



LFC Newsletter

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Representative Patricia Lundstrom, Chairwoman

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From the Chairwoman

Growing Economy

Drought is an annoyance if you live in the city, but it can be catastrophic if you're one of the 25,000 farm-owners in New Mexico. While homeowners in Albuquerque might have to give up lawns when water resources are stretched thin, too little water can cut deeply into the livelihoods of the mostly family-owned farms in New Mexico.

Fortunately, New Mexico in August was completely free of drought or unusually dry conditions for the first time since the federal Drought Monitor began measurements 18 years ago. Of course, that was last month and this is New Mexico.

Still, that's good news for farmers in southern New Mexico. Just a few years ago, when the Rio Grande ran dry before it made it to the pecan orchards and chile fields around Las Cruces and Hatch, farmers had to seriously consider what crops could be left to die.

When the Legislative Finance Committee meets in Truth or Consequences in September, it will be close to the heart of the southern New Mexico agriculture community – the Elephant Butte Reservoir.

Built between 1911 and 1916, the reservoir continues to be critical to southern New Mexico agriculture. As the measuring point for New Mexico deliveries of Rio Grande water to Texas, it is just as important to New Mexico water management. The water level in the reservoir, designed to hold 2 million acre-feet of water, is at just 13 percent of its capacity but is holding twice as much water as it did last year.

New Mexico and Texas have mostly cooperated over the management of the reservoir, but Texas is currently suing New Mexico over the closely related issue of groundwater use in southern New Mexico, an increasing habit as water in the Rio Grande is depleted. The lawsuit is expected to last years and possibly decades, partly because of the complicated task of determining the degree to which groundwater pumping affects Rio Grande flows.

New Mexico has struggled to manage its water resources for most of its history. Much of the struggle has been driven by a lack of information about the resource itself and ownership of the resource, whether those owners live within state boundaries or across the state line.

We can't change the weather but we can get better about managing our water.

The world-famous chile farmers in Hatch, the national leaders in pecan production in Doña Ana County, the 33,000 New Mexicans who work in agriculture and food processing, and every New Mexican who benefits from the \$10.6 billion industry are counting on it.

*Representative Patricia Lundstrom
Chairwoman*

Abuse Case Growth Outpaces Efforts To Boost System

An abused or neglected New Mexico child is twice as likely as others in the nation to experience additional maltreatment, a sign the New Mexico child protection system is straining under a caseload outpacing increased spending, LFC analysis indicates.

The Protective Services Program of the Children, Youth and Families Department, the subject of a committee hearing scheduled for 9:30 a.m. September 27, failed all but one of its eight performance measures for the last quarter of FY17, missing benchmarks for maltreatment while in foster care, monitoring of foster children, length of foster care, reunification with parents, and staff turnover, in addition to the benchmark for repeat maltreatment.

Further, the nonprofit research organization Child Trends reports the state receives more than 82 abuse or neglect referrals per 1,000 children, 54 percent higher than the national average of 53.2, and has a victimization rate of 17.5 per 1,000 children, almost double the national rate of nine.

While state agencies generally saw budget cuts between FY14 and FY18, Protective Services received a 21.2 percent increase and 76 new full-time positions, mostly investigators and adoption placement workers.

However, program turnover remains a problem; the department reports 30 percent of workers left in FY15 and FY16 and 25 percent in FY17.

"While significant additional resources have been provided to the agency, increasingly low economic and social indicators are hindering efforts by the agency to reduce stress on the child welfare system," the LFC report says.

High child welfare worker turnover on the national level is attributed to staff burnout and secondary trauma.

The report notes reducing child maltreatment and foster placements by 10 percent could save the state tens of millions of dollars in the short run and save more in the long run by reducing the child's and family's need for future social services.

Insurance Group Falls Short of Promise

An agency created 20 years ago to reduce healthcare costs by combining the purchase power of 150,000 public employees and retirees has left rate agreements to the insurance companies, resulting in high provider rates that drive insurance costs up, an LFC evaluation concludes.

Health Notes: IBAC Cost and Utilization, presented to the committee in August and [posted online](#), finds the agencies in the Interagency Benefit Advisory Council – Albuquerque Public Schools, General Services Department for all state agencies, Public Schools Insurance Authority for all public schools except Albuquerque's, and the Retiree Health Care Authority – are paying healthcare provider rates higher than Medicare, and much higher than Medicaid.

The purchasing group, second only to Medicaid in terms of state dollars spent on health care, has primarily contained costs by shifting the burden to the employees and retirees and the agencies through higher premiums, deductibles,

and copayments.

Premiums for the cheapest individual plans offered by IBAC agencies, although comparable with national benchmarks, have risen 25 percent to 50 percent over the past five years, staff reports.

In addition, comparisons with Medicare indicate IBAC agencies pay more for hospital-based services even though their members are generally younger and healthier.

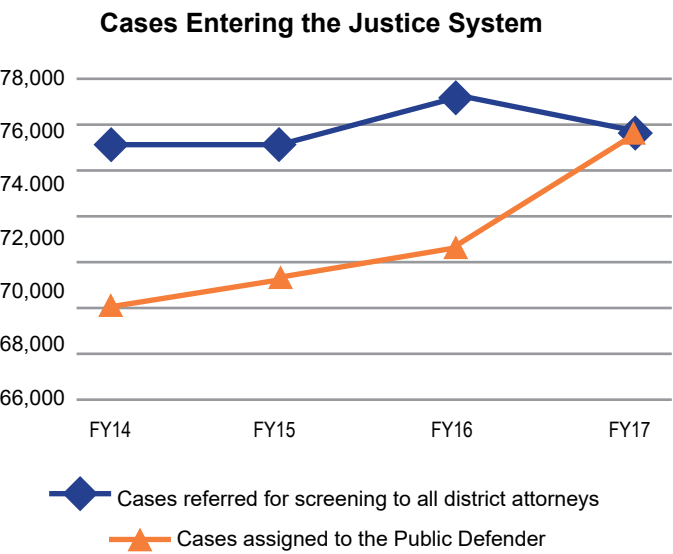
The Program Evaluation Unit reports IBAC agencies generated significant savings through a contract with a common pharmacy benefits manager, "their one venture into truly consolidated purchasing."

The report concludes IBAC might be able to save money for its agencies through the redesign of its contracts with the insurance companies to bring greater transparency to rate agreements but needs true consolidation of the agencies into a single buyer, a conclusion LFC staff have reached in evaluations going back to 2010.

Public Defender Caseload Surpasses Courts', DAs'

The number of cases assigned to the Law Offices of the Public Defender grew almost 9 percent between FY14 and FY17, while cases referred for screening to district attorneys throughout the state stayed mostly flat and total caseload for the district courts dropped.

Total cases in the district courts declined from about 400,000 in FY14 to 350,000 in FY17, driven largely by a drop in the 2nd judicial district. Caseloads are the primary driver of workloads in the justice system.



On the Table

Rail Accident Prevention Could Cost \$50M

The Rail Runner operator estimates a federally required accident prevention system will cost \$50 million. The Federal Railroad Administration already has denied a request from the Rio Metro Transit District for an exemption from the requirement and Rio Metro is unlikely to qualify for an exclusion for rails that run six or fewer round trips a day. The Rail Runner operates 11 round-trip trains a day. Under federal law, railroads must install a positive train control system, which automatically stops a train and is designed to prevent train-to-train collisions and high-speed derailments.

Prison Population Less Than Projected

The state prison population of 7,260 in July – 6,525 men and 735 women – is 4.1 percent below Sentencing Commission projections and down 1.6 percent from July 2016.

More School Districts Get Internet

An additional 111,158 students in 21 school districts have upgraded to the minimum recommended Internet bandwidth connection since 2015, the nonprofit Education SuperHighway reports. A total of 179,383 students in 82 school districts now have access to at least the 100 kilobytes-per-second minimum. More than 127,000 students in seven school districts still don't have access to even the very slow minimum. The nonprofit reports New Mexico ranks in the top 20 states for the share of schools connected, 92 percent, but in the bottom 20 for maximizing bandwidth for the budget.

Low Enrollment Closes Reserve School

The Public Education Department recently notified Glenwood Elementary School that its enrollment has dropped to low to continue as a separate school. State law requires schools have at least eight students to stay open. Glenwood has fallen short of the threshold for the last two years.

Childcare Assistance Program Grows

Enrollment in the childcare assistance program rose to 20,183 children in August, a 16 percent increase from a year ago.

Transitions

A second member of the Gaming Control Board, Paulette Becker, has resigned, leaving the five member board with three members. The board is now missing its public member and the member who must be a certified public accountant. Justin Chamblin will become the new director of the Public Schools Facilities Authority starting November 1. Chamblin received his master's degree in architecture from the University of New Mexico and has extensive construction and architecture experience.

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