

Monday, November 18 ([click here for webcast](#))

The following members and designees were present on Monday, November 18, 2024: Chairman George K. Muñoz; Vice Chairman Nathan P. Small; Senators Nancy Rodriguez, Roberto “Bobby” J. Gonzales, Pat Woods, William E. Sharer, Benny Shendo Jr., David M. Gallegos, and Pete Campos; and Representatives Meredith A. Dixon, Jack Chatfield, Gail Armstrong, Debra M. Sariñana, Brian G. Baca, and Derrick J. Lente. Guest legislators: Senator Michael Padilla and Representatives Anthony Allison, Art De La Cruz, Pamelya Herndon, Tara L. Lujan, and Harlan Vincent.

Department of Finance and Administration (341) and Special DFA-Appropriations (344) (9:09 AM, [click here for meeting materials](#)).

Secretary Wayne Propst said the Department of Finance and Administration (DFA) requests a general fund increase of \$2.8 million, primarily for more personnel and contractual services. The request includes a 12 FTE expansion, of which eight positions are for the agency’s new Infrastructure, Planning and Development Division. Secretary Propst said DFA also requests six special appropriations, including \$1 million for the FY26 system and organization controls audit, \$860 thousand for the civil legal service fund, and \$500 thousand for the Administrative Office of the Courts’ lawsuit against the agency. DFA’s vacancy rate is currently 13.4 percent and \$203 thousand of its FY24 operating budget is expected to be reverted.

Miscellaneous Business (9:45 AM).

Action Items. Senator Rodriguez moved to adopt the LFC contracts, seconded by Senator Woods. The motion carried.

Accountability in Government Act (9:48 AM, [click here for meeting materials](#)). LFC Deputy Director Jon Courtney said New Mexico enacted the Accountability in Government Act (AGA) in 1999, transitioning the state’s line-item budgeting process based on costs to a process based on performance. In 2019, the act was amended to prioritize and promote the use of evidence-based, research-based, and promising sub-programs.

This year, staff of the Department of Finance and Administration (DFA) and LFC reviewed provisions of the AGA to determine if changes could be made to ensure more cost-effective and responsive government services, as tasked by House Bill 196 of 2024, which also established the government results and opportunity (GRO) expendable trust and program fund. Deputy Secretary Andrew Miner said staff’s review concluded with the following recommendations: require elements of requests, require timing of plans, and require review for recurring funding. Mr. Miner highlighted the collaboration between DFA and LFC staff to improve budget requests and transparency of the state budget.

Progress Report: Developmental and Disabilities and Mi Via Waivers (10:24 AM, [click here for meeting materials](#)). LFC Program Evaluators Sarah Dinces, Ph.D., and Drew Weaver presented a progress report on the developmental disabilities (DD) and Mi Via waiver programs, which currently serve approximately 7,900 New Mexicans with intellectual and developmental

disabilities. Administered by the Developmental Disabilities Supports Division (DDSD) of the Health Care Authority, the waiver programs use federal and state Medicaid dollars to contract with providers to deliver living supports, community services, therapy, employment, and other services to allow participants to live in their homes and communities rather than in an institutional setting. Since the LFC 2018 program evaluation, DDSD fully resolved the *Jackson* lawsuit concerning mistreatment in state institutions and used approximately \$211.4 million in federal America Rescue Plan Act dollars to mostly eliminate a 13-year waiting list for DD waiver services. However, the consequences of adding this many new people to the programs resulted in issues with provider capacity, and persistent quality-monitoring and cost-containment challenges remain.

LFC staff recommend the Legislature enact legislation to require providers to pass 80 percent of Medicaid reimbursement rate revenues to the salaries of direct support professionals per the federal Centers for Medicare and Medicaid Services' final rule. The legislation should also require DDSD to issue a compliance-monitoring plan by September 1, 2025. The Legislature may also want to consider funding for provider expansion and start-up costs to increase the number of providers able to serve new clients.

Recommendations for DDSD include

- Encourage the train-the-trainer model for therapists and direct support providers,
- Work with the Department of Finance and Administration and LFC to create performance measures for client outcomes, quality of life, and provider quality,
- Ensure case manager and consultant ability to meet current standards, and increase training and oversight of the case management and consultant process if they cannot, and
- Participate in the National Core Indicator survey to understand the waiver's strengths and challenges from a participant perspective.

Behavioral Health Needs and Gaps (1:31 PM, [click here for meeting materials](#)). LFC Analyst Eric Chenier said New Mexico has made significant investments in behavioral health, expanding programs and access with funding near the top among states. However, responsibility for behavioral health is spread across 17 state agencies and local communities. While many communities have developed comprehensive plans, the state lacks a coordinated "all-of-government" strategy. This fragmentation is making it difficult to direct resources where they are most needed, leading to gaps in both programs and geographic coverage. Given the state's persistently high rates of behavioral health disorders, addressing these challenges has become increasingly urgent.

Representative Chatfield expressed concern over lack of progress of the Behavioral Health Collaborative, which has a billion-dollar budget but has not met in over a year and lacks a director. Nick Boukas, director of the Behavioral Health Services Division of the Health Care Authority (HCA), said finding a qualified candidate for the director position has been difficult despite efforts to post the job and conduct interviews. Mr. Boukas said HCA is working to improve access to services through telemedicine and credentialing reforms. Representative Chatfield pointed out effective treatment options are still lacking, particularly in rural areas, and called for more in-house treatment programs to address the severe needs of individuals requiring intensive support.

Secretary of State (370) (2:25 PM, [click here for meeting materials](#)). Highlighting current

priorities, Secretary of State Maggie Toulouse Oliver said the agency is steadfast in strengthening election security and enhancing program administration, noting the Massachusetts Institute of Technology Election Lab currently ranks New Mexico's administration of elections best in the nation. For FY26, the Secretary of State requests a \$5 million increase from the general fund for operations, which Secretary Toulouse Oliver explained is for a new filing system, geospatial information system mapping of voter information contracts, and various other needs. The agency also requests \$15.3 million in nonrecurring appropriations, including a \$5.5 million special appropriation for the election fund, \$2.1 supplemental appropriation for the election fund, and \$5 million information technology request for an ethics e-file campaign finance system project. Secretary Toulouse Oliver remarked on increased election costs that are the result of 2023 legislation and the state's new funding mechanism established by 2024 legislation.

Public Regulation Commission (430) (3:34 PM, [click here for meeting materials](#)). Chief of Staff Cholla Khoury said the Public Regulation Commission (PRC) is striving to be a regulatory leader. Among its strategies are efforts to modernize operations and opportunities to leverage leadership of commissioners who serve on other key state and national bodies. The agency is also providing its staff with critical training. For FY26, PRC requests \$14.3 million from the general fund, a \$1.4 million increase. The request includes \$627 thousand for 5 additional FTE: two analysts, one attorney, one consumer advocate, and one grants manager. Ms. Khoury said the budget goals are to increase capacity, modernize, and maintain low vacancy levels through means of adequate compensation and growth opportunities. PRC also requests special appropriations, including \$1 million for IT modernization and \$700 thousand for community solar.

Office of Family Representation and Advocacy (680) (4:36 PM, [click here for meeting materials](#)). Director Beth Gillia said the Office of Family Representation and Advocacy (OFRA) provides high quality legal representation and advocacy for New Mexico families in the child abuse and neglect system. Director Gillia highlighted OFRA's accomplishments since its establishment in 2022 and outlined the FY26 budget request, totaling \$15 million. The request includes a \$2.4 million increase from the general fund, primarily for contractual services.

Staff Report: Parole Board (760) (4:45 PM, [click here for meeting materials](#)). LFC Analyst Scott Sanchez said the Parole Board requests \$1.05 million for FY26, a \$268 thousand increase over FY25. Majority of the increase is for personnel services and employee benefits, including compensation increases. Mr. Sanchez noted the board held 2,437 hearings in FY24, a 4.4 percent increase compared with FY23, and improved its performance in several other important metrics. However, the share of parole revocation hearings held within a month of a parolee's return to custody fell again, from 43 percent to 42 percent, meaning many parolees arrested for alleged violations were deprived of their liberty for over a month without an opportunity to challenge their detention.

Staff Report: New Mexico Lottery Authority (4:47 PM, [click here for meeting materials](#)). LFC Analyst Connor Jorgensen said the New Mexico Lottery Authority (NMLA) generates its own funding to maintain operations and carry out its duties. In FY24, NMLA operating expenses totaled \$4.4 million, significantly lower than the FY25 operating budget of \$5.6 million. The difference between FY24 actual expenditures and the FY25 budget is mostly personnel; the authority has a budget of \$3.9 million for salaries but reported \$3.2 million in personnel spending in FY24. Mr.

Jorgensen said NMLA is required by statute to transfer 30 percent of proceeds to the lottery scholarship fund. In FY24, transfer to the lottery scholarship fund totaled \$51.1 million, a \$525 thousand increase over FY23.

Tuesday, November 19 ([click here for webcast](#))

The following members and designees were present on Tuesday, November 19, 2024: Chairman George K. Muñoz; Vice Chairman Nathan P. Small; Senators Nancy Rodriguez, Roberto “Bobby” J. Gonzales, Pat Woods, William E. Sharer, Benny Shendo Jr., David M. Gallegos, and Pete Campos; and Representatives Meredith A. Dixon, Harry Garcia, Jack Chatfield, Gail Armstrong, Debra M. Sariñana, Brian G. Baca, and Derrick J. Lente. Guest legislators: Senator Michael Padilla and Representatives Anthony Allison, Art De La Cruz, Pamelya Herndon, Tara L. Lujan, and Harlan Vincent.

Energy, Minerals and Natural Resources Department (521) (8:38 AM, [click here for meeting materials](#)).

Melanie Kenderdine, secretary designee of the Energy, Minerals and Natural Resources Department (EMNRD), said the agency is focused on hot shot firefighting personnel and operations, extractive industry oversight, state park enhancement, solar and green initiatives, and federal dollar maximization. For FY26, the agency is expected to receive a record \$125.3 million in federal dollars, which Ms. Kenderdine said will primarily be used for energy initiatives. From the general fund, EMNRD requests \$46.7 million, a \$6 million increase over FY25. Ms. Kenderdine said majority of the increase is for the Healthy Forests and State Parks programs. The increase is also requested to fund some currently unfunded positions and match federal dollars for personnel tied to the agency’s Energy Conservation and Management Program. EMNRD nonrecurring requests were listed, including \$10 million for community energy efficiency initiatives and \$5 million for Smokey Bear exhibit upgrades. EMNRD is projected to revert \$1.6 million of its FY24 operating budget, which Ms. Kenderdine attributed to recruitment challenges.

Department of Cultural Affairs (505) (10:26 AM, [click here for meeting materials](#)).

Highlighting recent successes, Secretary Debra Garcia y Griego said the Department of Cultural Affairs (DCA) opened the first phase of the Taylor Mesilla historic site, produced a documentary showcasing the richness of Hispanic identity in New Mexico, hosted the Rio Grande Sky Fiesta at Los Luceros historic site, celebrated the reopening of the fully renovated Palace of the Governors, awarded \$1 million in preservation grants through the new statewide cultural properties restoration fund, and received AAM reaccreditation at the Museum of Natural History and Science. For FY26, DCA requests \$48.8 million from the general fund, a \$4.5 million increase over FY25. Secretary Garcia y Griego said the agency requests the increase to cover the growth in personnel costs, noting DCA filled 138 positions in FY24. DCA nonrecurring requests include \$5 million for the federal Native American Graves Protection and Repatriation Act and \$10 million for the rural library.

Capital Outlay Quarterly Status (11:21 AM, [click here for meeting materials](#)).

LFC Analysts Cally Carswell and Antonio Ortega presented the capital outlay report. At the end of the first quarter of FY25, an estimated \$5.8 billion in capital outlay from all funding sources was unexpended, including \$3.3 billion for projects authorized by the Legislature and \$1.6 billion for projects funded with supplemental severance tax bonds for public school construction. The growth of state dollars available for capital projects is undoubtedly a driver of New Mexico’s high construction demand and, while the uptick in construction activity is an economic boon for the

state, it has also presented challenges in the form of cost increases and labor shortages. These challenges are contributing to growing balances across the state's capital programs, which reflect a basic reality: New funding is flowing into the pipeline at a rate that outpaces spending capacity. Large balances have piqued legislative interest in identifying stalled projects. Recent analysis of expenditure data identified 561 projects set to expire in June 2025 that have spent only 10 percent or less of their original appropriations so far. Nearly 400 of these projects are local, likely stalled because of piecemeal funding and obstacles like insufficient planning and local capacity limitations. Recently, however, the Legislature has taken several important steps to support local project success and it can continue to build on these efforts in the 2025 session. Members were provided detailed information on all projects; the status of select projects were highlighted.

Department of Information Technology (361) (1:53 PM, [click here for meeting materials](#)).

Drew Lovelace, acting director of the Office of Broadband Access and Expansion (OBAE), said the office, which is administratively attached to the Department of Information Technology (DoIT), requests a general fund increase of \$650 thousand for FY26: \$112 thousand for personnel, \$56 thousand for contracts, and \$482 thousand for other expenses (DoIT fees and administrative support). In FY25, OBAE received a transfer of \$650 thousand from the Public-School Facility Authority (PSFA) for 3 FTE. In FY26, OBAE will maintain the \$650 thousand transfer but requests 2 additional FTE from PSFA. The office also requests extensions to expend nonrecurring funding previously appropriated and three new nonrecurring appropriations: \$70 million for Accelerate Connect, \$35 million for Affordable Connectivity, and \$80 million for New Mexico Broadband Plan. Reporting on the status of broadband deployment and digital equity initiatives across the state, Mr. Lovelace said \$2 billion is needed to complete middle and last mile connectivity.

Manny Barreras, secretary designee of DoIT, said the agency is embracing technological advancements to drive future growth and innovation. Among its responsibilities, DoIT delivers enterprise IT services and telecommunications for executive agencies, oversees IT projects and procurements, and reduces exposure of the state's computer assets to cybersecurity risks. For FY26, DoIT requests \$15.5 million from the general fund, a \$6.2 million increase over FY25. Mr. Barreras said the increase includes \$4.25 million for P25 public safety radio subscriptions. A \$6 million recurring cost for the subscriptions is expected once P25 is fully implemented after FY26. LFC staff noted the agency received a \$2.8 million special appropriation this year to subsidize local and federal radio subscriptions. The remaining \$1.95 million general fund increase would be used to cover a shortfall in the Compliance and Project Management Division, hire additional personnel, and establish an office of geospatial information systems.

LFC Analyst Emily Hilla said 16 agencies submitted 31 requests for IT appropriations totaling \$317.1 million, including \$93 million from the general fund. New projects include \$5 million to implement a new ethics e-file system at the Secretary of State and \$3 million to replace the water measurement system at the Office of the State Engineer. Thirteen agencies submitted 30 requests to reauthorize prior-year appropriations through FY25. Originally, those appropriations totaled \$408.9 million across state and federal funds. Reported balances requested to be reauthorized total \$216 million, or roughly 53 percent. Ms. Hilla said two projects at the Health Care Authority—Medicaid management information system replacement and child support

enforcement replacement—account for six of the 30 reauthorization requests, with \$95 million remaining in unspent balances. This is in addition to the \$34 million in general fund revenue requested for the projects in FY26.

LFC Child Welfare Subcommittee

Senator William E. Sharer
Senator Benny Shendo Jr.

Representative Meredith A. Dixon
Representative Gail Armstrong
Representative Brian G. Baca
Representative Harry Garcia

Senator George K. Muñoz
Representative Nathan P. Small
Ex-officio

Senate Memorial 5 Update (3:07 PM, [click here for meeting materials](#)). Senator Linda Lopez provided an update on the progress of Senate Memorial 5, which tasked LFC with overseeing a task force to review child welfare practices and services in New Mexico. The task force, comprising various stakeholders, has been evaluating agency missions, best practices, workforce issues, juvenile justice, trauma-informed programming, and equity. Senator Lopez, chairwoman of the task force, said recommendations are being finalized, which aim to strengthen the stability, retention, and recruitment of the child welfare workforce, while also improving prevention and early intervention programs, foster care placements, and juvenile justice services. The task force is also considering strategies to strengthen oversight and accountability within the system. A public presentation and final report are expected in the coming session.

LFC Child Welfare Subcommittee Wrap-Up (3:50 PM, [click here for meeting materials](#)). LFC Analyst Rachel Mercer Garcia said, over the past decade, LFC staff has made recommendations for New Mexico’s child welfare system, particularly regarding statutory changes. Staff identified four main areas for improvement in the child welfare system: 1) implementing evidence-based prevention and early intervention programs, 2) recruiting and retaining a professional workforce, 3) expanding access to behavioral health and community-based services, and 4) strengthening oversight and accountability. Ms. Mercer Garcia said, while program implementation often faces gaps, statutory changes related to prevention programs and oversight mechanisms remain unaddressed. Specific recommendations include prioritizing evidence-based programs eligible for federal funding, enhancing the state's Family First Prevention Services Act plan, and strengthening oversight of the foster care system, such as moving the Substitute Care Advisory Council to the Administrative Office of the Courts. Other recommendations for improving oversight include creating an ombudsman office or child welfare commissions to provide consistent, system-wide review and advisory functions.

LFC Sunset Subcommittee

Senator Nancy Rodriguez, Chair
Senator Roberto “Bobby” J. Gonzales
Senator David M. Gallegos
Senator Pat Woods
Senator Pete Campos

Representative Jack Chatfield
Representative Debra M. Sariñana
Representative Derrick J. Lente

Senator George K. Muñoz
Representative Nathan P. Small
Ex-officio

Sunset Review (3:08 PM). LFC Analyst Noah Montano provided an overview of boards and commissions scheduled to terminate on July 1, 2025. Per statute, the entities have a one-year period, through June 30, 2026, to continue operations for the purpose of winding up affairs.

Board of Barbers and Cosmetology ([click here for meeting materials](#)). The Board of Barbers and Cosmetology sets standards for licensure and renewals to ensure licensed professionals and establishments meet the required standards, so customers receive quality service. The board regulates the following license types: barbers, cosmetologists, estheticians, electrologist, hairdressers, manicurists, pedicurists, establishments, and barbers and cosmetologists school. The board's budget is funded primarily by fees collected. Senator Campos moved to extend the board's sunset date by six years, seconded by Representative Sariñana. The motion carried.

Board of Landscape Architects ([click here for meeting materials](#)). The Board of Landscape Architects regulates landscape architects who research, design, and prepare drawings and specifications to preserve or enhance land use and natural features, design trails, plantings, and landscape irrigation. The board's budget is funded primarily by fees collected. Senator Campos moved to extend the board's sunset date by six years. The motion carried.

Board of Nursing Homes ([click here for meeting materials](#)). The Board of Nursing Homes was created to protect the health, safety, and welfare of the public by providing laws and regulations to govern the practice of nursing home administration and protect the citizens of New Mexico from unprofessional, unscrupulous, or incompetent nursing home facility administrators. The board also ensures licensing applicants have met the educational, experience, and testing requirements for the nursing home administrators' professions. The board's budget is funded primarily by fees collected. Representative Chatfield moved to extend the board's sunset date by six years, seconded by Representative Gallegos. The motion carried.

Coal Surface Mining Commission ([click here for meeting materials](#)). The Coal Surface Mining Commission adopts and files regulations necessary to implement and uphold the Surface Mining Act, which governs coal-mining operations. The commission, which is federally funded, regulates coal mines to protect public health and safety, and the environment in and around coal mining operations. Senator Gonzales moved to extend the commission's sunset date by six years, seconded by Representative Sariñana. The motion carried.

Water Quality Control Commission ([click here for meeting materials](#)). The Water Quality Control Commission was created to manage water quality in New Mexico through the Water Quality Act. The duties and powers of the commission include managing a comprehensive water quality management program, the administration of loans and grants from the federal government, the adoption of water quality standards, and the adoption of regulations to prevent or abate water pollution. The commission is supported by the Environment Department but is not an organizational unit of state government and does not have a separate budget, FTE, or an organizational structure. Representative Sariñana moved to extend the commission's sunset date by six years, seconded by Representative Chatfield. The motion carried.

Wednesday, November 20 ([click here for webcast](#))

The following members and designees were present on Wednesday, November 20, 2024: Chairman George K. Muñoz; Vice Chairman Nathan P. Small; Senators Nancy Rodriguez,

Roberto “Bobby” J. Gonzales, Pat Woods, William E. Sharer, Benny Shendo Jr., David M. Gallegos, and Pete Campos; and Representatives Meredith A. Dixon, Harry Garcia, Jack Chatfield, Harlan Vincent, Debra M. Sariñana, and Andrea Reeb. Guest legislators: Senator Michael Padilla and Representatives Anthony Allison, Art De La Cruz, Tara L. Lujan and Joseph Sanchez.

Criminal Justice Performance and Recommendations (8:38 AM, [click here for meeting materials](#)). LFC Analyst Scott Sanchez discussed New Mexico's crime trends and public safety efforts. Property crime has decreased in New Mexico, but violent crime remains above the national average, particularly in the Albuquerque metro area. The state is also facing a declining clearance rate, and its low conviction rate is linked to challenges with evidence and witness cooperation. Recidivism is a significant concern, exacerbated by substance use and lack of reentry services. Investments in public safety have grown significantly since FY20, targeting operating budgets of judicial and public safety agencies, recruitment and retention efforts of law enforcement agencies, and key programs of state and local agencies. Diversion is among the programs, but is underutilized.

To address New Mexico’s crime trends, LFC staff recommend expanding evidence-based policing, enhancing officer retention, modernizing criminal justice systems, and focusing on community policing and reentry programs. Increased investment in pretrial services and better coordination between district attorneys and law enforcement are also critical. To improve juvenile justice and behavioral health integration, funding for crisis intervention teams and treatment courts is essential. Lastly, centralized data systems and interagency collaboration is key to tracking progress and improving public safety outcomes.

Aging and Long-Term Services Department (624) (9:54 AM, [click here for meeting materials](#)). Emily Kaltenbach, secretary designee of the Aging and Long-Term Services Department (ALTSD), provided an overview of ALTSD services, which include supporting aging in place, providing community-based services, investigating adult abuse, protecting nursing facility rights, and supporting caregivers. With New Mexico’s senior population share expected to rank fourth largest in the nation by 2030, ALTSD is focused on addressing challenges, especially in rural and tribal areas with limited resources. Ms. Kaltenbach said the agency is also working to address New Mexico’s shortage of caregivers, highlighting the New Medicare program. For FY26, ALTSD requests \$77.2 million from the general fund, a \$5.7 million increase over FY25. Majority of the increase is for the Aging Network: \$3.1 million to strengthen services and \$400 thousand to match federal dollars of the AmeriCorps volunteer program. Ms. Kaltenbach said the remaining increase would be used to fill 10 currently unfunded vacancies, expand the call center, and reactivate the Long-Term Care Division. ALTSD also requests nonrecurring appropriations, including \$20 million for the Kiki Saavedra senior dignity fund and \$1.5 million for marketing and outreach.

Report of Interim Committee: Health and Human Services (10:59 AM, [click here for meeting materials](#)). Senator Gerald Ortiz y Pino and Representative Liz Thomson provided an overview of potential legislation the Legislative Health and Human Services Committee (LHHS) is considering to endorse. Among potential proposals is legislation to increase Medicaid rates, fund Medicaid-leveraged graduate medical education, meet caseload standards of the *Kevin S.* corrective action plan, increase aging network provider rates, fund mobile medication-assisted treatment, and expand prekindergarten.

Public Defender Department (280) (1:39 PM, [click here for meeting materials](#)). Public Defender Commissioner Jacqueline Flores remarked on the challenges of recruiting and retaining contract attorneys for the Public Defender Department (PDD), which the commission is working to address by transitioning from the flat rate pay structure to an hourly rate pay structure. Commissioner Flores said hourly pay for attorneys is in line with best practices, ensuring adequate compensation and good representation.

Chief Public Defender Bennett Baur said funding for PDD supports swift and certain justice. The agency recently implemented warrant workshops to help people with outstanding arrest warrants resolve them. Remarking on the workshops' success, Mr. Baur said almost all of warrants handled at the last workshop in Albuquerque were cancelled. PDD remains understaffed, however. For FY26, PDD requests \$87.4 million from the general fund, a \$10.4 million increase over FY25. The increase includes \$3.7 million to raise contract attorney compensation, \$5.4 million to hire 60 additional FTE, and \$695 thousand to provide recruitment bonuses and hourly pay differentials for attorneys serving rural and hart-to-staff locations.

District Attorneys/Administrative Office of the District Attorneys (251-265) (2:04 PM, [click here for meeting materials](#)). Donald Gallegos, interim director of the Administrative Office of the District Attorneys (AODA), said the office requests \$5.2 million from the general fund for FY26, a \$1.7 million increase over FY25. The increase includes \$998 thousand for the new case management system and \$362 thousand for Microsoft Office 365 licensing across all district attorney offices.

FY26 budget requests by district were presented:

- The 1st Judicial District requests \$10.9 million from the general fund, a \$2.1 million increase over FY25.
- The 2nd Judicial District requests \$39.6 million from the general fund, a \$5.5 million increase over FY25.
- The 3rd Judicial District requests \$7.3 million from the general fund, flat with FY25.
- The 4th Judicial District requests \$4.9 million from the general fund, a \$16 thousand increase over FY25.
- The 5th Judicial District requests \$10.3 million from the general fund, a \$2.9 million increase over FY25.
- The 6th Judicial District requests \$4.7 million from the general fund, a \$371 thousand increase over FY25.
- The 7th Judicial District requests \$3.9 million from the general fund, a \$52 thousand increase over FY25.
- The 8th Judicial District requests \$4.8 million from the general fund, a \$211 thousand increase over FY25.
- The 9th Judicial District requests \$5 million from the general fund, a \$225 thousand increase over FY25.
- The 10th Judicial District requests \$2.3 million from the general fund, a \$131 thousand increase over FY25.
- The 11th Judicial District, Division 1, requests \$8.3 million from the general fund, a \$932 thousand increase over FY25.
- The 11th Judicial District, Division 2, requests \$3.7 million from the general fund, a \$198

thousand increase over FY25.

- The 12th Judicial District requests \$5.6 million from the general fund, a \$433 thousand increase over FY25.
- The 13th Judicial District requests \$9.3 million from the general fund, a \$357 thousand increase over FY25.

Thursday, November 21 ([click here for webcast](#))

The following members and designees were present on Thursday, November 21, 2024: Chairman George K. Muñoz; Vice Chairman Nathan P. Small; Senators Nancy Rodriguez, Roberto “Bobby” J. Gonzales, Pat Woods, William E. Sharer, Benny Shendo Jr., David M. Gallegos, and Pete Campos; and Representatives Meredith A. Dixon, Jack Chatfield, Gail Armstrong, Debra M. Sariñana, Brian G. Baca, and Derrick J. Lente. Guest legislators: Representatives Anthony Allison, Art De La Cruz, and Harlan Vincent.

New Mexico Judicial Unified Budget (8:34 AM, [click here for meeting materials](#)). New Mexico Supreme Court Chief Justice David Thomson outlined the judiciary’s FY26 budget priorities, including judicial compensation. The judiciary requests \$13.6 million for judicial and employee salary increases. Other priorities include court security and behavioral health diversion. Chief Justice Thomson remarked on the judiciary’s progress on expanding specialty courts and improving case management.

Administrative Office of the Courts (218) (8:42 AM [click here for meeting materials](#)). Karl Reifsteck, director of the Administrative Office of the Courts (AOC), said AOC requests a budget of \$86 million for FY26, an \$8.2 million increase over FY25. The request includes a \$7.1 million decrease from other revenue—eliminated court fees—and \$16.9 million increase from the general fund, of which \$4.3 million is for expansion across four divisions. The request also includes an additional \$2.2 million for jury and witness costs and additional \$6.7 million for IT and rent costs. Director Reifsteck detailed AOC’s request by program. The agency also requests nonrecurring funding, including \$40 for courtroom modernization and the speech to text project and \$25.2 million for court security needs.

Supreme Court (216) (9:02 AM, [click here for meeting materials](#)). The Supreme Court requests \$10.8 million from the general fund for FY26, a \$1.7 million increase over FY25.

Court of Appeals (215) (10:18 AM, [click here for meeting materials](#)). The Court of Appeals requests \$10.2 million from the general fund for FY26, a \$523 thousand increase over FY25.

District Courts (231-243) (10:29 AM [click here for meeting materials](#)). FY26 court budget requests were presented by district:

- The 1st Judicial District Court requests \$14.4 million from the general fund, a \$395 thousand increase over FY25.
- The 2nd Judicial District Court requests \$39.1 million from the general fund, a \$3.5 million increase over FY25.
- The 3rd Judicial District Court requests \$15 million from the general fund, an \$838 thousand increase over FY25.
- The 4th Judicial District Court requests \$6.2 million from the general fund, a \$320

thousand million increase over FY25.

- The 5th Judicial District Court requests \$15.5 million from the general fund, a \$1.3 million increase over FY25.
- The 6th Judicial District Court requests \$8 million from the general fund, a \$145 thousand increase over FY25.
- The 7th Judicial District Court requests \$5.5 million from the general fund, a \$353 thousand increase over FY25.
- The 8th Judicial District Court requests \$7.3 million from the general fund, a \$502 thousand increase over FY25.
- The 9th Judicial District Court requests \$7.6 million from the general fund, a \$562 thousand increase over FY25.
- The 10th Judicial District Court requests \$2.6 million from the general fund, a \$137 thousand increase over FY25.
- The 11th Judicial District Court requests \$15.6 million from the general fund, a \$423 thousand increase over FY25.
- The 12th Judicial District Court requests \$7.6 million from the general fund, a \$261 thousand increase over FY25.
- The 13th Judicial District Court requests \$15.6 million from the general fund, a \$379 thousand increase over FY25.

Metropolitan Court (244) (11:51 AM, [click here for meeting materials](#)). The Metropolitan Court requests \$33.6 million from the general fund for FY26, a \$1.8 million increase over FY25.

State Engineer (550) (1:05 PM, [click here for meeting materials](#)). State Engineer Elizabeth Anderson remarked on the demand for water projects while the state confronts a shrinking water supply. The Office of the State Engineer (OSE) requests a budget of \$59.1 million for FY26, which State Engineer Anderson said aligns with budget priorities recommended by the Water Policy and Infrastructure Taskforce. The request includes \$43.9 million from the general fund, a \$9.75 million increase over FY25. Majority of the increase is for agencywide salary adjustments that align with the State Personnel Office study recommendations. The increase would also be used to hire additional staff, replace funding from the trust funds, and provide additional resources for Water Security Planning Act and 50-Year Water Action Plan implementation.

Hannah Riseley-White, director of the Interstate Stream Commission, said OSE also requests special appropriations, including \$5 million for interstate compact litigation and \$3 million for Pecos settlement activities.

General Services Department (350) (2:29 PM, [click here for meeting materials](#)). Secretary Robert Doucette said the General Services Department (GSD) requests a budget of \$208.2 million for FY26, a \$39.15 million increase over FY25. The increase includes \$33.7 million for expenditure authority in the Risk Management Division and \$4.4 million for personnel costs in the Facilities Management Division (FMD)—the agency’s only division directly supported by the general fund. LFC staff noted pay rates in FMD grew an average of 14 percent over the past year, compared with a FY25 compensation package of 3 percent, and the amount of staff increased by 25 FTE. Secretary Doucette talked about the challenge posed by the rising number and cost of claims. Other activity at the agency was highlighted.

Office of Superintendent of Insurance (440) (3:05 PM, [click here for meeting materials](#)), Alice Kane, superintendent of the Office of Superintendent of Insurance (OSI), provided an overview of OSI's recent work, including its assistance to residents impacted by the Salt and South Fork fires. Ensuring access to insurance and mitigating wildfire risk in the state are among priorities. Superintendent Kane said efforts to resolve last year's cybersecurity breach at the agency are still ongoing. OSI operations are funded entirely with the revenue it generates. Excluding operating costs, the agency generated \$6 million for the general fund in FY24. For FY26, OSI requests an operating budget of \$73.4 million, a \$7.6 million increase over FY25. Almost half of the increase is for personnel and employee benefits, including \$1.5 million to add 15 FTE to the base, \$1.2 million to replace special funding for salary adjustments, and \$755.6 thousand to expand by 7 FTE for two new proposed bureaus: a data analysis and enforcement support bureau and prescription drugs and pharmacy benefits bureau. Superintendent Kane said OSI also requests nonrecurring funding, including \$1.5 million to implement the Health Care Consolidation Oversight Act and \$50 million to support the Fair Plan.

Department of Homeland Security and Emergency Management (795) (4:06 PM, [click here for meeting materials](#)), Major General Miguel Aguilar, acting secretary of the Department of Homeland Security (DHSEM), said the agency requests \$5.6 million from the general fund for FY26, a \$1.6 million increase over FY25. The majority of the increase is for IT and radio expenses. The increase also includes a \$220 thousand expansion of 5 FTE. Secretary Aguilar explained the 5 FTE will replace Plexos' team that manages disaster finance transactions. Plexos is expected to exit by the end of next June. Secretary Aguilar said DHSEM also requests nonrecurring funding, including a \$275 special appropriation to upgrade IT network security and \$40 million capital outlay appropriation to construct and equip the fire training academy and memorial site in Santa Fe County.

Friday, November 22 ([click here for webcast](#))

The following members and designees were present on Friday, November 22, 2024: Chairman George K. Muñoz; Senators Nancy Rodriguez, Roberto "Bobby" J. Gonzales, Pat Woods, William E. Sharer, Benny Shendo Jr., David M. Gallegos, and Pete Campos; and Representatives Jack Chatfield, Gail Armstrong, Debra M. Sariñana, Brian G. Baca, and Derrick J. Lente. Guest legislators: Senator Michael Padilla and Representatives Anthony Allison, Art De La Cruz, and Harlan Vincent.

Workforce Solutions Department (631) (8:07 AM, [click here for meeting materials](#)), Highlighting key information to facilitate LegisStat discussion, LFC Analyst Rachel Mercer Garcia said New Mexico's low labor force participation holds the state back from economic development and expansion. The state's relatively low unemployment rate seems to indicate a tight labor market but does not provide a full picture, as many New Mexicans are persistently disengaged from the labor market. Disengagement is simultaneously a symptom and a cause of larger social and economic issues. In New Mexico currently, the demand for workers is much greater than the supply, and adding labor force participants is essential.

Sarita Nair, secretary of the Workforce Solutions Department (WSD), reported key data and efforts to improve employment. While progress has been made, New Mexico still needs 110 thousand more workers to reach the current U.S. labor force participation rate. Secretary Nair noted New

Mexico’s workforce connection offices were renamed America’s job centers, a familiar name used across the country. WSD’s FY26 operating budget request from all revenue sources totals \$134.8 million, an 8.5 percent increase over FY25, primarily driven by the distribution from the newly-created workforce development and apprenticeship fund. The request includes a general fund increase of \$1 million to replace transfer revenue from the Worker's Compensation Administration. The request also includes the creation of a new standalone program, carving out apprenticeship programs from the Employment Services and Apprenticeships program. Secretary Nair said WSD also requests nonrecurring funding, including \$750 thousand for a labor force participation rate study and \$2 million for local journalism fellowships.

Department of Public Safety (790) (9:35 AM, [click here for meeting materials](#)). Jason Bowie, secretary of the Department of Public Safety, highlighted DPS support to law enforcement and other local agencies across the state. The agency requests \$201.1 million from the general fund for FY26, which Secretary Bowie said prioritizes staff recruitment and retention, public safety, technology, and IT safeguards. The request is a \$16.6 million increase over FY25. Majority of the increase—\$11.2 million—is for the Law Enforcement Program, which houses State Police, to address core operational needs, with investments in personnel, equipment, and fleet maintenance, including \$1.6 million for officer step salary increases and \$1.2 million for body and in-car camera upgrades. The increase also includes \$4.4 million for the Statewide Law Enforcement Support Program to enhance services and \$984.4 thousand for Program Support to hire two additional attorneys and match funding for positions created with the law enforcement retention fund.

Miscellaneous Business (10:43 AM).

Action Items. Senator Gonzales moved to adopt the LFC Wildfire Recovery Subcommittee October 2024 meeting minutes, seconded by Representative Sariñana. The motion carried.

Senator Rodriguez moved to adopt the LFC October meeting minutes, seconded by Representative Sariñana. The motion carried.

Senator Gonzales moved to adopt the LFC Subcommittee A October report, seconded by Senator Rodriguez. The motion carried.

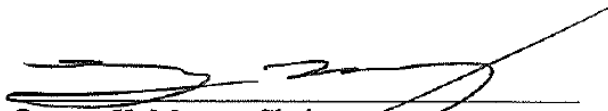
Senator Rodriguez moved to adopt the LFC Subcommittee B October report minutes, seconded by Senator Woods. The motion carried.

Review of Monthly Financial Reports and Information Items. LFC Deputy Director Jon Courtney briefed the committee on information items.

Department of Transportation Project Prioritization and Priority Projects FY26 through FY28 (10:45 AM, [click here for meeting materials](#)). Ricky Serna, secretary of the Department of Transportation (NMDOT), and the agency’s senior executive engineer, David Quintana, provided an overview of the process for selecting transportation projects to be included in the Statewide Transportation Improvement Program (STIP). Projects are prioritized through a conditional analysis report, which factors in crash data and the condition of bridges and pavements. Secretary Serna talked about the long-term planning framework, collaboration with regional planning

organizations to align local priorities with STIP, and federal and state funding considerations, highlighting how external factors, such as federal grants and legislative priorities, can influence project timelines and priorities. Several specific projects were mentioned as examples, including the Border Highway Connector and Nogal Canyon Bridge replacement, illustrating how funding gaps and external funding sources can impact project progression.

With no further business, the meeting adjourned at 11:37 a.m.



George K. Muñoz, Chairman



Nathan P. Small, Vice Chairman