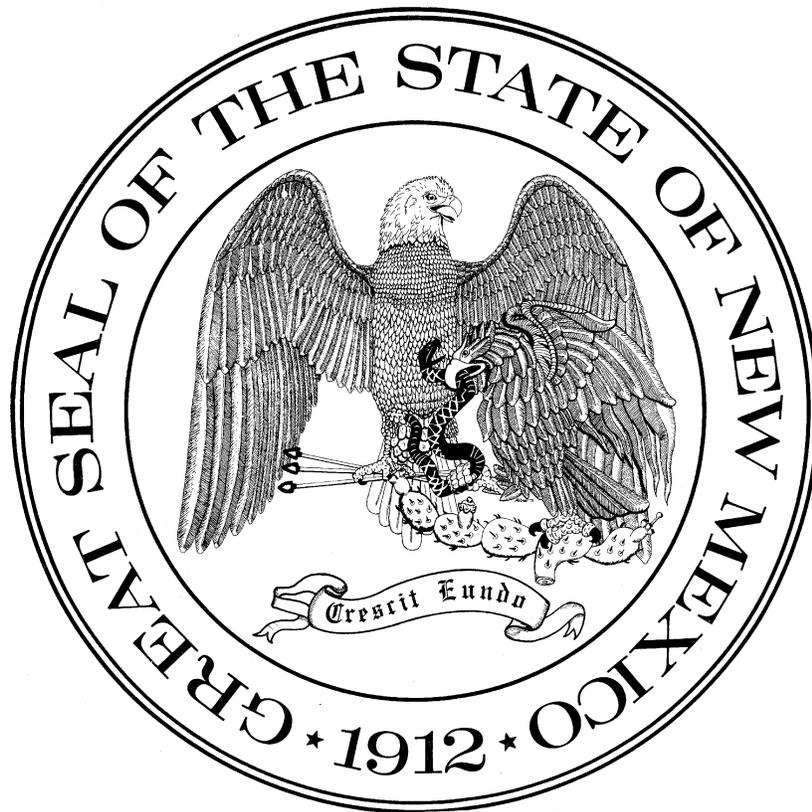


MILITARY AND VETERANS' AFFAIRS COMMITTEE

2014 INTERIM FINAL REPORT



**New Mexico Legislative Council Service
Santa Fe, New Mexico
February 2015**

MILITARY AND VETERANS' AFFAIRS COMMITTEE
2014 INTERIM FINAL REPORT
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INTERIM SUMMARY

MILITARY AND VETERANS' AFFAIRS COMMITTEE 2014 SUMMARY

The Military and Veterans' Affairs Committee (MVAC) was originally created by statute for the 2009 interim and then permanently reauthorized during the Forty-Ninth Legislature, Second Session. Pursuant to Section 2-20-2 NMSA 1978, the MVAC holds hearings in several geographically dispersed areas of the state and hears issues related to military issues and veterans. The MVAC is also tasked with making legislative recommendations to Congress and regulatory recommendations to the United States Department of Veterans Affairs and the United States Department of Defense.

In fulfillment of its statutory duties, the MVAC held six meetings during the 2014 interim, in Santa Fe, Silver City, Gallup, Albuquerque and Angel Fire, and met jointly with the Indian Affairs Committee.

At its initial meeting, the MVAC developed a work plan, later approved by the New Mexico Legislative Council, that identified numerous military and veterans issues of concern.

The committee met jointly with the Indian Affairs Committee in July to discuss delivery of health care to veterans, particularly Native American veterans.

During the 2013 interim, the committee heard from a number of interested parties regarding the various impacts of the proposed SunZia Southwest Transmission Project. Disagreement over a portion of the route for two bi-directional extra-high-voltage electric transmission lines stalled the project until early 2014. Concerns were raised regarding the portion of the route that crosses White Sands Missile Range (WSMR), and a compromise was reached to bury part of the lines to avoid interfering with WSMR's operations. Representatives from the project briefed the committee on the compromise in August.

The committee also heard from several parties regarding treatment of posttraumatic stress disorder. There were presentations on the use of naprapathy, virtual reality, equine-assisted growth learning events, embodied restorying processes and medical marijuana. The committee also heard from the Department of Health regarding proposed medical marijuana rule changes and the potential effect of those changes on the ability of veterans to access medical marijuana.

In September, the committee received testimony from Brigadier General Andrew E. Salas, adjutant general, National Guard of New Mexico, regarding the development of the State Defense Force to assist with emergency response, conduct military honors at funerals and help with veterans' programs. The committee raised some concerns about the State Defense Force, and General Salas returned in November to address those concerns.

The committee also received testimony regarding cleanup of the jet fuel spill at Kirtland Air Force Base from the New Mexico Department of Environment, Kirtland Air Force Base and concerned individuals.

Several organizations that either provide services to veterans or attempt to connect veterans with services such as health care, legal aid, housing assistance and housing rehabilitation also made presentations to the committee.

The Veterans' Services Department, led by Secretary of Veterans' Services Timothy L. Hale and Deputy Secretary of Veterans' Services Alan Martinez, and the Office of Military Base Planning and Support, led by Hanson Scott, were instrumental in outlining critical issues and securing experts and stakeholders to make presentations before the committee.

Finally, the committee endorsed three pieces of legislation for the 2015 legislative session.

**APPROVED WORK PLAN AND
MEETING SCHEDULE**

**2014 APPROVED
WORK PLAN AND MEETING SCHEDULE
for the
MILITARY AND VETERANS' AFFAIRS COMMITTEE**

Members

Sen. Richard C. Martinez, Co-Chair	Rep. Dianne Miller Hamilton
Rep. Rodolpho "Rudy" S. Martinez, Co-Chair	Sen. Daniel A. Ivey-Soto
Sen. William F. Burt	Sen. William H. Payne
Rep. Nathan "Nate" Cote	Rep. Bob Wooley

Advisory Members

Rep. Eliseo Lee Alcon	Sen. Timothy M. Keller
Rep. Thomas A. Anderson	Sen. John Pinto
Sen. Craig W. Brandt	Sen. Cliff R. Pirtle
Sen. Carlos R. Cisneros	Rep. Dennis J. Roch
Rep. George Dodge, Jr.	Rep. Edward C. Sandoval
Rep. Yvette Herrell	Rep. Jeff Steinborn

Work Plan

The Military and Veterans' Affairs Committee was first created by statute for the 2009 interim. The committee was permanently reauthorized by statute during the 2010 regular legislative session. The committee has various statutory duties, including making an annual report; recommending any necessary legislation to the next session of the legislature; and requesting necessary action to the United States Congress, the United States Department of Veterans Affairs and the United States Department of Defense. The committee is required to conduct meetings in several geographically dispersed areas of the state and to conduct hearings relating to military issues and veterans' issues.

During the 2014 interim, as time permits, the Military and Veterans' Affairs Committee proposes to:

1. assess the oversight, implementation and effectiveness of the resident veteran-owned business preference in state purchases;
2. examine issues related to access to health care, including the United States Veterans Health Administration hospitals and wait lists for doctor appointments, including perspectives from veterans' service organizations;
3. receive testimony regarding health care delivery systems for military personnel and veterans, including partnerships among the Veterans' Services Department, Department of Health, Indian Health Service and federal Bureau of Indian Affairs;
4. explore support and treatment options for veterans and military personnel with posttraumatic stress disorder and traumatic brain injury, including alternative treatment options

and their availability in various areas of the state;

5. receive an update on the military base realignment and closure process;
6. examine requirements for veterans' cemeteries;
7. receive testimony pertaining to education opportunities and outreach to veteran students offered by state educational institutions and public community colleges;
8. examine options for the prevention of homelessness and support for homeless veterans in areas throughout the state;
9. receive testimony regarding jobs and business opportunities for veterans, including the veteran employment tax credit and incubator programs;
10. receive an update on the SunZia transmission line project;
11. study long-term care options for veterans;
12. receive testimony regarding potential consolidation of National Guard armories;
13. study potential clarification of the veteran property tax exemption;
14. receive testimony regarding proposed Department of Health changes to medical marijuana rules, particularly as they relate to veterans; and
15. study remediation of the fuel spill at Kirtland Air Force Base.

**Military and Veterans' Affairs Committee
2014 Approved Meeting Schedule**

<u>Date</u>	<u>Location</u>
June 18	Santa Fe
July 16	Gallup (joint meeting with Indian Affairs Committee)
August 25	Silver City
September 22	Albuquerque
October 29	Angel Fire
November 17	Santa Fe

AGENDAS

**TENTATIVE AGENDA
for the
FIRST MEETING
of the
MILITARY AND VETERANS' AFFAIRS COMMITTEE**

**June 18, 2014
Room 307, State Capitol
Santa Fe**

Wednesday, June 18

- 10:00 a.m. **Call to Order**
- 10:05 a.m. (1) [Military and Veterans' Affairs Committee — 2014 Session](#)
—Jeret Fleetwood, Researcher, Legislative Council Service
- 10:30 a.m. (2) [Veterans' Services Department \(VSD\) — Overview](#)
—Alan Martinez, Deputy Secretary, VSD
- 12:00 noon **Lunch**
- 1:00 p.m. (3) [2014 Work Plan, Meeting Schedule and Itinerary](#)
—Committee Members
- 2:00 p.m. (4) [Office of Military Base Planning and Support](#)
—Hanson Scott, Director, Office of Military Base Planning and Support
- 3:00 p.m. **Adjourn**

**TENTATIVE AGENDA
for the
SECOND MEETING
of the
MILITARY AND VETERANS' AFFAIRS COMMITTEE**

**July 16, 2014
University of New Mexico-Gallup**

**Wednesday, July 16 — Joint Meeting with the Indian Affairs Committee, Gallup,
UNM-Gallup, Room 200**

- 9:00 a.m. **Call to Order**
—Representative Rodolpho "Rudy" S. Martinez and Senator Richard C. Martinez, Co-Chairs, Military and Veterans' Affairs Committee
—Senator John Pinto and Representative Sandra D. Jeff, Co-Chairs, Indian Affairs Committee
- 9:05 a.m. (1) **[Health Care for Native American Veterans](#)**
—Mike Nuñez, Interim Chief Executive Officer (CEO), New Mexico Health Insurance Exchange (NMHIX)
—Teresa Gomez, Board of Directors, Native American Standing Committee, NMHIX
—Scott J. Atole, Native American Coordinator, NMHX
—Representative, New Mexico Veterans Affairs Health Care System, United States Department of Veterans Affairs
—Anslem Roanhorse, CEO, Crownpoint Health Care Facility, Indian Health Service, United States Department of Health and Human Services
- 12:00 noon **Lunch**
- 1:00 p.m. (2) **[Critical Issues for Providers on Homeless Veterans](#)**
—Teddy Nez, Homeless Vietnam Veterans
- 2:00 p.m. (3) **[Update on Veterans Helping Veterans](#)**
—David Cuellar, Founder, Veterans Helping Veterans
- 3:00 p.m. **Public Comment**
- 4:00 p.m. **Adjourn**

Revised: August 21, 2014

**TENTATIVE AGENDA
for the
THIRD MEETING
of the
MILITARY AND VETERANS' AFFAIRS COMMITTEE**

**August 25, 2014
Grant County Business and Conference Center
Silver City**

Monday, August 25

- 9:00 a.m. **Call to Order/ Welcome**
- 9:15 a.m. (1) **Grant County Veteran Health Issues**
—Chris DeBolt, Director, Grant County Community Health Council
- 10:00 a.m. (2) **Update on SunZia Transmission Line Project**
—Tom Wray, SunZia Transmission Line Project
—Daniel C. Hicks, Chief of Staff, White Sands Missile Range
- 11:30 a.m. (3) **Rural Transportation for Veterans**
—Timothy L. Hale, Secretary, Veterans' Services Department
- 12:30 p.m. (4) **Working Lunch/ Low-Income Veteran Home Repair and Home Modification**
—Rose Garcia, Executive Director, Tierra del Sol Housing Corporation
—Mike Rudloff, Housing Rehabilitation Program Manager, Tierra del Sol Housing Corporation
- 1:30 p.m. (5) **Western New Mexico University Veteran Outreach and Research**
—Dr. Joseph Shepard, President, Western New Mexico University
- 2:30 p.m. (6) **Storefront Small Lending Update**
—Steve Fischmann, New Mexico Fair Lending Coalition
- 3:30 p.m. (7) **New Mexico State Veterans' Home Update**
—Lori S. Montgomery, Administrator, New Mexico State Veterans' Home
- 4:00 p.m. (8) **Naprapathy for Treatment of Posttraumatic Stress Disorder**
—Dr. Patrick Nuzzo
- 5:00 p.m. **Adjourn**

Revised: September 18, 2014

**TENTATIVE AGENDA
for the
FOURTH MEETING
of the
MILITARY AND VETERANS' AFFAIRS COMMITTEE**

**September 22, 2014
Science and Technology Park
University of New Mexico
Albuquerque**

Monday, September 22

- 9:00 a.m. **Call to Order/Welcome**
—Amy Wohlert, Chief of Staff, Office of the President, University of New Mexico (UNM)
- 9:15 a.m. (1) **Update on National Guard Armories**
—Brigadier General Andrew E. Salas, Adjutant General, New Mexico National Guard
- 10:30 a.m. (2) **Clarification of Veterans' Property Tax Exemption**
—Damian Lara, Deputy Assessor, Bernalillo County Assessor's Office
- 11:30 a.m. (3) **Developing a Veteran-Focused Campus**
—Marilyn M. Dykman, U.S.C.G. Ret., Director, UNM Veterans Resource Center
- 12:15 p.m. (4) **Working Lunch/New Mexico Center for Energy Workforce Development Consortia — Troops to Energy Initiative**
—Paul Sanchez, Public Service Company of New Mexico (PNM) Resources, Inc.
—Julie McCabe, PNM Resources, Inc.
—Chris Monette, New Mexico Gas Company
—Sherry Garcia, Tri-State Generation and Transmission Association, Inc.
- 1:00 p.m. (5) **New Mexico State University Veteran-Specific Education Programs**
—Dr. David Boje, Professor, New Mexico State University

- 1:45 p.m. (6) [Kirtland Air Force Base Jet Fuel Spill Cleanup](#)
—Ryan C. Flynn, Secretary, Department of Environment (NMED)
—Tom Blaine, Director, Environmental Health Division, NMED
—Colonel Dennis A. Haught, Commander, 377th Mission Support Group,
Kirtland Air Force Base
—Jim McKay, Citizen Action New Mexico

4:00 p.m. **Adjourn**

Revised: November 13, 2014

**TENTATIVE AGENDA
for the
SIXTH MEETING
of the
MILITARY AND VETERANS' AFFAIRS COMMITTEE**

**November 17, 2014
Room 309, State Capitol
Santa Fe**

Monday, November 17

- 9:00 a.m. **Call to Order**
- 9:05 a.m. (1) **[Veteran Cemetery Requirements](#)**
 —George Eisenbach, Director, Veterans Cemetery Grants Program, U.S.
 Department of Veterans Affairs
- 10:00 a.m. (2) **[Veterans' Procurement Preference Assessment — House Memorial 1 \(2014\)](#)**
 —Alan Martinez, Deputy Secretary, Veterans' Services Department
- 11:00 a.m. (3) **[Update on New Mexico National Guard State Defense Force](#)**
 —Brigadier General Andrew E. Salas, Adjutant General, New Mexico
 National Guard
- 12:00 noon **Lunch**
- 1:00 p.m. (4) **[Goodwill Homeless Veteran Integration Program](#)**
 —Sesha Lee, Goodwill Industries of New Mexico
- 2:00 p.m. (5) **[Disabled American Veteran Equipment and Services \(DAVES\) Program](#)**
 —Rudy C de Baca, Director, DAVES
- 3:00 p.m. (6) **[Consideration of Legislation for Endorsement](#)**
 —Virtual Reality for Treatment of Posttraumatic Stress Disorder
 —Low-Income Veteran Home Repair and Home Modification
 —USS *New Mexico* Special Appropriation
- 4:00 p.m. (7) **[Naprathy for Treatment of Posttraumatic Stress Disorder](#)**
 —Dr. Patrick Nuzzo
- 4:30 p.m. **Adjourn**

MINUTES

**MINUTES
of the
FIRST MEETING
of the
MILITARY AND VETERANS' AFFAIRS COMMITTEE**

**June 18, 2014
Room 307, State Capitol
Santa Fe**

The first meeting of the Military and Veterans' Affairs Committee was called to order by Representative Rodolpho "Rudy" S. Martinez, co-chair, on June 18, 2014 at 10:10 a.m. in Room 307 of the State Capitol in Santa Fe.

Present

Sen. Richard C. Martinez, Co-Chair
Rep. Rodolpho "Rudy" S. Martinez,
Co-Chair
Sen. William H. Payne

Absent

Sen. William F. Burt
Rep. Nathan "Nate" Cote
Rep. Dianne Miller Hamilton
Sen. Daniel A. Ivey-Soto
Rep. Bob Wooley

Advisory Members

Rep. Eliseo Lee Alcon
Rep. Thomas A. Anderson
Sen. Craig W. Brandt
Sen. Carlos R. Cisneros
Rep. Dennis J. Roch
Rep. Edward C. Sandoval

Rep. George Dodge, Jr.
Rep. Yvette Herrell
Sen. Timothy M. Keller
Sen. John Pinto
Sen. Cliff R. Pirtle
Rep. Jeff Steinborn

Membership Note

Senator Brandt and Representative Alcon were appointed by the speaker of the house and the president pro tempore of the senate to serve as voting members during the meeting.

Staff

Jeret Fleetwood, Researcher, Legislative Council Service (LCS)
Peter Kovnat, Staff Attorney, LCS
Kathleen Dexter, Researcher, LCS

Guests

The guest list is in the meeting file.

Handouts

Copies of all handouts and other written testimony are in the meeting file.

Wednesday, June 18

Military and Veterans' Affairs Committee — 2014 Session

Mr. Fleetwood reviewed the two pieces of legislation endorsed by the committee for the 2014 legislative session. Senate Judiciary Committee Substitute for Senate Bill 130, which enacts the Service Member Child Custody Act, was passed and signed into law after several unsuccessful attempts in previous years. House Memorial 1, which was also passed and signed, requests that the committee assess the oversight, implementation and effectiveness of the state's resident veteran-owned business preference in state purchases. The topic is included in the committee's work plan for the 2014 interim.

Veterans' Services Department (VSD) Overview

Timothy L. Hale and Alan Martinez, secretary and deputy secretary, respectively, of the VSD, gave an overview of the department's work. Grant applications have been submitted to the federal Department of Veterans Affairs (VA) for veterans' cemeteries in Gallup, Angel Fire, Carlsbad and Fort Stanton. Tom Wagner, a former VSD employee, is managing the applications, and the VA will issue its final prioritized list for cemeteries in October or November. The VSD recently published a pocket-sized guide to benefits and services available to veterans and is distributing the guides statewide. Many veterans have been in contact with the VSD following the recent revelation of problems in the VA health care system, and the department is working with the interim director of the Albuquerque VA hospital, which is itself under scrutiny, to address the veterans' concerns.

The VSD is currently focusing its efforts on the following issues:

- a military retirement income tax deduction;
- veterans' business incubators;
- student veteran outreach via veterans' centers at post-secondary institutions;
- a veterans' cemetery income tax donation check-off — donations would go to long-term care and upkeep, which is not covered by VA funding;
- expansion of the veteran court system — the program puts veterans on probation so that they can retain their military benefits;
- the veteran small business bridge loan program;
- veterans' property tax clarification and real-time reporting — some veterans who are exempt from paying property taxes have mistakenly assumed that this exemption waives all fee obligations imposed by local governments and districts; some veterans who have sold their property have been held liable for property taxes after the sale because property tax information is not updated in real time; and
- long-term care for veterans — an eight-fold increase in veterans needing long-term care is projected in the next decade.

On questioning, the presenters and committee members addressed the following topics.

Health care. The VA violates federal law by not seeing certain patients every three months as required. One solution to this lack of care would be to allow veterans to receive health care outside the VA system. The VA is expanding its telehealth system to address a shortage of services in rural areas of New Mexico.

Concerning the use of medical marijuana, the VSD is not currently engaged with the Department of Health's (DOH's) medical marijuana program and is waiting to see the VA's research on use of cannabis for treating posttraumatic stress disorder in veterans.

The Board of Nursing Home Administrators is considering ways to expand long-term care services for veterans in state facilities. The VA provided 65 percent of the cost of expanding the Truth or Consequences facility, but further grant funding is no longer available. Veterans who also worked as miners qualify for health care through the Miners' Hospital of New Mexico in Raton.

Veterans' cemeteries. The governor wants to apply for VA funding for new cemeteries in addition to the current four. The original design for the Fort Stanton cemetery has been reduced in size, and the design for the Gallup cemetery is in progress. The VSD will provide the VA veterans' cemetery standards to interested communities, such as Taos County, which has allocated funding and property for a cemetery.

Income tax exemption. Legislation to enact an income tax exemption for military retirement pay, to be phased in over four years, failed to pass in the 2014 session, in part because of concerns about its immediate effect on the state's budget. The VSD has contracted for a fiscal impact study on such an exemption. Some veterans and businesses have located elsewhere because New Mexico does not have an exemption.

Veterans' services. New Mexico's system of providing services to veterans has room to improve, compared to states such as Texas and Arizona, which provide veterans' cemeteries and long-term care facilities statewide, and Maryland and Illinois, which send doctors and nurses to provide health care to veterans in rural areas.

Higher education. Entry-level qualification standards at New Mexico State University have recently increased, which negatively affects veterans. Other state institutions may increase qualification standards as well.

Veterans' Enterprise Fund. The fund receives money via the income tax refund check-off. If money from the fund is allocated to a VA cemetery, such as the one at Fort Bayard, the state would be subsidizing a federal facility.

Veteran small business bridge loans. Doctors are not currently eligible for loans through the program, and this makes recruitment of doctors especially difficult.

Fisher House. The VSD is working to find a person or nonprofit organization to serve as the fundraising entity for the planned Fisher House Foundation facility, which will cost \$3 million to build.

As follow-up to the discussion:

- ★ committee staff will research how "property tax" is defined in New Mexico statute;
- ★ Secretary Hale will:
 1. provide information on the VA screening and education program for veterans who have been exposed to depleted uranium and other toxic substances, including the VA's tracking of those veterans;
 2. provide information on the VA's home health care program for veterans with service-connected disabilities; and
 3. meet with Pacific Dental Services regarding pro bono dental services at stand-down events; and
- ★ Deputy Secretary Martinez will:
 1. meet with the VA director for community clinics regarding open positions at VA clinics and prioritizing phone calls over patients in the clinic; and
 2. ask the Indian Health Service to make a presentation on its memorandum of understanding with the VA regarding health care for Native American veterans.

2014 Work Plan, Meeting Schedule and Itinerary

Mr. Fleetwood presented the committee's proposed work plan and meeting schedule for the interim. In discussion, committee members requested that the work plan include presentations:

- on the DOH's proposed rule changes for the medical marijuana program;
- on an income tax exemption for military retirement pay;
- on clarification of veterans' property tax issues;
- from veterans' service organizations on problems veterans are having with the VA;
- on the fuel spill at Kirtland Air Force Base (AFB); and
- from Brigadier General Andrew E. Salas, adjutant general, New Mexico National Guard (NMNG), on how military reductions are affecting NMNG installations around the state.

Committee members also requested that the meeting on August 25 be held in Silver City; on September 22 in Albuquerque; and on October 29 in Angel Fire. On a motion by Senator Payne, seconded by Senator Brandt, the committee unanimously adopted the proposed work plan and meeting schedule, with changes.

Office of Military Base Planning and Support (OMBPS) Update

Hanson Scott, director of the OMBPS, and Tony Strati, chair of the Military Base Planning Commission, gave an update on initiatives in the state's military base planning program and conditions at the federal level that have an effect on New Mexico's military installations. Sequestration-level budget reductions at the federal Department of Defense (DOD) that were suspended for two years will resume in fiscal year 2016. This may result in major reductions in force and personnel, with personnel reductions handled through voluntary separations and retirements to the extent possible. The federal Office of the Secretary of Defense, the U.S. Army and the U.S. Air Force have requested another round of base closures in 2017 to bring the DOD's current excessive infrastructure in line with its reduced force structure, but Congress does not support the idea. The Military Base Planning Commission was instrumental in preserving Kirtland AFB and Cannon AFB when those bases were at risk in previous base-closure rounds.

Holloman AFB's transition to an F-16 program continues, with successful cooperation between the base and White Sands Missile Range (WSMR). The legislature reauthorized an appropriation to the OMBPS to purchase, in conjunction with Curry County, land and water rights for land adjacent to Cannon AFB, with the expenditure period extended through fiscal year 2016. The southern New Mexico/El Paso joint land use study is developing strategies and recommendations, though communities in Otero County have raised concerns and the study's regional planning organization has undergone some political and cultural changes. A recent compromise reached on the SunZia renewable energy transmission project calls for five miles of the transmission line to be buried where it crosses the WSMR northern extension area.

The OMBPS recently published *In Defense of the Nation*, a booklet detailing the value of New Mexico's military installations and their annual impact on the state's economy, estimated at \$10 billion. The booklet's publication was funded by the legislature in 2013.

On questioning, the presenters and committee members addressed the following topics.

WSMR and SunZia. Test flights out of WSMR are not affected by recent wilderness designations in the area, though they would be affected by the SunZia energy transmission line project. The committee heard a presentation from SunZia in 2013 that included the cost of an earlier proposal to bury more than 30 miles of the transmission line. The governor prefers that the transmission line be moved or that 35 miles of the line be buried.

NMNG. The DOD's reductions have affected the NMNG and have prompted closure of some armories and facilities around the state.

- ★ As follow-up to the discussion, committee staff will research the principals in and financing behind SunZia.

Public Comment

Jessica Gelay, policy coordinator, Drug Policy Alliance, expressed concern over the

DOH's proposed rule changes for the medical marijuana program and how such changes would negatively affect veterans.

- ★ As follow-up to the discussion, committee staff will draft a letter, for committee review, to the New Mexico congressional delegation inquiring whether any United States Congress members plan to introduce legislation to remove cannabis from the Schedule I category of the federal Controlled Substances Act.

Adjournment

The committee adjourned at 2:10 p.m.

**MINUTES
of the
SECOND MEETING
of the
MILITARY AND VETERANS' AFFAIRS COMMITTEE**

**July 16, 2014
Science and Technology Center, Room 200
University of New Mexico-Gallup**

The second meeting of the Military and Veterans' Affairs Committee, which was held as a joint meeting with the Indian Affairs Committee, was called to order by Representative Rodolpho "Rudy" S. Martinez, co-chair, on July 16, 2014 at 9:20 a.m. in Room 200 of the Science and Technology Center at the Gallup branch campus of the University of New Mexico (UNM).

Present

Rep. Rodolpho "Rudy" S. Martinez,
Co-Chair
Sen. Richard C. Martinez, Co-Chair
Rep. Nathan "Nate" Cote
Rep. Bob Wooley

Absent

Sen. William F. Burt
Rep. Dianne Miller Hamilton
Sen. Daniel A. Ivey-Soto
Sen. William H. Payne

Advisory Members

Rep. Eliseo Lee Alcon
Rep. Thomas A. Anderson
Sen. Carlos R. Cisneros
Sen. Cliff R. Pirtle
Rep. Jeff Steinborn

Sen. Craig W. Brandt
Rep. George Dodge, Jr.
Rep. Yvette Herrell
Sen. Timothy M. Keller
Sen. John Pinto
Rep. Dennis J. Roch
Rep. Edward C. Sandoval

Membership Note

Senator Pirtle was appointed by the president pro tempore of the senate to serve as a voting member of the Military and Veterans' Affairs Committee during the meeting.

Staff

Jeret Fleetwood, Researcher, Legislative Council Service (LCS)
Peter Kovnat, Staff Attorney, LCS
Kathleen Dexter, Researcher, LCS

Guests

The guest list is in the meeting file.

Handouts

Copies of all handouts and other written testimony are in the meeting file.

Wednesday, July 16

Welcome

Christopher Dyer, Ph.D., executive director, UNM-Gallup, welcomed the committees and explained various initiatives on the campus that benefit Native American and veteran students. The school administration actively recruits students from the Navajo Nation, and the campus' diverse population is reflected in the 14 languages other than English that are spoken by students. A veterans' center will open in the fall semester on campus, with counseling services provided at the center through a collaborative effort with Western New Mexico University. Included among the campus' veteran-specific projects are a program that incorporates gardening as part of treatment for posttraumatic stress disorder (PTSD) and a work force development initiative, in collaboration with a national nonprofit organization, that helps veterans access federal grants.

On questioning, Dr. Dyer was joined by Mathew Muñoz, government relations specialist, UNM, and Calvert Curley, field representative for United States Senator Tom Udall, to clarify that:

- there are veterans' centers on UNM's main campus in Albuquerque and its branch campus in Taos;
- UNM-Gallup conducts outreach in rural communities and collaborates with local veterans organizations such as Veterans Helping Veterans; and
- Senator Udall's office is working with UNM-Gallup, the federal Department of Veterans Affairs (VA) hospital and VA clinics to develop and expand programs for veterans.

LoRenzo Bates, speaker pro tem of the Twenty-Second Navajo Nation Council, and Leonard Tsosie, former New Mexico legislator and current Navajo Nation Council delegate, also welcomed the committees and thanked legislators and the governor for recent highway funding and firefighting support. They urged committee members to revise the state's one-size-fits-all approach to gaming compacts; address double taxation of mining operations on Navajo land; and revisit provisions from a vetoed 2014 bill concerning school transportation for Native American students.

Health Care for Native American Veterans

Jason Sandel, New Mexico Health Insurance Exchange (NMHIX) board member; Scott J. Atole, Native American coordinator, NMHIX; Jim Toya, American Indian veterans program coordinator, New Mexico VA health care system; Anslem Roanhorse, chief executive officer, Crownpoint health care facility, Indian Health Service (IHS); and Leonard Thomas, M.D., chief medical officer, Albuquerque Area IHS, gave presentations on health care issues for Native American veterans as addressed by their respective agencies.

The NMHIX, which was created in law in 2013, serves as a central point of contact for individuals and businesses seeking health care coverage under the federal Patient Protection and Affordable Care Act (ACA). To date, the NMHIX has operated via the federal exchange; in late July, however, the NMHIX board will decide whether to continue operating through the federal exchange or to activate the state's own exchange and web site in November. If the state hosts its own exchange, everyone who signed up for coverage through the federal exchange in the last year will be disenrolled from their coverage and will need to re-enroll through the NMHIX.

Native Americans are not required under the ACA to obtain health coverage, though the NMHIX has been encouraging them to enroll, in part because the services they receive through the IHS are not considered "qualified coverage" under the ACA. This lack of standing as qualified coverage, which is currently under review by the NMHIX board, puts businesses that employ Native Americans at risk of violating the ACA's minimum coverage requirements. As part of its efforts to inform and enroll Native Americans, the exchange has established a Native American outreach network that includes Native American Professional Parent Resources, Incorporated (NAPPR), which sends health care guides into tribal communities to explain health care options.

Veterans are also not required to obtain health insurance under the ACA because VA coverage is considered qualified coverage, though veterans may enroll in private coverage through the NMHIX if they choose. Veterans' family members, however, generally are not covered by the VA or its associated programs and may obtain coverage through the NMHIX.

Native Americans who are veterans are eligible for services under both the IHS and the VA; however, the two systems have not historically shared health care information or worked smoothly in tandem. A recent memorandum of understanding between the two agencies incorporates several objectives aimed at correcting these and other problems, including reimbursement to the IHS for services provided to Native American veterans — a critical issue because the IHS is underfunded by nearly one-half. The VA is now training IHS personnel to identify veterans and steer them into the VA system and training tribal representatives to conduct outreach in rural communities. The Navajo Area IHS system is working with the NMHIX to implement the ACA and has received inquiries lately regarding private health coverage and Medicaid enrollment. Native Americans who remain in the IHS system have access to certain culturally sensitive programs, including a program that incorporates traditional healing to help veterans reintegrate following deployment.

On questioning, the presenters, committee members and Alan Martinez, deputy secretary of veterans' services, who spoke from the audience on invitation of the chairs, addressed the following topics.

Medicaid. A Native American veteran whose income is no more than 138% of the federal poverty level (FPL) qualifies for Medicaid. Anyone whose income exceeds 138% of the FPL but is less than 400% of the FPL qualifies for a subsidy to purchase private health insurance.

Albuquerque Area IHS. The Albuquerque Area IHS currently serves 86,000 patients from 27 tribes on a budget of \$4.4 billion, which is approximately 60% of the agency's need. To fill the budget gap, the agency is increasingly going after reimbursement from the VA, Medicaid and Medicare and encouraging eligible patients to enroll for services in those systems.

VA-IHS interaction and collaboration. Not all services provided by the IHS qualify for VA reimbursement, and some services are not available through either the IHS or the VA — patients are referred elsewhere for those. The VA makes certain loans to the IHS, such as a loan in 2005 for purchasing x-ray equipment. The IHS and VA jointly host an annual symposium for veterans regarding benefits; this year's symposium will be held on November 16.

PTSD, behavioral health and substance abuse treatment. The VA is focusing on new approaches to PTSD treatment for veterans, including traditional healing. The VA trains tribal first responders and providers to recognize signs of PTSD and will soon expand the training to family members. PTSD treatment and other behavioral health services are available to varying degrees in all plans offered through the NMHIX, and certain behavioral health services are available through the VA to veterans' family members.

Health care guides. NAPPR currently employs 30 health care guides to help Native Americans enroll in the NMHIX and is in the process of hiring 50 additional guides, all of whom speak Navajo, to begin working on the Navajo Nation in August. The guides are trained to explain all choices available — private insurance, VA, IHS, Medicaid and Medicare.

NMHIX enrollment. The goal for the NMHIX initial enrollment period in the winter of 2013-2014 was 84,000; actual enrollment for that period was 34,000. Veterans are not restricted to the exchange's open enrollment period and may enroll at any time during the year. Native American enrollment outreach efforts cover urban as well as tribal areas.

Community-based outpatient clinic (CBOC). The IHS does not have a CBOC in the Navajo Nation, and a recent request for a CBOC was denied even though the facility potentially would serve more than 11,000 Native American veterans.

Tribal veteran services. New Mexico's system of tribal veteran service officers helps veterans access health care, housing and other services — a system that might be unique among states. The NMHIX is considering adding a Native American liaison to work with the VA and the IHS and adding links on its web site to the Veterans' Services Department (VSD) and tribal groups.

Traditional healing. Traditional healing is used in various treatments covered by the VA and the IHS, but some private insurance companies in the NMHIX do not pay for such treatments. The NMHIX plans to address the issue. The state's veteran jail diversion project, which requires participants to undergo substance abuse treatment, allows veterans to seek

treatment either through the VA or through traditional healing.

As follow-up to the discussion:

- ★ Mr. Sandel will provide:
 1. the NMHIX board's final decision on whether it will recognize IHS services as qualified coverage;
 2. the percentage of New Mexicans covered by Medicaid and by private insurance, including a comparison of New Mexico against other states on the issue;
 3. the percentage of New Mexicans enrolled in Medicaid versus those who qualify for Medicaid but are not enrolled, including a comparison of New Mexico against other states on this issue;
 4. the percentage of New Mexico veterans whose entire health care needs are met by the VA; and
 5. the percentage of Native American veterans who are not receiving the care they were promised when they joined the military, including a comparison of New Mexico against other states on this issue;

- ★ Mr. Toya will provide:
 1. information on the VA's veterans justice outreach program, including information on Native Americans in the program and the services provided;
 2. a list of the VA's tribal veteran representatives and their phone numbers;
 3. the number of Native American veterans served at VA facilities in New Mexico; and
 4. information on VA transportation available to veterans;

- ★ Indian Affairs Committee staff will invite a representative from NAPPR to make a presentation at the committee's next meeting on the new health care guides hired for outreach in the Navajo Nation; and

- ★ Mr. Curley will convey to Senator Udall a request for expansion of services to Native American veterans in western and northwestern New Mexico.

Minutes

On a motion duly made, seconded and unanimously adopted, the minutes from the June 18, 2014 meeting of the Military and Veterans' Affairs Committee were approved.

Public Comment

Henry Haskie, M.S., Navajo Division of Health (NDOH), spoke about a proposed veterans' wellness initiative that would establish a transitional housing facility in the Navajo Nation for Navajo veterans. The initiative is a collaborative effort among the NDOH and various tribal and federal agencies. He also spoke in favor of enacting federal legislation similar to the Older Americans Act of 1965, with a focus on Native American communities.

Jackson Gibson, a veteran, described problems he has had accessing services and obtaining travel reimbursements from the VA, and he noted that although the VA referred him to a local dental clinic for treatment in May, the clinic has still not received authorization from the VA to proceed with that treatment.

Franklin Freeland, M.D., commander of the Eastern Navajo Veterans Organization, spoke of the differences between the IHS and the VA systems as they apply to Native American veterans. He presented several proposals to improve services for Navajo veterans and their families, including establishment of a veterans' center in the area and purchase of a mobile outreach vehicle. Speaking from the audience on invitation of the chair, Timothy Hale, secretary of veterans' services, noted that the VSD is discussing with the VA an expansion of rural outreach efforts and is working with the National Guard of New Mexico to develop a "one-stop shop" for accessing information on veterans' services. He also described the VSD's veteran business outreach center initiative, which includes the Navajo Nation in its mobile outreach efforts and will have Native American business owners speaking at its next event.

On a motion duly made, seconded and unanimously adopted, the committees directed staff to draft legislation appropriating funds to the VSD for veterans' services and a mobile outreach vehicle.

Albert Shirley, a former New Mexico legislator, described the Navajo Nation as a "dead zone" for veterans' services from both the state and the federal government. He described problems with the Navajo Housing Authority and noted that certain federal appropriations to the Navajo Nation earmarked for veterans and for the homeless have not been spent to benefit those populations.

Tommie Yazzie, a veteran, spoke of problems with past outreach efforts in the Navajo Nation that were conducted entirely in English; the need for transportation assistance for travel to the VA hospital in Albuquerque; the merits of reinstating a system of alcohol ration cards; the need to upgrade the status of veterans who have been dishonorably discharged; and the need to pass legislation in the Navajo Nation Council to help veterans. He also seconded Mr. Shirley's concerns about the Navajo Housing Authority.

Paul George, a member of the Navajo Veterans Organization in Shiprock, spoke of staffing shortages at the Shiprock CBOC and the need for benefits counselors at the San Juan Regional Medical Center and the Rehoboth and Shiprock hospitals. He seconded concerns regarding transportation to the VA hospital and homeless Navajo veterans not receiving earmarked federal assistance. He also urged legislators to appropriate funds for planning and design of a veterans' cemetery in San Juan County.

Critical Issues for Providers Regarding Homeless Veterans

Teddy Nez, Homeless Vietnam Veterans, and David Begay, Ph.D., presented a white paper outlining points of concern and issues for homeless veterans. The four major concerns noted in

the paper center on the need for:

- long-term planning to serve at-risk veterans;
- a focus on housing for veterans, with policies developed based on local rather than national demographic data;
- better communication among providers, local governments, the Navajo Nation, the state and the federal government; and
- better attention to issues faced by female veterans, including military sexual trauma.

The presenters described the benefits of using traditional healing to help veterans and noted that the VA needs to expand its use of, and reimbursement for, this treatment method. They also called for a comprehensive study of homeless veterans and the services available to them and for full staffing at the VA facility in Gallup.

On a motion duly made, seconded and unanimously adopted, the committees directed staff to conduct an analysis of Mr. Nez's presentation and develop recommendations based on the issues presented in his white paper, to be shared with the Mortgage Finance Authority Act Oversight Committee.

Update on Veterans Helping Veterans

David Cuellar, founder of Veterans Helping Veterans, gave a presentation on his organization's efforts since its inception a decade ago to assist veterans not only in accessing VA and other services, but also with other issues. The group, which meets every other week in Gallup on Friday mornings, has grown to more than 1,500 members and draws meeting participants from as far away as Belen. The group has made a proposal to the legislature to fund publication of a catalog listing all entities statewide that provide services to veterans. It also suggests that the state more closely monitor the conditions faced by veterans in Gallup and other remote parts of the state. Such monitoring could be done by a veteran service officer, but no such officer is currently based in the Gallup area.

On a motion duly made, seconded and unanimously adopted, the committees directed staff to draft a letter to Secretary Hale recommending that he attend a meeting of the Veterans Helping Veterans organization.

Announcement

Representative Martinez announced that the Military and Veterans' Affairs Committee members and staff are invited to a reception on the evening prior to the committee's meeting scheduled for Silver City in late August.

Adjournment

The committees adjourned at 4:10 p.m.

**MINUTES
of the
THIRD MEETING
of the
MILITARY AND VETERANS' AFFAIRS COMMITTEE**

**August 25, 2014
Grant County Business and Convention Center
Silver City**

The third meeting of the Military and Veterans' Affairs Committee was called to order by Representative Rodolpho "Rudy" S. Martinez, co-chair, on August 25, 2014 at 9:20 a.m. at the Grant County Business and Convention Center in Silver City.

Present

Rep. Rodolpho "Rudy" S. Martinez,
Co-Chair
Sen. Richard C. Martinez, Co-Chair
Rep. Nathan "Nate" Cote
Rep. Dianne Miller Hamilton
Rep. Bob Wooley

Absent

Sen. William F. Burt
Sen. Daniel A. Ivey-Soto
Sen. William H. Payne

Advisory Members

Rep. Eliseo Lee Alcon
Rep. Thomas A. Anderson
Rep. Dennis J. Roch

Sen. Craig W. Brandt
Sen. Carlos R. Cisneros
Rep. George Dodge, Jr.
Rep. Yvette Herrell
Sen. Timothy M. Keller
Sen. John Pinto
Sen. Cliff R. Pirtle
Rep. Edward C. Sandoval
Rep. Jeff Steinborn

Guest Legislator

Rep. Ernest H. Chavez

Staff

Jeret Fleetwood, Researcher, Legislative Council Service (LCS)
Peter Kovnat, Staff Attorney, LCS
Kathleen Dexter, Researcher, LCS

Guests

The guest list is in the meeting file.

Handouts

Copies of all handouts and other written testimony are in the meeting file.

Monday, August 25

Welcome

Mayor Michael S. Morones welcomed the committee to Silver City.

Grant County Veteran Health Issues

Chris DeBolt, director, Grant County Community Health Council (GCCHC); Priscilla Lucero, chair, GCCHC; and Armando Amador, veterans' sector member, GCCHC, gave a presentation on health issues faced by area veterans as compiled in the GCCHC's 2014 Community Health Improvement Profile. The profile was developed from data gathered in a community assessment survey conducted by the GCCHC in 2012. Nearly 650 veterans responded to the survey, which included questions on health and wellness issues, environmental health, economic health, access to health services and challenges to accessing health services. A shortage of local veterans' support and health care services topped the concerns in three categories, with nearly 40 percent of the respondents saying they have to travel outside Grant County to receive health care services because they are not available to veterans in the area. Other major concerns noted in the survey include substance and alcohol abuse; a lack of affordable housing; poor road conditions; wildland fire danger; homelessness; a need for more work force development; living-wage jobs and job skill training; and a lack of health insurance.

Based on the survey's results, the GCCHC recommends that:

- a veterans' service center be established in Silver City;
- health care providers be offered incentives to locate in Grant County and that a system be developed to expedite reimbursements from the federal Department of Veterans Affairs (VA) to those providers; and
- a transportation system with employed drivers, not volunteers, be developed to help veterans travel to out-of-county health care services when necessary.

On questioning, the presenters and committee members addressed the following topics.

Community assessment survey. The survey had a 24 percent response rate, the highest rate statewide for similar assessments. The average response rate for such surveys is 10 percent.

VA benefits and services. Nearly 500 veterans attended a stand-down event in Silver City in 2000, and the GCCHC helped many of them sign up for VA services. Some veterans will not sign up for benefits because they do not trust the government. Those who do have benefits sometimes have to travel as far as Albuquerque or Alamogordo for medical services because local health care providers cannot afford to take VA clients — the VA's reimbursement system is too slow. A VA system that allows for more local health care contracting and provides timely

reimbursements would help veterans in all rural areas of the state, not just Grant County.

Home rehabilitation. Funding for repairs to veterans' homes comes from programs in the U.S. Department of Agriculture (USDA) and U.S. Department of Housing and Urban Development (HUD). Some New Mexico Mortgage Finance Authority (MFA) programs use HUD funding for home rehabilitation and weatherization, but recently that funding has been cut by 50 percent.

Agent Orange. One of the health issues on the horizon for veterans and their families is the effects of Agent Orange, which affects both those exposed to it and the next generation.

Speaking from the audience on invitation of the chair, Alan Martinez, deputy secretary, Veterans' Services Department (VSD), noted that VSD representatives met with congressmen Steve Pearce (R, NM) and Jeff Miller (R, FL) regarding VA health care delivery problems in rural New Mexico. A pilot program has been set up in Roswell, with a central payment structure for VA reimbursements to local health care providers.

- ★ Deputy Secretary Martinez will provide contact information for the Roswell pilot program.

Update on SunZia Transmission Line Project

Tom Wray, project manager for the SunZia renewable energy transmission line project, gave an update on the recent federal Department of Defense decision to rescind its previous objection to the line route preferred by the Bureau of Land Management (BLM). The route, which crosses BLM and private land north of White Sands Missile Range (WSMR), falls outside the missile range but inside an area used for training flights based at WSMR and Holloman Air Force Base. As a compromise, the proposed line route will remain intact, but five miles of the line, in three segments, will be buried. Other provisions included in the compromise are mutual hold harmless covenants for damage to the line, with willful misconduct excluded; an agreement to coordinate transmission line construction activities with WSMR testing activities; and micro-siting of all tower locations. With the compromise agreement in place, SunZia will now complete its permitting process and begin construction on the transmission line by 2016. The projected commercial operation date for the transmission line is 2018.

On questioning, Mr. Wray and committee members addressed the following topics.

Line specifications. The SunZia line is permitted to transmit both AC and DC, and while it is rated to transmit 3,000 megawatts, the line will be built to accommodate an expansion to 4,500 megawatts. In the buried segments, each cable will be housed in five-inch pipe, and trenches will be six to seven feet deep, filled with thermal sand. The six stations where the line will transition from overhead to underground and vice versa will be inside fenced areas. Line loss in the buried sections will be comparable to, not greater than, the loss in the overhead sections. In any location where the SunZia line crosses any other line, such as gas or electric lines, there will be adequate

physical separation.

Renewable energy portfolio standards. The SunZia line will help New Mexico meet its renewable energy portfolio standard by harnessing local renewable energy and by delivering renewable energy to rural electric cooperatives.

Expansion and interconnections. The line could be extended eastward from the Corona substation, but SunZia does not plan to do so at this point. The federal government requires that SunZia allow interconnections from local generators; however, certain major interconnections are not possible because of regional separations mandated by Congress to prevent nationwide blackouts. The proposed Tres Amigas interconnection project in Clovis would tie three energy markets into one system, but SunZia does not currently have plans to be part of that project.

Government funding and tax credits. SunZia has not received any government funding for the transmission line project; the \$40 million spent to date has come from private investors. Until this year, wind generators qualified for federal tax credits, but those credits recently expired. No credits have ever been given to transmission line projects.

Southline transmission line project. The BLM's draft environmental impact statement for another transmission line project — Southline — covers some of the same general area as the SunZia line, though not the same route. Southline will not include wind resources and is not considered competition for SunZia.

Minutes

On a motion duly made, seconded and unanimously adopted, the minutes from the July 16, 2014 meeting were approved.

Low-Income Veteran Home Repair and Home Modification

Rose Garcia, executive director, Tierra del Sol Housing Corporation (TDS), Mike Rudloff, housing rehabilitation program manager, TDS, and Sergio Ruiz, TDS, gave a presentation on TDS home repair and modification projects that have benefited low-income veterans in a five-county region of southern New Mexico. Veterans are not the sole focus for TDS; the organization also serves the elderly and persons with disabilities. TDS programs include:

- a homeownership center, where prospective homebuyers can get counseling on and assistance with all steps involved in buying a home;
- a self-help housing program to help families who wish to build their own homes;
- a home rehabilitation program, which partners with HUD, the USDA, the MFA and private entities such as the McCune Foundation to make code-compliance, health, safety, sanitary and mobility improvements to homes;
- a homeownership preservation program to help homeowners avoid foreclosure;
- home rehabilitation and small business loans; and
- general counseling and education focused on obtaining, sustaining and maintaining a

home.

The presenters showed slides of many veterans' home repair and rehabilitation projects, all of which are put out to bid in an open bid process. While construction contracts are between the homeowner and the contractor, payment is handled by TDS, as are lien releases.

A 2013 survey reported that of the 171,000 veterans living in New Mexico, approximately 110,000 are over the age of 50, a time when many will need some level of home modification or repairs to accommodate their age. The survey also showed that more than 11 percent of New Mexico veterans live below the federal poverty level, and more than 11 percent of New Mexico veterans have a disability. A 2014 bill that would have appropriated \$2 million to the MFA to make home modifications and repairs for New Mexico's low-income veterans died in committee, and the presenters urged the committee to reintroduce the bill in the 2015 session, with the eligibility threshold adjusted to 80 percent of the area median income so that more veterans may benefit.

On questioning, the presenters and committee members addressed the following topics.

Funding. Federal funding for housing programs is dwindling, and TDS needs to fill the gap with funding from the state. One type of USDA grant still available is for so-called "504 projects", which can receive up to \$6,500 for home improvements. An appropriation request for housing project funding would have a better chance if it were presented to the Legislative Finance Committee during its budget hearings, which are taking place this week.

Project cost. Some TDS projects can cost up to \$80,000, but many can be done with as little as \$10,000, including emergency repairs, accessibility modifications and heating and cooling upgrades.

Sweat equity. Homeowner participation is prohibited on a contracted job because it is a liability for the contractor; however, TDS is willing to buy materials for a homeowner who wishes to do a portion of the work separate from the contracted portion of a job.

Home replacement. Programs funded through the MFA do not allow razing a home and rebuilding. Federal rules also prohibit this but do allow for replacing a mobile home.

On a motion duly made, seconded and unanimously adopted, the committee endorsed a bill appropriating \$2 million to the MFA to rehabilitate homes occupied by honorably discharged low-income veterans in New Mexico whose income does not exceed 80 percent of the area median income.

Western New Mexico University (WNMU) Veteran Outreach and Research

Joseph Shepard, Ph.D., WNMU president; Beth Walker, Ed.D., School of Social Work chair; Eric Senter, M.S.W., social work professor; and Kelly Clark, admissions officer, gave a

presentation on initiatives at WNMU that benefit both veteran students and area veterans. The university currently has very few veteran students, and only 12 of them are using VA educational benefits. In addition to increased outreach into the veteran community, WNMU hopes to establish a veteran center on campus with veteran student advisors, an initiative that will cost the university approximately \$600,000. The university also hopes to expand a virtual reality posttraumatic stress disorder (PTSD) treatment program that is currently under development in the School of Social Work and funded by a 2013 appropriation through the VSD. As part of the program planning phase, the school is considering how best to deliver virtual reality treatment, how it might offer master's-level certification for practitioners and how to recruit veterans to become certified practitioners. In addition to the \$600,000 necessary for the veteran center and advisors, Dr. Shepard will request \$300,000 in the upcoming legislative session to continue and expand the PTSD program so it can serve as a model for similar programs nationwide.

On questioning, the presenters and committee members addressed the following topics.

Attracting veterans. The web site militaryfriendlyschools.com currently does not designate any schools in New Mexico as "vet-friendly". To become more vet-friendly, WNMU has expanded its recruitment efforts to include counseling on opportunities in the area for both veterans and their spouses. The university also analyzes a veteran's military experience and coursework for possible transfer credits. Competency testing for credit is not in place but is under consideration, as is a certification process that would allow veterans to take their military skills directly into the workplace.

Veteran center. There are VA representatives on campus and faculty members who are veterans, but a veteran center would provide a centralized venue for contact and services. It would also help veterans get past their reluctance to ask for help and increase the likelihood that veterans will stay in school and graduate. The center would be housed in Bernard Hall, but WNMU needs funds to renovate the space.

Virtual reality PTSD treatment. Classes in the program are nearly always filled. While virtual reality PTSD treatment programs are available at other schools, WNMU would like to make its program a focus for the School of Social Work.

Storefront Small Lending Update

Steve Fischmann, former state senator, and Ms. Garcia gave an overview of storefront lending practices in the state and their effect on the state's economy and the poor, citing data from the Regulation and Licensing Department, the Attorney General's Office, The Pew Charitable Trusts, the Center for Responsible Lending, *Consumer Reports*, the Insight Center for Community Economic Development and personal research.

In 2012, New Mexico storefront loans that charged an annual percentage rate (APR) of more than 175 percent totaled \$216 million and garnered \$99 million in interest and fees. The average APR for these loans was 350 percent. The vast majority of these loans — 80 percent —

came from out-of-state entities doing business in New Mexico. Veterans and active duty military personnel are common storefront lending customers, along with single mothers, people with low incomes, people who rent their homes and people of color. Many of the customers are on some sort of government support payment or, in the case of military personnel, government paycheck. As demonstrated by his own visits to storefront lending entities posing as a construction worker whose sole income was disability checks, Mr. Fischmann noted that a lack of income beyond government assistance does not disqualify a customer from a loan — all six entities he visited were willing to loan to him, with no credit check required and no counseling offered.

New Mexico does not currently regulate most of the storefront lending industry. Payday loans, which have been regulated since 2007, account for only 15 percent of storefront lending in the state. Bringing the entire storefront lending industry under regulation and imposing a 36 percent cap on loan interest and fees would save the state's low-income population approximately \$89 million per year, nearly the same amount that would be saved if the minimum wage were increased to \$9.50 per hour. Eighteen states have imposed caps on storefront loans, and the federal government has imposed a cap nationwide on loans made to armed forces personnel, citing national security concerns.

Some private entities, such as community development financial institutions (CDFIs), will buy out a person's storefront loan and restructure the loan for payoff at a manageable APR ranging from 16 percent to 34 percent. Mr. Fischmann recommends that the committee endorse a memorial asking the State Investment Council to consider investing in CDFIs and endorse legislation imposing a 36 percent cap on interest and fees for all non-bank loans.

On questioning, the presenters and committee members addressed the following topics.

Interest and fees. The average loan-loss ratio for storefront lending entities is nine percent, and high interest rates and fees are necessary in order to make a profit lending to a risky population. The Las Cruces Veterans Advisory Board and the Las Cruces City Council voted unanimously to support a 36 percent cap on interest and fees, and the council sent a letter to the governor and legislature in support as well. There is some disagreement over whether local governments have the power to limit interest and fees, and the University of New Mexico law school is researching the matter.

Use of storefront loans. Some people take out storefront loans to pay living expenses, such as utility bills, because they are not aware that extended payment plans are available. Many take out loans for emergency expenses and some for "bad decisions".

Lack of options. Banks and credit card companies generally will not loan to low-income customers, leaving them no option other than a storefront lending entity because there is currently no lending structure between banks and storefront lending entities. If the storefront and payday lending industry is shut down, low-income people would have nowhere to go.

Counseling and consumer education. The federal Dodd-Frank Wall Street Reform and Consumer Protection Act requires counseling for homebuyers, and the rate of foreclosures and defaults has decreased since the requirement went into effect. A similar requirement for storefront lending entities could prevent the problems some customers are having.

Pawn shops. Pawn shops would not be affected by the proposed 36 percent cap on storefront lending interest and fees.

On invitation of the chair, Javier Ali of Sun Loan Company described the merits of storefront lending as a way to provide loans to those who would not otherwise have access to credit. He stated that his company looks at how long a customer has been in a job and in a residence, and while credit checks are run on customers, the results of a credit check do not affect the interest rate charged to a customer. He also stated that a portion of interest that is charged on a loan is refunded if the loan is paid off on time.

Naprapathy for Treatment of PTSD

Patrick Nuzzo, D.N., founder, Southwest University of Naprapathic Medicine (SUNM), gave a presentation on PTSD treatment through naprapathy, a treatment modality that is based solely on physical manipulation and, thus, avoids the potential for drug reactions and addiction seen in some pharmaceutical treatments. Practice of naprapathic medicine has been regulated in New Mexico since 2003 and is also regulated in Illinois, Arizona and Colorado. Treatment is covered by many insurance policies.

Dr. Nuzzo presented a study conducted pursuant to House Memorial 27 (2013) that followed nine veterans diagnosed with PTSD for a 10-week period of naprapathic treatment. Results from patient surveys completed prior to, during and following the course of treatment show reductions in pain intensity, sleeping difficulties, financial difficulties caused by the veterans' physical conditions, physical activity limitations and catastrophizing. Dr. Nuzzo recommended that the study be continued and expanded, with VA participation. He urged committee members to endorse an appropriation to pay for treatment of the veterans in the program and for compilation data on treatment results.

On questioning, Dr. Nuzzo and committee members addressed the following topics.

VA participation. The VA is waiting to see further results from naprapathic PTSD treatment before participating itself; however, the VA does pay tuition for veterans pursuing certification in naprapathic medicine as a post-military career.

Study participants. Three of the study's participating veterans were women, and their results did not differ from those of the male veterans.

SUNM. The school was founded in 2010 and will graduate its first class in October. There are currently nine students enrolled at the school, and veteran students will begin the program in

January 2015. SUNM is in the process of applying for Title IV funding for student financial aid.

New Mexico State Veterans' Home (NMSVH) Update

Lori S. Montgomery, administrator, NMSVH, gave an overview of current needs at the NMSVH, which is a Department of Health (DOH) facility. There are 145 beds available, with a multilevel care structure that includes skilled nursing care, intermediate care and assisted living. The facility generates its own operating revenue; however, operating costs currently exceed expenses, and the NMSVH needs a \$1 million supplemental appropriation through the DOH to continue its work. It also needs to build a new Alzheimer's unit. In its application to the VA for construction funding for the unit, the NMSVH cited a statewide need for 417 beds for veterans with Alzheimer's disease while only 264 beds exist. The VA approved the application and appropriated \$23 million for the project, and the state appropriated \$11 million in matching funding. The federal funding has not yet arrived, however, and Ms. Montgomery urged the committee members to keep the state matching funds intact until the federal money is available, which may not be until 2015.

On questioning, Ms. Montgomery and committee members addressed the following topics.

NMSVH services and eligibility. Requirements for admission to the NMSVH include 60 days of military service with an honorable discharge and medical needs that can be met by the facility. The VA will refer veterans to the NMSVH unless they prefer to receive care closer to home. Most medical care is provided on site, and the NMSVH will provide transportation to VA facilities in Albuquerque or El Paso if further care is necessary. Veterans with a 70 percent or greater disability designation receive all services for free; others are charged on a sliding fee scale. There is no required length of stay; veterans may stay for a month or for decades.

Additional veterans' facilities. The VSD is considering doing a study on the need for additional veterans' residential and nursing care facilities around the state, including hybrid care such as that provided at the Fort Bayard Medical Center.

Adjournment

The committee adjourned at 3:35 p.m.

**MINUTES
of the
FOURTH MEETING
of the
MILITARY AND VETERANS' AFFAIRS COMMITTEE**

**September 22, 2014
University of New Mexico Science and Technology Park
Albuquerque**

The fourth meeting of the Military and Veterans' Affairs Committee was called to order by Representative Rodolpho "Rudy" S. Martinez, co-chair, on September 22, 2014 at 9:05 a.m. at the University of New Mexico (UNM) Science and Technology Park in Albuquerque.

Present

Rep. Rodolpho "Rudy" S. Martinez,
Co-Chair
Sen. Richard C. Martinez, Co-Chair
Sen. William F. Burt
Rep. Nathan "Nate" Cote
Rep. Dianne Miller Hamilton
Sen. Daniel A. Ivey-Soto
Sen. William H. Payne

Absent

Rep. Bob Wooley

Advisory Members

Rep. Eliseo Lee Alcon
Sen. Carlos R. Cisneros
Rep. Edward C. Sandoval

Rep. Thomas A. Anderson
Sen. Craig W. Brandt
Rep. George Dodge, Jr.
Rep. Yvette Herrell
Sen. Timothy M. Keller
Sen. John Pinto
Sen. Cliff R. Pirtle
Rep. Dennis J. Roch
Rep. Jeff Steinborn

Guest Legislators

Sen. Nancy Rodriguez
Sen. Sander Rue
Sen. William E. Sharer

Staff

Jeret Fleetwood, Researcher, Legislative Council Service (LCS)
Peter Kovnat, Staff Attorney, LCS
Kathleen Dexter, Researcher, LCS

Guests

The guest list is in the meeting file.

Handouts

Copies of all handouts and other written testimony are in the meeting file.

Monday, September 22

Welcome

Amy Wohlert, chief of staff, Office of the President, UNM, welcomed the committee and gave an overview of the university's efforts to recruit and retain students. This semester's student body includes the highest rate of returning sophomores in the school's history, and data show this rate is attributable to retention initiatives UNM has put in place in recent years, including hiring additional advisors and creating ethnic- and veteran-specific centers on campus. The university is also partnering with public school districts to better prepare high school students for college; has divided some three-credit courses into three one-credit courses to reduce failure rates; and has created degree programs in certain fields that require no more than 120 credit hours.

On questioning, Ms. Wohlert and committee members noted that:

- (1) UNM is not having to provide as much remediation as in the past, due in part to partnering with community colleges for remedial coursework;
- (2) a student may transfer up to 12 hours of coursework taken at a community college; and
- (3) enrollment at UNM's main campus and the Gallup campus has declined slightly following the economic downturn, though enrollment at the Taos and westside Albuquerque campuses is up, and enrollment at the Valencia campus is steady.

- ★ Matthew Munoz, UNM government relations specialist, will provide a summary of ROTC programs at UNM, including enrollment figures and program missions.

Update on National Guard and Armories

Brigadier General Andrew E. Salas, adjutant general, New Mexico National Guard (NMNG); Brigadier General Juan L. Griego, deputy adjutant general, NMNG; Colonel Donnie Quintana, chief of staff, NMNG; and Martha Salas, commissioner, Employer Support of the Guard and Reserve (ESGR), gave a presentation on the NMNG and the State Defense Force.

NMNG soldiers who recently were deployed to Afghanistan have now returned, and an air medical company will deploy to Afghanistan in 2015. The NMNG responded to recent flooding in southern New Mexico and has pre-positioned personnel and equipment in Roswell in case the flooding worsens. The Air National Guard will be activated for recovery and rebuilding in the Loving area oil fields, if necessary.

An update on the NMNG programs included information on the Youth Challenge program based in Roswell and a possible second site for the program in northern New Mexico. NMNG programs to help veterans transfer their military skills to civilian life include a UNM initiative for those with Army medic training; a Department of Public Safety initiative for those who wish to pursue law enforcement careers; and the Heroes to Highways program for those who drove military heavy vehicles on active duty and wish to obtain commercial driver's licenses when they return home. Under its partnership program with Costa Rica, the NMNG continues to train the country's civilian constabulary in internal defense, drug interdiction and border security. The NMNG is also working on border and cybersecurity at home, providing surveillance and intelligence gathering.

Colonel David Torres was appointed in July to serve as commander and assistant adjutant general of the State Defense Force. Units are being established in all metropolitan areas of the state to assist with emergency response, conduct military honors at funerals and help with veterans' programs.

The NMNG will request a four percent increase in its budget for the upcoming fiscal year, with the additional funding earmarked to cover increases in risk management rates; outreach costs for the ESGR program; and the Youth Challenge program. The NMNG will also request capital outlay funding to address deferred maintenance issues at its facilities statewide and to purchase land adjacent to its main facility south of Santa Fe. Deferred maintenance on many armory facilities has become critical, and the NMNG will have to divest itself of certain outdated facilities in 2015. The NMNG requested \$1 million in capital outlay funding for armory facilities in 2014 but received only \$500,000.

On questioning, the presenters and committee members noted that:

- (1) the Department of Military Affairs is working to create a rank structure for the State Defense Force, which is an official state entity, not an ad hoc citizen militia;
 - (2) the NMNG is considering the El Rito campus of Northern New Mexico College as a possible second location for the Youth Challenge program;
 - (3) the NMNG is at risk for federal cuts because it is not manned to full capacity;
- and
- (4) the Gallup NMNG unit has been moved to Grants due to facility issues at the Gallup armory, and the Santa Clara unit has been consolidated with Las Cruces.

- ★ General Salas will provide information on a rank structure in the State Defense Force when it is complete.

Clarification of Veterans' Property Tax Exemption

Damian Lara, deputy assessor, Bernalillo County, gave a presentation on how property taxes differ from special assessments, specifically as they relate to property tax exemptions provided in statute to veterans. Some veterans have mistakenly assumed the exemptions apply to all assessments on their property — property taxes as well as special benefit assessments

imposed by local special districts — and, thus, have fallen in arrears on payments due. According to the Constitution of New Mexico, and as reaffirmed in an attorney general advisory letter dated April 2, 2008, the statutory property tax exemptions provided to veterans, disabled or not, do not apply to special benefit assessments because these assessments are not "taxes" as that term is used in the constitution.

On questioning, Mr. Lara clarified that property tax exemptions apply to the *property*, not to the *veteran*, and noted that, according to the Property Tax Division of the Taxation and Revenue Department, it would be "questionable" for a county assessor to make exceptions or prorate taxes for veterans who do not meet all regulatory requirements for the property tax exemption when buying or selling property.

Developing a Veteran-Focused Campus

Marilyn Dykman, United States Coast Guard, retired, director, UNM Veterans Resource Center (VRC), gave a presentation on the VRC's programs to assist nearly 1,200 veterans who are students at UNM. The center helps veteran students access not only GI Bill education benefits, tuition assistance and state scholarships but also other resources, such as mental health services and the Vet2Vet peer mentoring program. By 2013, the six-year graduation rate for veterans at UNM was 60 percent and the retention rate nearly 70 percent; in the same year, however, the percentage of veteran students who were placed on probation was seven percent. Ms. Dykman cited both statistics as evidence of the importance of having the VRC on campus and sustaining its programs, especially in light of the potential increase in veteran students when the Pentagon downsizes the military in 2015.

On questioning, Ms. Dykman and committee members noted that:

- (1) the VRC needs two additional staff members to continue providing services and to meet new tracking requirements imposed by the federal Department of Defense (DOD);
- (2) some of the 30 percent of students who are not "retained" are still on campus but have run out of their GI Bill education benefits; and
- (3) lottery tuition scholarships are available to veterans who enter the military directly after high school so long as the veteran enrolls in college within a year of leaving the military.

New Mexico Center for Energy Workforce Development (CEWD) Consortia Troops to Energy Initiative

Paul Sanchez, Public Service Company of New Mexico (PNM) Resources, Inc.; Julie McCabe, PNM Resources, Inc.; Chris Monette, New Mexico Gas Company; and Sherry Garcia, Tri-State Generation and Transmission Association, Inc., gave a presentation on efforts among energy providers to help veterans transfer their military skills to jobs in the energy sector. A significant "retirement wave" has begun in the industry — the average age of workers has increased by nearly two years since 2006, and the percent of incoming workers who qualify as either "ready now" or "ready in six to 10 years" has decreased. By developing a Troops to Energy initiative, the New Mexico CEWD hopes to steer veterans leaving the military into

energy careers where they can use skills they have already developed or for which they can readily train. The New Mexico CEWD has focused its outreach efforts on the state's community colleges with the help of a grant from the U.S. Department of Labor.

On questioning, the presenters and committee members noted that:

(1) the New Mexico CEWD wants to branch out beyond the energy sector to other industries and institutions that employ similar skills;

(2) outreach efforts take place through alumni organizations, on-campus offices and military recruitment sites and will soon include contacts with military personnel who have not yet retired but will soon do so; and

(3) some member entities do not offer apprenticeship programs, but PNM does, and its programs comply with Workforce Solutions Department requirements.

★ Ms. Garcia will provide Senator Burt with contact information at Tri-State regarding the SunZia transmission project.

New Mexico State University (NMSU) Veteran-Specific Education Programs

David Boje, Ph.D., and Grace Ann Rosile, Ph.D., professors at NMSU, gave a presentation on two pilot programs at the university for veterans suffering from posttraumatic stress disorder (PTSD). Both programs are designed to help veterans following deployment: one uses equine-assisted growth learning events to help both veterans with PTSD and the families of those veterans with reuniting after deployment overseas, and the other uses an embodied restorying process to help veterans cope with and move beyond traumatic military experiences. The presenters are submitting applications for grant funding to the DOD and the National Institutes of Health to expand the programs and to conduct randomized control trials to assess their effectiveness.

On questioning, the presenters and Vicente Vargas, state director, NMSU government affairs, noted that:

(1) the programs are currently housed in Las Cruces, with a second location possible in Corrales; and

(2) these programs were not included in NMSU's budget, but they could be included in the Veterans' Services Department (VSD) budget.

On a motion duly made, seconded and unanimously approved, committee staff was directed to draft a letter to the VSD requesting that the department evaluate all programs in the state for veterans suffering from PTSD and other service-related issues and make recommendations on which programs to consider for state funding.

Minutes

On a motion duly made, seconded and unanimously adopted, the minutes from the August 25, 2014 meeting were approved.

Kirtland Air Force Base (KAFB) Jet Fuel Spill Cleanup

Ryan C. Flynn, secretary, Department of Environment (NMED); Tom Blaine, director, Environmental Health Division, NMED; Colonel Dennis A. Haught, commander, 377th Mission Support Group, KAFB; Adria Bodour, Ph.D., technical program manager, Air Force Civil Engineer Center; Brent Wilson, civil engineer, KAFB; and Jim McKay, citizen advocate, Citizen Action New Mexico, gave a presentation on the jet fuel spill at KAFB, which originated in bulk fuel storage tanks and piping constructed in the early 1950s.

Precise data on the extent of the spill or when it might have begun are not available; however, samples from monitoring wells show that the spill's underground plume has spread northeast for approximately one mile, past the federal Department of Veterans' Affairs (VA) hospital and its well, under a neighborhood in the southeast area of Albuquerque. The depth of the spill is also not yet determined, although there is evidence that the contamination has reached the aquifer, partly as a result of a rising water table since 2009. A sample from one of the nine sentinel wells drilled to monitor the VA hospital well revealed some contamination, though the contamination did not appear in subsequent testing. In the event that the VA hospital well is contaminated, the Albuquerque-Bernalillo County Water Utility Authority will provide water to the hospital.

The U.S. Air Force is responsible for cleanup of the spill, and the NMED is responsible for setting and enforcing cleanup standards. Since 2003, approximately 500,000 gallons of fuel have been recovered using a soil vapor extraction method. Extraction wells will now be drilled to "collapse" the plume. Contaminated water extracted by these wells will be treated and either reinjected into the aquifer or used for irrigation and dust control.

On questioning, the presenters and committee members noted that:

- (1) the U.S. Air Force has designated the KAFB spill as its top cleanup priority over similar spills elsewhere, including several designated as Superfund sites, and that "budget is not an issue";
- (2) the KAFB spill does not qualify as a Superfund site due to a petroleum exception in the law, and if it were designated as a Superfund site, current cleanup efforts would be halted and a new round of studies and tests would begin;
- (3) the presence of the underground spill plume was already known several years before Albuquerque tapped into the San Juan-Chama diversion project, a move that contributed to the rising water table; and
- (4) by one estimate, the plume could reach municipal wells within six years.

VA Medication Prescriptions

Representative Cote described constituents' problems with getting prescription refills through the VA: prescriptions are written for a maximum of 30 days, and renewing many prescriptions is impractical because veterans cannot easily get through to the VA clinics by telephone. On a motion duly made, seconded and unanimously adopted, committee staff was

directed to draft a letter to the VA regarding the possibility of extending the prescriptions beyond the current 30-day supply, as is allowed under New Mexico law.

Adjournment

The committee adjourned at 4:15 p.m.

**MINUTES
of the
FIFTH MEETING
of the
MILITARY AND VETERANS' AFFAIRS COMMITTEE**

**October 29, 2014
Vietnam Veterans Memorial
Angel Fire**

The fifth meeting of the Military and Veterans' Affairs Committee was called to order by Representative Rodolpho "Rudy" S. Martinez, co-chair, on October 29, 2014 at 9:40 a.m. at the Vietnam Veterans Memorial in Angel Fire.

Present

Rep. Rodolpho "Rudy" S. Martinez,
Co-Chair
Sen. Richard C. Martinez, Co-Chair
Rep. Bob Wooley

Absent

Sen. William F. Burt
Rep. Nathan "Nate" Cote
Rep. Dianne Miller Hamilton
Sen. Daniel A. Ivey-Soto
Sen. William H. Payne

Advisory Members

Rep. Eliseo Lee Alcon
Rep. Thomas A. Anderson
Sen. John Pinto
Rep. Dennis J. Roch

Sen. Craig W. Brandt
Sen. Carlos R. Cisneros
Rep. George Dodge, Jr.
Rep. Yvette Herrell
Sen. Timothy M. Keller
Sen. Cliff R. Pirtle
Rep. Edward C. Sandoval
Rep. Jeff Steinborn

Membership Note

Representative Anderson and Senator Pinto were appointed by the speaker of the house and the president pro tem of the senate to serve as voting members of the committee during the meeting.

Staff

Jeret Fleetwood, Researcher, Legislative Council Service (LCS)
Peter Kovnat, Staff Attorney, LCS
Kathleen Dexter, Researcher, LCS

Guests

The guest list is in the meeting file.

Handouts

Copies of all handouts and other written testimony are in the meeting file.

Wednesday, October 29

Welcome

Chuck Howe, mayor pro tem of Angel Fire, welcomed the committee and introduced other local officials, including Landon Newton, Colfax County commissioner; Jay Mitchell, Angel Fire village manager; and Tracy Orr, Angel Fire grants administrator.

Rural Transportation for Veterans

Timothy L. Hale, secretary of veterans' services, gave a presentation on transportation challenges faced by New Mexico veterans who must travel long distances to access U.S. Department of Veterans Affairs (VA) health services. A dozen transportation networks around the state take veterans from rural areas to appointments at VA facilities in Albuquerque, Amarillo and El Paso; however, the networks are staffed entirely by volunteers, the median age for the volunteer drivers is 70 years old and roundtrips from some remote areas can take up to 16 hours, beginning as early as 2:00 a.m. The VA reimburses the transportation networks for mileage, but only if the vehicles are driven by VA-certified drivers. In fiscal year 2013, 101 network volunteers provided transportation for more than 6,000 New Mexico veterans, logging nearly one million miles and nearly 26,000 volunteer hours.

The Veterans' Services Department and congressional staff are advocating for a fee-based system that would reduce the need for transportation services by allowing veterans to obtain certain health care services locally from non-VA providers. A pilot program for fee-based services, transportation and health care coordination is under way in the Roswell area as a model for other rural areas of the state.

On questioning, Secretary Hale, committee members and Alan Martinez, deputy secretary for veterans' services, noted that:

- (1) some fraternal organizations are not getting mileage reimbursements because they are reluctant to send their volunteer drivers for VA certification;
- (2) capital outlay funding has been used to purchase vans for local government entities, which then lease them to veterans' transportation networks;
- (3) the VA uses Rand McNally mileage calculations based on a veteran's home location, and mileage reimbursements might not be made in certain cases; and
- (4) veterans have a certain degree of choice in where they receive care and are not restricted to the closest VA facility.

- ★ On a motion duly made, seconded and unanimously adopted, committee staff was directed to draft a letter to the New Mexico congressional delegation and U.S. Representative Jeff Miller, chair of the U.S. House Committee on Veterans' Affairs, to express the need for a fee-based VA health care system for rural areas of New Mexico.

Veteran Home Rehabilitation Legislation

Izzy Hernandez, director of community development, New Mexico Mortgage Finance Authority (MFA), and Rose Garcia, executive director, Tierra del Sol Housing Corporation, clarified certain provisions to be included in an appropriation endorsed in concept by the committee at its August meeting. The proposed legislation appropriates \$2 million to the MFA for rehabilitation to homes occupied by low-income veterans in New Mexico; contrary to the committee's discussion in August, however, 60 percent of area median income will be set as the eligibility threshold, rather than 80 percent. The appropriation would be sufficient to make modifications to 120 homes, with a maximum cost for each home of \$14,999. Ten percent of the appropriation would be used for administrative costs.

On questioning, the presenters and committee members noted that:

- (1) some MFA housing rehabilitation programs are subject to U.S. Department of Housing and Urban Development restrictions on what sort of home can be modified;
- (2) access ramps can be either installed or built as removable ramps;
- (3) the 10 percent administrative fee for each project would be split between the MFA and the contractor;
- (4) more than half of the state's 172,000 veterans meet the low-income requirement for housing rehabilitation; per federal law, a veteran's VA disability payments are included in the income calculation; and
- (5) rehabilitation projects are limited in scope — structural, electrical and plumbing repairs are not included — in part to allow a veteran to remain in the home while the project is being completed.

- ★ Committee staff was directed to work with Mr. Hernandez and Ms. Garcia to draft the appropriation with the revised language requested.

Vietnam Veterans Memorial State Park Infrastructure

Mr. Howe, Mr. Mitchell and Dick Dickerson, president, vice president and secretary, respectively, of the David Westphall Veterans Foundation board of directors, gave a presentation on infrastructure repairs and upgrades needed at the Vietnam Veterans Memorial State Park. The foundation has identified \$311,500 in repairs and enhancements, ranging from walkway and stucco repairs to restoration of flags and a Huey helicopter. The facility receives more than 40,000 visitors annually, 7,000 of whom visit in the two-week period prior to Memorial Day, and repairs are necessary to continue to handle such heavy visitor traffic.

On questioning, the presenters and committee members noted that:

- (1) some of the park's archives have been sent to Texas Tech University because the park has no climate-controlled archival storage space;
- (2) the park will most likely see an increase in visitors during the next decade as many fiftieth reunions will be held on site to commemorate events in the Vietnam war;
- (3) the cost of restoring the Huey helicopter may exceed the \$32,000 included in the appropriation request; and

(4) engraved walkway bricks can be purchased by or on behalf of veterans for \$75.00 each.

- ★ On a motion duly made, seconded and unanimously adopted, the committee directed staff to draft a letter to the Legislative Finance Committee and the governor in support of the foundation's request of \$311,500 in capital outlay funding, to be allocated from the governor's portion of capital outlay for "statewide projects".

Veterans' Justice Project

Catherine Abeyta, program coordinator, DNA-People's Legal Services (DNA), gave a presentation on the DNA Justice for Veterans project, which provides free basic legal services to veterans in northwest New Mexico and throughout the Navajo Nation. DNA assisted more than 1,100 New Mexicans in 2013, including veterans, through its offices in Farmington, Crownpoint and Shiprock. In May 2014, DNA began hosting off-site clinics to increase access for veterans who live in remote areas, and it can be flexible in its timing and location for the clinics because the program is not affiliated with the VA or bound by its regulations. It also participates in local stand-down events for homeless veterans.

On questioning, Ms. Abeyta clarified that DNA does not provide any legal services in criminal cases or in class actions, and it operates on a \$4 million annual budget, 17 percent of which is state funding.

Medical Cannabis and Veterans

Andrea Sundberg, medical cannabis program director, Department of Health (DOH), and Jessica Gelay, policy coordinator, Drug Policy Alliance, gave a presentation on the state's medical cannabis program and potential impacts to veterans of proposed changes to that program. The program currently has more than 12,000 patients enrolled; the number of veterans in the program is unknown, however, because patient data on race/ethnicity, gender or veteran status are not tracked. Forty-three percent of enrolled patients are under treatment for posttraumatic stress disorder, a diagnosis that has become increasingly common among veterans. Because the VA is a federal health care provider and medical cannabis is not legal under federal law, veterans who wish to enroll in the program must get medically certified through a non-VA provider. In these cases, the DOH works to retrieve VA medical records that support the medical diagnoses necessary for enrollment in the program.

A public hearing held in June on proposed changes to the regulations governing the medical cannabis program drew nearly 600 people and nearly 1,000 public comments. In response to feedback from the public and from stakeholders, including the Drug Policy Alliance, the DOH is reconsidering its proposed changes and anticipates incorporating several suggested modifications into the final regulations. The Drug Policy Alliance's concerns for veterans in the proposed changes include issues over who is empowered to deny an application; annual patient registration fees; caregivers' ability to grow medical cannabis on behalf of patients; the number of

plants that may be grown under a personal production license; an annual assessment of the program; and employment protection for patients enrolled in the program.

On questioning, the presenters and committee members noted that:

- (1) the DOH proposed its changes to the program regulations based on medical cannabis programs in other states;
- (2) there are currently no medical cannabis dispensers in northern New Mexico;
- (3) patients in the medical cannabis program have been terminated from their jobs because of their participation in the program, including two veterans: one who was employed by the Bernalillo County Metropolitan Detention Center and another who was employed by Presbyterian Health Services;
- (4) the medical cannabis program does not have enough staff to adequately inspect or monitor producers, but there are plans to hire additional inspectors to prevent inferior or contaminated products being sold, patients having dangerous reactions or producers exceeding their plant limit;
- (5) the proposed changes include requirements for cannabis products to be tested by third parties;
- (6) employees of cannabis producers/dispensers must receive training in privacy requirements under the federal Health Insurance Portability and Accountability Act of 1996; training on the cannabis products sold by the producer/dispenser; and a criminal background check;
- (7) licensed producers in the program are not 501(c)(3) entities because federal law does not allow cannabis production; however, they are recognized as "nonprofit entities" under New Mexico law;
- (8) the annual producer licensing fee is \$30,000;
- (9) federal restrictions on what drugs can be taken to market have kept the pharmaceutical industry from further developing cannabis products;
- (10) producer fees are deposited into the Medical Cannabis Fund, and more than \$162,000 in fees reverted to the general fund in 2013; and
- (11) personal producers most often get their plants from producers, based on properties matched to the personal producer's diagnosis.

★ Ms. Sundberg will send the proposed changes to the medical cannabis program to Senator Martinez and to committee staff.

USS New Mexico

Tom Gutierrez, Rebecca Vigil-Giron and Rick Carver, all of the Navy League, presented a funding request for outreach projects to promote the *USS New Mexico* and the *USS Santa Fe*. Funding would also be used to help retire the *USS Albuquerque* and, possibly, install the "sail" portion of the submarine in an Albuquerque park. Similar appropriations have been made in the past through the Department of Military Affairs.

- ★ On a motion duly made, seconded and unanimously adopted, committee staff was directed to draft a special appropriation for \$100,000 to the Department of Military Affairs for the outreach activities.

Adjournment

The committee adjourned at 3:00 p.m.

**MINUTES
of the
SIXTH MEETING
of the
MILITARY AND VETERANS' AFFAIRS COMMITTEE**

**November 17, 2014
Room 309, State Capitol
Santa Fe**

The sixth meeting of the Military and Veterans' Affairs Committee was called to order by Representative Rodolpho "Rudy" S. Martinez, co-chair, on November 17, 2014 at 9:20 a.m. in Room 309 of the State Capitol in Santa Fe.

Present

Sen. Richard C. Martinez, Co-Chair
Rep. Rodolpho "Rudy" S. Martinez,
Co-Chair
Sen. William F. Burt
Rep. Nathan "Nate" Cote
Rep. Dianne Miller Hamilton
Sen. William H. Payne
Rep. Bob Wooley

Absent

Sen. Daniel A. Ivey-Soto

Advisory Members

Rep. Eliseo Lee Alcon
Rep. Thomas A. Anderson
Sen. Carlos R. Cisneros
Sen. Timothy M. Keller
Rep. Edward C. Sandoval
Rep. Jeff Steinborn

Sen. Craig W. Brandt
Rep. George Dodge, Jr.
Rep. Yvette Herrell
Sen. John Pinto
Sen. Cliff R. Pirtle
Rep. Dennis J. Roch

Staff

Jeret Fleetwood, Researcher, Legislative Council Service (LCS)
Peter Kovnat, Staff Attorney, LCS
Kathleen Dexter, 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

Copies of all handouts and other written testimony are in the meeting file.

Monday, November 17

Veterans' Procurement Preference Assessment

Alan Martinez, deputy secretary, Veterans' Services Department (VSD), gave a presentation in response to House Memorial 1 (2014) on the oversight, implementation and effectiveness of the resident veteran-owned business preference in state procurement. After meetings with members of the veteran business community, state agency personnel, procurement officers and representatives of the construction industry, the VSD found that there is no oversight of the program, no standard practice across agencies implementing the preference and no clear definition of the aggregate annual cap for the preference. The statute that established the preference is seen by many veteran-owned businesses and procurement officers as too vague in certain respects and too complicated in others. Revisions that are currently being considered in an effort to make the preference available to more, and smaller, veteran-owned businesses include:

- (1) for construction procurement:
 - (a) limiting eligibility for the preference to a one-time, three-year period within the first six years after a veteran-owned business receives its business license;
 - (b) limiting the advantage to five percent, regardless of company size;
 - (c) limiting application to contracts of \$300,000 or less; and
 - (d) eliminating the aggregate annual cap; and
- (2) for goods and services procurement:
 - (a) imposing the same limitations as on construction contracts;
 - (b) eliminating the aggregate annual cap;
 - (c) limiting eligibility to businesses with no more than 49 full-time employees; and
 - (d) limiting application to contracts of \$100,000 or less.

Deputy Secretary Martinez also introduced the new secretary-designate of veterans' affairs, Brigadier General (retired) Jack R. Fox.

National Guard of New Mexico State Defense Force Update

Brigadier General Andrew E. Salas, adjutant general, National Guard of New Mexico (NGNM), opened his presentation by honoring the four veterans on the committee who would not be returning in 2015 — Representatives Anderson, Cote, Martinez and Sandoval.

Joined by Major Raymond Chung, NGNM staff judge advocate; Brigadier General David Torres, NGNM assistant adjutant general; and Brigadier General Juan Griego, NGNM deputy adjutant general, General Salas addressed concerns regarding the State Defense Force (force),

also referred to as the state's "militia". Though the force was established by statute within the Department of Military Affairs (DMA), it received little oversight by the DMA until a "reset" initiative in 2013. The initiative tightened the force's structure, required all personnel to reapply, developed a proposed organizational structure and routed all new officer appointment recommendations to the governor for consideration, in part to address concerns that force members could "buy their ranks". Residents ages 18 through 64 qualify for the force (the DMA is considering raising the age limit to 74), though certain applicants are not accepted, including those who do not meet minimum physical requirements, anyone considered subversive or disloyal to the state or federal government and members of paramilitary training organizations. Types of duty include "militia duty", when the force is called for service by the governor following mobilization of the NGNM, and "cadre duty", which is primarily periodic training. Members of the force who report to militia duty are entitled to some of the same benefits and protections afforded to deployed NGNM members, including military leave with pay from their civilian employers and protection from subsequent workplace discrimination due to their absence. The presenters described two pending court actions brought by NGNM members who claim that their employers, one of which was a state agency, violated these protections.

On questioning, the presenters and committee members noted that:

(1) the force receives minimal funding through the VSD, and it is solely for administrative supplies;

(2) force members on cadre duty receive no per diem or mileage reimbursements and, after discharge from the force, receive no benefits;

(3) the force recruits through veteran service organizations;

(4) women may be members of the force, and they must meet the same requirements as male members;

(5) while the initial goal was that the force be 10 percent the size of the NGNM, it has historically had only 50 to 60 members statewide; optimally, it would increase to 200 members organized in a battalion structure with regional units; and

(6) state statute is unclear regarding employment protections for NGNM and force members under the federal Uniformed Services Employment and Reemployment Rights Act of 1994; in response to a member's suggestion that Major Chung work with committee staff to draft legislation to "close the loopholes" in statute, General Salas deferred and said that he would run the suggestion through his "channels".

Goodwill Homeless Veterans Reintegration Program

Sesha Lee and Secret Wimberly, case managers for the Homeless Veteran Reintegration Program (HVRP) at Goodwill Industries of New Mexico, gave an overview of veteran-specific

services provided by Goodwill. In addition to job development skills training and brain injury case management services available to anyone in the community through Goodwill, the HVRP provides rapid re-housing for homeless veterans and their families, as well as employment services and case management to help homeless veterans transition into long-term, stable employment. The HVRP Trialworks Program trains veterans in retail, recycling, transportation and warehouse work, and participating veterans receive minimum wage during their training period. Since its launch in August 2013, the HVRP has placed 81 veterans in sustainable employment — a placement rate of 65 percent in 2013 and 80 percent in 2014. The program currently serves Bernalillo, Valencia, Tarrant and Sandoval counties, and Goodwill is looking to expand it to other counties in the future.

On questioning, the presenters clarified that while the majority of funding for Goodwill programs come from store sales, the HVRP receives its funding through two federal grants:

(1) the employment assistance portion of the HVRP is funded by a federal Department of Labor (DOL) grant; and

(2) the rapid re-housing portion of the HVRP is funded by a grant from the federal Department of Veterans Affairs (VA).

In order for the employment assistance portion of the HVRP to expand into southern New Mexico, the DOL would have to issue a request for proposals for services in that area.

Minutes

On a motion duly made, seconded and unanimously adopted, the minutes from the October 29, 2014 meeting were approved.

Veterans Wellness and Healing Center

Chuck Howe, board president, National Veterans Wellness and Healing Center of Angel Fire, Inc., reported that the center graduated 10 couples earlier in the month from its first retreat for veterans suffering from posttraumatic stress disorder (PTSD) and their spouses. The retreats are funded through the Behavioral Health Services Division of the Human Services Department, with 90 couples to be served per year over a four-year contract. While the state funding is earmarked for treating New Mexico veterans and their spouses, the center also receives private funding, which covers participation by veterans from outside the state.

Public Comment

Dave Pineda, commander, American Legion Post 17, expressed concern over a question on the VA disability registration form regarding spouse and ex-spouse income, stating that he and other veterans from his post feel the question is inappropriate when determining disability status.

- ★ On a motion duly made, seconded and unanimously adopted, committee staff was directed to draft a letter to the secretary of veterans' services, with copies to members of the New Mexico congressional delegation and the director of the VA, inquiring why the VA disability registration form includes this question.

Consideration of Legislation for Endorsement

In discussion of which proposed legislation would receive a committee endorsement, committee members voted on motions duly made and seconded to:

(1) endorse a \$300,000 appropriation to the VSD to purchase vehicles for outreach services in rural areas of the state; the bill will also go to the Indian Affairs Committee for possible dual endorsement (**.198028.1** — unanimously adopted — Representative Alcon will sponsor);

(2) endorse a \$100,000 appropriation to the to DMA for outreach and education projects to promote the *USS New Mexico* and *USS Santa Fe* and to help retire the *USS Albuquerque* (**.198015.1** — unanimously adopted — Representative Wooley will sponsor);

(3) endorse a \$2 million appropriation to the New Mexico Mortgage Finance Authority to rehabilitate homes occupied by low-income veterans whose income does not exceed 60 percent of the area median income, with a 10 percent cap on administrative fees (**.197572.1** — unanimously adopted — Senator Martinez and Representative Roberto "Bobby" J. Gonzales will sponsor); and

(4) not endorse a \$200,000 appropriation to Western New Mexico University (WNMU) for a PTSD treatment program using virtual reality (**.198031.1** — Representatives Cote and Martinez and Senators Martinez, Payne and Burt voted for the motion to not endorse — Representatives Hamilton and Wooley voted against the motion to not endorse).

In discussion of the appropriation to WNMU, Representative Hamilton clarified that the funding would be used to finish training on the virtual reality treatment process and equipment and to conduct the treatment on a pilot group of 10 veterans. Initial funding for the program — \$100,000 from House Bill 2 (2013) and \$80,000 from the governor's discretionary funds — was used to hire two staff members and to rent the equipment.

Disabled American Veteran Equipment and Services Program (DAVES)

Lieutenant Colonel (retired) Rudy C de Baca, director, DAVES, gave a presentation on his efforts to launch a nonprofit corporation to provide jobs to disabled, homeless and unemployed veterans in northern New Mexico. Operating out of a facility identified in Española, DAVES would focus initially on contracts for clothing and equipment manufacturing and equipment refurbishment. Following that, DAVES would expand into providing veterans' services based in regional "hub zones" and centers where veterans can get services without needing an appointment. Colonel C de Baca projects that DAVES will create 50 jobs in its first

year and hopes to get wage assistance from the Workforce Solutions Department and possible start-up funding from the state. Committee members advised him to contact the VSD.

Naprapathy for Treatment of PTSD

Patrick Nuzzo, D.N., founder, Southwest University of Naprapathic Medicine, Sergeant Christopher Field and Sergeant Dan Gandee spoke of the benefits of treating PTSD with naprapathy, a non-drug treatment modality based on physical manipulation. Sergeants Field and Gandee, whose PTSD stems from deployments in Afghanistan and Beirut, respectively, were both treated as part of Dr. Nuzzo's pilot program using naprapathy for PTSD. Both report positive results from the treatment after other types of PTSD treatment had been unsuccessful. Dr. Nuzzo plans to treat 50 veterans in an expansion of his program, and while the veterans will receive their treatments for free, Dr. Nuzzo requests that the state provide funding to hire a survey company to collect and compile data on patient outcomes.

- ★ Committee staff will work with Dr. Nuzzo to draft a special appropriation to compile data gathered from naprapathic PTSD treatment in 50 veterans. Representatives Hamilton and Wooley will sponsor the legislation, and though it did not receive a committee endorsement because it had not yet been drafted for committee consideration, the sponsors are authorized to state that the committee endorsed the legislation "in concept".

Adjournment

The committee adjourned at 4:15 p.m.

ENDORSED LEGISLATION

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SENATE BILL

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

ENDORSED BY THE MORTGAGE FINANCE
AUTHORITY ACT OVERSIGHT COMMITTEE

AN ACT

MAKING AN APPROPRIATION TO FUND THE OVERSIGHT OF THE REGIONAL
HOUSING AUTHORITIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. APPROPRIATION.--Two hundred fifty thousand
dollars (\$250,000) is appropriated from the general fund to the
department of finance and administration for expenditure in
fiscal year 2016 and subsequent fiscal years for the purpose of
funding the oversight of the regional housing authorities by
the New Mexico mortgage finance authority. Any unexpended or
unencumbered balance remaining at the end of a fiscal year
shall not revert to the general fund.

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SENATE BILL

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

ENDORSED BY THE MORTGAGE FINANCE AUTHORITY
ACT OVERSIGHT COMMITTEE

AN ACT

RELATING TO HOUSING; TRANSFERRING OVERSIGHT OF THE REGIONAL
HOUSING AUTHORITIES TO THE DEPARTMENT OF FINANCE AND
ADMINISTRATION; AMENDING SECTIONS OF THE REGIONAL HOUSING LAW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 11-3A-6 NMSA 1978 (being Laws 1994,
Chapter 132, Section 6, as amended) is amended to read:

"11-3A-6. POWERS OF REGIONAL HOUSING AUTHORITY IN BOARD
OF COMMISSIONERS--APPOINTMENT OF BOARD OF REGIONAL HOUSING
AUTHORITIES--TERMS.--

A. The powers of each regional housing authority
shall be vested in its board of commissioners as the board may
be constituted, from time to time. The board of commissioners
of the regional housing authority for each of the three regions
shall consist of one person from each county within the

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1 designated area of the regional housing authority, which person
2 shall be a resident of that county and shall be appointed by
3 the governor. Appointments shall be for terms of four years
4 and shall be made so that the terms of not more than four
5 commissioners on each board of commissioners expire on July 1
6 of each year. Vacancies shall be filled for the unexpired
7 term. Commissioners shall serve until their successors have
8 been appointed.

9 B. Members of [~~a~~] the board of commissioners of a
10 regional housing authority shall elect an executive committee
11 consisting of a chair, vice chair, treasurer, secretary and one
12 other member of the board to function and meet on a monthly
13 basis as an executive committee. The executive committee shall
14 have the authority to act on behalf of the board of
15 commissioners of the regional housing authority as needed. The
16 executive committee shall submit a report of actions to the
17 full board of commissioners, which shall meet on a quarterly
18 basis.

19 C. [~~The~~] Members of the [~~boards~~] board of
20 commissioners of a regional housing authority may receive per
21 diem and mileage as provided in the Per Diem and Mileage Act
22 but shall receive no other compensation, perquisite or
23 allowance. A majority of the appointed commissioners of a
24 board of commissioners shall constitute a quorum of [~~a~~] the
25 board [~~of commissioners~~] for the purpose of conducting its

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1 business and exercising its powers and for all other purposes.
2 Action may be taken by a regional housing authority upon a vote
3 of a majority of the commissioners present. Each board of
4 commissioners shall organize itself at its annual meeting each
5 year. A board of commissioners may employ an executive
6 director, subject to approval by the [~~New Mexico mortgage~~
7 ~~finance authority~~] department of finance and administration.

8 With delegated authority from the board of commissioners, the
9 executive director may hire or terminate, according to the
10 procurement and personnel policies and procedures of the
11 regional housing authority, any technical experts, officers,
12 attorneys, agents or employees, permanent or temporary, as the
13 regional housing authority may require.

14 D. The threshold requirements for commissioners of
15 boards of regional housing authorities are that commissioners
16 have expertise and experience in housing construction, real
17 estate, architecture, law, banking, housing finance, business,
18 property management, accounting, residential development,
19 public housing programs, community development, social services
20 or health care. The requirements set forth in this section
21 shall not apply to commissioners serving pursuant to
22 requirements of the federal department of housing and urban
23 development.

24 E. Commissioners are expected to attend all
25 meetings of the board of commissioners of the regional housing

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1 authority, and more than three unexcused absences may be
2 grounds for dismissal from the board. All recommendations for
3 ~~[appointment as]~~ appointments of commissioners shall be
4 forwarded to and reviewed by the ~~[New Mexico mortgage finance~~
5 ~~authority]~~ department of finance and administration prior to
6 recommendation to the governor."

7 SECTION 2. Section 11-3A-9 NMSA 1978 (being Laws 1994,
8 Chapter 132, Section 9, as amended) is amended to read:

9 "11-3A-9. NONPROFIT CORPORATIONS.--Every regional housing
10 authority, in addition to other powers conferred by the
11 Regional Housing Law, shall have, if authorized by resolution
12 of its board of commissioners and approved by the state board
13 of finance, the power to create nonprofit corporations to carry
14 out the powers and duties set forth in Section 11-3A-7 NMSA
15 1978. The articles of incorporation and bylaws, and any
16 subsequent changes, shall be recommended for approval by the
17 state board of finance and the ~~[New Mexico mortgage finance~~
18 ~~authority]~~ department of finance and administration. Such
19 nonprofit corporations shall be subject to all of the duties
20 and limitations imposed on the regional housing authority and
21 its board of commissioners."

22 SECTION 3. Section 11-3A-30 NMSA 1978 (being Laws 2007,
23 Chapter 50, Section 6, as amended) is amended to read:

24 "11-3A-30. FINANCIAL AND OPERATIONAL OVERSIGHT.--

25 A. Without the prior approval of the ~~[New Mexico~~

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1 ~~mortgage finance authority]~~ department of finance and
2 administration, no regional housing authority shall:

3 (1) enter into any contract, memorandum of
4 understanding or other agreement with a value greater than one
5 hundred thousand dollars (\$100,000); or

6 (2) transfer, sell or liquidate any real or
7 personal property with a value greater than one hundred
8 thousand dollars (\$100,000).

9 B. Not less than thirty days prior to the beginning
10 of its fiscal year, each regional housing authority and each
11 nonprofit corporation established pursuant to Section 11-3A-9
12 NMSA 1978 shall submit a final operating budget for the
13 subsequent fiscal year to the [~~New Mexico mortgage finance~~
14 ~~authority]~~ department of finance and administration for review.

15 C. The financial affairs of every regional housing
16 authority and any nonprofit corporation created by a regional
17 housing authority shall be thoroughly examined and audited
18 annually by the state auditor, by personnel of the state
19 auditor's office designated by the state auditor or by auditors
20 approved by the state auditor. The audits shall be conducted
21 in accordance with generally accepted auditing standards. Each
22 regional housing authority shall submit to the state auditor,
23 the department of finance and administration [~~the New Mexico~~
24 ~~mortgage finance authority, the Mortgage Finance Authority Act~~
25 ~~oversight committee]~~ and the legislative finance committee,

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1 within thirty days following the receipt of the annual audit of
2 the regional housing authority, a copy of that audit.

3 D. Every regional housing authority shall submit an
4 annual report of its financial and operational activities to
5 the [~~New Mexico mortgage finance authority~~] department of
6 finance and administration for review and analysis and for
7 dissemination to the [~~department of finance and administration,~~
8 ~~the Mortgage Finance Authority Act oversight committee and the~~]
9 legislative finance committee. Each report shall set forth a
10 complete operating and financial statement covering its
11 operations since the previous report was presented.

12 E. Failure on the part of a regional housing
13 authority to correct any qualified audit within one year of the
14 release of the audit shall result in the abatement of any state
15 funds until such corrective actions are taken. If a regional
16 housing authority should receive a qualified audit opinion for
17 more than two consecutive years, the oversight agency shall
18 recommend corrective action to be taken."

19 SECTION 4. EFFECTIVE DATE.--The effective date of the
20 provisions of this act is July 1, 2015.

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SENATE BILL

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

ENDORSED BY THE MORTGAGE FINANCE
AUTHORITY ACT OVERSIGHT COMMITTEE

AN ACT

MAKING AN APPROPRIATION TO FUND THE OVERSIGHT DUTIES RELATED TO
THE AFFORDABLE HOUSING ACT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. APPROPRIATION.--Two hundred fifty thousand
dollars (\$250,000) is appropriated from the general fund to the
department of finance and administration for expenditure by the
New Mexico mortgage finance authority in fiscal year 2016 and
subsequent fiscal years for the purpose of funding the
oversight of the Affordable Housing Act. Any unexpended or
unencumbered balance remaining at the end of a fiscal year
shall not revert to the general fund.

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SENATE BILL

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

ENDORSED BY THE MORTGAGE FINANCE
AUTHORITY ACT OVERSIGHT COMMITTEE

AN ACT

RELATING TO HOUSING; TRANSFERRING THE OVERSIGHT OF THE
AFFORDABLE HOUSING ACT DUTIES AND RESPONSIBILITIES FROM THE NEW
MEXICO MORTGAGE FINANCE AUTHORITY TO THE DEPARTMENT OF FINANCE
AND ADMINISTRATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 6-27-3 NMSA 1978 (being Laws 2004,
Chapter 104, Section 3, as amended) is amended to read:

"6-27-3. DEFINITIONS.--As used in the Affordable Housing
Act:

A. "affordable housing" means residential housing
primarily for persons or households of low or moderate income;

~~[B. "authority" means the New Mexico mortgage
finance authority;~~

~~G.]~~ B. "building" means a structure capable of

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1 being renovated or converted into affordable housing or a
2 structure that is to be demolished and is located on land that
3 is donated and upon which affordable housing will be
4 constructed;

5 C. "department" means the department of finance and
6 administration;

7 D. "governmental entity" means [a] the state, a
8 county or a municipality [~~or the authority~~];

9 E. "household" means one or more persons occupying
10 a housing unit;

11 F. "housing assistance grant" means the donation,
12 provision or payment by a governmental entity of:

13 (1) land upon which affordable housing will be
14 constructed;

15 (2) an existing building that will be
16 renovated, converted or demolished and reconstructed as
17 affordable housing;

18 (3) the costs of acquisition, development,
19 construction, financing and operating or owning affordable
20 housing; or

21 (4) the costs of financing or infrastructure
22 necessary to support affordable housing;

23 G. "infrastructure" includes infrastructure
24 improvements and infrastructure purposes;

25 H. "infrastructure improvement" includes, but is

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1 not limited to:

2 (1) sanitary sewage systems, including
3 collection, transport, storage, treatment, dispersal, effluent
4 use and discharge;

5 (2) drainage and flood control systems,
6 including collection, transport, diversion, storage, detention,
7 retention, dispersal, use and discharge;

8 (3) water systems for domestic purposes,
9 including production, collection, storage, treatment,
10 transport, delivery, connection and dispersal;

11 (4) areas for motor vehicle use for road
12 access, ingress, egress and parking;

13 (5) trails and areas for pedestrian,
14 equestrian, bicycle or other nonmotor vehicle use for access,
15 ingress, egress and parking;

16 (6) parks, recreational facilities and open
17 space areas to be used by residents for entertainment, assembly
18 and recreation;

19 (7) landscaping, including earthworks,
20 structures, plants, trees and related water delivery systems;

21 (8) electrical transmission and distribution
22 facilities;

23 (9) natural gas distribution facilities;

24 (10) lighting systems;

25 (11) cable or other telecommunications lines

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1 and related equipment;

2 (12) traffic control systems and devices,
3 including signals, controls, markings and signs;

4 (13) inspection, construction management and
5 related costs in connection with the furnishing of the items
6 listed in this subsection; and

7 (14) heating, air conditioning and
8 weatherization facilities, systems or services, and energy
9 efficiency improvements that are affixed to real property;

10 I. "infrastructure purpose" means:

11 (1) planning, design, engineering,
12 construction, acquisition or installation of infrastructure,
13 including the costs of applications, impact fees and other
14 fees, permits and approvals related to the construction,
15 acquisition or installation of the infrastructure;

16 (2) acquiring, converting, renovating or
17 improving existing facilities for infrastructure, including
18 facilities owned, leased or installed by the owner;

19 (3) acquiring interests in real property or
20 water rights for infrastructure, including interests of the
21 owner; and

22 (4) incurring expenses incident to and
23 reasonably necessary to carry out the purposes specified in
24 this subsection;

25 J. "municipality" means an incorporated city, town

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1 or village, whether incorporated under general act, special act
2 or special charter, incorporated counties and H class counties;

3 K. "qualifying grantee" means:

4 (1) an individual who is qualified to receive
5 assistance pursuant to the Affordable Housing Act and is
6 approved by the governmental entity; and

7 (2) a governmental housing agency, regional
8 housing authority, tribal housing agency, corporation, limited
9 liability company, partnership, joint venture, syndicate,
10 association or nonprofit organization that:

11 (a) is organized under state, local or
12 tribal laws and can provide proof of such organization;

13 (b) if a nonprofit organization, has no
14 part of its net earnings inuring to the benefit of any member,
15 founder, contributor or individual; and

16 (c) is approved by the governmental
17 entity; and

18 L. "residential housing" means any building,
19 structure or portion thereof that is primarily occupied, or
20 designed or intended primarily for occupancy, as a residence by
21 one or more households and any real property that is offered
22 for sale or lease for the construction or location thereon of
23 such a building, structure or portion thereof. "Residential
24 housing" includes congregate housing, manufactured homes,
25 housing intended to provide or providing transitional or

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1 temporary housing for homeless persons and common health care,
2 kitchen, dining, recreational and other facilities primarily
3 for use by residents of a residential housing project."

4 SECTION 2. Section 6-27-4 NMSA 1978 (being Laws 2004,
5 Chapter 104, Section 4) is amended to read:

6 "6-27-4. ELIGIBILITY REQUIREMENTS--NON-INDIVIDUAL AND
7 INDIVIDUAL QUALIFYING GRANTEEES.--

8 A. To be eligible to receive lands, buildings and
9 infrastructure pursuant to [~~Section 14 of~~] Article 9, Section
10 14 of the constitution of New Mexico, a non-individual
11 qualifying grantee shall:

12 (1) have a functioning accounting system that
13 is operated in accordance with generally accepted accounting
14 principles or [~~has designated~~] shall designate an entity that
15 will maintain such an accounting system consistent with
16 generally accepted accounting principles;

17 (2) have among its purposes significant
18 activities related to providing housing or services to low- or
19 moderate-income persons or households; and

20 (3) if it has significant outstanding or
21 unresolved monitoring findings from either the [~~authority~~]
22 department or its most recent independent financial audit, have
23 a certified letter from the [~~authority~~] department or auditor
24 stating that the findings are in the process of being resolved.

25 B. To be eligible to receive lands, buildings and

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1 infrastructure pursuant to [~~Section 14 of~~] Article 9, Section
2 14 of the constitution of New Mexico, an individual qualifying
3 grantee shall meet the requirements established by the
4 [~~authority~~] department pursuant to the Affordable Housing Act."

5 SECTION 3. Section 6-27-5 NMSA 1978 (being Laws 2004,
6 Chapter 104, Section 5, as amended) is amended to read:

7 "6-27-5. STATE, COUNTY AND MUNICIPALITIES [~~AND THE~~
8 ~~AUTHORITY~~]-AUTHORIZATION FOR AFFORDABLE HOUSING.--The state, a
9 county or a municipality [~~or the authority~~] may:

10 A. donate, provide or pay all or a portion of the
11 costs of land for the construction on the land of affordable
12 housing;

13 B. donate, provide or pay all or a portion of the
14 costs of conversion or renovation of existing buildings into
15 affordable housing;

16 C. provide or pay the costs of financing or
17 infrastructure necessary to support affordable housing
18 projects; or

19 D. provide or pay all or a portion of the costs of
20 acquisition, development, construction, financing, operating or
21 owning affordable housing."

22 SECTION 4. Section 6-27-6 NMSA 1978 (being Laws 2004,
23 Chapter 104, Section 6) is amended to read:

24 "6-27-6. REQUIREMENT FOR SPECIFIC LAW AUTHORIZING A
25 HOUSING ASSISTANCE GRANT FROM THE STATE.--

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1 A. The specific grant of authority created in the
2 Affordable Housing Act is the prior approval required pursuant
3 to Article [4] 9, Section 14 of the constitution of New Mexico
4 to allow the state to provide affordable housing assistance.

5 B. Funding pursuant to this grant of authority
6 shall be appropriated to the department [~~of finance and~~
7 ~~administration~~] for disbursement [~~by the authority~~] to a
8 qualifying grantee in accordance with rules promulgated by the
9 [~~authority~~] department.

10 C. Rules adopted by the [~~authority~~] department may
11 include provisions for matching or using local, private or
12 federal funds in connection with a specific grant, but matching
13 or using federal funds shall not be prohibited.

14 ~~[D. The authority shall seek comment from the~~
15 ~~Mortgage Finance Authority Act oversight committee prior to its~~
16 ~~adoption of rules pursuant to this section.]"~~

17 SECTION 5. Section 6-27-7 NMSA 1978 (being Laws 2004,
18 Chapter 104, Section 7, as amended) is amended to read:

19 "6-27-7. REQUIREMENT FOR ENACTMENT OF AN ORDINANCE BY A
20 COUNTY OR A MUNICIPALITY AND REVIEW BY THE [~~AUTHORITY~~]
21 DEPARTMENT AUTHORIZING HOUSING ASSISTANCE GRANTS [~~REQUIREMENT~~
22 ~~FOR ADOPTION OF A RESOLUTION BY THE GOVERNING BODY OF THE~~
23 ~~AUTHORITY AUTHORIZING HOUSING ASSISTANCE GRANTS].--~~

24 A. A county or municipality may provide housing
25 assistance grants pursuant to Article 9, Section 14 of the

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1 constitution of New Mexico after enactment by its governing
2 body of an ordinance authorizing grants, stating the
3 requirements of and purposes of the grants and authorizing
4 transfer or disbursement to a qualifying grantee only after a
5 budget is submitted to and approved by the governing body. The
6 ordinance may provide for matching or using local, private or
7 federal funds either through direct participation with a
8 federal agency pursuant to federal law or through indirect
9 participation through applicable programs [~~of the authority~~].
10 No less than forty-five days prior to enactment, the county or
11 municipality shall submit a proposed ordinance to the
12 [~~authority~~] department, which shall review the proposed
13 ordinance to ensure compliance with rules promulgated by the
14 [~~authority~~] department pursuant to Section 6-27-8 NMSA 1978.
15 Within fifteen days after enactment of the ordinance, the
16 county or municipality shall submit a certified true copy of
17 the ordinance to the [~~authority~~] department.

18 B. A school district may transfer land or buildings
19 owned by the school district to a county or municipality to be
20 further granted as part or all of an affordable housing grant
21 if the school district and the governing body of the county or
22 municipality enter into a contract that provides the school
23 district with a negotiated number of affordable housing units
24 that will be reserved for employees of the school district.

25 C. The governing board of a public post-secondary

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1 educational institution may transfer land or buildings owned by
2 that institution to a county or municipality; provided that:

3 (1) the property transferred shall be granted
4 by the county or municipality as part or all of an affordable
5 housing grant; and

6 (2) the governing board of the public
7 post-secondary educational institution and the governing body
8 of the county or municipality enter into a contract that
9 provides the public post-secondary educational institution with
10 affordable housing units.

11 D. The ~~[authority]~~ department may provide housing
12 assistance grants pursuant to Article 9, Section 14 of the
13 constitution of New Mexico ~~[after enactment by its governing~~
14 ~~body of a resolution authorizing grants, stating the~~
15 ~~requirements and purposes of the grants and authorizing~~
16 ~~disbursement to a qualifying grantee after a budget is~~
17 ~~submitted to and approved by the governing body. The~~
18 ~~resolution may provide for matching or for using local, private~~
19 ~~or federal funds either through direct participation with a~~
20 ~~federal agency pursuant to federal law or through indirect~~
21 ~~participation through programs of the authority. The~~
22 ~~resolution shall comply with rules promulgated by the authority~~
23 ~~pursuant to Section 6-27-8 NMSA 1978].~~

24 E. As used in this section, "public post-secondary
25 educational institution" means a state university or a public

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1 community college."

2 SECTION 6. Section 6-27-8 NMSA 1978 (being Laws 2004,
3 Chapter 104, Section 8, as amended) is amended to read:

4 "6-27-8. PROVISIONS TO ENSURE SUCCESSFUL COMPLETION OF
5 AFFORDABLE HOUSING PROJECTS--INVESTIGATION.--

6 A. State, county and municipal housing assistance
7 grants pursuant to the Affordable Housing Act shall be applied
8 for and awarded to qualifying grantees pursuant to the rules
9 promulgated by the ~~[authority]~~ department subject to the
10 requirements of that act.

11 B. The ~~[authority]~~ department shall adopt rules
12 covering:

13 (1) procedures to ensure that qualifying
14 grantees meet the requirements of the Affordable Housing Act
15 and rules promulgated pursuant to that act both at the time of
16 the award and through the term of the grant;

17 (2) establishment of an application and award
18 timetable for housing assistance grants to permit the selection
19 of the potential qualifying grantees prior to January of the
20 year in which the grants would be made;

21 (3) contents of the application, including an
22 independent evaluation of the:

23 (a) financial and management stability
24 of the applicant;

25 (b) demonstrated commitment of the

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1 applicant to the community;

2 (c) cost-benefit analysis of the project
3 proposed by the applicant;

4 (d) benefits to the community of a
5 proposed project;

6 (e) type or amount of assistance to be
7 provided;

8 (f) scope of the affordable housing
9 project;

10 (g) substantive or matching contribution
11 by the applicant to the proposed project; and

12 (h) performance schedule for the
13 qualifying grantee with performance criteria;

14 (4) a requirement for long-term affordability
15 of a state, county or municipal project so that a project
16 cannot be sold shortly after completion and taken out of the
17 affordable housing market to ensure a quick profit for the
18 qualifying grantee;

19 (5) a requirement that a grant for a state or
20 local project must impose a contractual obligation on the
21 qualifying grantee that the housing units in a state or local
22 project pursuant to the Affordable Housing Act be occupied by
23 low- or moderate-income households;

24 (6) provisions for adequate security against
25 the loss of public funds or property in the event that a

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1 qualifying grantee abandons or otherwise fails to complete a
2 project;

3 (7) a requirement for review and approval of a
4 housing grant project budget by the grantor before any
5 expenditure of grant funds or transfer of granted property;

6 (8) a requirement that, unless the period is
7 extended for good cause shown, the ~~[authority]~~ department shall
8 act on an application within forty-five days of the date of
9 receipt of an application that the ~~[authority]~~ department deems
10 to be complete and, if not acted upon, the application shall be
11 deemed approved;

12 (9) a requirement that a condition of grant
13 approval be proof of compliance with all applicable state and
14 local laws, rules and ordinances;

15 (10) provisions defining "low- and moderate-
16 income" and setting out requirements for verification of income
17 levels;

18 (11) a requirement that a county or
19 municipality that makes a housing assistance grant shall have
20 an existing valid affordable housing plan or housing elements
21 contained in its general plan; and

22 (12) a requirement that the governmental
23 entity enter into a contract with a qualifying grantee
24 consistent with the Affordable Housing Act, which contract
25 shall include remedies and default provisions in the event of

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1 the unsatisfactory performance by the qualifying grantee.

2 C. In addition to the rulemaking mandated in
3 Subsection B of this section, the [~~authority~~] department may
4 adopt additional rules to carry out the purposes of the
5 Affordable Housing Act. Rulemaking procedures pursuant to the
6 Affordable Housing Act shall:

7 (1) provide a public hearing in accordance
8 with the state Administrative Procedures Act; and

9 (2) require concurrence in a rule having
10 application to local government by both the New Mexico
11 municipal league and the New Mexico association of counties.

12 D. The attorney general shall investigate any
13 alleged violation of the Affordable Housing Act as reported
14 by the [~~authority~~] department."

15 SECTION 7. EFFECTIVE DATE.--The effective date of the
16 provisions of this act is July 1, 2015.

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SENATE BILL

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

ENDORSED BY THE MORTGAGE FINANCE
AUTHORITY ACT OVERSIGHT COMMITTEE

AN ACT

MAKING AN APPROPRIATION TO THE NEW MEXICO HOUSING TRUST FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. APPROPRIATION.--Five million dollars (\$5,000,000) is appropriated from the general fund to the New Mexico housing trust fund for expenditure in fiscal year 2016 and subsequent fiscal years by the New Mexico mortgage finance authority for the purposes of carrying out the provisions of the New Mexico Housing Trust Fund Act. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

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SENATE BILL

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

ENDORSED BY THE MORTGAGE FINANCE
AUTHORITY ACT OVERSIGHT COMMITTEE

AN ACT

MAKING AN APPROPRIATION TO EXPAND A RESIDENTIAL ENERGY
CONSERVATION PROGRAM FOR LOW-INCOME PERSONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. APPROPRIATION.--One million dollars
(\$1,000,000) is appropriated from the general fund to the
department of finance and administration for expenditure in
fiscal years 2016 and 2017 for the New Mexico mortgage finance
authority to provide for a residential energy conservation
program to increase the energy efficiency and reduce energy
expenditures of homes occupied by low-income persons in New
Mexico. No more than five percent of this appropriation shall
be used by the New Mexico mortgage finance authority for
administrative expenses. Any unexpended or unencumbered
balance remaining at the end of fiscal year 2017 shall revert

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to the general fund.

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HOUSE BILL

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

ENDORSED BY THE MORTGAGE FINANCE
AUTHORITY ACT OVERSIGHT COMMITTEE

AN ACT

MAKING AN APPROPRIATION FOR EMERGENCY AND MINOR REPAIRS OF
HOMES OCCUPIED BY LOW-INCOME PERSONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. APPROPRIATION.--Two million dollars
(\$2,000,000) is appropriated from the general fund to the
department of finance and administration for expenditure in
fiscal year 2016 for the New Mexico mortgage finance authority
to provide for emergency and minor repairs of homes occupied by
low-income persons in New Mexico. Emergency and minor repairs
include repairs necessitated by natural disasters, repair and
replacement of roofs and accessibility modifications for
physically impaired persons. No more than five percent of this
appropriation shall be used by the New Mexico mortgage finance
authority for administrative expenses. Any unexpended or

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1 unencumbered balance remaining at the end of fiscal year 2016
2 shall revert to the general fund.

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SENATE BILL

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

ENDORSED BY THE MORTGAGE FINANCE
AUTHORITY ACT OVERSIGHT COMMITTEE

AN ACT

RELATING TO HOUSING; AMENDING AND ENACTING SECTIONS OF THE
AFFORDABLE HOUSING ACT; ADDING AND CLARIFYING DEFINITIONS;
CHANGING LONG-TERM AFFORDABILITY REQUIREMENTS FOR CERTAIN
PROJECTS; PROVIDING FOR RULES FOR HOUSING ASSISTANCE GRANTS BY
THE NEW MEXICO MORTGAGE FINANCE AUTHORITY AND OTHER STATE
AGENCIES AND INSTRUMENTALITIES; PROVIDING FOR RULES FOR THE
TIMELY SALE OF CERTAIN PROJECTS; PROVIDING FOR ENFORCEMENT OF
THE AFFORDABLE HOUSING ACT; PROVIDING PENALTIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 6-27-1 NMSA 1978 (being Laws 2004,
Chapter 104, Section 1) is amended to read:

"6-27-1. SHORT TITLE.--~~[This act]~~ Chapter 6, Article 27
NMSA 1978 may be cited as the "Affordable Housing Act"."

SECTION 2. Section 6-27-2 NMSA 1978 (being Laws 2004,
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1 Chapter 104, Section 2) is amended to read:

2 "6-27-2. PURPOSE.--The purpose of the Affordable Housing
3 Act is to implement the provisions of Subsections E and F of
4 [~~Section 14 of~~] Article 9, Section 14 of the constitution of
5 New Mexico."

6 SECTION 3. Section 6-27-3 NMSA 1978 (being Laws 2004,
7 Chapter 104, Section 3, as amended) is amended to read:

8 "6-27-3. DEFINITIONS.--As used in the Affordable Housing
9 Act:

10 A. "affordable housing" means residential housing
11 primarily for persons or households of low or moderate income;

12 B. "authority" means the New Mexico mortgage
13 finance authority;

14 C. "building" means a structure capable of being
15 renovated or converted into affordable housing or a structure
16 that is to be demolished and is located on land that is donated
17 and upon which affordable housing will be constructed;

18 D. "governmental entity" means [~~the~~] the state,
19 including any agency or instrumentality of the state, a county,
20 a municipality or the authority;

21 E. "household" means one or more persons occupying
22 a housing unit;

23 F. "housing assistance grant" means the donation,
24 provision or payment by a governmental entity of:

25 (1) land upon which affordable housing will be

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1 constructed;

2 (2) an existing building that will be
3 renovated, converted or demolished and reconstructed as
4 affordable housing;

5 (3) the costs of acquisition, development,
6 construction, financing and operating or owning affordable
7 housing; or

8 (4) the costs of financing or infrastructure
9 necessary to support affordable housing;

10 G. "infrastructure" includes infrastructure
11 improvements and infrastructure purposes;

12 H. "infrastructure improvement" includes, but is
13 not limited to:

14 (1) sanitary sewage systems, including
15 collection, transport, storage, treatment, dispersal, effluent
16 use and discharge;

17 (2) drainage and flood control systems,
18 including collection, transport, diversion, storage, detention,
19 retention, dispersal, use and discharge;

20 (3) water systems for domestic purposes,
21 including production, collection, storage, treatment,
22 transport, delivery, connection and dispersal;

23 (4) areas for motor vehicle use for road
24 access, ingress, egress and parking;

25 (5) trails and areas for pedestrian,

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1 equestrian, bicycle or other nonmotor vehicle use for access,
2 ingress, egress and parking;

3 (6) parks, recreational facilities and open
4 space areas to be used by residents for entertainment, assembly
5 and recreation;

6 (7) landscaping, including earthworks,
7 structures, plants, trees and related water delivery systems;

8 (8) electrical transmission and distribution
9 facilities;

10 (9) natural gas distribution facilities;

11 (10) lighting systems;

12 (11) cable or other telecommunications lines
13 and related equipment;

14 (12) traffic control systems and devices,
15 including signals, controls, markings and signs;

16 (13) inspection, construction management and
17 related costs in connection with the furnishing of the items
18 listed in this subsection; and

19 (14) heating, air conditioning and
20 weatherization facilities, systems or services, and energy
21 efficiency improvements that are affixed to real property;

22 I. "infrastructure purpose" means:

23 (1) planning, design, engineering,
24 construction, acquisition or installation of infrastructure,
25 including the costs of applications, impact fees and other

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1 fees, permits and approvals related to the construction,
2 acquisition or installation of the infrastructure;

3 (2) acquiring, converting, renovating or
4 improving existing facilities for infrastructure, including
5 facilities owned, leased or installed by the owner;

6 (3) acquiring interests in real property or
7 water rights for infrastructure, including interests of the
8 owner; and

9 (4) incurring expenses incident to and
10 reasonably necessary to carry out the purposes specified in
11 this subsection;

12 J. "municipality" means an incorporated city, town
13 or village, whether incorporated under general act, special act
14 or special charter, incorporated counties and H class counties;

15 K. "public post-secondary educational institution"
16 means a state university or a public community college;

17 [~~K.~~] L. "qualifying grantee" means:

18 (1) an individual who is qualified to receive
19 assistance pursuant to the Affordable Housing Act and is
20 approved by the governmental entity; and

21 (2) a governmental housing agency, regional
22 housing authority, tribal housing agency, corporation, limited
23 liability company, partnership, joint venture, syndicate,
24 association or nonprofit organization that:

25 (a) is organized under state, local or

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1 tribal laws and can provide proof of such organization;

2 (b) if a nonprofit organization, has no
3 part of its net earnings inuring to the benefit of any member,
4 founder, contributor or individual; and

5 (c) is approved by the governmental
6 entity; and

7 [~~E.~~] M. "residential housing" means any building,
8 structure or portion thereof that is primarily occupied, or
9 designed or intended primarily for occupancy, as a residence by
10 one or more households and any real property that is offered
11 for sale or lease for the construction or location thereon of
12 such a building, structure or portion thereof. "Residential
13 housing" includes congregate housing, manufactured homes,
14 housing intended to provide or providing transitional or
15 temporary housing for homeless persons and common health care,
16 kitchen, dining, recreational and other facilities primarily
17 for use by residents of a residential housing project."

18 SECTION 4. Section 6-27-4 NMSA 1978 (being Laws 2004,
19 Chapter 104, Section 4) is amended to read:

20 "6-27-4. ELIGIBILITY REQUIREMENTS--NON-INDIVIDUAL AND
21 INDIVIDUAL QUALIFYING GRANTEEES.--

22 A. To be eligible to receive lands, buildings and
23 infrastructure pursuant to [~~Section 14 of~~] Article 9, Section
24 14 of the constitution of New Mexico, a nonindividual
25 qualifying grantee shall:

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1 (1) have a functioning accounting system that
2 is operated in accordance with generally accepted accounting
3 principles or [~~has designated~~] shall designate an entity that
4 will maintain such an accounting system consistent with
5 generally accepted accounting principles;

6 (2) have among its purposes significant
7 activities related to providing housing or services to low- or
8 moderate-income persons or households; and

9 (3) if it has significant outstanding or
10 unresolved monitoring findings from either the authority or its
11 most recent independent financial audit, have a certified
12 letter from the authority or auditor stating that the findings
13 are in the process of being resolved.

14 B. To be eligible to receive lands, buildings and
15 infrastructure pursuant to [~~Section 14 of~~] Article 9, Section
16 14 of the constitution of New Mexico, an individual qualifying
17 grantee shall meet the requirements established by the
18 authority pursuant to the Affordable Housing Act."

19 SECTION 5. Section 6-27-5 NMSA 1978 (being Laws 2004,
20 Chapter 104, Section 5, as amended) is amended to read:

21 "6-27-5. STATE, COUNTY, MUNICIPALITIES, INSTRUMENTALITIES
22 OF THE STATE AND THE AUTHORITY--AUTHORIZATION FOR AFFORDABLE
23 HOUSING.--The state, including any agency or instrumentality of
24 the state, or a county, a municipality or the authority may:

25 A. donate, provide or pay all, or a portion, of the

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underscored material = new
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1 costs of land for the construction on the land of affordable
2 housing;

3 B. donate, provide or pay all or a portion of the
4 costs of conversion or renovation of existing buildings into
5 affordable housing;

6 C. provide or pay the costs of financing or
7 infrastructure necessary to support affordable housing
8 projects; or

9 D. provide or pay all or a portion of the costs of
10 acquisition, development, construction, financing, operating or
11 owning affordable housing."

12 SECTION 6. Section 6-27-6 NMSA 1978 (being Laws 2004,
13 Chapter 104, Section 6) is amended to read:

14 "6-27-6. REQUIREMENT FOR SPECIFIC LAW AUTHORIZING A
15 HOUSING ASSISTANCE GRANT FROM STATE.--

16 A. The specific grant of authority created in the
17 Affordable Housing Act is the prior approval required pursuant
18 to Article [4] 9, Section 14 of the constitution of New Mexico
19 to allow the state to provide affordable housing assistance.

20 B. Funding pursuant to this grant of authority
21 shall be appropriated to the department of finance and
22 administration for disbursement by the authority to a
23 qualifying grantee in accordance with rules promulgated by the
24 authority.

25 C. Rules adopted by the authority may include

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1 provisions for matching or using local, private or federal
2 funds in connection with a specific grant, but matching or
3 using federal funds shall not be prohibited.

4 D. The authority shall seek comment from the
5 Mortgage Finance Authority Act oversight committee prior to its
6 adoption of rules pursuant to this section."

7 SECTION 7. Section 6-27-7 NMSA 1978 (being Laws 2004,
8 Chapter 104, Section 7, as amended) is amended to read:

9 "6-27-7. REQUIREMENT FOR ENACTMENT OF AN ORDINANCE BY A
10 COUNTY OR A MUNICIPALITY AND REVIEW BY THE AUTHORITY
11 AUTHORIZING HOUSING ASSISTANCE GRANTS [~~REQUIREMENT FOR ADOPTION~~
12 ~~OF A RESOLUTION BY THE GOVERNING BODY OF THE AUTHORITY~~
13 ~~AUTHORIZING HOUSING ASSISTANCE GRANTS]~~.--

14 A. A county or municipality may provide housing
15 assistance grants pursuant to Article 9, Section 14 of the
16 constitution of New Mexico after enactment by its governing
17 body of an ordinance authorizing grants stating the
18 requirements of and purposes of the grants [~~and authorizing~~
19 ~~transfer or disbursement to a qualifying grantee only after a~~
20 ~~budget is submitted to and approved by the governing body]~~.
21 The ordinance may provide for matching or using local, private
22 or federal funds either through direct participation with a
23 federal agency pursuant to federal law or through indirect
24 participation through programs of the authority. No less than
25 forty-five days prior to enactment, the county or municipality

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1 shall submit a proposed ordinance to the authority, which shall
2 review the proposed ordinance to ensure compliance with rules
3 promulgated by the authority pursuant to Section 6-27-8 NMSA
4 1978. Within fifteen days after enactment of the ordinance,
5 the county or municipality shall submit a certified true copy
6 of the ordinance to the authority. The governing body of the
7 county or municipality shall authorize the transfer or
8 disbursement of housing assistance grant funds only after the
9 qualifying grantee has submitted a budget to the governing body
10 and the governing body has approved the budget.

11 B. A school district may transfer land or buildings
12 owned by the school district to a county or municipality to be
13 further granted as part or all of an affordable housing grant
14 if the school district and the governing body of the county or
15 municipality enter into a contract that provides the school
16 district with a negotiated number of affordable housing units
17 that will be reserved for employees of the school district.

18 C. The governing board of a public post-secondary
19 educational institution may transfer land or buildings owned by
20 that institution to a county or municipality; provided that:

21 (1) the property transferred shall be granted
22 by the county or municipality as part or all of an affordable
23 housing grant; and

24 (2) the governing board of the public
25 post-secondary educational institution and the governing body

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underscored material = new
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1 of the county or municipality enter into a contract that
2 provides the public post-secondary educational institution with
3 affordable housing units.

4 D. Agencies or instrumentalities of the state may
5 provide housing assistance grants pursuant to Article 9,
6 Section 14 of the constitution of New Mexico in accordance with
7 rules promulgated by the authority.

8 ~~[D.] E. The authority may provide housing~~
9 ~~assistance grants pursuant to Article 9, Section 14 of the~~
10 ~~constitution of New Mexico [after enactment by its governing~~
11 ~~body of a resolution authorizing grants, stating the~~
12 ~~requirements and purposes of the grants and authorizing~~
13 ~~disbursement to a qualifying grantee after a budget is~~
14 ~~submitted to and approved by the governing body. The~~
15 ~~resolution may provide for matching or for using local, private~~
16 ~~or federal funds either through direct participation with a~~
17 ~~federal agency pursuant to federal law or through indirect~~
18 ~~participation through programs of the authority. The~~
19 ~~resolution shall comply with rules promulgated by the authority~~
20 ~~pursuant to Section 6-27-8 NMSA 1978.~~

21 ~~E. As used in this section, "public post-secondary~~
22 ~~educational institution" means a state university or a public~~
23 ~~community college] in accordance with rules promulgated by the~~
24 ~~authority."~~

25 SECTION 8. Section 6-27-8 NMSA 1978 (being Laws 2004,
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1 Chapter 104, Section 8, as amended) is amended to read:

2 "6-27-8. PROVISIONS TO ENSURE SUCCESSFUL COMPLETION OF
3 AFFORDABLE HOUSING PROJECTS--~~[INVESTIGATION]~~ SALE AFTER
4 FORECLOSURE--

5 A. State, county and municipal housing assistance
6 grants awarded pursuant to the Affordable Housing Act shall be
7 applied for and awarded to qualifying grantees pursuant to the
8 rules promulgated by the authority subject to the requirements
9 of that act.

10 B. The authority shall adopt rules ~~[covering]~~ in
11 accordance with the Administrative Procedures Act to carry out
12 the purposes of the Affordable Housing Act. Concurrence by
13 the New Mexico municipal league is required for rules
14 applicable to municipalities. Concurrence by the New Mexico
15 association of counties is required for rules applicable to
16 counties.

17 C. The authority shall adopt rules covering:

18 (1) procedures to ensure that qualifying
19 grantees meet the requirements of the Affordable Housing Act
20 and rules promulgated pursuant to that act both at the time of
21 the award and through the term of the grant;

22 (2) establishment of an application and award
23 timetable for housing assistance grants to permit the selection
24 of the potential qualifying grantees prior to January of the
25 year in which the grants would be made;

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underscored material = new
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1 (3) contents of the application, including an
2 independent evaluation of the:

3 (a) financial and management stability
4 of the applicant;

5 (b) demonstrated commitment of the
6 applicant to the community;

7 (c) cost-benefit analysis of the project
8 proposed by the applicant;

9 (d) benefits to the community of a
10 proposed project;

11 (e) type or amount of assistance to be
12 provided;

13 (f) scope of the affordable housing
14 project;

15 (g) substantive or matching contribution
16 by the applicant to the proposed project; and

17 (h) performance schedule for the
18 qualifying grantee with performance criteria;

19 (4) a requirement for long-term affordability
20 of a state, county or municipal project so that a project
21 cannot be sold shortly after completion and taken out of the
22 affordable housing market [~~to ensure a quick profit for the~~
23 ~~qualifying grantee~~];

24 (5) a requirement that a grant for a state or
25 local project must impose a contractual obligation on the

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underscored material = new
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1 qualifying grantee that the housing units in a state or local
2 project developed pursuant to the Affordable Housing Act be
3 occupied by low- or moderate-income households;

4 (6) provisions for adequate security [~~against~~]
5 to minimize the loss of public funds or property in the event
6 that a qualifying grantee defaults on a contractual obligation
7 for the project or abandons or otherwise fails to complete a
8 project;

9 (7) a requirement for review and approval of a
10 housing grant project budget by the grantor before any
11 expenditure of grant funds or transfer of granted property;

12 (8) a requirement that, unless the period is
13 extended for good cause shown, the authority shall act on an
14 application within forty-five days of the date of receipt of an
15 application that the authority deems to be complete and, if not
16 acted upon, the application shall be deemed approved;

17 (9) a requirement that a condition of grant
18 approval be proof of compliance with all applicable state and
19 local laws, rules and ordinances;

20 (10) provisions defining "low- and moderate-
21 income" and setting out requirements for verification of income
22 levels;

23 (11) a requirement that a county or
24 municipality that makes a housing assistance grant shall have
25 an existing valid affordable housing plan or housing elements

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1 contained in its general plan; ~~and]~~

2 (12) a requirement that the governmental
3 entity enter into a contract with a qualifying grantee
4 consistent with the Affordable Housing Act, which contract
5 shall include remedies and default provisions in the event of
6 the unsatisfactory performance by the qualifying grantee;

7 ~~[G. In addition to the rulemaking mandated in~~
8 ~~Subsection B of this section, the authority may adopt~~
9 ~~additional rules to carry out the purposes of the Affordable~~
10 ~~Housing Act. Rulemaking procedures pursuant to the Affordable~~
11 ~~Housing Act shall:~~

12 ~~(1) provide a public hearing in accordance~~
13 ~~with the state Administrative Procedures Act; and~~

14 ~~(2) require concurrence in a rule having~~
15 ~~application to local government by both the New Mexico~~
16 ~~municipal league and the New Mexico association of counties.~~

17 ~~D. The attorney general shall investigate any~~
18 ~~alleged violation of the Affordable Housing Act as reported~~
19 ~~by the authority] and~~

20 (13) provisions necessary to ensure the timely
21 sale of an affordable housing project on which a qualifying
22 grantee has defaulted on a contractual obligation or abandoned
23 or otherwise failed to complete.

24 D. The rules adopted by the authority pursuant to
25 Paragraph (13) of Subsection C of this section shall require a

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1 governmental entity to:

2 (1) make a determination that the property is
3 not marketable for a price that would sufficiently recover the
4 public funds invested in the project;

5 (2) ascertain that the property has a title
6 that has been transferred to the contracting governmental
7 entity through a foreclosure sale, a transfer of title by deed
8 in lieu of foreclosure or any other manner;

9 (3) exercise reasonable efforts to ensure that
10 all proceeds from the sale of a property pursuant to Paragraph
11 (13) of Subsection C of this section are used solely for
12 purposes pursuant to the Affordable Housing Act and that the
13 qualifying grantee that held title to the property shall not
14 benefit from the sale of the property or from the transfer of
15 the affordable housing project; and

16 (4) provide the terms for:

17 (a) the sale of the property at fair
18 market value; and

19 (b) the removal of the contractual
20 obligation requiring long-term occupancy of the property by
21 low- or moderate-income households."

22 SECTION 9. A new section of the Affordable Housing Act is
23 enacted to read:

24 "[NEW MATERIAL] INVESTIGATION OF AFFORDABLE HOUSING ACT
25 VIOLATIONS--PENALTIES--REMEDIES.--

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underscoring material = new
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1 A. The attorney general shall investigate an
2 alleged violation of the Affordable Housing Act reported by the
3 authority. If the attorney general has reasonable belief
4 that a person is in possession, custody or control of an
5 original or copy of a document or recording, including a
6 record, report, memorandum, paper, communication, tabulation,
7 map, chart, photograph, mechanical transcription or other
8 tangible document or recording that the attorney general
9 believes to be relevant to the subject matter of an
10 investigation of a probable violation of the Affordable Housing
11 Act, the attorney general may, prior to the institution of a
12 civil proceeding, execute in writing and cause to be served
13 upon the person a civil investigative demand requiring the
14 person to produce for inspection or copying the document or
15 recording. The demand by the attorney general shall not be a
16 matter of public record and shall not be published by the
17 attorney general except by order of the court.

18 B. If the attorney general has reasonable belief
19 that a person has violated a provision of the Affordable
20 Housing Act and that instituting a proceeding against that
21 person would be in the public interest, the attorney general
22 may bring a civil action on behalf of the state alleging a
23 violation of the Affordable Housing Act. The action may be
24 brought in the district court of the county in which the person
25 alleged to have violated that act resides or in which the

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1 person's principal place of business is located. The attorney
2 general shall not be required to post bond when seeking a
3 temporary or permanent injunction in the civil action.

4 C. The attorney general may, in addition to or as
5 an alternative to pursuing a civil action, as provided in this
6 section, pursue criminal charges against a person for an
7 alleged violation of the Affordable Housing Act under the
8 applicable provisions of the Criminal Code. Venue for any
9 criminal action shall be in the judicial district where
10 the violation occurred.

11 D. In a civil action brought under this section for
12 an alleged violation of the Affordable Housing Act, if a court
13 finds that a person willfully committed an act in violation of
14 the Affordable Housing Act, the attorney general may seek to
15 recover a civil penalty not exceeding the amount of five
16 thousand dollars (\$5,000) per violation, in addition to any
17 equitable relief imposed by the court.

18 E. As used in this section, "person" means an
19 individual, including a municipal or county government employee
20 or elected official, or a corporate entity, including any
21 organization formed under state law to carry out business or
22 other activities."

23 **SECTION 10. EFFECTIVE DATE.**--The effective date of the
24 provisions of this act is July 1, 2015.

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SENATE BILL

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

ENDORSED BY THE MORTGAGE FINANCE
AUTHORITY ACT OVERSIGHT COMMITTEE

AN ACT

RELATING TO TAX CREDITS; AMENDING THE AFFORDABLE HOUSING TAX
CREDIT ACT BY CHANGING THE DEFINITION OF "PERSON".

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 7-9I-2 NMSA 1978 (being Laws 2005,
Chapter 104, Section 18, as amended) is amended to read:

"7-9I-2. DEFINITIONS.--As used in the Affordable Housing
Tax Credit Act:

A. "affordable housing project" means land
acquisition, construction, building acquisition, remodeling,
improvement, rehabilitation, conversion or weatherization for
residential housing that is approved by the authority and that
includes single-family housing or multifamily housing;

B. "authority" means the New Mexico mortgage
finance authority;

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1 C. "department" means the taxation and revenue
2 department;

3 D. "modified combined tax liability" means the
4 total liability for the reporting period for the gross receipts
5 tax imposed by Section 7-9-4 NMSA 1978 together with any tax
6 collected at the same time and in the same manner as the gross
7 receipts tax, such as the compensating tax, the withholding
8 tax, the interstate telecommunications gross receipts tax, the
9 surcharges imposed by Section 63-9D-5 NMSA 1978 and the
10 surcharge imposed by Section 63-9F-11 NMSA 1978, minus the
11 amount of any credit other than the affordable housing tax
12 credit applied against any or all of these taxes or surcharges;
13 but "modified combined tax liability" excludes all amounts
14 collected with respect to local option gross receipts taxes and
15 governmental gross receipts taxes; and

16 E. "person" means an individual, ~~county,~~
17 ~~municipality~~] tribal government, housing authority,
18 corporation, limited liability company, partnership, joint
19 venture, syndicate, association or nonprofit organization."

20 SECTION 2. EFFECTIVE DATE.--The effective date of the
21 provisions of this act is July 1, 2015.

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SENATE BILL

52ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2015

INTRODUCED BY

FOR THE MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE
AND THE MILITARY AND VETERANS' AFFAIRS COMMITTEE

AN ACT

MAKING AN APPROPRIATION TO THE DEPARTMENT OF FINANCE AND
ADMINISTRATION FOR THE NEW MEXICO MORTGAGE FINANCE AUTHORITY TO
REHABILITATE HOMES OCCUPIED BY LOW-INCOME HONORABLY DISCHARGED
VETERANS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. APPROPRIATION.--Two million dollars
(\$2,000,000) is appropriated from the general fund to the
department of finance and administration for expenditure in
fiscal year 2016 for the New Mexico mortgage finance authority
to provide necessary rehabilitation for homes occupied by low-
income honorably discharged veterans in New Mexico whose income
does not exceed sixty percent of the area median income. All
expenditures shall be made in accordance with the Affordable
Housing Act. Rehabilitation includes repairs necessitated by

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1 structural damage due to natural decay or disasters,
2 replacement of utility appliances and repairs necessary to
3 comply with housing health and safety code requirements and
4 accessibility modifications for physically impaired veterans.
5 No more than ten percent of this appropriation shall be used
6 for administrative expenses. Any unexpended or unencumbered
7 balance remaining at the end of fiscal year 2016 shall revert
8 to the general fund.

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