chair
Rep. Joanne J. Ferrary, Vice Chair
Sen. Linda M. López
Rep. Elizabeth "Liz" Thomson

Absent

Sen. Gregg Schmedes
Rep. James G. Townsend

Advisory Members

Rep. Gail Chasey

Sen. Shannon D. Pinto
Rep. Luis M. Terrazas

Staff

Sean Dolan, Staff Attorney, Legislative Council Service (LCS)
Erin Bond, Researcher, LCS

Minutes Approval

Because the committee will not meet again this year, the minutes for this meeting have not been officially approved by the committee.

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file and are 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 committee meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and committee discussions for agenda items can be found on the recorded webcast for this meeting.

Monday, November 18

Welcome and Introductions (8:48 a.m.)

Senator Hickey welcomed everyone and asked committee members to introduce themselves.

Sunland Park Racetrack and Casino (8:30 a.m.)

Fred Heinrich, general counsel, Sunland Park Racetrack and Casino, presented on racetracks in the state and the impact any indoor smoking bans would have on their operation. Mr. Heinrich engaged in a conversation with the committee members about the reasons behind the impacts and spoke about potential solutions.

Preventing Tobacco Addiction Foundation/Tobacco 21 (9:32 a.m.)

Megan Boelter, western regional director, Preventing Tobacco Addiction Foundation/Tobacco 21, presented legislation from around the nation regarding the registration of vapes and vape products and discussed potential loopholes in the legislation. The committee asked various questions regarding the feasibility and effectiveness of the state's legislation. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=TSROC&Date=11/18/2024&ItemNumber=2>.

The American Heart Association and American Cancer Society (10:55 a.m.)

Mahesh Sita, director, Government Relations, American Heart Association, and Linda Siegle, lobbyist, Cancer Action Network, American Cancer Society, briefly presented what their respective organizations would like to see focused on in the upcoming legislative session, including vaping, tobacco taxes and administration of tobacco funds.

Nicotine Use Prevention and Control Program and the Department of Health (DOH) (11:14 a.m.)

Leisha Ortiz, chief, Population and Community Health Bureau, Center for Healthy and Safe Communities, DOH, and Josh Swatek, policy manager, DOH, presented the DOH's funding requests for the upcoming fiscal year and answered questions regarding how funding has been used in the past, how funding might be used in the future and whether more funding is needed. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=TSROC&Date=11/18/2024&ItemNumber=4>.

Approval of Minutes (12:04 p.m.)

The committee unanimously approved the minutes of the August 22, 2024 meeting.

Public Comment (12:07 p.m.)

A list of individuals who made public comment is available in the meeting file.

Adjournment

There being no further business before the committee, the meeting adjourned at 12:12 p.m.



LEGISLATIVE COUNCIL SERVICE
SANTA FE, NEW MEXICO