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**SANTA FE COUNTY**

**BOARD OF COUNTY COMMISSIONERS**

**SPECIAL MEETING**

**February 1, 2011**

Virginia Vigil, Chair – District 2  
Liz Stefanics, Vice Chair – District 5  
Danny Mayfield – District 1  
Robert Anaya – District 3  
Kathy Holian – District 4 [Excused]

**SANTA FE COUNTY**

**SPECIAL STUDY SESSION**

**BOARD OF COUNTY COMMISSIONERS**

**February 1, 2011**

This special meeting of the Santa Fe Board of County Commissioners was called to order at approximately 9:25 a.m. by Chair Virginia Vigil, in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

Roll was called and indicated the presence of a quorum as follows:

**Members Present:**

Commissioner Virginia Vigil, Chair  
Commissioner Liz Stefanics, Vice Chair  
Commissioner Danny Mayfield  
Commissioner Robert Anaya [late arrival]

**Member Excused:**

Commissioner Kathy Holian

**III. APPROVAL OF THE AGENDA**

- A. Amendments**
- B. Tabled or Withdrawn Items**

Upon motion by Commissioner Stefanics and second by Commissioner Mayfield the agenda was unanimously approved. [Commissioner Anaya was not present for this action.]

**IV. STAFF AND ELECTED OFFICIALS' ITEMS**

**A. Finance Division**

- 1. Review and Discussion on the Status of the Current Fiscal Year 2011 Operating Budget and Planning for the Fiscal Year 2012 Operating Budget, including the Sole Community Provider Commitment, with Possible Action on Budget and/or Program Changes if Necessary [Exhibit 1: Power Point Presentation]**

KATHERINE MILLER (County Manager): Madam Chair, what we're going to try to do, because obviously, going over the entire budget – where we are in fiscal year 11 and where we're going to be in 2012 is more comprehensive than today's time would allow,

but what we wanted to do is since at the February 8<sup>th</sup> meeting there's going to be an agenda item to make a recommendation for the sole community provider match. The state requires that we indicate on that, actually prior to us developing our entire budget, and it's difficult for staff to make a recommendation isolated to just sole community.

Since over the last year to two years the County has been doing several things to counteract the decline in revenues due to the economy, and also the absence of the MOU with St. Vincent's, there's been the need to use a lot of cash over the last two budget cycles. As a result, cash balances can't sustain that same level of funding in all the different programs into fiscal year 12 so it means you have to make some decisions rather than just staying flat of changing the way we approach some of these programs.

What we wanted to do today is focus a little bit first on those funds that compete against each other and the programs that compete against each other relative to sole community, emergency services, emergency communications and other health programs including inmate medical. We wanted to focus on those because there's about four revenue sources that we use on a recurring basis to cover those recurring costs, but we also have been using a significant amount of cash. Just to put it in context, and I'm going to turn it over to Teresa, when – and I believe Teresa sent out to you kind of recessionary budget management efforts to remind you of things that this Commission has done over the last few years in order to try to counteract the economic downturn.

I think one of the things for me that was easiest for me to look at was not so much all the individual cuts but to try to put it in an overall context of the County, in recurring revenues dropped about 15 percent or something along the line of maybe \$16, \$17 million. There was also an a third party agreement where the County received about \$10.5 million in different revenues in order to support different programs that the County provides. So when you add those up in recurring revenues we lost about \$27 million and over the course of the last two years the Commission and staff have taken a lot of actions to try to counter that but revenues still have not recovered. As a matter of fact they're estimated to drop almost another three percent in gross receipts tax or another million dollars, \$700,000, \$800,000, just in one area next year. Additionally, we have not determined a way to recapture certain revenues, like the third party agreements. So in total I would say we probably cut about \$12 million, but we still have something like a \$14, \$15 million hole in the budget across all funds, recurring to recurring.

So we wanted to take at least a good chunk of that today and have you look at those programs that compete for the funds in kind of the healthcare and emergency services area, and also give you what we have in the way of cash left there, and then also touch on why we need to kind of break it up because we can't look to the general fund cash reserves to keep fixing all the other funds. We could take it in a bigger chunk but we thought, well, let's try to focus on that area right now because that's the area we need to make some decisions immediately, and the area where we probably need to go outside of the County and really look to changing some of our agreements, for instance, with the City on the emergency communications, our agreements with St. Vincent's, things like that. And also revenues in

the adult and juvenile facility, how we can push for more agreements with other entities to bring in paying customers that could offset our fixed costs.

So that's kind of the overview of what we're going to try to look at today. Obviously, Carole and Teresa have more information on any other funds or programs but we were trying to break it up into manageable areas to review at a time. But, as I said, you can ask questions about the entire budget but you need to actually make a decision on sole community soon so we thought we'd focus on that primarily.

CHAIR VIGIL: And that item, Katherine, is scheduled to be heard and action taken at our Tuesday meeting?

MS. MILLER: Yes, Commissioner.

CHAIR VIGIL: Okay. Thanks. Commissioner Stefanics.

COMMISSIONER STEFANICS: Thanks. I'd like to reconfirm, and then ask a question. We have cut \$12 million but we have a problem with about another \$17 million? Is that correct?

TERESA MARTINEZ (Finance Director): I'd say closer to \$14 or \$15 million.

COMMISSIONER STEFANICS: Okay. So another \$14 to \$15 million would need to be addressed either through downsizing or reserves or whatever?

MS. MARTINEZ: That is correct, Madam Chair.

COMMISSIONER STEFANICS: The other issue I wanted to bring up and then ask the question is when I was at the capitol yesterday, the Association of Counties was telling me that the money that UNM Hospital had given to the state to give to the hospital, which CHRISTUS St. Vincent got, is going to add to our base expectation from the state. And I need to get that clarified because that's a horrible thing.

MS. MARTINEZ: Madam Chair, Commissioner Stefanics, that's not true. We met with Anna Bransford at Health and Human Services and we clarified because for many years we believed that when there was a supplemental it automatically – and it did, for many years in a historic perspective – get added to the base. But the County has the choice to fund at the level that they can fund, and that's what we were more recently told by her. So it will not add to our base.

COMMISSIONER STEFANICS: Well, Madam Chair, I remember when Anna Bransford came to the Indigent Board meeting and discussed this, but in the terms of what the discussions are today between the Association of Counties and the state and UNM Hospital, it's different. And I think that this is a problem that we need to put to rest so it doesn't come back to haunt us, somehow. And whether that's Katherine or Steve making our position well known to the Association of Counties, this is pretty important, because I think this is going to keep going forward in terms of legislation, and there is a bill right now, for example, some of the legislators are upset that UNM Hospital gave money to the state to give to the rest of the hospitals, of which CHRISTUS St. Vincent got a good chunk, so they have a bill in to drop the \$6.50 per \$1,000 valuation on property taxes that goes to the hospital,

down to 65 cents per \$1,000. And it's because UNM Hospital gave this money to the state. And they're saying, if you have money to give away, you don't need this, whatever.

So it's a convoluted issue and we're not actually involved in the property tax but we are involved with a PMS agreement based with CHRISTUS St. Vincent's and that needs to be clarified. So I think that if we don't nip it in the bud soon it's going to continue to haunt us for a few more years.

CHAIR VIGIL: Katherine, did you want to respond?

MS. MILLER: Madam Chair, Commissioner Stefanics, this is somewhat of a dilemma because there is a certain – I don't know if you want to call it a mentality or belief that whatever was given the year before, not only in base but plus supplemental plus a percentage of growth is almost entitled the next year. Well, Santa Fe County can't remotely afford to – we don't have a revenue source. We don't have a dedicated revenue source. There isn't a particular tax that the state authorizes for us to do this. And that number just keeps going up, because the feds make more funds available and if the state makes that much on the state's behalf, I don't know how they could expect any county to build that into their base for the next year. It's not only Santa Fe I think all of the counties struggle with it. That's why they didn't make the match to begin with; they didn't have the funds available.

Additionally, I've had conversations with St. Vincent's and I've said the County's match has grown over time and revenues that that was taken from have disappeared. The match has not decreased to the degree that the revenues have. So it's been a disproportionate decrease, but during the times of the last couple years with the ARRA funds, the federal match to our dollars was much greater. I just would like to kind of state that that's going to go away on June 30, 2011. The enhanced FMAPs from the federal government through ARRA, which has run at about 80 percent, so really every 20 cents, they put in 80 cents, is now going to drop, not just because that enhanced FMAP goes away but also the state's federal matched rate is going to be below what it was – or above, I should say – what it was when ARRA came into effect.

So the state got around 70 percent match from the feds prior to ARRA. It went up to about 80.2 during ARRA with the enhanced FMAP, and the three tiers of unemployment rates. So we went up to the highest tier but that all drops off. We've been stepping down over the last year. That will cease in July and we will be rest at a new rate of about 68 percent and 32 percent. So it has even an added effect of the ARRA funds going away, which puts a lot more pressure on local dollars and state dollars for that local match. So we have that, and that all impacts ultimately St. Vincent's and the community with less dollars in the community for health services. So that's part of the pressure that's going on because for every dollar we don't put into the sole community we lose about three dollars of federal match.

CHAIR VIGIL: Thank you for that description. And I also have had conversations with the Association. Of course they have to represent a statewide kind of perspective. Santa Fe County has taken a very strong leadership role in the sole community provider. If we weren't, we were amongst the first to do the matching funds, so the level of expectation from our sole community provider has existed probably more historically than

most other communities have and at the time that we enacted it there actually was sufficient funding to try to really add to the maximum amount, supplemental and all, that could achieve the three-to-one match. That is no longer the case and so I think the Association of Counties doesn't have a real clear historical perspective and they do need to get that from Santa Fe County and I will do my best to try to communicate that to them also.

Let's move on with the report. Teresa, unless there's a burning issue, I'd like to have Teresa do her report and then we can ask questions afterwards.

MS. MARTINEZ: Madam Chair, as Ms. Miller indicated we are very much focusing on our major funding issues for fiscal year 2012 and for those Commissioners that have been around for the last year a lot of this you're going to hear again. We've been cautioning for two years now that we are reaching our melting point. We no longer have the revenues and the cash reserves to sustain the level that we operate and also commit to the sole community provider.

So our first slide if you will is a puzzle and you can see the competing priorities we have for a limited resource. We have the Corrections Department. We have the entire Corrections Department budget but a component of it, the medical component, in fact is into this funding dynamic of – we have Fire, we have Corrections, we have RECC, we have Health Services and we have SCP. So we have the commitment to sole community provider and we have our operational standpoint that we need to fund with the limited resources.

We want to give you an intro into fiscal year 2012. In fiscal year 2012 our revenue estimates include the indigent GRT, which funds the SCP in the past, and our primary care providers. In fiscal year 2011, that was budgeted at \$4.2 million and as we stand today we are right at budget with the collection of our GRTs. So from here to the end of the fiscal year that could hopefully stay flat or we could see additional decreases. But for fiscal year 2012 we have an estimated revenue of \$4.1 million. We are forecasting another three percent downturn. So that means a decrease of \$128,000 from this year's budgeted amount.

EMS is another 1/8 GRT, typically it's been used to fund our health operations, the RECC and Fire in the past, as well as help make our commitment to the sole community provider. Things are on the same level, \$4.1 million. Again, that's a three percent downturn from the current year budget, resulting in a difference or a loss, if you will of \$128,250.

The RECC operations, we've put unknown because we don't know until we get further direction and we do more analysis as to how we will fund that in fiscal year 2012. That is a recurring expenditure without a recurring source, if you will. It's in the picture competing with all the others.

COMMISSIONER STEFANICS: Madam Chair.

CHAIR VIGIL: Commissioner Stefanics.

COMMISSIONER STEFANICS: On the RECC, the other source of funds could be for us to fully dedicate the County GRT tax and not divide it with the City. Is that correct? For capital? Or for operations?

MS. MILLER: Madam Chair, Commissioner Stefanics, I think what you'll see as we go forward, Fire operations – there's two different ¼ cent gross receipts tax. There's

the ¼ cent gross receipts tax that's for capital outlay. That capital outlay GRT you have been dedicating I believe ½ of that through the RPA for regional infrastructure projects. That's separate; that's not one of the sources that we're looking at today. Then there's the ¼ cent, what we call EMS and EC tax. That one is the emergency communications and emergency medical services. That one was passed about three years ago and has been funding our fire operations. The Regional Communications is not coming out of either of those sources and for the last year has been funded from cash, but was probably previously being covered through revenues off of the MOU with St. Vincent's.

COMMISSIONER STEFANICS: So, Madam Chair, just to clarify, on this line, the \$4 million for the EMS and the fire operations, \$7.4 million – is that –

MS. MILLER: That goes to all fire operations.

COMMISSIONER STEFANICS: All fire operations. This would be the GRT that we passed in the past.

MS. MARTINEZ: Madam Chair, Commissioner Stefanics, that's correct. The recent GRT that we passed could fund RECC and Fire. The County has taken a budget direction if you will to fund Fire with that total tax that you see in EMS and then somehow manage SCP Health and all the other competing functions with the two 1/8 increments, which is the EMS and Indigent. That's been the practice in the past.

MS. MILLER: And Madam Chair and Commissioner Stefanics, actually when we get to slide 5 you'll see how it goes after the breakdown.

CHAIR VIGIL: Thank you. Please proceed.

MS. MARTINEZ: Okay. So Fire operations is reliant on the EC and EMS GRT in 2011 that was budgeted at \$7.7 million and in fiscal year 2012 with the three percent downturn we're forecasting a \$7.46 million turn-in which results in a reduction of \$231,000. They have charges for services, which are basically the ambulance fees. We are forecasting that a little bit down based on what we're seeing in the current fiscal year. So that's a decrease of \$131,000, and then JPAs will actually go up 8 percent, which is an increase of \$18,000.

The Corrections has a Correctional GRT. In fiscal year 2011 that was budgeted at \$4.275 million. We're forecasting a three percent downturn in fiscal year 2012 resulting in the \$4.146, and again, that's a decrease of \$128,000.

For fiscal year of 2012 we're going to leave the care of prisoners revenue flat at \$3.9 million and we're going to leave the forfeiture funds at \$275,000. And then obviously there will have to be a transfer-in component to balance that budget. So this is an overview of what we're looking at for fiscal year 2012 with regard to the revenues and the downturns. And we're hoping that next year is the last year we do a downturn but we'll always remain conservative with our revenue forecasts.

CHAIR VIGIL: Thank you.

MS. MARTINEZ: We want to give you an insight into the balances. These are estimated balances as we head into next fiscal year. This is assuming that everything we had budgeted materializes as well with regard to the fiscal year 2011 activity. We have focused

on the funds that are the major fund sources that help fund all the competing expenditures. So we have the Indigent GRT fund, which we have a cash balance that we're predicting of \$663,000. By County policy we require a one-month reserve, so if we net it of the one-month reserve of \$279,000 we have a possible usable balance for next fiscal year of \$384,000, \$385,000 to help us make decisions as to what we balance with reserves and what we cut operationally.

The Indigent Primary Care fund will not have any usable balance. It will barely sustain the required one-month reserve. The EMS GRT fund has a \$588,000 cash balance predicted with a reserve requirement of \$292,000. We have a possible usable balance of \$306,000. EMS/Healthcare again is not sustaining itself at the one-month reserve requirement. RECC, we labeled it as unrestricted. RECC has a small pot of money that is earmarked for emergencies if you will, capital emergencies, that transitioned over when we began the fiscal agent and took over the RECC operations. Net of that we are forecasting a cash balance of \$314,000. One month's reserve is \$284,000 and that leaves us a usable balance of \$30,000. And when you look at what we call the EC & EM GRT, which we typically refer to as the Fire operations fund, that's a ¼ cent GRT. We're forecasting a \$3.9 million cash balance, one month's reserve, \$774,000 gives us a usable balance of \$3.1 or \$3.2 million.

So all of the source funds, if you will, in this puzzle, we are forecasting a \$3.9 million cash reserve available next year.

COMMISSIONER MAYFIELD: Madam Chair.

CHAIR VIGIL: Commissioner.

COMMISSIONER MAYFIELD: Thank you, Madam Chair. Ms. Martinez, you also handed us out a pamphlet on the recessionary budget measures. Could you just go to page 12 and tell me what the differences are? Explain to me the differences, please, of dollars.

MS. MARTINEZ: Okay. This was at the development of the interim budget. So I want to point out it was interim and not final, and this was our potential forecast of use of cash to budget the 2011 budget. So these are not the final numbers. But this is what we were looking at at that time as we were preparing the interim budget.

COMMISSIONER MAYFIELD: So page 4 of the handout today is the actual dollars where we're at today?

MS. MARTINEZ: Well, let me clarify, Madam Chair, Commissioner Mayfield. Page 4 is our best estimate as to what we think we will have cash balances starting July 1, 2011, and that's based on assuming things would occur as we've budgeted the expenditures and the revenues this year. So a decrease in revenues could affect that, a decrease in the expenditures could also affect that.

MS. MILLER: Madam Chair, I'd just like to make a point. This was FY 11, so this is pre-use of cash for this year. Additionally, this doesn't show subtracting reserve requirements. So this is just a total estimate back about probably a little bit less than a year



ago, and so the reason for the big difference between the two is we actually did use the cash, plus we don't show in this any potential reserve requirements.

CHAIR VIGIL: Page 5.

MS. MARTINEZ: This is a meaty slide, if you will. We found it to be one of the easier ways to communicate how this all ties together. On the left-hand side of the slide you have programmatic costs. On the right hand side of the slide you have the revenue sources that support it. The revenue is broken down by Corrections GRT, which can only be used to support the operations of the Corrections function as well assist with debt service. The Indigent GRT which can be used to support, obviously, the Indigent program, and inmate medical, and SCP. You have the EMS GRT, which can support SCP, has supported our health programs in the past, and our Regional Emergency Communications Center.

Then you have the Emergency Communications and Emergency Medical Services GRT, which can also support RECC and Fire.

So if you look at the expenditure side, for Corrections, we're taking – this is the net need, if you will. The entire Corrections budget if it stayed flat and we netted out care of prisoner revenue, the assumption that the general fund will support it to the tune of \$6 million, forfeiture funds, things of that type, we're showing we still have a need of \$6.5 that would be looking to the Corrections GRT for support. I will point out that we netted out or gave its own little box the inmate medical component because that has been key to funding health, inmate medical, RECC and Fire with the available revenue sources. So the medical component is a total of \$2.9 million.

CHAIR VIGIL: On that I have a question. Commissioner.

MS. MARTINEZ: Okay.

COMMISSIONER STEFANICS: So, Madam Chair and Teresa, do we have another 1/8 we could use? Do we have the ability to do one more?

MS. MARTINEZ: Madam Chair, Commissioner Stefanics, on the Corrections GRT you do. Bernalillo I believe, a year or two ago tried to go in and raise that so that that would result in higher revenues. You can but right now we have enacted statutorily the most that we can.

COMMISSIONER STEFANICS: Okay. So that's just for Corrections. So you're saying that for Correction we cannot.

MS. MARTINEZ: Right now we cannot, but it has the ability to increase.

COMMISSIONER STEFANICS: So we have the ability to ask the voted for an increase in Corrections.

MS. MARTINEZ: Right.

COMMISSIONER STEFANICS: What about in the Health?

MS. MARTINEZ: I believe that we have maxed out. What you have in front of you I think is it.

COMMISSIONER STEFANICS: Okay. I'm asking the question that usually Commissioner Holian would ask. So my understanding is that there is another 1/8 left but it's only if we own the hospital?

MS. MARTINEZ: Madam Chair, Commissioner Stefanics, you're correct. There are other GRTs that are hospital related that may be enacted. Santa Fe County at this time does not qualify. There are several. One is dependent upon a Class A county with a certain population and another is dependent upon a locally owned hospital. And that's why that GRT has not been enacted.

COMMISSIONER STEFANICS: Okay. So, Madam Chair, we could enact with a vote something more for Corrections?

MS. MARTINEZ: Madam Chair, Commissioner Stefanics, if I'm not mistaken, the way the statute is written, and you might have to help my memory bank, it gives you increments up to a certain value that you can. Now, I'm trying to recall – Bernalillo County went to the legislature two years ago to try to get that increased and it did not result successfully. So I think we are currently enacted at the level that we can, but I think there are additional increments that would possibly be – I'll have to research that for you.

COMMISSIONER STEFANICS: Okay. Well, I would think that – Steve and Teresa – we're going to be looking at where do we have extra possibilities? So that's one question. So on Corrections that's one. So on the Health GRT you're saying – both of you are saying, Steve and Teresa, that we're maxed.

MS. MARTINEZ: Yes, ma'am.

COMMISSIONER STEFANICS: Okay. And then on the Fire tax that failed. That specifically was only for capital.

MS. MARTINEZ: That is correct, Commissioner.

COMMISSIONER STEFANICS: And we could go back in what? Another year? Year and a half? Steve? For that? Is it a two-year lapse in between?

MR. ROSS: One year.

COMMISSIONER STEFANICS: Oh, just the one year. Okay. Thank you very much.

MS. MILLER: Madam Chair, I stepped out for a second because I wanted Steve Shepherd to get some history for you on sole community, but on this issue one of the things I was looking at was were there any gross receipts that have not been enacted and there's the one that we weren't really eligible for from the health perspective, but I had talked to Alex Valdez and some of the people that were at the legislature, saying you know, if you want us to try to find a source that could be dedicated for counties whether they have a county hospital or not perhaps you could work with us on broadening the language on that other health GRT and try to go forward with something like that that gave us that kind of option, because those counties that have county hospitals have an ability to put a tax in place to support those and this is our regional hospital, and if we wanted to make sure that there was funding coming specifically to draw down federal funds that might be an option. So that was one of the ones that I was just asking them about and I hadn't looked into it very far but I know we do have that one GRT but we just can't use it because of the way the language is.

MS. MARTINEZ: So I'll just go down. From an expenditure standpoint you have a need at the Corrections overall of \$6.5 million. Inmate medical is with value of \$2.9

million. Indigent Primary Care, funded at \$1.8 million. Current SCP funded at \$6.8 million. Our health programs as we know them today at \$600,000. RECC at \$3.4 million, and Fire operations at \$8.4 million. That totals, total program needs of \$30.4 million. Now, you can see that the revenues are just not sufficient to sustain the expenditures as we know them today. And then the message of how much cash reserves do we use for fiscal year 2012? And where do we make cuts? Because we will ultimately deplete cash if we continue at the pace that we are.

So this is assuming SCP flat and the operational budgets as we know them today. That's a need of \$10.4 million relative to those programs.

The next slide, we were trying to give you a historical perspective on the sources and the uses as they relate to our health operations as well as RECC, Fire and the sources that support them. You can see that in fiscal year 2008 we have – the blue being the GRT and the red being the third party funding – we had a total of \$21 million available. In that same year, in fiscal year 2008, we had an SCP commitment of \$9.2 million, and our other expenses of \$12 million. So again, we expended \$21 million.

In fiscal year 2009 you can see the GRTs at \$10.5 million. You can see the third party commitment at \$9.3 million for a total of \$19 million. And you can see that in that same year we had uses of just slightly more, of \$20 million. So we had SCP at \$9.7 million and expenditures at \$11 million.

In fiscal year 2010 is when we eliminated the third party funding source and you can see then that red goes away, representing the third party, and cash takes the place of the necessary dollars. So you can see we budgeted 2010 with cash at \$6 million and GRTs of \$9.6 million. In that corresponding year of expenditures you can see we had SCP at \$5.1 million or \$5.2 million, and other expenditures at \$10 million.

In fiscal year 11 we currently are budgeted with cash at \$6.1 million and GRTs at \$8.5 million and we have the expenditures of SCP at \$6.8 million and other expenditures at \$8.7. And you'll notice that in fiscal year 11 we began to transition direct services to a local hospital. So that value is – we transitioned \$1.6 million.

You can see that the GRTs have decreased. The lack of third party funding has had a large impact on the County, and we've been able to manage this with the cuts we've made through the previous two fiscal years, if you will, and reliance on cash. So we've reached the point where in fiscal year 2012 we no longer have that comfort level of cash reserves to sustain everything at the level that we're currently operating. So we do have to make some hard decisions this coming year.

CHAIR VIGIL: Questions?

COMMISSIONER STEFANICS: Madam Chair, would you just refresh my memory? What is our required cash reserves for the state and also by county resolution, because I think we have it higher. And now what is our remaining balance? So we're clear about what we have.

MS. MARTINEZ: Okay. Madam Chair, Commissioner Stefanics, the general fund and the road fund are the only ones that have a state reserve requirement. The road fund is one month's reserve, if I'm not mistaken, 1/12, and the general fund is 3/12 reserve.

COMMISSIONER STEFANICS: And so what do we have extra and what does that leave us in remaining balance?

MS. MILLER: Madam Chair, Commissioner Stefanics, that was – page 4 was what I had requested. This is with the County's reserve required. So we leave a cash balance in those funds but as Teresa said we have the state requirements and our general fund covers the overall state requirements, but the reserve that the County has required is a 1/12 reserve in all funds. And so that dollar amount is that \$1.8 million.

COMMISSIONER STEFANICS: So we require the 1/12 in the general fund.

MS. MILLER: No, the state requires 3/12.

COMMISSIONER STEFANICS: So we added another 1/12?

MS. MILLER: Madam Chair, no. The state requires 3/12 and the road fund 1/12. But these are other funds.

COMMISSIONER STEFANICS: The County has a resolution.

MS. MILLER: The County has required 1/12 in all other funds, and that's this one right here.

COMMISSIONER STEFANICS: Oh, 1/12 in all the other funds.

MS. MARTINEZ: Right. We follow the state statute for general fund requirements.

COMMISSIONER STEFANICS: But this is more. On page, this is more than 1/12.

MS. MILLER: No. That's 1/12 of your budget for the year.

COMMISSIONER STEFANICS: Okay.

MS. MILLER: And that's what it would be in each one of these funds.

COMMISSIONER STEFANICS: So the only – on page 4, the only cash that's usable is the \$3.8 million.

MS. MARTINEZ: As it relates to the Indigent, the indigent medical services and the EC/EMS GRT. What's not on page 4 is the general fund. We're forecasting that the general fund may have \$9 to \$11 million after reserve requirements.

COMMISSIONER STEFANICS: Okay. That's the question I was asking. So besides the \$3.8 million we would have \$9 to \$11 million. Okay. Thank you.

CHAIR VIGIL: Commissioner Mayfield.

COMMISSIONER MAYFIELD: Madam Chair, Ms. Martinez, will you have a spreadsheet for us of the general fund dollars that are available and also the road fund dollars?

MS. MARTINEZ: We can have it for you. We have some general information in this presentation, but we can, and we do as part of our budget book and I can show you that as well.

COMMISSIONER MAYFIELD: When you have time. Thank you.

MS. MARTINEZ: You bet.

CHAIR VIGIL: Okay. We're on page 7 now.

MS. MARTINEZ: Seven, and again, so what happened in those funds, from 2008 to the current year you can see that we've lost revenue to the tune of \$12.6 million. We've managed to reduce our expenditures about \$5.8 million, and so that shows a need of \$6.8 million if we leave everything status quo. So the main message you're going to hear from us today is that we don't have the luxury to keep things status quo. We do have to try to manage this budget, possibly with the use of cash reserves, possibly think of generation of revenue, and there will have to be some expenditure cuts.

Okay. Now, we'll go into slide number 8 speaks a little bit to each of the related pieces of the puzzle. With regard to Fire Division, the current year budget, the fiscal year 2011 was balanced with the use of cash reserves totaling \$528,000. To their credit, they have gone out and aggressively pursued grants and that's helped with their operations. In fiscal year 2012 if expenses remain flat as we know them today we are forecasting that they may need an additional \$900,000 in cash reserves to balance the budget. And that's mainly due to the loss of revenues. This \$900,000 forecast, however, does not include if we need fire to help us support the RECC. Historically, Fire has been funded by the EC/EMS GRT and has been funded separately from the RECC. However, the JPA implies that the EC and EM GRT can be used to fund the RECC and is more than likely a reality in the next fiscal year. So if that being the case you're looking at an additional \$3.4 million coming from that EC and EM GRT, which will just about wipe out what we're forecasting as a cash balance for fiscal year 2012.

As we move onto slide number 9, we'll address the Regional Emergency Communications Center. We put the header \$0 revenue - \$3.4 million in expense. What have we done to this point? We have reduced their budget since fiscal year 2009 by \$400,000. That has not had an impact. Any further reductions we believe will impact their ability to deliver their service, so will in the end impact public safety. We have made attempts and will continue to make attempts to work with the City and negotiate a more favorable JPA. We have had conversations with the City staff and they have indicated that it would be very difficult for them in these times, this economic downturn and limited resources to provide a recurring funding source to the RECC, but we'll still continue to pursue our options.

Some of the options we're considering are if we were to split up the county and the city dispatch. We have an estimated operational savings for the County of probably \$1.6 million. That doesn't include any capital needs that we may have. So that would go up, depending on the needs of capital infrastructure. The second option would be to stay regional and try to work with the City to get more contributions or more support from them. We could save anywhere from obviously, to zero that we have right now, to \$2.3 million, which would be based on a call ration of 68 percent city calls and the remainder county calls.

If we stayed regional there would be no change to the JPA and there'd be no savings for the County. So we gave some benefits to staying regional, and benefits to splitting the RECC. In the end, this is a huge issue for fiscal year 2012. Obviously, we want to continue

our conversations with the City and see if there's anything that we can do. And we have different scenarios where we could try to help get their support or build up to a certain level that would be either equal to a realistic shared cost or even based on call ratio.

CHAIR VIGIL: Commissioner Stefanics.

COMMISSIONER STEFANICS: Thank you. Teresa, what are you envisioning when you put in that option – split up county and city dispatch? Are you dividing the staff proportionally to the number of calls? Or what are you – how did you come up with that \$1.6 million?

MS. MARTINEZ: Madam Chair, Commissioner Stefanics, that's the difficult one. There's a lot of issues that would come with that. We don't know how the infrastructure today would be affected, which has been mainly funded by appropriations. We didn't know how the staffing would go. Would staff stay with the County? Where would they go with the City? So we asked Ken Martinez to give us a basic staffing requirement if the City and the County were to break up the dispatch. And what we did is we did it based on our needs. Of that \$1.6 million – the estimated operational budget was at \$1.8 million. What I did is I came up with his staffing requirement, if we were to split, and it is a very basic staffing requirement. That was about \$1.6 million, and then I made the assumption to leave the other operational expenditures at their \$200,000 level. That's if we would make no cut.

So if the County took over the operations for itself strictly, we're forecasting \$1.8 million on a reduced staffing level. And the dynamics of who would stay with the County, who would go with the City? How would we segregate the assets? Any impacts to the existing JPAs are very unknown if you will in that they haven't been finalized or thought out. This is just one suggestion as to these are the issues if we faced a split.

COMMISSIONER STEFANICS: Madam Chair, this is a policy issue and I'm not supporting splitting this up, but we discussed this a year ago, that we don't have enough money for the RECC and that the funding sources seem a little uneven, based upon the City and the County. And I truly appreciate our staff saying their trying to work it out with the City but I think this is a policy issue and I think that the Board of County Commissioners has to deal with this. And it's great that we have conversations, whether it's at the Finance level or the County Manager level, with the City but if nothing happens we're going to have to make our wishes be known. And we can't – and maybe this was even going on before we got here, before I got here. But we talked about this very seriously last year, that we needed more money from another entity to help support this, so I would encourage our Board to look at what direction we want to go or what direction we want to give the staff to communicate.

CHAIR VIGIL: I agree, Commissioner Stefanics, and this is an issue that has come up even perhaps before your time. I think it's really prudent for staff to bring forward the options with regard to what may or may not happen with regard to the RECC. But I also agree with you in terms of it being a policy issue, but I think it's really beneficial for us to have as much information as we possibly can even before we discuss it in policy terms. Ms. Miller.

MS. MILLER: Madam Chair, Commissioner Stefanics, I agree and I think one of the things that – I think this is at the level of the Mayor and Council and Commission. But I also think that the dialogue in the past of how the County even came about to fund the entire RECC. I went back and looked at the last time it was split based on the JPA distributing the operational costs on a call percentage ratio. The County's obligation was \$688,000. The County's obligation now under the current agreement is \$3.4 million. At that time – so that was in 2007. It was \$688,860 on the County side on operations, and close to \$2.5 million on the City's side.

From what I understand part of how this came about was that when the County went forward to put the ¼ cent GRT in place for Fire operations the City said, well, that is a tax on the city's residents as well. What I don't think was brought out at the time though from the County's perspective is how much the County puts forward in revenues that are generated towards things that we get no compensation back from the City to help offset those costs. And maybe at the time that that agreement was put in place things looked really good. We had the third party agreements with St. Vincent's, we had 15 percent more in GRT revenues. We no longer have that and the impact to the community, but us trying to cover all of these essential services – our 24/7 fire, our emergency operations and all that, or with the medical at the jail – all of those cost significantly, but what we're not given any consideration from the City in order to help offset this cost at the RECC is that we've put \$6.8 million to sole community this year. That's \$28 million in this community when it's leveraged. We cover all of the indigent claims in the community, straight out of our GRT as well. We also share our capital outlay gross receipts at 50 percent for regional infrastructure projects. We provide the property tax rebate. That's for city residents, low-income residents. We cover the costs of the courthouse, the DA's and the public health facilities.

All of those things benefit city residents as well, yet we don't go to the City and say, well, we want you to help pony up to pay for those things. Some of these are mandated by the state; we don't have an option. Actually, I would say that most of them are. So that ¼ cent GRT was allowed by the state in order for us to help cover these costs that we're mandated by the state to cover, yet we don't anything – we cover these services for the residents of the city but we don't get anything back. And I think that's the context we need to discuss with the City because for us to cut any one of these, that hurts the city residents. For us to cut sole community, that's funding out of healthcare here. For us to cut indigent. For us to cut the RECC. That affects city residents in our ability to respond.

So I think that is a conversation but we need to be honest with the total cost that we cover at the County that we don't look to the City to assist and we have continued to cover those costs in spite of the decline in all of our revenues, and in spite of the loss of the agreement with St. Vincent's.

So I think it's a good time to see that because that's why we're presenting all this. It doesn't happen. It's not just a County issue; it's a community issue. And all of those services will affect city residents as well.

[Commissioner Anaya joined the meeting.]



CHAIR VIGIL: Katherine, I have a follow-up question with regard to that. Welcome, Commissioner Anaya, I hope you had a safe drive. I know the road conditions are a little difficult. I'm glad you made it safe. Katherine, of the items you delineated, of the costs you delineated, the two that are coming to mind with me that are not statutorily required are the RECC and the sole community provider dollars. Is that correct? Those are really more optional than statutory.

MS. MILLER: Madam Chair, I would say that – sole community, it's debatable as to how optional that is. I think that was the issue. What's the bottom dollar on that? Obviously the state expects a contribution from us so I wouldn't say that it's totally optional. And then the RECC, obviously, that's a required service that we have dispatch. It's optional to a certain degree that we do it jointly, from the perspective of we get a benefit to do it jointly. It is cheaper for both the City and the County and therefore the residents in total for us to combine and do it jointly. We also serve at the dispatch for Edgewood and a backup for about five other areas. So it's hugely beneficial to the community for us to do it jointly, but I wouldn't say it's an optional service because even if we busted it up we still have to provide dispatch for our Sheriff and Fire Department, and we lose the ability to draw down state funds for equipment and lines because as the rule stands right now at the state level it requires a joint dispatch in order to draw those state funds from E-911 fund.

CHAIR VIGIL: Ah. Interesting. So I guess, and I'll go to you, Commissioner Mayfield – actually, let me just go ahead and go to you.

COMMISSIONER MAYFIELD: Thank you, Madam Chair, Ms. Martinez and Ms. Miller. How much revenue are we receiving from the E-911 fund for RECC?

MS. MILLER: Madam Chair, Commissioner Mayfield, I don't know how much we receive on a recurring basis. I think they only pay for some lines, the T-1 lines. Primarily we receive the ability to keep our equipment current on a rotational basis. But I don't know what the recurring amount is.

MS. MARTINEZ: Madam Chair, Commissioner Mayfield, I believe we just approved or submitted a grant for \$1.5 million for a four-year period.

COMMISSIONER MAYFIELD: And Madam Chair, Ms. Martinez, are those dollars included in this amount for operational needs of our County or are they in addition?

MS. MARTINEZ: It's a little confusing, Madam Chair, Commissioner Mayfield. The grant dollars – we don't physically see it. It's monitored through the Department of Finance and Administration, so they notify you as to what they've spent on your behalf. So our purposes, it's not really included in here although they do sustain – it never goes towards salary and benefits. We'll make that clear. It does support travel and it does support infrastructure if you will. But it's something that's managed by DFA on behalf of the entities.

COMMISSIONER MAYFIELD: But again, Ms. Martinez, that's not included in the \$2.3 total that we have.

MS. MARTINEZ: That's correct.



COMMISSIONER MAYFIELD: Thank you. And then second question, just for my edification, where are we housed at with the RECC? Is that in a County-owned building? So we own that building outright. We're not paying any rent or anything for that.

MS. MARTINEZ: That's correct. We currently house them in our public safety building, which is just across from the jail on Highway 14.

COMMISSIONER MAYFIELD: Thank you.

CHAIR VIGIL: Ms. Miller, I guess a follow-up question I was going to have is it would really be helpful for us to know what optional GRTs the City has that they have not enacted that could assist with regard to this because that would go within the city boundaries, the municipal boundaries. And I know that they're in the same boat we are. We're all in the same boat. So this is going to require a real clear understanding and negotiation. But one of the considerations that they're looking at is levying property tax for some of their needs at this point in time. But it would be good when we have the discussions to have a real clear understanding of what other options are available with regard to that, if in fact any of us are going to policy-wise decide to go down that revenue.

COMMISSIONER STEFANICS: Madam Chair, on that point. Maybe we could get that in the form of a chart, what we have enacted, what the City has enacted and what the City and the County could still enact, like four columns.

MS. MARTINEZ: Okay.

COMMISSIONER STEFANICS: So that we're clear if we're maxed out and if we're not maxed out, and what they still have the opportunity to do.

MS. MILLER: Madam Chair and Commissioner Stefanics, and I don't know – Steve, cities have a little bit of a latitude that we don't have. All of our GRTs have to be authorized by the state. But with home rule they have the ability to do GRTs just based on their own. I don't know what that total capacity – I don't know how high they can go but they do have statutorily – anything that we impose has to be statutorily authorized, so if it's home rule, which the City of Santa Fe is, they have a lot more flexibility on their GRT and then they do – I think property tax they have a limit on operational mils, which I do not believe they have imposed all of theirs. But we can find that out.

CHAIR VIGIL: And that would be a useful piece of information to put in the chart that we're requesting. Also inclusive of what they have enacted. I think they actually do have – they have enacted a GRT that is for special services of quality of life kind of GRTs and they have some of those GRTs dedicated to specific entities by ordinance or resolution. So that I think also would be quite helpful to Finance and to Katherine when the negotiations and discussions start. Are we still on page 7, Teresa, or do we move – for Commissioner Anaya's benefit, are we moving onto 8 or 10?

MS. MARTINEZ: So on slide number 10 we're trying again to give you a historical perspective and this is relative to Corrections. This is a very informative chart with a lot of information so I'll identify that the blue bars, if you will, represent the expenditures from 2001 to the current. The red line represents the general fund support that has been required to sustain the Corrections operations, and then there's comments throughout. It's

important to note that from 2001 to 2003 we were contracting out the operations of our adult and youth facilities. In 2004 it was a hybrid. We were contracting out for the adult but we assumed the operations of the juvenile or the youth facility. And then it was in 2006 where we fully took over the operations of our entire Corrections Department.

In fiscal year 2007 we added the administrative component and in fiscal year 2009 we added a separate medical component. So you can see that from an operation standpoint and contracting out in fiscal year 2001 our budget was just over \$10 million, and the general fund support necessary at that time was \$3.7 million. When we took over full operations of both facilities we had a budget of \$18 million and required general fund support of just about \$6 million. In fiscal year 2011 we currently stand with a budget of \$17.5 million and general fund support of \$9.1 million.

Again, it's important to note that in fiscal year 2006 we started receiving the Correctional GRT and that has gone to assist with the operations of the Corrections Department and can also be used for the debt service component. The important message here is that we have a lot of competing priorities in this County and they're all looking to the general fund. In years past when the economy was good the general fund could assist but we're at a point where the general fund itself could be depleted if we don't make the necessary decisions in fiscal year 2012. So we have to either increase our revenue or reduce our expenditures, and we really, really, really are trying hard next fiscal year to keep the general fund support at \$6 million.

CHAIR VIGIL: Commissioner Stefanics.

COMMISSIONER STEFANICS: Madam Chair, and this is a general question I guess for the County Manager, do we have – I started thinking specifically about Corrections and whether or not there are any grants that we haven't been tapping. And then I thought broader than Corrections, whether or not we have somebody at the County that's actually just seeking funds from grant sources.

MS. MILLER: Madam Chair, Commissioner Stefanics, we don't have anybody, one person dedicated toward looking at different funds, different grants. I will say what we do as we get any kind of information relative to grants, individual departments do a pretty good job and Fire has been excellent at it as a matter of fact in going out and pursuing any grants that might come available. We do receive information on a regular basis from our federal delegation of grants as they become available and then we disburse those to the individual departments and ask for an assessment as to whether this is actually beneficial for us to do because sometimes grants are more work than they're worth. And then we also receive information from NACo and the Association of Counties on grants that are available.

So we get – we have a lot of sources that come in and let us know when things come up and we do reviews to try to go after those. But we don't have an individual that goes out seeking grants on a regular basis.

COMMISSIONER STEFANICS: So Madam Chair, Katherine, would you say that the responsibility then rests with the department director?

MS. MILLER: Madam Chair, Commissioner Stefanics, yes. What I have done though is since I've been here, I think that is probably the general case, and what I have done since I've been here is ask for a report back on why we do or don't go forward with one or a recommendation, and we go back through and we review as to whether that's a good decision from a resource perspective or not. But I think that predominantly it's been up to the department director.

COMMISSIONER STEFANICS: Okay. And Madam Chair, I understand that when you operate on soft money, which grant money is, it doesn't really help the foundation, the base, for future years, but if it's something that can help us get over some hard years we might want to be really aggressive with it. Thank you. That's all.

CHAIR VIGIL: Thank you. Question with regard to the debt service on Corrections. When does that expire? How much do we owe?

MS. MARTINEZ: 2030. And we pay about \$2.3 million a year.

CHAIR VIGIL: Thank you.

MS. MARTINEZ: Okay. Page 11. And here we are today, again, just giving you a summary. We're estimating Correctional GRT of \$4.1 million, care of prisoner revenue stays flat at \$3.9 million. Forfeiture fund stays flat at \$275,000. So we currently have total sources of \$8.3 million for the Corrections Department. We have an administration component at \$850,000. We have an adult facility at \$10.5 million. We have inmate medical services at \$2.9 million. We run our electronic monitoring program at \$700,000. And our YDP program at \$2.3 million, with the debt service at \$2.25 million.

So our competing needs, we have \$11.2 million in expenses that are covered by \$8.3 million in revenue resulting in a \$2.9 million shortfall. Now, just a reminder, this is the entire Corrections budget. It is the medical component that relates to the puzzle as we address it today. So again, sources versus uses are not sufficient.

Corrections: How do we balance? This is just a reminder of kind of the last year. We made suggestions to try to increase our revenue sources at both of our facilities. We had discussions about deciding if there was a certain level of operation we would do at our adult facility, recognizing that county population at times is higher than paying population, and just declare a certain level that we would operate at and just anticipate and know that the general fund would have to support it to that level every year. We talked about transitioning our youth population to other facilities, basically contracting out and closing the youth facility. At that time of analysis we were forecasting a possible savings of \$1.4 million. We also discussed the possibility of contracting out our medical services component versus operating it ourselves. Again, the estimate at that time was saving about a million dollars.

What actually materialized? Well, our care of prisoner revenue is not meeting budget. I will say of the \$588,000 that is short, a portion of that from the City and then other entities. So we have the staff aggressively pursuing. With the City I think it was a simple issue of the key person retired, so I've spoken with Katherine Raveling and she is working on that to get us made whole. And that's a little over \$300,000 that they owe us. So we were comfortable leaving the care of prisoner revenue flat at \$3.9 million because we do believe it will

materialize. We did transition direct services to the local hospital, \$723,000. We have maintained our hard freeze at \$487,000, which is just slightly less than what we initially forecasted. And the message is we need stronger cost-saving measures if our paying beds do not increase. And on a positive note our youth facility is actually doing operationally better.

CHAIR VIGIL: On that issue, with regard to the increase in paying beds, what is the current rate that we are charging? Is that \$75 a day?

MS. MARTINEZ: I believe it's \$85. Am I right? It's somewhere –

CHAIR VIGIL: And what is the actual state rate? What is the average state rate? Because I serve on a detention committee with the Association of Counties and I've informed all of the Corrections officers in that committee that we do have available beds and some of the feedback I'm getting is that we have a larger payment for cost of beds.

MS. MARTINEZ: Madam Chair, she just informed me that the state, depending on the classification, it could go anywhere from \$65 to \$120.

CHAIR VIGIL: And what about with other counties?

MS. MARTINEZ: Other counties we see some lower and most of them – I think the contemplation last year as we had this discussion is that if we charged a higher rate they'd go elsewhere. So we have some entities, if I'm not mistaken, at \$52 and some other entities at \$85. And some of the contracts do have an escalation factor in there each year.

CHAIR VIGIL: And what is that escalation factor? Is that dependent on population or the –

MS. MARTINEZ: No, it would just be an increase to the rate of five percent.

CHAIR VIGIL: Thank you.

MS. MARTINEZ: Okay, moving to slide number 13. Some discussions, and this will be – some of it you've already heard in the past. How do we manage fiscal year 2012? Well, we speak about reducing the medical component to the minimal DOJ standards. We forecast that we could have a possible savings of \$500,000 and more. And that \$500,000 is simply made up of the absolute, not required and we are currently providing. We talked about fully contracting out our medical services. We're forecasting a possible savings of \$200,000 to \$500,000. We talked about restructuring our administration, possible savings of \$200,000 to \$750,000. We again, back to that concept of declaring a certain level of operations and know general fund will just have to sustain that. Our goal is to keep the general fund transfer in support of the jail operations at \$6 million. And then ultimately, always, always look at ways to increase revenue.

So those are ideas and suggestions you've heard repeatedly and we'll continue to purchase as we move into the strategizing for fiscal year 2012.

Okay. Slide number 14 and slide number 15 are basically a summary.

CHAIR VIGIL: Let me get a question of Commissioner Mayfield.

COMMISSIONER MAYFIELD: Thank you, Madam Chair, Ms. Martinez. I just wanted to go through all the Corrections before ask a couple questions. Madam Chair brought up debt service. Is there any way that we can look at renegotiating those, paying those down ourselves and going out to refinancing, ma'am?

MS. MARTINEZ: Commissioner Mayfield, unfortunately, I have been down this road way more many times than I probably would like and the ultimate answer is no. They are non-callable. We have the debt. We're in the debt, and we have probably researched this three different times. We've even written a letter and to no avail. It comes back it is a non-callable bond. You have the schedule. You're in there for the long haul. So we've researched this several times. And I can resurrect the old records and letters so you can see the response from all the parties. But there's no opportunity there.

COMMISSIONER MAYFIELD: So what is the total interest we're paying on these dollars?

MS. MARTINEZ: I think it was at 4.5. I'd have to go back and confirm it. It's high. It may even be over five. And that was the avenue that we were pursuing because obviously in this market we would like to refund or pay down or do what we could. There's no option on that. It's non-callable. We have the debt service scheduled to the end.

COMMISSIONER MAYFIELD: No prepayment?

MS. MARTINEZ: No. No prepayment. Interest was 4.1 to 6.

COMMISSIONER MAYFIELD: I would like to talk with you a little bit about that.

MS. MARTINEZ: Okay. And just so you know, Commissioner, we involved out bond counsel and our financial advisor and I think the last time it was Sullivan that requested and we went there again and we were flatly told no.

COMMISSIONER MAYFIELD: The second question, as far as bed charges, have you done an analysis what the local cities or other counties would be paying if they moved somebody to a different facility? What that cost would be? And maybe that's where we have some room to negotiate, that it still would be a little cheaper to bed their folks here in our facility?

MS. MARTINEZ: Commissioner Mayfield, we've done it from both perspectives. We done it to pursue, like mainly with the youth that the County contracted out and we shut down, what that would cost. We've done a lot of analysis and we've got a lot of tables and charts that we can give you copies of to show what other entities are charging, what kind of services they offer, and we have analysis. So we definitely can share that with you.

COMMISSIONER MAYFIELD: Thank you. And then as far as the inmate medical services and the \$2 million that's being transferred for indigent funds, are these being accounted for in the other funds that you brought to us a little earlier? The sole community provider? Are they the duplicate we're looking at?

MS. MARTINEZ: That's part of the total picture. They're included but they're not – am I understanding this correctly?

COMMISSIONER MAYFIELD: Is it in addition to the \$6.8 million you previously reported to us? Okay.

COMMISSIONER STEFANICS: Thank you, Commissioner. Anything else?

COMMISSIONER MAYFIELD: Thank you.

COMMISSIONER STEFANICS: Back to his question though on the rates that other counties have, you indicated you have charts for juveniles. But do you have them for adults as well?

MS. MARTINEZ: We do. We have a comparison chart to see how their staffed, what services they provide, and the rate that they charge.

COMMISSIONER STEFANICS: So maybe you send it to all of us electronically, just so we have it and refresh our memories. Thank you. Commissioner Anaya, anything on Corrections? Okay, let's go on then. You were starting page 14 or 15.

MS. MARTINEZ: Okay. All right. On page 14 and 15 we're giving you just a little bit of a historic perspective as it relates to SCP payments for both the Indigent and the EMS. The Indigent and the EMS GRTs have funded the sole community provider payment in the past. They've been the primary source of funding, if you will. We fund SCP payments via Indigent to the tune of \$2 million. Remember, this is a tax that brings in \$4.2 million so we, this fiscal year, currently provide \$1.8 million for Indigent primary care providers. We did a transfer from cash, mainly, to support inmate medical to the tune of \$2 million, and we sustained a portion of the sole community provider payment at \$3.3 million.

So you can see that in 2008 our Indigent GRT if you will was \$2 million, dedicated to the SCP payment. In 2009 we used \$4.8 million to make the SCP requirement, and in fiscal year 2010 we used \$2.5, almost \$2.6 million and in fiscal year 2011 Indigent sustained the SCP payment to the tune of \$3.3 million.

MS. MILLER: I just asked Steve to give you a little more history, so just so you'd have it. [*Exhibits 2 and 3*] When we talk about –

COMMISSIONER STEFANICS: Are they the same page?

MS. MILLER: They're slightly different. The ARRA funding is delineated on one of them. But this just gives you what we've done for sole community over the last 11 years. We thought that might be helpful for you to see.

COMMISSIONER STEFANICS: These look exactly the same.

MS. MILLER: Well, the difference is where the ARRA funding is. But in general you can see we've peaked as far as – the one shows you the County match as opposed to supplemental. So you can see, if you go to the chart that has the County match portion, you can see in 2001 our match for sole community was about \$3.2, \$3.3 million, and then we peaked in 2009 at \$9.8 million. And then our commitment for 2011 was actually \$6.8 million, but you'll see \$5.8 million on there. The reason for that is you budgeted the \$6.8 million, but then the federal government extended the enhanced FMAP. That resulted in about a million dollars, we estimate about a million less in payments, and that is reflected in your page 4 of the presentation today. It shows up in the cash balances. So that's contributing to the \$3.8 million that's available in cash balances. But that does go away.

So we're actually going to go from \$5.8 – our actual expenditure was \$5.8, not \$6.8 million when it's all said and done.

COMMISSIONER STEFANICS: Madam Chair.

CHAIR VIGIL: Go ahead

COMMISSIONER STEFANICS: Okay. Last year, when we were delving into sole community provider, we were told, and I'm not sure if we were told by Steve or Greg or Penny or Roman, someone said that our base was based upon – not to be redundant – on the number of income-eligible by population of the county, and that that was the population that it had to be based on. Is that correct? Am I remembering this right? Wrong? Because we were told that the base never had to exceed the number of indigents that we had in the county.

STEVE SHEPHERD (Health & Human Services Director): Madam Chair, Commissioner, to be honest with you, I'm not sure what the bottom of our base is. We've always kind of functioned that it should be the number of approved indigent claims from the previous year, and that's how we've always read it. We've never gotten a firm opinion from Health and Human Services on that.

COMMISSIONER STEFANICS: Okay. I remember, Madam Chair, that there was – and I even have it in my drawer back there, but a handout that was provided by Medicaid, by the staff, that talked about how the formula was calculated by county for this. And then somebody within our staff said – and I don't know if it was based upon census, which has to be adjusted in between all those ten-year collections, but it was based upon some formal number of indigents.

MR. SHEPHERD: Madam Chair, Commissioner Stefanics, that may have been at that beginning when they started base, but the maximum base that you can use every year is the previous year's base plus any supplemental, plus a three to four percent increase which they call the market basket increase.

COMMISSIONER STEFANICS: Right, but Madam Chair, Anna Bransford when she was here said our supplemental does not go into our base.

MR. SHEPHERD: It doesn't have to. It can be used to increase the base thought.

COMMISSIONER STEFANICS: Right. But we are not required –

MR. SHEPHERD: That's correct.

COMMISSIONER STEFANICS: Every time we give them an increase we are not required to maintain that increase. So there is some kind of formula though that does say what's our minimum.

MS. MARTINEZ: And Madam Chair and Commissioner Stefanics, you're exactly right. Those statements were made last year and I think it was based on our legal opinion and looking at the statutes that it had to be based on the previous years indigent claims. But we met with Anna about a month ago asking that very question and she seemed startled that we were operating on the premise of that and she was going to ask her general counsel for that opinion and she's hoping to get us the opinion before you make a decision on the 8<sup>th</sup>. So we've asked that official question and we're asking for an opinion, and that's the truth.

CHAIR VIGIL: On the supplemental, there has been a year when we haven't provided the supplemental. Is that correct, Steve?

MR. SHEPHERD: Madam Chair, that's correct. There's been several years.



CHAIR VIGIL: And those are reflected in the zeros here?

MR. SHEPHERD: From what we understand St. Vincent's has received in the last supplemental roundup to \$7.2 million. I believe Española Hospital got around \$700,000 and change, and Los Alamos got around \$80,000. Now, we did not contribute to any of that supplemental.

CHAIR VIGIL: Thank you.

MS. MARTINEZ: So the next slide, slide 15 is basically the same concept. It just wants to show that again, Indigent and EMS GRTs have been the main providers if you will, of our sole community provider payment. We identify for you that in fiscal year 2008 EMS GRT sustained the SCP payment to the tune of \$4.8 million, and in 2009, \$4.8 million. You'll see that it went down in fiscal year 2010 to \$2.6 million and again in 2011 we're down to or at \$3.5 million. So the GRT supports sole community provider commitment, but it also supports our Health administration at \$283,000, our current MCH program at \$58,000, the mobile health van at \$209,000. It supported the RECC mainly from cash to the tune of \$2.6 million, and again, the portion of the sole community provider payment was \$3.5 million. Again, Indigent and EMS GRTs are our primary funding sources as it relates to sole community provider.

So if we move to slide 16, we've given you some scenarios for all the key puzzle funds, now all the players are looking to the general fund for support. So we're trying to give you an estimated general fund source, the uses that we know, and additional support requirements of the general fund. The estimated sources include property taxes at just about \$40 million, and GRTs at \$7.5 million. Then you have small revenue sources of state shared taxes, charges for services, permits, miscellaneous, grants, and we're forecasting a \$3.3 million shortfall in fiscal year 2012 if all operating expenditures remain flat. And again, it's relative to reduced revenues, and then this year and next year until we can get our utility up and running, the general fund has to assist with BDD operational expenditures, and then BDD is also trying to build up their maintenance and repair fund as well as their emergency fund. So those factors are considered in fiscal year 2012.

Our estimated uses for the general fund are salary and raises at \$13 million. We have benefits at \$5.6 million, a small budget for travel, vehicle expenditures, maintenance, contractual, supplies, and capital purchases. Again, this assumes that if everything stayed flat, that we operated at the level that we currently do.

We also have a need of support for other funds to the tune of \$19 million, and that's made up of \$9 million going to the Sheriff, road receives about \$1.8 million. We're trying to keep Corrections at \$6 million, and then some small other support for teen court and RPA, and then again the BDD operations is that \$1.8 million, and sustaining the emergency reserve fund and the maintenance fund and repair fund for BDD is at \$311,000.

So just based on this general fund would be looking at an operational shortfall of \$3.3 million. And then again, that's taking property tax flat, if you will. That's assuming the GRTs will go down three percent in the countywide area and probably more like 15 percent in the unincorporated areas. So everyone's looking to the general fund for support.



CHAIR VIGIL: On that, I have a question. Ms. Miller, is the BDD operations – I know we have a joint powers agreement – is that also, does that enter into any possible negotiations we might have with the City. And I know the joint powers agreement has already been entered into. I was under the impression that it was a pro rata and it certainly – it wasn't for the infrastructure. We split that 50-50, but now that we're going into operations, I also believe it's 50-50. It isn't? Is it a pro rata there?

MS. MILLER: Madam Chair, yes. That was pro rata. So I would say that that is not an issue. There's still issues there, but I don't think that that's – I think you'd want to keep that separate because I think that was based upon usage, the operations. And then the fiscal agent fees, whoever is the fiscal agent, that's also based upon a percentage of operations. So that's been based more on a fee for service type.

CHAIR VIGIL: Thank you. I needed that clarified. Commissioner Mayfield.

COMMISSIONER MAYFIELD: Thank you, Madam Chair. Ms. Martinez, where are the funds coming out for our assistance with our local senior centers and our potential take-over of some of these centers that we're in?

MS. MARTINEZ: Madam Chair, Commissioner Mayfield, in the current fiscal year, they're budgeted, if you will, to the tune of almost \$900,000 in what we call the emergency medical services fund, which is part of this whole scenario. For fiscal year 2012 – no, they're in the general fund this year. Pardon me. Last fiscal year we did them in the EMS fund, recognizing that that was a program that was going to go and that probably needed to be supported by the general fund, instead of being in the dynamics of competing for the resources that are decreasing. So in fiscal year 2011 \$898,000 is budgeted in the general fund and supported by the general fund. And in fiscal year 2012, it will be at the elevated level when we take over the additional centers.

COMMISSIONER MAYFIELD: And you will budget that out of the general fund?

MS. MARTINEZ: Yes, sir.

COMMISSIONER MAYFIELD: Thank you.

MS. MARTINEZ: Okay. On slide number 17, again, this may be a reminder for some, these were possible budget cuts that we discussed the last couple years and as we move into 2012, we have done percentage cuts as we progress, so when we eliminated the third party, we had to look at cuts. When we were facing possible state legislation with regard to the hold-harmless GRT we did cuts. So we've had consistent cuts over the last two fiscal years, and we're really at a point where if we say, oh, we're just going to prorate a cut and we're going to come up with everybody has to cut 30 percent, 40 percent, whatever that number is, there will be some programs that will be stifled and they can no longer deliver at the service level that they need to.

So the point I'm trying to make is that we can no longer cut ten percent here and five percent here without compromising service. So some of the suggestions that were brought up in the past and are resurrecting if you will are the furlough of non-public safety staff for one day per month was reviewed. That was a possible savings of \$1.5 million. We looked at

possibly eliminating payments to our fire volunteers. That was about \$230,000. We looked at reducing our shift schedules to four 10s at the electronic monitoring and YDP programs. That was a reduction of possibly \$100,000. We looked at revising the shifts at the RECC from the four 10s to eliminate eight hours of overtime. That was a possible savings of \$116,000.

We looked at about reducing our community projects and the road staff in light of the reduction in state appropriations. At that time it was about a \$460,000 savings. We defined what are core versus non-core programs and services are from a legal standpoint and tried to go down the road of, okay, now is the time for Santa Fe County to determine what is core government. We looked at recently added programs. We talked about possibly eliminating the graffiti programs. That would save \$46,000. We talked about reducing our transparency costs, maybe \$40,000 to \$120,000. Reduction to the Boys & Girls Club funding, \$50,000 to \$100,000. Eliminate the library funding, \$80,000. Eliminate the youth recreation, \$60,000. Possibly looking at going back and reducing our cell phones and our take-home vehicles. Conservatively, maybe another \$50,000.

If we add all of these up, that could result in possible cuts of \$5.6 million. But it's key to say you have begun to affect employees with these cuts.

CHAIR VIGIL: My understanding was we had already reduced the Boys & Girls Club funding.

MS. MARTINEZ: Madam Chair, we had them at \$100,000 and then we had to increase them in the course of the year by another \$15,000, so they're currently at \$115,000. But at one time they were as high as \$150,000. So we did reduce a little.

COMMISSIONER STEFANICS: Madam Chair.

CHAIR VIGIL: Yes.

COMMISSIONER STEFANICS: On this page, on the possible budget cuts, I'd like to take us back to the surveys, the community surveys that had priorities. And many of the things we eliminated in FY 11, like youth services and libraries, are actually things that came up high from our residents in the county to not cut. And so I would like for staff, as they present some of these things to also point that out, and it might take a little extra work. But if we have a survey with County residents that says what's important to them I really believe that we need to be taking that into consideration as we make these decisions. Thank you.

MS. MILLER: Madam Chair, I would like one clarification. We did not eliminate the library funding. You had something to me, it was discussed, but it was not eliminated. The same with the youth recreation, those are in the budget.

COMMISSIONER STEFANICS: Except we didn't give money to Vista Grande Public Library, and we didn't give money to the north library.

MS. MARTINEZ: No, Madam Chair, Commissioner Stefanics, we actually kept those. We reduced it, but we kept it. The one that did not get any money was Edgewood.

COMMISSIONER STEFANICS: Because the Vista Grande just put out their annual report and said zero from the County.

MS. MARTINEZ: Okay. We can check on the billing, but it's budgeted, I can tell you that.

COMMISSIONER STEFANICS: It is budgeted?

MS. MARTINEZ: It is budgeted.

COMMISSIONER STEFANICS: And don't we have a library up north?

MS. MARTINEZ: Yes. We fund the Vista Grande. We fund the City of Santa Fe and we fund the northern library. Those are the libraries that we fund right now. And it was \$20,000, \$20,000, \$40,000, with Vista Grande getting the higher share.

COMMISSIONER STEFANICS: Okay, I think we need to look at that and whether or not it's an issue of they didn't bill or whether we communicated to them they were out of the budget. And I thought we have voted. Just like Commissioner Vigil said, I thought we had eliminated youth services and we had mixed feelings about it, and I thought we had eliminated library services.

MS. MARTINEZ: Madam Chair, Commissioner Stefanics, we did not eliminate library and we did cut youth services by \$20,000 but that's only because one of the schools chose not to participate. But they were not eliminated. They're budgeted.

COMMISSIONER STEFANICS: Okay. Thanks. But I still think the priorities have to be looked at.

MS. MARTINEZ: I was just given a note that we're working on the agreements.

CHAIR VIGIL: Commissioner Mayfield.

COMMISSIONER MAYFIELD: Madam Chair, Ms. Martinez, maybe you could provide this information to me at a later date, but right now my assumption is that the County serves as a fiscal agent for some third party agreements with maybe some non-profits that we have.

MS. MARTINEZ: For example?

COMMISSIONER MAYFIELD: I believe Women's Health, maybe.

MS. MARTINEZ: Okay. I'm not certain.

COMMISSIONER MAYFIELD: Are we receiving the money? I just don't know how like, say, the Boys & Girls Club was working at one time, where we're receiving the funds capital.

MS. MILLER: Madam Chair, Commissioner Mayfield, we do, when the legislature appropriates funds for a facility we work through making sure that we are the fiscal agent for those. We make sure that we don't have any constitutional violations and then move forward with actually expending those. They are County facilities that are then leased through an agreement, a market rate agreement, and it's either for services that they provide, like Women's Health. They provide indigent services in return for a portion of their lease. I don't know what it is dollar for dollar, or we receive actual lease payments.

So all of those agreements, and most of them, when they're funded through state funds, if there's any severance tax funds, they do go to the Board of Finance to make sure that the leases comply with the constitution and statutory requirements.

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COMMISSIONER MAYFIELD: Thank you. But is the County providing any funding towards any of these non-profits?

COMMISSIONER STEFANICS: Madam Chair, on that point.

CHAIR VIGIL: Yes.

COMMISSIONER STEFANICS: They are included in the primary care reimbursements, when we do the Indigent Board decisions, that we do approve some of their billings for individual patients.

COMMISSIONER MAYFIELD: Thank you. I may ask some questions later, Ms. Martinez. Thank you.

CHAIR VIGIL: These tough decisions, even though we don't need to make them today, it would be really helpful I think when we look at, just as an example, reducing transparency costs, in what particular areas we'd be reducing those. Some of those we've already implemented through our own webpage and things of that nature and some of them can be substituted with some of the ideas and works that we're moving towards. But if there are other areas in transparency that are specific to reducing that would be helpful to me. And also with regard to issues such as eliminating library funding, I know that perhaps if that does need to be looked at, there are other areas that our libraries could be looking at for funding. In State funds, libraries, I don't know if in fact our libraries at this point in time qualify for further funding, but if there's a way that we could look at other areas where if we do have to reduce there are other potential funding sources out there to assist.

COMMISSIONER STEFANICS: On that point, that little library up north and Eldorado do not qualify under the State library funding. I investigated that personally after I was here, after the talk about decreasing funds. So our small libraries do not. I can't speak to the City library on the south side.

CHAIR VIGIL: And perhaps we could find out why not, because they certainly provide the same services that other state libraries do, and perhaps that requires some legislative or regulatory – I'm not sure.

COMMISSIONER STEFANICS: Well, Madam Chair, we would have to make those people employees, which they're not. They're non-profits and they're in County-owned buildings and we are supporting their services, but as non-profits they're paying for their own staff.

MS. MARTINEZ: Okay, Madam Chair, the next couple slides are in light of the fact that you will have an agenda item where you will be making a recommendation for the SCP commitment on February 8<sup>th</sup>. We tried to give you some suggestions for SCP. Page 18, that slide is definitely where we stand today. That is the current scenario. We have GRTs budgeted at \$8.5 million. General fund supports programs to the tune of \$1.2 million, so our total revenue is \$9.7 million. Our expenditures, we sub-totaled them under health related and in that component is considered our health administration. It's funded by the Emergency Medical Services GRT right now to the tune of \$283,000. Our indigent program which is the primary care providers is funded by Indigent at a value of \$1.8 million. We have the Maternal, Child Healthcare program funded currently at \$58,000 and that is supported by

Emergency Medical Services GRT. The mobile healthcare van, supported by Emergency Medical Services GRT at a value of \$209,000.

We have the County Fair in here, mainly because it's managed by the Health Department but it's funded by the general fund to the tune of \$207,000. Jail medical is supported by Indigent at a value of \$2 million, and teen court has a matching requirement that's funded by the general fund of \$61,000.

So our current subtotal, if you will, for health-related expenditures is \$5.5 million. The RECC has been funded mainly from the Emergency Medical Services cash reserves to the tune of \$3.4 million, and we have an SCP commitment of \$6,861,000. So our total expenditures this fiscal year was \$15.8 million, and revenues to support that was \$9.7 million. So we used various funds and their cash reserves to the tune of \$6.1 million. That is your current scenario.

With regard to option 1, we just said we're looking at about a 40 percent shortfall, so we're going to tell everybody that you have to take a 40 percent cut. I'll also note that the revenues here are forecasted with a three percent downturn. General fund supports it to the level that it needs to, so your total revenue in this scenario is \$8.8 million. Health administration at a 40 percent reduction is \$170,000. Indigent with a 40 percent reduction is \$1.1 million. MCH, \$34,000. The van, \$125,000. Seniors would be reduced by \$538,000. County Fair, \$124,000, Jail medical, \$1.2 million. Teen court, \$37,000, and the subtotal, health-related would then be \$3.3 million with the 40 percent reduction. RECC was left flat at \$3.4 million. To cut that 40 percent would cripple the service delivery, and SCP was assumed at a value of \$7.3 million. You would have total revenues of \$8.8 million to support expenditures of \$14 million. You'd be looking at the need of cash to the tune of \$5.2 million.

The next scenario or option if you will is cutting the small programs, transferring primary care to the hospital and funding any remaining needs from cash. Again, reduced revenue by three percent, general fund supporting at the level that it needs to. You have total revenue at \$9.3 million. You have Health administration at the current level of \$283,000. Indigent is reflective of two staff people to still oversee and approve.

MS. MILLER: Excuse me, Teresa, Madam Chair, I think there's a problem in option 1 because you've got an increase to SCP but the point of an increase to SCP was if we did something with primary care, and it doesn't really reflect that, because you've got indigent cut by a certain amount but the intent of that – so this doesn't really reflect that. So I think probably you have to look at this a little differently. Because that doesn't make sense for what we were actually discussing. So we're probably going to have to take these apart a little bit versus looking at the bottom dollars on them. It's more of what can we do in individual programs to get to a manageable dollar figure. So I would just say don't look at the bottom dollar necessarily on option 1. And the concept of what we could potentially do with transitioning primary care is kind of half reflected in option 1.

COMMISSIONER STEFANICS: Madam Chair.

CHAIR VIGIL: Yes.

COMMISSIONER STEFANICS: I was able to find the handout that Anna

Bransford, who is the Medicaid manager of sole community provider funds, and I'd like to just quote a couple things. And they're rather confusing. They kind of contradict each other. But the first one is, qualifying hospitals will receive the lesser of the department's calculation or the County-approved amount. Then it goes on to say that the calculation is the previous year's regular amount received plus the supplemental plus the market basket index. But then it goes on to say that counties don't have to pay if they don't have the money.

So we really have the option to decide here whether or not we stay flat with the amount, or whether we give them any extra money. Now, the options that are being presented to us have extra money in them, I don't know that that's really where we want to go. So I just want to point that out to the Commission today.

CHAIR VIGIL: Thank you. Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, Commissioner Stefanics, I appreciate what you read. That's ditto of what I recall when I had the administration of this particular program and I would just add another option. I'm not suggesting we do it, but another option is that we even reduce the amount that is – to keep it flat, we go lower. We can approve whatever we deem necessary or appropriate based on available funding. So I just want to clarify that. And I would just ask, Madam Chair, taking into consideration Commissioner Stefanics' information I would ask that we get whatever documentation that's been provided either to Legal of from the State or anywhere else.

I actually want to go back to the core statutory provisions that enacted sole community just to refresh my understanding of sole community. But I think, Madam Chair, Ms. Miller, if you could provide us that I think that's going to be helpful when we get to making those tough determinations that we may have to make. Thank you, Madam Chair.

CHAIR VIGIL: Commissioner Mayfield.

COMMISSIONER MAYFIELD: Madam Chair, and I had a brief discussion with Ms. Miller last night on this, but is there any way that we could even historically go back and look at the auditing, how these sole provider funds are being used, and they are being used as we are funding them?

MS. MILLER: Probably the best person to respond to that is Steve. We've been – it's really difficult because the State sees more or less, once the funding and commitment to the State, then the State is the one that releases the funds to the hospital. We don't really have the control over it once we've made the commitment, from the perspective that, well, we if don't think it's being spent where we would like to see it spent we don't have the ability to stop the payment. So we don't have a lot of leverage other than to say that next year we're just not going to make a contribution. Then that has all the implications of – because once that contribution isn't made then all of those federal dollars also do not get drawn down by the State and the community loses out on those funds.

I think this has been an issue – it was an issue when I was here before. I think when Robert Anaya and Steve worked on it as well before – I'm not real sure to the degree that we would have any control or ability to pull anything back that wasn't funded or being used in a way that we would consider it should be used for. Because they don't do fund accounting at

the hospital, number one. They're not set up as a private entity, they're not subject to the same thing the government with the audit and transparency issues that a government entity would be.

COMMISSIONER MAYFIELD: Madam Chair, Ms. Miller, Mr. Shepherd, I mean, going forward though, couldn't we ask that they provide us with a recap of prior year before they ask us to fund them additional monies or monies for the new year, of how those funds were expended. Generalized, of how these monies were spent?

MR. SHEPHERD: Madam Chair, Commissioner, I don't see why that couldn't be negotiated ahead of time. It would be a matter of probably coming to agreement on a format, and that was always a sticking point between the County and the hospital as to what format it was delivered in.

COMMISSIONER MAYFIELD: Thank you.

CHAIR VIGIL: Commissioner Stefanics.

COMMISSIONER STEFANICS: Thank you, Madam Chair. On this point, I think there are several things that we tried to ask for last year from the hospital. And I would like to know if they're posting any kind of cash reserves. Now, everybody needs some reserves, but if they're reserves are excessive in terms of operations then maybe we can revisit what we're doing. Last year we also asked to have some accounting of what is kept in state versus what is sent to their corporation. And we received no confirmation that some of the money raised at CHRISTUS St. Vincent is not sent to the corporation. Because our funds are commingled with everything else the money's there.

Now, the hospital does post charity care and uncompensated care. And certainly, a lot of the time uncompensated care are our indigents. But we have not really had in the couple of years I've been here any accounting from the hospital. And a lot of it has been deemed to be private, confidential information for their corporation. But we don't really have a good sense of whether or not they are in need or whether or not they just would like to have their match.

COMMISSIONER ANAYA: On that point.

CHAIR VIGIL: Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, Commissioner Mayfield, Commissioner Stefanics, I appreciate the comments relative to tracking, and I guess what I would say is I don't discount – and I'm not making the assumption that you're discounting – but I don't discount the merit of the federal match and the large volume or resources that go to the hospital. And I don't contest that they have millions and millions of dollars of uncompensated care. I fully acknowledge and realize that they do have that uncompensated care, and a lot of it comes through the emergency room as we know. But relative to that, we are going to be faced as a County with tough decisions again and I think for me, as one Commissioner, it's a matter of how do we assess those priorities that we're obligated to our citizens within the county. And I don't necessarily put it completely below County needs but I think we have an obligation to the County and the county citizens for the resources we bring in, and that has historically supplemented our work. And I think for me it's going to be how does the work of the hospital complement what we do and how can we get more confirmation

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to assure it complements the work of the County, or we fundamentally have to get feedback from the public to say we have a tough choice to make even with sole community provider funds.

I fully understand they have the uncompensated care but I think as Commissioner Mayfield, you pointed out, and you Commissioner Stefanics are pointing out, I think we're going to need more understanding, more coordination and more information to feel comfortable and confident as we provide the match going forward, or we may have to make the tough decision of reducing it or not providing it at all. So those are just some thoughts, Madam Chair, and maybe as part of the discussions, it's kind of along the lines historically of how are we complementing each other's work and assuring that as Commissioners we're providing the base services to the citizens of the county.

CHAIR VIGIL: Ms. Miller.

MS. MILLER: Madam Chair, this kind of goes to a little bit of a conversation Commissioner Anaya and I had, and I'm going to be really candid with this. If you were to just go back and look at this chart alone, and if we were to get within the revenues that we have, it would ultimately mean a couple of things. It would mean getting the contribution from the City to cover their percentage of the calls at the RECC. That would be \$2.5 million. It would be looking at our inmate medical care. Do we give what's statutorily required? Do we give what's required in our agreement with the Department of Justice? Or do we give something significantly more? And how much revenue does the jail generate to cover the cost of that?

So you'd be looking at the contribution for inmate medical and looking at increasing the revenues. I don't know the magic number on that but I can say if you look at our total cost of inmate medical, what's covered in direct services by St. Vincent's, and then what we pump in, either from the Indigent fund or from jail operations of the general fund, we're talking about \$3.5 million. That's a significant cost to the County. So it would be looking at that. Is there a way to provide inmate medical at a reduced cost and is there a way to generate revenue at the facility to cover most of that cost? So I don't know. Pick a number out of there. You probably need to make an adjustment of somewhere between one and two million dollars on the net of an increase in revenue and a decrease in cost.

Then if you were to look at the Indigent second 1/8, \$4.15 million, it can cover indigent primary care and sole community. So some of that probably goes – we continue with indigent care and some goes to sole community. And then the EMS fund should be the rest of that sole community and the RECC. And then the last tax covers fire operations and RECC. And it means when you go to this chart, looking at what are those services that additionally we would need to cut in our Health administration, MCH, mobile healthcare van.

So if you want to get to what you were getting at, Commissioner Anaya, to get rid of that \$6.1 million negative number means that we have to make sure that we're getting revenue from the appropriate sources for our costs, which means our agreement with the City, and also care of inmates to help offset our inmate medical, reducing our costs of inmate medical, reducing our healthcare costs, because we don't generate through our taxes to cover



all of our costs there. And then probably also reducing some of our costs in fire in order to make – and then what's remaining becomes our sole community provider match, which would probably be significantly reduced.

But if you really want to get to what you're saying, match our revenue sources with our expenditure you're talking about hitting every single one of those until they get in line with what the intent of the revenue was. And our expenditures – that we're covering our expenditures and other entities are covering their expenditures.

CHAIR VIGIL: Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, I think just a follow-up on that point is I think we also as we have discussions related to sole community, shouldn't limit our discussion to what has historically existed. I think that we need to also convey in those discussions that we have unmet or unrealized revenues associated with direct healthcare issues like fire through the EMS. And I think we should have those discussions. We've kind of limited things historically to primary care or indigent care but I think EMS services that we provide are also something that we should potentially have discussion about, relative to sole community and working with the hospital to complement each other's needs and bring in the federal resources in the match.

CHAIR VIGIL: I would just add to that, and Commissioner Stefanics probably knows more about this, with regard to the new Healthcare Act and how some of those dollars are going to trickle down and how they will really reach out to not necessarily sole community provider but how sole community provider actually handles the trickling of dollars to other healthcare providers also. Those are all significant components of the new Healthcare Act and I think those are going to enter into our scenario with regard to what may be available in the future and what we currently have and what we may be able to balance for the future of our community's healthcare needs. Commissioner Stefanics.

COMMISSIONER STEFANICS: Madam Chair, we're all aware that we have to make this decision next Tuesday about sole community provider, but whatever decision we have to make it's going to impact the rest of our budget and it's going to, by default, we're going to have to make decisions about other lines based upon whatever we decide for sole community provider. That's just a philosophical statement.

The second thing is that at the legislature, both the legislature and the executive has planned as high as 27 percent to cut primary healthcare clinics this next year. So if we did anything with our indigent funds going to reimbursement to the primary healthcare clinics that we have – El Centro, La Familia, Women's Health and Presbyterian – then they're going to get a double whammy. So I just wanted to put that out on the table.

Now, I know that one of these options is – and last year, for our new Commissioners, last year there was a potential presentation of whether or not the hospital could take over our primary healthcare clinics for the payment, and they would get a federal match. And I was really opposed to it. I said if the primary healthcare clinics came forward and said they would be okay with that, of being under the hospital for reimbursement versus under the County, then I might consider it. Well, it was a mixed bag. But from what I understand, if the hospital

is willing to take over any other services that we have here, with not maybe as much money but some, they could still get their federal match.

So I think some of the options that are presented here, but I just wanted to let people know that I might have to change my thinking from last year to this year about letting something go.

CHAIR VIGIL: Commissioner Mayfield.

COMMISSIONER MAYFIELD: Thank you, Madam Chair. Is there a deadline for this February 8<sup>th</sup>? Are they looking up against federal requirements that they need to get our funding mechanism in place?

MS. MARTINEZ: Madam Chair, Commissioner Mayfield, that's February 15<sup>th</sup>, we have to make a decision by that date.

COMMISSIONER MAYFIELD: And Madam Chair, is there an option for us to fund x-amount of dollars and then offer more money if we determine that we have those dollars available, where they could still apply for supplemental funding from the feds?

MS. MARTINEZ: Madam Chair, Commissioner Mayfield, they would lose that base value if we only did a certain level of funding, and their only other opportunity to come back for additional funding would be at the supplemental. But the hospital would contend that that's a lose of a huge dollar value on the base that they lose.

COMMISSIONER MAYFIELD: Thank you.

CHAIR VIGIL: Let's do some gauging here. What is everybody's understanding of what time this meeting will end? Because I've heard 12:00 and I've heard 1:00.

COMMISSIONER STEFANICS: Madam Chair, I heard 12:00, but I do have a 1:00 commitment, so I could stay later than 12:00, but I have to be at a 1:00 commitment.

CHAIR VIGIL: Okay. It is now 11:20. Let's try to shoot for 12:45. We have several other items here. So would 12:45 work with all the other Commissioners?

COMMISSIONER STEFANICS: Madam Chair, did the hospital know we were going to be discussing this today?

MS. MILLER: Madam Chair, Commissioner Stefanics, yes. I told them we were having this study session. I didn't invite them to come speak to the issue. I had probably four hours of conversation on it with Alex Valdez, but I did tell him that we were meeting and talking about this. And I told him, as a matter of fact, the current year funding with the \$6.1 million, if everything were to stay the same, we're in need of \$6.1 million. I will say that their request to the County was something like \$10.4 million, which when it came down to it, just for them to say flat because of the loss of the federal match, is something like \$8.2 million, because \$8.2 in a recommendation, or \$8.6 I believe in the recommendation from Steve shows that – a match from us of \$8.764 million is \$28.7 million to them where that \$6.8 million this year brought them \$27.6 million.

So you can see for them to actually receive a flat amount to what they received this year in total dollars is a \$2 million, almost \$2 million increase on our side, and that's due to the enhanced FMAP going away from the federal side. So anything less than the – say, \$8.6

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million to them is a reduction in their total dollars. So from Alex's standpoint he's like, anything you do less than that is a cut for us. And he also showed that they have about \$3 million that they do in contracts with community healthcare providers, so they do a lot of contracts for services in the community. Obviously, at their cut they have to look at contracts outside of their hospital.

They also provide about \$2.5 million in direct services to the County constituents based on providing pharmacy for our inmates. They provide doctor services for the inmates. They provide some direct indigent claims for inmates. They run the CARE Connection and Sobering Center. So all of those contracts – also paratransit – take there about \$5 to \$6 million of direct services that they do separate from their own hospital requirements. So I point that out because I'm sure as we look at what we do to our match they will have to turn around and look at what they do there. That could mean if they cut some of those direct services that burden comes back to the County.

So I just want to make that point because I don't know what that breaking point is but that was conveyed to me by Alex Valdez as was just the sheer impact of losing anything of that \$28 million is, from their perspective pretty significant. So even if we looked at shifting our primary care payments that we do unleveraged, if they were to take something like that on, from their perspective it has to be in addition to what we're currently providing in match.

So that's why some that these options that Teresa has put forward show sole community provider match when we knock out the indigent line item then the sole community match goes up, because they would be taking on an additional expense if they created fund to pay those claims. So I just want to make that distinction. So that was a lot of the conversation I had with the hospital trying to explain where we were and why we're struggling with coming up with a recommended amount.

CHAIR VIGIL: Commissioner Mayfield.

COMMISSIONER MAYFIELD: Thank you, Madam Chair. Real quick. Ms. Miller, thank you for that. I think you explained a lot of it to me. With the federal match, is there a breakout exactly how those dollars are being expended for our county residents? And also, does the hospital not have requirements to report back to the feds of what those dollars are being expended for?

MR. SHEPHERD: Madam Chair, Commissioner Mayfield, I believe they have some reporting requirements to the state but we don't have that information; it's not shared with us.

COMMISSIONER MAYFIELD: And Madam Chair, Mr. Shepherd, what about the federal dollars? They don't have to report?

MR. SHEPHERD: I'm sure they have to report something to the federal government but that's not something that's been shared with us by the state or the federal government.

COMMISSIONER MAYFIELD: Thank you.

CHAIR VIGIL: Commissioner Stefanics.

COMMISSIONER STEFANICS: Madam Chair, I wanted to ask about the

seniors, the line item for the seniors. Does that include taking on new centers?

MS. MARTINEZ: Madam Chair, Commissioner Stefanics, that's the current level. That does not include the additional centers that will be a factor next fiscal year.

COMMISSIONER STEFANICS: Excuse me. Madam Chair, when are we required to take on the new, the other senior centers? FY 12 or FY 13?

MS. MARTINEZ: Madam Chair, Commissioner Stefanics, FY 12. The latest I've heard is we're looking at July 1.

COMMISSIONER STEFANICS: So we don't even have in here budgeted a new responsibility.

MS. MARTINEZ: Not at this point. This is showing the current level and what's currently being funded by the general fund.

MS. MILLER: On that, Madam Chair and Commissioner Stefanics, we also don't show the revenue from the state. So there will be – because we don't have that number. So it's a little bit difficult to build the budget because we keep providing them information and they won't tell us what they're going to give us. It's like a circular way of trying to build a budget, because we'll provide a budget and say these are the things that we're going to be providing, so how much does that qualify us for in state funding? And we haven't gotten a response to know what that gap would be if we're off of what they will provide for us. So that's why there's not a growth on that number there.

So we don't have the revenue counted that we would receive from the state but we also don't have any increased expenditures counted because we're not sure what funding level they'll give us.

COMMISSIONER STEFANICS: Well, Madam Chair, I just want to point out then that there is a new responsibility that's not reflected here. So this isn't even the total picture.

CHAIR VIGIL: Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, Ms. Miller, on the options, could you clarify – on the first one I get it. Are you suggesting in that option that 40 percent of all of those items, that the cuts go across the board 40 percent on each of those items? That's my first question. And my second question is you said cuts to small programs, MCH and the van, can you define what that is because it's on every single slide after that.

MS. MILLER: Madam Chair, Commissioner Anaya, like I said, I didn't get a chance – we were still working on this at about 8:00 last night and we kind of ran out of time to run through this. What I wanted to show on option 1 which it does actually reflect is if you just – the \$6.1 million that we're short is 40 percent of the cost of these programs. And what I wanted to reflect was if you just went straight down and said, okay, everything's cut by 40 percent what that would be. Including sole community. But this one got kind of mixed up. It shows a little of both. So I would say don't really refer to this option because what I was going to say is that that would mean, essentially, that sole community would lose two-point some-odd million dollars, \$2.4 million.

It would also mean that RECC would lose something like \$1.2 million, but how

would you make it function. So all I wanted – initially in option 1 it wasn't so much that it's a viable option it was this is really what we're looking at, that we're 40 percent short in funding these programs at their current service level. But this one got kind of a mix of two, so that's why I had stopped Teresa and said don't really look at option 1 because it wasn't reflecting what I just wanted to give you as this is why this doesn't work. Because that's often a budget approach, is just slash everything. Whatever you're short by, cut everything by that percentage. I don't think that's feasible on a couple of the programs because RECC wouldn't be functional and it would also mean that big of a chunk out of sole community, and if you translated that all the way out it would be about a drop to the hospital of about \$10 million in total.

So that was the intent behind option 1 so I would just say on that one, don't really look at that one because I noticed that it didn't reflect what I was trying to show you just from pure numbers figures, what that would mean to get to a recurring revenues equaling recurring expenditures.

So that's why I said let's go to option 2. Option 2 was to reflect us taking out some of our smaller medical programs and then transferring primary care payments to sole community provider and upping their current year by about \$500,000 to leverage enough to pay those primary providers. But even with that, we're still above budget. So with that one change we couldn't make it; we couldn't fund that.

COMMISSIONER ANAYA: Madam Chair, Ms. Miller, tell me what specific cuts to small programs you're referring to, just so I know exactly which programs you're suggesting because it's in every other option. Which specific programs are you suggesting that those options be cut?

MS. MILLER: This is if you were to look at the fact that we don't generate enough revenue in our 1/8 GRT for all the healthcare services that we cover, and if you were take out MCH, which is currently at \$58,000. If you were to take out the mobile healthcare van, if we no longer operated that. That's \$209,000. So those are the two that you see out of there. Now, you'd have to ask Teresa on the Indigent how that drops from \$1.8 to \$184,000. I don't know the specifics of that.

MS. MARTINEZ: Madam Chair, Commissioners, that assumes that the County will still have oversight and approval of the claims, so that leaves a management level and an accountant level if you will, to help with that. So it's two FTEs.

MS. MILLER: Everything else transferred to a fund at – and just so you know, that's not something they've agreed to. They've agreed to in concept that St. Vincent's says they believe there's no reason that they couldn't set up a fund and make those payments directly as long as we're approving the claims. But I don't know. They probably wouldn't be willing to do it at only an increase from \$6.8 to \$7.3 million. That's still a negotiation that would have to occur.

COMMISSIONER ANAYA: Madam Chair, going back to my previous point, I think as a County some of the things that we do that may be the small things are some of the most important things we do at times, and I guess relative to my previous comment about

discussions with the hospital about complementing and working together on programs that we have, I would say that those two and others are part of that additional discussion that I feel as one Commissioner would be good to have with the hospital. So I understand your recommendation but I guess what I'm saying is that between now and Tuesday I'm hopeful we engage in not only discussion on the van, MCH, but other areas including EMS to hopefully find some agreeable complementing services, between what the hospital does and what we do.

MS. MILLER: Madam Chair and Commissioner, that's where we did have – I think from a historical perspective, that's what all of the services that are currently direct services by St. Vincent's now, and even to the degree that some were negotiated that could not be done. So we kind of got down to the only one that was left, and I don't know why MCH or the mobile healthcare van wasn't in there but maybe you can speak to that, of why that didn't get picked up in the current year, because I think they would have maximized the match if there could have been any other direct services that St. Vincent's was willing to provide, they would have. But we were down to pretty much there weren't any more, other than the primary care issue.

That's how it's been conveyed to me. Additionally, it was not within the match that they currently have because of them saying the enhanced FMAP at that same time. They're saying they already took up what we had on our books as \$1.6 million worth of direct services that we were providing. They now provide those from their perspective at a cost of \$2.5 million. So they already feel like, well, we've already done all of these. It costs us more and there aren't any more that we can provide. So if anyone else has ideas of how to chip through that, the only one that they were even willing to discuss was the primary care. But I don't know whether the discussion of the van had been in there previously.

MS. MARTINEZ: Madam Chair, Commissioner, it was a discussion item in the past and it was also one of the programs that the County wanted to hang on to at the time. It had a lot of benefits; it was a good program. It was discussed and never came to fruition in terms of transitioning it. MCH in the past – both parties agree that it's a very valuable program. It was in this fiscal year that MCH lost their state funding. So we funded it at the level that we could and it was discussed but it wasn't one of the items that was transitioned. But both recognized the importance of it.

CHAIR VIGIL: In that line of questioning, is there an issue, for example, with the mobile healthcare van, if in fact St. Vincent's does take it over, that employees need to be employees of St. Vincent's? Was that part of the discussion?

MS. MARTINEZ: Madam Chair, Commissioners, earlier on, a lot of the discussions, if they were to transition the services were centered around taking our employees and making them hospital employees. I would, if I had to venture a guess, I would guess that they would consider transitioning them to hospital employees, but that would have to be a discussion item.

COMMISSIONER STEFANICS: So, Madam Chair, do I understand the hospital is interested in the van services?

MS. MARTINEZ: Madam Chair, Commissioner Stefanics, not right now that I'm aware of. But it was a previous discussion in the last go-round.

MS. MILLER: And Madam Chair, Commissioner Stefanics, they have indicated they do not want to take on any more direct services. They're already struggling with the loss of the federal match and the fact that the direct services that they did take on cost significantly more than what they thought that they would cost. So I can have the conversation again but I don't know that it solves the problem because whatever we cut out I just have to keep increasing their match if they take on more services.

CHAIR VIGIL: I see what you're saying. Commissioner Stefanics.

COMMISSIONER STEFANICS: Madam Chair, if the hospital is not interested in other services right now we really are just looking at what we are going to make decisions about within our own County and what we're going to give them. If over the year, before the request for supplemental comes in, they're interested in other services to assist the supplemental then they could consider that. I've found that in my experience forcing somebody to take on a service when they're not interested is not to our benefit. So if we perhaps think about holding the line on sole community provider or something else and then just saying if you want to look at our other programs we'll talk to you again and leave it like that. It's just an idea I'm putting on the table for consideration. Thank you.

CHAIR VIGIL: Thank you very much. Let's move on to option 3.

MS. MARTINEZ: Option 3 is very similar to option 2. The only difference is the increase to the sole community provider is showing at a value of \$8.2 million. It assumes that we would still eliminate or cut the MCH program, the mobile healthcare van. It shows the transition of primary care funding to the hospital and that would result in a \$5.9 million need. Again, revenues are budgeted down three percent.

Option 4 is trying to consider if we were able to work something out with the City and this is pie in the sky, because this would be based upon a 68 percent call ratio. So it adds that influx of revenue at \$2.3 million. It reduces the Health administration. It still leaves two FTEs to approve and process indigent claims, transfers the remainder of the payments for primary care providers to the hospital and also reduces our jail medical component to \$500,000, leaves our RECC flat and shows an SCP commitment of \$7.3 million. In that particular scenario we would still have a shortfall of \$1.1 million. There's a lot of "ifs" in this one.

In option 5, similar in that we try to think that the City might come up with a contribution of \$500,000. Revenues are still reduced by three percent. So you have total revenues with general fund support of \$9.8 million. Again, Health administration is reduced. We leave the two FTEs for oversight of indigent claims, transitioning primary care payments to the hospital and leave jail medical reduced to \$500,000. RECC flat and the SCP commitment at \$7.3 million. We have a shortfall of \$2.9 million.

COMMISSIONER STEFANICS: Madam Chair.

CHAIR VIGIL: Commissioner Stefanics.

COMMISSIONER STEFANICS: I'd like to ask a couple questions about the



jail medical. And Annabelle I think is here and Steve. The Department of Justice agreement, what does it require? What are we doing extra over what is required?

ANNABELLE ROMERO (Corrections Director): Madam Chair, Commissioner, in my opinion we're not doing anything extra at all.

COMMISSIONER STEFANICS: Steve, do you have a comment about the DOJ requirements and what you think we're doing extra?

MR. ROSS: Madam Chair, Commissioner Stefanics, of course the DOJ agreement is no longer in force. It expired over a year ago so there's no DOJ mandate per se. There's just a basic constitutional mandate. We think that the levels that were negotiated in that latest contract with DOJ represent sort of the minimal level that a Corrections Department owes to its inmates constitutionally. I'm not sure where we are now as compared to the mandates that were set out in the agreement.

COMMISSIONER STEFANICS: So, Teresa, do you have any comments on what you perceive as extras? And Annabelle, I guess the question is what are we doing different than what other counties are doing? So I'm fishing here and I just need some answers.

MS. MARTINEZ: Madam Chair, Commissioner Stefanics, we did an analysis – now, this dates back to May 12, 2010 and what we did is we lined the services up by medical as well as psychiatric and mental health services. We showed what the DOJ agreement required by way of hours per week or hours per day, and then we compared that to what we were currently doing. Specifically, some of the things we had contracted out so there was really no comparison but an example is, according to the DOJ we have an RN onsite coverage that requires 12 hours a day. Our current average is 26.5 per day, and that did not include considering the RN administrator or any contractual nursing staff that we may have had.

When I make reference to my \$500,000 that I said I thought we could cut, there is, according to the DOJ agreement we have an RN administrator, a behavioral health director, a medical administrator, a dental assistant and a dentist that are not required from the DOJ agreement. We are currently providing on an RN administrator 43 hours, 43.42 hours average per week, a behavioral health director – not required – 37 hours per week, medical administrator, 31 hours per week, dental assistant, 33 hours per week, and on the average the dentist is 20 hours per week.

So when I did my calculation I said, okay, these are the things according to DOJ that we are not required to support but are supporting and I factored that out. It's a potential savings of \$500,000 to \$750,000.

COMMISSIONER STEFANICS: Okay, so Annabelle, could you just comment on our County medical services versus others?

MS. ROMERO: First of all, we are providing excellent care. I have reduced the psychiatric hours which are very expensive hours, recently, and for example, the RN administrator actually functions most of the time as an RN and fills in an RN spot. Essentially, even though that's what the DOJ requirements were in the initial contract we



weren't able to get out of the DOJ agreement until we had created these additional positions and we're providing that type of care. My sense is that if we cut the care that we are providing, even though we have in a few instances reduced it a little bit that we would be in the same situation of ending up under another agreement.

The other thing is that the agreement – most of those services that are counted as part of this analysis also are provided at the juvenile facility and the agreement with DOJ was not relevant to the juvenile facility. So the dentistry also at juvenile, medical doctors are also going over to juvenile, so that's not anticipated in those numbers.

COMMISSIONER STEFANICS: So, Madam Chair and Annabelle, so my question was what are we providing in our medical in the jails compared to, for example, Bernalillo County? Are we comparable? Are we luxury? Just kind of give me the perspective. And I think health is very important so I'm not denying health benefits. I just want to know if there's been any look at others.

MS. ROMERO: It's very hard to compare with Bernalillo because of their huge numbers. And they're also facing a lot of potential litigation and are under the McClendon Order right now. We provide a little bit more care in the juvenile area than, for example, Las Cruces does, what the facility there does. We provide a little bit more mental health care than the facility in San Juan does. But I also understand they're having issues and having to upgrade their mental health program.

COMMISSIONER STEFANICS: So, Madam Chair, Annabelle, are there some perhaps retired experts in the field that could like just kind of do a quick review of what we have that would give us their opinion? I'm not looking for extra costs for the County, in terms of how we do this, but maybe just having somebody who's an expert just look and say, oh, here's another way you could look at this?

MS. ROMERO: I think in some degree that's what the Department of Justice did and that's why we had to staff up to those levels. Despite what the agreement said they wouldn't have let us go out of the agreement with just meeting those areas because we still had to be able to provide a service that was equivalent to what standards require.

COMMISSIONER STEFANICS: So, Madam Chair, I guess the other thing I would ask if for our County Manager to actually identify how we could do cost savings at the jail, and specifically in the medical area. Doing our contracts differently with the physicians, doing our contracts differently with pharmacy – something. So perhaps there could be some concrete recommendation. Thank you, Annabelle. Thank you.

CHAIR VIGIL: Did you want to respond to that directly? And then I'll go to Commissioner Anaya.

MS. MILLER: Yes, Madam Chair, Commissioner Stefanics. I think what we do is we have some internal, some we contract for and all that, so it's hard to – I think it gets a little difficult to determine, can you save a little on this, a little on this? A lot of other counties have gone to having a comprehensive contractor provide all of jail medical, including indemnifying the County and insuring and the whole works. The downside to that is control. Obviously, you don't necessarily have a say in who the doctors are, who's in the

facility as much. It's probably worth visiting as to whether going out and actually doing an RFP, seeing if it's a better option for us to do it that way versus providing so much of it in-house and looking at the pros and cons of each. I have no idea on a personal level whether the way that we provide it and have more control is ultimately better service and less cost to the County than the other way. Obviously, a vendor would come in and tell me otherwise – oh, we can save you all kinds of money and we can do this, this, and this. But it would be nice to see what they would do differently and how they could save money if that's what they do a total service.

So I have been approached by at least one vendor that does that. I know that Bernalillo changed contracts recently and so did San Juan County. And I did talk to the County Managers; they said they were pleased with their contracts and that it was saving them money. But I know we have also a little bit different history and we have had a different approach to providing inmate medical. So I think it would be beneficial to put an RFP out. We don't have to award if it's not to our benefit to do it, but I think it would be well worth the effort to see if it actually could produce savings and then perhaps we could not have this difference of opinion between the two departments as significantly as we do, because it's hard to make a recommendation when I have such differing opinions internally.

CHAIR VIGIL: Thank you. Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, piggy-backing on Commissioner Stefanics' request, the County had a difficult challenge prior to it taking on the administrative function of the adult facility and the youth facility, and the County recognized that it was well beyond one individual or department head to achieve that. And I believe, Madam Chair, if I'm not mistaken you were part of that process and well. We had a comprehensive internal team that included just about everyone. It was the Health Director. It was the Finance Department, it was the Sheriff's Department, it was Corrections. It was everyone, essentially that had a stake into the operations of the jail.

Madam Chair, Ms. Miller, I would suggest that as a tool for you you may want to reconstitute that jail team internally to have a defined scope of various things, but I'd be willing to provide you some information on some of the things we went through. But we spent nearly a year and a half prior to taking back the jail function over and that included visits to Dona Ana County, visits to San Juan County, visits to Bernalillo County, in-depth, comprehensive analysis of financial operations, in-depth operational analysis of the actual DOJ issues associated with the jail. The whole nine yards. And I think it might be something that you could use as a tool to help you get some additional information and feedback. And that's in support of your Corrections Department and your Corrections Administrator. So, Madam Chair, Commissioner Stefanics, I greatly appreciate those remarks and those thoughts.

A follow-up question that I have if I could relative to the option is understanding – what I'm hearing from you is the hospital has said we absolutely don't want any more responsibility of direct service and appreciating what Commissioner Stefanics said about things not working so well if they're forced, I think there are programs that the hospital

supplements through funding. Providers, for example, and I would ask you to ask that question of Mr. Valdez to help not take on direct service, but in the same way that they provide support to providers and others that we are requesting direct financial support of some of our programs. So if you look at any of these options we're roughly \$270,000 apart, \$270,000 to \$300,000 in relation to following one of these options and then utilizing cash, options 2, 3, and 4 I think.

But I would ask that that question be asked and that they consider supplementing not just those programs I referred to – MCH or the van – but also potentially some of our EMS functions. Thank you, Madam Chair.

CHAIR VIGIL: I would just want to add, the problems with jails are statewide and on any given day it will be mental health or it will be anything else. How we do intake. Jails just have such a diversified need. That's become more apparent to me. Currently right now the state is wanting to cut the state's share of prison inmates by 28 percent, so I think that means about \$1 million to Santa Fe County. You may know that better. The Association of Counties is trying to make a difference in trying to not let that percentage be so low. There's so many factors that influence that. I would also like to see how not only do we look at cutting, but also we look at increasing revenues with regard to the jail. I know we have – how many beds do we have?

MS. MILLER: Madam Chair, I believe the facility is built for 580, plus there's some overflow areas, so I think the total capacity is like 600, but really about 580. And I think, Annabelle, we have maybe right now 420 inmates in there. Something like that?

MS. ROMERO: 420 inmates, but the capacity is approximately 600.

CHAIR VIGIL: Annabelle, what are the prospects of filling all those beds?

MS. ROMERO: Right now, Bernalillo doesn't seem to have any money and they're also going through a number of changes. I haven't had anyone I can speak to in terms of the County Manager. We had had a dialogue with Mr. Lucero and we also had a dialogue with Mr. Dantes and with Ron Torres but none of those three are in place right now, so it's a little difficult to say what's going to happen in the next few weeks regarding Bernalillo because they had promised to send more inmates any time soon but that hasn't happened.

I did talk to the US Marshals last week and they're going to be increasing their numbers significantly, and I will have the ability to increase the dollar rate there by about \$4 to \$5 per day per inmate. So I'm looking at having maybe 120 US Marshal inmates which will really help.

CHAIR VIGIL: Thank you, Annabelle. Katherine did you want to respond to that, and then I'll go to Commissioner Mayfield and then Commissioner Stefanics.

COMMISSIONER STEFANICS: I'm wondering if perhaps our County Manager could approach the chair of the county commission or one of the deputies over at Public Safety that would deal with the jail to see if through an official perspective there are still thoughts about that.

MS. MILLER: Madam Chair, I actually – maybe it's been about a month, did talk to the County Manager and at that time he said, we're trying to get rid of inmates, in

other words manage our inmate population better so that we don't have to pay for beds outside. But I also know that they're still over-crowded. So I don't know if they've solved that issue. We're going to revisit that with some other individuals at the County. But one thing that came up which I thought was interesting. He said one of the ways that they've been able to cut their population – they sit at about 2,800 inmates and it doesn't have that kind of capacity. He said they've dropped their inmate population by about 200, average, because they worked a program with the district court judges and probation and parole violators. Now, that's the very issue that you were kind of speaking to. That's a state responsibility to pay for that but they don't appropriate the funds to pay for that. As a matter of fact it costs us about a million dollars a year and we only receive reimbursement of about \$300,000 right now.

So if they cut that fund at DFA it will be even less than that that we receive back. Or that was 2010's reimbursement. But what they've tried to do is actually work with the district court judges and as soon as a probation or parole violator is brought back into the facility, making sure they get a hearing immediately so they are either, if they are going to be re-incarcerated, that they go back to the state facility that they were on parole from or probation from if their sentence is resurrected, or that they are immediately released because the determination is made that they are not going to be re-incarcerated. So that's one of the ways that they've really tried to work and I think they even funded a judge or two in order to do that, and they say that's helped them. But they have a much, much larger population than we do. It's seven times our population. So I don't know that it would result in as good of a reduction for us proportionately but certainly, that was the way that they said they were trying to get their population down as opposed to sending their populations outside of their facility and paying for beds.

CHAIR VIGIL: Commissioner Mayfield.

COMMISSIONER MAYFIELD: Madam Chair, Ms. Miller touched on that point. I was going to see what we were going to do to manage our population with our local judiciary because not having to pay for somebody to be in there that's a good idea also.

MS. MILLER: Madam Chair and Commissioner Mayfield, maybe Annabelle could speak to that as to whether we're doing anything along that line.

CHAIR VIGIL: Annabelle, when you speak to that the other sort of innovation that's occurred through the state – this is happening in Dona Ana, that the judgment and sentences are taken care of at a hearing so there's no delay in inmate stays. So if you could also address that.

MS. ROMERO: Our delays have been reduced significantly just because we have one individual who works on that almost ninety percent of the time. So that hasn't been as much of an issue as it's been in the past. I wasn't able to hear Commissioner Mayfield's earlier question very well.

COMMISSIONER MAYFIELD: Madam Chair, Annabelle, Ms. Miller touched on it. Just what are we doing to manage our population if we're working with our local judiciary to try to help – or try to keep inmates from staying any longer than necessary?

Or if there are other programs out there where they can be managed from home.

MS. ROMERO: We do use the electronic monitoring system and in fact at 12:00 I'm meeting with the magistrate judges to see about better utilizing the electronic monitoring system, because they had only been using it if they were going to take advantage of the full spectrum we're looking at doing. In some cases, maybe all that's needed is for the individual to be taking UA tests and they could be in the program without having the full spectrum. So that's what we're meeting about in a few minutes.

I did want to clarify a little bit about what I spoke about earlier, for example, changes where we now have a medical administrator and that wasn't the case before. I want to explain why I did that. It's not really apples to apples, the comparison of what DOJ required in times past and the way we're doing it. When I took over we had two doctors. One of them was working almost full time and her duties included – she was doing employee write-ups and she was doing essentially an administrative function. And that meant that at a very high dollar, you were paying a doctor to be an administrator. Currently what we have is an administrator who oversees scheduling and payrolls and all of those types of functions, as well as discipline of employees and billing and so forth for the medical unit. And the doctor's not doing that so that we have much fewer doctor hours but the doctor is seeing patients and establishing medical protocols.

Also, the doctors are now paid – the contract was finally finalized and they're being paid out of the St. Vincent's.

CHAIR VIGIL: Thank you. Thank you very much. We really need to move on to items B. Katherine, is there anything you'd like to wrap this up with on this budget?

MS. MILLER: Yes, Madam Chair. I think – obviously, this is all difficult decisions and it's also obvious that we can't sustain the level of funding for all of these programs that we have this year into next year. What I'd like to do between now and next Tuesday is look at some of the things that you suggested but also just to say it's likely to come back that we'll be looking at something like obviously using some cash recommendation in 12, unless you tell me you don't want me to. But that said, if we go the route of using no cash we're looking at trying to cut out \$6.1 million and from my perspective unless the City were able to contribute a significant share of the RECC I don't know that any of those other services could take those type of hits without basically saying we're going to shut down a facility somewhere. We're going to cut off programs and significantly change our operations at the jail.

So what I'm looking at is it would require the use of some cash, and then looking at all of those areas, with each one of them having some adjustments going forward, working with the City to see if they would be willing to come to the table. Obviously, they probably can't come up with the full \$2.5 million next year unless they enacted some kind of tax. It would be great if they did but I'm also realistic. But working them into contributing their share of the RECC. Working with St. Vincent's as to whether they would take on any other direct services or the primary care. Looking at the current programs that we do have and where we could – if we shifted anything where we could have savings, and then like I said,

looking at our cash levels and seeing if we can spread that out over the next couple of years as revenues return or additional cuts need to be made.

CHAIR VIGIL: Commissioner Stefanics.

COMMISSIONER STEFANICS: Thank you, Madam Chair. My understanding is that on Tuesday the only decision we have to make – and this does say possible action under this item – but the only decision we have to make is about sole community provider in order to meet the federal and state deadline. I would not want to make big budget decisions about anything until we have the entire budget in front of us. Because last year we did use some cash reserves to fund some of our services, and in order to just look at the health arena and make decisions without looking at the rest of the County I think is unfair. So I understand about the deadline for sole community provider but I would not want to venture any farther than that with decisions at this time until we see the rest of the County.

CHAIR VIGIL: With regard to that I think we can move onto the next item.

COMMISSIONER ANAYA: Madam Chair.

CHAIR VIGIL: Do you have –

COMMISSIONER ANAYA: Just a couple follow-up items. I agree, Madam Chair, Ms. Miller, that I think consideration of the use of cash is important, so as one Commissioner I concur with that. I also will restate that as you ask for those additional considerations from Mr. Valdez that you will as you have continue to keep us informed. I think it might not even be a bad idea to have one or two Commissioners be part of that conversation. I think not only for that conversation with the hospital but I also think that the conversation with the City. I know you've had some preliminary conversations with the Manager and I think we need to as a Commission support the Manager and be part of the conversation with the Mayor and Council as necessary. I think we have some tough issues that we need to discuss and resolve.

I agree, Madam Chair, with Commissioner Stefanics' last statements relative to consideration of the entire budget and us needing to be cautious about that and make sure that we have all the information before us and maybe based on the conversations that you have with Mr. Valdez we may have resolution to that as part of the actual sole community provider approval.

Madam Chair, two last things. I think that relative to the budget process, on the way when I was driving in here, I was thinking to myself that I only have 47 months left as a Commissioner. So we have to move fast and do as much as we possibly can together. But all kidding aside, it's very important to me because it's what I said when I was running for office, to make absolutely sure that the public fully understands what's coming into the County and how those resources are being expended. It goes well beyond what we can accomplish in a special meeting or even a regular BCC meeting. So working with the information that Ms. Miller's provided and staff's provided, I'm going to go out into the community between now and our budget cycle conclusion and make sure that in my district I have done every effort I can in community meetings, townhalls, fire department meetings, wherever I can, to make sure that they understand what's before us and the difficult decisions

that we have, and then get some feedback so that I can bring it back to this Commission. I would invite and be willing to attend any such meetings if any other Commissioners would like to do that in their districts because I think it's that important.

Madam Chair, my last thought is that of all the things that we consider in the budget, we have mandates that have been given to us by the state in many cases, and those aren't optional. The jail's one of them, unfortunately. I think it's those mandates that end up driving everything else we do as a County and so no matter what, we have to run the jail at no matter what expense and then everybody else we work with and they're faced with cuts and other issues. So on that note I think the jail is so important to us, Madam Chair, I would suggest that maybe we have some discussions about being more active as a Commission and maybe having a section within our meetings either before a Commission meeting or after, that we just focus on the jail and the jail alone, and that we take those recommendations in support of the Manager and better understand those issues that are before us because the jail is huge and it's killing us, to put it bluntly.

And we have that obligation, we have an obligation to do it right, but I think you, Madam Chair, bring up an excellent point when you say it's not only about what we cut or we reduce, but it's about what we do to seek other alternatives in funding. So I would put that forward as a thought. I thank you for the time, Madam Chair.

CHAIR VIGIL: Thank you. With regard to Tuesday's meeting and the requests I'm hearing, we can't have a full, outright budget hearing with regard to the decision we have to make on sole community provider. Perhaps we could just glean some more insight in the options that have been presented to us with regard to how it would affect our budget, if that's possible. And I'm not sure that's very specific to your entire request, Commissioner Stefanics, but I think it would glean further information if we have some impact analysis with regard to that. Commissioner Mayfield.

COMMISSIONER MAYFIELD: Madam Chair, just real quick. Ms. Martinez, are these projections or options that you brought to us, are they inclusive of that anticipated three percent drop in revenue for FY 12?

MS. MARTINEZ: Yes, sir.

COMMISSIONER MAYFIELD: Thank you.

**IV. B. Matters From the County Manager**

**1. Review, Discussion and Possible Action on the Low Income Property Tax Rebate**

CHAIR VIGIL: Ms. Miller, I'll turn this over to you and you can turn it to whomever staff is necessary on this.

MS. MILLER: Madam Chair, I was looking where Rudy went. Madam Chair, one of the things that came up in the last Commission meeting was the fact that the Commission has put the low income tax property tax rebate forward that we enacted per the



statute and I had suggested that, well, there is the possibility that even though it doesn't make the decision as to what you actually do with the tax, it might be nice to have some options as opposed to it just as the statute says.

I had the opportunity to be over at the legislature just briefly the other day. I talked to Senator Griego. As it turns out Senator Griego who is the one who made an amendment to that statute that put in that new table and he said he was very willing to work with us, because originally the table was something like zero to \$8,000 with 75 percent of tax liability with a maximum of \$250. He's the one who put in that the amendment that changed that table as well as upped the maximum rebate to \$350. So I asked him would he be willing to sponsor a change where we might have some flexibility with that table and he said that he would.

So if the Commission would desire I would maybe do so I would work with him on trying to put in a statement that went something more along the line of this table or a table as approved by a Board of County Commissioners and see if we couldn't move something forward like that so it wasn't quite so large of an impact as we currently have.

CHAIR VIGIL: And let me ask with regard to that, what if that legislation doesn't pass? Do we need to take action?

MS. MILLER: I think it stands right now until you take action to remove it. It would still be in place for 2010. Is that correct, Steve?

MR. ROSS: That's right.

COMMISSIONER STEFANICS: Madam Chair.

CHAIR VIGIL: Commissioner Stefanics.

COMMISSIONER STEFANICS: At the last meeting I had asked that there be a projection going out about for about five years with the maximum number of people that might use it so we could actually be aware of how much money. If we do not gain the flexibility we could see this actually decreasing some of our County services. So there might – the best scenario would be could we get the Senator and others to support allowing the flexibility. And so I would – since this is possible action, I would move that the County Commission request the flexibility portion be put into an amendment in the bill.

CHAIR VIGIL: Okay. We have a motion to give staff direction towards amending the bill and gaining support from the legislature to provide for the flexible language on that. Is there a second?

COMMISSIONER MAYFIELD: Second.

**The motion passed by unanimous [3-0] voice vote.** [Commissioner Anaya was not present for this action.]

CHAIR VIGIL: Okay. That is one item that we need to act on. Do we need to take action on whether or not we will continue this for next year? Okay. Good. Do you feel comfortable with moving forward with that and is there anything else we need to add to this particular item?

MS. MILLER: Madam Chair, on that particular piece of legislation now we'll

work with Steve Ross and Rudy and Senator Griego to come up with something that allows us flexibility, even if it's a couple of different tables or percentages of existing tables or the ability to adopt our own table. So we'll look at drafting something that would go along that line. And as I said it was Senator Griego and I had spoken to him. He was very open to working with us on that.

**IV. B. 2. Review, Discussion and Possible Action on Legislative Items**  
*[Exhibit 4: Legislature Summary]*

MS. MILLER: A couple of things. We had Senate Bill 177 sponsored by Senator Ortiz y Pino is the affordable housing initiative that the affordable housing dialogue group had come up with the possibility of a local option for a property tax mil or up to two mils at the option of the local government, city or county, that they could put that in place and have that funding go to anything that's allowable under the Affordable Housing Act. So that particular piece of legislation was in front of Senate Corporations yesterday.

There were a couple of the Republican Senators on the committee that had questions about exactly how it would work and I unfortunately was not able to get there and I think that the individual that was helping Senator Ortiz y Pino testify didn't have all the information. The most important distinction about this and how it came up so you can understand what it actually does is it amends the Affordable Housing Act. It does not amend the Tax Act. It amends the Affordable Housing Act and at the end it allows a local government to put this in place by referendum. It would be very similar, and how the discussion came up is at the affordable housing dialogue one of the members said, well, I think we should go forward and take to the voters a GO bond and do a GO bond for affordable housing.

A GO bond would in essence do the same thing; it would increase your property tax rate in order to pay that debt back. And typically GO bonds are issued for about ten years so it would probably do an increase to your property taxes depending on the size of the bond would create a general obligation debt of the taxpayers to pay off that bond. The problem with that is a lot of the things that are done in the Affordable Housing Act are assisting in financing – assisting in financing the developer or assistance in financing the homeowner in the acquisition of a home. So it seems a little redundant to borrow money to lend money for somebody else to borrow. It also, when you bring in the issuance of a tax-exempt bond you have a lot of tax implications by the use of those bond proceeds and you have to be very careful putting them into any kind of public-private partnership or you could jeopardize the tax-exempt status of a bond.

So to the same effect you could actually just take to the voters the ability to vote on an operating mil as opposed to voting on a general obligation bond which would also create a mil or a certain amount of mils to pay it off. But you could take it to them to make it an operating mil. You then don't have to issue debt. You can use the revenue as it comes in, a pay as you go and you have a lot broader things that you can use it for. You can use it for

homeless shelter operations, you can use it for staffing, you can use it for anything that's allowed in the Affordable Housing Act.

Also the way that they drafted it would only go into effect for I think eight years at a time, a maximum of eight years. So it also would be limited. So the individuals that put that together have asked for support of the Commission. I have not gone and spoken in any committees in support or against it; I've just gone and explained how it works to some legislators.

COMMISSIONER STEFANICS: Madam Chair.

CHAIR VIGIL: Commissioner Stefanics.

COMMISSIONER STEFANICS: I move that we support Senate Bill 177.

CHAIR VIGIL: There's a motion. Is there a second?

COMMISSIONER ANAYA: Second.

CHAIR VIGIL: I have a motion and a second.

**The motion passed by unanimous [4-0] voice vote.**

CHAIR VIGIL: Katherine, with regard to this the RPA is also taking up initiatives on affordable housing. There is a sub-committee meeting, Commissioner Anaya, Councilor Wurzburger and Council Bushee and myself will be meeting Thursday, I believe. Do you have the time?

COMMISSIONER ANAYA: 1:30.

CHAIR VIGIL: Thursday at 1:30. And that certainly is a wider initiative that the Regional Planning Authority in conjunction with the City should be well informed with in terms of gaining support. So whoever you think might be beneficial to further explaining that, if you could direct them to be at that meeting. I know Darlene Vigil plans on being there so if she's updated on that it would be good for them to know.

Okay, so where do you want to go from here, Ms. Miller.

MS. MILLER: Madam Chair, I will say, on the list of items, Senate Bill 63, I don't know if you want to – well, let's just go down the list. Senate Bill 44, I didn't know whether you wanted to take action, whether to support or not support that. I think we've taken action that we're in support of the film production tax credits. So what we've done is just taken a position if there's anything trying to eliminate those that we oppose that and if there are things to support them then we would say that we would be in support. But as far as accountability, we have not taken a position.

COMMISSIONER STEFANICS: Excuse me, Madam Chair. I want to go back to the previous item, and the reason I want to go back is I actually violated my own recommendation at the last BCC meeting, where I suggested we support policy rather than specific bills, so that if other bills came along that would support affordable housing that it would be a blanket support for affordable housing, and I don't know how my colleagues feel about that, but that way it would be a blanket.

COMMISSIONER ANAYA: Madam Chair.

CHAIR VIGIL: Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, I think that in general terms I support affordable housing but to say that I unequivocally would support every single affordable housing bill I think would be a stretch, because I think the specifics within the bills have various impacts or could have detrimental requirements. For example, on the bill that you made a motion that we support that provides for a local option, which I think is the right thing to do. I think, just as one Commissioner, I think if we look at them as they come that we discuss them because I wouldn't feel comfortable just providing a blanket approval for all affordable housing legislation, because there could be things within the context of the bill that I might not agree with.

COMMISSIONER STEFANICS: Well, thank you, Commissioner, and Madam Chair, I think the reason that this dawned on me is because as our County Manager started talking about film production tax credits, we have passed a resolution, and the resolution was don't do anything to film tax credits; leave them as they are. So if we go through all of these tax credit ones they could be amended as time goes on. For example, this one substantially overhauls the film production tax credit. We don't know negative, positive – we don't know. And we've already said don't decrease film tax credits.

CHAIR VIGIL: Let me clarify that, because the resolution we enacted supports one legislation versus another. The legislation actually says we support the Senate Bill that looks to study film tax credits statewide and are not in support of any legislation that would be opposed to that study. So I think the resolution itself could be presented through the legislature in terms of how we support it. I'm not too sure that the resolution specifically states we are opposed to the 25 percent reduction. It says we – and I would ask if somebody has a copy of that resolution maybe we can review it.

But with regard to your request, Commissioner Stefanics, what I would say is that some of these bills will take flight; some of them won't. I think if we discuss them and stay informed with them and we do take action as we did on Senate Bill 177 that is what we could represent in committee, is that the Commission has taken action in support of this.

COMMISSIONER STEFANICS: Well, let's clarify, Madam Chair. Rudy, what does the resolution say for the film tax credit? Just that we're supporting a study?

MR. GARCIA: Madam Chair, Commissioner Stefanics, the actual last paragraph says, Now, therefore, be it resolved by the governing board of Santa Fe County that the Board of County Commissioners hereby urges the New Mexico State Legislature to maintain existing film tax credit initiative until such time as we complete a thorough economic impact statement can be done to determine the negative impact such as reduction it would have on the area jobs and area small businesses.

COMMISSIONER STEFANICS: Well, the reason I brought that up, Madam Chair, is on Senate Bill 44 is says substantially overhauls the film production tax credit. We already have a resolution that says maintain the tax credit. So that would be a red flag for me to support this bill.

COMMISSIONER ANAYA: Madam Chair, on that point.

CHAIR VIGIL: Commissioner Anaya.

COMMISSIONER ANAYA: And Madam Chair, Commissioner Stefanics, I think that okay. I think that if when you're at the legislature relative to the film industry, if any of us are there or if you're there that the Commission took a stance on the film tax credit and this is what it was, and you've conveyed that. I think on a bill by bill basis we could choose to continue to track it but not make a motion for approval unless we have the background and are comfortable. So I think staff can achieve that with us deciding on a bill by bill basis.

COMMISSIONER STEFANICS: Thank you. I would agree that our resolution states our position.

CHAIR VIGIL: And I think my intent in explaining that, and thank you for identifying those, is that that is all we can represent at the legislature. Santa Fe County has taken action by resolution. This is what the resolution states. And that's all we really can represent. Because many of these film initiatives are going to have little nuances in it that we haven't really taken action. So if we can have our resolution represented there I think that's the best we can do as a body. Okay.

MS. MILLER: So Madam Chair, on this particular one from what we had received from you, we would say that if this did anything to change in any way the tax rate we would not be standing in support of it and would not comment on this particular bill as we have it right now. So that is kind of what our interpretation would be of what you've done.

CHAIR VIGIL: Okay.

COMMISSIONER STEFANICS: Madam Chair, we would comment. We would say we have a resolution that states that we would want to maintain the tax credit as it is. That's what the resolution says.

MS. MILLER: Okay. I just meant that we wouldn't necessarily be standing in support or against this because I don't know exactly what this says.

COMMISSIONER STEFANICS: Well, we don't have to say we're in support or against, but we passed a resolution. And if we don't want to stand behind our words then we shouldn't be doing resolutions.

CHAIR VIGIL: The interesting thing about this is that we're going to have a volume of bills and I don't even know if we have the staff available to be accessible to all of these hearings. I think one of the things that we have a benefit of in this legislation is that it is a 60-day session. We will be able to know which one of these bills actually takes flight. Actually, within our next two meetings if there are bills that are taking flight and we know they're going to go to one floor or the other we'll be able to give staff better direction and we'll know exactly how many resources we actually have to dedicate to that. So at this point in time we're really still at the very beginning stages and we'll probably be seeing a lot of these film bills. So, go ahead, Katherine.

MS. MILLER: Okay, Madam Chair. I understand Commissioner Stefanics' distinction. Which then takes us to Senate Bill 63, the local food product purchase requirements. The Commission did pass a resolution, 2010-222 supporting State of New

Mexico legislation increasing the preference advantage for the New Mexico agriculture sector, for both New Mexico fresh produce and processed products purchased by government and other public and private entities. So there is a resolution supporting that bill.

COMMISSIONER ANAYA: Madam Chair, on that point. Anything that was approved prior to me starting my term, if you could let us know and provide us the resolution. That would be great. That way we can be aware of it.

MS. MILLER: Okay. Senate Bill 107.

MR. GARCIA: Madam Chair, Commissioners, I see Steve actually standing up. I think staff is trying to do our best judgment there as to how resolutions are passed and what the intent of the County is whenever these bills are in committee. For a good example, we're going to have a lot of bills that actually affect Santa Fe County. Dogs on the porch could affect Santa Fe County, the gun law could affect Santa Fe County, so there's going to be a huge array of bills that are out there but we're actually hopefully narrowing it down to maybe hopefully under ten or twenty bills that we can definitely go out there and stand behind these bills as these bills get introduced.

An example is the one that Manager Miller just spoke about is regarding the local produce farmers. That bill actually currently says that it's required by municipalities and local and state government entities to purchase from producers of these certain products. One of the questions that some of the state agencies have is if there's not enough tomatoes or cheese or meat out there for our Corrections Department or senior centers to purchase then it says we're required to buy [inaudible] That bill as it's introduced, I think the intent of the resolution wasn't for that to be required but those are things that we actually catch that we're looking at and speaking in favor or against those bills or getting them changed as they go through the committee process.

MS. MILLER: Madam Chair, I would just like to state what the resolution does say. The resolution says, Now, therefore, be it resolved that Santa Fe Board of County Commissioners support State of New Mexico legislation increasing the preference advantage for the New Mexico agricultural sector for both fresh and processed foods produced in New Mexico and purchased by governments and other public and private entities. That's verbatim. So although on one hand it might have an impact to us, the Commission did say that they support that and what I could say, this does to what Commissioner Stefanics said is we could just read the resolution.

CHAIR VIGIL: Okay. Or present it to committee members. There's that other option. Okay. Continue.

MS. MILLER: Rudy, do you want to talk about Senate Bill 107?

MR. GARCIA: Madam Chair, Commissioners, Senate Bill 107 is one of the pieces that Commissioner Anaya brought up. It's the Per Diem and Mileage Act uniformity and elimination. There actually, there was a bill that was dropped, Senate Bill 107. I think Attorney Ross has reviewed that bill and he has no problems with the bill. He says it's a very good bill and it actually does clean up the act. So if the Commission would like for us to move forward and definitely support that we can do that.

COMMISSIONER STEFANICS: Madam Chair.

CHAIR VIGIL: Yes.

COMMISSIONER STEFANICS: So from the little description here, it doesn't say if we continue to be required to do it, if it's flexible, if it's eliminated. The title says elimination. So what, Steve, is good about it?

MR. ROSS: Madam Chair, Commissioner Stefanics, well, what's good about it is, remember this ambiguity in the current act that causes us to believe that we have to pay our members of boards, commissions, task forces, stuff like that, this completely eliminates that whole section of the act and does a very clear rewrite of the act to clarify that it's only applicable to travel, nothing else. So it's a very good bill from our perspective.

COMMISSIONER STEFANICS: So are you saying, Madam Chair and Steve, that it eliminates the per diem and mileage unless you are traveling?

MR. ROSS: Correct.

COMMISSIONER STEFANICS: But traveling how many miles?

MR. ROSS: Thirty-five.

COMMISSIONER STEFANICS: So if somebody in Edgewood came to our County for a meeting, that's going to be 35 miles. I'm almost 35 miles.

MR. ROSS: Right. But you would then claim mileage and meals and things like that. It cuts out the whole requirement that someone traveling, or not traveling, would be reimbursed \$95 by the local government.

COMMISSIONER STEFANICS: So it eliminates the per diem but not the mileage.

MR. ROSS: Right.

COMMISSIONER STEFANICS: Okay. Thank you.

COMMISSIONER ANAYA: Madam Chair.

CHAIR VIGIL: Commissioner Anaya.

COMMISSIONER ANAYA: I would like – I'm honestly trying not to complicate things. I'm trying to try and help simplify things. And Madam Chair, I would support the bill but I would ask for the Commission's support to request language that would modify it to where if it's a local government committee within the jurisdictional boundaries of the county, which all our committees are; they're all county residents, that we not be mandated at all to pay mileage or per diem as it's being prescribed to change here. Because what I heard was the ambiguity that we had said that if somebody requested it we'd have to pay. So my intent is that as it stands now none of our advisory committees are collecting anything. Correct? And we want to keep it that way. And what I'm hearing from volunteers is they volunteered of their own volition because they want to volunteer to the County.

So I would ask my fellow Commissioners to support clarifying the language or seeking clarification that they don't want to get paid and that local government is not mandated to pay them for our committees – Road Advisory, Health Planning, DWI Council, all of them. So Steve, does the language in the bill do that? Or in Commissioner Stefanics' example, if somebody was coming from Edgewood, would we be required to pay them?

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MR. ROSS: Madam Chair, Commissioner Anaya, it does a better job than the previous – the current act. It says that a public officer – now, that definition has been expanded to include appointed officers, is entitled to receive. So that the person could ask for reimbursement or not. Before, the statute said we were mandated to pay them mileage or per diem or whatever at their election. So this at least opens up the possibility that the official board member or whoever – task force member, would not request reimbursement. So the act goes half way to where you want to be. It doesn't go all the way though.

COMMISSIONER ANAYA: Madam Chair, is that something we could have a discussion? I know Senator Eichenberg. Is that something we could have a discussion with Senator Eichenberg, within the confines of a county, let's say, within the boundaries of a county, for local committees or county committees, that he consider some language to – because there will be amendments to the bill.

So, Madam Chair, my fellow Commissioners, I guess I'm seeking the Commission's support collectively to ask those questions and to seek that change, if they feel it's appropriate.

COMMISSIONER STEFANICS: Madam Chair, I'm wondering if – and we probably don't have a GIS person here – I'm wondering what the furthest point is to our County seat. Because if the bill is expanded to 50 miles or 55 miles, would that eliminate everybody in Santa Fe County coming into a meeting? If it was just a matter of amending the mileage, that might be the simplest thing for the Senator, if that's our intent. But I don't know, Commissioner, is that what you're saying? That anyone who would come into a meeting we don't want to reimburse mileage?

COMMISSIONER ANAYA: Yes, Madam Chair, Commissioners, I think the people who have been participating have been participating because they want to volunteer, and we, in discussions use the per diem rate as a reason to downsize or down-scope the volunteers who participate. I don't think we want to do that. I think we want to encourage people to volunteer. So, yes. The furthest point from the county line, and it's probably 63 miles from here to the Santa Fe County from the southern portion.

CHAIR VIGIL: Let me just direct staff to gain some information from Senator Eichenberg because it's really him we need to have discussions with. This has only been referred to committee. It currently hasn't had a hearing. So Rudy, maybe you could speak to Senator Eichenberg so that you could relay the concerns the Commission has and whether or not the language that he's proposing actually clarifies those concerns for us or if additional language could be proposed and if in fact he was willing to consider that. Is that the direction you're looking for?

COMMISSIONER ANAYA: Yes, Madam Chair. I know we're short on time but I guess I'm looking for a little more from my fellow Commissioners as far as the concept, supporting the concept. As an individual Commissioner I can and I would talk to the Senator and say as an individual Commissioner, not speaking on behalf of the Commission, but I actually would like the Commission to consider supporting as a whole the concept that we not pay that. That that's not the intent of those volunteers.

CHAIR VIGIL: Do you want to make that in the form of a motion? Because we do have possible action.

COMMISSIONER ANAYA: Sure I would move that the Commission support that we do not mandate or pay mileage or per diem to our volunteer boards because that could discourage volunteerism.

COMMISSIONER STEFANICS: I'll second.

**The motion passed by unanimous [4-0] voice vote.**

COMMISSIONER ANAYA: Thank you, Madam Chair, Commissioners.

CHAIR VIGIL: We're going to close right now. There are Commissioners who need to be somewhere by 1:00. I don't want to make anybody late. It's seeming like we're having more discussion on legislative items than what we intended. I don't know if the way we would like to proceed, and we all have some significant input in this, is to include maybe an additional hour at our next meeting with regard to a legislative update, or maybe even wait to have a legislative update at some future time. I think that right now, while we know these have all been introduced, that's all we know about the bills, really. So how does the Commission want to proceed on further discussions of legislative agenda? Katherine, do you have any recommendations?

MS. MILLER: Madam Chair, I just want to make one point. We have breakfast with our delegation tomorrow, providing we don't have a major snowstorm between now and then, which is possible. And we'll call you if we cancel breakfast. There's only a couple things that I was hoping to get a little direction on that might help us in our discussions tomorrow and things that have actually come up from some of the Commissioners, and that was a couple that we've already talked about as well as one on Senate Bill 201. Senate Bill 201 was fire protection for residences and essentially it prohibits state and local governments from requiring sprinkler systems in residences. It goes against, actually, one of the ordinances we have in place. So whether the Commission would oppose that – and we don't have to take any action right now but I just wanted to point these out because we've been asked by the Home Builders, for instance, to support that one, yet I know that our own Fire Department would not recommend that.

There's also another one, which isn't on here, Rudy, Senate Bill 61, which had to do with combining the ability of local governments to work together to do building inspections and that. It's one that I had brought to you that we've also been asked if we could support and it actually would address some issues that the County Commission had had previously. So those are just two that I had kind of hoped to point out to you and make sure you're aware of prior to tomorrow's breakfast.

CHAIR VIGIL: Okay.

COMMISSIONER ANAYA: Madam Chair.

CHAIR VIGIL: Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, on that point quickly, the

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Commission before Commissioner Mayfield and I took office had a discussion on the sprinkler issue and there was concerns raised by Commissioners relative to the residential component and the code. I was at a chiefs association meeting Thursday and I think that's an issue that staff is going to bring us more information on in time because of the code rewrite. And on that note, the chiefs association is the volunteer chiefs around Santa Fe County. They did afford me the opportunity to say a couple words. One of the chiefs asked me, will other Commissioners when they can, participate in the chiefs association. I said I will carry that message to the Commission. So I'm carrying that message. One of the chiefs asked that they'd like to see you when you can and they meet every month, the last Thursday of the month at the Fire Admin Office. And it's at 7:00.

CHAIR VIGIL: Katherine, with regard to tomorrow, I think anyone can speak to this, because it is new and much of this legislation is new. I think you have been on top of discussions with staff and other members of the community who do have a position on it. I think you can only represent what you actually know. My concern with meeting with our delegation again if we get an opportunity to, and hopefully we could even reschedule and that might not be a bad thing, because again, we're so new in the legislative session. But we do have \$10 million that's threatened for a particular project with Santa Fe Studios at this point in time. I know we've got agreements in place with regard to that particular project. I think we need to speak to our delegation on that. This is an economic development project that we've created a lot of emphasis on for the benefit of our community. I think that issue needs to be fully discussed and understood. And I'll defer to you in just a second, Commissioner Stefanics.

I think the other thing that is really critical is that we do make available to them the resolutions that we have taken action on, so if we could make copies of those available to them that would be a benefit. One of the other things that's come up in this legislature that we need to be able to tangle with is capital outlay. In fact, we never approached that question because it was the overriding understanding that there would be no capital outlay.

Now, Rudy, you may have more updated information with that, if in fact there is capital outlay we have created a prioritization of projects. But the issue that we're always tangling with with the legislature and Rudy you can probably speak to this more is while we do have a prioritization of projects, many of them come back to us and say, what do you have for capital outlay that can be funded in my district. I think Rudy sometimes is caught up in the middle of those kinds of questions. Do you have an update on the capital outlay?

MR. GARCIA: Well, Madam Chair, the only thing I've heard for capital outlay is there's about \$240 million. I think LFC is recommending all of that money be spent on nothing but state projects. According to DFA so far there's no solvency plan for the existing capital outlay that we have out there which is good. That's about all I've heard from the roundhouse.

CHAIR VIGIL: And it could very well be that LFC's recommendation is something that they move forward with, but I think we need to consider any alternative that may surface throughout the session with regard to that. And this may not be the time to do it,

but we do need to keep those lines of communication open with our delegation. Katherine, did you want to address that and then I'll go to you.

MS. MILLER: Madam Chair, what we need to make sure that we have for tomorrow is that list that was approved by the Commission as far as our ICIP and our top priorities so at least if it comes up what are our priorities, I think there were about seven of them that were already approved. And then we could additionally provide you with the list that's in the ICIP by district. And then if we do see things shifting a little bit more along that line it might be given to individual legislators we can come back and ask for official action on anything that's specific to that district. And then also provide resolutions and any other official action that the Commission has taken a stance on for tomorrow.

Aside from that we didn't have much else other than to protect what appropriations we do have.

CHAIR VIGIL: Thank you, Katherine. We do need to make those items available. Let me turn to Commissioner Stefanics.

COMMISSIONER STEFANICS: Madam Chair, I think it's appropriate that as the chair that you be our spokesperson tomorrow at the breakfast. So perhaps Rudy and the County Manager could put together your list of talking points for tomorrow, including all the things that have been discussed. In the past, and staff are doing a great job, but we're talking about electeds to electeds tomorrow, so we need our chair to be our spokesperson.

CHAIR VIGIL: Most definitely.

MR. GARCIA: Madam Chair, just to go over what we have for tomorrow real quick. We have an agenda. We actually do have our priority issues which are – I don't want to say vague but they're actually not too detailed, anywhere from the 911 surcharge, property tax solutions, sole community provider and then we actually are going to hand out our three or four resolutions that the Commission has passed in the last three or four months and we can go into that and discuss them. So we do have a plan of attack for tomorrow.

CHAIR VIGIL: I haven't seen the agenda. Does it provide an opportunity for the legislators to speak to us? They appreciate that. Is that included? Okay. So I think, Katherine, you and I can maybe meet and just sort of delineate all the items that can be given to them and then follow the agenda and ask for their responses. Is there something you need to speak about, Commissioner Mayfield? Anything else?

COMMISSIONER MAYFIELD: Madam Chair, I just want to take a privilege to introduce Juan Rios. He's working with me now for our District 1. I think the majority of you have either worked with him in the past, know him, or met him yesterday. So welcome aboard, Juan.

CHAIR VIGIL: Juan, welcome. Any other items on this?

V. **Adjournment**

Having completed the agenda and with no further business to come before this body, Chairwoman Vigil declared this meeting adjourned at 12:52 p.m.



ATTEST TO:

*Valerie Espinoza*  
VALERIE ESPINOZA  
SANTA FE COUNTY CLERK

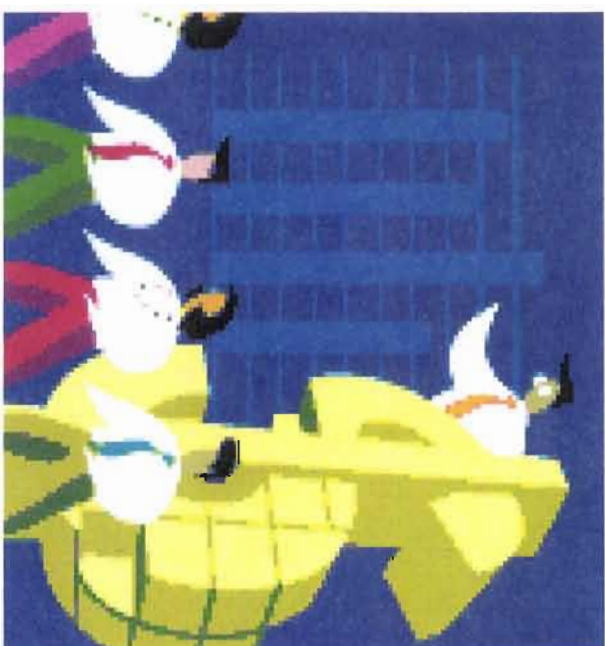
Approved by:

*Virginia Vigil*  
\_\_\_\_\_  
Board of County Commissioners  
Virginia Vigil, Chairwoman

Respectfully submitted:

*Karen Farrell*  
Karen Farrell, Wordswork  
227 E. Palace Avenue  
Santa Fe, NM 87501

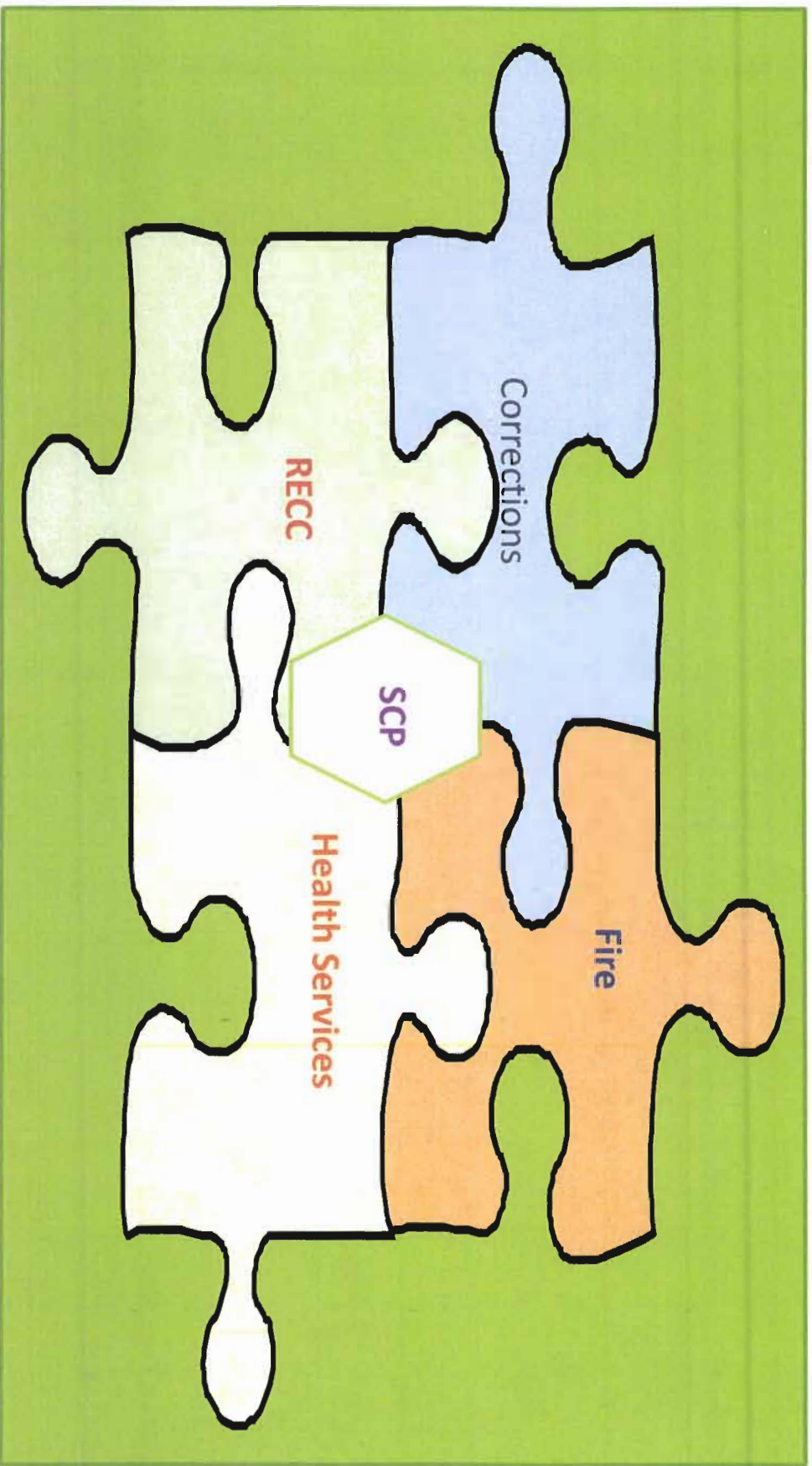
# Santa Fe County Board of County Commissioners



Budget Study Session  
February 1, 2011



# FY2012 Major Program Funding Issues





# Fiscal Year 2012 Revenue Estimates

## Funds of Primary Focus

	<u>FY12 Est. Revenue</u>	<u>% Change from FY11</u>	<u>\$ Change from FY11</u>
➤ <b>Indigent GRT &amp; Indigent Primary Care</b>			
➤ GRTs → Transfer In	\$ 4,146,750	↓ 3%	(\$128,250)
➤ <b>EMS Health GRT &amp; EMS Health Care</b>			
➤ GRTs → Transfer In	\$ 4,146,750	↓ 3%	(\$128,250)
➤ <b>RECC Operations</b>			
➤ Transfer In	UNKNOWN		
➤ <b>Fire Operations</b>			
➤ GRTs	\$ 7,464,150	↓ 3%	(\$230,850)
➤ Charges for Service (based on CY actuals)	\$ 669,000	↓ 16%	(\$131,000)
➤ JPA (based on CY actuals)	\$ 243,000	↑ 8%	\$ 18,000
➤ <b>Corrections Operations</b>			
➤ GRTs → Transfer In	\$ 4,146,750	↓ 3%	(\$128,250)
➤ Care of Prisoners (based on CY actuals)	\$ 3,900,000	↔	\$ 0
➤ Forfeitures Fund → Transfer In	\$ 275,000	↔	\$ 0
➤ Other Transfers In	UNKNOWN		
			<b>NET CHANGE FROM FY 2011 (\$728,600)</b>

# FY 2012 Beginning Cash Balances

## Estimated Cash Balances at July 1, 2011

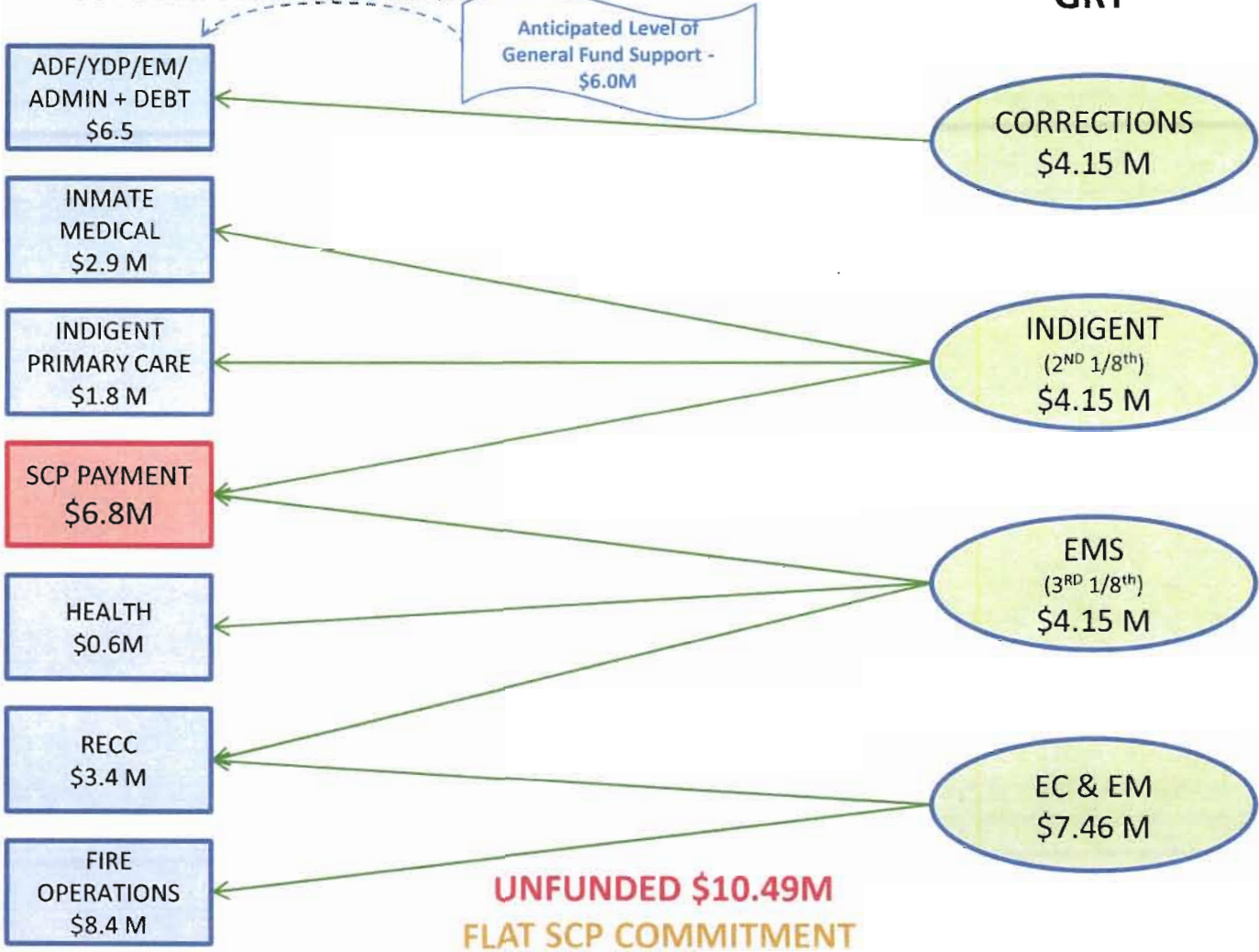
	<u>Cash Balance</u>	<u>Reserve Required</u>	<u>Usable Balance</u>
Indigent GRT Fund (1/8 cent GRT)	\$ 663,856	\$279,167	\$ 384,689
Indigent Primary Care Fund	\$ 152,960	\$152,960	\$ 0
EMS GRT Fund (1/8 cent GRT)	\$ 598,465	\$292,650	\$ 305,815
EMS Health Care	\$ 45,988	\$ 45,988	\$ 0
RECC (Unrestricted)	\$ 314,244	\$283,877	\$ 30,367
EC & EM GRT* ( ¼ cent GRT)	<u>\$3,939,498</u>	<u>\$774,675</u>	<u>\$3,164,823</u>
<b>TOTAL ESTIMATED CASH BALANCES</b>	<b>\$5,715,011</b>	<b>\$1,829,317</b>	<b>\$3,885,694</b>

\* Known as Fire Operations

# Which GRT Can Fund What Program?

Program Cost Net of Other Revenue Sources

GRT

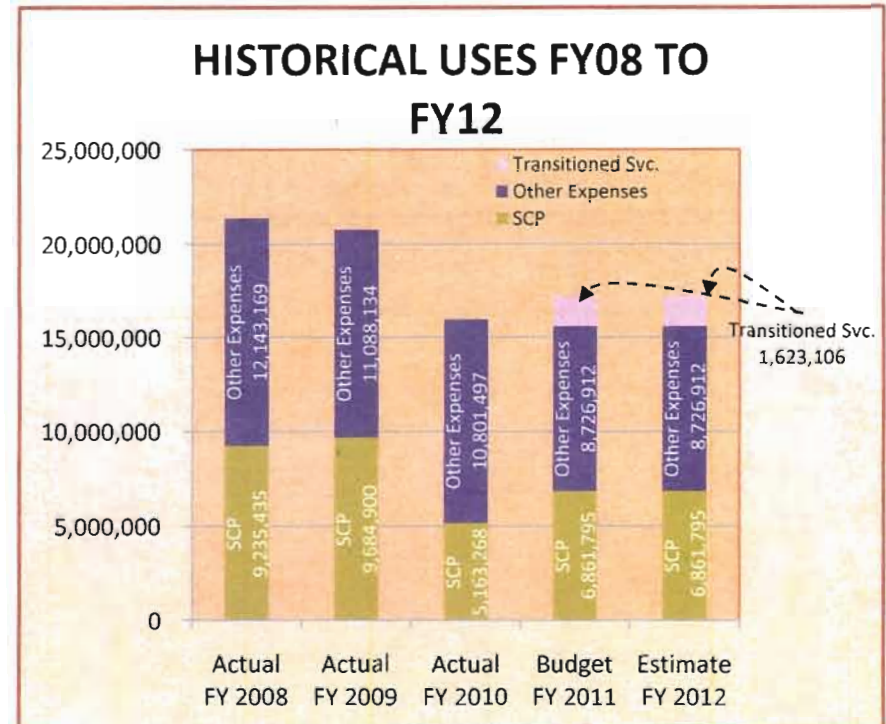
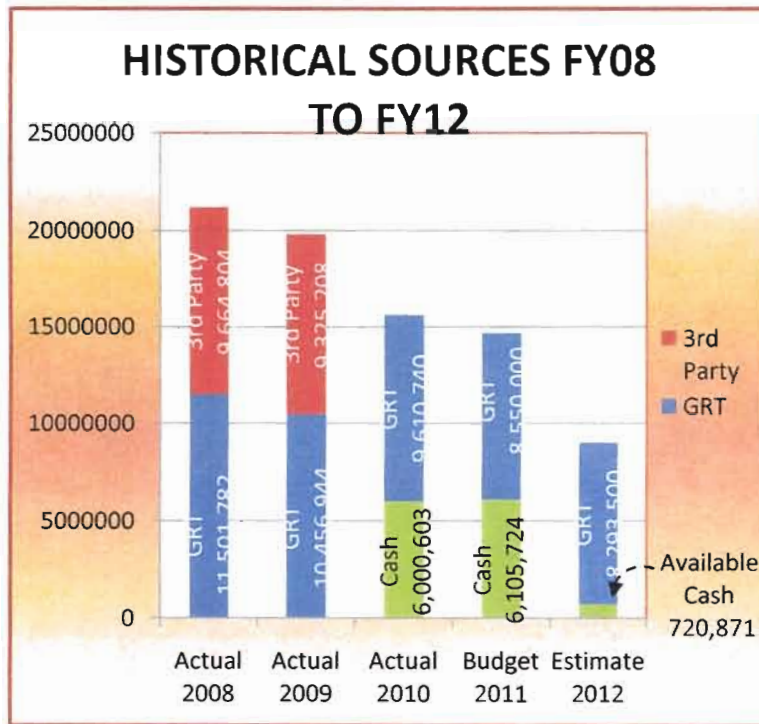


TOTAL PROGRAMS \$30.4M

TOTAL GRTs \$19.91 M



# What happened in those Funds?



From FY 2008 until FY 2011 recurring revenue (sources) in the Indigent Funds, EMS Health Funds, RECC Fund and Inmate Medical services decreased by \$12.6M.

The use of cash to balance these budgets went from \$0 to \$6.1M since FY 2009.

In FY 2012 cash balances are not available for use anymore.

From FY 2008 to FY 2011 recurring expenses (uses) in the Indigent Funds, EMS Health Funds, RECC Fund and Inmate Medical Services decreased by \$5.8M. Of that, direct services of \$1.6M were cut from the SFC budget but were provided by a third party (\$2.4 M).

# What happened in those Funds?

Lost Revenue

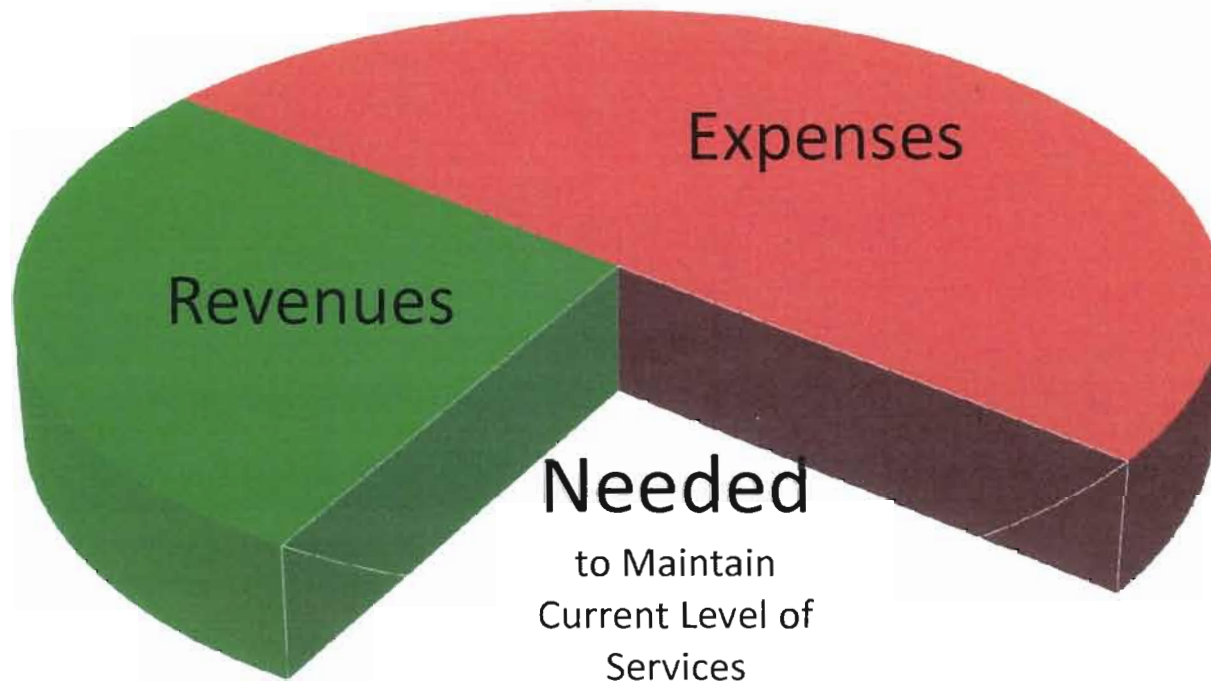
\$12.6 million

Reduced Expenses

\$ 5.8 million

**NEEDED**

**\$ 6.8 million**



# Fire Division Operations

- FY2011 budget was balanced with use of cash reserves totaling \$528,100.
- FY2011 budget has been greatly assisted by the aggressive pursuit (and receipt) of grant funding.
- If FY2012 expenses remain flat, we will need an estimated \$900,000 in cash reserves due primarily to loss of GRT revenue.
- This does not include support of the RECC. Historically, the Fire Division funding has been separate from the RECC. However, the JPA implies that the EC & EM GRT will be used for RECC operations. If so, \$3.4 million will be needed from this fund's cash reserves.





# RECC

## \$0 Revenue - \$3.4M Expense

### What has been done?

- ✓ Program has been cut \$.4M since FY09 without impacting service. Additional cuts **will** impact service which in turn **will** impact public safety.
- ✓ Was funded by using its own cash and a fund transfer (much of which was cash) from the EMS Health Care Fund in FY11.
- ✓ Attempts have been/are being made to negotiate a more favorable JPA.

**CITY STAFF HAS INDICATED AN INABILITY TO PROVIDE RECURRING FUNDING TO THE RECC DUE TO BUDGET ISSUES AT THE CITY.**

### RECC Options Under Consideration

1. Split Up County and City Dispatch  
Est. Operational Savings for the County **\$1.6M**  
(This is an operational savings, capital costs would increase by an unknown amount.)
2. Stays Regional - City of Santa Fe Pays More  
Est. Savings for the County **\$0 - \$2.3M**
3. Stays Regional - No Change to JPA  
Savings for the County **\$0**

### BENEFITS TO STAYING REGIONAL

- Regional dispatch considered by Public Safety management to be the preferred option.
- Regional dispatch is eligible to receive grant funding from DFA to use on capital and training expenses (unfortunately no salaries/expense which makes up 92% of the RECC budget.)
- Other jurisdictions for which SFC's dispatch is "back-up" are not impacted.

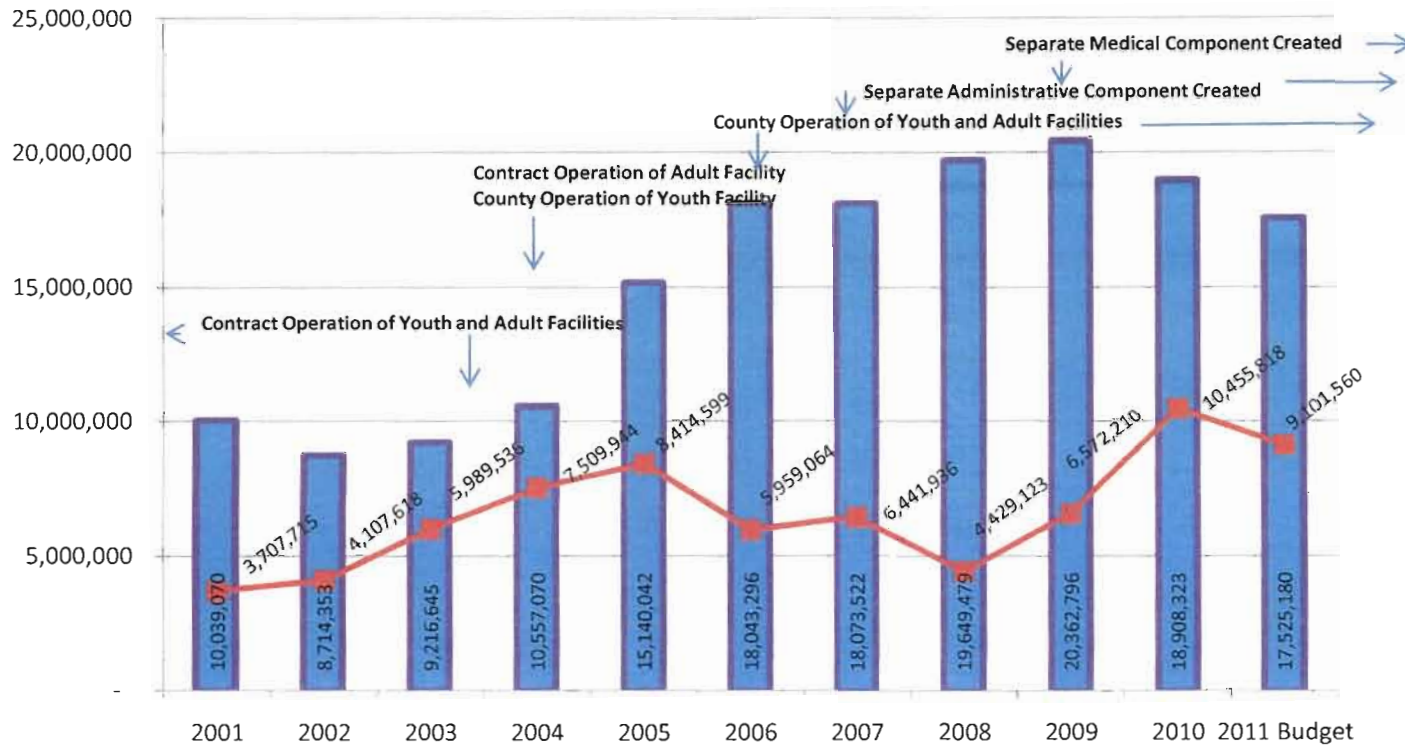
### BENEFITS TO SPLITTING THE RECC

- Immediate relief to SFC budget which, in turn, minimizes adverse impact on the EMS Fund, the Fire Operating Fund and the General Fund.
- Dispatch under more direct control of the Sheriff's Office and Fire Division may be more favorable to the "rank and file" in those functions.



# Corrections – Historical Perspective

## Corrections Department Expense 10-year History



- ▶ The red line above indicates the level of General Fund support provided to the Corrections Department over the 10-year period.
- ▶ Starting in FY 2006 the Correctional GRT began supporting the Corrections Department providing between \$4.3M and \$5.2M per year in addition to the General Fund support illustrated above.

- General Fund **can not** continue same level of support based on other demands countywide.
- Changes **must** occur – increase paying beds or establish level of operation to reduce expenses.
- General Fund support should be no more than \$6.0M per year.

GRT Graphic

# Here we are today - Corrections



## Corrections Operating Fund

### All Sources

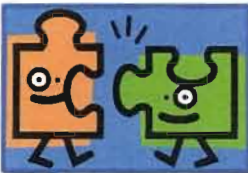
Est. GRT	\$4,146,750
Care of Prisoners	\$3,900,000
Forfeiture Fund	\$ 275,000
<b>TOTAL</b>	<b>\$8,321,750</b>

## Corrections Operating Fund

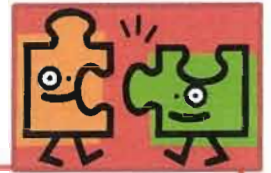
- ❖ Corrections Administration
  - Currently \$850,121
- ❖ Adult Detention Facility
  - Currently \$10,504,928 [ADF Population](#)
- ❖ Inmate Medical Services
  - Currently \$932,983 + \$2,000,000 transferred from Indigent Funds
- ❖ Electronic Monitoring
  - Currently \$703,607
- ❖ Youth Development Program
  - Currently \$2,343,501 [YDP Population](#)
- ❖ Debt Service
  - FY12 Payment \$2,252,005

Competing Needs: \$11.2 in expenses covered by \$8.3 in revenue  
(net of GF support, Care of Prisoners & Forfeiture Fund)

***This is a \$2.9M shortfall without funding SCP***



## Corrections – How do we balance?



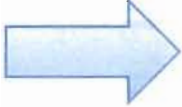
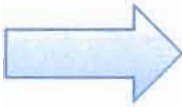

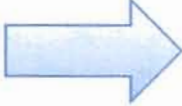
### Suggestions Made for FY 2011:

- Increase revenue sources at both the Adult and the Youth Facilities \$2.0 M
- Establish a level of operation for the ADF
- Transition the County's youth population to other facilities via contract & close the Youth Facility \$1.4 M
- Consider contracted medical services versus county operated \$1.0 M

### What Materialized thus far?

- Care of Prisoner Revenue is not meeting budget (\$588K)
- Transitioned direct services to a 3<sup>rd</sup> party (\$723K)
- Maintained hard freeze at \$487K, slightly less than initial forecasted amount
- Need stronger cost saving measures if paying beds do not increase
- Youth facility is doing operationally better, slightly!

# Corrections – FY'12 Budget Management?

- Reduce medical component to minimal DOJ standards  Possible Savings of \$500K or more.
- Fully contract out medical services  Possible Savings of \$200K - \$500K
- Restructure administration.  Possible Savings of \$ 200K - \$ 750K
- Declare a certain level of operations that will not continually rely on General Fund support.  Reduce General Fund support to \$6.0 M versus the current \$9.0 M
- Increase revenue.





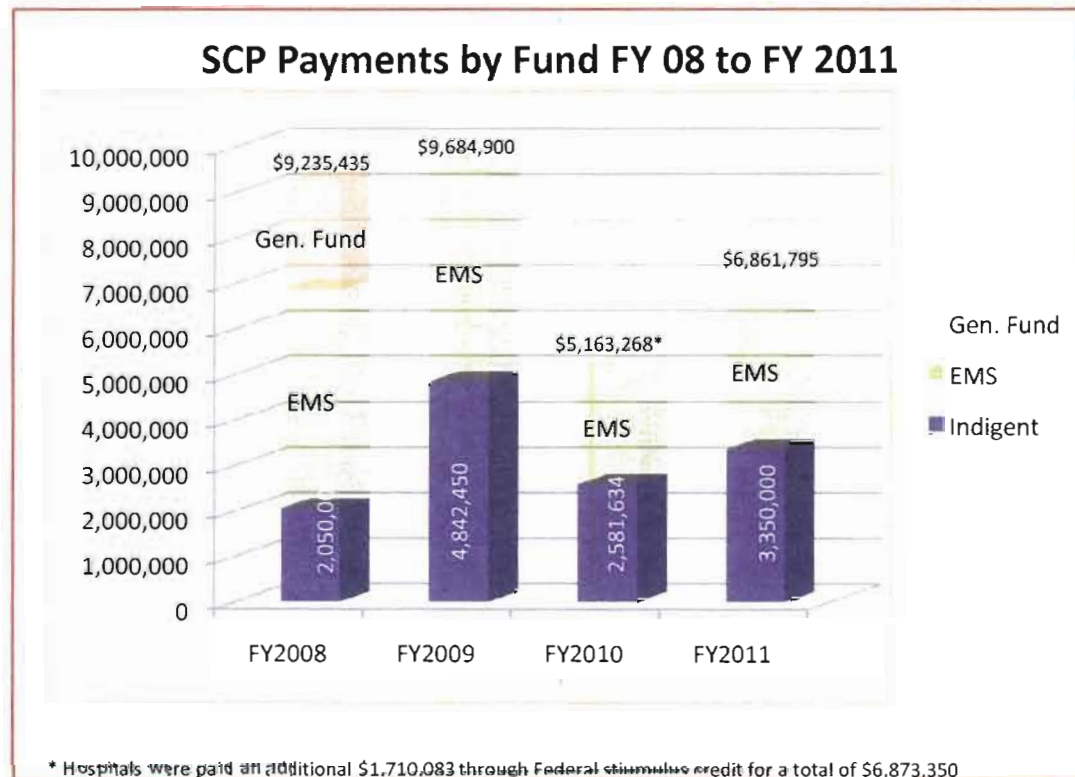
# Here we are today – Indigent Funds

- 💰 The Indigent GRT Fund has historically been a primary source of funding for the SCP Commitment.

## Indigent Funds (220 & 223)

- 💰 Indigent Primary Care
  - Currently \$1,835,548
- 💰 Transfer to Inmate Medical
  - Currently \$2,000,000
- 💰 Sole Community Provider
  - Currently \$3,350,000

(Total payment is \$6,861,794)



# Here we are today – EMS Funds

## SCP Payments by Fund FY 2008 to FY 2011



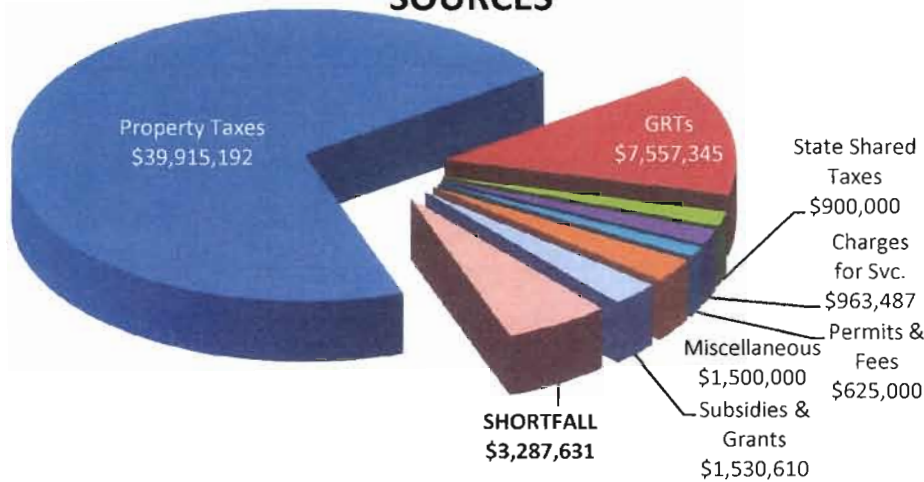
\* Hospitals were paid an additional \$1,710,083 through Federal stimulus credit for a total of \$6,873,350

## EMS Funds (232 & 234)

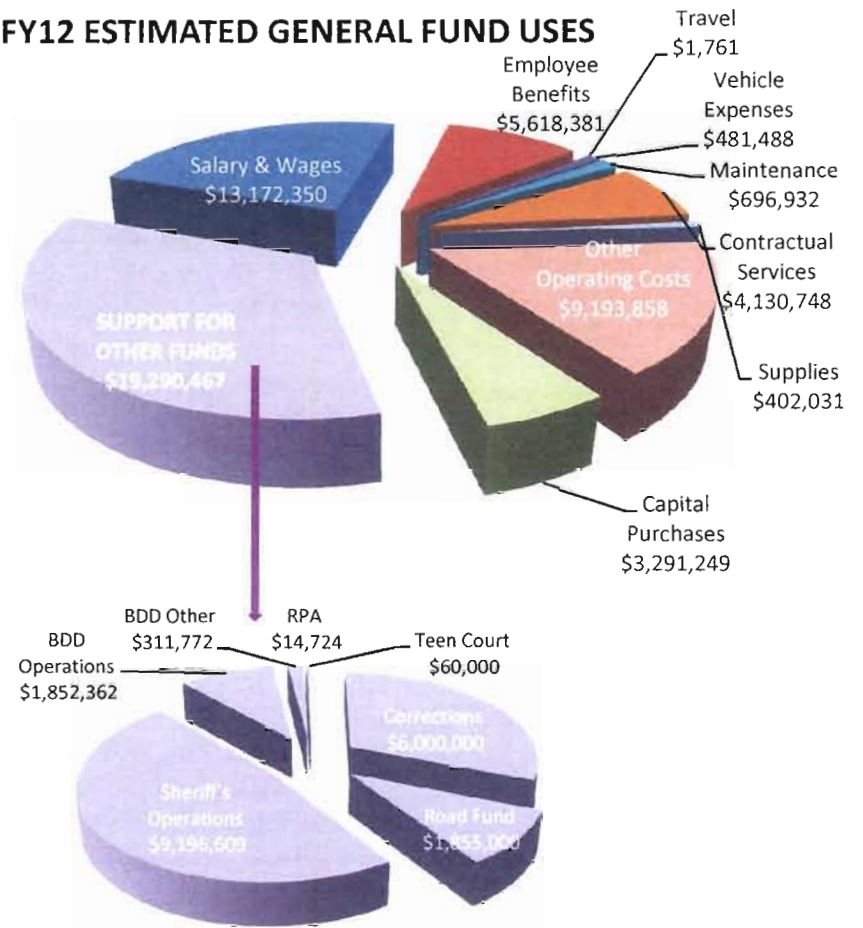
- \$ Health Administration
  - Currently \$283,822
- \$ Maternal Child Health
  - Currently \$58,206
- \$ Mobile Health Van
  - Currently \$209,828
- \$ RECC
  - Currently \$2,650,000  
(Total RECC budget is \$3,406,525)
- \$ Sole Community Provider
  - Currently \$3,511,794  
(Total payment is \$6,861,794)
- \$ The EMS GRT Fund has historically been a primary source of funding for the SCP Commitment.

# General Fund Predictions

**FY 12 ESTIMATED GENERAL FUND SOURCES**



**FY12 ESTIMATED GENERAL FUND USES**



The General Fund will recognize an estimated \$3.3M shortfall in Fiscal Year 2012 if operating expenses remain flat. This is primarily due to reduced estimated revenues as well as increases to BDD support and support of the Road Fund.



# FY'12 Possible Budget Cuts

- Furlough of non-public safety staff for 1 day per month. Reduces budget by \$1.5M
- Eliminate payments to fire volunteers. Reduces budget by \$.23M
- Return shift schedules to 4-10s at EM and YDP. Reduces budget by \$.1 M
- Revise RECC shifts to 4-10s schedule eliminating 8 hours of OT per pay period per shift employee. Reduces budget by \$116K
- Reduce Community Project & Road staff \$460K (less funds = less projects)
- Non-core programs and services should be reduced or eliminated. This equals people or services or both
- Santa Fe County must define what is considered "Core Government" services
  - Eliminate Graffiti Pgm \$46K
  - Reduce Transparency Costs \$40K-\$120K
  - Reduce Boys & Girls Club funding \$50K - \$100K
  - Eliminate Library Funding \$80K
  - Eliminate Youth Recreation \$60K
- Reduce cell phone and take-home vehicle by \$50K



**Possible cuts total \$5.6 million**

# Suggestions for SCP

## Sole Community Provider Commitment and Related County Operations

### Current Commitment & Use of Cash

		FY2011 Current
<b>Special Revenue (GRTs)</b>		\$ 8,550,000
<b>General Fund</b>		\$ 1,167,529
<b>Total Revenue</b>		\$ 9,717,529
<b>Health Adm</b>	EMS	\$ 283,822
<b>Indigent</b>	Indigent	\$ 1,835,548
<b>MCH</b>	EMS	\$ 58,206
<b>Mobile Health Van</b>	EMS	\$ 209,828
<b>Seniors</b>	GF	\$ 898,219
<b>County Fair</b>	GF	\$ 207,610
<b>Jail Medical</b>	Indigent	\$ 2,000,000
<b>Teen Court</b>	GF	\$ 61,700
<b>Subtotal Health Related</b>		\$ 5,554,933
<b>RECC</b>	EMS	\$ 3,406,525
<b>SCP</b>		\$ 6,861,795
<b>Total Expense</b>		\$ 15,823,253
<b>Cash-Surplus/Need</b>		\$ (6,105,724)

Reflects current  
\$6.861 M SCP  
Commitment

Reflects use of cash  
totaling \$6.1 M

# Suggestions – Option 1

## Sole Community Provider Commitment and Related County Operations

### Proportionate Cut of 40% to all Programs and Fund Remainder from Cash

		FY 2012 Option 1
<b>Special Revenue (GRTs)</b>		\$ 8,122,500
<b>General Fund</b>		\$ 700,517
<b>Total Revenue</b>		\$ 8,823,017
<b>Health Adm</b>	EMS	\$ 170,293
<b>Indigent</b>	Indigent	\$ 1,101,329
<b>MCH</b>	EMS	\$ 34,924
<b>Mobile Health Van</b>	EMS	\$ 125,897
<b>Seniors</b>	GF	\$ 538,931
<b>County Fair</b>	GF	\$ 124,566
<b>Jail Medical</b>	Indigent	\$ 1,200,000
<b>Teen Court</b>	GF	\$ 37,020
<b>Subtotal Health Related</b>		\$ 3,332,960
<b>RECC</b>	EMS	\$ 3,406,525
<b>SCP</b>		\$ 7,300,000
<b>Total Expense</b>		\$ 14,039,485
<b>Cash-Surplus/Need</b>		\$ (5,216,467)

- ▶ Reflects an SCP Commitment of \$7.3 M
- ▶ Programs were cut by a proportionate share of 40%
- ▶ Anticipates use of Cash totaling \$5.2 M

# Suggestions – Option 2

## Sole Community Provider Commitment and Related County Operations

### Cut Small Programs, Transfer Primary Care to Hospital & Fund Remainder from Cash

		FY 2012 Option 2
Special Revenue (GRTs)		\$ 8,122,500
General Fund		\$ 1,167,529
<b>Total Revenue</b>		<b>\$ 9,290,029</b>
Health Adm	EMS	\$ 283,822
Indigent	Indigent	\$ 184,263
MCH	EMS	\$ -
Mobile Health Van	EMS	\$ -
Seniors	GF	\$ 898,219
County Fair	GF	\$ 207,610
Jail Medical	Indigent	\$ 2,000,000
Teen Court	GF	\$ 61,700
<b>Subtotal Health Related</b>		<b>\$ 3,635,614</b>
RECC	EMS	\$ 3,406,525
SCP		\$ 7,300,000
<b>Total Expense</b>		<b>\$ 14,342,139</b>
<b>Cash-Surplus/Need</b>		<b>\$ (5,052,110)</b>

- ☞ Reflects an SCP Commitment of \$7.3 M
- ☞ Transitions Primary Care –Indigent to hospital
- ☞ Cuts small programs – MCH and the Van
- ☞ Anticipates use of cash totaling \$5.0 M



# Suggestions – Option 3

## Sole Community Provider Commitment and Related County Operations

Cut Small Programs, Transfer Primary Care to  
Hospital & Fund Remainder from Cash

		FY 2012 Option 3
<b>Special Revenue (GRTs)</b>		\$ 8,122,500
<b>General Fund</b>		\$ 1,167,529
<b>Total Revenue</b>		\$ 9,290,029
<b>Health Adm</b>	EMS	\$ 283,822
<b>Indigent</b>	Indigent	\$ 184,263
<b>MCH</b>	EMS	\$ -
<b>Mobile Health Van</b>	EMS	\$ -
<b>Seniors</b>	GF	\$ 898,219
<b>County Fair</b>	GF	\$ 207,610
<b>Jail Medical</b>	Indigent	\$ 2,000,000
<b>Teen Court</b>	GF	\$ 61,700
<b>Subtotal Health Related</b>		\$ 3,635,614
<b>RECC</b>	EMS	\$ 3,406,525
<b>SCP</b>		\$ 8,200,000
<b>Total Expense</b>		\$ 15,242,139
<b>Cash-Surplus/Need</b>		\$ (5,952,110)

- ◆ Reflects an SCP Commitment of \$8.2 M
- ◆ Transitions Primary Care – Indigent to hospital
- ◆ Cuts small programs – MCH and the Van
- ◆ Anticipates use of cash totaling \$5.9M

# Suggestions – Option 4

## Sole Community Provider Commitment and Related County Operations

Reduce Small Programs, Transfer Primary Care to Hospital, City Support of the RECC & Fund Remainder from Cash

		FY 2012 Option 4
<b>Special Revenue (GRTs)</b>		\$ 8,122,500
<b>General Fund</b>		\$ 1,167,529
<b>City Share - RECC (68% call ratio)</b>		\$ 2,316,437
<b>Total Revenue</b>		\$ 11,606,466
<b>Health Adm</b>	EMS	\$ 170,293
<b>Indigent</b>	Indigent	\$ 184,263
<b>MCH</b>	EMS	\$ -
<b>Mobile Health Van</b>	EMS	\$ -
<b>Seniors</b>	GF	\$ 898,219
<b>County Fair</b>	GF	\$ 207,610
<b>Jail Medical</b>	Indigent	\$ 500,000
<b>Teen Court</b>	GF	\$ 61,700
<b>Subtotal Health Related</b>		\$ 2,022,085
<b>RECC</b>	EMS	\$ 3,406,525
<b>SCP</b>		\$ 7,300,000
<b>Total Expense</b>		\$ 12,728,610
<b>Cash-Surplus/Need</b>		\$ (1,122,144)

- Reflects an SCP Commitment of \$7.3 M
- Transitions Primary Care – Indigent to hospital
- Cuts small programs – MCH and the Van
- Reduces Corrections Medical Costs
- Anticipates use of cash totaling \$1.1 M
- Reflects a City contribution based on a 68% call ratio

GRT Graphic

# Suggestions – Option 5

## Sole Community Provider Commitment and Related County Operations

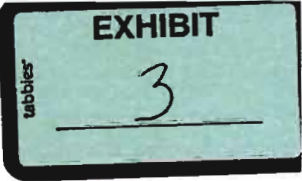
Reduce Small Programs, Transfer Primary Care to Hospital, City Support of the RECC, Decrease Corrections Medical & Fund Remainder from Cash

		FY 2012 Option 5
<b>Special Revenue (GRTs)</b>		\$ 8,122,500
<b>General Fund</b>		\$ 1,167,529
<b>City Share - RECC</b>		\$ 500,000
<b>Total Revenue</b>		\$ 9,790,029
<b>Health Related Programs</b>		
<b>Health Adm</b>	EMS	\$ 170,293
<b>Indigent</b>	Indigent	\$ 184,263
<b>MCH</b>	EMS	\$ -
<b>Mobile Health Van</b>	EMS	\$ -
<b>Seniors</b>	GF	\$ 898,219
<b>County Fair</b>	GF	\$ 207,610
<b>Jail Medical</b>	Indigent	\$ 500,000
<b>Teen Court</b>	GF	\$ 61,700
<b>Subtotal Health Related</b>		\$ 2,022,085
<b>RECC</b>		
	EMS	\$ 3,406,525
<b>SCP</b>		
		\$ 7,300,000
<b>Total Expense</b>		\$ 12,728,610
<b>Cash-Surplus/Need</b>		
		\$ (2,938,581)

- ⚙ Reflects an SCP Commitment of \$7.3 M
- ⚙ Transitions Primary Care – Indigent to hospital
- ⚙ Cuts small programs – MCH and the Van
- ⚙ Reduces Corrections Medical & Health Administration
- ⚙ Anticipates use of cash totaling \$2.9 M
- ⚙ Reflects a City contribution of \$500,000



<b>Santa Fe County Sole Community Provider Funding Eleven Year History</b>				<b>01/19/11</b>
<b>Fiscal Year</b>	<b>Total Annual Funding</b>	<b>Base Funding</b>	<b>Supplemental Funding</b>	<b>Annual Increase</b>
2001	12,385,672.00	4,677,104.00	7,708,568.00	0.00
2002	13,109,737.00	12,715,718.00	394,019.00	724,065.00
2003	14,316,182.54	13,463,140.00	853,042.54	1,206,445.54
2004	16,386,453.02	14,745,773.00	1,640,680.02	2,070,270.48
2005	21,021,854.30	16,972,342.00	4,049,512.30	4,635,401.28
2006	26,068,788.89	21,840,900.00	4,227,888.89	5,046,934.59
2007	31,787,615.74	26,058,616.66	5,728,999.08	5,718,826.85
2008	32,322,813.00	32,322,813.00	0.00	535,197.26
2009	33,367,442.00	33,367,442.00	0.00	1,044,629.00
2010	34,205,646.59	34,205,646.59	0.00	838,204.59
2011	27,596,197.00	27,596,197.00	0.00	(6,609,449.59)
<b>11 Year Totals</b>	<b>262,568,402.08</b>	<b>237,965,692.25</b>	<b>24,602,709.83</b>	<b>15,210,525.00</b>
<b>11 Year Averages</b>	<b>23,869,854.73</b>	<b>21,633,244.75</b>	<b>2,236,609.98</b>	<b>1,382,775.00</b>



Santa Fe County Sole Community Provider Funding Eleven Year History				01/19/11
Fiscal Year	Total Annual Funding	Federal Match	County Match	Annual Increase
2001	12,385,672.00	9,093,161.00	3,292,511.00	0.00
2002	13,109,737.00	9,602,506.00	3,507,231.00	724,065.00
2003	14,316,182.54	10,598,912.27	3,717,270.27	1,206,445.54
2004	16,386,453.02	12,249,811.02	4,136,642.00	2,070,270.48
2005	21,021,854.30	15,664,846.96	5,357,007.34	4,635,401.28
2006	26,068,788.89	18,853,118.45	7,215,670.44	5,046,934.59
2007	31,787,615.74	23,139,403.28	8,648,212.46	5,718,826.85
2008	32,322,813.00	23,087,377.00	9,235,436.00	535,197.26
2009	33,367,442.00	23,682,542.00	9,684,900.00	1,044,629.00
2010	34,205,646.59	25,687,627.00	5,163,267.00	838,204.59
2011	27,596,197.00	21,755,465.00	5,840,732.00	(6,609,449.59)
<b>11 Year Totals</b>	<b>262,568,402.08</b>	<b>193,414,769.98</b>	<b>65,798,879.51</b>	<b>15,210,525.00</b>
<b>11 Year Averages</b>	<b>23,869,854.73</b>	<b>17,583,160.91</b>	<b>5,981,716.32</b>	<b>1,382,775.00</b>

ARRA FUNDING  
ARRA FUNDING

# SENATE ITEMS

- Bill:** SB44  
**Sponsors:** Keller (D17)  
**Title:** FILM PRODUCTION TAX CREDIT ACCOUNTABILITY  
**Summary:** (For the Revenue Stabilization and Tax Policy Committee) Substantially overhauls the film production tax credit, mainly to measure effectiveness of the tax credit.  
**Subjects:** Business, Manufacturing and Economic Development; Taxation and Fees  
**Progress:** 1st House: Referred to Committee  
**Status:** 01/18/2011 - Senate Corporations and Transportation Committee  
**History:** 12/29/2010 - S Pre-filed in the Senate.  
01/18/2011 - S Introduced and referred to Senate Corporations & Transportation.  
01/18/2011 - S Also referred to Senate Finance.  
**Meetings:** SCORC Committee Meeting On 01/31/2011 2:00 p.m., Room 311
- Bill:** SB63  
**Sponsors:** Keller (D17)  
**Title:** GOVERNMENT LOCAL FOOD PRODUCT PURCHASE REQUIREMENTS  
**Summary:** Requires the Purchasing Division of GSD to establish a procurement requirement that sets a minimum percentage of the total expenditure for food purchased by state agencies and local public bodies to be food that is produced or processed by those whose principal place of business is in New Mexico.  
**Subjects:** State Affairs and State Agencies; Agriculture and Ranching  
**Progress:** 1st House: Referred to Committee  
**Status:** 01/19/2011 - Senate Public Affairs Committee  
**History:** 01/04/2011 - S Pre-filed in the Senate.  
01/19/2011 - S Introduced and referred to Senate Public Affairs.  
01/19/2011 - S Also referred to Senate Finance.  
**Scheduled:** 02/01/2011 - Senate Public Affairs Committee, 1:30 p.m. or 1/2 hr. after floor session, Room 321  
**Meetings:** SPAC Committee Meeting On 02/01/2011 1:30 p.m., Room 321
- Bill:** SB107  
**Sponsors:** Eichenberg (D15)  
**Title:** PER DIEM AND MILEAGE RATE UNIFORMITY AND ELIMINATION  
**Summary:** (For the Government Restructuring Task Force.) Makes uniform the per diem and mileage reimbursement rates for public officers of the state, state board and commission members, state agencies, state agency advisory board members, local governing bodies, public post-secondary educational institutions, whether salaried or unsalaried, and their employees.  
**Subjects:** Public Employees/Retirement; State Affairs and State Agencies  
**Progress:** 1st House: Referred to Committee  
**Status:** 01/19/2011 - Senate Public Affairs Committee  
**History:** 01/14/2011 - S Pre-filed in the Senate.  
01/19/2011 - S Introduced and referred to Senate Public Affairs.  
01/19/2011 - S Also referred to Senate Finance.  
**Scheduled:** 02/01/2011 - Senate Public Affairs Committee, 1:30 p.m. or 1/2 hr. after floor session, Room 321  
**Meetings:** SPAC Committee Meeting On 02/01/2011 1:30 p.m., Room 321
- Bill:** SB128  
**Sponsors:** Wirth (D25)  
**Title:** CUSTODIAN OF PUBLIC RECORDS CERTIFICATION  
**Summary:** Requires that a custodian of public records for a public body, when producing public records, identify the request and the public documents responsive to the request. Requires the custodian, upon request, to certify that the records produced are true and correct copies made in the regular course of the operations of the public body, or after a due and diligent search, that no such records exist.  
**Subjects:** County Affairs; Municipalities/City Government; State Affairs and State Agencies

# SENATE ITEMS

2/1/11

**Progress:** 1st House: Referred to Committee  
**Status:** 01/19/2011 – Senate Public Affairs Committee  
**History:** 01/19/2011 – S Introduced and referred to Senate Public Affairs.  
01/19/2011 – S Also referred to Senate Judiciary.

**Bill:** SB128  
**Sponsors:** Wirth (D25)  
**Title:** CUSTODIAN OF PUBLIC RECORDS CERTIFICATION  
**Summary:** Requires that a custodian of public records for a public body, when producing public records, identify the request and the public documents responsive to the request. Requires the custodian, upon request, to certify that the records produced are true and correct copies made in the regular course of the operations of the public body, or after a due and diligent search, that no such records exist.  
**Subjects:** County Affairs; Municipalities/City Government; State Affairs and State Agencies  
**Progress:** 1st House: Referred to Committee  
**Status:** 01/19/2011 – Senate Public Affairs Committee  
**History:** 01/19/2011 – S Introduced and referred to Senate Public Affairs.  
01/19/2011 – S Also referred to Senate Judiciary.

**Bill:** SB152  
**Sponsors:** Martinez, Richard (D5)  
**Title:** BANS STATE AND LOCAL AGENCIES FROM ENFORCING FEDERAL IMMIGRATION LAW  
**Summary:** (For the Courts, Corrections and Justice Committee) Unless otherwise specifically required to do so, prohibits state and local law enforcement agencies from detecting or apprehending persons whose only violation of law is their presence in the United States.  
**Subjects:** Public Safety and Corrections; State Affairs and State Agencies; County Affairs; Municipalities/City Government  
**Progress:** 1st House: Referred to Committee  
**Status:** 01/20/2011 – Senate Public Affairs Committee  
**History:** 01/20/2011 – S Introduced and referred to Senate Public Affairs.  
01/20/2011 – S Also referred to Senate Judiciary.

**Bill:** SB169  
**Sponsors:** Smith (D35)  
**Title:** FILM TAX CREDIT CAPPED  
**Summary:** Limits the maximum allowable film production tax credit for any film to \$2 million for production expenditures in New Mexico plus another \$2 million for postproduction expenditures in New Mexico after June 30, 2011. Also, in order for wages paid to qualify for the tax credit, the wages must be paid to a person who has been a New Mexico resident for at least six months previous to employment.  
**Subjects:** Business, Manufacturing and Economic Development; Taxation and Fees  
**Progress:** 1st House: Referred to Committee  
**Status:** 01/20/2011 – Senate Corporations and Transportation Committee  
**History:** 01/20/2011 – S Introduced and referred to Senate Corporations & Transportation.  
01/20/2011 – S Also referred to Senate Finance.

**Bill:** SB177  
**Sponsors:** Ortiz y Pino (D12); Papen (D38); Lopez (D11)  
**Title:** MUNICIPAL AND COUNTY AFFORDABLE HOUSING ACT  
**Summary:** Enables municipalities and counties to provide housing assistance grants pursuant to ordinance to qualifying grantees. Allows imposition, subject to referendum, of a property tax rate up to \$2/\$1,000 in net taxable valuation to support affordable housing for eight years.  
**Subjects:** County Affairs; Municipalities/City Government; Business, Manufacturing and Economic

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# SENATE ITEMS

2/1/11

Development; Land, Housing and Real Estate; Family and Juveniles; Construction and Materials;  
Taxation and Fees

**Progress:** 1st House: Referred to Committee

**Status:** 01/20/2011 - Senate Corporations and Transportation Committee

**History:** 01/20/2011 - S Introduced and referred to Senate Corporations & Transportation.  
01/20/2011 - S Also referred to Senate Finance.

**Meetings:** SCORC Committee Meeting On 01/31/2011 2:00 p.m., Room 311

**Bill:** SB201

**Sponsors:** Munoz (D4)

**Title:** LESS MUNICIPAL FIRE PROTECTION FOR RESIDENCES

**Summary:** Specifies that local fire prevention code ordinances may only be applied to use and maintenance of commercial buildings and must not include one- and two-family dwellings and multiple single-family dwellings such as townhouses. Prohibits municipalities and the Construction Industries Commission from requiring fire sprinklers in noncommercial dwellings. Specifies that State Fire Board rules shall not apply to noncommercial dwellings. Gives authority for administration and interpretation of construction-related sections of the fire prevention code to the chief building official of the authority having jurisdiction.

**Subjects:** Land, Housing and Real Estate; Public Safety and Corrections; Municipalities/City Government

**Related:** 2011:HB167

**Progress:** 1st House: Referred to Committee

**Status:** 01/20/2011 - Senate Corporations and Transportation Committee

**History:** 01/20/2011 - S Introduced and referred to Senate Corporations & Transportation.  
01/20/2011 - S Also referred to Senate Rules.

**Meetings:** SCORC Committee Meeting On 01/26/2011 2:00 p.m., Room 311  
SCORC Committee Meeting On 01/31/2011 2:00 p.m., Room 311

**Bill:** SB266

**Sponsors:** Wirth (D25)

**Title:** ENERGY CONSERVATION BONDS

**Summary:** Proposes a process for allocating and issuing qualified energy conservation bonds pursuant to Section 54D of the federal Internal Revenue Code.

**Subjects:** County Affairs; Municipalities/City Government; Energy Resources and Chemicals

**Progress:** 1st House: Referred to Committee

**Status:** 01/25/2011 - Senate Conservation Committee

**History:** 01/25/2011 - S Introduced and referred to Senate Conservation.  
01/25/2011 - S Also referred to Senate Finance.

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**Bill:** HB2  
**Sponsors:** Saavedra (D10)  
**Title:** GENERAL APPROPRIATION ACT OF 2011  
**Summary:** The governor's version of the General Appropriation Act that funds state agencies for FY 2012; reduces current funding levels of certain agencies and increases employees' share of retirement contributions; and amends the GAA of 2010. Also includes HB1 appropriations for the Legislature, HB3 appropriations for public and higher education, and HB4 appropriations for transportation.  
**Subjects:** State Affairs and State Agencies; Appropriations  
**Progress:** 1st House: Referred to Committee  
**Status:** 01/18/2011 - House Appropriations and Finance Committee  
**History:** 01/18/2011 - H Introduced and referred to House Appropriations & Finance.

**Bill:** HB7  
**Sponsors:** Varela (D48)  
**Title:** GENERAL APPROPRIATION ACT OF 2011  
**Summary:** Cited as the General Appropriation Act of 2011, this 205-page bill appropriates funds in amounts proposed by the Legislative Finance Committee to state agencies for FY 2012, which begins July 1, 2012. Grand total FY 2012 appropriations are \$5,430,135,000 (GF), \$3,092,310,100 (Other State Funds), \$899,065,500 (Internal Service Funds/Interagency Transfers), and \$4,925,283,100 (Federal Funds) for a total of \$14,346,814,700.  
**Subjects:** Higher Education; Schools and Teachers; Transportation; State Affairs and State Agencies; Natural Resources (Parks and Wildlife); Appropriations  
**Progress:** 1st House: Referred to Committee  
**Status:** 01/18/2011 - House Appropriations and Finance Committee  
**History:** 01/18/2011 - H Introduced and referred to House Appropriations & Finance.

**Bill:** HB19  
**Sponsors:** Kintigh (R57)  
**Title:** REPEALS FILM CREDIT  
**Summary:** Repeals the film production tax credit, effective July 1, 2011. Also restricts investment of Severance Tax Permanent Fund balances in film projects in several ways. The amount investable is reduced from 6% of the Fund to 3%. Only loans at market rates of interest may be made; equity investments are no longer permitted. Investment Council continues to have approval authority.  
**Subjects:** Business, Manufacturing and Economic Development; Banks, Securities and Loans; Taxation and Fees  
**Progress:** 1st House: Referred to Committee  
**Status:** 01/19/2011 - House Labor and Human Resources Committee  
**History:** 12/17/2010 - H Pre-filed in the House.  
01/19/2011 - H Introduced and referred to House Labor & Human Resources.  
01/19/2011 - H Also referred to House Taxation & Revenue.  
**Meetings:** HLC Committee Meeting On 01/27/2011 1:30 p.m., Room 317

**Bill:** HB55  
**Sponsors:** Stewart (D21)  
**Title:** ALLOW INMATE TELECOMMUNICATIONS USE FEES  
**Summary:** (Identical to SB96) Creates the Victim Notification Fund to be administered by the Administrative Office of the District Attorneys to pay ongoing fees for operation of a statewide automated victim notification system.  
**Subjects:** Telecommunications; Taxation and Fees; Public Safety and Corrections; County Affairs  
**Related:** 2011:SB96  
**Progress:** 1st House: Referred to Committee  
**Status:** 01/19/2011 - House Health and Government Affairs Committee  
**History:** 01/11/2011 - H Pre-filed in the House.  
01/19/2011 - H Introduced and referred to House Health & Government Affairs.

01/19/2011 – H Also referred to House Taxation & Revenue.

**Bill:** HB57  
**Sponsors:** Stewart (D21)  
**Title:** RETIRED PUBLIC EMPLOYEES RETURNING TO WORK  
**Summary:** Amends the Public Employees Retirement Act to change the requirements for returning to public employment after retirement.  
**Subjects:** Public Employees/Retirement  
**Progress:** 1st House: Referred to Committee  
**Status:** 01/31/2011 – House Health and Government Affairs Committee  
**History:** 01/11/2011 – H Pre-filed in the House.  
 01/19/2011 – H Introduced and referred to House Labor & Human Resources.  
 01/19/2011 – H Also referred to House Health & Government Affairs.  
 01/31/2011 – H Reported Do Pass by House Labor & Human Resources.  
**Meetings:** HLC Committee Meeting On 01/27/2011 1:30 p.m., Room 317

**Bill:** HB128  
**Sponsors:** Varela (D48)  
**Title:** STRENGTHENING THE PROCUREMENT CODE  
**Summary:** Establishes new Procurement Code procedures for emergency and sole source purchases. Requires the State Purchasing Agent or a central purchasing office to notify the Legislative Finance Committee, and to post notice on its website and contract database, prior to awarding a sole source contract. Requires that the same notification and posting procedure be followed within 72 hours of awarding an emergency procurement contract. Central purchasing offices are only required to post on their website or contract database if they maintain one. Allows not only bidders but anyone else aggrieved in connection with an emergency or sole source procurement to file a protest.  
**Subjects:** Schools and Teachers; County Affairs; Municipalities/City Government; Business, Manufacturing and Economic Development; State Affairs and State Agencies; Construction and Materials; Interim Studies and Interim Committees  
**Progress:** 1st House: Referred to Committee  
**Status:** 01/24/2011 – House Health and Government Affairs Committee  
**History:** 01/24/2011 – H Introduced and referred to House Health & Government Affairs.  
 01/24/2011 – H Also referred to House Judiciary.

**Bill:** HB142  
**Sponsors:** Lujan, B. (D46)  
**Title:** HIRING RETIRED PUBLIC EMPLOYEES RECEIVING PENSIONS  
**Summary:** Seeks to amend the Public Employee Retirement Act so that retired public employees may be hired as undersheriffs, executive secretaries to sheriffs, part-time school crossing guards, legislative session workers, or temporarily as precinct board members for elections without having their pensions suspended.  
**Subjects:** Public Employees/Retirement  
**Progress:** 1st House: Referred to Committee  
**Status:** 01/24/2011 – House Labor and Human Resources Committee  
**History:** 01/24/2011 – H Introduced and referred to House Labor & Human Resources.  
 01/24/2011 – H Also referred to House Health & Government Affairs.  
**Scheduled:** 02/03/2011 – House Labor and Human Resources Committee, 1:30 p.m., Room 305  
**Meetings:** HLC Committee Meeting On 02/03/2011 1:30 p.m., Room 305

**Bill:** HB176  
**Sponsors:** Egolf (D47)  
**Title:** CHANGES IN OIL AND GAS ACT; GEOTHERMAL RESOURCES CONSERVATION ACT  
**Summary:** Amends provisions of the Oil and Gas Act concerning the powers of the Oil Conservation

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Commission and the Oil Conservation Division of the Energy, Minerals and Natural Resources Department. Authorizes a permit for the disposition of nondomestic wastes. Revises financial assurance provisions and violations and penalties under the Oil and Gas Act and the Geothermal Resources Conservation Act. Amends provisions of the Oil and Gas Reclamation Fund and creates an Oil and Gas Facilities Fund.

**Subjects:** Courts and Civil Matters; Energy Resources and Chemicals; Land, Housing and Real Estate; Agriculture and Ranching; Environment and Pollution

**Progress:** 1st House: Referred to Committee

**Status:** 01/25/2011 - House Energy and Natural Resources Committee

**History:** 01/25/2011 - H Introduced and referred to House Energy & Natural Resources.  
01/25/2011 - H Also referred to House Judiciary.

**Bill:** **HB186**

**Sponsors:** Larranaga (R27)

**Title:** **PROCUREMENT EVALUATION DOCUMENTS PUBLIC RECORDS**

**Summary:** Proposes a new section of the Procurement Code to require that documents used by state agencies and local bodies to evaluate bids and proposals for contracts over \$50,000 shall be signed by each individual evaluator on the selection committee and retained for the length of the contract. Evaluation documents shall be maintained as a public record subject to the Inspection of Public Records Act.

**Subjects:** County Affairs; Land, Housing and Real Estate; State Affairs and State Agencies

**Progress:** 1st House: Referred to Committee

**Status:** 01/25/2011 - House Health and Government Affairs Committee

**History:** 01/25/2011 - H Introduced and referred to House Health & Government Affairs.  
01/25/2011 - H Also referred to House Business & Industry.



## NEW MEXICO ASSOCIATION OF COUNTIES

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### NEW MEXICO ASSOCIATION OF COUNTIES 2011 LEGISLATIVE PRIORITIES

- **Property Tax Solutions** - Address property tax issues in terms of equity, constitutionality, and revenue adequacy. (Assessors)
- **Vote Centers** - Support the establishment of county-option Election Day vote centers. (Clerks)
- **Mentally Ill in Detention Facilities** - Develop strategies to reduce the number of people with mental health disorders who are in detention facilities or who require law enforcement intervention. (Detention Administrators)
- **911 Surcharge** - Ensure that all technologies utilizing 911 services are contributing equally to the state 911 Fund. (E-911 Directors, GIS/Rural Administrators, Fire & Emergency Managers, Sheriffs)
- **Right-of-Way Fees** - Authorize county collection of rights-of-way fees for use of county public highways, streets and alleys. (Board of Directors)

The Association will continue to oppose legislation that significantly erodes its revenue base and preempts local autonomy.

*The NMAC Board has also endorsed three issues as non-priority initiatives for 2011:*

- **Continuity of Hold Harmless Provisions** - Protect local governments by retaining full hold harmless protections for effect of removing gross receipts tax from food and medicine.
- **Study Length of Stay for Arrestees** – Study the length of stay of people charged with a felony incarcerated in county detention facilities. (HJM 42 – 2010)
- **Return to Work** - Amend the Public Employees Retirement Act (PERA) language to (1) repeal the requirement that retired elected officials pay into the PERA system, provide an exemption for seasonal poll workers and (3) clarify treatment of grandfathered undersheriffs.