

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

**November 9-10, 2016  
Room 322, State Capitol  
Santa Fe**

The sixth meeting of the Economic and Rural Development Committee (ERDC) was called to order by Representative Rick Little, chair, on November 9, 2016 at 10:06 a.m. in Room 322 of the State Capitol in Santa Fe.

**Present**

Rep. Rick Little, Chair  
Sen. Jacob R. Candelaria (11/10)  
Sen. Richard C. Martinez (11/9)  
Sen. John Pinto  
Rep. Debbie A. Rodella  
Rep. Patricia Roybal Caballero  
Sen. Pat Woods (11/9)  
Rep. Bob Wooley  
Rep. John L. Zimmerman

**Absent**

Sen. Benny Shendo, Jr., Vice Chair  
Sen. Ron Griggs  
Rep. D. Wonda Johnson  
Sen. Michael Padilla

**Advisory Members**

Rep. Eliseo Lee Alcon  
Sen. Craig W. Brandt  
Sen. Lee S. Cotter (11/9)  
Rep. George Dodge, Jr. (11/9)  
Rep. Bealquin Bill Gomez  
Rep. Jimmie C. Hall (11/9)  
Rep. Nick L. Salazar

Rep. Nora Espinoza  
Sen. Carroll H. Leavell  
Rep. Patricia A. Lundstrom  
Sen. Mark Moores  
Sen. Mary Kay Papen  
Rep. Dennis J. Roch  
Sen. William E. Sharer

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

**Minutes Approval**

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

**Staff**

Shawna Casebier, Staff Attorney, Legislative Council Service (LCS)  
Celia Ludi, Staff Attorney, LCS

**Guests**

The guest list is in the meeting file.

**Handouts**

Copies of all handouts are in the meeting file.

**Wednesday, November 9****Call to Order and Introductions**

Representative Little called the meeting to order and welcomed members of the committee, staff and guests to the meeting.

**Health Care for Tribal and Rural New Mexico**

Justin McHorse, chief of staff, assistant dean for multicultural affairs, Burrell College of Osteopathic Medicine (BCOM), informed the committee that today, nearly 30% of medical students in the United States are training to be doctors of osteopathic medicine (DOMs). A DOM's training is identical to a medical doctor's training, with an additional 250 to 300 hours of training in osteopathic principles and practices. Mr. McHorse said the BCOM's inaugural class of 162 students began its training at the newly opened school in Las Cruces in August. The class will do two years of classroom work followed by two years of clerkships in health care practices throughout the state, including in tribal communities, before graduating; graduation is followed by residencies of varying lengths. According to Mr. McHorse, 24% of the inaugural class is from the area surrounding the BCOM. The BCOM has two application processes designed to encourage New Mexicans to apply: one is a combined application to New Mexico State University and the BCOM; and the other is an "expedited admission" to encourage students from the southwestern United States (defined as New Mexico, El Paso, Texas, and Southern Arizona) and all American Indian and Alaskan Native tribal nations to apply directly to the BCOM for admission and bypass the American Association of Colleges of Osteopathic Medicine Application Service application process.

Scott Cyrus, DOM, chair, Pediatrics, BCOM, noted that the majority of DOMs are family and general medicine practitioners, but DOMs also practice in a wide range of specialties, including surgery, emergency medicine, anesthesiology, pediatrics and research. He observed that since all but two New Mexico counties have a shortage of primary care physicians, and since most medical students practice in the area in which they train, the addition of BCOM's students to the students graduated by the University of New Mexico (UNM) Medical School will help to address that shortage. He added that the BCOM is already contributing to the health care scene in southern New Mexico: faculty are already practicing in the area; and the BCOM is developing an autism clinic staffed by faculty to provide diagnostic and treatment services in the southern part of the state. Currently, there is a 14-month wait to get into the UNM autism clinic.

In answer to committee members' questions, Mr. McHorse said that BCOM students are not eligible for lottery scholarships because the BCOM is a graduate school. He asked that

legislators support a bill funding student loans authorized by the Osteopathic Medical Student Loan for Service Act, which was passed by the 2016 legislature.

### **Opioids and a Path Forward**

Dr. Janetta Iwanicki, associate medical director, Researched Abuse, Diversion and Addiction-Related Surveillance System, reviewed her handout at item (2), "Abuse Deterrent Formulations: Current Data and Future Opportunities". She emphasized that studies show that abuse deterrent formulations (ADFs) of opioids, such as making a pill harder to crush for intranasal or intravenous use, are likely to be effective in reducing abuse. The technology, however, is not being used across the market, and abusers most likely switched to nondeterrent formulated opioids when oxycodone was reformulated to be an ADF. She also noted that widespread use of ADFs by manufacturers is needed to reduce prices and ensure the use of ADFs across the market. While hopeful about the effectiveness of ADFs, she stated that education, training and other interventions are crucial to addressing the opioid abuse problem and will have a positive impact on the problem long before abuse deterrents will.

Dr. Michael Landen, state epidemiologist, Department of Health, reviewed his handout at item (2), "Opioid Prescribing and Drug Overdose Death in Rural New Mexico". Dr. Landen opened by noting that mortality is rising among middle-aged white Americans and that the causes are mostly due to the experience of pain, including drug overdose, suicide and alcohol-related mortality. He said there is an opioid over-prescribing epidemic and that currently in the state the equivalent of one opioid prescription for every New Mexico adult is filled per year. Rural communities are particularly hit hard, as rural areas generally have less access to health care, higher rates of opioid prescribing and fewer interventions, such as medication-assisted treatment for addiction and overdose, which result in higher overdose death rates.

Ralph McClish, executive director, New Mexico Osteopathic Medical Association, referenced the high disability rates for prime-age workers and the higher rates of opioid prescriptions in rural areas because of lack of access to non-drug pain treatment such as physical therapy. He also noted that disability and poverty are correlated. He suggested that raising the amount of money a person on disability is allowed to earn before losing disability benefits would allow for retraining into an occupation not affected by the disability. He also suggested requiring opioid prescriptions for disabled patients be ADFs as described by Dr. Iwanicki to reduce the opportunities for diversion of opioids to persons other than the persons for whom they were prescribed.

Dr. Rupa Shah, associate director and medical science liaison, Purdue Pharma, reviewed her handout at item (2), "Purdue's Perspective on Solutions to Address Prescription Opioid Abuse". She explained the technological advances made by Purdue's proprietary extended-release solid oral dosage formulation platform, which confers tablet hardness and imparts viscosity when a tablet is dissolved in aqueous solutions, and she discussed how epidemiological studies expect the formula to reduce incidents of injection and intranasal abuse. Above all, she

noted that appropriate use of opioids needs to be ensured because opioids are effective in pain relief and the public needs access to effective medicine.

In response to questions from committee members, Dr. Shah clarified that:

- ADFs do not address addiction, but only the prevention of overdoses;
- reformulating the drugs does not alter their potency, it just makes them more difficult to abuse by crushing or dissolving to inhale or inject;
- some reformulated drugs, e.g., OxyContin, do not cost any more than the original form; and
- seven branded ADFs have been approved by the federal Food and Drug Administration, but generic ADFs are not currently available.

Dr. Landen commented that a lot of legislation was passed in 2016 regarding the opioid crisis in New Mexico, and the new legislation is just being implemented now; it is too early to have measurable results. In response to a committee member's question, the panelists discussed ideas to further combat the opioid crisis, including making ADFs mandatory; enacting a seven-day prescribing limit; mandating that pharmaceutical companies work with insurance companies to reduce rates; increasing access to naloxone and medically assisted treatments; increasing access to nonpharmacological therapies; removing "fail first" clauses for payers to be prescribed deterrents; and increasing education and training.

### **Opportunities to Increase Investment in Broadband**

Katherine Martinez, director, legislative affairs, CenturyLink, reviewed two pieces of proposed legislation endorsed by the Jobs Council. The legislation may be viewed in the "2017 Endorsed Legislation" on the Jobs Council's webpage on [www.nmlegis.gov](http://www.nmlegis.gov). One bill would modernize the New Mexico Telecommunications Act to provide for Public Regulation Commission jurisdiction over incumbent local exchange carriers and their investment in telecommunications and broadband infrastructure (.204952.2); and the other bill would amend a section of the Local Economic Development Act (LEDA) to define broadband as an "economic development project" for which LEDA funds could be used (.205002.1).

Ms. Martinez said that the bills would improve broadband access statewide, especially in areas outside the I-25 corridor, with no fiscal impact to governments. She noted that New Mexico is ranked fourth to last among all states in broadband connectivity and speed; speed in many places is not adequate for education, to conduct research, telemedicine or internet-based home businesses. Ms. Martinez also discussed the need for legislation to convert the State Rural Universal Service Fund (USF), which was enacted to provide telephone service in rural areas, to a broadband fund. She said as the law is currently written, it is not clear that the USF can be used for broadband.

Answering questions by committee members, Ms. Martinez explained that amending the LEDA to define broadband as an "economic development project" will clarify that public funds

can be used for trenching and conduit without violating the Anti-Donation Clause [Article 9, Section 14] of the Constitution of New Mexico. The bill envisions that governments that have dug trenches and laid conduit as part of unrelated projects could allow private companies to lay fiber optic cable in the same trenches before closing the trench, which would allow governments to shoulder the cost of opening trenches and laying conduit. This would save private companies the expense of doing the same work at a later time, thereby making it more cost-efficient for the private company to provide broadband access. She said that Utah has similar legislation, which is referred to as "Dig Once".

### **Approval of Minutes**

On a motion made and seconded, the ERDC approved the minutes from its October 11-12, 2016 meeting without objection.

### **New Mexico-Grown Fresh Fruits and Vegetables for School Meals**

Pamela Roy, New Mexico Food and Agriculture Policy Council, reviewed her brochure at item (4), "NM Grown Produce for School Meals", and requested the committee's support for an appropriation of \$1.44 million to the Public Education Department for the purchase of New Mexico-grown fresh fruits and vegetables and the distribution of the produce to school districts, charter schools and juvenile detention centers through the department's school meal programs, and for a full-time-equivalent position to administer and promote the initiative.

Sandra Kemp, New Mexico School Nutrition Association, Policy and School Food Service, Albuquerque Public School District, expressed that the "New Mexico Grown" program gives students the opportunity to taste real fresh fruit and vegetables, as well as to take field trips to farms to see first-hand where food actually comes from. She noted that the appropriation has decreased, which affects school meal menus and planning.

Anthony Wagner, Wagner Farms, Corrales, is one of many farmers who participate in the program. His family has been farming in New Mexico for over 100 years. He started selling produce to four school districts in 2010. Mr. Wagner noted that the program is a benefit for farmers as well as students, because it gives farmers another market for their produce.

Sonlatsa Jim-Martin, Community Patient Outreach Empowerment, reviewed her handout at item (4), "Navajo Farm to School Report". She described the three key program areas as: nutrition and health education; revitalizing cultural teachings regarding growing and hunting food; and encouraging and supporting local farmers, including backyard gardeners. She said the programs get fresh produce into convenience stores, encourage doctors to prescribe fresh fruit and vegetables instead of medications, provide food literacy education and support more farmers' markets.

The committee discussed possible reasons for food waste in schools. Ms. Kemp observed that a lot of the reason for throwing away food is that children do not have enough time to eat it.

She said that she had been told that state law mandates 30 minutes for lunch and recess but some schools combine lunch and recess and lunch gets shortened.

### **Double Up Food Bucks for Farmers Markets**

Denise Miller, executive director, New Mexico Farmers' Marketing Association, reviewed her handout at item (5), "Double Up Food Bucks for Farmers Markets". She asserted that investing in health is one of the most fundamental economic development strategies that can be employed because of the high costs of bad health. She added that Double Up Food Bucks and similar programs are investments that prevent costs in other areas and support agriculture and related economic activities. Jedrek Lamb, Agricultura Network, concurred with Ms. Miller's comments, saying that the program is vital for farmers and communities.

In response to a member's question, Ms. Miller said the association will request an appropriation of \$380,000 to be matched by federal funds of \$400,000, plus in-kind support of \$125,000, for a total of a \$525,000 federal match. Historically, the association has guaranteed the state matching funds because the state cannot guarantee future funding. The appropriation is a recurring appropriation in the state budget that is connected to the gaming compacts. She explained that all of the state money goes to food, only federal funds are used for outreach and education and 62% of all funds received pay for food.

### **Public Comment**

There was no public comment.

### **Recess**

The committee recessed at 4:34 p.m.

### **Thursday, November 10**

#### **Reconvene — Introductions**

The committee reconvened at 9:10 a.m. Representative Little welcomed members of the committee, staff and guests to the meeting. Committee members and staff introduced themselves.

#### **New Mexico First Town Hall Recommendations**

Heather Balas, president, New Mexico First, reviewed her handout at item (6), "New Mexico First Town Hall Recommendations". She discussed how New Mexico First, an independent, bipartisan organization, convenes more than 200 people from all six regions of New Mexico who are involved in business, the environment, research, government, agriculture and other fields to come to an agreement in practical ways on how to move New Mexico's economy forward. Detailed in her handout, Ms. Balas described for the committee the town hall's key recommendations regarding tax reform, the "cliff effect", border trade, resources and regulatory barriers to economic development in rural and tribal communities, workforce training and education and opportunities for technology transfer from the national laboratories.

Bill Garcia, co-chair, Implementation Team, Economy Town Hall, New Mexico First, said that the two key targets for advancing the town hall's recommendations are comprehensive, not piecemeal, reformation of the tax code and a focus on border trade. Mr. Garcia opined that New Mexico needs good jobs as the foundation that supports everything else and stops "brain drain". For example, Intel Corporation had positions that needed to be filled, and it worked with community colleges to provide the training that qualified people for those jobs. When the people completed the training, the jobs were there. Intel also worked with universities to identify alumni who were senior engineers working out of state to recruit them back to New Mexico. Similarly, he stated that there are opportunities to supply the border industries with skilled labor.

Scott Miller, chief executive officer, Circles USA, spoke in support of Recommendation 9, Advance Family-Friendly Policies, and in particular, support of eliminating the "cliff effect", a cascade of negative effects on working families that receive essential benefits such as food, child care and health care assistance that often results when a small wage raise puts them over the limits for necessary assistance; in those cases, accepting a wage raise ends up costing the family more than the raise. Elinor Sue Coates, procurement educator, also spoke in support of Recommendation 9, particularly as it applies to reliable internet access, which has been essential for the past 20 years for home-based as well as small and large businesses.

Johnny Montoya, board member, New Mexico First, and Sam Donaldson spoke in support of the recommendations.

Answering a committee member's request to identify barriers to accomplishing the recommendations, Ms. Balas said that the application process and auditing requirements for the LEDA and Job Training Incentive Program (JTIP) are cumbersome; New Mexico First is working with the Economic Development Department (EDD) to streamline the application process and auditing requirements to encourage more businesses to take advantage of the opportunities the LEDA and JTIP present. Mr. Garcia suggested changing the capital outlay process to prioritize projects across the state. The committee also discussed legislation that is needed to prioritize the expansion of broadband into rural communities, including tax incentives, use of USF funds for broadband and modernized regulations of the telecommunications industry. Ms. Balas noted that right-of-way issues continue to be a huge barrier to the expansion of broadband, water and renewable energy infrastructure.

### **Updates from the Workforce Solutions Department**

Celina C. Bussey, secretary, Workforce Solutions Department, reviewed her handout at item (7), "Workforce Solutions Department Updates". Secretary Bussey detailed for the committee the department's divisions and programs that support the department's mission to "educate, empower and employ" New Mexico residents. Noting that the Unemployment Service Division is the department's most high-profile service, Secretary Bussey stated that the number of individuals currently certified for benefits and also filing initial claims are back to pre-recession rates. Reviewing the Labor Relations Division's apprenticeship programs that help students earn a living wage while they learn a trade, Secretary Bussey stated that the apprenticeships are

primarily concentrated in the building and construction trades and that there is great opportunity for them to be expanded into the health, early childhood development and information technology fields. Discussing the department's current initiatives, Secretary Bussey highlighted a web portal built by student interns that will be a tool for employers to offer and students and individuals to find internships. The portal will also answer questions and provide answers for employers wanting to start internship programs. The portal is currently in its beta stage, and, thus far, it has received positive feedback.

Committee members expressed support for the expansion of apprenticeship programs into more fields, including home health and early childhood development. Members encouraged Secretary Bussey to work with industry to develop such programs and to include opportunities that require proficiency in a language other than English. A committee member suggested identifying and consolidating all administrative hearing processes in the various divisions of the department under one office.

### **Updates from the EDD**

Matt Geisel, secretary-designate, EDD, reviewed his handout at item (8), "EDD Program Updates and Priorities". Secretary Geisel detailed for the committee the 2016 fiscal year results of the EDD's programs, including the creation of 4,140 total jobs, the recruitment of 10 companies, the training of 2,238 New Mexicans for jobs earning an average wage of \$18.04 through the JTIP and a record-breaking year for film industry spending in the state. He noted that the LEDA is an important tool for New Mexico to compete with bordering states and that New Mexico's MainStreet Program has been cited as one of the best in the country in creating a quality of space. Secretary Geisel addressed the EDD's priority legislation, including funding requests for the JTIP, LEDA, MainStreet and business incubators, in addition to amending the Metropolitan Redevelopment Code to include rural communities. Secretary Geisel also recommended new legislation to create enhanced enterprise zones in which local governments may suspend property taxes during a development phase that can then be recaptured at the end of a certain period. He noted that most states have similar legislation and that the investment will result in increased economic activity and increased tax revenues.

Secretary Geisel disclosed that the \$40 million appropriation to the EDD to support companies applying for LEDA funds was not entirely spent in the last fiscal year, and the EDD is working with the Department of Finance and Administration and the Legislative Finance Committee (LFC) to revert the remaining money. In response to a committee member's question, Secretary Geisel said that data provided by the EDD to the LFC regarding the JTIP will be provided to the ERDC as well.

### **Updates on Capital Outlay for Broadband Infrastructures**

Eric Moores, broadband project manager, Broadband Deficiencies Correction Program (BDCP), Public School Facilities Authority (PSFA), said that Senate Bill 159 from the 2014 session allows the appropriation of up to \$10 million a year of capital outlay funding for school broadband, which is increasingly important because of the heavy reliance on internet-based



testing of students and the increasing use of internet-based textbooks and other materials. The BDCP team and its partners, the Public Education Department, the Department of Information Technology and the federal nonprofit agency, EducationSuperHighway, work with all schools in the state's 89 school districts (840 schools, including approximately 100 charter schools) to provide high-quality, consistent and sustainable broadband access to the schools. The Federal Communications Commission has adopted goals for K-12 connectivity, and the federal government provides matching funds for infrastructure upgrades, including fiber, network equipment and WiFi. In 2016, state schools received over \$30 million in infrastructure upgrades, with less than \$4 million coming from state funding.

Ovidiu Viorica, broadband program manager, BDCP, PSFA, reviewed his handout at item (9), "BDCP Status Update and Maps". Mr. Viorica updated the committee on the progress of the public school's broadband upgrades and connected the school broadband upgrades to the broadband needs statewide. Through partnerships with the federal E-Rate Program, fiber upgrades have been completed for approximately 60 schools, and network equipment and WiFi upgrades have been completed for approximately 240 schools. It was emphasized that cooperation with vendors is needed to continue the work of the program as the availability of state funding is uncertain and expensive wide area network connections and network and WiFi upgrades will be needed in the future.

Answering committee members' questions, Mr. Viorica said that most schools have broadband, but the capacity is limited in some places; the program began in November 2014. He said the schools in aggregate pay \$4.3 million a year for internet access, but costs per school district vary depending on where the access originates; for instance, the Gadsden Independent School District has low costs because its access is through El Paso, not Albuquerque, and the Bloomfield School District has low costs because its access is through Colorado instead of Albuquerque. It was also noted that some schools are locked into long-term contracts that were entered into when there was less competition in the market; as a result, the costs for those school districts are often much higher than districts that entered into their contracts more recently.

Committee members encouraged the schools and the BDCP to work with counties and rural communities to expand access to homes and businesses from the schools' systems.

### **Discussion of Proposed Committee-Endorsed Legislation**

The committee considered legislation proposed by committee members to be introduced during the 2017 session. Upon motions that were seconded, the committee endorsed, without opposition, legislation establishing an industrial hemp research and development program, appropriating funds to New Mexico-grown fresh fruits and vegetables in school meals and the Osteopathic Medical Student Loan for Service Fund and making an amendment to the Osteopathic Medical Student Loan for Service Act to allow grants and donations to be credited to that fund. Upon motions that were seconded, the committee also endorsed, without opposition, a letter to the United States secretary of energy urging continued community investment by whatever entity gets the management contract at Los Alamos National Laboratory and a letter to

New Mexico's congressional delegation urging consideration of the economic impact of environmental regulations on the viability of New Mexico's coal industry.

**Public Comment**

There was no public comment.

**Adjournment**

There being no further business before the committee, the sixth meeting of the ERDC for the 2016 interim adjourned at 5:00 p.m.