

**MINUTES
of the
SECOND MEETING
of the
TOBACCO SETTLEMENT REVENUE OVERSIGHT COMMITTEE**

**November 30, 2020
Video Conference Meeting**

The second meeting of the Tobacco Settlement Revenue Oversight Committee was called to order by Representative Elizabeth "Liz" Thomson, co-chair, on November 30, 2020 at 9:40 a.m. by video and audio conference via an online platform.

Present

Sen. Gabriel Ramos, Co-Chair
Rep. Elizabeth "Liz" Thomson, Co-Chair
Rep. Joanne J. Ferrary

Absent

Sen. Candace Gould
Rep. Gregg Schmedes
Sen. John Arthur Smith

Advisory Members

Sen. Linda M. Lopez

Rep. Gail Chasey
Sen. Mary Kay Papen
Sen. Sander Rue

Staff

Elisabeth Johnson, Staff Attorney, Legislative Council Service (LCS)
Lenaya Montoya, Staff Attorney, LCS
Rebecca Griego, Records Officer, LCS
Madelyn Lucas, Intern, 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.

Handouts

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

Monday, November 30

Update on the Status of the Tobacco Settlement Permanent and Program Funds (9:40 a.m.)

RubyAnn Esquibel, principal fiscal analyst, Legislative Finance Committee (LFC), and Dawn Iglesias, chief economist, LFC, updated the committee on the status of the tobacco settlement permanent and program funds. The presentation materials can be found here:

https://www.nmlegis.gov/handouts/TSROC%20113020%20Item%201%20LFC_Spreadsheet.pdf.

Comments from committee members addressed the following topics:

- backfilling the funding of the special projects listed on lines 14 and below on the spreadsheet that the LFC provided; the LFC is trying to backfill as much as it can through general funds;
- the LFC and the Department of Finance and Administration will look into a \$12 million pro rata reduction to the programs;
- an explanation of the funds' ending balance of \$271 million;
- legislation to expend the second half of the tobacco funds generated in fiscal year (FY) 2022;
- the FY 2022 \$12 million revenue amount coming to the fund because of the tobacco settlement arbitration impact;
- expectations from the Office of the Attorney General on the impact of tobacco settlement arbitration to the tobacco settlement permanent and program funds;
- per the LFC proposal, the full \$12 million revenue to the Tobacco Settlement Permanent Fund will go to fund programs on a case-by-case scenario, and the remaining amount that would be needed to fully cover the program amounts would be backfilled through the General Fund for FY 2022;
- whether the programs were fully funded for FY 2021;
- whether the budgets of the departments that receive tobacco settlement funds were reduced during the 2020 first special session; and
- the potential for dipping into the Tobacco Settlement Permanent Fund to fund other programs.

Review of Funding Requests and Recommendations to the Legislature for FY 2022 (10:20 a.m.)

Ms. Johnson; Cathy Rocke, deputy director of programs, Public Health Division, Department of Health (DOH); Richard Larson, M.D., Ph.D., executive vice chancellor and vice chancellor for research, University of New Mexico (UNM) Health Sciences Center; Drew Roybal-Chavez, chief financial officer, Administrative Services Division, Indian Affairs Department; Aryan Showers, director, Office of Policy and Accountability, DOH; Andrew Gans, program manager, Adult Viral Hepatitis, Harm Reduction Program, DOH; Beth Pinkerton, program manager, Breast and Cervical Cancer Early Detection Program, DOH; Kenny Vigil, program manager, Diabetes Prevention and Control Program, DOH; and David Tompkins, program manager, Community Health Initiatives and the Tobacco Use Prevention and Control Program (TUPAC), DOH, presented the FY 2022 funding requests. The presentation materials can be found here:

https://www.nmlegis.gov/handouts/TSROC%20113020%20Item%201%20TSROC_Funding_Request_Spreadsheet.pdf.

Comments from committee members addressed the following topics:

- revisiting the use of other funds to help fund the tobacco programs;
- UNM's request to prioritize funding for research in genomics and environmental health and the poison center if there are potential cuts in funding;
- clarification that the UNM Cancer Center does not receive funding through the tobacco settlement funds because it receives funding through the cigarette tax distribution;
- the UNM poison control center has not seen a rise in calls regarding the consumption of hand sanitizer;
- the poison control center helped staff a call line for questions regarding the coronavirus disease 2019 and has fielded over 10,000 calls;
- a clarification from the DOH that it does backfill program costs with General Fund appropriations if the programs are not fully funded through the Tobacco Settlement Program Fund;
- the DOH would like to see the TUPAC and the Harm Reduction Program prioritized for tobacco settlement funding because those programs deal directly with smokers;
- whether medical care organizations (MCOs) still use the DOH quit line to help their members quit smoking; the Human Services Department has issued a directive to MCOs to use their own quit lines and tobacco cessation services; MCOs do not reimburse the DOH for using the DOH quit line; and
- there has been a decrease in the use of the quit line during the coronavirus disease 2019 pandemic.

A motion was made by Senator Lopez to approve the funding requests and to add the requests from UNM and the DOH to fully fund the respective requested programs, the motion was seconded by Representative Ferrary and was unanimously passed.

Approval of Minutes (11:20 a.m.)

Senator Ramos made a motion to approve the minutes of the September 15, 2020 meeting, Representative Ferrary seconded and the motion passed unanimously.

Consideration of Proposed Legislation for Endorsement for the 2021 Legislative Session (11:21 a.m.)

The committee considered the following proposed legislation for potential endorsement:

- a bill to outlaw flavored tobacco products (218181.1), which was endorsed by a three-to-one vote with Senator Ramos opposing;
- a bill to add provisions to the Tobacco Products Act to allow for local control (218182.1), which was endorsed by a three-to-one vote with Senator Ramos opposing; and
- a bill to require the remaining fifty percent distribution of the Tobacco Settlement Permanent Fund to be distributed to the Tobacco Settlement Program Fund (218526.1), which was endorsed unanimously.

Copies of the proposed legislation can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=TSROC&Date=11/30/2020&ItemNumber=2>.

Public Comment

There was no public comment.

Adjournment

There being no further business before the committee, the meeting adjourned at 11:37 a.m.