

# THE DISABILITY COALITION

*Advocating for People with Disabilities of All Types*

Legislative Preview – 2025 Session  
January 9, 2025

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Yes, it's almost time for another legislative session – and here we are with another Preview, the opening round of a new set of legislative reports from The Disability Coalition. And to help you prepare further, the Coalition is also presenting its annual pre-legislative-session forum on Saturday, January 11 at the CNM Workforce Training Center in Albuquerque. Registration is available at <https://www.classy.org/event/disability-rights-awareness-days-2025/e610552>.

**Massive membership changes.** When the Legislature convenes on January 21, there will be 14 new representatives among the 70-member House – a large but increasingly normal level of turnover. But in the smaller Senate chamber, the change will be far more pronounced: 16 of the 42 members (38%) will be “freshmen”, although four of the “newbies” will be coming over from the House so they already have legislative experience.

The turnover in the Senate will have a particular impact on the Senate Health and Public Affairs Committee, which reviews most of the bills we follow in these reports when they are in that chamber. Six of the nine current members will not be returning, including the chair and vice-chair. We'll be watching closely for new appointments here, as well as in the Judiciary Committee, where three of the seven current positions are vacant. By contrast, every current member of the Senate Education Committee will be returning, though there could still be changes to this and other committee assignments.

**Leadership changes as well.** In the House, Javier Martinez will be re-elected as Speaker, but there will be a new majority leader for the Democrats as Reena Szczepanski fills the position formerly held by retiring Gail Chasey. Day Hochman-Vigil will be the new Democratic whip. The new minority leader for the Republicans will be Gail Armstrong, and Alan Martinez will continue to serve as their whip. Rep. Armstrong will be the Republicans' first female leader; Democrats have had several women serve in this position.

In the Senate, Republicans will have a new minority leader in William Sharer, and Pat Woods will be the whip. No changes are expected on the Democratic side, where Mimi Stewart is the president pro tem, Peter Wirth is majority leader, and Michael Padilla is the whip.

**Still rolling in the dough.** New Mexico is typically near the bottom in the list of states ranked by average per capita income, but the state itself continues to rank at or near the top in economic health due to its unprecedented wealth. It begins the year with around \$58 billion in reserve funds, most of which is in the Land Grant Permanent Fund, the Severance Tax Fund, and the



Early Childhood Fund. There's another nearly \$4 billion in smaller, readily available accounts – that's about 38% of current annual expenses – providing a cushion in the very unlikely event that state revenues fall short of expectations.

For Fiscal Year 2026, which begins July 1, 2025, the state is expected to collect \$13.6 billion in revenue. Since the current state budget calls for recurring expenses of \$10.2 billion, there will be a surplus of \$3.4 billion available to the 2025 legislature to invest in reserves, spend on on-going programs or one-time projects, or give back in the form of tax breaks or rebates. There's every indication that the Legislature won't spend more than \$1 billion of this new money on expansion of current government programs, so most of it is likely to go into reserve funds or get spent on one-time activities, keeping the state in a strong financial situation for the next several years.

Governor Lujan Grisham released her proposal for the state budget in mid-December, far earlier than usual. She recommends total annual expenditures of \$10.944 billion, an increase of \$724 million (7%) over the current year. This includes the use of \$430 million from the Early Childhood Fund, some of which would be used to support rate increases and expanded enrollment in the Family Infant Toddler program.

The governor proposes to use some of the projected surplus funding for disability-related purposes. For example, she requested the following special (one-time) appropriations:

- \$100 million for behavioral health (BH) expansion initiatives
- \$9 million for continued operation of the 988 help line for behavioral health support
- \$3.4 million to stand up Certified Community Behavioral Health Clinics
- \$28 million for developmental disabilities (DD) provider rate increases
- \$5 million for grants to boarding homes to come into compliance with state regulations
- \$50 million for homelessness initiatives
- \$4 million for special education initiatives

### **State Agency Budget Recommendations for FY 2026**

We review here the governor's budget recommendations for various state agencies that provide services directly benefiting persons with disabilities. The Legislative Finance Committee is expected to release its proposed budget very soon, and we'll review their recommendations in the first weekly Status Report, which should come out around Jan. 27. The Legislature will review and compare the two sets of recommendations and make final determinations by the end of the session.

#### **Health Care Authority (HCA)**

For Medicaid and Behavioral Health Medicaid, the governor has proposed a combined total of \$136.3 million in additional state funding, an 8.8% increase. She also recommends a special appropriation of \$50 million to expand rural health care services and, as noted above, \$100 million to expand behavioral health services.

For developmental disabilities, the governor proposes an increase of \$60 million in recurring funding, to maintain services for all current enrollees (including those added through the "super-allocation" that ended the waiting list), to maintain the current no-waitlist policy (\$6 million), make up for a small reduction in the federal share of the cost of this Medicaid program, and to add staff and reduce staff vacancies in the DD division. The governor also proposes \$28

million in one-time funding for DD provider rate increases (HCA originally asked for \$46 million for this).

For the Behavioral Health Services Division, which primarily serves individuals who are not eligible for Medicaid, the governor recommends an increase of \$466,000 in state funds, which is only a 1% increase. Federal funding for the division is projected to decrease by \$6.6 million. Special appropriations for behavioral health would include \$9 million for the 988 crisis line and supports program, \$3.35 million for implementation of Certified Community BH Clinics, and \$5 million to help boarding homes comply with state licensure requirements.

### **Public Education Department (PED)/public school support**

The “State Equalization Guarantee” is the total funding that supports public education services statewide, including special education, through a complex formula. The governor is proposing an increase in funding for the SEG of around \$202 million (4.9%). The Legislative Education Study Committee is likely to recommend a far higher increase in the neighborhood of \$334 million (8%).

For the PED, the governor’s budget proposes the addition of 15 staff positions, many of which would be housed in or support the Office of Special Education, at a cost of \$3 million. Her budget also includes one-time funding for implementation of a statewide individual education plan (IEP) format and information sharing system (\$4 million), as well as \$4 million for a variety of special education initiatives planned by the PED. There is no new funding proposed for salary differentials to recruit and retain special education professionals; however, there is already a funding commitment of \$5 million per year for the next two years that was approved in the 2024 session.

### **Division of Vocational Rehabilitation**

For the Rehabilitation Services Division, the governor recommends a \$451,000 increase (7.3%) in state funds, and an increase in total funding of 15.2%.

For Independent Living, the governor proposes no additional state funds but projects that federal or other available funding will increase by \$477,000 (50%).

### **Commission for Deaf and Hard of Hearing**

The governor’s proposal for total funding for the agency is a modest increase of \$202,000 (6.1%). This combines a \$266,000 increase in state funds (15.9%) with a reduction of projected income from telephone surcharge income that supports the agency’s relay service.

### **Commission for the Blind**

The governor’s proposal is a \$379,000 increase in state funds (13.6%), with a total funding increase of \$1.8 million (10%).

### **Governor’s Commission on Disability**

The governor’s proposal includes a \$107,000 increase in state funding (6.9%), but with a decrease in other funds, total agency funding would increase by only \$103,000 (4.4%).

### **Developmental Disabilities Council**

For the Office of Guardianship, the governor recommends a \$1.084 million increase in state funds (13.6%) and an increase in total funds of \$1.42 million (13.4%). The governor also recommends supplemental funding of \$171,000 for the current year for personnel costs, plus a

special appropriation in the coming year of \$650,000 to reduce the waitlist for guardianship services and another \$150,000 in GRO<sup>1</sup> funding for training activities.

For the DDC's other programs, including the Special Education Ombud and the Center for Self-Advocacy, the governor's proposal includes an increase in state funds of \$313,000 (22.3%), and a total funding increase of \$336,000 (16%). The governor also recommends \$660,000 in GRO funding to expand the services of the Special Ed Ombud via contracts, and \$75,000 for the Marilyn Martinez program promoting jobs in state agencies for persons with disabilities.

### **Legislation Expected in the 2025 Session** *Substantive Issues and Special Appropriations*

Legislators can “pre-file” bills before the session starts, a process that this year began on Jan. 2 and ends on Jan. 17. This early filing allows those bills to be officially introduced at the beginning of the session, giving them a bit of a head start in scheduling committee hearings. Pre-filed House bills are assigned a bill number and are already listed in the Daily Bill Locator. Senate bills don't get a number until they're formally introduced during the session and aren't in the Locator, but there's a list of them on the website – click on the link for the “Index of 2025 Senate Pre-files” on the legislative website homepage at <https://nmlegis.gov>. The text of all pre-filed bills can be found on the website by using the links in the Locator or the Senate Index document. Legislators can continue to introduce bills until the mid-point of the session, which this year is Thursday, Feb. 20. Memorials can be filed at any time.

Here's a quick look at what some of the bills that we expect to be introduced (or have already been pre-filed) would do:

#### Behavioral Health

- Amend the Psychology Act to allow experienced prescribing psychologists to supervise some of the training of other psychologists who seek to become prescribing psychologists themselves. *Pre-filed by Sen. Bill Soules.*
- Establish a trust fund to support behavioral health services, with an initial investment of \$1 billion. Five per cent of the fund's assets at the end of each year would be transferred to a related program fund that the legislature could use to fund behavioral health services.
- Support the development of a proposed new Medicaid waiver to provide housing and support services to persons with severe mental illness, substance use, or brain injury. The bill is expected to call for \$1 million for the staff and consultants who would develop the proposal. Federal approval would be needed to implement the plan.
- Waive tuition costs for students pursuing graduate degrees leading to professional positions in behavioral health, such as psychology, at a cost of around \$3 million.
- Provide approximately \$2 million to PED for wellness rooms and suicide prevention programs in schools. *HB 58, pre-filed by Rep. Pamela Herndon. The LESG is expected to recommend \$5 million for this.*

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<sup>1</sup> The Government Results and Opportunity (GRO) Fund supports pilot or demonstration programs over a two or three year period. Each legislator is expected to have the opportunity to allocate a specific amount of funding from the GRO Fund to programs or projects favored by that legislator.

- Provide a monthly payment to boarding homes for each individual they house who was previously a resident of a state mental health facility, conditional on the boarding home pursuing a plan to come into compliance with state licensing regulations.
- Prohibit the Children, Youth & Families Department (CYFD) from operating or contracting with a facility that restricts or does not allow medication-assisted treatment for substance use disorder for minors, prohibit Medicaid from reimbursing such facilities, and create a fund that could pay for such treatment.
- Provide an opportunity to divert people with mental illness who are accused of a crime out of the criminal justice system and into a treatment program.
- Provide \$1.5 million to nursing homes to provide behavioral health services to around 175 residents of such homes, using a specific service model developed by a specific provider.
- Provide \$859,000 for the development and initial operation for Soteria House, a residential behavioral health program and model, in Dona Ana County.

### Brain Injury

- Fund a pilot program of service facilitation for persons with brain injury, intended to connect such individuals with available services. The intention is to fund the pilot through the GRO fund based on allotments made by individual legislators.
- Fund a surveillance and monitoring process whereby hospitals and other medical facilities would report on the incidence of brain injury in New Mexico, in order to get better data on prevalence of this condition.
- *The proposed Medicaid waiver program mentioned in the Behavioral Health section above would include persons with brain injury among the groups served by the waiver.*

### Community Services

- Require HCA to collect and report data on the cost of providing Personal Care Services in the Medicaid Community Benefit program, and to recommend reimbursement rates for this service based on payments to workers providing PCS services of at least 150% of the state minimum wage. *The current state minimum wage is \$12/hour.*
- Require HCA to increase its reimbursement rate for Personal Care Services to at least \$23.50 per hour, at a cost of \$20.8 million, and mandate that at least 70% of the rate paid to agencies to provide this service is passed through as compensation to the individual workers who provide the service, in the form of salary or benefits. *HB 55, pre-filed by Rep. Pamela Herndon. This would result in hourly compensation to workers of at least \$16.45/hour.*
- Require PCS agencies to pass through at least 80% of what they receive for PCS services to the individuals who provide the service. *This has been recommended by the Legislative Finance Committee staff but it is not clear whether such a proposal will be introduced.*

### Developmental Disabilities Services

- Provide \$6.3 million to the Health Care Authority to increase rates for certain Medicaid waiver provider agencies. *This is probably intended to benefit DD waiver providers but the bill is not clear about this. HB 42, pre-filed by Rep. Kathleen Cates.*
- Provide the funding needed for the state to purchase the homes currently being leased by the Los Lunas Community Program or residential services. *According to the LFC, the rent the state will pay over the next few years is more than the current value of the homes.*

### Education/Special Education

- Designate the Office of Special Education as a division in the PED organizational structure. The bill would spell out the duties and responsibilities of both the division and the department.
- Revise the definitions of seclusion and restraint in state law to clarify what is permissible and what is prohibited in public schools, what incidents must be reported by schools to parents and to the PED.

### Guardianship, Self-Determination and Protection of Vulnerable Persons

- Authorize supported decision-making agreements in New Mexico law.

### Miscellaneous

- Establish a family/medical leave benefit for workers in New Mexico.
- Create a state Office of Accessibility to assist state agencies in making their operations accessible to persons with disabilities. This would include websites and internet-based applications, services, and physical locations.
- Mandate, by the year 2032, an adult changing table in a gender-neutral, single-occupancy restroom in all state-owned buildings open to the public and in all commercial places of public amusement such as theaters, convention centers, sports arenas or other businesses that accommodate at least 2,500 people. *HB 40, pre-filed by Rep. Kathleen Cates.*
- Require TV screens seen by patrons of public accommodations, such as bars, restaurants, stores, airports, etc, to display closed captioning in order to provide equal access to hearing impaired persons. *HB 49, pre-filed by Rep. Cynthia Borrego.*