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Senator Sue Wilson Beffort
Senator Pete Campos
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Senator Stuart Ingle
Senator Carroll H. Leavell
Senator Mary Kay Papen
Senator John M. Sapien

State of New Mexico
LEGISLATIVE FINANCE COMMITTEE

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David Abbey
Director



Representative Luciano "Lucky" Varela
Vice-Chairman

Representative William "Bill" J. Gray
Representative Rhonda S. King
Representative Larry A. Larrañaga
Representative Henry Kiki Saavedra
Representative Nick L. Salazar
Representative Edward C. Sandoval
Representative Don L. Tripp
Representative James P. White

September 26, 2013

MEMORANDUM

TO: Legislative Finance Committee

FROM: Subcommittee A

Senator Carlos R. Cisneros, Chair 
Representative Edward C. Sandoval, Vice-Chair
Senator Steven P. Neville
Representative James P. White
Senator Carroll H. Leavell
Representative William "Bill" J. Gray
Senator George K. Munoz

Representative Luciano "Lucky" Varela, Ex-officio
Senator John Arthur Smith, Ex-officio

SUBJECT: Subcommittee A Report

(205) **Supreme Court Law Library.** Robert Mead, library director, presented the request of the Supreme Court Law Library, which included additional funding for employee compensation as well as increases for travel and to update the library's collection. Representative Hall asked what the library was doing to improve community access to the law. Mr. Mead stated the library staff was hosting public outreach events connect the aide public, librarians and lawyers.

During the presentation of the law library, and in response to a member's question, Artie Pepin gave a short presentation on the progress of the Mora County courthouse. Mr. Pepin stated the county and AOC agreed on the terms of a joint powers agreement (JPA) currently awaiting approval from the Department of Finance and Administration. Should the JPA be approved, AOC will hire a project manager and begin construction on the first floor of the building.

- (208) **NM Compilation Commission.** Brenda Castelo presented the commission's budget, which does not include a general fund appropriation. Representative Varela asked about the status of the commission's fund balance. Ms. Castelo stated that the increase in pro se (self-represented) litigants in civil cases was resulting in diminished civil action filing fee revenue and demand for the commission's products. Ms. Castelo added, should current trends continue, the commission may exhaust fund balance by FY17.
- (210) **Judicial Standards Commission.** Randall Roybal, the Executive Director of the commission presented the budget request, a total increase of \$4.5 thousand to cover increases for health insurance and risk rates.
- (215) **Court of Appeals.** Chief Judge Kennedy presented the budget request of the Court of Appeals, which included a vacancy rate of 1 percent. Representative Varela asked why the budgeted vacancy rate was so much lower than their current vacancy rate of 16 percent. The Chief responded the court has been unable to fill positions due to funding constraints and intends to fill all vacant positions if its request is granted. Later, he advised LFC staff that five vacancies on September 1st were for clerks that were filled immediately. LFC staff recommend an appropriation adjustment in the initial staff recommendation.
- (216) **Supreme Court.** Chief Justice Maes noted the compensation commission recommended an increase of 11 percent, and the court included a requested increase of 5 percent in judges' salaries. The Chief stated, in response to Representative Sandoval that a 5 percent compensation increase for all judges and justices would cost \$1.71 million.
- (219) **Supreme Court Building Commission.** Joey Moya, Chief Clerk of the Supreme Court, presented the budget request of the building commission. Representative Varela suggested the commission should consider using funds from the capital building repair fund to maintain the Supreme Court facility.
- (354) **New Mexico Sentencing Commission.** Tony Ortiz, executive director, presented the commission's \$50 thousand expansion request to continue collecting data for the Pew-MacArthur Results First Initiative. Representative White asked director Ortiz what his confidence level is in the initiative and stated that it should not replace thoughtful evaluation. Director Ortiz stated that he has high confidence in the initiative.
- (603) **Office of African American Affairs.** Yvette Bell, executive director, requested \$756.9 thousand from the general fund, an increase of \$52.8 thousand, or 7.5 percent, over the FY14 appropriation. The request includes a general fund expansion of \$98.8 thousand for an executive secretary and a healthcare specialist. Director Bell reported that the health care specialist would focus on health disparities of the African American community. Representative Sandoval asked if the Office of African American Affairs and the Martin Luther King, Jr. Commission (MLK Commission) were in the same location. Director Bell stated the OAAA and the MLK Commission were currently located at different locations. Representative Varela asked if the two agencies could consolidate office space at the African American Performing Arts Center (AAPAC). Director Bell stated the AAPAC does not have office space available to accommodate both agencies but would look into the possibility of office space consolidation.

- (605) **Martin Luther King, Jr. Commission.** Kimberly Green, executive director, presented the request for a \$317.8 thousand appropriation from the general fund, an increase of \$103 thousand, or 48 percent over the FY14 appropriation, for an additional financial specialist FTE and to continue the anti-bullying curriculum previously funded by special appropriation in 2013. Director Green explained to the subcommittee that the additional FTE would be utilized to seek additional federal funding for the commission and that currently sixteen schools are implementing the anti-bullying curriculum. Representative Hall requested more information regarding a special appropriation in 2006 for Martin Luther King, Jr. Memorial. Of the 2006 appropriations in the amount of \$494 thousand, \$256.8 thousand was reverted for solvency, and the remaining funds appropriated to Bernalillo County.
- (760) **Parole Board.** Sherry Stephens, executive director, was in attendance and discussed the requested 1.1 percent decrease from the general fund. The director stated most of the budget is allocated to staffing and board-related expenses. Representative Sandoval asked if the board ever conducts hearings with three member panels. The director replied that hearings for sex offenders and inmates sentenced to life require hearings with three board members present.
- (765) **Juvenile Public Safety Advisory Board.** Heidi Alvarez-Wynn, executive director, and Reagan Smetak, CYFD's new budget director, were in attendance to represent the board. The board requested a flat budget of \$15 thousand as compared with FY14 appropriations. Director Alvarez-Wynn shared the board's mission and stated the board currently has two members serving out of seven authorized. Representative Sandoval asked who appoints the board members and Director Alvarez-Wynn stated the Governor appoints all board members.
- (780) **Crime Victims Reparation Commission.** Robin Brassie, acting director, was in attendance and discussed recent State Personnel Office approved staff salary increases. The requested increase from the general fund was 1.3 percent.

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September 26, 2013

MEMORANDUM

TO: Legislative Finance Committee

FROM: Subcommittee B

Representative Nick L. Salazar, Chair 
Senator Howie C. Morales, Vice-Chair
Representative Henry "Kiki" Saavedra
Senator Sue Wilson Beffort
Representative Don L. Tripp
Senator Pete Campos
Representative Larry A. Larranaga

Representative Luciano "Lucky" Varela, Ex-officio
Senator John Arthur Smith, Ex-officio

SUBJECT: Subcommittee B Report

- (356) **Governor.** Robyn Romero, Chief Financial Officer for the Offices of the Governor and Lieutenant Governor, and Cindi Montoya Department of Finance and Administration analyst, were present. The agency spent 88 percent of its FY13 budget, and the FY14 operating budget is 21 percent greater than actual FY13 expenditures. For FY15, the agency's budget request of \$3.6 million from the general fund is flat with the FY14 operating budget. The agency has 27 exempt FTE, and one position is vacant. The agency reverted \$417.9 thousand, or 14 percent, of its appropriation for FY13. The committee had no questions.
- (379) **Public Employees Labor Relations Board.** Agency Director Tom Griego provided an overview of the agency and its FY14 budget request of \$257.7 thousand, an increase of \$42.2 thousand, or 19.6 percent, over the FY14 operating budget. The members had no questions.

- (404) **Board of Examiners for Architects.** Agency Director Wren Propp provided an overview of the agency and its FY14 budget request of \$370.4 thousand, flat relative to the FY14 operating budget. The members had no questions.
- (446) **Medical Board.** Director Lynn Hart provided an overview of the agency and its FY15 budget request which increased \$231 thousand, or 13.3 percent over the FY14 operating budget. Senator Beffort commented that even though the LFC staff recommended broadening the scope of work for physician assistants (PAs) to assist with the shortage of care in rural communities, PAs will not move to rural communities. She asked Director Hart what the board can do to assist access in rural communities. Director Hart responded the board is looking into drafting a bill that specifies a PA rural area only scope of practice. Representative Larrañaga questioned why it is difficult to attract doctors to rural areas. Director Hart stated, loan forgiveness and other recruitment tools are not available and the cost of private practice has become too expensive.
- (449) **Board of Nursing.** Director Dr. Nancy Darbro reported the budget request for FY15 is \$2.6 million, an increase of \$232.5 thousand, or 9.9 percent, over the FY14 operating budget. Representative Larrañaga asked Dr. Darbro to explain how the Nursing Compact Act works. Dr. Darbro explained that 24 states are in the compact, and since each licensed nurse takes the same national exam, all nurses are granted automatic reciprocity to practice from state-to-state. Representative Larrañaga questioned if a shortage of nurses still exists. Dr. Darbro explained that due to the economic downturn, recent nursing graduates are having difficulty finding jobs because veteran nurses have chosen not to retire. Dr. Darbro warned that as the economy gets better these elder nurses will retire, and because there is a shortage of space within New Mexico's nursing schools she is concerned schools will not produce enough nurses to keep up with those retirements.
- (464) **State Board of Registration for Professional Engineers & Surveyors.** Perry Valdez, interim director, Paul Brasher, chair, and Ron Bohannon, chair of the engineering committee, were present. Mr. Valdes provided an overview of the request for \$926.8 thousand, a \$148.2 thousand increase, or 19 percent, over the FY14 operating budget. The FY15 request includes \$133.3 thousand for a memorandum of understanding (MOU) established in FY14 between the board and the Regulation and Licensing Department (RLD). The MOU calls for the RLD to provide fiscal oversight and human resource assistance, and establish and maintain an electronic license renewal process. Representative Larrañaga asked if an applicant graduated from a non accredited engineering school, will the board still license them. Mr. Bohannon explained that much time is spent to determine if the applicant is qualified to be licensed in New Mexico, and many measures help determine qualifications. Representative Tripp asked if engineers are required to possess errors and omissions insurance. Mr. Bohannon reported it's not required but most practices carry insurance. Representative Larrañaga asked if the board has seen an increase in engineering graduates and if those students must take exams on ethics. Mr. Brasher explained that the board has not seen an increase in graduates, but the board is working with high schools and universities to influence students to become engineers. Mr. Brasher also reported that an ethics exam is still required.

- (479) **Board of Veterinary Medicine.** Agency Director Frances Sowers provided an overview of the board's total budget of \$340.4 thousand, a 3.3 percent increase over the FY14 operating budget. The request increased the contractual services category to budget funds for a civil attorney due to inadequate legal representation provided by the New Mexico Attorney General's Office. Representative Tripp asked if veterinarians have a veterinarian assistant equivalent, as doctors do with physician assistants. Director Sowers stated they do not have an assistant with such a high level of education and training as doctors do but they do have veterinarian technicians.
- (491) **Office of Military Base Planning.** General Hansen Scott, director, Office of Military Base Planning and Support, was present. The FY15 general fund request was an increase of \$11 thousand. The increase funds employee benefits and pays for the annual audit, previously performed by the Economic Development Department. General Scott provided an overview on New Mexico's military installations, current office and commission actions and issues, base realignments, and the Department of Defense (DOD) outlook for FY14 and future years. As for sequestration, installations with large civilian work forces are mostly impacted, such as Kirtland and White Sands Missile Range. However, all installations have deferred some facility repair, but flying hour reductions have been minor. Representative Tripp asked for an update on SunZia. General Scott said the DOD and Department of the Interior indicate a transmission line could impact missions for the White Sands Missile Range (WSMR) because they can involve low-altitude testing. Sun Zia reports moving the proposed route would add 30 to 40 miles to transmission lines and require another environmental impact statement. Environmentalists claim the proposed route would disturb the environment. Senator Smith asked how sure the General was that the F-16 squadrons are moving to Holloman. General Scott said all indications are good. Senator Smith also asked about impacts for New Mexico from sequestration impacts to Fort Bliss. General Scott said using New Mexico for training could be impacted and he is worried about the impact on WSMR because of the large civilian workforce and dependence upon other customer income.
- (604) **Lieutenant Governor.** The agency only spent 76 percent of its FY13 budget, and the FY14 operating budget is 31 percent greater than actual FY13 expenditures. For FY15, the agency's budget request of \$590 thousand from the general fund is flat with the FY14 operating budget. The agency reverted \$130.1 thousand, or 22 percent, of its appropriation for FY13. The agency has 5 exempt FTE. Representative Tripp asked if the Lieutenant Governor has a discretionary spending account like the Governor. Ms. Romero said no.
- (662) **Miners' Hospital.** Chief Executive Officer Shawn Lerch and Interim Chief Financial Officer Tom Poteste provided an update on the hospital highlighting 27 percent of the facility's funding is from the miners' trust operating fund; the hospital's two audit findings are resolved; the hospital's management are meeting with the State Personnel Office and governor to seek approval to implement a salary plan to recruit more nurses; and the hospital's black lung program is a nationally recognized model. Representative Larranaga asked about the hospital's trauma center designation and was told the hospital was awarded designation as a level IV trauma center and is now eligible to receive more

trauma funding from the Department of Health. Senator Beffort asked about the refinancing of bonds to build a new primary care clinic at the hospital and was told the bond refinance saved \$1.4 million, which is being used to construct the clinic over the next 18 months. Senator Beffort supports the hospital's desire to also build a behavioral health clinic that could serve 22 thousand miners from around the state. Senator Smith asked if the hospital received sole community provider funds and Mr. Lerch responded the facility receives \$750 thousand and expects it will maintain this approximate amount under the new formula. Representative Salazar asked the impact of Medicaid expansion on the facility and Mr. Lerch answered the hospital forecasts it will serve an additional 5,000 newly Medicaid-eligible clients, which will offset much of the hospital's \$2.2 million in uncompensated care.

- (930) **Regional Educational Cooperatives.** Jim Lindsay of the Public Education Department (PED) and David Willden, executive director of Regional Educational Cooperative (REC) #8, were present. The request for REC funding will be submitted on November 30 with the public school support request. LFC staff noted PED officials have indicated the REC request will likely remain flat for FY15. LFC staff noted that, RECs report unrestricted cash balances have grown by nearly \$3 million, a 77 percent increase from FY08. Mr. Lindsay and Mr. Willden had no comments, and subcommittee members no questions.