

## Post-Session Review: Introduction

Prior to each session, the Chamber's Board of Directors approves a policy agenda that is consistent with our organization's mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the "Legislative Roundup" – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

Once the session has concluded, the Chamber provides its Board with a review of how the organization's agenda fared, briefly describing the action (or inaction, in some cases) taken by the Legislature on the various items in the agenda. This document presents the **2022 Legislative Session Review**. A label is presented next to each agenda item (see legend at right), which denotes whether the Chamber was fully/mostly successful in its support or opposition to the measure, partially successful, or largely unsuccessful.



**Fully/most successful in our support or opposition**



**Partially successful in our support or opposition**



**Largely unsuccessful in our support or opposition**

## Session Highlights

Each session presents unique challenges and opportunities. The upcoming election created unusual dynamics between the Governor and House (up for election) and the Senate (not up for election) – which, on balance, improved our ability to secure policy wins in the final days of the session. Also, though a welcome "problem" to have, the State being awash in money made for a more complex budget process than typically seen; to say the spending floodgates were opened wide is an understatement.

**With respect to crime-fighting**, the Legislature refused to pass a rebuttable presumption of pre-trial detention for New Mexico's most serious and violent offenders. However, despite failing to pass the "main thing" that would have immediately helped remove the worst offenders from our streets, the crime package assembled during the final days has many positive elements. It provides recruitment and retention funding for police departments statewide, requires 24/7 monitoring of released defendants' GPS devices and the sharing of GPS data with police, ends the statute of limitations on 2<sup>nd</sup> degree murder, cracks down on chop shops and metal theft, and creates several new gun-related crimes and enhances gun crime penalties – including for serious violent felons possessing firearms, aggravated fleeing from police, making shooting threats, and brandishing or using a gun during the commission of drug deals and other crimes.

**On taxes and economic development**, with all the money available this session, an opportunity existed to provide substantial gross receipts tax relief – including a serious GRT rate reduction and the elimination of pyramiding across our economy. The tax package passed by the Legislature did not do these things, so in that sense, it was a major missed opportunity. However, we won a hard-fought battle to exempt most residents' Social Security income from taxation, the GRT rate will be reduced by ¼ percentage point over the next two years, nurses will receive a one-time \$1,000 tax credit, and a sizeable tax rebate will be provided to low-income and middle-class New Mexicans. No taxes were raised or new major mandates imposed on employers. Our closing fund and job training incentive programs are fully-funded, a new venture capital fund was created and seeded with \$35 million, significant dollars were allocated toward technology research and commercialization, and nearly \$374 million in funding for transportation projects was approved.

**Regarding education**, we are happy to report that legislation making it easier and more equitable for public charter schools to access facility funding was passed unanimously in both chambers. Broadly speaking, teacher pay will be raised by 7%, extended learning was unfortunately not made mandatory (though financial incentives exist for school or district participation), and the Lottery Scholarship was preserved as Opportunity Scholarships for non-traditional students were expanded.

Concerning trends in the Legislature include an increasing lack of interest in pursuing pro-business tax reform and an increasingly strident environmental lobby that refuses to support the use of "bridge" sources to a cleaner energy future. Lawmakers are as prone as ever to blame police for the state's crime problem and unwilling to remove even the most serious offenders from society.

Despite these troubling trends, the Chamber has a great deal to feel positively about coming out of this session.

## Table of Contents: The Chamber's Legislative Agenda

## New Mexico's State Budget and Fiscal Future

### Spending



**Recurring Priorities:** Focus new spending on the replacement of one-time appropriations of mostly federal money for recurring needs during the pandemic, allocated over the past two years to state agencies, public schools, and the Medicaid program. Prioritize other recurring spending on tax relief for consumers, families, and businesses; salary increases and other talent pipeline development programs in key workforce areas – especially health care, public safety, and education; and extended learning in public schools.

**The \$8.5 billion budget approved by the Legislature does replace past one-time appropriations of mostly federal money, as described above. Over \$500 million in tax relief is provided to New Mexicans and significant investments are made to improve the recruitment and retention of police officers, other public safety workers, nurses, and teachers – including substantial pay raises. Funding is provided for statewide literacy instruction and incentives exist for districts to participate in extended learning programs (though these programs are not mandatory).**



**Non-recurring Priorities:** Prioritize available non-recurring money on road and highway projects across New Mexico, broadband expansion, water infrastructure upgrades, economic development incentives (LEDA and JTIP), tourism marketing, assistance for hospitals and health care workers during the pandemic, tax rebates for working families, hydrogen energy development, and full funding of the Lottery Scholarship.

**The budget contains \$374 million in transportation-related construction projects, with most going toward major highway improvements. LEDA and JTIP were each fully funded at \$50 million and \$12 million, respectively. The tax package contains a sizeable tax rebate, and the Lottery Scholarship will be fully funded for the next four years. Efforts to invest in hydrogen energy production stalled, however.**



**Salary Increases:** Provide salary increases for teachers (the Governor and Legislature have each proposed 7% raises) and state workers, including substantial targeted raises for hard-to-recruit public safety positions, such as state police officers, correctional officers, judges, and district attorneys.

**SB 1 establishes new minimum salaries for teachers and administrators through the three-tier licensure system at \$50,000, \$60,000, and \$70,000, an increase of \$10,000 for each licensure level. Combined with the 7% increase for school employees contained in the state budget (and 10% increase if a school participates in extended learning), New Mexico teacher pay is set to be the highest in our region. NMSP officers will see a 16% salary increase, while judges' pay will rise 30+% and a \$20 million infusion will be made to the judicial retirement fund. DA's and other public safety workers received salary increases as well, but not as high as officers or judges.**



**Large-Scale Infrastructure:** Focus statewide capital spending (over \$1 billion in available severance tax and general obligation bonds) on large-scale infrastructure projects (roads, water, buildings, etc.) that have a significant economic impact, address a particular public policy problem, and that local governments often cannot afford themselves.

**The capital outlay bill, Senate Bill 212, authorizes over \$820 million in spending for capital projects across the state, financed by severance tax bonds (\$680 million), general funds (\$30 million), and other state funds (\$117 million). The capital funding process continues to lack strategic planning and goal-setting, and dollars are not used to meet the state's serious infrastructure needs or help solve large problems facing the state. Capital funds are often allocated in such small sums that projects aren't able to be completed; as such, projects can take years to complete or never be finished at all. Few of the Chamber's capital requests for the Albuquerque area were met; most were hardly addressed. Overall, the capital spending process remains deficient. Another bill, House Bill 153, authorizes \$259 million in additional capital projects, financed by general obligation bonds. This legislation does a far better job at identifying statewide capital needs, relating to higher education institutions and senior services mostly, and fully funding construction projects – like the UNM Children's Psychiatric Hospital.**



**Tax Stabilization Reserve and Early Childhood Endowment Fund:** Preserve the basic structure of the tax stabilization reserve “rainy day” fund and early childhood endowment fund, both of which collect excess oil/gas revenue and provide a strong fiscal safety net for the state budget.

**Senate Bill 135** would have limited revenue transfers from the Operating Reserve to the Tax Stabilization Reserve, making these reserve funds easier to access (and spend) and costing the state higher investment returns. The measure passed the Senate, as it did last year, but stalled once again in the House. Senate Bill 118’s attempt to broaden the use of the Early Childhood Endowment Fund were met with skepticism; the bill was unable to pass its first hearing.



**Reserves:** Maintain total budget reserves of between 30% and 35% of recurring spending.

Despite having a record budget surplus to spend, lawmakers drew reserves below their own 30% reserve target – to around 29%. This figure does not include the \$2+ billion in the Early Childhood Endowment Fund.

## Economic Growth and Job Creation

### Taxes and Regulations



**GRT Rate Reduction:** Reduce New Mexico’s gross receipts tax rate by *at least* ¼ percentage point.

The tax package includes a ¼ percentage point reduction in the gross receipts tax rate. However, this reduction will be phased in over two years and a “trigger” provision in the bill will eliminate this rate reduction if GRT revenues dip by more than 5% in any year between 2025 and 2030. Given the high level of revenues experienced this year, a revenue dip in the near future is likely.



**No Local GRT Increases:** Pass legislation preventing local governments from raising local GRT rates, which would nullify benefits to consumers of state-level rate reductions.

The tax package does not contain a prohibition on local GRT rate increases.



**GRT Pyramiding:** Enact significant reductions in gross receipts tax pyramiding across New Mexico’s economy; provide as much as \$50 million in pyramiding relief for New Mexico businesses.

The tax package contains just one minor pyramiding provision, allowing for the GRT deduction of professional services by manufacturers. Another bill – House Bill 207 – would have more broadly addressed pyramiding throughout our economy; it was tabled, relegated to “study during the interim.”



**One-Time Tax Rebate:** Use non-recurring funding to provide a one-time rebate payment to working families.

The tax package contains a one-time rebate payment to low-income and middle-class New Mexicans earning \$75,000 per year or less. The value of the rebate is \$500 for joint filers and \$250 for single or married/separate filers.



**Social Security Tax Repeal:** Discontinue the policy of taxing Social Security income in New Mexico.

The tax package contains a Social Security income tax exemption for single filers earning less than \$100,000, or married filers earning less than \$150,000 (filing jointly) or \$75,000 (filing separately).



**Angel Investment Tax Credit:** Make the Angel Investment Tax Credit refundable and support its expansion.

House Bill 80 would have accomplished these goals, but was not included in the tax package.



**Military Retiree Income Tax Deduction:** End the taxation of military retiree income in New Mexico.

4

**The tax package contains a phased-in income tax exemption for military retirement pay, starting with \$10,000 this year and \$30,000 by 2024.**



**No Tax Increases:** Enact no tax increases, recognizing the extraordinary challenges that businesses, workers, and families continue to face during the pandemic, as well as the presence of unprecedented state revenues.

**The Legislature did not pass any tax increases this year.**



**Higher Costs on Employers:** Oppose attempts to impose new regulatory mandates and raise operational costs on businesses in New Mexico, whether in the form of new employee leave requirements, higher taxes, increases to various rates, or additional exposure to lawsuits.

**The Legislature did not impose any serious, new regulatory mandates on employers or pass legislation increasing business exposure to lawsuits. However, a memorial was passed in each chamber setting up an unbalanced task force dominated by anti-business activists to draft legislation imposing mandatory paid family/medical leave on businesses. Legislation will certainly be introduced during the next 60-day session on this topic.**



**Employer Retirement Plan Mandate:** Oppose legislation requiring employers to offer certain IRS-qualified retirement plans to its employees, and if not, mandate their participation in a state-run retirement plan.

**House Bill 176 would have stalled in the House Appropriations and Finance Committee.**



**No Increase in Wage/UI Rates:** Oppose attempts to raise the minimum wage or unemployment insurance rates.

**Neither the statewide minimum wage nor UI rates were raised this session. It is important to note, though, that the Legislature raised the minimum wage for state workers to \$15/hour.**

BENEFICIAL RELATED ITEMS **PASSED** DURING THE SESSION:



**Nurse Tax Credit:** Create a one-time income tax credit for nurses.

**The tax package included a \$1,000 tax credit for nurses employed by hospitals in New Mexico.**



**Pass-through Entities:** Allow pass-through entities to pay income tax at the entity level.

**House Bill 102 accomplishes this, allowing pass-through entities to elect to pay their income tax at the entity level, thereby allowing them to avoid the state-and-local-taxes (SALT) deduction cap imposed by the 2017 tax reform bill.**

HARMFUL RELATED ITEMS **PROPOSED AND DEFEATED** DURING THE SESSION:

(The following items are not mentioned elsewhere in this document):



**Establishment of a Public Bank (HB 75)**



**Charging GRT on Space Flight Ticket Purchases (HB 72)**

**Growth: Incentives and Marketing**



**Job Training and Expansion:** Appropriate \$13 million total for the Job Training Incentive Program (JTIP), in alignment with the Governor's recommendation.

**JTIP was fully funded with \$12 million – close enough.**



**Relocation, Growth, and Competitiveness:** Maintain a closing fund for economic development projects (LEDA) of over \$50 million, in alignment with the Governor’s recommendation.

5

**The budget contains \$50 million in nonrecurring funding for LEDA.**



**“New Mexico True” Advertising:** Provide \$15-20 million to the State’s Tourism Department for advertising to attract visitors to New Mexico (in addition to funding for meeting/event recruitment and hospitality workforce development).

**The budget includes \$1.8 million in new recurring marketing money, in addition to \$5 million in non-recurring funding for advertising and local event promotion. This is in addition to \$15 million appropriated for these purposes during the December special session.**



**Reshoring and Economic Development Marketing:** Support the Economic Development Department’s request for at least \$2.5 million to market the state’s economic opportunities to target industries and attract more foreign direct investment and international trade.

**Just \$250,000 was made available in the budget specifically for this purpose.**

**BENEFICIAL RELATED ITEMS *PASSED* DURING THE SESSION:**



**Venture Capital:** Support efforts to increase the amount of venture capital in New Mexico to support startups and business growth.

**House Bill 104 establishes a new venture capital fund, administered by the New Mexico Finance Authority, to make early-stage investments in companies whose economic activities would further the state’s economic development goals. The budget contains \$35 million for this fund.**



**Spec Building Development:** Provide funding for the construction of buildings that could house companies being recruited to New Mexico or undertaking significant expansions in our state.

**The budget makes \$70 million available for the development of spec space for economic development projects. House Bill 7, the Opportunity Enterprise Act, empowers the New Mexico Finance Authority to oversee this funding and select private-sector “opportunity enterprise partners” to receive financing, loans and leases for enterprise development projects in any industry that will create jobs.**



**Sports Authority:** Re-establish and overhaul the New Mexico Sports Authority and task the entity with recruiting leagues, teams, and sporting events – both professional and amateur – to our state.

**House Bill 134 accomplishes this goal.**

**Energy**



**Hydrogen Energy Hub:** Pass legislation establishing the legal and regulatory framework for hydrogen energy development in New Mexico, including tax benefits to encourage investment in this cleaner form of energy, as part of the State’s effort to make New Mexico a hub nationally for hydrogen energy production. Invest at least \$150 million in projects that convert natural gas to hydrogen.

**Several iterations of a hydrogen hub bill were introduced this session, but none passed, due to vocal opposition from environmental organizations.**



**Oil and Gas Production:** Oppose the imposition of onerous regulations (including a ban or moratorium on hydraulic fracturing), additional taxes, or significant new fees on oil and gas production, upon which New Mexico’s budget and economic outlook are heavily dependent.

**House Bill 6 would have set stringent limits on greenhouse gas emissions over time and empowered the Environmental Improvement Board to develop a matrix of fines and fees for companies that exceed**

certain levels of emissions. The bill did not pass, and no other legislation adversely impacting oil and gas production passed either.

6



**Environment Amendment:** Oppose a Constitutional amendment relating to a person's right to clean air, water, and land; this has always been – and remains – an important policy priority, but enacting a new Constitutional right on this subject would likely lead to endless and costly lawsuits that would impact the state's fiscal and economic health and hamper wise policymaking on energy and environment matters.

**The "Green Amendment" contained in House Joint Resolution 2 did not pass either chamber.**



**Clean Fuel Standard:** Support efforts to reduce the carbon intensity of transit fuels through the implementation of a credit program for entities that refine, blend, make, or import fuel.

**Senate Bill 14, after passing the Senate, failed on the House floor on the last night of the session. It was defeated on a tied 33-33 floor vote.**



**No Movement toward a State-Level Public Utility:** Oppose legislation designed to explore or enact the creation of a public power utility in New Mexico.

**House Memorial 20 and Senate Memorial 10 proposed identical studies into the feasibility of a public power utility. Neither measure passed its first committee.**

## Infrastructure



**Highways and Roads:** Appropriate \$350 million in funding for state highway construction and another \$150 million for local road projects, airport upgrades, road equipment purchases, and charging station construction.

**The budget contains \$374 million total in transportation construction projects; another \$60 million is included in capital outlay funding for state and local road projects.**



**Broadband Expansion:** Support an increase in funding to extend high-speed broadband coverage statewide, and pass legislation allowing dark fiber installed by utilities for transmission projects to be used to expand broadband access for public benefit purposes.

**The budget contains at least \$20 million in additional funding for broadband expansion (in addition to the significant funding allocated for this purpose during the last special and regular sessions). Senate Bill 42, which would have allowed existing dark fiber to be used for broadband expansion purposes did not pass; it was withdrawn from its second committee due, in part, to landowners' concerns.**



**Key Capital Projects:** Secure appropriations for economic development projects in Albuquerque, including the widening of Paseo del Norte on the West Side (\$15 million), the continued revitalization of the historic Rail Yards (\$26 million), and development of the Rail Trail project in Downtown Albuquerque (\$10 million).

**Just \$1.4 million was secured in capital funding for the widening of Paseo del Norte, while no capital funding was appropriated for Rail Yards revitalization or the Rail Trail project. Other notable local projects that did receive capital dollars include:**

- \$11 million – Sawmill/Old Town Road and Pedestrian Route Improvements
- \$3.9 million – North Domingo Baca Pool
- \$190,000 – Balloon Fiesta Park

## Higher Education and Workforce Development



**Key Workforce Gaps:** Support funding and initiatives designed to ease workforce shortages in key fields across the state, especially health care and education, including but not limited to the following items:

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 • \$15 million in general obligation bonds to CNM to support the construction of Skilled Trades and Applied Technologies Facilities in the Albuquerque metro area, which would be built with input from local industry partners and meet acute workforce needs and economic development goals

**\$15 million was secured in the general obligation bonds package.**

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 • \$4 million to expand Project ECHO at UNM, bringing the very best health care and other expertise to underserved parts of the state in an efficient manner

**A \$3.5 million expansion was approved in the budget.**

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 • \$4 million for the UNM Health Sciences Center healthcare simulation center expansion project

**No funding appears to be appropriated for this project.**

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 • At least \$1.9 million in increased funding for nursing and medical residency projects (a 15% increase)
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 • Funding to expand the number of nurse educators at New Mexico colleges and universities

**The budget contains \$30 million for endowed nursing faculty teaching positions statewide, as well as \$15 million to increase the enrollment in and graduation from nursing programs. Colleges across the state received \$1 million apiece for nursing student financial aid.**

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 • At least \$1.7 million to expand teacher pipeline programs

**The budget contains \$1 million for teacher residency programs statewide, plus \$100,000 for teacher pipeline initiatives at UNM, \$250,000 each at NMSU, NMHU, WNMU, ENMU, and NNMC, and \$50,000 at NMT. \$20 million is available for teacher preparation affordability scholarships and \$5 million is available for teacher loan repayment programs. Legislation was also passed allowing some teachers to “return to work” for a limited time after they have retired from teaching.**

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 • At least \$60 million to hospitals to cover COVID-related labor costs

**\$172 million is in the budget (state dollars + federal match) to support hospitals and nursing homes**



**Lottery and Opportunity Scholarships:** Infuse the Lottery Scholarship Fund with one-time funding to fully cover full-time students’ tuition at NM higher education institutions; increase funding for opportunity scholarships.

**The budget preserves the Lottery Scholarship, setting aside full funding for 4 years (\$130 million) and expands Opportunity Scholarships to cover college costs for non-traditional students – at 2-year and 4-year institutions (\$75 million total, \$12M recurring and \$63M non-recurring)**



**Entrepreneurship:** Support a \$1.5 million request for the CNM Ingenuity Venture Studio, which will employ skilled entrepreneurs to develop, invest in, and spin out multiple startup companies in the local company, as well as a \$1.5 million special appropriation to NM EDD for a new bioscience business incubator.

**These projects do not appear to be funded. Note, however, that House Bill 104 does create a new Venture Capital Program through NMFA to inject more capital into start-up companies in our economy (the budget contains \$35 million for the program).**



**Technology Research Collaborative:** Secure \$25 million in funding over 5 years to support the commercialization of new technology developed at our research universities and national laboratories.

**Senate Bill 20, specific to this item, was neither ruled germane nor allowed to be heard this session by the Governor. Though not an identical approach, \$65 million is appropriated in the budget for applied research projects at our research universities, with an emphasis on technology commercialization and product/process development in key economic fields.**



**Community College Technology Collaboration:** Secure \$15 million to continue an effort by community colleges to adopt a new student information system, which will improve student experiences (with admissions, financial aid, registration, learning, etc.), improve data reporting and accountability, and reduce operating expenses.

**This project does not appear to be funded.**

BENEFICIAL RELATED ITEMS **PASSED** DURING THE SESSION:



**School of Public Health:** Start a school of public health in New Mexico.

**The budget includes \$15 million to start schools of public health at UNM and NMSU.**

HARMFUL RELATED ITEMS PASSED DURING THE SESSION:



**Unionization of Research Park Employees:** Oppose efforts to allow research parks' employees, including those of medical facilities, to unionize under PEBA.

**Senate Bill 41 originally sought to allow employees of any research park (non-public entities under the law) to unionize under the Public Employee Bargaining Act. An amendment was adopted that narrowed the applicability of this bill to just those research parks that operate as medical facilities or employ health care workers. The amendment spared research parks like CNM Ingenuity or UNM Rainforest Innovations, but not entities like Sandoval Regional Medical Center and the UNM Medical Group.**

## Public Safety and Behavioral Health

### Pre-Trial Release, Monitoring, and Detention



**Rebuttable Presumption of Pre-Trial Detention:** Change New Mexico law to presume that a person arrested for violent or other serious crimes is a danger to the public and should be held in jail prior to his/her trial, unless the defendant can convince the judge in the case that he/she would not, in fact, pose a threat to public safety if released. Covered crimes should include, at a minimum, crimes of violence; felonies involving the use of a firearm; felonies involving great bodily harm; and felonies committed by repeat offenders, those on court-ordered supervision, or those who have engaged in witness intimidation or tampering.

**The Senate bill creating a rebuttable presumption of detention died in its first committee, and the House version of the legislation was downgraded to a pretrial monitoring bill and ultimately not passed.**



**Pre-Trial Monitoring:** Increase funding for the pre-trial monitoring of released defendants in Bernalillo County, such that all forms of monitoring are robust and effective at (a) preventing those who are released from committing new crimes and (b) encouraging compliance with court orders and appearance at hearings. Require defendants with GPS devices to be monitored around-the-clock, with swift notification of violations being reported to the proper authorities.

**The budget provides \$4 million to the Courts (on top of a special \$500,000 federal ARPA appropriation during the special session) to enhance pre-trial services and monitoring, including an expectation that those who have a GPS device are monitored 24/7. House Bill 68 – the crime package – requires public entities that possess GPS monitoring data of defendants to make it available to law enforcement without a warrant (though police must have reasonable suspicion that the subject of the request is involved in a crime). Supreme Court Chief Justice Michael Vigil assured the Legislature the Courts will monitor GPS devices 24/7 and timely report violations to law enforcement.**

### Violent Crime Intervention and Criminal Penalties



**Gun Possession During Crimes:** Increase penalties for the possession or display of a firearm during the commission of a crime, particularly drug transactions.

The crime package contains discretionary penalty enhancements for those who brandish or discharge a firearm during crimes like drug transactions and burglaries. Note: there are no penalty enhancements for the simple possession of a firearm during these acts.



**Shooting Threat:** Make threatening mass violence a crime, and expand the prohibition of guns at schools.

The crime package makes threatening a shooting a misdemeanor offense.



**Felon in Possession of a Firearm:** Increase penalties for the possession of a firearm by a felon when the prior felony is a serious violent offense, and provide for the forfeiture of firearms used to commit a felony.

The crime package creates a new crime called “Serious Violent Felon in Possession of a Firearm,” and establishes a 6-year prison sentence for the offense (3<sup>rd</sup> degree felony). The unlawful possession of a firearm is also elevated to a 4<sup>th</sup> degree felony.



**Aggravated Fleeing:** Increase the penalty for aggravated fleeing when this extremely reckless behavior results in injury or death.

The crime package creates a crime of aggravated fleeing from law enforcement as a 4<sup>th</sup> degree felony, escalating the crime to a 3<sup>rd</sup> degree felony if it results in injury or great bodily harm.



**Second Degree Homicide:** Increase the penalty (from fifteen to eighteen years) and abolish the statute of limitations for second degree murder.

The crime package removes the statute of limitations on second degree murder. The Senate Judiciary Committee, however, removed the penalty enhancement.



**Violence Intervention Program:** Secure Violence Intervention Program (VIP) funding, designed to use focused deterrence strategies to reduce group-member involved homicides, shootings, and aggravated assaults.

The crime package establishes a fund to support VIPs statewide, and the budget includes \$9 million for this purpose (we expect Albuquerque’s VIP to apply for and receive a large share of this money).

N/A

**Organized Retail Theft:** Support legislation providing for the aggregation of the market value of shoplifted property over a period of time and establishing thresholds for felony organized retail crime.

Legislation cracking down on organized retail theft was not allowed by the Governor to be heard this session or ruled germane in the House.



**Chop-Shop Operations:** To help prevent auto theft, create penalties for operating stolen vehicle “chop shops.”

The crime package creates the crime of operating – or contributing to the operation of – a chop shop.



**Metal Theft:** Increase penalties for the theft of copper and other metals from homes and businesses.

The crime package includes penalties for metal theft.

#### Additional Officers, Technology, and Equipment/Facilities



**Officer Recruitment and Retention:** Support the Governor’s plan to create a \$100 million fund to assist in the recruitment and retention of police officers – a proposal that is expected to add 1,000 law enforcement officers statewide over the next 10 years.

Though short of the Governor’s \$100 million target, the crime package and budget appropriate \$50 million in recruitment and retention funding for law enforcement officers statewide. This includes the creation of a “Law Enforcement Retention Fund,” out of which officers are paid retention differentials totaling 5% of their salary at four, nine, 14, and 19 years of service. The death benefit paid to the

families of fallen officers will also be increased from \$250,000 to \$1 million. NMSP officers will receive a 16% pay raise.

10



**Prosecutorial Staffing:** Support a more than 7% increase (approx. \$2 million) in the operating budget for the Bernalillo County District Attorney, to cover the cost of crime analysts, coders, investigators, victim advocates, and prosecutors who have been doing important crime-fighting work under soon-to-expire special appropriations or outside grants and to add 15 prosecutors to handle the increased workload associated with the ill-advised decision of the 2<sup>nd</sup> Judicial District Court to essentially do away with the grand jury (in favor of preliminary hearings) as a mechanism for launching criminal cases.

**The D.A.'s Office did not receive the funding it requested.**



**Data Sharing:** Increase funding for the implementation of HB 267 – past legislation supported by the Chamber – that would improve data sharing within the criminal justice system (as well as the integration of health-related data), ensure the usage of a statewide identifier for those involved in the justice system, and track defendants who are “high-frequency utilizers” of the justice and health systems.

**Though not specifically for this purpose, the Legislature did appropriate \$67 million for crime reduction grants statewide and expanded the kinds of initiatives that could be funded by the grants, which could include data-integration and data-sharing projects.**



**Capital Investments:** Support law enforcement agency funding requests for automated speed enforcement technology in Albuquerque (\$2 million), significant renovation of the Albuquerque Police Department’s main facility and police academy (\$30 million), a new State public safety facility near I-40 on Albuquerque’s west side (\$21 million), and additional upgrades to public safety radio communications statewide (\$20 million).

**APD received \$5.2 million for main facility and academy renovations, speed enforcement technology, and APD and Bernalillo County Sheriff’s Office vehicles. The Department of Public Safety received \$20 million for a new State Police command center in Albuquerque, and \$26 million was invested statewide for public safety radio communications upgrades.**

#### BENEFICIAL RELATED ITEMS *PASSED* DURING THE SESSION:



**Law Enforcement Training:** Require law enforcement officers to participate in de-escalation and crisis intervention training statewide.

**The crime package contains new training requirements for law enforcement, including the topics mentioned above. The bill also reforms statewide processes and oversight of the law enforcement academy and law enforcement certification.**

#### Homelessness, Behavioral Health, and Drug Use



**Gateway Center:** Support a \$30 million capital request from the City of Albuquerque to renovate and fully build out the Gateway Center, a new day-and-night shelter and coordinated service center that will provide resources and help to those who are homeless, including behavioral health treatment and housing assistance.

**The capital bill contains just \$421,000 in funding for the Gibson Health Hub (Gateway Center).**



**Affordable Housing, Homeless Services:** Support funding requests from the Homeless Coordinating Council – which includes Bernalillo County, the City of Albuquerque, and the University of New Mexico – for programming and capital projects designed to address the housing and behavioral health needs of those who are unhoused.

**\$20 million is appropriated for affordable housing and homeless assistance, along with \$2.2 million for housing/homelessness/recovery support projects in Albuquerque and Bernalillo County.**



**Fentanyl Test Strips:** Change state law to allow fentanyl test strips to be possessed and used by individuals to determine whether an illegal drug is laced with fentanyl.

House Bill 52 decriminalizes fentanyl test strips and other drug testing materials, previously considered drug paraphernalia under the law, and also allows for their distribution through harm reduction programs around the state. These materials will save lives now and, through their participation in these harm reduction programs, users are five times more likely to seek treatment later, program administrators say. 11



**Diversion Programs:** Establish a law enforcement assisted diversion program (LEAD) within the New Mexico State Police, and support the expansion of other proven diversion programs for low-level criminal offenders.

**This item is not specifically called out in the budget, though sufficient funding for criminal justice programs such as the expansion of LEAD is provided for.**



**Children’s Psychiatric Center:** Support a request for \$40 million in general obligation bonds to construct a new children’s psychiatric center at the University of New Mexico.

**Between general obligation (\$36 million) and severance tax bonds (\$4 million), the full \$40 million was authorized for this project.**



**Behavioral Health Services:** Support a \$3 million increase in state Medicaid funding for behavioral health services, as well as behavioral health provider rate increases totaling \$1.2 million.

**\$20 million in new behavioral health funding was appropriated this session, including for workforce development, provider rate increases, and additional services. \$2.3 million is included in the budget for the 988 Crisis Now behavioral health crisis response system.**

## K-12 and Early Childhood Education



**Public Charter School Facilities:** Make it easier – and more equitable – for charter schools to access funding for school facility construction, purchase, leasing, and improvements; appropriate state dollars (whether from the PSCOC, general fund, or elsewhere) to a revolving loan fund to finance charter school facilities.

**HB 43 was passed, establishing a new loan fund for charter school facilities at the New Mexico Finance Authority. Importantly, the bill also enhances lease assistance funding for charter schools, and makes it easier for charter schools to appear on mill levy ballot questions and access unused buildings and land within school districts. All of these changes will make it easier and more equitable for charter schools to access sufficient facility funding. The budget contains \$10 million in seed funding for the charter school facility loan fund.**



**Extended School Year:** Given the learning loss that occurred during the COVID-19 pandemic as a result of school closures, fund extended learning programs like K-5 Plus statewide and require greater school district and charter school participation. Allow for reasonable flexibility that still maintains the efficacy of well-structured extended learning.

**Funding is provided in the budget for the expansion of extended learning programs in New Mexico, but the Legislature chose not to make extended learning mandatory. The budget does try to offer incentives – in the form of additional school funding and higher teacher pay – for schools that do adopt extended learning.**

**N/A**

**Personal Finance Course Requirement:** Join twenty-three other states in requiring New Mexico high schoolers to take a course in personal finance and economics in order to graduate.

**This legislation was not given a “message” by the Governor and was thus not considered. However, on the last day of the session, PED announced new K-12 social studies standards that include financial literacy components.**



**Classroom vs. Administrative Spending:** To ensure more education dollars make it to the classroom, limit the growth of administrative spending by school districts to either the CPI or the overall percentage increase in education spending by the Legislature in a given year, whichever is lower. 12

**Legislation limiting administrative spending growth was not passed out of its first committee, due to concerns by Democratic and Republican lawmakers alike.**



**Early Childhood Education Services:** Continue the expansion of pre-K, early pre-K, and home visiting programs in New Mexico, and increase compensation for early childhood workers as part of an effort to further professionalize and expand the early childhood workforce.

**\$30 million was transferred from the early childhood endowment fund to the general fund to support the operation and limited expansion of early childhood programs.**

## Other Topics



**Health Care:** Oppose attempts to push private health insurers out of the health care system, in favor of costly and additional government involvement and control at the state level.

**No legislation passed concerning the establishment of a government-run health system in New Mexico. However, a legislator added \$350,000 to the “junior” budget bill directing the Office of the Superintendent of Insurance to “contract with consultants and hire staff to conduct research related to the possible adoption of the Health Security Act.”**