

**MINUTES
of the
THIRD MEETING
of the
RURAL ECONOMIC OPPORTUNITIES TASK FORCE**

**August 4-5, 2021
University of New Mexico-Gallup
Student Services and Technology Center, Room 200
705 Gurley Avenue
Gallup**

The joint meeting of the Rural Economic Opportunities Task Force (REOTF) and the Indian Affairs Committee (IAC) was called to order by Senator Shannon D. Pinto, co-chair, IAC, on August 4, 2021 at 9:13 a.m. at the University of New Mexico (UNM)-Gallup in Gallup.

Present

Sen. Siah Correa Hemphill, Co-Chair
Rep. Candie G. Sweetser, Co-Chair
Rep. Anthony Allison
Rep. Rachel A. Black (8/4)
Sen. Craig W. Brandt
Sen. Crystal R. Diamond (8/4)
Rep. Susan K. Herrera
Rep. D. Wonda Johnson*
Rep. Patricia A. Lundstrom* (8/4)
Rep. Roger E. Montoya
Sen. Shannon D. Pinto
Rep. Nathan P. Small

Advisory Members

Rep. Harry Garcia (8/5)
Rep. Tara L. Lujan (8/4)

Absent

Rep. Gail Armstrong
Rep. Kelly K. Fajardo
Sen. Carrie Hamblen
Sen. Leo Jaramillo
Rep. Willie D. Madrid
Sen. Michael Padilla
Sen. Joshua A. Sanchez
Sen. Elizabeth "Liz" Stefanics

Rep. Ambrose Castellano
Rep. Rebecca Dow
Sen. David M. Gallegos
Rep. Antonio Maestas
Sen. Brenda G. McKenna
Sen. Mimi Stewart

Guest Legislator

Sen. George K. Munoz

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

*The speaker of the house of representatives made these legislators voting members for this meeting.

Staff

Ariel MacMillan-Sanchez, Staff Attorney, Legislative Council Service (LCS)
Lenaya Montoya, Staff Attorney, LCS
Mark Edwards, Bill Drafter, LCS
Sara Wiedmaier, Research Assistant, LCS
Samantha DeLap, Intern, LCS

Guests

The guest list is in the meeting file.

Handouts

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

References to Webcast

The time reference noted next to each agenda item in this document is cross-referenced to the webcast of the meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and discussions for agenda items can be found on the recorded webcast for this meeting.

Wednesday, August 4 — Joint Meeting with the IAC**Welcome and Introductions (9:13 a.m.)**

Senator Pinto welcomed members of the REOTF and the IAC, staff and the audience. Members and staff introduced themselves.

Welcome and Update from the City of Gallup and UNM-Gallup (9:27 a.m.)

Louie Bonaguidi, mayor, City of Gallup, and Dr. James R. Malm, chancellor, and professor, Business and Applied Technology, Community Education and Workforce Development Division, UNM-Gallup, welcomed the task force and committee and members of the public to Gallup and to UNM-Gallup. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20080421%20Item%201%20Welcome%20to%20Gallup.pdf>.

Bioscience as a Means of Economic Development (9:56 a.m.)

Richard Larson, M.D., Ph.D., president, New Mexico Bioscience Authority, and executive vice chancellor, UNM Health Sciences Center; Stephanie Tofighi, M.S.P.P., executive director, New Mexico Bioscience Authority; and Ryan Cangioli, M.B.A., M.A.C.T.T., strategy and policy director, New Mexico Bioscience Authority, gave a presentation on bioscience innovation as a catalyst for improving the state's health, productivity and economic development. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20080421%20Item%202%20BSA.PDF>.

Issue identified:

- only 30% of UNM bioscience graduates stay in New Mexico to work due to the lack of bioscience jobs.

Potential solution:

- the legislature could invest \$25 million as part of the New Mexico Bioscience Authority co-investment program to grow bioscience career opportunities throughout the state.

Economic Opportunities and Challenges of Uranium Mine Cleanup (11:00 a.m.)

Susan Gordon, Multicultural Alliance for a Safe Environment, and Representative Johnson gave a presentation on the Church Rock Mill uranium tailings spill and the economic benefits of uranium mine cleanup, including making environmental remediation a targeted industry under the Economic Development Department, cleanup funding sources, workforce development programs in place and recommendations from the Bureau of Business and Economic Research at UNM. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20080421%20Item%203%20MASE%20presentation.pdf>.

Issues identified:

- the Church Rock Mill uranium tailings spill that occurred in 1979 has not yet been remediated; and
- there are many other uranium mines in New Mexico that need to be remediated.

Potential solutions:

- make environmental remediation the Economic Development Department's tenth target industry; and
- the legislature could provide:
 - guidance on how to develop environmental remediation with respect for tribal sovereignty and culture;
 - knowledge of additional resources and initiatives to leverage or join;
 - potential bills or memorials for the 2022 legislative session; and
 - ongoing legislative oversight on the various recommendations and ultimately on remediation in affected communities.

Motions (12:13 p.m.)

Upon a motion made by Senator Pinto, seconded by Representative Lundstrom and without objection, the REOTF and the IAC moved to send the following letters.

To the New Mexico Bioscience Authority: A request that the authority bring uranium mine cleanup funding to New Mexico as part of its efforts to bring bioscience businesses to the state.

To New Mexico's congressional delegation: A request that they pursue renewal of the federal Radiation Exposure Compensation Act.

To the United States Environmental Protection Agency: A request for a time line on the cleanup of the 1979 Church Rock Mill spill and other cleanup projects in New Mexico.

To the REOTF: A request that the task force identify and prioritize which uranium mine cleanup projects in New Mexico can use American Rescue Plan Act of 2021 funding and include those projects in the task force's comprehensive legislative proposal.

To Los Alamos National Laboratory: A request for information on the cost of uranium mine cleanup in New Mexico and what that process looks like.

To the Economic Development Department: A request that "Environmental Remediation" be added as a target industry for the Statewide Comprehensive Economic Development Strategy.

Approval of Minutes

Upon a motion made by Senator Pinto, seconded by Representative Montoya and without objection, the task force moved to approve the minutes of the June 21, 2021 and July 19-20, 2021 meetings.

Historic Sites and Opportunities for Economic Development (12:19 p.m.)

Debra Garcia y Griego, secretary, Cultural Affairs Department, and Dr. Patrick Moore, executive director, New Mexico Historic Sites, Cultural Affairs Department, gave a presentation on the department's goals, the Broadband for Libraries program and New Mexico state monuments. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20080421%20Item%204%20NMDCA.PDF>.

Infrastructure Needs on Tribal Lands and in Rural Communities (2:29 p.m.)

James Adakai, deputy division director, Navajo Nation Community Development Division, and Evan Williams, executive director, Northwest New Mexico Council of Governments (NNMCG), gave a presentation on infrastructure needs of the NNMCG and the Navajo Nation. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=REOTF&Date=8/4/2021&ItemNumber=5>.

Issues identified:

- Navajo Nation:
 - matching fund availability;
 - cost increase because of the pandemic;
 - fee land census counts;
 - infrastructure barriers caused by the National Environmental Policy Act of 1969 (NEPA); and
 - Navajo Nation members being treated differently in each state; and

- NNMCG:
 - water:
 - storage;
 - treatment;
 - delivery;
 - metered readers;
 - regionalization; and
 - a need for the Water Trust Board to update small water systems to tie into the larger system;
 - health care:
 - especially behavioral; and
 - emergency response;
 - public safety and resiliency;
 - wastewater treatment;
 - transportation;
 - rural housing;
 - utility infrastructure;
 - drainage;
 - broadband and telecommunications;
 - trails;
 - outdoor recreation and creative placemaking;
 - shovel-ready sites; and
 - rail-served industrial parks.

Potential solutions:

- Navajo Nation:
 - make matching funds available;
 - categorical exclusion from the NEPA for infrastructure on Indian allotments; and
 - uniform right-of-way process for Navajo Nation members in each state that the nation is a part of; and
- NNMCG:
 - upgrade the Infrastructure Capital Improvement Plan database to be a user-friendly, real-time and transparent platform;
 - replicate the Regional Transportation Planning Organization process model (e.g., water, economic development, broadband);
 - invest in projecteering and capacity-building;
 - new local government management talent delivery model (e.g., Texas);
 - a statewide infrastructure investment plan to set targets and then deploy;
 - empower and fund New Mexico FundIt; and
 - predictable, dedicated and flexible funding with low barriers to entry (Economic Adjustment Assistance Notices of Funding Opportunity, for example).

Motions (4:03 p.m.)

Upon a motion made by Representative Lundstrom, seconded by Representative Herrera and without objection, the REOTF moved to send a letter to Pivotal New Mexico, requesting a

presentation and draft legislation language prior to the 2022 legislative session for consideration by the Revenue Stabilization and Tax Policy Committee for a tax bill to remove barriers to capital outlay projects in rural areas, with a specific focus on Senate Districts 11, 22, 3, 28, 35 and 40 and House Districts 40, 5, 32, 41, 36 and 9.

Upon a motion made by Senator Pinto, seconded by Senator Correa Hemphill and without objection, the IAC and the REOTF moved to send a letter to the federal Bureau of Indian Affairs in support of the Navajo Nation's request to relax the right-of-way requirements.

Broadband Access on Tribal Lands and in Rural Communities (4:08 p.m.)

John Badal, chief executive officer, Sacred Wind Communications; Matejka Santillanes, executive director, New Mexico Exchange Carrier Group; and Jay Santillanes, lobbyist, New Mexico Exchange Carrier Group, gave a presentation on broadband coverage throughout the state, with a particular focus on the Navajo Nation and New Mexico Exchange Carrier Group members, and the COVID-19 actions providers throughout the state took to help the community in their service areas. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=REOTF&Date=8/4/2021&ItemNumber=6>.

Issues identified:

- difficulty obtaining rights of way;
- funding; and
- access to 2.5 gigahertz broadband speed.

Potential solutions:

- support the State Rural Universal Service Fund; and
- modify the definition of "access line" to support broadband instead of voice service.

Motions (5:17 p.m.)

Upon a motion made by Senator Pinto, seconded by Representative Lundstrom and without objection, the IAC and the REOTF moved to send the following letters.

To New Mexico's congressional delegation: A request that they pursue a comprehensive and uniform right-of-way process, especially for certain entities, with advice on which entities to be provided by Mr. Badal.

To the Federal Communications Commission (FCC): A request that the FCC address the checkerboard access to 2.5 gigahertz broadband.

Update from Request for Proposals Contractor on Rural Infrastructure Study (5:19 p.m.)

Terry Brunner, chief executive officer, Pivotal New Mexico, and Jenny Jackson, program manager, Pivotal New Mexico, gave a presentation on the preliminary recommendations derived from a rural infrastructure needs study for which a final report will be provided to the legislature in December 2021. The presentation can be found here:

Issues identified:

- broadband:
 - 13% of homes and businesses do not have access to broadband infrastructure;
 - more than 70% of households do not have high-speed broadband, defined as download speeds of up to 25 megabits per second and upload speeds of up to 3 megabits per second;
 - approximately 20% of households have no internet connection; and
 - rural communities have the lowest access to broadband in the nation;
- electricity:
 - 4.57% of households are without electricity service, the majority in rural and remote areas;
 - much of the state's electricity is served via publicly traded companies, meaning that the cost to extend services to rural households often does not outweigh the benefit from a profit-oriented perspective;
 - 20% of residents are served through rural electric cooperatives;
 - the state has ambitious renewable energy targets, with rural cooperatives required to produce 100% of electricity from renewable sources by 2050; and
 - expanding transmission line infrastructure could convert New Mexico to a clean energy exporter, while creating 3,700 jobs; and
- water and wastewater:
 - around 99% of households have access to water; however, rural pockets exist where thousands of households remain unconnected to drinking water and sewer service;
 - federal funding alone will not close the gap in water infrastructure needs, but it can help if communities fully use available grants and loans;
 - the state has already produced in-depth studies and reports on water, including recommendations on how to improve water project funding; and
 - improving efficiency and system sustainability are just as important as connecting households when planning for the future.

Potential solutions:

- allocate funding efficiently;
- use public policy as a tool;
- empower communities; and
- plan for the long term.

Recess

The meeting recessed at 6:03 p.m.

Thursday, August 5 — Joint Meeting with the IAC

Reconvene

Senator Correa Hemphill reconvened the meeting at 9:06 a.m., and members and staff introduced themselves.

Legalization of Recreational Cannabis and Tribal and Rural Communities (9:07 a.m.)

John Blair, deputy superintendent, Regulation and Licensing Department; Matt Muñoz, chief innovation and finance officer, Carver Family Farm, and board member, New Mexico Independent Cannabis Association (NM IndCA); Jesse Delmar, executive director, Division of Public Safety, Navajo Nation; Kimberly A. Dutcher, deputy attorney general, Office of the Attorney General, Department of Justice, Navajo Nation; Dr. Jill Jim, Ph.D., M.P.H., M.H.A., executive director, Department of Health, Navajo Nation; Phillip Francisco, chief of police, Navajo Nation Police Department; and Alexander Greenberg, financial program specialist, Economic Development Department, gave a presentation on the legalization of adult-use cannabis, including an update on rules and licensing, requests from the small business sector on how to improve the rules and licensing and how legalization affects the Navajo Nation. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=REOTF&Date=8/4/2021&ItemNumber=8>.

Issues identified:

- NM IndCA:
 - microbusinesses have different licensing fee structures than corporate businesses, which the NM IndCA believes is unfair;
 - NM IndCA does not believe that the social equity and diversity statutory requirements are being adequately met; and
 - NM IndCA does not believe that there will be a shortage of recreational cannabis when the market opens, only a shortage of "quality cannabis flower" and medical cannabis; and
- Navajo Nation:
 - cannabis is illegal under Navajo Nation law;
 - the federal government will not insure hemp or cannabis crops, making them risky;
 - cannabis uses large amounts of land and water;
 - the regulatory environment is causing confusion; and
 - the legality of cannabis can attract crime.

Potential solutions:

- NM IndCA:
 - allow microbusinesses to sell other microbusinesses' product;
 - make the licensing fee structure more equitable for microbusinesses;
 - require social equity and diversity standards for corporate investors and officers;

- require medical producers to put 100% of their production toward solving the shortage before they are licensed for recreational cannabis;
- require medical producers to focus on patients before profits;
- do not rush rules because of shortage scare tactics; and
- cap license numbers so that there is not a surplus that ends up on the black market.

Update on Road Construction on Tribal Lands and Rural Communities (11:21 a.m.)

Rick Padilla, executive director of highway operations, Department of Transportation (DOT); George Dodge, director, Local Government Relations, DOT; Clarissa Martinez, state grant manager, DOT; and Desiree Sanchez, state grant supervisor, DOT, gave a presentation on the Local Governments Road Fund and the Transportation Project Fund. The presentation can be found here:

<https://www.nmlegis.gov/handouts/REOTF%20080421%20Item%209%20Local%20Government%20Road%20Fund%20and%20TPF%20-%20NMDOT.pdf>

Behavioral Health Licensure and Native American Healing Arts Exemption (12:02 p.m.)

Charlie Alfero, executive advisor, Center for Health Innovation; Susan Wilger, executive advisor, Center for Health Innovation; Dr. Kevin Foley, executive director, Na'Nizhoozhi Center, Inc.; Alfred Gibson, program manager, Na'Nizhoozhi Center, Inc.; Anderson Hoskie, program coordinator, Na'Nizhoozhi Center, Inc.; and Joseph Dworak, director, Boards and Commissions Division, Regulation and Licensing Department, gave a presentation on the state of behavioral health needs and provider availability, noting the high needs of rural communities and the unique needs and programs of tribal communities. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=REOTF&Date=8/4/2021&ItemNumber=10>.

Issues identified:

- there is serious need for medical providers across the state, especially behavioral health providers and especially in rural communities;
- the Native American healing arts exemption is repealed effective July 1, 2022 and needs to be renewed;
- accessing data on and understanding Medicaid-reimbursed behavioral health services and the behavioral health care reimbursement system generally;
- there is hesitancy among providers to accept Medicaid; and
- getting real-time information from licensing boards on the number, location and employment status of practitioners.

Potential solutions:

- renew the Native American healing arts exemption;
- expand the Native American therapeutic environment;
- improve and expand career pathways;
- grow New Mexico's behavioral health consortium;
- support employers;

- provide tax credits (2021 House Bill 45);
- provide loan repayment (2021 Senate Bill (SB) 61 and SB 62);
- run a pilot program with four rural county governments to study the county's role in building the system;
- monitor state rules and processes;
- have a designated state expert on Medicaid-reimbursed behavioral health services;
- grow our own behavioral health practitioners; and
- fund programs that support the rural health care workforce.

Native American and Rural Education: Updates on the *Yazzie/Martinez* and *Zuni* Lawsuits, Education in Rural and Tribal Schools and Cross-Border Schools (2:24 p.m.)

Melissa Candelaria, senior education attorney, New Mexico Center on Law and Poverty; Alisa Diehl, senior education attorney, New Mexico Center on Law and Poverty; Lashawna Tso, assistant secretary of Indian education, Public Education Department (PED); Dr. Gwen Perea Warniment, deputy secretary for teaching, learning and assessment, PED; Patricia Gonnig, superintendent of schools, Navajo Nation Department of Diné Education; Daniel Tso, council member and chair, Health, Education and Human Services Committee, 24th Navajo Nation Council; Milton Bluehouse, Jr., deputy chief of staff, Office of the President and Vice President, Navajo Nation; Mona Martinez, chief procurement officer and staff attorney, Public School Facilities Authority; and Teran Villa, policy coordinator, All Pueblo Council of Governors, gave an update on the *Yazzie/Martinez* and *Zuni* lawsuits, including the PED's progress in addressing legal findings, the Tribal Remedy Framework and the public school capital outlay funding formula. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=REOTF&Date=8/4/2021&ItemNumber=11>.

Issues identified:

- the need for a comprehensive plan to attain equitable and sufficient education for all students;
- the need for culturally and linguistically responsive education, including professional development;
- the need for language programs;
- the need for a pipeline for teachers and for more diverse teachers;
- smaller class sizes;
- funding for:
 - increased capacity at the PED to adequately implement the Indian Education Act, the Hispanic Education Act and the Bilingual Multicultural Education Act;
 - early childhood education:
 - the Extended Learning Time Program;
 - reading and literacy instruction and specialists;
 - special education services;
 - instructional materials;
 - technology needs;

- after-school program, summer and pre-K transportation needs;
- after-school and summer enrichment programs;
- access to technical and vocational training programs;
- counselors, nurses and social workers; and
- competitive pay for teachers;
- Native American students need increased access to Advanced Placement and dual-credit classes;
- the need for healthy school environments, including adequate physical education, meals, water and safety; and
- the funding formula needs to be updated or reformed to increase units for at-risk, bilingual, rural isolation and special education and allow multi-year budgets.

Potential solutions:

- create a comprehensive plan to attain:
 - equitable and sufficient education for all students;
 - culturally and linguistically responsive education, including professional development;
 - language programs;
 - teacher pipeline and diversity;
 - healthy school environments; and
 - increased access for Native American students to Advanced Placement and dual-credit classes;
- remove class size waivers;
- update or reform the funding formula to increase units for at-risk, bilingual, rural isolation and special education and allow multi-year budgets; and
- implement the Tribal Remedy Framework.

In-State Meat Inspections and Livestock Regulations (5:29 p.m.)

Belinda Garland, executive director, New Mexico Livestock Board; Darron "Shawn" Davis, deputy director, New Mexico Livestock Board; and Darryl Billy, ranger sergeant, Resource Enforcement, Navajo Nation Division of Natural Resources, gave a presentation on the New Mexico Livestock Board's implementation of in-state meat and poultry inspections and the board's funding needs, as well as the Navajo Nation's issues with missing livestock and opportunities for cross-commissioning. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=REOTF&Date=8/4/2021&ItemNumber=12>.

Issues identified:

- funding for the New Mexico Livestock Board for special investigators, emergency managers, vehicles, in-pay band adjustments and the New Mexico Meat and Poultry Inspection Program; and
- alarming and ongoing numbers of missing livestock on the Navajo Nation.

Potential solutions:

- funding for the New Mexico Livestock Board; and
- cross-commissioning to combat livestock theft.

Public Comment (6:36 p.m.)

A list of individuals making public comment is available in the meeting file.

Adjournment

There being no further business, the meeting adjourned at 6:53 p.m.