

MINUTES
LEGISLATIVE FINANCE COMMITTEE
October 3-5, 2007

Senator John Arthur Smith, chairman, called the Legislative Finance Committee (LFC) meeting to order on Wednesday, October 3, 2007, at 9:15 a.m.

The following LFC members were present on August 22, 2007:

Senator John Arthur Smith, Chair; Representative Luciano "Lucky" Varela, Vice Chair; Representatives Don E. Bratton, Patricia Lundstrom (for Rhonda King), Justine Fox-Young (for Brian K. Moore), Edward C. Sandoval, Jeannette O. Wallace, Nick L. Salazar, and Henry "Kiki" Saavedra; and Senators Timothy Z. Jennings, Sue Wilson Beffort, Carlos R. Cisneros, Phil A. Griego, Joseph J. Carraro, Leonard Lee Rawson, and Pete Campos. Senator Cisco McSorley, Senator Ben D. Altamirano, and Representative Larry Larranaga attended the meeting as guest legislators.

Highway Funding and Progress on the State Transportation Improvement Program and Governor Richardson's Investment Partnership (GRIP)

Chairman Smith noted New Mexico selected a course to bond highways many years ago and as a result, the state is now servicing debt on those bonds. The Legislature needs to find rational solutions to maintain and build New Mexico roads.

Representative Lundstrom, co-chair of the House Memorial 35 Transportation Technical Committee (HM35), gave the following evaluation of issues surrounding transportation infrastructure in New Mexico:

- New Mexico's transportation system is in fair shape at the present time. Solutions for maintaining and improving the system in the future must be found.
- New Mexico's state and local transportation needs far exceed available revenue over the next 20 years.
- The gap in funding over the next 20 years must be addressed in order to provide for economic growth and a sustainable transportation system for New Mexico.
- HM35 has identified possible funding options to provide for a sustainable transportation system in the future.
- Action is needed now to gauge the public and political will for change.
- Federal funding is less than anticipated and future funding is uncertain.
- Road fund revenues are flat and not keeping up with inflation in construction costs.
- There is an average inflation rate of 34 percent in road construction costs.
- Transportation needs outweigh current and future funding.
- Alternative modes of transportation are needed.
- Good transportation is a foundation for a healthy economy.

HM35 met nine times over the past year and reported the following accomplishments:

- Evaluated major sources of existing funding for New Mexico Department of Transportation (NMDOT) operations, maintenance, and capital expansion;
- Assessed recent trends of each funding source since 1987;
- Compared these sources and trends with other states;
- Formulated policies and objectives that could be used to prepare alternative funding portfolios; and
- Prepared funding options for consideration by decision-makers.

Chris Worman of Cambridge Systematics noted the gap in funding is \$495 million for the Governor Richardson Investment Partnership (GRIP) I and \$80.5 million for GRIP II. However, the GRIP projects do not show the full reality of what is needed to maintain and improve the transportation system because construction costs will continue to experience a higher rate of inflation and transportation revenues will not cover the costs of maintaining roads and bridges. Mr. Worman gave an overview of how transportation revenues are allocated. New Mexico ranks in the top10 in the nation in retail gas prices while it ranks 44th in the nation in gas taxes. New Mexico ranks in the top 20 in the nation in diesel fuel prices while it ranks 40th in the nation in diesel fuel taxes. Mr. Worman noted the tax rate on fuel does not seem to drive the retail price of fuel.

HM35 identified the following options to fund New Mexico's transportation system:

- Redirect existing revenues to dedicate all of the motor vehicle excise tax to transportation;
- Dedicate gross receipts tax on NMDOT contractors to transportation;
- Improve compliance of the weight-distance tax and the trip tax;
- Increase the transportation-dedicated gross receipts tax;
- Add a statewide gross receipts tax on gasoline;
- Add a statewide gross receipts tax on special fuels;
- Increase annual vehicle registration fees;
- Allow local dedicated gross receipts taxes;
- Index special fuels tax;
- Index gasoline tax;
- Index vehicle registration and transaction fees;
- Index weight-distance tax and trip tax.

Senator Diane Snyder stated HM35 spent many hours working to identify solutions and suggested taking 10 percent from severance tax bonding could be a long-term solution to the problem.

Chairman Smith stated 60 percent of the state's budget is earmarked for education, 25 percent is earmarked for health and social services, and 7 percent is earmarked for corrections.

The committee heard the following discussion:

- Windfall revenues from the oil and gas industry should be allocated for transportation infrastructure, rather than becoming part of the state's general fund recurring budget.

- Automatic indexing of fees and taxes should include safeguards to ensure the indexing rate tracks with the rate of taxpayer salary increases.
- New Mexico is faced with maintaining rural highways and adding capacity in urban areas to reduce traffic congestion.
- Companies realizing large profits from the production of oil and gas should pay for the costs of maintaining and improving the transportation system.
- HM35 recommends redirecting existing funding to transportation as a short-term solution. HM35 recommends increased taxes and fees should be studied during 2009 and 2010.
- There is an absolute need to maintain and preserve New Mexico's existing road system, including bridges currently in critical need of repair.
- New Mexico should make every effort to enforce collection of the weight-distance tax and the trip tax from trucks traveling through New Mexico. Penalties should be imposed for avoiding those taxes.
- Trucks are currently traveling ports of entry when the ports are unmanned to avoid paying weight-distance and trip taxes.
- New Mexico could enter into an agreement with Mexico to purchase crude oil, which can be refined in New Mexico for the benefit of New Mexico.
- The federal government has decreased its funding commitments for transportation, Medicaid and Medicare. Every state in the nation is facing the same problems as a result of the federal government's decision.
- NMDOT is currently studying the use of toll roads in New Mexico.
- It is not feasible to create truck lanes on New Mexico interstates at this time.
- The Legislature was given inaccurate information on the true cost of the Rail Runner project.
- A poll should be conducted to understand what New Mexico residents believe is the best solution to funding the transportation system.
- The committee requested information on population growth from 1987 to 2007.
- The committee requested information on the whether revenues have decreased as a result of fuel sales on Indian reservations.
- The committee requested information on the number of additional road miles that have been added to the transportation system from 1987 to 2007.
- Funding for construction of the highway to Spaceport America is contained in GRIP II. NMDOT should consider designating that highway as a toll road.

Rhonda Faught, secretary, New Mexico Department of Transportation, gave the following general overview of New Mexico's transportation system:

- DOT has used value engineering and design options to maximize its maintenance budget.
- New Mexico has been named as one of the top five states in the nation for efficiently using resources for highways.
- New Mexico must protect its investment in safe highways to ensure public safety.

- Estimates show a shortfall of \$495 million in GRIP projects funding.
- The mandatory completion date for the Rail Runner is December 2008.
- Construction costs have increased an average of 34 percent since 2003.

- The committee reviewed the GRIP II authorized project list. Secretary Faught noted the Manzano expressway may be included in a later bond issue because of a misunderstanding on the match. NMDOT has resolved the misunderstanding and has obtained resolutions from the governing bodies.

Senator Pinto urged the committee to appropriate funding to complete the upgrade of New Mexico 491. Heavy traffic is deteriorating the condition of the highway and contributed to fatalities on the highway. Art Trujillo, executive director for the Division of Natural Resources of the Navajo Nation, stated the Navajo Nation and state of New Mexico are nearing completion on the right-of-way agreements on the south corridor of the highway.

Joseph Maestas, mayor of the Espanola, stated transportation projects totaling over \$20 million have been moved from the Espanola area and allocated elsewhere. The only remaining GRIP project in the Espanola area is experiencing delays and reductions in cost and scope. The transportation system in the Espanola area is plagued by congestion, unsafe bridges and poor conditions. Mayor Maestas distributed a resolution approved by the Espanola City Council requesting appropriations to fund maintenance for existing highways and the construction of the Paseo de Onate project. The resolution also requested that alternatives to the Espanola relief route project be studied to address traffic congestion while maintaining the local economy and that all federal transportation funds earmarked for the city of Espanola be preserved and an equitable portion of the \$13.2 million earmarked for the US 84/285 corridor between Santa Fe and Espanola be restored to the segment between Pojoaque and Espanola.

Mayor Maestas stated he believes a local option fuel tax could be part of the solution for maintaining highways, but discouraged the idea of transferring state highways to local governments.

The committee heard the following discussion:

- The federal government will not approve the installation of spikes on ramps to prevent drivers from entering the highway the wrong way.
- The Rail Runner serves 2,500 people per day.
- Maintenance of existing highways has been neglected for the construction of the Rail Runner and Spaceport America.
- An interim committee should be appointed to study the needs of New Mexico's transportation system.
- NMDOT should work to resolve any misunderstandings with the town of Pecos on the reconstruction projects for Camino Lorrta.
- NMDOT should work with the Navajo Nation to resolve by the end of the week the outstanding issues surrounding NM491.

- Phase 2 of the Rail Runner project contains plans to address crossing safety. NMDOT is preparing a public safety campaign to warn drivers of the dangers at Rail Runner crossings. NMDOT plans to submit a cost assessment on Rail Runner crossing by the end of the year to the governor.
- Funding for upgrading signals at Rail Runner crossings is contained in Phase 2 of the project. NMDOT estimates the cost of upgrading signals is between \$200 and \$500 thousand per intersection.
- The Rail Runner will create an approximately \$8 thousand-per-rider subsidy when the project is completed.
- Transportation projects should contain realistic estimates of the cost of the projects, and the Legislature should fully fund projects authorized transportation projects.
- New Mexico does not receive money from minerals that the federal government removes from federal lands in New Mexico.
- New Mexico maintains roads through federally owned and Indian land even though occupants of those lands do not pay taxes to New Mexico.
- The NM491 project cannot be completed with existing funding.
- Park and Ride bus routes between Santa Fe and Albuquerque will be moved to other areas of the state when the Rail Runner goes into operation in that area.
- The Park and Ride system provides a small subsidy for riders.
- The construction contract for the Rail Runner project is in place, cars and engines have been ordered, and a moratorium on the project would place the state in a risk situation.
- Chairman Smith noted the Legislature and executive branches must work together to resolve transportation system problems.

Update on University of New Mexico Mental Health Sciences Center Finances and University of New Mexico Report

David Schmidly, president of the University of New Mexico (UNM), stated UNM is New Mexico's flagship university. Minorities are in the majority at UNM, and it is among the highest ranking Hispanic-serving institutions in the country. For every recurring dollar the state appropriates to UNM, it leverages approximately five dollars. UNM is partnering with other state colleges to provide education to more students. President Schmidly briefly discussed his outlook on strategic priorities and accountability for the university.

Dr. Paul Roth, executive vice president of the UNM Health Sciences Center (HSC) and dean of the School of Medicine, provided an overview of the organization of HSC. Its mission is to produce the next generation of healthcare workforce, generate healthcare discoveries, deliver primary through quaternary health care and preventive medicine, and maximize community health. HSC participates in 436 health activities in over 100 communities, providing poison and drug information and an education pipeline to rural New Mexico residents. HSC provides support services to rural New Mexico healthcare professionals in the form of locum tenens, telehealth, and the physician access line service (PALS). Dr. Roth reviewed the status of the

HSC's five-year plan and presented HSC's recurring and nonrecurring budget request for the 2008 session.

Dr. Sanjeev Arora, vice chairman of the UNM School of Medicine Department of Medicine, gave an overview of the Extension for Community Healthcare Outcomes (ECHO) project. The committee viewed a video presentation of the ECHO project. The project's mission is to develop the capacity to safely and effectively treat chronic, common, and complex diseases in rural and under-served areas and to monitor outcomes. ECHO received the Robert Wood Johnson Changemaker award for healthcare delivery systems in under-served areas.

The committee heard the following discussion:

- HSC is working to produce a new business model to address increasing costs associated with federal and state rules regarding research and development.
- The committee requests a copy of the audit upon its completion.
- For the Legislature to continue funding education and health care needs, it needs to understand efficiency measures to ensure fiscal accountability.
- The committee discussed issues surrounding the Medical Board of Licensure and the degree to which hospitals and other physician groups report potentially problematic physicians to the board. A recent investigation focused on an administrative review of billing practices. The investigation found no evidence of patient care problems.
- Hospitals and medical providers should have the opportunity to provide input into universal healthcare reform discussions.
- UNM is looking for ways to generate revenue to make its athletic program self-supporting.
- The UNM pediatric oncology program provides a hospice program for children suffering from cancer.
- Hospital associations and state medical societies have worked with the federal government to reduce reporting requirements to increase the enrollment of patients who qualify for federal aid.
- UNM is working to ensure teaching students are well-qualified when they graduate.
- Teachers graduating from UNM sometimes choose a career field where they can earn a higher salary in order to repay the debts they incurred through student loans.

The committee requested a copy of the audit upon its completion.

The committee recessed to commemorate the 50th anniversary of LFC. Maralyn Budke gave a brief history of LFC, and the committee reminisced with former governors, former legislators, and former members of LFC.

Thursday, October 4, 2007

LFC Subcommittees A and B met at 8:00 a.m.

Senator John Arthur Smith, chairman, called the Legislative Finance Committee (LFC) meeting to order on Wednesday, October 4, 2007, at 1:53 p.m.

The following LFC members were present on October 4, 2007:

Senator John Arthur Smith, Chair; Representative Luciano "Lucky" Varela, Vice Chair; Representatives Don E. Bratton, Patricia Lundstrom (for Rhonda King), Justine Fox-Young (for Brian K. Moore), Edward C. Sandoval, Jeannette O. Wallace, Nick L. Salazar, and Henry "Kiki" Saavedra; and Senators Timothy Z. Jennings, Sue Wilson Beffort, Carlos R. Cisneros, Phil A. Griego, Joseph J. Carraro, Leonard Lee Rawson, and Pete Campos. Senator Cisco McSorley, Senator Ben D. Altamirano, and Representative Larry Larranaga attended the meeting as guest legislators.

FY09 Medicaid Appropriation Request and Enrollment Projection

Carolyn Ingram, director of New Mexico Medicaid, presented a status report of New Mexico's Medicaid program. The FY09 need to keep Medicaid operating at its current level is \$87.6 million over the FY08 appropriation. The New Mexico Medicaid program is conducting a pilot program to increase enrollment and recertification for Medicaid. The results of the pilot programs, along with recent developments at the federal level, will affect the FY09 budget request. The updated budget request will be presented to LFC at a future meeting. Ms. Ingram presented New Mexico Medicaid's expansion requests.

Pamela Hyde, secretary, Human Services Department, discussed the characteristics of uninsured individuals in New Mexico. Two-thirds of currently uninsured New Mexicans are potentially eligible for Medicaid or other programs. Secretary Hyde presented the September 17, 2007, version of the health coverage reform proposal, which would create a single health coverage authority; provide for insurance reform, provide for coverage mechanisms and participation; and provide for healthcare costs, access and quality. The current draft proposes that the Legislature would nominate a portion of the members of the Health Care Authority, appointments would be made by the governor and those appointments would be confirmed by the Senate. Secretary Hyde also proposed a cost analysis process and a five-year timeline for implementing the new healthcare system. Mathematica staff is meeting with LFC staff to discuss the data and the assumptions Mathematica used to conduct its research.

The committee heard the following discussion:

- The question of whether consequences should be assessed to people who do not sign up for mandatory health coverage was discussed.
- The effects of healthcare reform on small business owners in rural New Mexico should be given careful consideration to ensure business are not adversely affected.
- The high risk pool for New Mexicans unable to obtain health insurance should be maintained.
- The goal for universal health care should include more competition for health services.
- The healthcare proposal should emphasize the use of preventive care and reward the person who takes the appropriate action to stay healthy.

- Rural communities are losing physicians.
- Some physicians are refusing to accept Medicare patients because of the low reimbursement rate.
- The number of general practitioners in New Mexico is decreasing, while the number of specialists in New Mexico is increasing.
- Representative Varela requested information regarding the vacancy rate in the Medicaid program.
- HSD continues to conduct outreach programs to ensure children are enrolled in Medicaid.

-

A healthcare authority should be clearly defined and the requirements placed on that authority need to be clearly understood. Creation of the authority should be done during a 60-day session.

- Consolidating insurance pools may be unnecessary if a healthcare authority is established to manage the pools.
- The healthcare authority should be accountable to the Legislature and should make its budget request to the Legislature.
- The healthcare reform legislation should be presented to other interim committees and to the public before the session begins.
- HSD agreed to research the availability of healthcare providers to dispense methadone in Mora and San Miguel counties and relay that information to Senator Griego.
- HSD anticipates introducing two pieces of legislation to establish the framework of universal health care and to establish medical information technology systems.
- The cost to institute universal health care is unknown at this time.
- HSD will continue to draw down federal money for health care in conjunction with healthcare reform.
- The committee heard extensive discussion on the composition of the proposed health care authority and how the authority would be accountable to the Legislature.
- HSD should give the Legislature information on the amount of income a family has available after it pays the mortgage, car payments and other bills.
- New Mexico should not go to a single-payer insurance system.
- Legislative approval should be required before risk pools are broadened.
- The Legislature needs to know the actual cost of implementing universal health care before it begins to appropriate money to implement the program.
- The plan should include how workers' comp dollars will be handled.
- The universal healthcare system should be created in a way that insulates it from political pressure.
- Money Follows the Person should be implemented immediately. Secretary Hyde reported HSD is in the process of implementing Money Follows the Person by submitting a waiver to the federal government and working with stakeholders to meet their needs and address issues.
- A level of trust needs to be established between the executive and the Legislature.

- A proposal to enact universal health care should ensure people living in rural areas have access to adequate health care.

Chairman Smith stated the issue at hand is the healthcare authority and how it will operate and the Legislature's oversight over the authority. The model should be changed to pay healthcare providers for outcomes, rather than for treatment. The state is unable to sustain the current health system, but a new system needs to be well-planned before any change is made to the system. The executive should work with the Legislature to create a healthcare system that will provide the best health care to New Mexicans at the lowest cost.

Secretary Hyde stated she expects major policy issues to be raised at the federal level after the next election. Fourteen states are in the process of enacting universal health care at the present time. Chairman Smith noted states are going to be called on to share a larger burden of funding Medicaid, but the Legislature's principal duty is to fund state government as a whole.

SALUD Performance Targets

Ann Wehr, president and CEO of Molina Healthcare of New Mexico, reported on the status of the Salud program goals of access, quality, and accountability for all three plans. The Salud plans work collaboratively with people to ensure access to health care, including providing transportation, finding specialists and finding home care for patients. Quality oversight is based on the Healthcare Effectiveness and Data Information Set (HEDIS), a nationally recognized measurement system that includes yearly data abstraction, measurement, and audits. Salud focuses on dental care, diabetes testing, and childhood immunizations. The Lewin Group performed an independent assessment of the Salud programs and found the programs have a strong foundation for promoting and monitoring quality and access to health care. All three Salud programs were found to be consistently in full compliance with HSD program requirements. All three programs were rated "excellent" by the National Committee for Quality Assurance.

The committee heard the following discussion:

- There was a discussion regarding the method of reimbursement to health maintenance organizations under the Salud programs. The amount of reimbursement is the same, whether the patient accesses services or not.
- HSD agreed to provide copies of the Lewin Group independent assessment to members of the committee.

Eric Griego, executive director of New Mexico Voices for Children, stated he believes maximizing Medicaid enrollment is an important part of healthcare reform and that future appropriations should explicitly support increasing Medicaid enrollment. Mr. Griego also expressed concerns about requiring proof of health insurance. New Mexico Voices for Children supports HSD's request for increases in staff to manage Medicaid caseloads. Mr. Griego also stated he believes a healthcare authority should be independent and insulated from political pressure.

Linda Sechovec, executive director of New Mexico Health Care Association, gave an update on the status of long-term care in New Mexico. Medicaid funding is critical to facility operations and quality of care. Current projections indicate New Mexico long term facility costs could exceed rates by more than \$19 per patient day for 2007.

The committee heard the following discussion:

- The impact of the minimum wage increase on the long-term care facilities has been that entry level positions are paid at a rate that equals the wages paid to experienced staff.
- Rates have decreased in long-term care facilities because of cost containment practices, such as reducing staff.
-
- Quality issues, workforce priority, and the lack of resources is directly linked to the quality of the workforce in long-term care facilities.
- The quality of care providers affects the number of claims filed against long-term care facilities.

Miscellaneous Business

Senator Beffort moved, and Representative Wallace seconded, that the minutes be approved as written. The motion carried unanimously.

Senator Smith moved, and Senator Griego seconded, that the contract for Dr. Luciano Baca be approved to serve as fiscal impact report manager during the upcoming legislative session. The motion carried unanimously.

The committee discussed the recent trip to Nuevos Casas Grandes and the information it gathered during the trip.

The meeting adjourned at 5:55 p.m.

Friday, October 5, 2007

Senator John Arthur Smith, chairman, called the Legislative Finance Committee (LFC) meeting to order on Friday, October 5, 2007, at 8:15 a.m.

The following LFC members were present on October 5, 2007:

Senator John Arthur Smith, Chair; Representative Luciano "Lucky" Varela, Vice Chair; Representatives Don E. Bratton, Patricia Lundstrom (for Rhonda King), Richard Berry (for Brian K. Moore), Edward C. Sandoval, Jeannette O. Wallace, Nick L. Salazar, and Henry "Kiki" Saavedra; and Senators Timothy Z. Jennings, Sue Wilson Beffort, Carlos R. Cisneros, Phil A.

Griego, Joseph J. Carraro, Leonard Lee Rawson, and Pete Campos. Senator Cisco McSorley and Senator Ben D. Altamirano attended the meeting as guest legislators.

Children, Youth and Family Department FY09 Budget Preview

Dorian Dodson, secretary, Children, Youth and Family Department (CYFD), presented CYFD's FY09 budget request and expansion requests to the committee. The FY09 general fund request is 4.72 percent over the FY08 operating budget; the FY09 total budget request is 1.98 percent over the FY08 adjusted budget request. The request funds 2,040.1 FTE with an overall vacancy rate of 6.49 percent. CYFD's proposed budget also contains a request to convert 36 term employees to permanent employees. The conversion will assist CYFD recruit and retain staff and improve service delivery. CYFD needs additional funding to provide medical services and prescription medications for children committed to its juvenile detention facilities, to pay subsidies to adoptive and foster parents, and to upgrade its computer systems and software to ensure uninterrupted services to children in its custody.

Expansion items include implementing the Juvenile Justice Commission recommendations, including regionalizing juvenile detention facilities. Other expansion requests include a rate increase for foster-care reimbursements; increasing access to quality child care by increasing eligibility to 200 percent of the federal poverty level; increasing services for youth emancipating from foster care; purchasing SpeakWrite dictation services for social workers; increasing quality assurance and staff retention; increasing information technology support staff; equalizing rates for behavioral health providers; adding two licensing surveyors to ensure compliance with behavioral health regulations; expanding the home-visitation program; expanding recruitment of families for juvenile justice foster care; and increasing the Children's Trust Fund program.

Representative Tom Swisstack, chair of the Juvenile Justice Commission, encouraged the committee to consider reinvesting some funds at the front end to achieve a better outcome for children in the juvenile justice system. The Juvenile Justice Commission expects to publish a report of findings and recommendations at the end of the month.

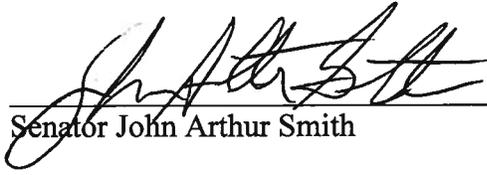
The committee heard the following discussion:

- CYFD is working to ensure support structures and services are in place as it regionalizes juvenile justice facilities.
- CYFD is planning to implement the "Missouri model" at the J. Paul Taylor facility in Las Cruces using a variation of the Missouri Youth Services Institute model.
- CYFD is bound by No Child Left Behind requirements in its juvenile justice facilities and is in need of funds to improve education services.
- The Bernalillo County Metropolitan Detention Center has been approved for conversion to a charter school to assist children in the juvenile justice system getting an education.
- It is important to provide education opportunities for children in the juvenile justice system to ensure better outcomes for those children.
- It is important to adequately fund the J. Paul Taylor facility to ensure the success of the Missouri model.

- Girls need to be housed in their own juvenile detention facility. Girls should have the opportunity to access the Missouri model.
- It is important for legislators to view the Missouri model in person.
- Additional funding needs to be appropriated for the T.E.A.C.H. program
- Equalization of behavioral health rates should not mean lowering rates to the ValueOptions level.
- CYFD needs an increase in its human resources staff to adequately serve the department.
- CYFD should make every effort to ensure that all children in the juvenile justice system have equal access to the same services, thereby decreasing the silo effect. Secretary Dodson agreed to provide information regarding those efforts at the December hearing.

- Local governments and community nonprofit organizations should be involved in the regionalization of juvenile justice systems.
- General Services Department rates increased due to benefit costs and insurance costs.
- The process for terminating parental rights was discussed. CYFD takes into consideration early attachment and bonding issues as it makes decisions to terminate parental rights.
- CYFD is not asking for increases in staff in the foster-care program because the department received an additional 17 positions in the prior legislative session and is currently retooling its business practices.
- CYFD recently reviewed and streamlined its adoption processes and procedures to simplify the process while maintaining standards for adoption.
- The FY06 audit is 30 percent complete and should be finalized by December 15.
- CYFD is currently working with the State Personnel Office (SPO) to reconcile the table of organizational listing (TOOL). The reconciliation should be completed by December 15.
- SPO should provide a status report on reconciliation of the TOOL for all agencies.
- The committee reviewed the performance measures for CYFD. CYFD meets with LFC staff to discuss measures and come to an understanding of the meaning of the measures.
- CYFD should investigate the possibility of implementing a First Born program in the southeastern part of the state.
- CYFD should investigate the adequacy of meeting rooms for families with child custody issues to ensure the safety of the child, the families and CYFD staff.
- Executive agencies should be allowed to come to the Legislature with requests reflecting actual need, rather than flat budgets.
- Alex Valdez of the Los Alamos National Laboratory Foundation stood in support of the CYFD budget request for the First Born home-visiting program.

The committee adjourned into Subcommittees A and B to hear agency budget requests.



Senator John Arthur Smith

10-26-07
Date