**Wednesday, May 8th**
The following members and designees were present on Wednesday, May 8, 2019: Chairman John Arthur Smith; Vice Chairwoman Patricia A. Lundstrom; Senators Carlos R. Cisneros, Steven P. Neville, William F. Burt, George K. Muñoz, Clemente Sanchez, James P. White, and Pete Campos; and Representatives Roberto “Bobby” J. Gonzales, Kelly K. Fajardo, Javier Martinez, Gail Armstrong, Rodolpho “Rudy” Martinez, Candie Sweetser, and Randal S. Crowder. Guest legislator: Senator Mary Kay Papen.

**Post-Session Fiscal Report.** Olivia Padilla-Jackson, secretary of the Department of Finance and Administration (DFA), said Senate Bill 58, passed in the 2019 session, amended the requirements for state agency performance-based program budget requests under the Accountability in Government Act to prioritize and promote the use of evidence-based, research-based, and promising sub-programs. The bill tasks the Legislative Finance Committee (LFC) and DFA with inventorying such programs and including in their respective budget recommendations the amount intended for the programs.

Secretary Padilla-Jackson said efforts are being made to expedite the 450 new and 37 reauthorized capital outlay projects approved by the Legislature this past session. DFA’s goal is to have grant agreements executed within 90 days of appropriation effective dates. The $337 million worth of projects will be tracked in the capital project monitoring system.

Outreach continues for the local infrastructure capital improvement plan (ICIP) process. The state-coordinated ICIP process encourages entities to plan for the development of capital improvements so they do not find themselves in emergencies but can plan for, fund, and develop infrastructure at a pace that sustains their activities. Secretary Padilla-Jackson listed upcoming ICIP workshop dates and locations. The deadline for counties and municipalities to submit an FY21-FY25 ICIP is September 6; the deadline for tribal governments is August 16. The annual infrastructure finance conference is October 23-25.

Secretary Padilla-Jackson said completing the comprehensive annual financial report (CAFR) timely continues to be a challenge. The secretary explained the state’s financial statement structure is complex and every agency, higher education institution, and component unit is audited separately. DFA cannot begin compiling all financial statements into one comprehensive report until the audits are submitted in late fall. Also, quality and consistency of reporting are issues. DFA has, however, reduced the number of days between the release of the CAFR and its reported fiscal year, from 364 days in FY13 to 297 days in FY18.

The Legislature tasked DFA with establishing an ethics commission. Secretary Padilla-Jackson said a budget was created for the $500 thousand appropriated, funding three full-time positions: executive director, general counsel, and administrative paralegal. The budget will also fund contracts for additional personnel services and commissioner per diem and travel expenses.
Appointments to the commission will be made by the governor and legislative leadership. The secretary expects the commission’s work to begin January 1, 2020.

Also being established is a commission for the 2020 census. The executive-ordered commission will provide DFA guidance on allocating to local governments the $3.5 million appropriated for the upcoming census. Secretary Padilla-Jackson said DFA is hiring a census coordinator who will work closely with the commission, U.S. Census Bureau, and University of New Mexico Geospatial and Population Studies to ensure the state produces an accurate count.

LFC Director David Abbey described New Mexico’s financial state in the last 10 years as a “lost” decade. Conditions, however, improved this past year. Directing members to LFC’s 2019 post-legislative session report, Director Abbey said New Mexico’s oil and gas industry is booming. The state’s average daily oil production increased by more than 160 percent between 2012 and 2018, according to LFC’s May newsletter. New Mexico is on track to produce about 290 million barrels in FY19, 40 million more than the December 2018 projections. Each additional million barrels generates about $3 million for the general fund. Director Abbey said New Mexico is considerably dependent on this highly volatile revenue source. In FY19, about 35 percent of all general fund revenue came from the oil and gas industry; if including distributions from the permanent funds, the amount is over 45 percent.

Extraordinary revenue increases from the oil boom provided legislators the opportunity to replace dollars tapped in the last economic downturn, strengthen reserves, and invest in critical programs. Fiscal year 20 general fund appropriations in the General Appropriation Act of 2019 total $7.1 billion, an increase of $738.4 million, or 12 percent, over FY19. Highlighting key increases, Director Abbey said general fund appropriations for public school support total $3.2 billion, a $448.2 million increase over FY19. Areas of investment focus on supporting at-risk students, strengthening teacher recruitment and retention, addressing multilingual and multicultural needs, and increasing learning time. General fund appropriations for the Human Services Department total $1.1 billion, a $56 million increase over FY19. The increase includes an additional $15.6 million for Medicaid. For the Children, Youth and Families Department, general fund appropriations total $309 million, a $29.1 million increase over FY19. The 10.4 percent increase is primarily for Early Childhood Services, Protective Services, and Behavioral Health Services. General fund appropriations increase by 22 percent for the Economic Development Department, 26 percent for the Tourism Department, and 5.2 percent for the Cultural Affairs Department. Increased recurring and nonrecurring general fund appropriations for the Department of Transportation are significant, providing $400 million of nonrecurring funds for projects and growing recurring funds $81 million by FY22.

Director Abbey said preparation for the next legislative session happens during the interim. Pressure to increase funding in critical programs will continue to be at the forefront as legislators work to identify priorities. Other issues to consider include addressing Medicaid costs, meeting capital outlay needs, reaching pension solvency, reforming the gross receipts tax, and obtaining fiscal stability.

Senator Cisneros expressed concern about the high amount of unexpended dollars authorized for capital outlay projects and asked what can be done to move projects along. Secretary Padilla-
Jackson said DFA will be analyzing data and surveying local governments to find out what is challenging projects.

In response to Senator White, Secretary Padilla-Jackson said the Department of Information Technology (DoIT) was appropriated $10 million in capital outlay to expand broadband. DoIT is conducting an assessment to develop a plan that expands broadband to the areas in most need.

**Program Evaluation: Department of Health Role in the Early Childhood System.** LFC Program Evaluators Micaela Fischer and Sarah Dinces, Ph.D., presented the evaluation *Department of Health Role in the Early Childhood System.* Ms. Fischer said New Mexico has made significant strides in improving access to and quality of learning experiences for children under the age of 5. However, young children’s cognitive and academic development does not occur in isolation – it is dependent on good health and proper physical development. This makes New Mexico’s low ranking in several critical maternal and child health measures particularly concerning.

The evaluation reviewed six Department of Health (DOH) programs aimed at improving health metrics for young children and their mothers, analyzing each program’s funding, scope, performance, and impact. The evaluation also looked at the role of these programs in the greater New Mexico early childhood system. The primary conclusion is that the state lacks a cohesive strategy for addressing poor early childhood health outcomes. For the most part, DOH’s early childhood programs operate in silos and do not share, or adequately use, their own data to manage for performance. This results in poor targeting of services to high-risk mothers and children, and a lack of clarity on the effectiveness of each program.

This past session, the Legislature authorized the formation of a new cabinet-level agency for early childhood education and care. Two of the six programs reviewed will transfer from DOH to the new Early Childhood Education and Care Department some time before FY21. The evaluation recommends DOH make succession plans for the successful transfer of the two programs to the new agency and develop agreements for data sharing and collaboration across agencies and programs.

The evaluation outlines opportunities to strengthen DOH’s role in the state’s early childhood system. For example, DOH’s Maternal and Child Health Epidemiology program, could be playing a much larger role in developing data-driven early childhood policy than it currently does.

The evaluation finds that resurrection of the Children’s Cabinet presents an opportunity for better interagency collaboration on statewide early childhood programs. Specifically, DOH and other administrators should use the cabinet to organize and implement a cohesive early childhood support system, where programs and services are coordinated across agencies to comprehensively serve the needs of mothers, children, and families.

DOH Secretary Kathyleen Kunkel said the Children’s Cabinet recently met and was directed by the governor to collaborate on addressing the challenges facing New Mexico’s children. Secretary Kunkel said the Children’s Cabinet will use LFC’s evaluation as a blueprint to conduct its work.
Secretary Kunkel gave a brief overview of the Family, Infant, Toddler (FIT) and Women, Infants and Children (WIC) programs.

Chairman Smith asked LFC staff to mail the evaluation to Senator Padilla and other sponsors of the bill authorizing the new Early Childhood Education and Care Department.

In response to Representative Gonzales, Ms. Fischer said WIC enrollment in New Mexico is low despite the high number of women eligible. Secretary Kunkel said more outreach would help the program serve more women.

Vice Chairwoman Lundstrom requested LFC staff provide her an enlarged copy of the “Multiple programs targeted at single individuals may lead to duplication in services and unclear outcomes” section of the evaluation, and an organizational chart of New Mexico’s early childhood programs and the administering agencies.

**Public Education Department: FY20 School District Operating Budgets and Implementation Plan for Compliance with the Yazzie and Martinez v. New Mexico Decision.** Secretary Karen Trujillo, Ph.D., said the Public Education Department (PED) has a new vision: provide a culturally and linguistically responsive education to all students in New Mexico that prepares them socially, emotionally, and academically for success in college and career.

PED is working on meeting the order issued in the Yazzie and Martinez consolidated case. The state must take immediate steps to ensure schools have the resources necessary and provide all students with a uniform and sufficient education that prepares them for college and careers. Deputy Secretary Kara Bobroff said PED is disseminating information about the order to all stakeholders, including school leaders, tribal leaders, teachers, and students. PED’s action plan for implementing the order includes building internal capacity, conducting internal orientations, and developing a culturally and linguistically responsive student-centered multicultural framework. PED will be collaborating with the New Mexico Regional Education Cooperatives Association, Higher Education Department, Legislative Education Study Committee, Legislative Finance Committee, and others on designing policy, determining best practices, and measuring outcomes.

Secretary Trujillo said PED is shifting to more service-oriented operations and increasing its presence in the state. The agency is also establishing a research division for internal program evaluation and conducting professional development for all staff. The professional development is focused on building equity. Secretary Trujillo said PED will work with the Department of Finance and Legislative Finance Committee throughout the interim to determine appropriate funding levels for the FY21 budget request.

Reporting on the status of programs, Secretary Trujillo said 211 schools are administering the K-5 Plus program this summer. The program is expected to serve over 23 thousand children. The Extended Learning program is currently serving about 87 thousand children. Some schools are administering both programs. The prekindergarten program served 6,732 children this past school year. Secretary Trujillo said current prekindergarten funding per slot is insufficient and recommended the rate increase from $5,096 to $7,000 per full-day slot and from $2,671 to $3,500 per half-day slot. Secretary Trujillo said PED would need an additional $7.3 million to fund all
current applications. The Coalition for Community Schools met for the first time recently. The coalition will be reviewing applications requesting funding for community school initiatives. A community school is both a place and a set of partnerships between the school and other community resources. Other programs and initiatives were mentioned.

In response to Vice Chairwoman Lundstrom, Secretary Trujillo said prekindergarten funding is being prorated for schools operating on four-day school week.

Representative Gonzales said charter schools in his district say they are not being adequately funded. Secretary Trujillo said the small school adjustment phase out is impacting the two charter schools in Taos. PED is working directly with the schools on identifying areas in their budget that can be adjusted.

In response to Senator Muñoz, Secretary Trujillo said school safety issues are primarily addressed at the district level; however, the upcoming School Law Conference will provide PED the opportunity to learn what it can do to support districts’ school safety efforts.

**Transportation Project Outlook: Major Investment Project, Local Transportation Funding, Federal Grants.** Secretary Mike Sandoval said significant funding was appropriated to the Department of Transportation (NMDOT) this past session, providing $400 million of nonrecurring funds for projects and growing recurring funds $81 million by FY22. Of the $400 million, $250 is appropriated for major investment projects, $89 million is appropriated for projects currently prioritized in the Statewide Transportation Improvement Program (STIP), and $50 million is appropriated for the newly-created local government transportation project fund.

Secretary Sandoval said major investment project funding includes $128 million for 14 projects selected by the Legislature. Directing members to a spreadsheet detailing the select projects, Secretary Sandoval said undesignated funding will be used either to complete a phase or finish a project in its entirety. The projects include $18 million for bridge replacement and modifications at the interchange of state highways 404 and 213, $21 million for reconstruction of U.S. Highway 285 from mile marker 0 to 22, $10 million for construction of an interchange at Interstate 25 and New Mexico Highway 314, and $12 million for design and construction of roadway and an intersection for an economic development opportunity with Burlington Northern Santa Fe (BNSF).

Reporting on local road projects, Marcos Trujillo, project oversight director of NMDOT, said the agency issued a request for projects in April. Local and tribal governments have until June 14 to apply for state funded grants. Eligible projects are in the following categories: environmental and other studies, planning, design, construction, and acquisition of rights of way necessary for the development of transportation infrastructure. NMDOT will provide a list of potential projects to the State Transportation Commission (STC). STC will approve project funding at the August meeting.

In response to Representative Gonzales, Secretary Sandoval said the governor’s office is working to fill the STC district five engineer vacancy.
In response to Vice Chairwoman Lundstrom, Secretary Sandoval said the significant increase of projects will be challenging for NMDOT to manage at its current capacity. The agency is focusing on reorganizing personnel, filling vacancies, and acquiring more consultants to build more capacity.

**Capital Outlay Quarterly Report.** LFC Analyst Jonas Armstrong said Senate Bill 280 of the 2019 session appropriated $995 million in capital outlay, funding 1,500 new projects. The governor vetoed 55 projects, including the Gila diversion project. House Bill 568 reauthorized 113 projects, totaling $45.1 million in capital outlay.

Mr. Armstrong talked about construction costs. According to the Association of General Contractors, 78 percent of construction firms are having difficulty hiring workers, delaying projects and increasing the cost of labor. Prices of materials have also increased. This past year, the price of diesel fuel increased 9 percent and steel mill products increased 10 percent. Also, the price of freight transportation increased 4.6 percent. As a result, many projects are expected to need additional funding to cover the increasing costs.

Presenting the quarterly report, Mr. Armstrong said, as of March 2019, approximately $737.4 million from all funding sources for 1,621 projects remains unexpended, including $63.5 million of earmarked fund balances for water, colonias, and tribal infrastructure projects. Additionally, $361 million remains unexpended from supplemental severance tax bonds for public schools.

Since the December 2018 quarterly report, 89 projects closed and approximately $45.1 million was expended or reverted.

Staff is currently tracking 169 “$1 million or greater“ projects, totaling $1.1 billion; $624.1 million is unexpended. Since the December 2018 report, 14 projects were completed and closed, expending a total of $105.4 million.

Members were provided detailed information on all projects. Mr. Armstrong and analyst Theresa Edwards highlighted key projects.

Vice Chairwoman Lundstrom requested staff report back to the committee the amount of tribal tax being paid for the state projects on the Navajo Nation. Staff was also asked to report if tribal tax is being paid for the Navajo-Gallup Water Supply project.

**Thursday, May 9th**

The following members and designees were present on Thursday, May 9, 2019: Chairman John Arthur Smith; Vice Chairwoman Patricia A. Lundstrom; Senators Carlos R. Cisneros, Steven P. Neville, William F. Burt, George K. Muñoz, Clemente Sanchez, James P. White, and Pete Campos; and Representatives Roberto “Bobby” J. Gonzales, Kelly K. Fajardo, Javier Martinez, Gail Armstrong, Rodolpho “Rudy” Martinez, Candie Sweetser, and Randal S. Crowder. Guest legislators: Senator Mary Kay Papen and Representative Susan K. Herrera.

**Health Notes: Medicaid Spending on Program and Managed Care Administration.** LFC Program Evaluator Jenny Felmley, Ph.D., presented the Health Notes brief *Medicaid Spending on
Program and Managed Care Administration, which reported on the nonmedical, administrative costs of the program from 2014 through 2017 at the agency level, the managed-care organization (MCO) level, and the hospital level. According to the brief, spending on the administrative side of healthcare – everything from processing medical claims, collecting payments and maintaining patient records, to building maintenance and utilities, marketing and CEO bonuses – makes up roughly 30 percent of all healthcare spending in the United States, among the highest in the world.

Spending on administration is a cost driver for all players in the healthcare system, and the Medicaid program faces its own set of challenges to keep administrative spending in line.

The Human Services Department (HSD) is a national leader in keeping its administrative spending low; in 2018, the agency spent just 4 percent of all Medicaid dollars on program administration. HSD’s administrative spending ratio only reflects the agency’s spending pattern and is not representative of the total amount spent on administration of the program. When HSD and MCO administrative spending is combined, overall administrative spending for the program is 13 percent.

None of New Mexico’s four MCOs for Medicaid had administrative costs as lean as HSD’s, but for the first four years of Centennial Care they all achieved the contractual requirement of spending no more than 15 percent, lowered to 14 percent in 2016, of capitation payments for administrative purposes. Some were able to do this and still make substantial profits, others were less financially successful. The MCOs spent a combined $410 million on administration in 2017, and the three MCOs that fully reported to LFC staff on this brief said 74 percent of their collective $345 million in administrative spending was spent in New Mexico.

Hospitals, a critical component of the Medicaid landscape, clearly spend a far larger portion of their revenues on operating costs than MCOs spend on plan administration, primarily because even the smallest hospitals have considerable physical facilities to run and maintain. In 2017, operating costs consumed between 17 percent and 56 percent – for an average of 42 percent – of spending by New Mexico’s 34 general and acute hospitals.

Review of Medicaid administrative spending can offer insights into how the program is functioning not accessible anywhere else. Until work began for this brief, LFC staff was unaware of just how substantial an amount of money the department has retrieved from the MCOs since the start of Centennial Care. These funds fall into three broad categories: reconciliations for overpayments and excess MCO profits, financial penalties for poor performance, and interest on late payments to providers. HSD reports all these categories combined, from 2014 through 2017, equal over $713 million: $661 million for reconciliations, $42.5 million in performance penalties, and $10 million in interest on late payments to providers. Notably, performance measure penalties increased by 48 percent between 2016 and 2017, from $5.9 million to $8.7 million, a troubling indicator of poor performance. In context, $713 million is 4.3 percent of the over $16.5 billion in total capitation payments made to the MCOs during those four years.

For the first four years of Centennial Care, HSD was successful at keeping agency administrative costs for the Medicaid program lower than peer states, and Medicaid MCOs met the contractual requirements regarding their administrative expenditures, including their profits. There are gaps and inconsistencies in MCO financial reports that limit transparency and HSD’s ability to
effectively oversee the MCOs. But for the most part, MCO administrative costs seem to be reasonable, and HSD appears to have the information it needs to enforce at least a measure of contract compliance through recoupments and penalties. Total recoupments have declined year over year since 2014, a measure of improved eligibility determinations and better balance between rates and actual costs. Lastly, much of the administrative spending of HSD and MCOs occurred in New Mexico, keeping New Mexico and federal dollars circulating within the state economy. These are all positive indicators of a financially well-managed Medicaid program.

At the same time, relatively low administrative expenditures for HSD may be an indicator the agency is not allocating sufficient resources to oversight and quality assurance. The persistent failure by the MCOs to meet all performance standards and HSD’s decision not to fully implement performance standards and penalties as written in the Centennial Care contracts are concerning. One of the highest priorities of the new HSD leadership team is to develop a strategic approach to raising provider and MCO reimbursements; a sustainable strategy must include a plan for reversing the downward trend in performance quality.

HSD Secretary Dr. David Scrase expressed his support of Ms. Felmley’s assessment. Secretary Scrase said technology has replaced many of the manual processes, reducing administrative costs. HSD is working on reaching a ratio of 87 cents spent on medical care and 13 cents spent on administration per dollar.

Secretary Scrase said HSD, MCOs, and Project ECHO (Extension for Community Care Outcomes) collaboratively increased the number of New Mexicans treated for hepatitis C from 150 in 2014 to 1,400 in 2018, saving the state $500 million in medical costs.

Secretary Scrase said HSD supports MCOs negotiating efforts to have hospitals throughout the state accept the Medicaid rate for hospitalizations.

In response to Representative Martinez, Secretary Scrase said the Automated System Program and Eligibility Network (ASPEN) launched in 2014, the same year Medicaid expanded. HSD is using ASPEN to determine eligibility for services and issue benefits, including those for Medicaid and the Supplemental Nutrition Assistance Program; however, the system has been criticized as ineffective. Secretary Scrase said, as with any new system, adjustments have been made to ASPEN to achieve a properly functioning system for the state. Soon after its implementation in 2014, the system had a backlog of newly eligible individuals to process. Secretary Scrase said 128 of the 138 corrective actions mandated by the Food and Nutrition Service of the U.S. Department of Agriculture have been done.

In response to Senator Cisneros, Secretary Scrase said 52 percent of individuals entering prison test positive for hepatitis C. The cost to treat an infected prisoner is about $30 thousand, which cannot be covered by Medicaid.

In response to Vice Chairwoman Lundstrom, Nicole Comeaux, director of the Medical Assistance Division of HSD, said an additional 10 percent of New Mexico’s population is eligible for Medicaid but not enrolled. Director Comeaux said HSD is making efforts to reach these eligible
individuals, many of which are Native American and living in McKinley County. Secretary Scrase said Medicaid provides a broader range of services than Indian Health Service.

**Program Evaluation: Status of the Human Services Department’s Medicaid Management Information System Replacement Project**, LFC Program Evaluator Brenda Fresquez presented the report *Status of the Human Services Department’s Medicaid Management Information System Replacement Project*. The Human Services Department (HSD) provides Medicaid services to nearly 40 percent of New Mexicans, at a cost of nearly $6 billion annually, processing more than 10 million transactions annually. Federal requirements necessitate the replacement of HSD’s current more-than-15-year-old Medicaid Management Information System (MMIS).

The Center for Medicare and Medicaid Services (CMS) requires states to establish modules for their Medicaid enterprise to include sets of functional business processes implemented through software, services, data, and interoperable interfaces. A modular system will provide the flexibility to update the components of the MMIS without affecting the entire system as federal and state regulations change. CMS provides 90 percent matching funds to states for development and implementation costs.

While CMS has mandated a modular approach for state’s MMIS solutions, CMS does not specify which modules must be used, nor does it specify the number of modules required, leaving it to the states to define their approach. New Mexico’s modular approach, approved by CMS, includes a multi-module, multi-vendor system as one large IT project, with a $201 million estimated budget and an anticipated completion date of December 31, 2021. In collaboration with other state health and human services agencies, HSD is creating a more responsive delivery and management system to improve the health and well-being of New Mexicans.

The Medicaid Management Information System Replacement (MMISR) project has not come without challenges, including changes in project management, vendor deliverables and staffing issues, and delays in the procurement process, all of which impact the project schedule and pose risk to the project. Despite federal approval and sufficient funding, risks associated with the overall success of the project remain.

HSD is following project management best practices, although some need improvement. HSD also has key elements for IT project governance, including an executive steering committee. The project continues to improve with new leadership committed to active engagement.

The report recommends HSD provide LFC and other stakeholders a quarterly status report, including what has been accomplished to-date. To address project risks, the report recommends HSD update all project plans and communicates to MMISR project team members and stakeholders, and update the integrated master project schedule to include detail for all project tasks, dependencies and resources. In addition, HSD should ensure the system integrator hires key personnel appropriately with experience and skill set, and fills vacant positions included in its current resource plan.

HSD Deputy Secretary Russell Toal said LFC’s report is incredibly valuable. Mr. Toal talked about functionality of the new system. When complete, processes will operate more like an
enterprise. The multiple module system will allow for upgrades to be made instead of total system replacement. The system will also serve the Department of Health, Children, Youth and Families Department, and Aging and Long-Term Services Department. The system will deliver critical data useful for making informed decisions about programs. Real time eligibility determination is another benefit.

HSD Secretary Dr. David Scrase said the project is gaining momentum from new leadership, executive support, and optimized collaborations with all stakeholders. Dr. Scrase said the new system will meet demands of the modern world, particularly smartphone users.

In response to Senator Cisneros, Mr. Toal reiterated HSD is continuing to take corrective action with the system integrator and will hold all vendors accountable.

In response to Senator Burt, Mr. Toal said the contractors installing the various modules must meet the requirements established by the state and the system integrator vendor. Before full implementation, extensive testing will be done to ensure the modules are working properly. Mr. Toal further stated capabilities will include interfacing with the federal partners and SHARE, which is done with the current system.

**LFC Staff Work Plans.** Deputy Director Charles Sallee presented LFC staff work plans for the 2019 interim. The work plans are focused on addressing current issues. Highlighting key assignments, Mr. Sallee said analysts will be

- Tracking implemented early learning time programs throughout the state;
- Developing higher education enrollment and retention strategies;
- Measuring higher education performance;
- Overseeing and providing input on the new supports developmental disabilities (DD) waiver design and implementation;
- Making recommendations on improving the DD waiver allocation process and its system;
- Monitoring the implementation of the new Early Childhood Education and Care Department;
- Tracking the progress of efforts to reduce the reincarceration and homeless rates;
- Monitoring the implementation of Centennial Care 2.0;
- Monitoring child welfare caseloads and turnover rates;
- Reporting on child welfare data;
- Attending Interagency Pharmaceutical Purchasing Council meetings;
- Tracking Local Economic Development Act (LEDA) and Job Training Incentive Program (JTIP) funding and projects;
- Monitoring the transfer of the premium tax collection task from the Office of Superintendent of Insurance to the Taxation and Revenue Department;
- Working with the New Mexico Healthcare Workforce Committee, Department of Health, and Human Services Department to develop recommendations for interventions that improve access to care for substance misuse, and develop recommendations for policy changes that limit access to alcohol;
- Tracking state road funding and projects;
• Monitoring the Carlsbad brine well remediation efforts;
• Assisting entities in resolving obstacles stalling capital outlay projects;
• Monitoring Texas v. New Mexico litigation; and
• Monitoring major IT projects.

Deputy Director Jon Courtney, Ph.D., said LFC’s program evaluation unit is currently wrapping up two evaluations: an evaluation on cost-effectiveness of early college high schools and an evaluation on north central school districts. Projects expected to be completed later this year include an evaluation on broadband initiatives and an evaluation on New Mexico childcare capacity and effectiveness. Also, staff will present the 2019 Early Childhood Accountability report in August. Other projects happening this interim include various progress reports and a review of DoIT’s statewide infrastructure replacement and enhancement project.

**Miscellaneous Business.**

*Action Items.* Senator Cisneros moved to adopt the January 2019 meeting minutes, seconded by Representative Gonzales. The motion carried.

Senator Cisneros moved to adopt the LFC 2019 interim calendar, excluding the proposed September meeting dates and location. The motion was seconded by Representative Gonzales. The motion carried.

Senator Cisneros moved to adopt LFC contracts, 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.

With no further business, the meeting adjourned at 11:43 a.m.

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John Arthur Smith, Chairman     Patricia A. Lundstrom, Vice Chairwoman