

**MINUTES
of the
SIXTH MEETING
of the
ECONOMIC DEVELOPMENT AND POLICY COMMITTEE**

**November 28-29, 2022
State Capitol, Room 307
Santa Fe**

The sixth meeting of the Economic Development and Policy Committee was called to order by Senator Carrie Hamblen, vice chair, on November 28, 2022 at 10:10 a.m. in Room 307 of the State Capitol in Santa Fe.

Present

Sen. Carrie Hamblen, Vice Chair
Rep. Eliseo Lee Alcon* (11/28)
Rep. Kelly K. Fajardo (11/28)
Rep. Joy Garratt*
Rep. Joshua N. Hernandez
Rep. Pamela Herndon*
Rep. Tara L. Lujan (11/28)
Rep. Jane E. Powdrell-Culbert
Rep. Linda Serrato
Sen. Benny Shendo, Jr. (11/28)

Advisory Members

Sen. Crystal R. Diamond (11/28)
Rep. Rebecca Dow
Sen. Antonio Maestas
Rep. Rod Montoya (11/29)
Rep. Andrea Romero
Sen. Bill Tallman

Absent

Rep. Meredith A. Dixon
Sen. Ron Griggs
Sen. Leo Jaramillo
Rep. Raymundo Lara
Rep. Georgene Louis
Rep. Willie D. Madrid
Rep. Kristina Ortez
Sen. Michael Padilla
Rep. Patricia Roybal Caballero
Sen. Pat Woods

Rep. Anthony Allison
Rep. Gail Armstrong
Rep. Ambrose Castellano
Rep. Christine Chandler
Sen. Katy M. Duhigg
Rep. Doreen Y. Gallegos
Sen. Siah Correa Hemphill
Rep. Susan K. Herrera
Rep. Derrick J. Lente
Rep. Patricia A. Lundstrom
Sen. Cliff R. Pirtle
Rep. William "Bill" R. Rehm
Sen. Joshua A. Sanchez
Rep. Nathan P. Small
Sen. Elizabeth "Liz" Stefanics
Rep. Candie G. Sweetser
Rep. Luis M. Terrazas

(Attendance dates are noted for members not present for the entire meeting.)

*Appointed by the speaker of the house of representatives as a voting member for this meeting only.

Staff

Erin Bond, Researcher, Legislative Council Service (LCS)
D. Martin Fischer, Staff Attorney, LCS
Tom Kricka, Staff Attorney, LCS
Nicole Waguespack, Researcher, LCS

Minutes Approval

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

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file and posted on the legislature's website.

References to Webcast

The time reference noted next to each agenda item in this document is cross-referenced to the webcast of the committee meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and committee discussions for agenda items can be found on the recorded webcast for this meeting.

Monday, November 28**Welcome and Introductions (10:10 a.m.)**

Senator Hamblen welcomed everyone to the meeting and committee members introduced themselves.

Report from the Paid Family and Medical Leave Task Force (PFML) on Senate Memorial 1 (2022) (10:14 a.m.)

Representative Serrato; Tracy McDaniel, policy advocate, Southwest Women's Law Center; and Suzanne Reagan, senior program manager, Data Bank, Bureau of Business and Economic Research, University of New Mexico, provided an overview of the findings and recommendations of the PFML. Following a brief review of the historical and current leave policies of a sample of employers, the composition and decision-making strategy of the PFML was summarized. The implementation time line, expected implementation costs and cost models for businesses of various sizes — based on the number of employees — were presented. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=11/28/2022&ItemNumber=1>.

Approval of Minutes (11:37 a.m.)

Upon motions made and seconded, the minutes of the September 14-16, 2022 and October 12-14, 2022 meetings were approved.

Financial Literacy Education (11:39 a.m.)

Chad Cooper, president, National Association of Insurance and Financial Advisors-New Mexico (NAIFA-NM), Gateway Financial Advisors, and Michael McCaffrey, vice president of advocacy, NAIFA-NM, New York Life, discussed the importance of teaching New Mexico high school students fundamental concepts of financial literacy. They advocated for teaching financial literacy by emphasizing financial concepts as opposed to teaching financial literacy as a purely mathematical endeavor. A summary of Mr. Cooper's remarks can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20112822%20Item%202%20Cooper%20Testimony.pdf>.

Opportunities for Innovation in New Mexico's Gaming Industry (1:32 p.m.)

Fred Heinrich, general counsel and compliance officer, Sunland Park Racetrack and Casino, and Patrick Garrett, chair, Gaming Control Board, discussed the current state of the national gaming industry and the implications of gaming trends on New Mexico. They highlighted, based on national data, that 2022 has seen a dramatic increase in sports and internet gaming. Noting that neighboring states of Arizona, Colorado and Oklahoma allow sports betting, they suggested that customer gambling preferences are changing and that New Mexico is falling behind in providing in-demand gambling products. Both Mr. Heinrich and Mr. Garrett advocated for the appointment of a group of gaming industry stakeholders to consider the legislation and regulation needed to allow sports betting, internet gaming and advanced deposit wagering in order to remain competitive with neighboring states and to make New Mexico a gambling destination. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20112822%20Item%203%20Heinrich%20Testimony.pdf>.

Economics of New Mexico's Restaurant and Hospitality Industries (2:23 p.m.)

Kathy Komoll, chief executive officer (CEO), New Mexico Hospitality Association, and Carol Wight, CEO, New Mexico Restaurant Association, presented an overview of the impacts of the COVID-19 pandemic on and the current economic needs of the New Mexico hospitality and restaurant industries. Ms. Komoll provided hospitality industry policy priorities, which include supporting a robust Tourism Department, developing and funding programs to assist local communities with marketing and event development, developing and supporting existing programs to bring staffing levels back to pre-pandemic levels and establishing tax incentives and deferrals to help businesses address a looming debt crisis.

Ms. Wight discussed the continued impact of the COVID-19 pandemic and inflation on the restaurant industry. Citing supply chain problems, labor shortages and inflation coupled with loan debt acquired during the pandemic, she advocated for New Mexico to provide financial

assistance to restaurants through a proposed New Mexico Restaurant Revitalization Fund. She suggested that funds be prioritized for restaurants that did not receive aid from the federal Restaurant Revitalization Fund and outlined potential application procedures for the proposed state fund. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=11/28/2022&ItemNumber=4>.

Discussion of Legislative Priorities for 2023 (3:30 p.m.)

Senator Maestas suggested that committee members consider their priorities for appropriating funds to support economic development. After a brief discussion, Senator Hamblen informed the committee that she would email them questions regarding their priorities and thoughts on the committee's work and would compile their responses with the help of Ms. Bond.

Public Comment

There was no public comment.

Recess

The meeting recessed at 3:38 p.m.

Tuesday, November 29

Welcome and Introductions (9:14 a.m.)

Senator Hamblen welcomed everyone to the meeting and committee members introduced themselves.

Climatenomics: Economic Consequences and Opportunities Created by Changes to the Climate (9:16 a.m.)

Bob Keefe, executive director, E2, presented a summary of climate-related financial impacts on New Mexico. Mr. Keefe addressed recent federal legislation, such as the Infrastructure Investment and Jobs Act and the Inflation Reduction Act of 2022, as it relates to funding clean energy efforts. He concluded his presentation with an overview of how tax credits, energy savings, energy investments, clean energy jobs and clean energy job wages can potentially benefit New Mexico residents. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=11/28/2022&ItemNumber=5>.

Horseracing in New Mexico: An Opportunity for Improvement (10:17 a.m.)

Richard Erhard, executive director, New Mexico Horsemen's Association (NMHA); Shannon Gilliland, certified public accountant, Taylor Roth and Company; Dr. Paul Jensen, president, NMHA; and Gary C. Mitchell, attorney at law, discussed the current state of and potential improvements to horseracing in New Mexico. An overview and brief history of the

NMHA structure and purpose was provided before addressing current issues concerning the association's financial relationship with corporate racinos and the State Racing Commission. Mr. Erhard argued that horseracing and training schedules must be year-long and that horsemen need increased representation and input with the Gaming Control Board and racinos to maintain their livelihood.

Dr. Jenson provided a summary of recent collaboration attempts with and contentions between the NMHA and the State Racing Commission. Ms. Gilliland provided a recent audit report of the NMHA and reviewed the association's finances. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=EDPC&Date=11/28/2022&ItemNumber=6>.

Update from the Economic Development Department (EDD) on Legislative Priorities and International Trade (1:12 p.m.)

Alicia J. Keyes, secretary, EDD, and Jon Clark, deputy secretary, EDD, summarized the department's recent efforts to promote job creation and business in New Mexico. Citing the EDD's recent success in job creation, growth in the New Mexico Film Division, an increase in federal grant awards and the department's New Mexico Outdoor Recreation Division, the EDD requested an additional full-time employee for grant management, additional funding for targeted marketing, additional funds for the Next Generation Media Academy and increased funding for job training and professionalization of local economic development organizations. In addition, a review of New Mexico's involvement in global trade was provided. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20112822%20Item%207%20Update%20from%20EDD.pdf>.

Opportunities for Economic Growth in New Mexico (2:10 p.m.)

Dale R. Dekker, architect and founder, Dekker/Perich/Sabatini, provided an assortment of suggestions for providing long-term stability and growth for the New Mexico economy. The presentation can be found here:

<https://www.nmlegis.gov/handouts/EDPC%20112822%20Item%208%20Dekker%20presentation.pdf>.

Adjournment

Senator Hamblen thanked the committee and staff and acknowledged the work of departing committee members. There being no further business before the committee, the meeting adjourned at 3:00 p.m.