

MINUTES
Legislative Finance Committee
Cloudcroft, NM
July 10 - 12, 2019

Wednesday, July 10th

The following members and designees were present on Wednesday, July 10, 2019: Chairman John Arthur Smith; Vice Chairwoman Patricia A. Lundstrom; Senators Carlos R. Cisneros, Steven P. Neville, William F. Burt, Clemente Sanchez, James P. White, and Pete Campos; and Representatives Roberto “Bobby” J. Gonzales, Jason C. Harper, Javier Martinez, Gail Armstrong, Rodolpho “Rudy” Martinez, Candie Sweetser, and Randal S. Crowder. Guest legislators: Senator Gay G. Kernan and Representatives Phelps Anderson, Cathrynn N. Brown, Rebecca Dow, Joy Garratt, and James G. Townsend.

Welcoming Remarks. Mayor Dave Venable said Cloudcroft was established in 1898 to support the railroad industry. Buildings in the village boast of western architecture, including the Lodge Resort. Even Dollar General meets Cloudcroft’s architectural ordinance. Mayor Venable said Cloudcroft is building three new housing subdivisions. To supplement its water supply for drought conditions and the growing population, the village installed a potable water reuse system. The system uses advanced membrane technology to treat wastewater effluent that ultimately exceeds drinking water quality standards.

Mayor Venable said Cloudcroft is a friendly community. Committee members were invited to visit stores in the village.

Providing brief remarks, Superintendent Tana Daugherty said Cloudcroft Municipal Schools is a premier school district in the state; the elementary, middle, and high schools received A grades the last six years. The number of students proficient in reading and math is above the state average and the graduation rate is 98 percent. Superintendent Daugherty said the school district works hard to support its students.

Permian Production Outlook and Demographic and Fiscal Consequences. Reporting on oil and gas drilling, Allen Gilmer, executive director of DrillingInfo, said over 90 percent of New Mexico’s oil and gas production is coming from hydraulically fractured wells, most in southeast New Mexico, where 25 percent of the Permian Basin lies. The wells continue to outperform previous years’ production. This year, the average well is producing 1,264 barrels of oil equivalent per day, 811 more than the average well produced in 2014, and 216 more than last year. The wells are producing more oil because they are drilled at a longer lateral length. Top drilling operators in the region include Concho Resources, Chevron, Devon Energy, EOG Resources, ExxonMobil, and Occidental.

Sarp Ozkan, energy analysis director of DrillingInfo Market Intelligence, said the Delaware Basin, a sub-basin of the Permian Basin, has the best economics. The 10 thousand square mile sub-basin extends from West Texas to southeast New Mexico. The Delaware Basin portion in New Mexico contains much of the best resources of the entire Permian Basin.

New Mexico oil and gas production will continue to grow. Mr. Ozkan said the Delaware Basin is such a large and economic resource that even with a 10 percent lower rig count, production would still grow. Mr. Ozkan said the industry is growing its capacity to deliver the higher volume of oil and gas to market. Mr. Ozkan said it is important New Mexico is connected to the transportation infrastructure. Until the infrastructure is in place, many of the wells drilled but incomplete in the Permian Basin will remain inactive. The majority of the incomplete wells are in the Delaware Basin. Over a 20-year period, the average active well in New Mexico will generate \$3.9 million in state and local tax revenues.

Robert Rhatigan, associate director of the University of New Mexico Geospatial and Population Studies (UNM-GPS), said measuring population and housing dynamics in New Mexico's Permian Basin is challenging because of the transient workforce in the region. UNM-GPS finds the population in Eddy and Lea counties is growing. The growth is largely transient or semi-permanent; however, the number of people not in the workforce is also growing and school enrollment is up 19.7 percent in both counties. Eddy and Lea counties are becoming more urbanized and their populations are becoming more Hispanic and male. In eight years, Eddy County's population grew 7.6 percent and Lea County's population grew 7.5 percent. The growth is significant compared with New Mexico's overall growth of 1.8 percent. Additional demographics were reported.

Mr. Rhatigan said UNM-GPS expects the population will continue to grow in Eddy and Lea counties through 2025 and then stabilize through 2040. The availability and affordability of housing will impact the rate of growth. Since 2010, the number of housing units in Eddy County increased 9.7 percent and in Lea County 6.9 percent. The demand for housing, however, remains high.

LFC Chief Economist Dawn Iglesias said New Mexico's oil production growth outpaces Texas, driven largely by the state's top 10 producers. Growth is slowing but remains high. Revenues are exceeding expectations as the boom continues. Eddy and Lea counties and out-of-state receipts are producing most of the growth in matched taxable gross receipts (MTGR) across numerous industries. Rig counts are the primary driver of MTGR in these areas.

Reporting projected revenues, Ms. Iglesias said FY19 revenues are tracking about \$280 million above the December 2018 consensus forecast. If this holds, general fund FY19 ending reserve balances would be about 25 percent and transfer to the "rainy day fund" from excess oil and gas emergency school tax revenue would be about \$200 million, up from the \$123 million projected in the forecast. Additional FY20 revenue above the prior forecast could mean additional funding for nonrecurring uses or higher reserves. Based on the December 2018 forecast for FY21 recurring revenue, "new money" above FY20 recurring appropriations would be about \$580 million.

Ms. Iglesias said significant variance in production growth outlooks creates future fiscal uncertainty. Even with flat prices, large variance in production outlook means large differences in general fund energy revenue outlook. When considering potential price changes, variance in high- and low-production scenarios increases significantly. These variances demonstrate the importance of responsible budgeting, mitigating revenue volatility, and performing ongoing sensitivity analysis of general fund revenues.

In response to Senator Neville, Mr. Ozkan said the future of natural gas will be based on the growth of liquefied natural gas (LNG). New U.S. LNG terminals are being built, each with the capacity to handle tens of billions of cubic feet a day. The growth will depend on LNG price and use in new markets.

Senator Burt said New Mexico inherited an incredible gift, and he hopes the state uses this booming time to make investments that build long-term fiscal stability.

Strategic Investments and Planning for Growth in Southeast New Mexico. Chief Executive Officer Tracee Bentley said the Permian Strategic Partnership (PSP) is a coalition of leading energy companies in West Texas and southeast New Mexico engaged with leaders across the region's communities to ensure responsible development of the vast oil and natural gas resources in the Permian Basin. PSP works with local leaders to develop and implement strategic plans that foster superior education, accessible housing, a supportive healthcare system, safer roads, and workforce development.

Ms. Bentley said PSP will announce three new projects in the near future, two of the projects are in southeast New Mexico. Ms. Bentley said PSP's limited funding makes partnering with local entities even more crucial in achieving objectives. PSP is advocating for federal investments in the Permian Basin. The partnership is currently focusing efforts on building transportation infrastructure, a key need in the region. Building the healthcare and education workforce is another priority.

Hobbs Mayor Sam Cobb said the Quality of Life Committee is a partnership of community members and leaders representing towns, organizations, and institutions in Lea County working to improve quality of life and economic development opportunities in Lea County. Committee members include the manager of Lea County, superintendent of Hobbs Municipal Schools, president and board chair of New Mexico Junior College, mayor of Hobbs, executive director of J.F. Maddox Foundation, and some city and county commissioners. Reporting on current and potential projects, Mayor Cobb said a new golf course is being built. Construction of a career technician school in Hobbs is being considered and a gross receipts incentive program is being proposed. Other projects were mentioned.

Tim Parker, district two engineer for the Department of Transportation (DOT), said the district encompasses 10 counties and 25 percent of the state's road network. The district has the most four-lane noninterstate miles in New Mexico. Over 330 people are employed full time in the district. Although improved, the vacancy rate remains high. Job recruitment and retention is challenging in the district because of the availability of higher paying jobs in the oil and gas industry.

Mr. Parker said several road projects are underway in the district, including reconstruction of U.S. Highway 285 from mile marker 0 to 22 and major improvements to New Mexico Highways 31 and 128. District Two is seeking \$14.6 million from the Statewide Transportation Improvement Program (STIP) for crucial needs, including equipment, facility improvements, rest area improvements, and signing and striping projects. Mr. Parker mentioned the local government outreach and various partnerships taking place in the district.

Bill McCamley, secretary of Workforce Solutions Department (WSD), said workforce development funding was underused by local workforce development boards in the past; however, the agency is reinvigorating the program. In southeast New Mexico, WSD is working with industry leaders and higher education institutions on developing the workforce in the region.

Secretary McCamley said stackable credentials programs at two-year higher education institutions would benefit workforce development initiatives in the state. A stackable credentials program allows working learners to balance their education and training with job schedules, family needs, and financial resources by earning short-term, industry-validated credentials one at a time. Stackable credentials articulate to a higher level certificate or degree but allow students to periodically stop out for work or family responsibilities without losing credit or having to repeat what they've already learned.

Kelvin Sharp, president of New Mexico Junior College (NMJC), provided committee members a copy of a recent article in the *Hobbs News-Sun* that reported on surging oil and gas production in Lea County. President Sharp said a variety of workforce training opportunities are taking place at NMJC's Training and Outreach Division, including oil and gas industry training, commercial driver's license training, instrument and controls training, and lineman utility training. In the 2017-2018 academic year, the division served over 1,500 students and 256 companies. President Sharp said NMJC continues to rank at the top for workforce training in the state. An overview of new initiatives in the division were reported.

Director Hubert Quintana said the Southeastern New Mexico Economic Development District (SNMEDD) is one of seven regional planning districts in the state. SNMEDD works to increase local government understanding of federal programs and provide planning and development management services. The entity operates with local, state, and federal funding. Director Quintana said SNMEDD's services to local governments includes technical assistance, training, capacity building, and census data collection. Also, local governments are assisted with planning and procuring federal and state aid for major capital improvements. Reporting on current projects, Director Quintana said SNMEDD is conducting a rate-setting workshop in one community. The community is working to adjust its water rate because collections are not sufficiently covering costs to provide its water service.

Director Quintana provided committee members a copy of SNMEDD's 2017-2022 strategic plan.

Executive Director Jay Czar said the Mortgage Finance Authority (MFA) provided over \$531 million in low-interest financing and grants for affordable housing and related services in 2018, primarily mortgage loans. Over 2,800 New Mexico families became homeowners using \$420.1 million in MFA loans and \$16.8 million in down payment assistance. The numbers reflect an increase of 13 percent from 2017.

From 2014 to 2018, financing and grants in MFA's homeownership, rental, and community development programs totaled \$58.5 million in Eddy County and \$72.4 million in Lea County. Also in the same period, MFA funding for multifamily developments in Eddy County totaled \$50 million and yielded 278 housing units, and in Lea County, MFA funds for multifamily developments totaled \$46.8 million and yielded 273 housing units.

Reporting demographics, Director Czar said the population is 57.9 thousand in Eddy County and 69.6 thousand in Lea County. Median household income is \$61 thousand in Eddy County and \$59 thousand in Lea County, above the state and national average. Over 50 percent of housing in both counties is single-family, owned homes and about 60 percent of housing was built before the 1990s. About 20 percent of residents in both counties live in mobile homes. To meet demand, Eddy County needs an additional 1,655 rental units and Lea County needs an additional 2,294 rental units. Forty-four percent of renters in Eddy County and 53 percent of renters in Lea County can afford a median-priced home.

Director Czar said MFA's top funding priorities in the Permian Basin are providing down payment and homeowner rehabilitation assistance and providing funding to public and private organizations for acquisition, infrastructure, new construction and rehabilitation costs of homeownership and rental housing. Other potential funding opportunities include providing direct grants and incentivizing donors to support affordable housing development; acquiring, rehabilitating and selling distressed homes; supporting market-rate housing solutions that complement MFA's affordable housing work; and providing resources for developing senior housing developments and improving accessibility in seniors' homes.

Director Czar said the shortage of skilled labor and subcontractors in the region is limiting homebuilding in Eddy and Lea counties. The construction workforce is being lost to the higher-paying oil and gas industry.

Expanding Community-Based Behavioral Health Services. Dr. David Scrase, secretary of the Human Services Department, said the Behavioral Health Collaborative (BHC), a cabinet-level group of state agencies, is working to establish policy and implement strategies that manage New Mexico's behavioral health system. Reporting on current challenges and priorities, Secretary Scrase said New Mexico's Medicaid population has a high need for behavioral health services, but access is limited due to the shortage of providers. Access to behavioral health services is especially lacking in rural communities. Several factors are impacting New Mexico's behavioral health workforce, including poor salaries, lack of quality education programs and supervisory training, and low reimbursements rates. To support the behavioral health provider network, BHC initiated new service reimbursements and rate increases. Also, the collaborative is looking into expanding loan forgiveness.

Secretary Scrase recommended the committee view *The Shake-Up*, a nonprofit documentary about mental healthcare in New Mexico. The film depicts the cause and consequences of the Medicaid behavioral health shake-up of 2014. New Mexico PBS will air the documentary on July 17, 2019, and August 27, 2019.

Expanding community-based behavioral health services for children is also a priority. Brian Blalock, secretary of the Children, Youth and Families Department (CYFD), said behavioral health issues are prevalent among New Mexico's youth. Incidence of mental illness in the average lifetime begins to increase around 10 years old and peaks at 20 years old. New Mexico has the highest youth suicide rate in the country. About 50 percent of foster youth have clinically significant emotional or behavioral problems, and 30 percent of former foster care children suffer from post-traumatic stress disorder (PTSD) as adults. Secretary Blalock said federal law mandates

state Medicaid programs provide appropriate behavioral health services for youth. New Mexico's system for delivering on its obligation, however, is falling short in supplying interventions and services specific to symptoms. Secretary Blalock said BHC is developing a framework for community-based behavioral health services in the state. The framework will establish an array of community-based services, a clear mechanism for referral, and a clear mechanism for monitoring. BHC is piloting therapeutic behavioral services, high fidelity wrap-around services, therapeutic case management, and emergency management technician corps.

BHC's third priority is effectively addressing substance use disorder. Secretary Blalock said House Bill 230, passed by the Legislature in 2019, mandates health and safety medical plans for parents and caregivers of any baby born substance-exposed. The bill also mandates notifications to CYFD when a baby is born substance-exposed and if there are problems in a safety plan's implementation so that additional support can be provided.

Kathleen Kunkel, secretary of the Department of Health, said New Mexico has the highest number of alcohol-related deaths in the nation, with McKinley and Rio Arriba counties leading the state. The number of New Mexico opioid overdose deaths has declined, moving the state from first in the nation in 2014 to 17th currently. New Mexico has the second largest number of suicides in the nation.

Secretary Scrase said BHC is also involving the Public Education Department in its efforts to expand community-based behavioral health services for children.

Commissioner Maggie Hart Stebbins said Bernalillo County imposed a behavioral health tax in 2015 to address behavioral health issues in the county. Bernalillo County's behavioral health initiative is operated by a system of subcommittees, a steering committee, and a governing body, working to

- Improve response for individuals in psychiatric or substance abuse crisis and diversion to appropriate service,
- Improve services in the community that will stabilize individuals and prevent crisis,
- Ensure individuals with behavioral health needs have stable housing, and
- Prevent substance abuse and severe psychiatric distress through early identification and treatment.

Projects vetted to date were listed. Reporting on new projects, Commissioner Stebbins said Bernalillo County partnered with the University of New Mexico Hospital (UNMH). The hospital will soon operate an outpatient clinic to provide medical assessment and intervention. Also, UNMH is designing and building a new hospital to include an expanded psychiatric and emergency services center, crisis triage center, psychiatric urgent care, partial hospitalization, behavioral health clinics, and acute inpatient bed capacity. Bernalillo County's Department of Behavioral Health Services is opening a 16-bed crisis triage center on the Metropolitan Assessment and Treatment Services campus. A client management system is being developed. Bernalillo County issued a request for proposal for suicide prevention programming. Other projects were mentioned.

Commissioner Stebbins said the Resource Re-Entry Center (RRC), opened in May of 2018, is the first stop for individuals released from the Metropolitan Detention Center as they reintegrate into the community. Transition planners work with inmates at the jail. Once inmates are released to the RRC, case managers assist them to carry out their transition plans and connect them to services. Other interventions and supports for individuals involved in the criminal justice system are operating in the county.

Executive Director Maggie McCowen said the Behavioral Health Providers Association of New Mexico is a professional membership organization working to ensure behavioral health providers share a unified voice in advocating for their clients and services in New Mexico. Director McCowen proposed three strategies for expanding the system: expand current services, develop new services, and improve operational effectiveness. To implement these strategies, Director McCowen said the system needs adequate reimbursement rates, competitive pay, lower cost health insurance, and retirement programs. The system needs internship employment tracks for students to eliminate barriers to employing New Mexico behavioral health graduates. Provider gaps need to be addressed, community-based planning needs to take place, and data mapping needs to be done so a statewide plan can be developed. Providers need to be incentivized to expand and offer new services. Competitive contracts need to be offered to new organizations. The system needs to process, review, and identify unfunded costs early and eliminate duplication in Medicaid services. Lastly, the system needs to monitor the value-based purchasing required of managed care organizations.

In response to Representative Dow, Secretary Blalock said formal care is when a child is removed from his or her home and placed with a caregiver, preferably a relative. Currently in New Mexico, 20 percent of children in formal care are placed with relatives, which Secretary Blalock said is too low. Secretary Blalock talked about the gap of guardian benefits, which CYFD wants to address by establishing a subsidized guardianship program that would cover guardian benefits for all children in formal care.

Representative Armstrong expressed concern for the high number of naloxone prescriptions filled in Socorro County. Secretary Kunkel said Socorro County has a relatively low opioid overdose rate, but the availability of naloxone prescriptions does not necessarily equate with behavioral health.

Representative Anderson requested CYFD investigate possible child abuse at Zorro Ranch in Stanley.

Coordinating Behavioral Health and Housing Services with Community Re-Entry Initiatives at County Jails and State Prisons. Dr. David Scrase, secretary of the Human Services Department (HSD), said the criminal justice system has numerous intercept points that provide opportunities to link services and prevent further penetration into the criminal justice system. To take advantage of these opportunities, New Mexico is employing the sequential intercept model, which provides a conceptual framework for communities to organize targeted strategies for justice-involved individuals with behavioral health disorders.

HSD Deputy Secretary Angela Medrano said the New Mexico Supreme Court organized a team dedicated to improving justice system response to mental illness. The team is initiating several projects, including the Never Pass 0 program and training for judges and local policymakers.

The Legislature in 2019 passed a special appropriation to HSD of \$2.5 million for behavioral health services, permanent supportive housing, and re-entry services for incarcerated individuals in New Mexico. Deputy Secretary Medrano said HSD implemented Medicaid supportive housing services on July 1. Open to an entire community, the program offers subsidized rental housing affordable to the lowest levels of income and links participants with flexible supportive services to support tenancy and address other needs. Also, the program provides permanent supportive housing for homeless adults diagnosed with severe mental illness and co-occurring substance abuse issues. Deputy Secretary Medrano said the funding is prioritized for rural counties with the highest needs and minimal resources, which HSD identified as Sierra, San Miguel, Grant, Valencia, Eddy, and San Juan. The New Mexico Finance Authority, New Mexico Coalition to End Homelessness, and HSD's Behavioral Health Services Division will together monitor and measure the program's progress.

Reporting on county jails, Steve Kopelman, executive director of New Mexico Counties (NMC), said detention center issues are the most challenging ones facing New Mexico counties today. State laws place full legal responsibility on counties to operate jails and to detain all individuals charged with crimes within the county or convicted and sentenced to less than a year. The statutes were originally adopted in 1865-1866 and have been only minimally changed since. New Mexico counties operate 27 adult and eight juvenile detention facilities. Detention operations consume on average one of every three general fund dollars, and counties spend over \$250 million annually for detention operations and over \$40 million on medical costs. Bernalillo County has been under a federal court decree for nearly 25 years and spends approximately \$70 million annually for its detention operations, and another \$8 million for debt service. Counties spend well over \$50 million a year to house state inmates, including individuals with probation and parole violations and individuals convicted of felonies and awaiting transport to the state penitentiary. Reimbursement from the state is about \$2 million.

Director Kopelman said county jails are in fact mental health hospitals. Counties are obligated to house and care for large numbers of mentally ill individuals and those with substance abuse problems. On August 28, 2018, there were 2,102 individuals in county jails receiving mental health services and 1,621 on psychotropic medications. In addition to mental illness, many inmates have co-occurring disorders, such as drug and alcohol addiction and serious mental illness, and on any given day there are several dozen people on suicide watch or detoxification protocols. Those incarcerated in jails also have a greater prevalence of chronic medical conditions than the general population.

The overwhelming majority of the lawsuits against county governments with settlement or verdicts in excess of \$1 million, have been detention center claims. Reinsurance for claims alleging failure to provide adequate medical or mental health services is very difficult to obtain. New Mexico county jail populations tend to be higher than most other states because of the 364-day rule. For many years, New Mexico was one of two states in the entire country that had more individuals in county jails than in the state prisons.

There is virtually no municipal obligation for jails notwithstanding the fact that approximately half of all county inmates were arrested by municipal police within city boundaries.

Director Kopelman said NMC adopted and implemented a statewide adult detention accreditation program. To date Chaves, Curry, Dona Ana, Roosevelt, San Juan, San Miguel, Santa Fe, and Valencia counties have achieved accreditation. NMC continues to work with the Children, Youth and Families Department on juvenile detention training programs. Director Kopelman said NMC is looking forward to working with HSD on House Bill 43 initiatives.

Hank Hughes, executive director of the New Mexico Coalition to End Homelessness (NMCEH), said the Mortgage Finance Authority (MFA) delegated the coalition to manage the distribution of federal homeless assistance funding in New Mexico. The coalition has about 70 member organizations providing housing and services to individuals and families experiencing homelessness.

Director Hughes said 12 thousand people received homelessness services in 2018. Currently, 2,000 individuals and 363 families are waiting to receive services. Director Hughes said serving everyone on the wait list is achievable for the state. Current state investments for addressing homelessness include \$1.2 million for HSD's Income Support Division and \$1.4 million for MFA's Linkages Program.

Director Hughes said New Mexico currently has 2,274 beds in permanent supportive housing, primarily federally funded; however, 5,000 beds are needed in the state. Director Hughes said it would take an additional \$35 million to end homelessness in New Mexico.

Chairwoman Lundstrom said the \$2.5 million appropriation in 2019 for permanent supportive housing services, behavioral health services, and re-entry services for incarcerated individuals will be made a recurring appropriation, adding the amount may need to be increased to \$3 million or \$4 million. Chairwoman Lundstrom said the state needs to match the federal funding it could receive for permanent supportive housing services.

FY19 Third Quarter Report Cards (resumed presentation from June meeting). LFC Deputy Director Charles Sallee presented the FY19 third-quarter report cards. Mr. Sallee said LFC staff and DFA staff are working together to advance agency reporting that places more focus on the ways in which agencies make use of their data to manage for performance.

Highlighting key performance, Mr. Sallee said the Taxation and Revenue Department continues to have high vacancy rates, which are impacting services and impeding it from meeting performance targets, including targets related to outstanding balance and audit collections as well as Motor Vehicle Division customer service. The Human Services Department is struggling to meet Medicaid children's access to prevention, early intervention and behavioral health services. Despite increased funding from the Legislature, the Department of Health wait list for the developmental disabilities waiver continues to climb. Children, Youth and Families (CYFD) Protective Services Program has not met national repeat maltreatment benchmarking for more than eight years, and performance continued to decline each quarter for the current fiscal year. However, CYFD's Early Childhood Services and Juvenile Justice Services programs reported

promising performance results for the third quarter. Rates of inmate violence reported by the Corrections Department surged in FY18, but FY19 appears on track for much lower rates of assault, perhaps as a result of lower population and a lower share of inmates admitted for violent offenses than in prior years. Despite targeted pay increases, vacancy rates among public correctional officers have increased every quarter this year. Three-year recidivism rates remain flat at 52 percent, but still represent an increase from past years and are well above the FY19 target of 40 percent. The Department of Public Safety may miss FY19 targets for completing forensic firearm/toolmark cases and chemistry cases, but has completed over 100 percent of its latent fingerprint cases, decreasing the backlog for that type of case. Higher education institutions have generally improved student retention year-over-year.

In response to Vice Chairwoman Lundstrom, Mr. Sallee said interviews are still being conducted for the Early Childhood Education and Care Department secretary position. The transfer of some early childhood programs to the new agency is underway.

In response to Vice Chairwoman Lundstrom, Dr. David Scrase, secretary of the Human Services Department (HSD), said having a clear set of performance metrics is important to the agency. HSD is reviewing new metrics proposed by LFC and DFA and is recommending some changes, specifically language changes to clarify definitions.

Thursday, July 11th

The following members and designees were present on Thursday, July 11, 2019: Chairman John Arthur Smith; Vice Chairwoman Patricia A. Lundstrom; Senators Carlos R. Cisneros, Steven P. Neville, William F. Burt, Clemente Sanchez, James P. White, and Pete Campos; and Representatives Roberto “Bobby” J. Gonzales, Jason C. Harper, Javier Martinez, Gail Armstrong, Rodolpho “Rudy” Martinez, Candie Sweetser, and Randal S. Crowder. Guest legislators: Representatives Phelps Anderson, Cathrynn N. Brown, and Joy Garratt.

Local School Districts Performance and Finance Report. Superintendent Tana Daugherty said Cloudcroft Municipal Schools (CMS) again received an A grade for the 2017-2018 school year. The high school has received an A grade every year for the past six years. Giving an overview of the district, Superintendent Daugherty said CMS does not have a prekindergarten program; however, a private preschool is providing prekindergarten services. CMS does not qualify for K-5 Plus funding. The Reads to Lead initiative, a program important to the school district, is no longer funded for CMS. The school district is working to implement an extended learning time program in the 2019-2020 school year. The Cloudcroft Bears Summer Program is in its 20th year of serving kindergarten through fifth-grade students for six weeks during the summer. The summer program, primarily funded by community fundraisers and donations, provides various educational and physical opportunities, including reading, mathematics, art, and hiking.

Reporting on fiscal issues, Superintendent Daugherty said CMS is concerned about being able to meet the increased salaries and benefits in the future. For the 2019-2020 school year, salaries and benefits total \$3.6 million, almost 72 percent of the school district’s operational budget. Funding for instructional materials has not been received for the upcoming school year. State appropriations for the school district’s dual-credit program have remained relatively flat despite significant growth in participation. Dual-credit costs in the school district totaled \$8,308 in the 2019-2020

school year, \$5,393 more than appropriated. CMS teacher salaries are competitive with neighboring school districts.

Superintendent Daugherty said the school district's success is in large part because of the low student-to-teacher ratio. Another reason for CMS's success is its PSAT and SAT preparation program through Khan Academy. To build on its success, CMS is improving its college and career pathways program and implementing a positive behavior intervention support program.

Superintendent Jerrett Perry said Alamogordo Public Schools (APS) was recently restructured and is moving in a new direction. The school district's mission is to identify and isolate systemic failures, create systemic accountability, establish maximum standards, and implement proven methods of success. APS is closely engaged with its school board and the community.

Reporting on current projects, Superintendent Perry said construction of Holloman Elementary School is almost complete. The administration of transportation services is being transferred from an independent company to the school district. Over \$600 thousand worth of school security upgrades are being made in the school district. A brief overview of current funding was given.

Superintendent Perry said APS is working on several initiatives, including expanding its career and technical education (CTE) program, building the Troops to Teachers program, implementing a character building instructional model, developing a wellness plan for APS staff, and launching online registration. To improve instruction, the school district is creating a scope and sequence for all core content, implementing K-1 guided reading and phonics, and aligning K-5 reading instruction. Superintendent Perry said APS is working to improve the high school graduation rate. Programs at the high school include the CTE (career and technical education) Program, Virtual Academy, Junior Reserve Officers' Training Corps (JROTC), and College Prep Academy.

Superintendent Perry said the state equalization funding formula changes and salary increases are helping the school district. APS is working to level teacher salaries and streamline alternative licensure. Superintendent Perry said capital outlay is needed to expand prekindergarten facilities in the school district.

Superintendent Ann Lynn McIlroy said Roswell Independent School District (RISD) serves over 10 thousand students and employs 1,150 employees. The school district is currently renovating five buildings. Funding is needed to renovate two additional buildings. Superintendent McIlroy said RISD local bonding is well-supported by the community.

Superintendent McIlroy said RISD salaries and benefits for the 2019-2020 school year total \$74.5 million, 85 percent of the school district's operational budget. Teacher salaries increased by an average of 12.3 percent, noncertified staff salaries by an average of 8.1 percent, and administrative staff salaries by an average of 7.2 percent. A new industrial revenue bonding deal between the city of Roswell and Leprino Foods has given the school district an additional source of funding.

Reporting on student performance and programs, Superintendent McIlroy said RISD's graduation rate is 66 percent. Thirty-eight percent of students in the school district are proficient in reading, 23 percent are proficient in math, and 42 percent are proficient in science. RISD's prekindergarten

program is currently serving 400 students, and the K-5 Plus program is serving 1,047 students. The school district is implementing AVID, a program serving fifth- through twelfth-grade students that encourages largely lower-income, underrepresented, academically average, motivated students to achieve their potential and attend a four-year college. RISD is building CTE business partnerships and work-based learning.

John Ross Null, superintendent of Artesia Public Schools, said priorities for the 2019-2020 operating budget are to provide the mandated staff salary increases, cover projected utility costs, ensure appropriate instructional resources are available for students and staff, and provide meaningful professional development. Superintendent Null said the school district will find it difficult this next school year to maintain a sufficient cash balance to “float” federal funds while waiting on reimbursements and maintain ancillary services without a revenue stream to support them.

Artesia Public Schools’ K-5 Plus program will serve 496 students this next school year. Superintendent Null said teachers often comment that it is obvious which students were in K-5 Plus. The school district is concerned the level of funding a school district receives for the program in the following year is based on the attendance of a single day the prior year.

Superintendent Null said Artesia’s community desperately needs more access to behavioral health services.

In response to Senator Burt, Superintendent Daugherty said CMS established a discipline matrix. The school district’s positive behavior intervention support program provides counseling and rewards student for good behavior.

Representative Gonzales commented on the importance of school boards. Representative Gonzales said a superintendent’s success is only as successful as its school board and parent involvement.

Representative Brown recommended all school districts in the state implement Dolly Parton's Imagination Library, a book gifting program that mails free books to children from birth until they begin school.

Capital Outlay Financing for Public Schools. Jonathan Chamblin, director of the Public School Facilities Authority (PSFA), said the standards-based process for the Public School Capital Outlay Act was implemented in 2004. The purpose of the act is to ensure, through the standards-based process, the physical condition and capacity, educational suitability, and technology infrastructure of all public school facilities are adequate and support learning.

Director Chamblin said adequacy standards are used to measure all existing public school buildings in the state. Every school is assessed against the same set of minimum requirements in the adequacy standards to create a prioritized, ranked list of schools. Schools with the most deficiencies are identified as having the greatest capital needs and are prioritized to receive state funding first. According to a chart in the presentation, facility conditions statewide have improved. In 2005, 37 schools had a weighted New Mexico condition index score (wNMCI) above 100 percent. A wNMCI score above 60 percent is a rough indicator for whole school replacement. The

percent of schools with a wNMCI above 100 percent decreased from 40.5 percent in 2005 to 23.8 percent in 2018. Currently, three schools have a wNMCI higher than 60 percent.

Director Chamblin said Public School Capital Outlay Council (PSCOC) funding priorities in 2019 include standards-based large projects, school security, broadband deficiencies correction, and prekindergarten classroom facilities.

Superintendent Mike Hyatt said the unique characteristics of Gallup-McKinley County Schools (GMCS) makes it challenging to meet capital outlay needs. GMCS is the largest, sparsest school district in New Mexico. McKinley County is the most impoverished county in the state and 80 percent of its land mass is not taxable.

Current capital priorities in the school district are improving heating and cooling systems, building safety system, furthering consolidation of schools, and paying off teacherage debt.

Superintendent Hyatt said inequities remain in funding public school capital outlay even though the Public School Capital Council has made efforts to close the funding gap. Superintendent Hyatt said the overarching issue is that school districts with low property wealth secure less revenue. Schools in this situation, like GMCS, end up maxing out general obligation bonds, tapping more into operational funds, struggling to make funding match, and building school buildings below educational specifications. Additionally for GMCS, the high number of schools in its sparse rural area requires added construction and maintenance costs. Teacherages, a necessity to keep schools open, are expensive and the adequacy standards are inadequate for such things as special needs populations, intervention spaces, and Native American educational needs. Also, federal Impact Aid funding, intended to compensate for lack of taxable land, is being credited on the operational side of educational funding.

Superintendent Arsenio Romero said the success of programs at Deming Public Schools (DPS) is in large part because of public school capital outlay funding. Superintendent Romero said the new Deming High School will be an asset to students for years to come. The school district also has a new intermediate school, serving sixth grade students. Both new schools are replacements.

Superintendent Romero said decreasing state-matched funds for projects is financially challenging school districts that have low property wealth. In 2018, the school district secured bonds to

- Build a new Americans with Disabilities Act (ADA) compliant gymnasium at Chaparral Elementary School,
- Upgrade the HVAC mechanical system at Chaparral Elementary School,
- Build a new classroom addition at Memorial Elementary,
- Build an additional fieldhouse at Memorial Stadium, and
- Improve bleachers and press box at Memorial Stadium.

Superintendent Romero said DPS facilities need to be expanded to serve the growing K-5 Plus and extended learning programs in the school district.

This fall, Luna County voters have the opportunity to reauthorize the two-mill levy. Superintendent Romero said the two-mill levy is critical for capital improvements in the school district. The reauthorization would not increase property taxes.

In response to Senator Cisneros, Superintendent Romero said DPS would support the Legislature in creating a new revenue source dedicated on improving access to early education programs. Director Chamblin said the prekindergarten program is being added to the adequacy standards.

Higher Education: Enrollment, Student Retention, and Graduation. President Garnett Stokes, Ph.D., said the University of New Mexico (UNM) will continue listening to its community. The university is building its club sports program in response to community concerns about the elimination of some sports in UNM's athletic program.

Reporting on enrollment, President Stokes said UNM is in the process of hiring a person to manage enrollment issues at the university. The new management position is one of several strategies the university is using to address enrollment issues. UNM's Strategic Enrollment Management Committee is being reinvigorated and new education and outreach initiatives are being implemented. The university is developing ways to leverage financial aid and improving multiple student segments.

To address declining full-time enrollment, the university is incentivizing students who complete 15 credit hours a semester by lowering tuition costs. UNM enrollment declined more sharply in 2018. Fifty percent of the decline was due to fewer incoming freshmen, 30 percent was due to more drop outs, and 20 percent was due to more students graduating on time.

Presidents Stokes said the competitive challenges New Mexico's higher education institutions face are more with institutions in neighboring states than with each other. For example, some of New Mexico's academically outstanding undergraduates are being lost to the highly regarded Honors College Program of Arizona State University. President Stokes said she hopes New Mexico can build the same type of educational opportunities to keep exceptional students in the state.

President Stokes said financial aid is being leveraged to entice more people to attend UNM. In the 2017-2018 academic year, 46 percent of UNM financial aid distributions were student loans, 32 percent were scholarships, 21 percent were grants, and 1 percent were work-study distributions. A detailed account of how UNM is optimizing financial aid for results was given.

President Katherine Winograd said Central New Mexico Community College (CNM) serves over 34 thousand students a year, of which 73 percent are part-time students, 57 percent are female students, and 65 percent are minority students. The average age of a CNM student is 26. A chart in the presentation showed the fluctuation of CNM's enrollment and the production of credit hours in the last 24 years. Enrollment peaked during the Great Recession, and as with other institutions, has steadily declined since.

President Winograd said higher education priorities in the last several years have focused on improving graduation rates and increasing the number of certificates and degrees awarded. Of all

higher institutions in the nation, CNM is graduating the greatest number of Hispanic and Native American students. CNM ranks second in the nation for the total number of graduates.

President Winograd said CNM uses real-time data to produce real-time responses to changing enrollment patterns. For example, if CNM's daily enrollment report indicates the registration rate of returning students is low, the community college may decide to post a notice on social media to urge students to re-register. CNM is quickly able to see if the media post made a difference. CNM is also using a constituent relationship management tool to connect its different information systems with its college processes to provide an accurate and holistic view of each student. The tool allows CNM to provide higher quality outreach and better experience for any individual that interacts with CNM.

President Winograd said CNM is implementing EduNav, an optimal course-planning application that empowers students to design their plan and navigate their course path to graduation. President Winograd talked about ways CNM is adapting to the evolving higher education model.

Representative Brown said the free application for federal student aid (FAFSA) form is complicated. President Stokes said UNM conducts community workshops that teach the process of applying for FAFSA.

In response to Representative Anderson, President Winograd said 87 percent of CNM graduates stay in New Mexico, primarily remaining in the Albuquerque area.

Tourism Update. Jen Schroer, secretary of the Tourism Department, provided committee members a list of cooperative marketing and New Mexico Clean and Beautiful FY20 grants. Reporting on 2018 tourism performance, Secretary Schroer said New Mexico's lodging metrics outperform national averages, except for supply; new hotel investments, however, are being made throughout the state. Over 36.5 million trips were taken in New Mexico in 2018, making it the seventh consecutive record-breaking year for tourism visitation. Of the total trips, 20.3 million were marketable trips, trips not taken for doing business or visiting family and friends, and 16.2 million were overnight trips. Overnight trip growth in New Mexico exceeded national average growth by 79 percent. Visitor spending continues to increase, totaling \$6.63 billion in 2018, a 6 percent increase from 2010. Hospitality jobs and wages have also grown year-over-year since 2010. Secretary Schroer said New Mexico advertising and visiting is generating a positive economic development image.

Secretary Schroer said the Tourism Department's general fund budget increased from \$8.3 million in FY12 to \$16.6 million in FY19. Seventy-nine percent of the FY19 budget is spent on advertising and promotion. With the increased funding, the agency is amplifying advertising and expanding the New Mexico True brand, currently marketing in San Diego, Phoenix, Denver, Houston, Austin, Dallas, and Chicago. The agency is exploring marketing opportunities in Mexico. Secretary Schroer said earned media, publicity gained through promotional efforts other than paid media advertising, is an important component to the state's promotion. Also important is owned media, which the agency is optimizing through its website, email, social networking, and printed communications. Secretary Schroer said the Tourism Department is working to inspire pride of place, initiating "Keep New Mexico True" projects and establishing the New Mexico True

Certified Program. Several companies have partnered with the certified program to promote “buying local,” including 505 Southwestern and St. Clair Winery.

Secretary Schroer said the Tourism Department is hiring a cultural heritage coordinator to develop tourism opportunities with New Mexico’s tribal communities. A cultural heritage study is being conducted to explore potential tourism opportunities with the tribes and subcultures in New Mexico.

Secretary Schroer said the agency is working to unify and serve the tourism industry by increasing the effectiveness of its six regional boards, optimizing cooperative marketing, and meeting personnel capacity. Secretary Schroer said the leisure and hospitality industry is the second largest producer of jobs in the state, after the mining and logging industry.

Representative Crowder asked how the Tourism Department determines which trips are business and which are leisure. Victoria Gregg, director of research for the Tourism Department, said the agency contracts Longwoods International to conduct an overview of New Mexico’s travel and tourism market and provides a detailed profile of the state’s visitors. The information is based on day and overnight travel patterns of a representative sample of U.S. households, gathered through a syndicated survey of the U.S. travel market.

In response to Representative Gonzales, Secretary Schroer said cooperative marketing and New Mexico Clean and Beautiful grant applications are accepted in the spring. The Clean and Beautiful grant program is part of Keep America Beautiful, a national program. Secretary Schroer is working with the Department of Transportation on litter control and improving rest stops throughout the state.

In response to Senator Burt, Secretary Schroer said the agency’s marketing budget is primarily spent on out-of-state advertising. The Tourism Department does, however, spend some marketing dollars on its in-state pride campaign.

In response to Chairman Smith, Secretary Schroer said the New Mexico True brand is trademarked.

Miscellaneous Business.

Action Items. Senator Cisneros moved to adopt the June 2019 meeting minutes, seconded by Senator Sanchez. The motion carried.

Senator Cisneros moved to adopt the LFC 2019 Policies and Procedures, the motion was seconded by Representative Gonzales. The motion carried.

Review of Monthly Financial Reports and Information Items. David Abbey, director of LFC, briefed the committee on information items.

Deputy Director Jon Courtney, Ph.D., presented the report *Cost-Effectiveness of Early College High Schools*. New Mexico ranks low nationally on many key indicators of high school and

postsecondary success. The state had the second-lowest four-year high school graduation rate in the country in 2017 at 71 percent, with lower rates for English learners and economically disadvantaged students. Students who enter college face achievement gaps, with 37 percent of white residents earning a bachelor's degree or higher, compared with 13 percent and 9 percent, respectively, of Hispanic and Native American residents. At the same time, the value of postsecondary education is growing, with significant evidence that a postsecondary degree or credential leads to higher lifetime earnings and other positive outcomes, compared with a high school diploma.

One model designed to increase students' chances of postsecondary success is the early college high school. Early college high schools combine high school coursework with structured college coursework, industry certifications, and work experience, allowing students to earn college credits and complete some or all of an associate degree while still in high school or earn an industry-recognized workforce certification.

Early college high schools are an evidence-based practice that have shown positive effects on student high school and college achievement. Experimental research from other states found that students who attended an early college high school were more likely to graduate from high school, enroll in college, and earn degrees than their peers.

In New Mexico, there are 20 early college high schools serving approximately 3,100 students. Quasi-experimental analysis of student outcomes for two early college high schools in the state found statistically significant effects on students who attended, in terms of postsecondary degree attainment, compared with students who applied for attendance via a lottery but did not attend. Effects were most significant for students who attended for three years (the length of the program). Preliminary but promising results suggest further rigorous research on early college high school effects in New Mexico could be beneficial to assess the statewide impact of the model.

Friday, July 12th

The following members and designees were present on Friday, July 12, 2019: Chairman John Arthur Smith; Vice Chairwoman Patricia A. Lundstrom; Senators Carlos R. Cisneros, Steven P. Neville, William F. Burt, Clemente Sanchez, James P. White, and Pete Campos; and Representatives Roberto "Bobby" J. Gonzales, Cathrynn N. Brown, Javier Martinez, Gail Armstrong, Rodolpho "Rudy" Martinez, Candie Sweetser, and Randal S. Crowder. Guest legislator, Representative Phelps Anderson.

Racing and Gaming: Industry Trends and Issues. Giving an overview of New Mexico's gaming industry, LFC Analyst Alison Nichols said the state has 24 tribal and five racetrack casinos, regulated by the Gaming Control Board. The state collects money from gaming in two ways: sharing revenues with tribal casinos and taxing revenues of nontribal gaming, primarily racetrack casinos. In FY18, the state collected \$62.8 million from tribal gaming and \$61.6 million from nontribal gaming.

New Mexico gaming regulation is based on compacts, or agreements between the state and Indian tribes. The 2015 compact, effective through 2037, stipulates tribes remit to the state a portion of casino revenues from class III gaming, excluding revenue from tables games. The amount depends

on the casino's annual adjusted net win, or the amount wagered on gaming machines, less the amount paid out in cash and noncash prizes, less state and tribal regulatory fees.

The 2015 compact also limits the number of nontribal gaming casinos to six, requiring each be operated at a racetrack.

The state does not receive revenue from class II gaming, including games of the now-advanced electronic bingo-style machines that can match the performance of class III machines. If class II gaming machines become a larger share of tribal casino offerings, the state will collect less revenue. Currently, about 1.5 percent of all gaming machines in New Mexico casinos are class II machines, according to recent surveys by the Gaming Control Board.

Some tribal casinos in New Mexico have begun operating sports books, but expanding sports betting to nontribal casinos could void revenue sharing in the compact. While it is illegal to operate a sportsbook in New Mexico (NMSA Section 30-19-15), the compact does not specifically prohibit tribal casinos from operating sportsbooks, which is a type of class III gaming. In 2018, the U.S. Supreme Court struck down a federal law prohibiting states from regulating and taxing sports betting. If New Mexico allows sports betting at nontribal casinos, the Taxation and Revenue Department estimates the state could collect \$21 million, assuming a 26 percent tax rate, or \$12 million, assuming a 15 percent tax rate, which would apply to table games; however, these revenues would be offset by a likely loss of \$60 million to \$70 million annually in tribal revenue sharing.

Reporting on horseracing in New Mexico, Ms. Nichols said the sport is regulated by the Racing Commission, composed of five commissioners appointed by the governor. Horseracing generates about \$900 thousand for the state annually. Compared with other states, New Mexico has a high rate of racehorse injuries and fatalities; however, the rate has improved in the last five years. Causes of racehorse injuries and fatalities include unsafe racing surfaces and use of performance enhancing drugs. The commission combats the use of performance enhancing drugs by testing horses and penalizing trainers whose horses test positive for the drugs.

Nationally, horseracing has been in decline for almost three decades. The industry in New Mexico will face further challenges if the state allows sports betting at the racetrack casinos because horseracing would be competing with other sports for wagering dollars. Unlike other professional sports, the horse racing industry relies on betting as its primary source of revenue.

Ismael Trejo, executive director of the Racing Commission, introduced newly appointed chairwoman Beverly Bourguet. Ms. Bourguet said the commission is committed to making decisions that serve the interest of all stakeholders in the industry.

In 2016, the commission increased its efforts to combat performance enhancing drug use by doing more drug testing outside of competitions, conducting about 500 tests in 2018. Mr. Trejo said the harsh penalties and increased drug testing outside of competitions have effectively reduced the number of drug violations. In 2018, the commission had zero cases of class one violation, the most severe type of violation. Class two violations, also severe, declined from 21 cases in 2017 to 8

cases in 2018. The number of horses sustaining catastrophic injuries in races has also decreased. Mr. Trejo said protecting equine athletes is the commission's priority.

Raechelle Camacho said her duties as the state gaming representative of the Gaming Control Board are to monitor compact compliance and serve as the liaison between the state and tribes. Records submitted by tribes through a web portal on a monthly basis are verified to ensure the accuracy of shared revenue figures. Also, tribes' records are audited independently on an annual basis.

Ms. Camacho said the number of class II gaming machines in the state are expected to remain steady.

Jeff True, general manager of Ruidoso Downs, said horseracing is big business in the United States, generating an economic impact of \$36.6 billion. In New Mexico, 255 race days are scheduled in 2019, generating about \$400 million and 10 thousand jobs. The state's five licensed tracks race thoroughbred and quarter horses and attracts over 1 million out-of-state visitors.

Reporting on Ruidoso Downs, Mr. True said the racetrack has 54 race days scheduled in 2019. Purses total \$15 million, including a \$3 million purse for the All American Futurity, Ruidoso Downs' signature race. The race is the richest quarter horse race in the nation. The racetrack holds two horse sales a year. Almost 400 quarter horse yearlings are sold annually at an average price of \$47 thousand. Ruidoso Downs is a leading seller of quarter horses, attracting buyers from around the world.

Billy the Kid Casino operates at Ruidoso Downs. Twenty percent of gaming revenue from the 275 class III slot machines goes to racing purses, and 26 percent goes to the state general fund.

Mr. True said the horseracing industry is facing challenges in New Mexico. Racing revenues are not keeping pace with required capital investment in equine and human safety and security. Racetracks are restricted from offering new types of products, including sports betting. Racino gaming taxes are not reinvested in racing through the commission. Overlapping race dates among the racetracks are straining horses and skilled workforce. The limited number of horses available for the 265 race days a year is straining the population and increasing horses' and riders' risk of injury. Ruidoso Downs faces additional challenges because of its close proximity to Inn of the Mountain Gods. Mr. True recommends the state

- Reduce the racino gaming tax to match the tribal casino gaming tax;
- Create a gaming tax credit to incentivize tracks to invest in racing enterprises;
- Amend the tribal compact to change or eliminate restrictions on racetracks while returning revenue share money to tribes; and
- Legalize sports betting, online advance-deposit betting, and historical horse racing product lines.

Ethan Linder, marketing director of Sunland Park Racetrack and Casino, said some states legalized sports betting soon after the federal law prohibiting states from regulating and taxing sports betting was repealed. Revenue from online sports betting at a casino in New Jersey is already exceeding revenue generated from gaming inside the casino. The attraction of sports betting and e-sports, a form of competition using video games, is revolutionizing gaming at casinos. Mr. Linder said new

regulatory issues will develop as the gaming industry evolves. Changes in the industry include the advancement of class II machines. Mr. Linder said class II machines are becoming a large share in the market.

Giving brief remarks, Larry Strain, member of the New Mexico Horsemen's Association, said overlapping race dates have long existed. Mr. Strain said horses get the most rest outside the summer season.

In response to Chairman Smith, Ms. Camacho said the Gaming Control Board has two vacant positions; the certified public accountant position was vacated in September 2017, and the law enforcement position was vacated in December 2018.

Chairman Smith said class III gaming is failing the horseracing industry despite the intent for it to support the industry when it was established in 1995.

In response to Senator Neville, Mr. True said a sixth racetrack is not needed in New Mexico. Mr. True said field size issues and overlapping schedules would be exasperating if a sixth racetrack was built in the state. Ms. Bourguet said the Racing Commission will make a recommendation when its assessment of a sixth racetrack need is complete.

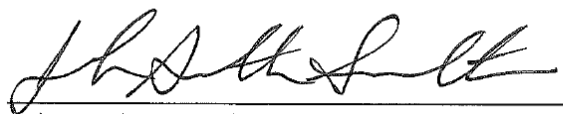
At the request of Senator Sanchez, Mr. Linder said he will provide LFC staff a copy of the Gaming Control Board's annual summary of revenue sharing.

In response to Senator Sanchez, Ms. Bourguet said the Racing Commission meets once a month, except in December; however, the new commission, appointed in April, held a meeting in May but not in June. No meeting is scheduled for July. Ms. Bourguet said the commission is postponing meetings until it can ensure the meetings follow correct protocol.

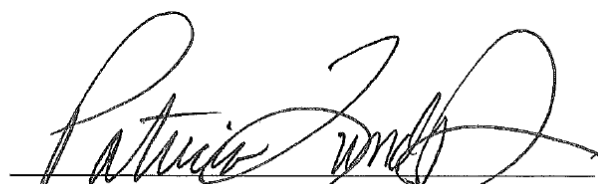
Representative Crowder requested the Gaming Control Board provide the committee statistics on gambling-related domestic violence and suicides in New Mexico.

Chairman Smith expressed concern about the illegal racetracks operating in the state.

With no further business, the meeting adjourned at 11:05 a.m.



John Arthur Smith, Chairman



Patricia A. Lundstrom, Vice Chairwoman