

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

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

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

Present

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

Absent

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

Advisory Members

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

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

Membership Note

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

Staff

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

Guests

The guest list is in the meeting file.

Handouts

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

Wednesday, June 18

Military and Veterans' Affairs Committee — 2014 Session

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

Veterans' Services Department (VSD) Overview

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As follow-up to the discussion:

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

2014 Work Plan, Meeting Schedule and Itinerary

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

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

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

Office of Military Base Planning and Support (OMBPS) Update

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

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

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

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

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

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

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

Public Comment

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

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

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

Adjournment

The committee adjourned at 2:10 p.m.