MINUTES OF THE

NEW MEXICO STATE BOARD OF FINANCE

SPECIAL MEETING

Santa Fe, New Mexico

March 25, 2016

A Special Meeting of the New Mexico State Board of Finance was called to order on this date at 9:20 a.m. in the Governor’s Cabinet Room, Fourth Floor, State Capitol Building, Santa Fe, New Mexico.

1. ROLL CALL: QUORUM PRESENT

Members Present:
The Hon. Susana Martinez, President
Mr. Adelmo Archuleta
Mr. Michael Brasher, Public Member, Secretary
Mr. John Kormanik, Public Member

Members Absent:
The Hon. John A. Sanchez, Lt. Governor
The Hon. Tim Eichenberg, State Treasurer
Mr. Robert J. Aragon, Public Member

Staff Present:
Dr. Thomas E. Clifford, Secretary of Finance and Administration
Ms. Leila Burrows Kleats, Director, State Board of Finance
Mr. Jeff Primm, Deputy Director, State Board of Finance

Legal Counsel Present:
Ms. Sally Malavé, Attorney General’s Office

Others Present:
[See sign-in sheets.]

2. APPROVAL OF AGENDA

ANNOUNCEMENT: NEXT REGULAR MEETING – TUESDAY, APRIL 19, 2016
Mr. Kormanik moved approval of the agenda, as published. Mr. Brasher seconded the motion, which passed 4-0 by voice vote.

EMERGENCY FUNDING REQUEST

Presenters: Brad Winter, Secretary of State; Veronica Albin, Chief Financial Officer

3. New Mexico Secretary of State – Requests Approval of Emergency Funding for the Public Election Fund ($314,739)

Mr. Winter requested that the Board approve an emergency grant in the amount of $314,739 in order that the Secretary of State's Office be able to fulfill its obligation under the Voter Action Act for the 2016 election cycle.

Mr. Winter said the purpose of the Public Election Fund is to provide public financing to qualified candidates in statewide Judicial and Public Regulation Commission races. The Secretary of State is required to disburse to qualified candidates public financing from the fund for the primary and general election disbursements, but there is an insufficient fund balance available for the Secretary of State's Office to meet its obligation. He said the $314,739 grant being requested would address the shortfall. He referred to a list of candidates requesting disbursement from the Public Education Fund and noted that the disbursement total has been calculated at $997,259, with only $682,520 available, or 58.4 percent of the total.

Dr. Clifford commented that this fund has had a number of distributions from it in order to help supplement the Secretary of State’s Office general fund operating budget in the last several years. He said the Department of Finance and Administration tries to be very careful with each fund it sweeps money from, but it tends to be a very hurried process, and in this particular case, they have put the fund into a deficit position with regard to the commitments mandated by the statute.

Dr. Clifford stated that when the legislature discussed this budget it was understood that some of the Emergency Fund might be needed to supplement certain agencies to get through a very difficult year. He said this is an appropriate use of the fund under the circumstances.

Ms. Kleats noted that the Secretary of State’s calculations are based on the amount being swept; and staff has concerns that if the sweep continues at a higher rate, there may not be enough left to repay any loan. In that case, a grant might be more prudent.

Mr. Kormanik suggested that the Board consider approving a loan today with a repayment date; and if the legislature decides to sweep more than expected, the Board could convert it to a grant at that time.

Ms. Kleats said the current balance in the Emergency Fund is $1,944,192.40.

Responding to Mr. Brasher, Election Director Kari Fresquez said there is a slight chance that the Secretary of State's Office could receive declarations of intent from Independents or minor
party candidates to run for office, but that would only be in the general election. She said the deadline for that is June 30.

Mr. Brasher disclosed that some money that the Secretary of State’s Office uses for Native American language translation goes to KANW, where he works. He said he did not feel he had a conflict of interest, and would be voting.

Governor Martinez said this is a fund that is often subject to being swept, and it would make sense to approve the requested amount as a grant. In addition, she did not want to see any candidates decide not to run for office because the full amount wasn’t available for them.

Governor Martinez moved that the requested $314,739 be approved as a grant. Mr. Brasher seconded the motion, which passed 4-0 by voice vote.

**ADJOURNMENT**

Its business completed, the State Board of Finance adjourned the meeting at 9:45 a.m.

[Signature]
Susana Martinez, President

4/19/16
Date

[Signature]
Michael Brasher, Secretary

4/19/2016
Date