



**NEW MEXICO
CHAMBER**
of Commerce

2023 POLICY AGENDA

New Mexico Chamber of Commerce is a driving force that unites the New Mexico business community to make our state a leader in industry, innovation, economic competitiveness and overall quality of life.

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Introduction

The New Mexico Chamber of Commerce (NMCC) is a non-partisan state-wide organization, representing every industry, from every region of New Mexico. NMCC's mission is to use the leadership and vision of the business community to drive positive change by developing and advocating for effective public policy initiatives, with the goal of making our state a leader in industry, innovation, economic competitiveness and overall quality of life.

Over the past few years, NMCC has conducted research to identify key economic competitiveness drivers that, if improved, will position our state for growth and investment. The four key economic competitiveness drivers identified by the Chamber include improvements and investments in the state's: 1) Business Climate 2) Workforce and Education 3) Infrastructure and 4) Innovation Ecosystem.

NMCC's 2023 Policy Agenda is the product of dozens of member companies coming together over a series of annual meetings each spring and each fall through eight different industry and policy committees to discuss issues of concern for businesses, our employees, and New Mexico. These proposals align with and support our efforts around economic competitiveness and create the policy framework for the Chamber's public policy advocacy efforts.

Together, we can build a better New Mexico.

2023 POLICY AGENDA PRIORITIES

Presented in alphabetical order by committee:

NMCC SUPPORTS:

- **AGRICULTURE & FOOD PROCESSING:** Seed standardization legislation to ensure the consistent statewide regulation of seeds;
- **ECONOMIC DEVELOPMENT & TECHNOLOGY:** A substantial budget for the New Mexico Economic Development Department;
- **EDUCATION & WORKFORCE DEVELOPMENT:** Quality education programs that are focused on each child's success in school, measure outcomes, relate school curriculum to career opportunities, and encourage continued training and other initiatives to retain staff;
- **ENERGY & EXTRACTIVE INDUSTRIES:** The growth and development of energy and extractive industries through consistent, efficient and predictable regulation, research and development, training and incentivization.
- **ENVIRONMENT, WATER & LAND USE:** Reforming the regulatory and administrative processes to eliminate delays in permit processing and promote consistent, reasonable, and predictable administrative processes including policy development, permitting, enforcement and compliance procedures;
- **HEALTHCARE:** Efforts that expand sustainable access to affordable healthcare coverage for all New Mexicans and businesses, improve access to healthcare services by supporting initiatives that increase recruitment and retention of providers, and encourage the appropriate use and cost-management of limited healthcare resources and prescription medications;
- **TAXATION:** Elimination or a significant reduction of pyramiding caused by the taxation of business-to-business services to foster an environment conducive for business investment, job growth, and economic development; and,
- **WORKPLACE, LEGAL REFORM & GOVERNMENT ACCOUNTABILITY:** Statewide uniformity of employment, workers' compensation, procedural, and regulatory laws, such as paid or unpaid leave mandates, wage or fringe benefit mandates, scheduling mandates, and forum shopping, in order to provide a stable environment for employers and promote business investment, job growth, and economic development.

2023 POLICY COMMITTEE PRIORITIES

AGRICULTURE and FOOD PROCESSING

NMCC SUPPORTS:

- Seed standardization legislation to ensure the consistent statewide regulation of seeds;
- Reinstating the requirement that the New Mexico Department of Transportation erect and maintain fencing along state highways to prevent livestock from entering our public highways;
- The establishment of incentives for voluntary and economically sustainable agriculture practices;
- Maintaining the integrity of predator control measures on both public and private lands;
- Addressing the feral/wild horse population in New Mexico and the New Mexico Livestock Board having jurisdiction to address the problem;
- Protecting the integrity of agriculture land valuation as currently exists in statute;
- Development of new visa and foreign worker programs that are more efficient than the existing H-2A program;
- Preserving the integrity of the workers' compensation system to ensure quick and efficient delivery of indemnity and medical benefits to injured workers with the aim of maximizing medical rehabilitation and return-to-work outcomes at a fair cost to the employers, which will also foster business investment and job creation;
- Legislation requiring that all imported, processed foods, ready for consumption, meet the same standards as identified by the FDA for domestic processors;
- Maintaining funding for the New Mexico Department of Agriculture;
- Funding for New Mexico State University College of Agricultural, Consumer, and Environmental Sciences (ACES), and the agricultural science centers;
- Revising or eliminating regulations, both federal and state, that are not based on sound, objectively verifiable, scientific evidence;
- Responsible use and management of our lands, including working forests that support and grow industries including farming & ranching, hunting & outfitting, timber harvest & energy transmission;
- Efforts to protect watersheds and reduce wildfire risk by thinning overstocked stands, clearing away vegetation and trees to create shaded fuel breaks and increase wildlife habitat, increasing livestock grazing opportunities, providing funding and guidance to reduce or eliminate hazardous fuels in forested lands of New Mexico;
- The existence, preservation, and promotion of a healthy hunting, fishing and outfitting industry; and,
- Assistance from the state of New Mexico in addressing the newly discovered PFAS (Per- and polyfluoroalkyl substances) groundwater contamination issue with the appropriate federal agencies;

NMCC OPPOSES:

- Any state or local law that bans the utilization of pesticides or other agriculture chemicals that are approved by peer reviewed science; and,
- The establishment of burdensome and economically infeasible state or local mandates on agriculture and livestock practices.

ECONOMIC DEVELOPMENT and TECHNOLOGY

NMCC SUPPORTS:

- A budget for the New Mexico Economic Development Department that is competitive and commensurate to those of our neighboring state's economic development programs;
- Full and increased investment in strategic economic development programs such as JTIP, LEDA, and the Rapid Workforce Development fund, as well as enhancing the tools available, to incentivize business investment, and job creation and vocational educational paths to success;
- Full and increased investment for the New Mexico Partnership, local economic development organizations, the New Mexico Economic Development Department, and the New Mexico Tourism Department, for marketing and promotional activities;
- Opening the Angel Investment Tax Credit to out-of-state investors to increase the diversity pool of potential investors;
- Incentivizing individuals to invest in a new or existing New Mexico company;
- Promoting antitrust efforts that ensure competition in free and open markets and benefit consumers and businesses alike, rather than targeting specific industries or businesses; including, protecting U.S. brands and American jobs by supporting the Consumer Welfare Standard in Anti-Trust law and opposing efforts to replace it.
- Coordinated initiatives and legislative actions for broadband infrastructure and access and beneficial tax policies, NMCC representation on state broadband advisory committees, increased OBAE technical and new grant writing staff, continued follow-up actions on contractor reports, and active exploration for the adoption of new technologies such as low orbit satellites;
- Legislative and regulatory proposals that enable public-private partnerships to drive economic development including: fiber-optic broadband infrastructure for rural and frontier New Mexico to support telehealth, education, intra-state commerce, and economic development;
- Legislation reducing financial, regulatory, and other barriers to facilitate the deployment of broadband equipment, 5G, advanced networks, as well as right of way, shared utility poles, trenching, and other actions;
- Vigorous and sustained application by the State in applying and obtaining any and all available federal and private funding for broadband in New Mexico;
- Implementation of the local, state, and federal procurement codes in a consistent, efficient and transparent manner that allows companies in New Mexico to effectively compete in the procurement process;
- Proactive investments in robust infrastructure programs that are essential for economic growth and prosperity including roads and highways, rail, water, sewer, power, natural gas, and advanced telecommunications;
- Incentivizing New Mexico's National Laboratories to create and continue community projects throughout the state, particularly those focused on technology transfer;
- Creation of an Apprenticeship Job Creation Tax Credit;
- Entrepreneurial mindset training as a component of the mandatory training for individuals drawing unemployment through the Department of Workforce Solutions;

- Investments in Spaceport America infrastructure to attract new business to Southern New Mexico to seize economic opportunities with the development of the *Space Corridor*;
- State funding for expanding the New Mexico Retiree Attraction marketing program as an economic development diversification initiative;
- State funding for the UNM Center for the Future of the New Mexico Economy;
- The State's efforts to secure federal CHIPS Act funding to enhance the State's semiconductor industry/ecosystem; and,
- Fully leveraging the US Infrastructure Investment & Jobs Act (IIJA) funds to drive infrastructure modernization, including ensuring the State and local jurisdictions integrate new technologies and capabilities into all strategies to improve all forms of infrastructure through New Mexico.

EDUCATION and WORKFORCE DEVELOPMENT

NMCC SUPPORTS:

- Ensuring that the pre-K20+ education system addresses long standing gaps in learning and student well-being so students are competitive nationally;
- Current efforts by the PED to address the Martinez and Yazzie Consolidated lawsuit;
- Sustaining current Career Technical Education (CTE) programs and existing collaborations between PED, Community and Branch Colleges, the State's Workforce Boards and private sector industries targeted by Economic Development;
 - Ongoing workforce analysis to determine the number and level of skills needed for current employers, as well as those needed for future economic development, and widely disseminating this information;
- Quality childcare and education programs that are focused on a child's success in school, measure child outcomes and encourage continued training opportunities and other initiatives to retain staff in early childhood settings;
- Efforts to ensure fiscal and program accountability at all levels for state-funded programs, from early childhood through higher education, rooted in student outcomes;
- Implementation of the State's Comprehensive Strategic Plan (2022) that includes best practices from business and education, including the criteria identified in the Baldrige Excellence Framework for education;
- Legislation to aid charter schools in obtaining funds for facilities;
- Increased aid for students studying in high demand fields such as STEM, skilled trades, and healthcare at New Mexico higher education institutions;
 - Coordinated high school and college workforce development programs that address New Mexico's needs such as STEM, skilled trades, healthcare, job search and soft skills;
- The implementation of systems that allow for the transparent reporting of education funding at the school level;
- Improved pathways for educators to advance in their licensure based on demonstrated classroom performance and outcomes;
- Increasing the number of school counselors to better address career planning and mental health needs;

- Educational initiatives that contribute to increasing the overall educational attainment of New Mexico’s populace, including more efficient transfer between institutions and increased access to alternative educational pathways;
 - Creative and innovative efforts to reduce school dropout rate and alternative ways to assess the effectiveness of schools that are created to serve dropouts;
- A sustainable plan for the lottery and opportunity scholarship to maximize the state’s return on investment;
- A cooperative business-education employability skills program at the high school level;
- Development of a teacher evaluation based on measurable student achievement and a policy that encourages continued training opportunities for teachers; and,
- Statewide Assessments with comparative analysis to previous results.

NMCC OPPOSES:

- Any additional distribution from the NM Land Grant Permanent Fund unless there are sufficient protections;
- A moratorium on charter schools; and,
- Broad-brush “sweeps” of school district funds that are often planned for critical local needs.

ENERGY and EXTRACTIVE INDUSTRIES

NMCC SUPPORTS:

- The exploration, development, and utilization of long-term sustainable, diverse and environmentally responsible energy resources;
- Development of needed mineral resources in New Mexico;
- Consistent, efficient and predictable regulation and permitting of energy and extractive industries by the state, where it has jurisdiction, either through a delegation of federal authority or under a comprehensive statewide program, without duplicative or inconsistent local regulation; f
- Public-private industry partnerships to conduct research and development of conventional and non-conventional energy and mineral resources;
- Increasing educational and training opportunities that will positively complement the energy and extractive industries and improve the ability of those industries to employ New Mexicans in high-paying jobs and management;
- Increased funding and training for Public Regulation Commission (PRC) staff to ensure consistent and timely regulatory processes and legislation resolving quorum communication issues for the purpose of administrative responsibilities;
- Incentivizing the recycling and reuse of treated produced or otherwise available water, encouraging research and investment in water treatment technologies, and removing legal impediments to such activities;
- Facilitating the state’s energy goals by supporting efforts to streamline and expedite infrastructure projects that reduce the carbon intensity of energy, increase interstate and intrastate transmission, and / or promote energy affordability, reliability and storage;

- The development of clean energy resources, and other beneficial technologies such as energy storage, which will allow the state to benefit from the economic development opportunities that come from hosting these projects;
- Support expanding transmission infrastructure to move electricity to markets both here in New Mexico and across a broader region;
- Promote carbon capture utilization and sequestration;
- Encouragement of New Mexico's unique ability to contribute to, and benefit from, the nuclear fuel cycle through uranium mining and enrichment, research lab support, transmission and consumption of nuclear energy as a zero GHG emitting power generation source;
- Participation in Regional Transmission Organizations (RTO) and interstate organized wholesale market opportunities to provide broad, interstate perspective that result in effective and cost-efficient improvements to the electric grid and reliability,
- Approval of projects that enable New Mexico's energy security; and
- Market-based approaches to achieving net-zero by 2050.

NMCC OPPOSES:

- Efforts to impose moratoria on lawful oil and gas and mining extraction activities, clean energy and transmission development;
- Duplication of financial assurance requirements and efforts to narrow or eliminate the means and methods of providing financial assurance where it is legally required;
- Legislation, regulations, or other initiatives that would impose unreasonable burdens on the oil and gas and mining industries' responsible exploration, development, production (including hydraulic fracturing and venting and flaring activities, in the case of the oil and gas industry, and all forms of surface, underground and in-situ methods, in the case of the mining industry), transportation, and processing/refining activities;
- Legislation, regulations, designations and resource management plans that unreasonably curtail or limit access by energy and extractive industries to federal public and state trust lands for exploration, development, production and processing;
- Legislation and regulations which add additional hurdles to the siting of energy infrastructure;
- Efforts to increase royalty rates on oil/gas or mining production;
- Efforts to create a State "NEPA" process; and,
- Efforts by local governments to enact ordinances and legislation that regulate energy and extractive industries beyond regulations already provided by federal and state governments and/or enact new building codes that prohibit use of certain appliances and utilities. This includes "government/public power" and Community Choice Aggregation programs (CCAs) as well as "the study of" that is not commissioned by Legislative Council or an independent third party.

ENVIRONMENT, WATER & LAND USE

NMCC SUPPORTS:

- Reforming regulatory and administrative processes to eliminate delays in permit processing and to promote consistent, reasonable, and predictable processes including policy development, permitting, enforcement and compliance procedures;

- Placing a reasonable limit on fines and penalties that state or local governments may assess without court action;
- Ensuring state regulation of natural resources, including water and minerals, rather than regulation by local governments, which could be used to restrict or preclude development, to the detriment of the State;
- Ensuring public lands remain available to support a healthy forest products industry consistent with multiple use policies, reasonable protections for endangered species and critical habitat, and fire management initiatives promoting healthy forests and watersheds;
- Efforts to identify recurring funding for forest and watershed restoration;
- Evaluating relief measures for industry in Dona Ana, County, given ozone NAAQS non-attainment designation due to pollution transport from neighboring regions such as El Paso, Texas and Juarez, Mexico, and in Lea, Eddy, and San Juan Counties, given elevated ozone levels;
- The creation of public-private partnerships to develop water infrastructure that will provide public benefits, such as economical infrastructure project delivery and water conservation;
- Incentivizing the recycling and reuse of produced or otherwise available water, encouraging research and investment in water treatment technologies, and removing legal impediments to such activities, including, using produced water to create hydrogen for use in transportation, power generation, or energy storage;
- Ensuring the state and regional water plans are current and are updated with strong involvement from the business community;
- A regulatory structure that encourages the development of new water sources and the infrastructure to support those sources;
- Allowing the transfer of water across major basin boundaries when it meets the conditions promulgated by the Office of State Engineer (OSE);
- Consideration of the negative economic impact of new land use and land use planning, and regulations on the landowner, municipality, or on business operations;
- Refining policies to provide clarity in the OSE's application of its administrative procedures;
- Active Water Resource Management (AWRM) rules that exclusively includes limited measures necessary to protect senior water rights and compact delivery requirements; and,
- Assistance from the state in addressing any and all PFAS groundwater contamination issues with the appropriate federal agencies.

NMCC OPPOSES:

- Authorizing or funding non-governmental entities and/or private citizens to bring actions on their own behalf or on behalf of the State to enforce state environmental regulations or permit conditions;
- Adding new legal frameworks that are duplicative of existing federal, state or local environmental review processes, or that expressly or implicitly create a new right of action to challenge capital outlays or permits on environmental review sufficiency grounds;
- Authorizing government denial of environmental permits based on a company's past compliance history;

- Regulations that are more stringent than the federal regulations, unless specifically authorized by the Legislature to meet unique state conditions or concerns;
- Decisions concerning threatened or endangered species, both federal and state, that are not based on sound, objectively verifiable, scientific evidence;
- Federal regulatory initiatives and directives that threaten the authority of states to govern the appropriation, allocation, protection, conservation, development, and management of the waters within their borders; and,
- Requirements that would increase uncertainty regarding the ability of New Mexico businesses to obtain permits, licenses, or authorizations for business activities, impose environmental standards that are unnecessary to protect against reasonable risks to human health and the environment, based upon sound, objectively verifiable, scientific evidence, or would impose undue economic burdens upon New Mexico businesses; and,
- The so-called “Green Amendment” or any other similar constitutional or legislative change which purports to create a right of action against businesses and governmental agencies

HEALTHCARE

NMCC SUPPORTS:

- Implementation or enhancement of sustainable, evidence-based programs to:
 - Ensure the appropriate utilization of the state’s limited healthcare resources to achieve optimal cost-effective and health outcomes for all New Mexicans;
 - Maximize access to healthcare coverage and healthcare providers for all New Mexicans;
 - Promote appropriate medication use; and
 - Develop innovative, affordable, cost-effective, value-based and appropriate healthcare coverage options for individuals, employers, and government payers.
- Identification and implementation of solutions to recruit, retain, and sustain an adequate provider workforce to meet the physical and behavioral health needs of New Mexicans now and in the future, including an adoption of provider compacts and streamlined licensure;
- Maximization of federal funding to support the state’s Medicaid program, Medicaid supplemental payment programs, and hospital supplemental payments that support access to care, especially in rural areas, through mechanism that do not add or increase taxes;
- Minimization of adverse premium cost impacts by prioritizing, and investing in effective care coordination, value-based purchasing solutions, and other measures to address social determinants of health and wellness;
- Continued improvements to New Mexico’s Medicaid Program that ensure cost efficiency with sustainable provider funding and re-aligned incentives;
- Promotion of cost-efficient and outcome-based healthcare services that address the holistic and cultural needs of the individual and improve the public health of communities;
- Initiatives to promote the appropriate prescription and use of opioids and other controlled substances to decrease the risks of dependency and overdose through a

multi-disciplinary clinical approach that includes the use of non-discriminative and publicly accessible evidence-based, medically appropriate forms of chronic pain management;

- Transparency initiatives that address the entire prescription drug supply chain to ensure accountability;
- Transparency in healthcare that facilitates greater accessibility and the coordination of data (in a secure manner) while streamlining reporting without creating duplication of required federal or state reporting and interference into industry's ability to enter into privately negotiated contracts;
- A full review of COVID-19 pandemic response, including the New Mexico Department of Health All-Hazard Emergency Operations Plan as well as public-private partnerships and stakeholders formed as a result, in order to prepare both for any future public health emergencies and to apply lessons to other New Mexico health conditions;
- Investments in public health infrastructure including IT capabilities, testing, treatment, and laboratory services, especially in underserved communities to support impoverished and vulnerable populations;
- Robust and broad external stakeholder involvement, including members, patients, carriers, and providers, in the process to establish the Healthcare Authority Department; and,
- Utilizing federal funding to support the stability and growth of providers and medical facilities through workforce investment, reimbursement, and other infrastructure investments.

NMCC OPPOSES:

- Unnecessary financial, administrative, and regulatory burdens on the healthcare industry that result in unnecessary or non-transparent costs on New Mexico residents and businesses;
- Efforts to establish insurance coverage programs or the inappropriate regulation of ERISA regulated programs that would destabilize the commercial insurance market; and,
- Adjustments to the New Mexico Medicaid Program budget that negatively impact provider reimbursement rates.

TAXATION

NMCC SUPPORTS:

- Eliminating or significantly reducing GRT pyramiding for businesses by eliminating GRT for professional services used by businesses such as: Human Resources, payroll, accounting/bookkeeping, legal, temporary staffing, engineering/draftsman, and Information Technology;
- Moving from a tax-credit to a deduction for manufacturing equipment purchased or brought into the state;
- Attracting re-shoring and near-shoring opportunities by waiving GRT or compensating tax for new businesses building infrastructure in New Mexico;
- Encouraging remote workers by waiving the corporate income tax nexus for out of state companies with no physical presence but who employ remote workers in New Mexico;

- A stable revenue system without a disproportionate burden on particular industries, individuals, or employers and in conjunction with a statewide economic development plan; and,
- Expansion of the single sales factor in the multi-state tax apportionment formula for corporate income tax.

NMCC OPPOSES:

- Shifting of property tax burdens from residential property to commercial property that could result from caps on residential valuation or tax rates; and,
- New generation taxes targeting specific electrical generation technologies.

WORKPLACE, LEGAL REFORM & GOVERNMENT ACCOUNTABILITY

NMCC SUPPORTS:

- Creating a uniform and consistent agency rulemaking and adjudicatory procedure across all state administrative agencies, boards, and commissions to assure fairness and due process;
- Expansion of the Administrative Hearing Office to conduct hearings on administrative adjudicatory actions arising from all state agencies using its own qualified, professional, objective, and independent hearing officers or administrative law judges;
- Placing a reasonable limit on fines and penalties that state or local government agencies can assess in administrative enforcement actions;
- Reformation of the plural executive system, by moving certain elected official functions to existing executive agencies and replacing certain elected officials with appointees;
- Amending the Public Works Minimum Wage Act to clearly define "Willful Violation";
- Incentivizing employers to voluntarily provide employees with family-friendly workplace policies;
- Using CARES Act funds to replenish the unemployment insurance (UI) pool so that employers' UI rates do not increase;
- Preserving the integrity of the workers' compensation system to ensure the quick and efficient delivery of benefits to injured workers at a fair cost to employers, which fosters business investment and job creation;
- Uniform, clear, consistent, and fair employment laws, which include a minimum wage solution, at the federal or statewide level, that includes amendment to the New Mexico Minimum Wage Act;
- Depending on the details, NMCC could support a state paid family leave act based on the following principles:
 - State preemption of any paid leave act at the county or local level;
 - Funded through employee payroll tax premiums (similar to California or Washington state);
 - Leave categories aligned with the federal Family Medical Leave Act (FMLA);
 - Recognition of existing collective bargaining agreements (no forced re-openers);
 - Coordination of benefits with state and federal programs to prevent double dipping of benefits;
 - Exemption for existing equivalent private plans;

- Enforcement and penalty processes that mirror the federal FMLA, and;
- Efficient occupational licensure and certification processes that protect public safety and welcome in-state and out-of-state professionals to work in New Mexico.

NMCC OPPOSES:

- Duplicative, ambiguous or unnecessary regulations or administrative actions, including unnecessary occupational licensing requirements,
- Active participation by the Attorney General as a party on behalf of the state in federal or state litigation, rulemaking and other agency or commission decision-making, unless specifically authorized by the Governor, executive agency, or the Legislature;
- The use of ballot initiatives to bypass local elected officials and the expenditures of public funds for local elections as a means for public polling;
- Any proposal that does not allow New Mexico employers to enforce drug-free workplace policies on or off the job;
- Excessive employment laws or regulations that expose employers to legal, regulatory, and financial risks; and,
- Erosion of the Exclusive Remedy under the Workers' Compensation Act; including case decisions that expand coverage and benefits which erodes the integrity of the Workers' Compensation System.

DETAILED POSITION STATEMENTS ON 2023 POLICY AGENDA

AGRICULTURE & FOOD PROCESSING

Introduction

Agriculture, outfitting, and food processing industries are key contributors to sustaining strong economic development and job creation in New Mexico. The agricultural and food processing industries consist of \$10.6 billion (12.3%) of the state's gross state product. The existence of a private land hunting/fishing industry provides an additional revenue source for farmers, ranchers, and food processors through the sale of landowner hunting permits and by providing wild-game meat for state programs such as Hunters Helping the Hungry. The private land segment of the New Mexico hunting/fishing industry generates over \$50 million per year in revenue and over \$3 million in New Mexico gross receipts taxes annually. These industries create an estimated 55,000 jobs statewide, primarily in the rural counties where agriculture and hunting/fishing take place. To ensure the long-term viability of the local agriculture and food industries, and one's ability to earn a livelihood as a hunting or fishing outfitter, it is important for New Mexico to retain and adopt regulatory structures that encourage access to local agricultural and food markets at the lowest cost possible.

Seed Standardization

Seed standardization legislation ensures the consistent statewide regulation of seed, just as is the case with pesticides. Such legislation ensures that the authority to regulate seed lies with the experts at the New Mexico Department of Agriculture. Allowing localities to regulate seeds would create a patchwork of regulations that threatens the vitality of family farms and rural communities and creates burdensome roadblocks for family farms.

Workers' Compensation

The current system faces several challenges such as:

- Case decisions that (1) expand benefits and increase costs to employers, which limits job creation; (2) hinder the quick, efficient delivery of benefits to workers; (3) undermine return-to-work strategies;
- Rising medical costs, healthcare reform, and cost-shifting; and
- Increased claim litigation and legal costs.

NMCC supports measures to assure the integrity of the workers' compensation system to facilitate a business environment conducive to business investment, job creation, and economic development in New Mexico and to serve the best interests of all employers and workers.

NMCC supports:

- A state workers' compensation system that ensures the quick and efficient delivery of reasonable and necessary benefits to workers at a fair cost to employers;
- Administration of the Workers' Compensation Act to assure New Mexico's competitiveness with surrounding states;
- Limiting waste and abuse in the Workers' Compensation System such as situations where a worker:
 - Intentionally removes himself or herself from the workforce by committing misconduct resulting in post-injury termination of employment;
 - Fails to seek comparable employment in good faith;
 - Fails to accept an offer of comparable employment; or
 - Exits the workforce through retirement, self-employment or incarceration.
- Improving the timeliness and efficiency of the delivery of reasonable and necessary medical treatment and services by facilitating the exchange of relevant claim-related medical information between health-care providers, workers, and payers to mitigate costs and litigation;
- Preservation of the *Exclusive Remedy*;
- Improving the administrative adjudicatory process to assure due process, efficient case management, and consistent case law in accordance with the Workers' Compensation Act and Administrative Procedures Act; and,
- A safe workplace, free of substances that can impair an employee to the detriment of themselves and/or others.

NMCC opposes:

- Expansion of presumptive causation coverage to the private sector;
- Any increase for attorney's fees in the Workers' Compensation system given the current economic environment and the Act's objectives to ensure the quick and efficient delivery of indemnity and medical benefits to injured and disabled workers at a reasonable cost to employers; and,
- Unqualified expansion of benefits pursuant to the Workers' Compensation Act.

Food Importation

NMCC supports legislation requiring that all imported foods and food products meet the same criteria and undergo the same scrutiny regarding compliance with all FDA standards as domestically produced foods.

State Agency Fees

NMCC opposes the increase and use of fees paid by an industry to fund projects outside the scope of state agencies that regulate that industry.

NMCC supports the New Mexico Department of Agriculture's regulation of dog and cat food sold in the state to ensure safe, balanced and nutritious food for our pets, and the Department's use of the current pet food fee to cover such regulatory activities.

Food Regulations

NMCC supports adoption of an updated food code that is in line with the Food & Drug Administration's rules and does not go beyond those rules. When adopting new food regulations, NMCC supports regulations that are science-based, and education and resource focused. During the process of adopting new regulations, NMCC supports proper notification of rulemaking to the food processing industry and hopes the rules will be made in conjunction with the industry to protect public health while minimizing harm to jobs provided by the industry. NMCC believes new regulations should provide the industry a certain amount of certainty and predictability. Furthermore, NMCC hopes to see the Environment Department put into place a time period to adjust to compliance, and that SBA-defined small businesses receive a longer period of time. Additionally, NMCC seeks clarity in defining the "regulatory authority" referenced in the proposed regulations regarding recall and registration requirements and who businesses should expect to submit new paperwork to, as they typically do not submit these forms.

Guest Worker Program

Although the unemployment rate remains high in New Mexico, farms and ranches across the state depend heavily on personnel from Mexico to ensure that crops are harvested in a timely manner. Without this labor, which is often skilled in agricultural tasks, crops are left to rot in the fields. NMCC supports immigration reform, specifically as it concerns agricultural labor, including further development of new visa and foreign worker programs more efficient than H-2A.

Funding

NMCC believes the New Mexico Livestock Board, Department of Agriculture, and Environment Department, which are responsible for education, marketing, promotion, regulation, food processing, and public relations concerning New Mexico agricultural products and businesses, should be adequately funded to perform these activities.

Mandatory Labeling of Genetically Engineered Substances

NMCC opposes mandatory labeling of food products and any other requirements on a state-by-state basis that may create a regulatory patchwork of policies that place an unfair burden on agriculture and food businesses that use or produce these products. Such labeling is predicted to raise food costs for consumers as a result of multiple supply chains, warehousing and delivery needed for compliance.

New Mexico Right to Farm Act

NMCC supports the 2016 Right to Farm Act, protecting agricultural operations and facilities from nuisance lawsuits.

Tax Structure

NMCC supports New Mexico's current tax structure as it applies to agriculture and the green belt exemption and opposes any changes in that structure that would harm the economic viability of the agriculture industry. NMCC opposes any greenhouse gas (GHG) taxes on livestock.

Land Valuation

NMCC supports protecting the integrity of agriculture land valuation as currently exists in statute. NMCC opposes any proposed new land valuation methods that do not adequately address issues of lost property tax revenues to counties as a result of new methods, and how this could adversely impact the taxation of agricultural lands as counties try to make up for the lost revenue. New valuation methods also create unfunded mandates for conservation districts that would be tasked with creating conservation plans. NMCC further opposes any special land valuation methods that do not protect property owners of small tracts of land.

Conduct of Surveillance

NMCC opposes use of a drone or unmanned aircraft to conduct surveillance of an individual or property owned by an individual, any business location, farm or agricultural operation without the consent of that individual, property owners, business owners, farm or agricultural operation. Further, NMCC opposes use of a drone or unmanned aircraft to gather evidence or other information pertaining to criminal conduct or conduct in violation of a statute or regulation except to the extent authorized in a warrant.

NMCC supports penalties for any person who witnesses cruelty to an animal and does not intervene. Furthermore, NMCC also supports legislation to prevent interference with agricultural operations including filming or recording sounds and images without the owners' consent.

Agricultural Development

NMCC supports:

- Funding for research and development for automation and concurrent varietal development for important New Mexico agricultural products;
- Agricultural tourism as a vital new component of the agricultural industry at large, and setting liability insurance requirements in such a way that matches risk levels, allowing for further expansion and growth of the agritourism industry;
- Efforts to make New Mexico agricultural industries more competitive and attractive when these industries are negatively affected by foreign competition caused by free trade agreements;
- Targeted incentives that will help expand existing agricultural industries or attract agriculture-related industries to New Mexico, including but not limited to, funding assistance and tax credits; and
- All subsidiary or associated industries that complement agriculture or agricultural service industries and lessening regulatory burdens.

NMCC supports legislation and a regulatory structure that promotes the use of best available technology.

International Trade

NMCC supports measures that increase international trade and tourism while continuing to focus on border safety, including:

- Export assistance programs;
- Funding for the Office of the International Trade within the New Mexico Economic Development Department;
- Funding for the New Mexico Trade and Higher Education Center of Mexico City;
- Transportation infrastructure;
- Efforts to encourage direct foreign investments; and,
- Increased access to new markets for New Mexico businesses through the deployment of trade delegations and local trade promotion offices in strategic international locations.

Animal Care

NMCC supports producer's rights, in consultation with their veterinarians, to set appropriate protocols for common animal husbandry practices to be administered by the producer or a trained employee appropriate for the operation.

Humane Equine Euthanasia

NMCC supports the free-market option of humane equine processing facilities located in New Mexico and other appropriate locations. The issue of "humane" care and treatment of horses has become extremely volatile in New Mexico and across the nation. Unfortunately, the problem isn't nearly so recent. The issue has been in the

spotlight long enough that the Government Accountability Office (GAO) has had time to do an in-depth study, identifying the problems and pointing out challenges for the U.S. Department of Agriculture as well as horse owners and lovers. GAO found that since domestic horse slaughter ceased in 2007, the slaughter horse market has shifted to Canada and Mexico. From 2006 through 2010, U.S. horse exports for slaughter increased by 148 and 660 percent to Canada and Mexico, respectively. As a result, nearly the same number of U.S. horses were transported to Canada and Mexico for slaughter in 2010—nearly 138,000—as were slaughtered before domestic slaughter ceased. State, local government, and animal-welfare organizations report a rise in investigations for horse neglect and more abandoned horses since 2007. Horse rescue operations are not government-funded and operate largely on donations. Not only are these facilities not well distributed around the state, but capacity is limited. Currently there are only nine certified rescues in New Mexico with a capacity of 257 horses, although those facilities are holding up to 300 horses at the present time. There are literally thousands of unwanted horses in New Mexico.

Hunting/Fishing/Trapping

NMCC supports the existence of private land hunting permit allocation programs administered by the New Mexico Department of Game and Fish. NMCC additionally supports the NMDGF enforcement of existing trespass laws as they relate to privately owned land and streambeds. NMCC acknowledges and supports the existence of the outfitting industry operating hunting, fishing and trapping businesses on agricultural lands, both private and public. NMCC opposes any legislation that would negatively impact the industry.

NMCC additionally supports the NMDGF enforcement of trespass within land and within stream beds.

Climate Change

NMCC supports conservation practices that are not detrimental to agricultural producers and compensates producers for practices that sequester carbon.

Healthy Forest

New Mexico's forests play a critical role in the provision of water to the state's rural communities, farms and cities. The integrity of the forest is sustained, benefiting habitats, watersheds and communities. The condition of a forest should be sound in ecological function, sustainable, resilient, and resistant to insects, diseases, fire, climate and other disturbance, and having the capacity to meet landowner objectives. Overcrowding of forests due to the suppression of low intensity fires & limited grazing, results in buildup of ground fuels and trees drastically increasing size and severity of wildfires. Working forests are good for the environment, providing clean air, clean water, wildlife habitat, and sustains rural jobs and economies.

- **Economy:** Mismanagement of forest lands creates a loss in recreational opportunities, and a loss in economic value of the forests, including production agriculture and outfitting & guiding opportunities;
- **Environment:** Catastrophic forest fires result in severe adverse environmental impacts including damage to the soil; an increased susceptibility to erosion resulting in siltation of streams; a loss of essential habitat for wildlife;
- **Energy:** Overgrown vegetation and restricted access creates a hazardous risk to power systems on public and private forests and rangelands, restricting proper management to improve electricity reliability.

NMCC supports responsible use and management of our lands, including working forests that support and grow industries including farming & ranching, hunting & outfitting, timber harvest & energy transmission.

Furthermore, NMCC supports efforts to reduce wildfire risk by thinning overstocked stands, clearing away vegetation and trees to create shaded fuel breaks and increase wildlife habitat, increasing livestock grazing opportunities, providing funding and guidance to reduce or eliminate hazardous fuels in forested lands of New Mexico.

PFAS (Per- and polyfluoroalkyl substances) Contamination

The PFAS contamination threatens local agricultural and dairy businesses. NMCC supports assistance from the state of New Mexico in addressing the newly discovered PFAS groundwater contamination issue with the appropriate federal agencies. For additional information see PFAS section in the Environment Policy.

ECONOMIC DEVELOPMENT and TECHNOLOGY

Introduction

Development and expansion of New Mexico's economy requires a multifaceted approach to provide support and appropriate incentives for new, existing, expanding and potentially relocating businesses: large and small; rural and urban; established and emerging businesses and industries. Economic development requires cooperative investment of both public and private resources to retain existing jobs and create new ones as the local, state, regional, and world economies develop and evolve. NMCC supports legislation focused on the following issues that are important to a wide range of economic interests in New Mexico.

Infrastructure Investment

Infrastructure is an essential element to economic growth. Although New Mexico offers many positive attributes for economic development, there are statewide and local infrastructure deficiencies that do not support the location and growth of economic-based jobs and investments. The presence of raw land is not competitive without infrastructure given the timelines required by those making the investments in capital and jobs. Infrastructure must be viewed as a long-term investment in New Mexico's future rather than a short-term cost.

CHIPS Act

NMCC supports a resilient semiconductor supply chain and U.S. semiconductor technology leadership because it is critical to our national security, critical infrastructure, and economy. Semiconductors are the lifeblood to the global economy. Almost everything manufactured today – including aerospace, automobiles, communications, defense systems, information technology, manufacturing, medical technology, children's toys and household appliances - requires a microchip. Semiconductors enable the key technologies driving the future economy and our national security — AI, 5G/6G, quantum computing, cloud services etc. The U.S. share of commercial semiconductor manufacturing has declined from 37% in 1990 to 12% today. Today, Asia produces 80 percent of the world's chips, and the global economy has become dependent on an already fragile supply chain. Recently, the President and Congress passed the CHIPS Act to revitalize the U.S. semiconductor industry and promote U.S. economic and national security. Over the next 10 years, nearly \$280B in funding will be provided to expand semiconductor manufacturing in the U.S., R&D, workforce development and programs for leading-edge technology and wireless supply chains.

Broadband

NMCC supports development of robust statewide broadband infrastructure to enhance economic development and vitality in New Mexico through coalitions with local chambers of commerce, local and regional government entities, economic development organizations, and the business community. There is a critical need, especially in rural areas, for world-class, high-speed internet service that allows New Mexico to better compete for jobs, improve healthcare access, and maximize education opportunities in the 21st century information-based economy.

NMCC supports government policies that foster continued private-sector investment and innovation as well as public private partnerships to eliminate barriers to broadband network deployment. Government policies should work with the market and foster continued private sector innovation utilizing their expertise. Directing limited public dollars to overbuild either private or public duplicative networks where the private sector already provides sufficient broadband service may chill private-sector investment.

Legislation to reduce taxes on broadband equipment, deployment of 5G and other advanced networks, and implementation of facilitated right of way, shared utility poles, trenching and other policies should be pursued. A DOIT advisory committee of users and providers should be appointed and actively engaged. The state should apply for all available and relevant government funds. Consideration of lower costs means of serving rural areas such as low orbit satellites and other aerial technologies and tv whitespace should be actively explored.

Tourism

NMCC recognizes the importance of the state tourism industry and the economic benefit it brings through jobs, revenues, and other sources. In 2019, the tourism industry generated the largest economic impact in state history, injecting \$7.4 billion into New Mexico's economy, representing a 5 percent year-over-year increase. (source: Tourism Economics)

New Mexico tourism saw increased spending on lodging, food & beverage, shopping, and recreation in 2019. Visitor spending on lodging increased by 4.6% percent in 2019, which totaled \$2.4 billion. Visitors spent \$1.7

billion on food & beverage and \$1.3 billion on shopping in 2019, which represented respective increases of 6.2 percent and 4 percent. Visitors spent \$971 million on recreation, or a 7.9 percent increase. (source: Tourism Economics)

Visitor spending translates to significant tax revenue for New Mexico. In 2019, visitor spending in New Mexico generated \$496 million in state taxes and \$241 million in local taxes. The tax revenue from visitor spending offset the tax burden on New Mexico residents by \$950 per household in 2019. (source: Tourism Economics)

The impact of tourism on the job market for New Mexico is significant and growing. In 2019, visitor spending sustained 8.6 percent of **all** jobs in New Mexico. Since 2011, the average wage in the leisure and hospitality sector increased by 23 percent. Since 2009, the leisure and hospitality job sector has been the second-fastest growing sector in New Mexico, accounting for 19.3 percent of all new jobs to the New Mexico job market during that period. (source: Tourism Economics; U.S. Bureau of Labor Statistics)

The New Mexico True campaign has significant and tangible impacts on community and economic development beyond tourism. According to a 2015 study produced by Longwoods International, 67.1 percent of respondents who have seen New Mexico True advertising and visited New Mexico said New Mexico is a great place to start a business, whereas respondents who have not seen New Mexico True advertising and have not visited New Mexico provided the same answer at a rate of only 15.6 percent. Respondents to the survey who saw New Mexico True advertising and visited the state also responded much more favorably to New Mexico being a great place to start a career, attend college, and retire. (source: Longwoods International)

NMCC Supports:

- A state tourism department with a cabinet position that focuses on growing New Mexico's important tourism market share and supporting tourism-related businesses;
- Adequate funding of the New Mexico Tourism Department for marketing and promotional activities;
- The cultivation of an effective marketing strategy that promotes New Mexico as a tourism destination as well as the implementation of state and local policies that help build the tourism industry, promote the tourism industry, foster business friendly environments for the tourism industry, increase opportunities for tourism and development and preserve tourism related resources and funding mechanisms;
- The development and implementation of policies, initiatives and incentives that provide for commercially viable development of tourism and capital investments, including infrastructure (roads, broadband, internet, cell service and other infrastructure) marketing by local governmental entities and development of tourism related assets in the private sector;
- NMCC recommends:
 - Ensuring that funds generated by the Lodger's tax are reinvested to maximize return for tourism around the state;
 - Increasing the percent of funds required to go directly towards marketing/promotion (change formula for a 1% increase); and,
 - Lowering the population requirement for the hospitality tax; currently, only Albuquerque qualifies.

New Mexico Partnership

NMCC supports increased funding for the New Mexico Partnership as an essential tool, especially to our rural communities who tend to have fewer resources for recruitment of businesses to New Mexico that provide private-sector, well-paying economic-base jobs. NMCC supports the continuing use of metrics to determine the effectiveness of the Partnership.

Capital Outlay Funding

NMCC supports the state's public and private sectors working together to restructure the capital outlay process to set productive priorities, develop an effective planning process and efficiently fund necessary infrastructure projects, along with a transition program to move from the current system to a more efficient system. Considerations should include the approval of capital outlay funding that results in immediate job creation and is a long-term cost benefit to the state. Quality infrastructure such as roads and water systems support New Mexico's economic development efforts. This funding helps the most fragile sector of our

economy—construction. Many private sector employers have had to turn to public projects to bolster their bottom line and to maintain payroll.

Manufacturing Operation Tax Incentive

NMCC supports tax incentives to encourage manufacturing operation startup, expansion, and relocation to New Mexico. Manufacturing is a desirable and key economic-base industry. New Mexico's manufacturing sector severely lags the rest of the country in state GDP attributed to manufacturing. Tax incentives make New Mexico a desirable manufacturing location and encourage the expansion and relocation of both national and local companies. NMCC supports extending the investment tax credit to July 1, 2030 and expanding the credit to go against either compensating tax or gross receipts tax. Tax receipts will increase to the state due to payroll, and income taxes due to increased employment and multiplier effect of taxes from supplying companies.

Access to Capital

One barrier to entrepreneurship in our state is the growing difficulty of obtaining capital for proof-of-concept, early stage, and later stage companies. Incentivizing individuals to invest in a new or existing New Mexico company and rewarding New Mexico entrepreneurs and their employees for taking risks is critical to building a healthy entrepreneurial ecosystem. Therefore, NMCC supports:

- Making the sale of New Mexico businesses exempt from New Mexico capital gains tax; and,
- A capital gain reinvestment tax credit to incentivize New Mexicans with capital assets to reinvest their capital into fellow New Mexico companies.

NMCC supports a review of current policies by the SIC to place greater priority on funding for in-state investments and job creation. Preference should be given to New Mexico investments when all other factors are equal. NMCC supports the New Mexico Economic Development Department's new initiative known as the New Mexico Catalyst Fund, a \$20 million fund that will support the maturation of seed- and early-stage companies. This injection of capital will spur job and economic growth and yield positive returns.

Angel Investment Tax Credit

NMCC supports enticing out-of-state investors to invest in New Mexico and increase the diversity pool of potential investors. The Angel Investment Credit should also be opened to out-of-state Angel investors. Providing a mechanism for greater private investment into companies in our state will enhance job growth and retention.

As a way to encourage job growth and combat the unemployment rate, many states offer similar tax incentives for investors who pour capital into new companies and startups. New Mexico enacted the original angel tax credit in 2007, and since have made changes to make the credit more usable. However, the current credit still faces several challenges.

Since the tax credit cap was raised from the previous ceiling of \$750,000 for all tax credits collectively approved for angels each year to \$2 million in 2015, we have not seen a significant increase in investments as expected. The 2016 NM Tax Expenditure Report shows that in 2015, expenditures only reached \$510,800

Procurement

NMCC supports implementation of the local, state, and federal procurement codes in a consistent, efficient and transparent manner that allows companies in New Mexico to effectively compete in the procurement process.

NMCC supports:

- Federal, state, and local agencies putting forth requests-for-proposals in a manner that complies with existing procurement laws and assists New Mexico businesses in responding;
- A set-aside for New Mexico businesses similar to the federal government's small business set aside program; and,
- Training of procurement officers/personnel within federal, state, and local agencies that will promote fair competition and transparency.

NMCC supports legislation similar to that in existence in 17 other states, beginning as early as the 1970s, because providing historically underutilized and disadvantaged businesses an opportunity to contract with the State will stimulate the growth of these businesses and create more jobs. These programs have been successful in providing opportunities to historically underutilized and disadvantaged businesses, including a

\$2 billion program in Texas. The proposed legislation requires the State of New Mexico to make a good faith effort to award state contracts to small, historically underutilized, and disadvantaged New Mexico resident businesses. This includes businesses with at least 51% ownership by a woman, veteran, a person who is African American, Hispanic, Asian-Pacific American, or Native American, or any business owned by an individual who can demonstrate evidence of social disadvantage.

International Trade

NMCC supports measures that increase international trade and tourism while continuing to focus on border safety, including:

- Export assistance programs;
- Funding for the Office of the International Trade within the New Mexico Economic Development Department;
- Funding for the New Mexico Trade and Higher Education Center of Mexico City;
- Transportation infrastructure;
- Efforts to encourage direct foreign investments; and,
- Increased access to new markets for New Mexico businesses through the deployment of trade delegations and local trade promotion offices in strategic international locations.

Public-Private Partnerships

Sometimes the best solutions to our challenges come from the private sector. The use of private resources to provide solutions to public problems should not be restricted when the benefits to the public can be demonstrated at a reasonable cost. The establishment of guiding principles governing the creation of public-private partnerships will allow public entities to benefit from these solutions. NMCC supports public-private partnerships allowing the state and certain local governments to enter into long-term partnerships with private sector partners to facilitate public projects to address New Mexico's aging infrastructure and critical public services.

NMCC supports public-private partnerships that facilitate economic development such as Spaceport America, Regional Economic Development Initiative, broadband access, and energy initiatives for traditional, renewables, and nuclear-related industries including reprocessing, enrichment, and waste storage.

NMCC supports legislation that facilitates successful commercialization of technologies developed in the state's universities, national laboratories, and private sector.

NMCC supports the adoption of a requirement that Workforce Innovation and Opportunity Act funding be coordinated to support more customized job training for employers.

Economic Development Department

NMCC supports a substantial budget for the New Mexico Economic Development Department. The Department should concentrate on expansion of existing businesses and creation of new businesses in New Mexico, leaving most business recruitment efforts to the New Mexico Partnership, the Department's marketing arm. NMCC supports continued funding for the Local Economic Development Act (LEDA), the Job Training Incentive Program (JTIP), the Rapid Workforce Development Fund (RWDF), and reinstatement of funding for the Economic Development Department's cooperative advertising program. NMCC supports recurring, non-reverting funding for both JTIP and RWDF as these serve as critical incentives for New Mexico's economic development, as well as providing opportunities for New Mexicans to gain valuable training that benefits their careers in the long term. JTIP and RWDF funds are key recruitment tools to attract new employers to the state and are an incentive for current employers to expand. In particular NMCC supports expansion of JTIP funding to allow an employer to train an employee for promotion and then to train for the vacated position as well as expansion of LEDA. Currently, the program only allows for training for an additional position and does not incentivize promoting from within.

Military Installations and National Laboratories

NMCC supports continued funding and expansion of New Mexico military installations and the national laboratories. New Mexico's military installations and national laboratories have a significant direct and indirect impact on New Mexico's economy. The increased budgets projected for national defense in the next decades, including the modernization of the nuclear stockpile, space, cyber and other emerging technologies, indicates that growth will occur in both our National Laboratories and our military installations. Combined, these installations contribute more than a \$20 billion to New Mexico's economy on an annual basis, including:

- Los Alamos National Laboratory (LANL) had a \$3.9 billion budget for FY 2021, with a projected budget for FY 2022 of \$4B, accounts for over 13,000 direct jobs with more than \$1.3 billion in additional indirect economic spending, and does over \$505 million in work with New Mexico small businesses, paying more than \$100M in NMGR (Source: LANL 2021 Economic Impact);
- According to their 2021 Economic Impact report, Sandia National Laboratories had a budget over \$3.9 billion for FY 2021, with over \$475M million going to New Mexico businesses, and a workforce of over 14,900 employees with more than 12,00 of those in New Mexico (Source: Sandia National Laboratories 2021 Economic Impact report);
- The Air Force Research Lab (AFRL), with \$6.9B national portfolio, had over \$650M impact with more than \$200M in local contract, with over 1,100 employees (Source: AFRL Annual report, and AFRL Economic Impact Report for KAFB) and,
- New Mexico's military installations and organizations also have a significant economic impact, with a total estimated economic impact in New Mexico of over \$14 billion as detailed in a newly released economic development report by the UNM BBER ("Economic Impact of Military Installations in New Mexico on the State"). This includes the White Sands Missile Range (over \$3.7 billion), Holloman Air Force base (over \$2.2 billion), Cannon Air Force Base (over \$2.1 billion), and Kirtland Air Force Base (over \$6.2 billion). (Source: Economic Development Department for Military Base Planning and Support).

Emerging Technologies

The NMCC requests the Legislature to examine the opportunity for New Mexico to support research and development of emerging technologies, supported by participation with our National Laboratories, military installations, and Research Universities. Some topical areas include, but are not limited to: bioscience; quantum computing; artificial intelligence; intelligent manufacturing; small modular reactors; hydrogen generation; water resilience; and energy storage. New Mexico has unique expertise and geography that is conducive to becoming a leader in many of these technologies.

Local Economic Development

NMCC supports the identification of a stable, predictable, and permanent funding mechanism for local economic development entities to support recruitment and expansion efforts.

NMCC supports matching state funding to increase the capabilities of community economic development organizations based on a competitive application process using performance metrics.

NMCC supports funding certified business incubator and technology commercialization programs to help businesses start, grow, succeed, and remain in our communities. Such funding will provide a high return on investment to our state.

Talent Development/Attraction/Retention

NMCC supports the creation of an Apprenticeship Job Creation Tax Credit focused on information technology job creation. The creation of such a credit is an effort to encourage such programs as the New Mexico Information Technology Apprenticeship Program (NMITAP).

NMCC supports inclusion by the New Mexico Department of Workforce Solutions of entrepreneurial mindset training as a component of the mandatory training for individuals drawing unemployment. This would expand unemployment training to go beyond simply looking for a job and include how to create a job.

NMCC supports entrepreneurship training at an earlier age to inspire students who might not otherwise consider starting their own businesses to do so. NMCC also supports the creation of entrepreneurial internships in higher education institutions which will support students and give them an opportunity to learn, build, and grow an entrepreneurial mindset while receiving course credit.

NMCC supports efforts by the public and the private sector that effectively match New Mexico's current talent pool with prospective job openings.

NMCC supports efforts to develop programs that target recruitment of talent into New Mexico to match the recruitment needs of business attraction. One effort being analyzed through the Economic Development Task Force is to begin viewing New Mexico alumni as an economic development targeted asset. Attracting alumni back to New Mexico would not only support the skill set gap found in business recruitment efforts but

would also complement other NMCC supported activity such as retiree marketing, entrepreneurial growth, and access to capital.

NMCC supports the state's 529 education savings program, which is governed by Education Trust Board of New Mexico (ETB). This program was established in 1997 and is intended to help increase college attendance and graduation rates in New Mexico while reducing the burden of student debt. It is proven that even for low-to-moderate income families, saving just \$500 in an education savings account makes a student 4X more likely to attend college and 3X more likely to graduate. Therefore, we believe that increasing 529 plan participation in New Mexico can play a key role in helping to fuel our state's workforce and economic development. The ETB is on a mission to create a paradigm shift in the thinking and utilization of our 529 plan, mainly by partnering with other organizations and employers in New Mexico to increase awareness, overcome the many common misconceptions that exist about it, and make it easier to enroll and contribute regularly. Our goal is to enable more New Mexicans to further their education with less debt in the future--regardless of age, career path or socio-economics--by planning and saving for it today.

Right-to-Work

NMCC supports right-to-work because it will be beneficial to the New Mexico workforce as statistics over the last 20 years have shown a greater increase in jobs in right-to-work states vs. New Mexico and others states that are not. Right-to-Work status is also documented as a determining factor for companies expanding operations for economic based jobs to new states. There is consensus among economic development professionals that many site-selectors will never visit non-right-to-work states. As the legislature seeks ways to improve New Mexico's economy, right-to-work provides a no-cost tool for economic developers.

Private-sector employees have the right to organize and participate in unified representation in the workplace; however, organized labor union membership should be voluntary, and no employee should be required to join a union as a condition of employment, which subjects them to full union dues and to union rules and fines.

Retiree Marketing

NMCC supports continued development of a state/local program designed to attract retirees with financial resources to New Mexico as an economic base initiative using public and private funds. A program would consist of additional national advertising on the benefits and advantages of retiring to New Mexico, an updated website with links to local communities, return on investment studies, designation of New Mexico certified retirement communities, and materials and staffing to handle inquiries.

Economic Development Utility Rate

NMCC supports the adoption of rule amendments by the Public Regulation Commission to implement an economic development utility rate in a fashion that allows it to be used as an aggressive strategy to incentivize business growth, recruitment, and retention. Competitive utility rates are primary factors in site selection criteria, especially for the manufacturing industry. Favorable implementation of an economic development utility rate would make New Mexico more competitive in attracting jobs and investment, since 29 states currently offer some form of electric incentive rate.

Government Support of Private Sector Economic Development

NMCC supports the creation of economic development education for elected and appointed municipal, county, and state officials in order for them to make more informed decisions to help promote and spur economic development.

NMCC supports state and local government economic development efforts, expenditures, and incentives. NMCC also strongly supports efforts to establish a more streamlined, transparent, and user-friendly regulatory environment at all levels of government that facilitates, rather than inhibits, investment and economic growth.

NMCC supports the development of specific strategies and methods for increasing the supply of real estate options suitable for attracting new/expanding companies; the current shortage of such supply is a constraint to growth. Options developed should include ways to enhance the availability of shovel ready sites for build-to-suit options as well as increasing the pace of speculative development of facilities.

State and Tribal Investment

NMCC supports changes to the New Mexico Regional Investment Program that would allow New Mexico Indian pueblos, tribes, and nations to co-invest alongside the State Investment Council in venture capital funds.

State Incentives

NMCC supports:

- A greater accountability for all incentives, that includes due diligence on behalf of the state preceding release of public funds, and implementing performance-based measures so that the return on investment to the state in terms of revenues and employment is transparent and measurable;
- A gross receipts tax deduction for certain research and development activity that keeps and creates jobs for New Mexico;
- Incentive programs to grow and attract corporate headquarters; and,
- Existing incentives to promote in-state expenditures by the film and digital media industries and encourage the continued growth of the industry, provided that the incentives produce positive revenue returns.

Tax Increment Development Districts

NMCC supports:

- Tax Increment Development Districts (TIDDs) that are reasonably projected to produce net-positive revenue impacts for state and local governments and create additional economic-base jobs; and,
- Strategically planned and implemented improvement of New Mexico's infrastructure necessary to conduct or attract business in all parts of the state, including TIDDs.

County Industrial Revenue Bonds (IRB)

NMCC supports:

- Removing the protest clause in the county Industrial Revenue Bond (IRB) statute so that it is aligned with the Municipal IRB statute.

Telecommunications

NMCC supports:

- Ensuring that right-of-way, franchise and other fees for use of the public right-of-way are cost-based and consistent throughout New Mexico;
- Implementation of a moratorium on franchise fee increases, in-kind services and other related requirements until a consistent, statewide, cost-based policy is established;
- Ongoing review by the PRC of all rules and regulations to ensure that they promote competition and broadband deployment with reduced regulation for all providers; and,
- Reviewing dated telecommunications laws that pose a barrier to increased investment in new technologies and broadband.

NMCC opposes:

- Any effort to expand the scope of franchise fees beyond the cost-based use of the public right-of-way; and,
- PRC price regulation in areas of the state where unregulated competitors exist.

NMCC's telecommunications policy is based on the premise that the state should eliminate antiquated regulation when customers have a choice of providers of local-exchange, long-distance service, and other telecommunications services. This policy is consistent with NMCC's support of free-market economics and the belief that businesses should be allowed to compete on a level playing field.

Transportation

NMCC supports:

- Short-, medium-, and long-term solutions that include the private sector and support a long-term, sustainable transportation program to meet the transportation infrastructure demands of the future; and,
- The appropriate reallocation of existing state resources to the state road fund to ensure adequate transportation infrastructure to support economic development.

Transportation investment creates short and long-term economic growth. National reports show that investment in transportation creates 42,500 jobs for every \$1 billion spent, in addition to immediate improvements in safety and mobility. Improving our transportation infrastructure will support long-term economic growth and strengthen our ability to compete in a growing national and international marketplace.

NMCC supports the continuation of Amtrak's Southwest Chief and the creation of reasonable funding alternatives. Amtrak's Southwest Chief provides New Mexico's rural communities with economic development and job-growth opportunities.

Rural Economic Development

NMCC supports initiatives designed to spur business growth in rural areas. State incentives should be available to enhance community economic development efforts by supporting affordable housing and expanded broadband and other telecommunications and by providing outreach to rural businesses with respect to the use of technology and existing incentives for recruitment, expansion, and retention of rural businesses.

NMCC supports the continued development of the implementation of a "solo worker" program to encourage the growth of independent professionals teleworking from rural communities.

Agriculture is the economic foundation for many New Mexico communities. NMCC supports technical and marketing assistance and the development of incentives to provide value-added opportunities for agricultural firms in New Mexico.

MainStreet Investment

NMCC supports increased investment for the New Mexico MainStreet program, to include Arts & Cultural Districts and the newly created Frontier Communities Program. MainStreet works throughout the state's downtown communities to create an economically feasible business environment through the preservation of historical and cultural locations.

Small Business Innovation Research and Technology Commercialization

NMCC supports tax incentive policies that support local access to the national laboratories located in New Mexico such as the NMSBA. NMCC supports technology commercialization programs such as a SBIR matching fund to bridge promising research through critical stages of development and encouraging business R&D investment in New Mexico as well as effective partnerships between New Mexico's Institutions of Higher Education, local economic development organizations, the private sector, the national laboratories and their operating contractors to improve the movement of technology to New Mexico businesses. This includes support for university research programs that have clear economic development strategies such as the Established Program to Stimulate Competitive Research (EPSCoR).

Criminal Justice Reform

NMCC supports an improved state and local criminal justice system that provides all necessary resources, reforms, and coordination to ensure first rate law enforcement, prosecutorial, judicial and correctional systems.

In-State Business, Industry and Entrepreneurial Job Creation, Growth and Retention

NMCC supports:

- Funding the Certified Business Incubator Program to help businesses start, grow, succeed, and remain in our communities as such funding will provide a high return on investment for our state;
- Programs and incentives to encourage New Mexico companies to do business with each other;
- A study to determine the impact of phasing in the GRT rate for start-up companies; and,
- Streamlining the application process to incorporate.

Solo Workers

The Legislative Jobs Council has identified solo work as a means to improve the state's rural and urban economic by creating and sustaining economic-base jobs and expanding business owned and operated by solo workers engaged in economic-base jobs.

NMCC supports:

- Efforts to fund a solo workers program;
- A payroll tax credit for out-of-state companies that have remote workers living in New Mexico; and
- Infrastructure development, including broadband, that will support the development of solo workers across the state.

EDUCATION and WORKFORCE DEVELOPMENT

Introduction

NMCC recognizes the importance of developing and maintaining strong education and workforce development systems. The state needs a foundation of high-quality early-care and education programs, as well as effective and innovative public schools (from Pre-K through grade 12) that graduate students prepared for secondary education and 21st Century jobs. The state must support a diverse system that provides a variety of options for our students and their families, including home schooling and non-public schools. Benchmarked best practices should be used to help guide these efforts, including the Baldrige Excellence Framework and programs such as Cognia™ systems improvement pathways of support, which include assisting NMPED's implementation of the New Mexico Balanced Assessment System providing district/school leaders and teachers with high quality assessment practices and tools to effectively use assessment data to improve student achievement.

An integrated, coordinated system of post-secondary institutions, including community colleges, that works closely with employers and the K-12 school system to train and retain a globally competitive workforce is vital to the state's economic health.

NMCC supports a world-class university system (public and private) that is demand-driven and responsive to the needs of New Mexico businesses and communities, fosters innovation, and facilitates entrepreneurship. Without a quality education system, the state cannot recruit and retain quality employers and will not be able to compete economically.

NMCC recognizes the work that has been accomplished by the NMPED, LESC, and the Legislature to address the issues raised by the Martinez and Yazzie Consolidated lawsuit (Martinez/Yazzie lawsuit) and is supportive of the proposed NMPED implementation plans to address those issues. It is critical that a long-term solution, which crosses election boundaries is agreed upon, funded, sustained, and measured for progress. Particular attention should be made to:

- Ensuring that all students can read at the 3rd grade level and the necessary supports are provided to those students who are struggling.
- Continuing to develop an effective and useable data assessment that allows year-to-year comparison of student achievement and effectiveness of teachers and administrators,
- Continued investments in teacher and administrator education programs, working with the Colleges of Education, and other recognized organizations such as the New Mexico Coalition of Education Leaders, and the Cooperative Education Services.
- Continued dialog with employers and the community such as those recently held through the NMPED's Employer Advisory Committee in collaboration with The Hunt Institute and the Thornburg Foundation.
- Ensure that the current focus on Career Technical Education (CTE) is maintained as an important path for many students.
- Recognition of the diverse resource needs of our rural school districts, and the difficulty individual school districts may have in implementing mandated programs. This includes issues from transportation to Special Education teachers, and extended learning time requirements.

Special Positions to Address the COVID-19 Pandemic

Due to the substantial and lasting impact of COVID-19 on our public-school students, we recommend the following to ensure that each New Mexico child has every educational opportunity available to them and are ready to succeed:

- Ensure that every student in New Mexico has access to broadband and an age-appropriate learning device in order to participate in distance learning.
- Support the existing collaborations of our Higher Education Institutions with the Department of Workforce Solutions to identify post-pandemic job opportunities for workers who have been displaced to ensure our workforce can be fully employed.
- Provide special support to NMPED allowing for the continued implementation of programs instituted during the pandemic with our Community Colleges to train K-12 teachers and parents in the use of new technology tools and distance learning platforms.

EDUCATIONAL SUCCESS

Early Childhood

NMCC supports high-quality early childhood care and education programs as one of the best ways to invest in the next generation and to provide better opportunities for New Mexicans. NMCC supports an early childhood care and education system that is data-driven, based on a mixed-delivery model, accessible to those children most at risk for school failure, of the highest quality possible, while utilizing the most efficient and effective use of resources. Early childhood care and education should be family-centered and responsive to the working family. NMCC supports the following objectives to improve and expand early childhood care and development in New Mexico:

Objective 1

NMCC supports improved local determination in the delivery of high-quality early childhood services and more matching of service offerings to local needs.

Objective 2

NMCC supports increasing New Mexico's workforce capacity in early childhood, beginning with a detailed workforce strategy, and recognizes that skilled early childhood workers are essential to the quality of early childhood programs.

Objective 3

NMCC supports more engagement of families in the development of young children through streamlined processes and improved outreach.

Objective 4

NMCC supports expanding early childhood programs with quality and fidelity in order to scale impact by serving more children and families in New Mexico.

NMCC supports new policies and funding for early childhood that preserves and strengthens New Mexico's mixed delivery system of high-quality private and public services. Additionally, the New Mexico QRIS should recognize Montessori accreditation and Head Start Federal verifications and ratings when they align with FOCUS standards or meet the child outcomes intended by the FOCUS standards.

NMCC recognizes that any additional distribution from the New Mexico Land Grant Permanent Fund (LGPF) for Early Childhood Education programs will require significant additional efforts for proper implementation. The LGPF is not a "Rainy Day Fund" but rather a trust fund designated for current and future LGPF Specified Beneficiaries. It is important that the New Mexico citizens understand the legality and purpose of the LGPF.

- Per the 1910 "Enabling Act for New Mexico" there is no provision for distributions from the LGPF for faith-based or private sector providers. Doing so would require an act of US Congress and Presidential Signature to make that provision a reality and, even if successful, would cause an unacceptable disparity in the provision of services to families and children;
- Since Early Child Care and Education is not an "Entity" or "Specified Beneficiary" there is no provision within the "Enabling Act" for Early Childhood Care and Education;
- An amendment would require an Act of the New Mexico Legislature and Governor Signature to make that provision a reality;
- There is no guarantee that additional distributions from the LGPF will result in increased funds for early-childhood care and education programs. Historical appropriations have demonstrated that increases in LGPF distributions typically have resulted only in supplanting general fund monies.

K-12 Education

- NMCC supports level funding for public education, based on a fair and equitable distribution for public traditional and public charter schools while addressing the requirements of the Martinez/Yazzie lawsuit;
- NMCC supports 3rd grade reading readiness and intervention, including efforts to expand access to teacher training and instructional materials rooted in the Science of Reading. All training and instructional materials supported should include all the components of Structured Literacy including explicit and systematic instruction in phonological and phonemic awareness, phonics, syllable types, morphology, semantics, and syntax. Along these lines, NMCC supports assessment of grades K-2 to determine student learning capacity and cognitive processing skills

- and the funding and re-distribution of funding for interventions;
- NMCC supports statewide implementation of best practice examples being pursued by the PED's College and Career Readiness Bureau's Careers2Communities program, such as Pathways2Careers, NS4ed's Labor Market Navigator, MC2, and High Plains REC, as well as other nationally successful programs;
 - NMCC supports increased career counseling services including use of the YouScience interest/aptitude assessment for high school and college students to improve student success;
 - NMCC supports efforts and programs that aim to improve attendance, to then improve high school graduation rates;
 - NMCC supports the creation of alternative pathways into higher education for rural, nontraditional, and economically disadvantaged students, including initiatives such as apprenticeships, internships, boot camps, and increased online offerings;
 - NMCC supports efforts to better align high school graduation requirements with college admission assessments and with college/university entrance requirements;
 - NMCC supports clear, rigorous and consistent standards for high school graduation requirements that prepare all students to graduate ready for college or career;
 - NMCC supports efforts to increase high school graduation rates. However, NMCC recognizes that for those who have not completed high school, a high school-equivalency certificate is the last alternative in allowing them to earn a slightly higher wage and perhaps open other opportunities for post-secondary education. NMCC supports providing students with multiple testing options to achieve a high school-equivalency certificate as this provides students with competitive pricing and alternative testing methods;
 - NMCC supports investment in new, innovative school designs that are adaptable to an unknown future.
 - NMCC supports initiatives and efforts that are based on best-practice models including community school, early college high schools, expansion of Advanced Placement and career-tech programs of study;
 - NMCC encourages the implementation of the Community Schools Act in recognition of the growing success of New Mexico Community Schools, including community schools in the Albuquerque Public Schools, Las Cruces Public Schools, Santa Fe Public Schools, Gadsden Independent School District, and Laguna school districts;
 - NMCC supports necessary changes to the Legislative Lottery Scholarship Program to keep the program sustainable within the original funding source; and,
 - NMCC supports the deployment and plan for the successful implementation of the Next Generation Science Standards, a set of research-based, up-to-date standards to develop curriculum and classroom learning experiences that prepare students in the 21st century for college, careers and citizenship.

Higher Education

- NMCC supports efforts to create a statewide, long-term Higher Education Strategic Plan that incorporates community input with the goal of creating a broadly supported agenda that will ensure the viability and effectiveness of the Higher Education system in New Mexico;
- NMCC supports increasing attainment percentages of higher education certificates, the expansion of research and development efforts and coordination of federal and state-funded workforce development programs that serve local communities;
- NMCC supports increased funding for higher education and encourages a more efficient use and leveraging of the state's current investment to spur economic growth;
- NMCC supports one outcome-based funding formula for higher education that allocates funding according to institutional performance on student success and recognizes the unique missions of the institutions;
- NMCC supports building on the rich community support and local role two-year community colleges perform in providing economic and workforce development services for small businesses and pathways to certificates and degrees necessary to spur the economic recovery of the state;
- NMCC supports a statewide plan that directs and measures the efforts of New Mexico's public post-secondary institutions to increase educational attainment and expand research and economic development efforts;
- NMCC does not support further erosion of higher education funding as it will directly impact college affordability, student success, and workforce readiness and New Mexico's research and development infrastructure and thereby limit the state's ability to grow and strengthen the economy;

- NMCC supports the implementation of data systems to identify and publicize graduate employment, salaries, and other relevant information and to connect them with relevant K-12 data systems;
- NMCC supports the creation of alternative pathways into higher education for rural, nontraditional, and economically disadvantaged students, including initiatives such as apprenticeships, internships, boot camps, and increased online offerings;
- NMCC supports increased investment in higher education for dual credit courses which support high school and college completion. Higher education partners should receive additional state dollars to cover the costs of instruction on campus and by college faculty, understanding that increased access to dual credit courses is vital to closing the gap in middle-skilled workers and growing the state's economy; and,
- NMCC supports 100% course transferability between New Mexico institutions through consistent course numbering, revision of the general education core and the creation of meta majors across New Mexico higher education institutions to facilitate improved transferability across institutions and increased four-year completion rates.

System Accountability

- NMCC supports rigorous accountability systems for schools, educators and students, rooted in objective student growth measures;
- NMCC supports a statewide assessment system to allow for year-to-year comparison of results across schools and districts, benchmarked against nationally recognized content standards;
- NMCC supports the measurement of academic achievement in a consistent, transparent way, and supports the use of the data to support struggling students, improve struggling schools and replicate success;
- NMCC supports equalized funding and continued accountability across the public education system, including charter schools;
- NMCC supports efforts to ensure fiscal accountability for state-funded programs, from early childhood through higher education, rooted in student outcomes;
- NMCC supports the implementation of systems that allow for the transparent reporting of school funding, at the school level;
- NMCC supports accountability metrics for charter schools that accurately reflect the individual charter's mission, as well as the flexibility and autonomy necessary to provide quality educational innovation along with the accountability standards that support effective educational outcomes for New Mexico students; and,
- NMCC supports the replication and expansion of academically high-performing, high-demand charter schools, especially those that choose to locate in high-need areas.
- NMCC supports the partnership of 5 colleges (Central New Mexico Community College, Clovis Community College, Northern New Mexico College, San Juan College, and Santa Fe Community College) to develop a shared services technology system that will improve student access and program completion by unifying common business practices, maximizing institutional staffing and information technology resources, and streamlining education and training across the state.
- NMCC supports creating the longitudinal data system, led by the Higher Education Department (HED), to align data across state agencies serving early childhood, K-12 and post-secondary students and institutions, and workforce development. A shared data system will provide policymakers, government officials, business and nonprofit leaders with critical information to improve the health, education, and economic well-being of all New Mexicans.

Educator Talent Pipelines and Professional Advancement

- A statewide plan that identifies stronger requirements for principal training and preparation, aligned to national standards;
- NMCC supports the development of a teacher evaluation system based on measurable student progress and a policy that links evaluation to development so that teachers have access to the training and support needed for improvement;
- NMCC supports investments in improving the preparation and qualifications of New Mexico's early childhood care and education workforce, including scholarships and financial incentives to encourage the recruitment and retention of highly qualified early childhood care and education professionals. Expansion of early childhood care and education efforts should be in tandem with a qualified workforce to implement high quality programming; and,
- NMCC supports increased accountability for teacher preparation programs to ensure new teaching

candidates and non-traditional teaching candidates obtain high levels of content knowledge and proper preparation before entering the classroom in order to yield more effective teachers and improved student outcomes.

Workforce Development & Alignment

- NMCC supports Implementation of best practice examples being pursued by the PED's College and Career Readiness Bureau's and other nationally recognized programs such as Be Pro, Be Proud initiative that has been implemented in several states. NMCC supports attracting entrepreneurial students to New Mexico's public universities by allowing institutions to offer in-state tuition to international undergraduate students who are seeking bachelor's degrees in STEM or business fields and who are interested in starting businesses in New Mexico;
- NMCC supports efforts to address the needs of undereducated, unskilled, and underutilized adult talent so that they have an opportunity to contribute to the State's economic well-being. Further, NMCC supports a consolidated and streamlined workforce development system that effectively administers Job Training Incentive Program (JTIP), Rapid Workforce Development (RWDF), job training, and other workforce development programs as provided in the federal Workforce Innovation and Opportunities Act;
- NMCC supports the current level of funding for workforce development and is concerned that any reductions will impact the state's ability to effectively deliver the workforce needs of current and potential business enterprises. NMCC recognizes that New Mexico's ability to attract, retain, and expand business and industry depends upon having a population of workers ready and able to assume the careers that new and existing enterprises will offer. NMCC supports the rapid workforce deployment program to provide priority training for new and expanding employers;
- NMCC supports leveraging federal and state investments in workforce training programs, both credit and non-credit, and particularly the state's High Skills program that supports local businesses that rely on community colleges to provide targeted employee training;
- NMCC supports the creation of scholarships and/or credential incentive programs for trade and vocational students to learn a specific skill and move into the workplace;
- NMCC supports soft-skills and job search training programs for New Mexico students and job seekers including such employability skills as computer and technical literacy, communication, customer service, teamwork, and time management; and,
- NMCC supports an audit of current high school career technical programs and credentials and the mapping of their alignment to the job market to ensure offerings are high-quality and lead students to middle and high wage career.

High School Equivalency Certificate (Formerly the Graduate Equivalent Diploma (GED))

NMCC supports efforts to increase high school graduation rates. However, NMCC recognizes that for those who have not completed high school, a high school-equivalency certificate is the last alternative in allowing them to earn a slightly higher wage and perhaps open other opportunities for post-secondary education. The reality is that many individuals have limited high school equivalency certificate options to improve their lives and increase their opportunity. NMCC supports providing students with multiple testing options to achieve a high school-equivalency certificate as this provides students with competitive pricing and alternative testing methods.

Fiscal Accountability

NMCC supports efforts to ensure fiscal and program accountability at all levels, from early childhood through grade 20. This will require the continued funding for the development and implementation of data systems and accountability measures, such as those promoted by Complete College America and its member states, to determine longitudinal results that can be shared with all stakeholders.

Efforts to Reduce Dropout Rate

NMCC supports investment in promising new models that meet the needs of our future economy. We acknowledge that to some degree, the unique workforce development needs of our community are dynamic, and our state should be investing in new, innovative school designs that are adaptable to an unknown future. NMCC also supports alternative accountability metrics to evaluate schools that are designed to serve students who are off-track or have dropped out of school. Further, NMCC supports the implementation of the New Mexico Graduates Now initiative and other New Mexico initiatives including United Way of Central New Mexico's Together Education initiatives and The Bridge of Southern New Mexico. NMCC supports efforts that are based on models of best practices including community school, early college high schools, expansion of Advanced Placement and career-tech programs of study. Such programs engage students by linking education with relevant

work and skill-based experiences, benefiting individual students and impacting the future economic well-being of New Mexico.

Lottery Scholarship

- NMCC supports necessary changes to the Legislative Lottery Scholarship Program to keep the program sustainable within the original funding source.
- NMCC supports state financial aid programs, including the Opportunity Scholarship, that support adult learners gaining access to critical workforce training programs and degree paths.

Next Generation Science Standards (NGSS)

NMCC supports the deployment of the Next Generation Science Standards (NGSS). These K-12 science content standards represent a national effort that has taken more than five years, overseen by the National Academy of Sciences, the National Science Teachers Association, the American Association for the Advancement of Science and Achieve. It represents a research-based, up-to-date set of standards that can be used by local education to develop curriculum and classroom learning experiences that prepare students in the 21st century for college, careers and citizenship. In the deployment of these standards, NMCC urges the Governor and the Legislature to develop a plan that addresses performance-based assessments, the additional classroom materials and resources necessary as well as the professional development required for teachers, to ensure successful deployment in New Mexico.

Personal Finance Standard

NMCC supports including personal finance in the PED's education standards, including essential life skills like budgeting, checking and savings accounts, retirement, credit, interest, investment in stocks and bonds, and the costs of borrowing. In February 2022, PED updated social studies standards that include personal financial literacy. NMCC should continue to monitor efforts around implementation of the new standards through local adoption and professional development for teachers. Research shows that students who learn these concepts are more likely to save money, budget their spending, invest, and obtain more financial aid for college.

Teacher Prep

NMCC supports better accountability for teacher preparation programs. Ensuring our new teaching candidates and non-traditional teaching candidates, have high levels of content knowledge and proper preparation before entering the classroom will yield more effective teachers and better student outcomes.

Charter School Effectiveness

NMCC supports accountability metrics for charter schools that accurately reflect the individual charter's mission, as well as the flexibility and autonomy necessary to provide quality educational innovation along with the accountability standards that support effective educational outcomes for New Mexico students. NMCC supports the replication and expansion of academically high-performing, high-demand charter schools, especially those that choose to locate in high-need areas.

Truancy

NMCC supports efforts and programs that aim to improve attendance, to then improve high school graduation rates. The Public Education Department (PED) reported 21.5 percent of high school students were habitually truant in FY14 (had 10 or more unexcused absences), a 5-percentage point increase over FY13. PED's analysis notes 16.3 percent of all New Mexico students were habitually truant in FY14, an increase of 3 percentage points from FY13. Improving student attendance can help improve student outcomes. A recent report, *The Importance of Being in School: A Report on Absenteeism in the Nation's Public Schools* states that: "Because students reared in poverty benefit the most from being in school, one of the most effective strategies for providing pathways out of poverty is to do what it takes to get these students in school every day. This alone, even without improvements in the American education system, will drive up achievement, high school graduation, and college attainment rates."

When reviewing a new state-by-state analysis of national assessment, data demonstrate that students who miss more school than their peers score lower on the National Assessment for Educational Progress (NAEP). The Report Card highlights the significant chronic absenteeism problems in New Mexico with 26% of the state's 4th and 8th graders reported missing three or more days of school in a month. The literature indicates that a combination of efforts to both prevent student absences and to provide interventions that support children in attending school may be most effective in reducing chronic absenteeism. For this reason, NMCC supports continued funding for truancy prevention efforts by the Public Education Department and increased focus on the social and emotional needs of young people who are facing adverse circumstances which may undermine their ability to attend school.

ENERGY & EXTRACTIVE INDUSTRIES

Introduction

New Mexico's energy and extractive industries, are essential components of New Mexico's economy, particularly in rural areas in need of job retention and revitalization. The societal benefits of these industries include tax, fee and royalty revenue for governmental bodies and private citizens, sponsorship of local non-profits and general fund revenue. The industries provide and create new high wage jobs for their employees, whose spending in turn has significant secondary economic development and job creation effects in many other economic sectors.. The development, adoption, and implementation of clear legislation and specific rules that provide stability and predictability are critical to the continued economic success of the state.

Specifically NMCC supports:

Energy Infrastructure

NMCC supports policies that promote new and upgraded energy infrastructure, including generation facilities pipelines, gathering and refining systems, transmission facilities and "smart grid" technologies, storage facilities and technologies, and roads. Modern infrastructure better facilitates generation and distribution for reliable delivery of energy products to markets.

NMCC supports carbon reduction, carbon capture utilization and sequestration.

Mining

NMCC supports the sustainable development of mineral extraction projects and related industries, through modern and environmentally safe practices.

Consistent, Efficient and Predictable Regulatory Environment

NMCC supports the development, adoption, and implementation of clear and specific rules to create a predictable regulatory environment for the energy and extractive industries in New Mexico. NMCC supports legislation and regulation to clarify the jurisdiction of each state agency that has a natural resources and/or environmental function to provide a stable and more predicable regulatory environment for New Mexico's energy and extractive industries.

NMCC opposes unreasonable regulations on extraction technologies such as horizontal drilling and hydraulic fracturing, and open pit, underground and in situ mining.

NMCC opposes community choice aggregation because it would undermine the predictable revenue and regulatory environment for regulated utilities.

NMCC recognizes that government policies can play a key role in developing a diverse mix of energy resources including vital transmission and distribution systems to allow for intra-state and interstate utilization of our state's rich energy and mineral resources. Government policies will be effective if collaboratively developed with industry based upon a comprehensive understanding of science, economics and market mechanisms.

NMCC supports:

- The state's advancement of clear and timely positions in response to federal designation and withdrawal proposals, drawing upon:
 - Established scientific methodology and data; and,
 - Analyses of economic impacts including loss of economic and mineral development opportunities; and impediments to job growth.

NMCC opposes:

- State and local government-imposed standards and regulations on the energy and extractive industries that are more stringent than or duplicative of those adopted at the federal level;
- Standards or regulations that are not based upon objectively verifiable and established science or that are so prescriptive as to stifle innovation and emerging technologies; and,
- Legislative and regulatory regimes, tax structures, and permitting hurdles for New Mexico that constrain development for electricity generation and natural resource development. This includes targeted renewable generation taxes and the "green amendment".

Regional Collaboration

NMCC Supports:

- New Mexico engaging in regional, multi-state conversations about grid modernization and reliability, including but not limited to Regional Transmission Organizations (RTOs) and organized wholesale energy markets.
- New Mexico's participation in the four-state hydrogen WISHH initiative.

Recycling and Reuse of Treated Impacted Waters

NMCC supports the promotion of policies to facilitate and promote the secondary usability of water resources generated from, used in connection with, or impacted by, energy and extractive industry operations. NMCC supports the removal of legal impediments to the recycling and reuse of treated produced water or otherwise available water. Laws and regulations encouraging the use of recycled and reused treated impacted waters would reduce reliance on freshwater aquifers and spur economic development and job creation.

Support for New Mexico Uranium Production, Nuclear Power Generation and Safe Interim Storage of Spent Nuclear Fuel or Disposal of Waste from the Nuclear Energy Cycle

NMCC supports the resumption of permitting and licensing uranium production, milling, and waste operations in New Mexico. Uranium mining and environmental and worker safety standards have vastly improved since the 1970s. The New Mexico Mining Act and strict federal regulations provide protection to mining and milling employees, the public and the environment. Bonding requirements also now guarantee reclamation.

NMCC also supports nuclear power as a dependable, affordable and clean source of energy. New Mexico is well-positioned to develop all phases of the nuclear fuel cycle and become a net exporter of nuclear-based energy. We have ideal conditions to support additional research, manufacturing and potential siting of small modular reactors in New Mexico, to house fuel pellet facilities and to pursue private research and development of safe interim storage and waste-disposal technologies.

New Mexico should capitalize on its uranium resources and infrastructure to provide high-paying jobs, economic development and create additional sources of tax revenue in our state, while also performing a vital role in contributing to the global nuclear renaissance.

Hydraulic Fracturing

NMCC supports hydraulic fracturing. New Mexico's oil and gas industries have a long-standing history of responsible use of hydraulic fracturing for production in the state. Hydraulic fracturing is a well-regulated technology that has been used for more than half a century, both in New Mexico and around the country. It is used on nearly every well being drilled today. Hydraulic fracturing operations have proven to be safe and protective of ground water, human health, and the environment.

NMCC opposes legislation, regulations or other initiatives that would impose unreasonable burdens on hydraulic fracturing and related activities or other production enhancement technologies

Support of Emerging Energy Development

NMCC supports energy development, including renewable resources, energy storage, hydrogen technologies, and energy efficiency, to supplement traditional energy industries. NMCC supports further development of traditional resources and conservation to meet projected increased energy demands for the foreseeable future. Energy development and associated necessary transmission capacity enhancements should be promoted through legislative and regulatory vehicles that encourage a robust and diverse mix of energy resources within justifiable cost limits, and that promote new, diverse employment opportunities.

NMCC supports incentives for recruiting and incentivizing (e.g., training) the expansion of local, highly skilled New Mexico-resident labor resources required to develop investments in energy infrastructure, including construction and manufacturing capabilities, consistent with goals for achieving the New Mexico Energy Transition Act and expansion of renewable energy generation capabilities for both intrastate and interstate market opportunities. NMCC recognizes that (currently) large-scale energy developers must obtain primary technical labor resources out-of-state, whereas an ability to rely on expanded New Mexico-resident labor resource provides additional direct and indirect economic benefits to the state.

Utilities

NMCC supports appropriate fixed-cost recovery pricing by utilities that balance the economic ability of retail customers to install customer-owned renewable energy systems while still ensuring that customers pay for their use of the electrical grid.

Public Lands' Development

NMCC opposes legislation or regulation that would diminish access to or development of public lands by energy and extractive industries.

Research and Market-Driven Commercialization

The state's national laboratories and universities conduct substantial energy research. NMCC supports New Mexico's leadership in energy research and development and the promotion of economic opportunities associated with the growth of energy industries.

Energy Security

NMCC supports the investment in or development of in-state infrastructure that prioritizes delivery of reliable and affordable energy to New Mexican households and businesses.

Net zero by 2050

NMCC supports a market-based approach to achieving net zero by 2050. Legislation and regulation should provide incentives to businesses to meet the net zero goal.

ENVIRONMENT, WATER & LAND USE

Introduction

NMCC supports protecting public health and the environment through reasonable, economically feasible, and carefully considered programs that are developed and implemented based on clear statutory authority, sound, objectively verifiable science, and careful consideration and accommodation of state economic priorities. NMCC supports efforts on the state and local level that are necessary to assure that EPA's ozone National Ambient Air Quality Standard (NAAQS) non-attainment designations are representative of conditions in those areas. Objective scientific evaluations establishing a cause-and-effect relationship should precede development of environmental regulatory and permitting programs, including policies regarding water. Water is vital to our state's growth and economic vitality, and wisely using, conserving, and protecting our limited water resources are top priorities for the business community, the citizens of New Mexico, the Legislature, and many other stakeholders. NMCC recognizes the critical importance of a comprehensive, clear, and predictable water rights allocation and adjudication program to the future economic development of New Mexico. NMCC supports sound water planning that covers all aspects of water usage and management, including New Mexico's prior appropriation doctrine and the protection of private property rights. Water allocation can best be accomplished through a free market system operating under the laws of the State of New Mexico that includes the consideration of measures such as statewide water banking.

Regulatory and Administrative Process Reform

NMCC supports regulatory and administrative process reform that improves timely permit processing and promotes consistent, reasonable and predictable administrative processes and enforcement procedures. NMCC supports reasonable state and local funding to support timely permit processing. Fees should not exceed the reasonable cost of services provided. NMCC opposes the use of fees to replace general fund dollars, to support or create unfunded mandates or to impose surcharges and assessments to fund environmental programs that are not directly related to the business that is required to bear the surcharge or assessment.

NMCC supports placing a reasonable limit on fines and penalties that state or local governments may assess without court action. Federal and state environmental laws include substantial civil penalties for non-compliance. Federal laws, however, place a cap (maximum amount) on the assessment of penalties through the administrative process. As a result, EPA uses administrative penalty assessments to address minor cases and those where the parties agree on a penalty amount. In New Mexico, however, there is no cap and state agencies routinely propose penalties in excess of \$1,000,000. If a regulated entity challenges an administrative penalty assessment, those cases are tried before an agency appointee, not a court. NMCC believes that civil penalties are more appropriately addressed through the court system, with judges not answerable to agencies making the final determinations.

NMCC supports a requirement that appointments to environmental policy-making boards include substantial representation from the business community and appropriate scientific and engineering disciplines.

NMCC supports requiring at most only one formal evidentiary hearing on an air permit application, to be held after the agency's review and recommended decision on the permit application. The current practice of holding two formal evidentiary hearings for permitting is inefficient, increases the cost to the applicant and other affected parties of participating in permitting decisions and unreasonably delays permitting decisions.

NMCC supports replacing the internal hearing officer system for administrative proceedings with centralized hearing officers independent of the agency.

Climate Change and Greenhouse Gas Regulation

Greenhouse gas concentrations in the atmosphere are a global problem, not easily or effectively addressed through local regulation. If greenhouse gas emission legislation is adopted; it is most appropriately done at the federal level in order to avoid a disproportionate impact to New Mexico's economy.

NMCC is committed to collaborating with stakeholders to carefully consider the components of any regulation or legislation and the promotion of state incentives sufficient to research, develop, and cost-effectively deploy new technologies. NMCC supports the creation of stable and predictable financing that allows energy companies to fund a move to sustainable energy generation sources and to prioritize long-term energy solutions that are affordable and considerate of New Mexico's fiscal environment.

Ozone Attainment Initiative

NMCC supports an evaluation of potential relief measures for industry in Dona Ana County, Lea County, Eddy County, San Juan County, and any other county with elevated ozone concentrations at or near the ozone NAAQS. NMCC supports a collaborative approach to designing a plan for maintaining and reducing ozone concentrations and assuring that the ozone NAAQS is attained.

Predictable Regulatory Framework for Environmental Issues

NMCC supports the development, adoption, and implementation of clear and specific rules to create a predictable regulatory framework dealing with environmental issues in New Mexico. Such a framework is needed to retain and attract investment of private capital to grow these industries and expand job growth in the state.

State and Local Environmental Regulation

Where concurrent federal, state or local regulations are appropriate, state, and local restrictions should be no more stringent than federal regulations on the same subject. In the case of resource management, state control of those resources, including environmental requirements relating to resource development, is necessary and that local regulations are inappropriate and could be used to restrict or preclude such development, to the detriment of the entire state.

Threatened or Endangered Animal and Plant Species

All decisions concerning threatened or endangered species, both federal and state, must be based on sound, objectively verifiable, scientific evidence, and federal agencies must follow all applicable laws, regulations and processes to establish compliance measures. Whenever possible, decisions and interpretations should allow for continued public lands uses by the forest products industry consistent with multiple use policies, reasonable protections for threatened or endangered species and critical habitat, and fire management initiatives promoting healthy forests and watersheds. NMCC opposes the introduction of any new species into New Mexico that is currently listed or proposed for listing on the state or federal threatened or endangered species list.

Natural Resources Trustee Claims

NMCC opposes authorizing the Natural Resources Trustee to pursue damage claims beyond those authorized by the federal Comprehensive Environmental Response, Compensation and Liability Act or the Oil Pollution Act, as broader authority to assert claims would place an undue and uncertain liability risk, legal costs, and potential new financial burdens on affected businesses in New Mexico. The trustee's authority should be limited to pursuing claims under federal law.

Land Use

Regulations regarding land use and land use planning should reflect consideration of the negative economic impact of those regulations on the landowner, municipality, or business operating on the affected property. Land

use planning and zoning should be accomplished at the local government level. The free market should determine what farmers want to grow and how they use their land.

Returning Previously Contaminated Property to Productive Use

NMCC supports the passage of uniform environmental covenants legislation providing the legal infrastructure for creating, administering, and enforcing land use controls on properties during and after completion of remediation. This would allow owners of the impacted property to undertake responsible risk-based remediation approved and enforced by the regulatory agency overseeing the remediation, and to then transfer or sell the property subject to the approved use controls. These restrictions have been used effectively throughout the United States.

Environmental Equality

Environmental regulation and permitting should not override or be a substitute for local land use planning and zoning laws, which reflect social and demographic concerns. Environmental regulation and permitting should not dictate the particular use of land but should instead require only that the use comply with applicable environmental standards.

PFAS (Per- and polyfluoroalkyl substances) Impacts

PFAS is a family of man-made chemicals used since the 1950s for a large number of purposes, e.g., food packaging, cleaning products, stain resistant carpet treatments, nonstick cookware and firefighting foam, among other products. Some long-chain PFAS (e.g., PFOS and PFOA), commonly from firefighting foams, are persistent in the environment and they bioaccumulate, in the bodies of people and animals worldwide.

The toxicity of the vast majority of PFAS chemicals remains unsettled science. A number of federal and state agencies are adopting requirements for PFAS in drinking water and remediation of impacted soils and ground water.

PFAS-impacted water and dairy milk have recently become an emerging regulatory and economic threat in New Mexico and across the U.S., especially near military installations with fire-fighting activities. PFAS foams are resistant to grease, water, dirt and heat, which make them useful in extinguishing jet fuel fires.

NMCC encourages the state of New Mexico to follow the emerging science and abide by the regulatory approach at the federal level on PFAS.

Public-Private Partnerships

NMCC supports the establishment of guiding principles governing the creation of public-private partnerships allowing public entities to benefit from these solutions. NMCC supports public-private partnerships that allow the state, county and local governments to enter into long-term partnerships with private sector partners to facilitate public projects to address New Mexico's aging infrastructure and critical public service needs. PPPs should not be used to acquire water rights.

Recycling and Reuse of Impacted Waters

NMCC supports the promotion of policies to facilitate and promote the secondary usability of water resources generated from, used in connection with, or impacted by, energy and extractive industry operations. NMCC supports the removal of legal impediments to the recycling and reuse of produced or otherwise available water. Laws and regulations encouraging the use of recycled and reused impacted waters would reduce reliance on freshwater aquifers and would spur economic development and job creation.

Adequate Funding and Resources for OSE and ISC

NMCC supports the OSE and ISC in their efforts to effectively manage New Mexico's water resources and it recognizes that funding is required to accomplish this at a satisfactory level. It is imperative that the offices have sufficient resources to defend and protect our water in litigation and compact related matters. NMCC recognizes the critical need for accurate reporting on the quantity and quality of our water resources and supports efforts to bring current the NM Environment Department's databases relating to water, the completion of the OSE's "WATERS" database, hydrographic surveys, information management systems, and metering of domestic wells and irrigation districts.

Wildfire and Water Source Protection

High-severity wildfires and subsequent post-fire flooding increasingly threaten the state's water security and cause extensive soil erosion and debris flows that degrade water quality for communities downstream.

Restoring overgrown forests is a proven solution to make forests safer and healthier, and such treatments are already underway at a small scale.

NMCC supports efforts to promote Wildfire and Water Source Protection and urges the Legislature and Administration to work together with diverse stakeholders to identify recurring funding for forest and watershed restoration and economic development for biomass utilization. By preserving and restoring our forests, we can sustain New Mexico's water supply, increase social and economic benefits for local communities, and contribute to an improved quality of life.

State and Regional Water Plans

NMCC supports OSE's and ISC's efforts to update the New Mexico State and Regional Water Plans with strong involvement from the business community. The business community needs to have meaningful representation on regional steering communities because water planning and resources are critical to the business community and future economic development across New Mexico.

Inter-Basin Transfers

NMCC supports the transfer of water across major basin boundaries if there are no impairments to senior water rights and compact delivery requirements. NMCC supports maximizing the efficiency of water conveyance systems to achieve the beneficial use of water resources as defined by a statewide water plan, in accordance with required notice provisions under water rights proceedings.

Active Water Resource Management

NMCC recognizes the temporary nature of AWRM rules. However, due to the lengthy process of final adjudications, AWRM could impact the administration of water rights for an extended period. NMCC recognizes the critical need for public input by water stakeholders in the content and design of AWRM. NMCC encourages the OSE to ensure a transparent and inclusive process of establishing rules in each of the seven priority basins.

Federal Jurisdiction

Nothing in federal rule, regulation, directive, order, or policy should affect, erode, or interfere with the lawful government and role of the State of New Mexico relating to: (a) the appropriation and allocation of water from any and all sources within their borders; (b) the withdrawal, control, use, or distribution of water; (c) affect or interfere with any interstate compact, decree or negotiated water rights agreement; or (d) application, development and/or implementation of rules, laws, regulations related to water.

Clean Water Act and Surface Water

NMCC cannot support state efforts to obtain primacy over the Clean Water Act NPDES permit program unless the state program avoids duplication of existing ground water discharge permit requirements, includes statutory authority to issue "general permits" (permits-by-rule), does not reduce current exclusions from permitting under the Water Quality Act, and is consistent with the current federal permitting program. New Mexico's definition of "surface waters of the state" should be consistent with, and no more expansive than, the federal definition in its interpretation and applications. The definition should not include dry tributaries, playas, potholes, bar-ditches, dry arroyos, or lagoons that are situated miles from rivers and streams and hold rainwater for short periods of time.

NM Cost Share for Indian Water Rights Settlements

Major Indian water rights settlements, such as Navajo, Taos, and Aamodt will provide significant certainty for the use of our water resources if adequate funds are provided for New Mexico's cost share. NMCC supports funding at the appropriate levels to ensure that all federal funds appropriated for the settlements and associated infrastructure projects are received and put to full use in New Mexico.

Expedited Appeals Process Through OSE

NMCC supports reform that reduces the processing time of applications by the OSE, limits protests to those who can demonstrate they will be directly affected by the application, enhances confidence, promotes accountability, provides consistency, and ensures independent adjudication. NMCC supports legislation on this subject in the fashion of the 2011 House Bill 109.

Domestic Wells

NMCC recognizes that domestic wells are a viable alternative for water supply in certain areas.

NMCC supports granting the OSE limited authority to curtail annual acre-foot withdrawals in designated critical management areas only after a complete hydrologic study in the proposed management area has been performed and shows aquifer depletion to be occurring.

NMCC opposes the use of water obtained under the domestic water use exemption for commercial purposes such as raising crops for commercial sales.

Outstanding National Resource Waters

NMCC supports designations such as, Outstanding National Resource Waters only when they are limited in scope and supported by facts and scientific data that demonstrates the need for such designation.

Scientific and Technological Strategies for Increasing Capacity

NMCC supports the development of conservation techniques enabling water reuse and aquifer re-injection. NMCC supports funding for New Mexico's universities and national laboratories to develop technological solutions that support a sustainable water supply. NMCC supports methods and regulations that encourage the use of technologies for cleaning produced and brackish water and putting conserved water to beneficial use, while acknowledging that the OSE has no authority over water recovered from deeper than 2500 feet in the course of oil and gas operations.

Statewide Water User Fee

NMCC opposes the implementation of a statewide water user fee because of the negative economic impact of an additional fee.

Water Planning

NMCC supports incentives for water rights holders to conserve water, and to retain ownership of, water rights that are conserved. All consumer sectors should equitably share both the demands and benefits of conservation. NMCC opposes unreasonable requirements for water supply availability, such as proof of a 100-year water sustainability.

Water Banking

NMCC supports statewide water banking measures, including leasing, that allow water rights holders to reduce their water consumption without risking loss of their water rights through either forfeiture or government acquisitions.

Water Importation and Storage

The future water needs of the state should be addressed through a long-range strategy, including the study of the feasibility of importing water into the state from outside sources, upstream and under-ground storage opportunities, and water reuse and recycling.

Water Quality Control Commission

An evaluation of the makeup, size and necessity of the Water Quality Control Commission (WQCC) should be conducted. While some of our members are not supportive of the WQCC because they feel their duties could be carried out by the Environment Department, other members like the WQCC because it provides an opportunity for participation in the regulatory process. However, it can cost tens to hundreds of thousands of dollars to actively participate. Therefore, NMCC supports reevaluating the structure of the Water Quality Control Commission.

HEALTHCARE

Introduction

NMCC supports measures that make optimal use of available resources to ensure and expand access to quality affordable healthcare services and health insurance coverage for all New Mexicans, and measures that foster a sustainable healthcare system and workforce.

System Improvements

NMCC recognizes that measured reforms in the healthcare and healthcare financing systems may be necessary to meet the evolving healthcare needs of New Mexico residents and communities. Such change must be achieved through collaborative and strategic efforts and should address both the public and private healthcare delivery and financing systems to:

- Foster a strong provider network and healthcare system through competitive and sustainable reimbursement rates and incentives that considers the rising costs of labor, supplies and equipment as well as state and federal mandates;
- Improve access to healthcare by providing for the expanded use of telehealth, supporting strategic healthcare facility and infrastructure build out and establishing regulations to ensure the Rural Healthcare Delivery Fund is accessible and impactful; ;
- Reduce legal and regulatory obstacles that increase costs and inhibit the adoption of cost-saving and innovative practices (e.g., provider liability issues, HIPAA standards, federal Medicaid requirements, state processes for developing and enforcing regulations, staffing mandates, etc.);
- Minimize additional layers of state and federal mandates on hospitals, physicians, and other providers, including streamlining reporting systems and requirements to mitigate duplication of effort and additional cost while utilizing data to promote efficiency, safety, and better health outcomes;
- Realign provider reimbursement and incentives to adopt patient-centered and value-based-purchasing models that reward the most cost-effective providers with the best health outcomes for their patients and treatment modalities;
- Fine-tune chronic disease management by leveraging care coordination and collaborative and holistic case management for the 5% of beneficiaries who drive 50% of utilization;
- Expand use of information technology to reduce administrative costs and promote access and efficiencies, including personal health records, e-prescribing, clinical decision support systems, public health systems, and telehealth; invest in programs to improve interoperability within the statewide healthcare system to allow for better efficiency between healthcare delivery systems;
- Reduce fraud, waste, and abuse with effective rules and enforcement consistent with due process principles;
- Ensure ongoing viability of New Mexico healthcare providers, especially those hardest hits by federal cuts through the ACA, Medicare, and sequester activities during the COVID-19 pandemic;
- Impose no additional and unnecessary financial or administrative burdens on the healthcare industry that ultimately lead to increased costs to patients, businesses, and other payers;
- Support legal reforms (including reasonable tort and medical malpractice reforms) that enhance the delivery of cost-efficient and safe healthcare services and foster a sustainable provider network in New Mexico; and,
- Involve the business community in appropriate State Innovation Model (SIM) grant committees and subcommittees.

Provider Workforce

- Provide for adequate training, recruitment, and retention of New Mexico's healthcare workforce, with a focus on primary care, behavioral health and facility-based long-term care;
- Develop and continue economic incentives, including targeted loan repayment programs such as the increased investment in the Health Professional Loan Repayment Program, to recruit and retain providers throughout the state, particularly in underserved areas;
- Aggressively fast-track additional provider training programs, including for family medicine residencies, rural residencies, nurses, and mid-level providers;
- Review and propose adjustments as necessary of existing funding mechanisms for post-secondary education of healthcare professions;
- Promote improvements to provider licensing and credentialing requirements in order to enhance provider recruitment efforts in conjunction with affected business entities;
- Expand medical licensing boards' ability to accept unrestricted licenses and training from other states via the utilization of licensing compacts and expedited licensing procedures;
- Retain current licensed healthcare providers by protecting their ability to practice in the state;
- Encourage, as appropriate, providers to use in-state resources to maximize opportunities for New Mexicans;
- Enhance primary care access for New Mexicans; and
- Continue the differential for providers who are working in rural areas.

Medicaid Supplemental Payment Programs

To address the cost of delivering hospital-based care in rural communities, the state should ensure that Medicaid supplemental payment programs are appropriately funded in a manner that maximizes federal funding resources and supports needs of eligible hospitals. Hospitals continuously review services for

utilization and sustainability and Medicaid - supplemental - payment - programs support these services. Continued and productive conversations between the state, counties, hospitals, and other stakeholders is needed to ensure these programs continue to support rural hospitals and the patients they serve across New Mexico.

NMCC supports:

- Implementation of the new Hospital Value-Based Purchasing Program between the state, MCOS, and participating hospitals;
- Continued evaluation of the methodology used for the Targeted Access Payment Program;;
- Finding opportunities to retain or find alternate sources of funds for Medicaid supplemental payment program healthcare services; and

Ensuring these programs are as equitable and impactful for rural hospitals as possible to protect access to care in communities across the state.

Maximization of Federal Funds

NMCC recognizes the importance of federal funds to New Mexico's healthcare system and to the overall economy. New Mexico should take the following steps to maximize federal funds and the impact on the economy:

- Engage in continuous review t of the New Mexico Medicaid Program in all areas, such as eligibility, benefits, rates, programs, and other services to ensure the long-term viability, cost-efficiency, and value of the program;
- Pursue all available federal and private grant funding for healthcare services, programs, provider infrastructure and training, Marketplace activities, and the Health Information Exchange;
- Fully fund the Medicaid program and utilize all possible mechanisms to access and leverage additional federal funds; and
- Identify stable and sustainable sources of funding for the Medicaid match.

Behavioral Health

NMCC recognizes that successful management and treatment of behavioral health issues and substance use disorders are a critical component of a healthy workforce. Unmanaged behavioral health issues are as debilitating to a workforce as unmanaged physical health conditions and contribute to underemployment, unemployment, and high dependency on government programs and government health coverage in New Mexico.

NMCC therefore supports:

- The development of a comprehensive strategic plan to address the states behavioral health needs utilizing broad stakeholder engagement including the private sector to better coordinate resources; and,

Investment in and the development of a robust behavioral health system and network of providers in New Mexico to expand access to behavioral health services.

Healthcare Transparency

Transparency in healthcare and health insurance provides consumers and businesses with essential information, including pricing, needed to make value-based purchasing decisions.

NMCC therefore supports:

- The launch of the All-Payer Claims Database if the available data will be useful for health-care policy and by healthcare consumers without placing duplicative burdens on reporting entities;
- Greater accessibility to useful transparency databases such as the Hospital Inpatient Discharge Database to promote efficiency and patient safety;
- Streamlined reporting systems and requirements to avoid duplication and cost increases; and
- Strong representation from the business community on the Health Information System Act Advisory Committee and other state healthcare oversight committees.

NMCC opposes:

- Legislation that would interfere with the healthcare industry's ability to enter into privately negotiated contracts, or adversely affect the managed care and private insurance business models in the state.

TAXATION

Introduction

Sound Fiscal Policy

NMCC supports multi-year fiscal planning based upon accurate revenue forecasts and budgets that allow for cost-effective and efficient delivery of governmental services, including capital outlay. Stability in tax policy is significantly influenced by multi-year expectations of expenditure levels such that fiscal budget strategies may efficiently address state and local tax revenue requirements. Although General Fund *revenue* forecasts are commonly for five-year periods, meaningful multi-year *expenditure and capital outlay* budgets are not provided. Impacts of significant tax code changes must be understood in the context of anticipated expenditures and can be made more efficient if government revenues and expenditures are forecast conjunctively.

Because New Mexico's revenues tend to fluctuate widely over economic cycles, New Mexico should maintain adequate "rainy day" funds to avoid damaging sharp increases in taxes and disruption to critical state and local programs.

Sound Tax Policy

Tax policy is a major part of fiscal policy. Its role is to produce the revenues to pay for the budget. The tax system not only must be designed and administered in accordance with basic taxation principles but it should make New Mexico competitive.

Efficient tax policy is guided by several basic principles and concepts:

- Taxation should, first, reflect proportionate economic responsibility for the public goods and services provided by government to its citizens, and treat similarly situated taxpayers consistently;
- Taxes should provide adequate, stable and predictable fiscal responsibilities among taxpayers;
- Taxation should be structured to create equal opportunity to obtain risk-weighted returns on capital investment, generally recognizing that returns on capital asset investments are a substantial foundation of sustainable economic growth;
- Taxes should be transparent and consistent, minimizing preferential treatment of some economic activities at the expense of other economic opportunities; and,
- Taxation should strive for simplicity, understandability, and transparency with respect to implementation and administration.

Without touchstone principles to guide advocacy, continued implementation of ad hoc taxation initiatives only confounds the complexity and inconsistency of New Mexico's tax code, regardless of whether the tax reform effort is incremental or comprehensive.

The General Issues:

The most important aspect of current tax policy in New Mexico, and taxation of business activities specifically, is the complexity and imbalance of taxation. Generally stated, New Mexico has comparatively high tax rates on many business transactions, and comparatively low rates of taxation on property assets. Application of broad-based tax principles have been compromised by well-intentioned credits, deductions and exemptions meant to stimulate or encourage economic behavior.

Targeted tax provisions may be used to stimulate desired economic activities, but deviation from the efficient tax policy principles should have measurable benefits to the citizenry. . The means to evaluate effectiveness of specific tax stimuli which deviate from these principles should be defined, and the enactment of such stimuli should require evaluation of the policy's efficacy within a defined period.

NMCC supports:

- Incorporating the efficient tax policy principles in the tax system's design;
- Reliance predominantly on broad-based, nondiscriminatory taxes;
- Encouraging private sector investment and job creation in New Mexico by achieving a tax system competitive with those of other states; and,
- Periodic review of tax incentives to ensure effectiveness and return on investment.

NMCC opposes:

- Burdening business with a disproportionate share of funding for general public services;

- Burdening taxpayers and tax administrators with overly complicated or complex rules;
- Attempts to fund public services indirectly through the tax system rather than by direct appropriations;
- Implementation of tax structures that are more onerous than those in effect in other states positioned to compete with New Mexico, in particular for electricity generation and natural resource development, which includes targeted renewable generation taxes;
- Using taxes or fees enacted for a dedicated purpose for another purpose; and,
- Funding permanent programs based on temporary spikes in revenue.

Policy Priorities

Reforming New Mexico's Tax Code is a priority of NMCC. The private sector needs to lead the efforts to reform the tax code through collaborative efforts. The planning for reform should anticipate an incremental approach to implementation, but if the opportunity is available NMCC should be prepared to participate in comprehensive reform.

The following provisions of New Mexico tax law are priorities:

- **Minimizing Pyramiding** -- New Mexico's Gross Receipts Tax applies to many business inputs, with Gross Receipts Tax liability imposed on multiple business transactions before the final sale of a good or service, inefficiently raising the cost of doing business and prices paid by New Mexico families
- **Reforming Tax Expenditure Reporting** -- While the Taxation and Revenue Department prepares and publishes extensive tax expenditure reports and those reports contain useful information, they do not get to the heart of the matter: do the expenditures achieve their targets (e.g., greater employment) and at a reasonable cost? Analysis should compare achievements with goals.
- **Improving Corporate Income Tax** -- The top corporate income tax rate should be competitive to that of neighboring states and options expanded for electing single sales factor reporting.

Specific Tax Programs/Areas

Gross Receipts and Compensating Tax

NMCC supports:

- Eliminating the tax on most business purchases including business services and related inputs and all temporary staffing services;

NMCC opposes:

- Removal of the gross receipts tax on business-to-consumer transactions resulting in a narrowing of the tax base which will ultimately require increasing the tax rate on business-to-business transactions; and,
- Imposing an additional state or local compensating tax burden, unless offset by removal of business-to-business transactions from the base.

Corporate Income Tax

NMCC opposes the corporate income tax. It is highly complicated, forcing serious administrative burdens on both taxpayers and tax collectors, but raises relatively few dollars.

NMCC supports:

- Expanding options to elect the single sales factor in the multi-state tax apportionment formula for corporate income tax. Most states now use an apportionment formula that is either based on sales only or on three-factors, with the sales factor being more heavily-weighted than the other two. New Mexico's evenly-weighted 3-factor formula can be a disincentive for locating businesses here.
- Encouraging remote workers by waiving the corporate income tax nexus for out of state companies with no physical presence but who employ remote workers in New Mexico. Remote work is an emerging new segment of the job market.
- Continued reductions in the corporate income tax top rate to produce a tax rate competitive with that of neighboring states, which would remove a disincentive to business location or relocation in New Mexico; and,

- Eliminate “throwback rules” in determining sales factors for apportioning income among taxing jurisdictions both to increase equity in taxation of multi-state businesses and to promote New Mexico exports.

Property Tax

NMCC supports:

- Reasonable legislation or regulations clearly defining functional and economic obsolescence for property tax purposes; and,
- Development of a legislative framework to allow for tax abatement incentives in certain geographic areas in order to encourage private development, re-development, and investment in real property without adding additional costs to local governments.

Specialty and Excise Taxes

NMCC opposes:

- Excessive specialty or excise taxes narrowly focused on businesses that provide specific types of consumer products without adequate policy justification; and, Raising the insurance premium tax rate, already among the highest in the nation, because it merely increases the cost of insurance and affects coverage.

Tax Incentives and Economic Development

NMCC supports targeted tax incentive policies to attract, grow and retain economic base jobs in New Mexico. Economic base jobs are jobs that bring money into the state with a multiplier effect that increases state tax revenues over the life of the targeted incentive. NMCC also supports tax incentives that promote the development and use of cost competitive renewable and alternative energy sources.

The Taxation and Revenue Department should administer and evaluate applications for tax credits and other economic development incentives in a consistent and fair manner that is in accordance with state law and regulations. Further tax credits should be structured so that technical requirements of the applications are reviewed and approved by the agency or agencies with the most expertise in the subject leaving remaining processing to the Taxation and Revenue Department

Tax expenditures implemented to facilitate economic development should be rigorously evaluated, and substantial evidence demonstrating positive expected net economic benefits should be the basis for approval and extension of such tax expenditures.

NMCC supports enticing out-of-state investors to invest in New Mexico and diversifying the pool of potential investors. The Angel Investment Tax Credit should be opened fully to out-of-state Angel investors. Providing other mechanisms for greater private investment into companies in our state will also enhance job growth and retention.

NMCC supports meaningful tax revision of the occupancy, hospitality and gross receipts taxes leading to equitable and unambiguous imposition of those taxes across the state as well as their effective collection from all taxpayers within the tourism industry, including on-line platforms, the short-term rental segment and the on-line booking platforms that the short-term segment often uses.

Fair Tax Administration and Enforcement

Without fair and transparent administration and enforcement, a tax system will be inefficient and discourage business growth. Our tax system, like others in the country, is based on voluntary compliance and depends on taxpayer understanding of the tax system and cooperation.

NMCC Supports:

- Adequate funding of Taxation and Revenue Department, especially staff training services to taxpayers taxpayer assistance, public information, education programs, and enforcement;
- More effective mechanisms to resolve audit issues before the need to initiate litigation;
- Efforts to improve fairness, transparency and timeliness in tax protest matters;
- Establishing tax policy with respect to all tax programs including tax credits prospectively through legislation and rule-making processes to give businesses predictable standards to follow, rather than retroactively through audits and litigation;

- Expanding the “Taxpayer Bill of Rights” to provide meaningful taxpayer protections modeled on well-accepted legislation in other states, and to prohibit employees of the Department from being paid, evaluated, or promoted primarily based on the amount of assessments or collections generated;
- Detection and prosecution of tax fraud while respecting and protecting the rights of taxpayers;
- When business taxes change, allowing enough time for the Taxation and Revenue Department to develop necessary administrative rules and for businesses to adjust to the change; and,
- Adequate enforcement to ensure that out-of-state businesses be required to pay the New Mexico gross receipts tax to put local businesses on equal footing with their out-of-state competitors.

Indian Lands’ Dual Taxation

NMCC favors legislative action to address situations in which dual taxation by New Mexico and the Indian nations inhibits economic growth on tribal lands.

WORKPLACE, LEGAL REFORM & GOVERNMENT ACCOUNTABILITY

Introduction

NMCC supports measures that assure a regulatory environment marked by stability, fair competition, due process, transparency, efficiency, and accountability. New Mexico needs a stable regulatory system conducive to fair competition that protects the public and encourages business investment and job growth.

NMCC supports the development, adoption, and implementation of clear and targeted rules to create a predictable regulatory environment in New Mexico. Such an environment is needed to retain and attract investment of private capital to grow industry and expand job growth in the state. Examples of regulatory revisions that embody these principles include the Water Quality Control Commission’s Copper Mine Rule and Dairy Rule. NMCC supports the development and implementation of these rules and others that achieve a predictable regulatory environment while also involving workplace rights.

NMCC opposes any unreasonable state-level expansion of mandated rights, benefits, and protections that fails to account for or balance the interests of the employees, employers, and the overall economy.

New Mexico employers strive to provide their employees with the best benefits they can afford, while maintaining viable businesses and job opportunities. Layoffs, furloughs, and workforce reductions are typically last resorts.

As federal and state laws provide workers with many safeguards and benefits related to their health, safety, civil rights, minimum wage, overtime pay, family and medical leave, disability, and other interests, employers should not be exposed to unnecessary, burdensome compliance obligations exposing them to undue costs or penalties.

NMCC supports workplace, employment, tax, and other laws that enable employers to retain high-performing employees, add jobs, and offer benefits, while assuring business viability and competitiveness in state, regional, national, and international markets.

Independent Hearing Officers

Adversarial administrative hearings in most New Mexico agencies are currently administered by staff of the agency charged with the decision. Generally, the applicable statutes set no qualifications for staff conducting the hearings. The lack of an independent forum and qualifications for staff creates mistrust of the process and the decisions reached. To eliminate that mistrust and increase the professionalism of those conducting hearings, NMCC supports the phased-in expansion of the authority of the Administrative Hearings Office, which was created in 2015, to conduct adjudicatory hearings with its own qualified, professional, objective, and independent hearing officers or administrative law judges for all state executive agencies, exclusive of actions setting or regulating prices for goods and services rendered.

Administrative Rulemaking Impact Assessment

Because creation or revision of substantive rules can impose significant costs on those subject to the rules, rulemaking procedures should require an assessment of the rule’s economic and employment impact, particularly on small business.

Balanced Appointments

NMCC supports the election or appointment of officials to administrative agencies, boards and commissions who recognize the essential balance between protection of the public and a stable and fair regulatory environment for business.

Timely Decisions

NMCC supports measures, including mandatory notification to the appropriate authority when deadlines are not met, to promote prompt action by administrative bodies. Such a defined framework will assure that projects can obtain and maintain funding and other support required to complete projects.

Administrative Adjudicatory Processes

Unlike the federal system or other states, administrative adjudications are governed by a myriad of statutes and procedural rules. The procedures established by those statutes and rules are inconsistent and can be confusing to regulated entities and the public. NMCC supports the enactment of statutory provisions that: (1) afford uniform and consistent process for agency adjudicatory action across all administrative agencies, boards and commissions; (2) require specific legislative authority to impose or use any fees, assessments or penalties collected by an administrative agency, board or commission; and (3) permit recovery of reasonable legal costs incurred by a prevailing party against an administrative agency, board or commission when administrative action is determined to be arbitrary, capricious, not based upon substantial evidence or violates applicable law.

NMCC believes that rules restricting *ex parte* communications in administrative adjudicatory proceedings should be uniformly applied and strictly enforced.

NMCC supports requiring agencies to provide notice of the expected schedule for a decision on a proposal.

Administrative Enforcement Process Reform

NMCC supports establishing a reasonable period of limitation for a state or local government agency to initiate administrative enforcement or penalty actions.

Most statutes authorizing agencies to impose civil penalties for violation of regulations do not limit the aggregate amount the agency may assess without court action. NMCC believes that major civil penalty sanctions should only be imposed through the judicial process. To accomplish this, NMCC supports placing a reasonable limit on fines and penalties that state or local government agencies can assess in administrative enforcement actions.

Public Regulation Commission

NMCC believes that the PRC commissioners should be knowledgeable about the matters within their jurisdiction and be well qualified by education, training, and experience to make those decisions. To further that objective, NMCC supports legislation establishing minimum educational and work experience qualifications for commissioners and key PRC staff.

NMCC further believes that to instill public confidence in the PRC, including ratemaking decisions, there should be strict ethical standards for commissioners and PRC staff. NMCC supports legislation establishing ethical standards for commissioners and staff, including necessary enforcement provisions.

NMCC believes that providing commissioners with the necessary technical/advisory staff would enhance the decision-making process and lead to better decisions. NMCC also supports the creation of an advisory staff, subject to *ex parte* rules, to advise individual commissioners on matters before the Commission.

NMCC supports agreements between the telecommunication industry and the PRC that further develop a pro-competitive, deregulated environment.

Reformation of the Plural Executive System

New Mexico has a "plural executive" that spreads executive branch authority among the Governor and other executive officials that are chosen in statewide elections. While the Governor heads the Executive Branch of New Mexico state government, the powers are not absolute as other elected officials maintain executive powers. Officials in the executive branch can serve two consecutive, four-year terms.

NMCC supports reforming the plural executive system by moving certain functions currently performed by elected officials to existing executive branch agencies and replacing the election of certain officials with appointees.

The division of power within the executive branch continues to be criticized by scholars and political practitioners. Different executives and their agencies often pursue different goals and agendas. NMCC supports amending the New Mexico State Constitution to eliminate certain offices, such as the Secretary of State and State Treasurer, and consolidating those functions into existing agencies. NMCC believes that these actions will result in an organized, more qualified, and stable government and regulatory environment in New Mexico.

Modernization of the Legislature

NMCC supports efforts to modernize the Legislature by providing Legislators with paid staff and compensating Legislators for their work. NMCC supports considerations around adjusting the length of the legislative session, only if the days equal the same amount in a current two-year period. For example, an adjustment to a 45-day session every year would be supported. Currently, in odd-numbered years the legislative session is 60 days and in even-numbered years the legislative session is 30 days.

Limit Attorney General Involvement

NMCC opposes active involvement by the Attorney General, without specific statutory authority or executive agency approval, in litigation or rulemaking and other policy decisions delegated to another executive branch agency, as an improper exercise of authority and expenditure of funds, and contrary to public policy. In NMCC's view, it is the Legislature's choice on which executive branch agency to delegate quasi-legislative rulemaking and policy authority, and not within the Attorney General's authority to interpose his or her judgment in that process.

Capital Outlay Process

NMCC supports an open, public process to guide capital outlay expenditures. The current process is designed to implement individual legislative priorities and does not coherently establish or address statewide priorities. NMCC believes that the creation of an open, public process for establishing and funding multi-year statewide capital project priorities is essential to a more fiscally responsible expenditure of public funds.

Government Accountability

NMCC supports reviewing and amending state laws to assure transparency and accountability for government and public officials to create a government and regulatory climate conducive to business investment, economic development, and job creation.

NMCC supports fair, reasonable, and consistent reporting requirements that disclose contributions and gifts to governmental officials and candidates for office and disclose how contributions are spent. Until these disclosure requirements are addressed, any type of enforcement efforts will continue to remain discretionary and arbitrary, regardless of whether enforcement is conducted by an elected official, agency, or commission.

Constitutional Convention or Revision Commission

NMCC supports a new state constitution or the amendment or partial revision of the existing state constitution upon recommendation of a legislatively created independent revision commission. Furthermore, NMCC recommends that the constitutional convention or revision commission consider creating a redistricting commission and changing the judicial selection and retention process. A constitutional convention or revision commission is preferable over a piecemeal approach to constitutional amendments. According to New Mexico Legislative Council Service, since 1951 a total of nearly 2,000 proposals to amend the constitution were introduced by legislators. Of that number, about 12% succeeded in passing the legislature and were submitted to the voters for ratification.

Judicial Reform

The New Mexico Constitution provides for the merit appointment of appellate and district judges. It also provides for a contested election after appointment, with retention elections thereafter. Recent experience has shown that the existence of contested elections has undermined the merit selection process and made judicial races partisan, resulting in many cases with less qualified judges. NMCC supports replacing contested elections for judicial appointees with retention elections in all cases.

Concealed Firearms in Restaurants and Bars

NMCC opposes legislation permitting an individual to carry a concealed firearm in restaurants or bars with full alcohol licenses in the interests of public safety and the mitigation of liability for employers.

Public Works Minimum Wage Act – Definition of Willful Violations

Contractors must pay \$100 per day as liquidated damages to any employee affected by a violation of the Act if the contractor "willfully required or permitted an individual laborer or mechanic to work in violation of the provisions" under NMSA 1978, Section 13-4-14(C). Liquidated damages should not be assessed against a contractor that did not know it was doing something wrong. The term "willfully" is not defined in the Act or its implementing regulations. Not knowing the definition increases the costs of enforcement and defense because its

meaning must be litigated in addition to whether the contractor's conduct was willful. A definition is needed to eliminate uncertainty and that will result in fair awards of liquidated damages. The term "willfully" should be defined to mean: A contractor has acted willfully when the contractor knew of the requirements of the Act and made a deliberate decision not to follow them.

Occupational Licensing

NMCC believes that occupational licensing and licensing requirements should be required only when necessary to protect the public from exposure to serious threats to health, safety, or finances. Such licensing should not principally protect existing licensees from competition. Unnecessarily strict licensing requirements raise costs to consumers and deprive some people of the opportunity to work.

NMCC supports a study, by an appropriate interim committee, of the New Mexico occupational licensing laws and the regulations issued under them. The committee should consider and report which of those laws and regulations principally protect the public and which, if any, principally protect existing licensees.

New Mexico Workers' Compensation System

The current system faces challenges such as:

- Case decisions that expand coverage and benefits that increase costs to employers and limit job creation, hinder the quick and efficient delivery of benefits to workers, and undermine Return-to-Work strategies;
- Rising medical costs, healthcare reform, and cost-shifting; and,
- Increased litigation and legal costs.

NMCC supports:

- A state workers' compensation system that ensures the quick and efficient delivery of reasonable and necessary benefits to workers at a fair cost to employers;
- Administration of the Workers' Compensation Act to assure New Mexico's competitiveness with surrounding states by completing the Workers' Compensation Administration study of the New Mexico workers compensation system coverage and benefits levels as compared to surrounding states;
- Limiting fraud, waste, and abuse in the system such as situations where a worker that can return-to-work intentionally does not re-enter or exits the workforce;
- Improving the timeliness and efficiency of delivering indemnity and reasonable and necessary medical benefits to injured workers by facilitating the appropriate exchange of relevant claim-related medical information between health-care providers, workers, and payers without unnecessary exposure to litigation;
- Preserving the *Exclusive Remedy*;
- Exploring legislative and regulatory proposals to ensure the appropriate prescription and management of opioids to treat occupational injuries and disease in the best interests of all concerned, as well as the adoption of drug formularies based upon the experiences of this and other states to ensure cost-effectiveness health-care treatment in the interests of the workers, employers, and the system overall;
- Improving the administrative adjudicatory process to assure due process, efficient case management, and consistent case law in accordance with the Workers' Compensation Act and Administrative Procedures Act;
- A safe workplace, free of substances that can impair an employee to the detriment of themselves and/or others; and,
- Maximizes the Workers Compensation Act (WCA) Funds for WCA initiatives.

NMCC opposes:

- Expansion of presumptive causation coverage to the private sector;
- Any increase for attorney's fees in the workers compensation system given the current economic environment and the Act's objectives to ensure the quick and efficient delivery of indemnity and medical benefits to injured and disabled workers at a reasonable cost to employers;
- Unqualified expansion of benefits pursuant to the Workers' Compensation Act; and,
- Mandated reimbursement for use of medical cannabis while cannabis remains classified as Schedule 1 Controlled Substance under federal and state law.

Medical Cannabis in Workers Compensation System

Unlike most other states, New Mexico law does not provide express language that employers, self-insured entities or insurers are not required to reimburse a worker for the costs associated with the purchase or use of medical cannabis. As such, employers are exposed to potential criminal and/or civil liability under federal and state criminal laws as marijuana is classified as Schedule I under the Controlled Substance Act.

NMCC supports legislation that mitigates the legal and compliance risk exposure for medical cannabis reimbursement by employer-carriers. NMCC supports the decision in the *Garcia v. Tractor Supply* case that permits employers to set alcohol and drug free workplace policies that do not accommodate medical cannabis. NMCC supports legislation and regulations to appropriately assure workplace safety. Although medical cannabis may be reasonable and necessary medical treatment based upon objective evidenced-based medical guidelines and in compliance with the Lynn & Erin Compassionate Use Act, the current system of authorizing the use and distribution of medical cannabis is not compatible with the normal pain management systems for the treatment of occupational injuries or illnesses. This leaves workers' compensation medical cannabis ripe for abuse, misappropriation, and inappropriate employer-carrier reimbursements. Because the New Mexico courts have ruled it is the desire of the Legislature to integrate medical cannabis into the workers' compensation system these problems must be resolved immediately.

- **Workplace Safety** – NMCC supports an employer's right to set alcohol and drug free workplace policies, which may or may not accommodate medical cannabis.
- **Federal & State Law** – The Federal Controlled Substances Act classifies marijuana as an illegal Schedule I drug which conflicts with the *Vialpando v. Ben's Automotive Services* decision in May 2014, that required the employer to reimburse the costs associated with the worker's purchase and use of medical cannabis. Similar decisions were reached, although under different circumstances, in *Maez v. Riley Industrial* in January 2015 and *Sandra Lewis v. American General Media, et al* in June 2015.
- **Workers' Compensation Act & Regulations** – NMCC supports legislation and regulation to assure that medical cannabis is validated as reasonable and necessary medical treatment for a worker to reach maximum rehabilitation and return to work outcomes under the Workers' Compensation System in New Mexico.
- **Department of Health Regulations** – Given that medical cannabis is currently a reimbursable expense under New Mexico's Workers' Compensation program, NMCC supports DOH regulations to assure the quality and safety of medical cannabis (THC & CBD) to treat work-related injuries and illnesses.

Adult Recreational Cannabis

NMCC would oppose any proposed rules that do not allow **New Mexico employers to:**

- Enforce drug-free workplace policies on or off the job;
- Terminate an employee who tests positive for marijuana;
- Define impairment without risk of litigation;
- Terminate employees for cause due to a positive drug test without eligibility for unemployment benefits; and/or
- Deny workers' compensation benefits if a workplace injury was caused by the injured employee's use of marijuana.

Minimum Wage

A uniform, national, or statewide, minimum wage reduces the administrative burden on employers in New Mexico, as well as creates a business environment conducive to investment, business viability, and job creation.

NMCC supports a minimum wage solution that is:

- Uniform, consistent, and carefully designed to maximize economic development, business investment and job creation;
- Considers impacts to state, county, and local economies;
- Minimizes adverse impacts on small and medium size employers;
- Clarifies the compliance requirements such as "tipped wages";
- Mitigates unnecessary legal and compliance risk to employers; and,
- Provides balanced information and cost-benefit analysis to the general public.

Revise Minimum Wage Act Penalties

NMCC supports revising Minimum Wage Act penalties, which unintentionally create unmanageable risk for employers of every size. The vast majority of violations are unintentional. Treble damages for an unlimited period

of time for every violation regardless of whether it was intentional could result in financial losses of such magnitude that a business would fail. Employers should be accountable for violations that are part of the same “course of conduct.” However, the period of damages should not exceed the statute of limitations. A set period of damages is often stated in employment laws with similar societal aims. For example, the federal minimum wage and overtime law (FLSA) provides for two years of damages unless a willful violation is shown, in which case the period is three years. The federal 2009 Ledbetter Fair Pay Act (which changed the statute of limitations for discrimination claims) contains a limit on recovery of damages for a period of two years prior to the assertion of the claim.

Retaliation against employees asserting rights or assisting others in asserting rights under the Minimum Wage Act should be prohibited as stated in the current law. However, the protection against retaliation for employees who inform others of rights beyond the minimum wage act is over-broad and ambiguous and should be tailored narrowly to the problem at hand.

Domestic Abuse Leave Clarification

NMCC supports the prosecution of domestic abuse crimes and protections for employees seeking to prosecute such crimes. NMCC also supports the use of domestic abuse leave to get emergency medical care resulting from domestic abuse with appropriate requirements, such as permitting leave to be taken in increments of not less than one hour to reduce administrative burden of employers in tracking such leave. Employers should also be able to require that employees use accrued paid leave benefits before taking it as unpaid leave, similar to the FMLA. State law should also provide guidance on how employers should appropriately address an employee’s absence within the organization while maintaining restrictions on external disclosure without a legitimate business purpose or as permitted by law.

Pay Equality

NMCC supports revision to the New Mexico Fair Pay for Women Act (enacted in 2013) to provide for real-world business application of the law. The federal Equal Pay Act allows for businesses to justify differences in employee pay based upon: (i) a seniority system; (ii) a merit system; (iii) a system which measures earnings by quantity or quality of production; or (iv) a differential based on any other factor other than sex. The New Mexico Act, however, only allows for differences in pay based upon: (i) seniority system, (2) merit system, or (3) a system that measures earnings based on the quality or quantity of production. The lack of an allowable non-discriminatory differential based on business reasons fails to take in to account the many non-discriminatory business realities that impact and influence employee compensation.

Immigration Reform

NMCC supports the continuation and expansion of current visa programs and the creation of new visa and foreign worker programs to fulfill the manpower needs at all levels of industry. Comprehensive immigration reform is needed at the federal level to ensure that the United States’ annual legal intake of foreign workers is realistically in line with the economy’s need for foreign labor. New Mexico needs a worker program that provides an adequate supply of legal workers.

Paid Leave

NMCC supports paid leave programs voluntarily provided by employers and encourages businesses to consider such programs. However, NMCC opposes the expansion of mandatory leave benefits, as they adversely impact an employer’s labor costs and makes it more difficult for employers to ensure business viability through reductions or expansions of their workforce. Additionally, expansion of mandatory leave benefits may stifle the ability of an employer to offer innovative and flexible paid leave programs.

Prevailing Wage Laws

NMCC supports the repeal of the New Mexico’s prevailing wage law (Section 13-4-11 NMSA 1978) or “little Davis-Bacon” as it artificially inflates the cost of public construction projects. Employee wages and benefits associated with public works projects should be established by the average wage and level of benefits for the job classifications in the relevant market, as opposed to the average wage and level of benefits for the job classifications in union contracts in the market.

Secret Ballot Elections Related to Union Representation

NMCC opposes any state or federal legislation, whether pertaining to public- or private-sector employees, that would substitute any mechanism other than as outlined by the New Mexico Public Employee Labor Relations Act and the National Labor Relations Act related to union representation. The New Mexico Public Employee Labor

Relations Board currently oversees secret ballot elections, after a sufficient showing of interest has been demonstrated, in cases where public employees wish to vote on whether to be represented by a union. When the Public Employee Labor Relation Act was amended in 2020, an “alternative method” was included by which the secret ballot may be bypassed altogether upon request. This so-called “card-check” method obviates the need for and the associated protections and benefits of a secret ballot initiative. NMCC opposes any deviation from secret ballot as the best method to determine the will of employees. Likewise, the National Labor Relations Board oversees secret ballot elections as to private-sector employers. NMCC opposes legislation that would eliminate elections, permit a third party (such as an arbitrator) to determine the terms of the parties’ collective bargaining agreement, or that would increase fines or penalties against employers for unfair labor practice charges without providing for the same penalties against unions who engage in unfair labor practices.

WARN Act

NMCC opposes expansion of federal Worker Adjustment and Retraining Notification (WARN) Act protections already afforded to employees in New Mexico. Most employers in New Mexico view layoffs (even of very small numbers of employees) as a difficult and undesirable outcome, and they often only implement them as a last resort. Laying off even a single employee is often a painful decision for New Mexico employers. Federal law already requires employers to provide notice to the state and to affected workers of any mass layoff or shutdown of operations. The federal law has sufficient requirements and penalties to protect employees from surprise job loss, and it has meaningful enforcement mechanisms in place. A state law on the subject would not result in greater enforcement, fewer layoffs, or plant closures. Adding greater requirements and penalties, also known as “mini- WARN Act” statutes, deters economic development in other states where they are in place. Business owners who may want to relocate to New Mexico or expand operations in New Mexico are hesitant to subject themselves to penalties beyond the federal framework as well as extreme restrictions on their ability to sell or potentially save a failing business. A mini-WARN Act would not likely have altered the outcome in recent publicized business closures and layoffs.

Whistleblower Protection

Whistleblower protections serve a valid purpose in the business and corporate governance environment; however, whistleblower protections should not be expanded to protect employees making false or fraudulent allegations that could damage the employer or another employee.

Employee and Independent Contractor Classification

NMCC opposes legislation above and beyond United States Department of Labor (USDOL) and IRS definitions of an employee/employer relationship. About 30% of the US workforce is now categorized as “flexible labor.” In many cases individuals have created their own consulting business in order to find sustainable piece work as regular full-time employment is unavailable in their field of work. Currently the USDOL and IRS enforce several statutes regarding independent contractors and the definition of an employee. At the federal level, definitions and tests on employee/employer relationship are numerous. Penalties for misclassification are severe. Additional state laws and rules particular to New Mexico are unnecessary, as well as detrimental, to further job creation. NMCC does not condone misclassification of workers to avoid payment of taxes and wages; however, federal requirements achieve the desired results in deterring business and individuals from doing so.

Retirement Program Mandates

NMCC recognizes that many New Mexicans retire without adequate savings, however state-run retirement plans for private sector workers that include an employer mandate will create an overly burdensome financial and legal obligation for the state. Rather, the state should consider taking action to provide better information to private employers and their employees about the importance of saving for retirement, the variety of existing plans and options available currently, including possibly creating a website portal that would allow the private sector to easily compare and shop for state-vetted retirement providers.