



LFC Newsletter

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Legislative Finance Committee

Senator John Arthur Smith, Chairman

Representative Patricia Lundstrom, Vice Chairwoman

David Abbey, Director

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From the Chair

Final Words

Over the more than a dozen years that I've shared the chairmanship of the Legislative Finance Committee, I've been called a lot of things. Dr. No is popular, but I prefer fiscally responsible Democrat.

To be clear, Dr. No is not a compliment when muttered, but financial caution has served the state well. One of the greatest struggles during my tenure has been revenue forecasts always at risk because of the state's reliance on volatile revenue. Indeed, I persuaded the committee to reject the overly optimistic forecast pushed by the administration right before the Great Recession, putting the state in a better position than it might have been when revenue went south. We were cautious, and the state benefited.

During my tenure we survived two record-setting financial crises – we're now in our third – at the same time we dramatically increased spending on public schools and early childhood. In the last eight years, spending on early childhood has increased 230 percent, while general fund support for the public schools has increased 40 percent since I became chair in 2007.

Keeping New Mexico afloat and investing heavily in our children has been a balancing act only possible because of the bipartisan collaboration and respect of the members of the committee. In turn, the committee owes a debt of gratitude to the impressive LFC staff – a testament to Director David Abbey's ability to find the best talent. The hardworking, insightful analysts and evaluators are an asset to New Mexico.

To me, being a fiscally responsible Democrat means taking care of the most vulnerable New Mexicans with an eye on the bottom line. This is critical but hard in a state like New Mexico, a poor state with many needs. I have tried to leave the state a little better than when I started. I hope I've succeeded.

*Senator John Arthur Smith
Chairman*

The committee will hold four days of meetings over two weeks in December, with online-only hearings on December 3 and 4 and hybrid hearings on December 8 and 9 in the Senate chambers of the capitol. In accordance with public health orders, only legislators, presenters, and their staffs will be allowed to attend in person. The hearings will be streamed live at www.nmlegis.gov.

Among Top in Suicides, State Needs New Plan

New Mexico has a suicide rate 1.5 times the national average and needs a multipronged approach to address the many causes, an LFC *Policy Spotlight* concludes.

In *Action Plan: Suicide Prevention*, scheduled to be previewed for the committee at 4:30 p.m. on December 3 and publicly released on December 8, staff reports 515 New Mexicans died by suicide in 2019 at a cost of \$684 million in medical expenses and lost wages.

Additional societal costs include higher suicide rates and behavioral health needs among those close to the victim, the report by the Evaluation Unit says.

In New Mexico, suicide rates are highest among men, non-minorities, and Native Americans and successful suicides commonly involve a gun. Rates are also high among LGBTQ youth.

The Covid-19 pandemic and related closures have exacerbated mental health issues and suicide rates could

increase, LFC staff reports.

The state projects a 20 percent increase in behavioral health needs based on national projections and research; the increase in crisis calls so far this year is in line with that projection.

While the state recently reestablished a suicide prevention coalition, it has no current prevention plan, the report says.

Staff suggests a number of steps:

- The state should create a new plan and include a goal to reduce suicide deaths by 10 percent in five years in line with reductions in other states.
- State agencies and the suicide prevention coalition should implement initiatives with demonstrated success, including those that provide follow-up care after a crisis, greater access to behavioral telehealth care, and gatekeeper training for personnel in schools.
- State agencies must regularly monitor progress to help refine action to reach the goal.

State Lacks Cybersecurity Strategy

New Mexico state and local government agencies, hospitals, school districts, and colleges were hit by cyberattacks 15 times in 2019; however, most of \$7 million appropriated for cybersecurity has been spent on planning and pilot projects and widespread protections for state government are still not in place, LFC staff conclude in [a memo to the committee](#).

The memo by Evaluation Unit staff and presented to the committee in November indicates the number of attacks is growing – the state was attacked seven times in 2018 – and is expected to continue to grow as more business and educational activity moves online.

However, while New Mexico has taken some first steps toward comprehensive cybersecurity and some agencies have acted independently, it does not have mandatory training for employees, uniform practices for reporting attacks and getting help, or other best practices in place.

The Department of Information Technology reports it has formed an cybersecurity upgrade advisory com-

mittee and has a framework for disaster management plan, but that 2010 framework has not been updated. The department has also not updated state rules on cybersecurity.

The department developed training it planned to roll out in March, but that plan was stymied by pandemic-related closures. The agency has piloted an online version of the training and intends to make it available to all state agencies in December.

The U.S. Department of Homeland Security and the National Association of State Chief Information Officers recommend a statewide strategic effort addressing workforce education; planning, budget and development; risk identification and mitigation; incident response; and information sharing

Highlands University suspended classes in fall 2019 because of a ransomware attack, in which the attacker demands money in exchange for a code to disable the malicious software. IT staff at United World College, West Las Vegas Schools, the city, a local Internet provider, and other groups helped the school get back online.

\$1.4 Billion of Capital Outlay Remains Unspent

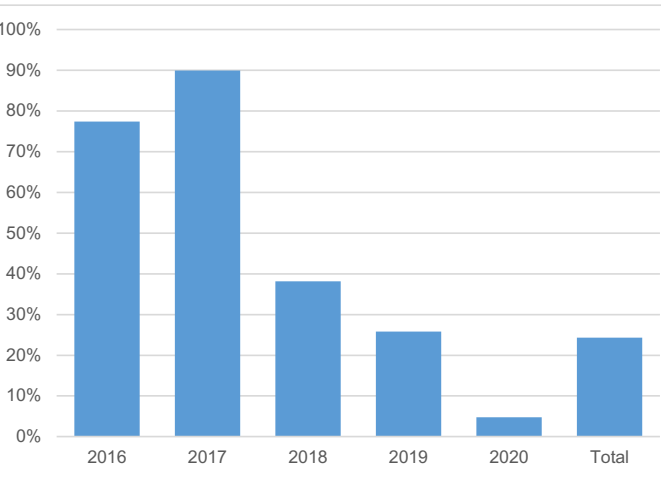
A total of \$1.44 billion in capital outlay for incomplete projects authorized up to almost five years ago remains unspent, although most of that was for projects authorized in just the last two years.

Unexpended funds represent about 75 percent of the \$1.9 billion authorized for the outstanding projects that date back to 2016.

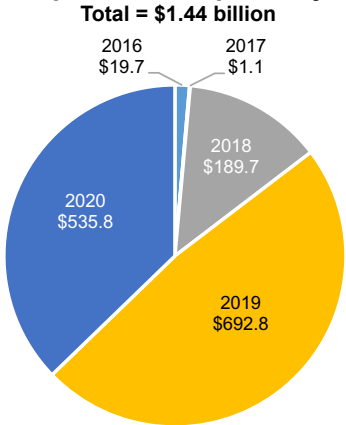
While all but about 10 percent of funding for incomplete projects authorized in 2017 has been spent, more than 20 percent of the funding authorized in 2018 is idle. The figures don't reflect authorizations for completed projects.

Just 4.8 percent of funding authorized in 2020 for incomplete projects and 25.8 percent of funding authorized in 2019 has been expended. Together, those two years account for \$1.3 billion of the remaining funds for outstanding projects.

Share of Authorized Capital Outlay Funding Expended
Outstanding Projects



Amount Unexpended on Open Projects by Year



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On the Table

Medicaid Caseload Up

The Medicaid caseload in September was 883,657 individuals, a 6.8 percent increase from the same month last year and a 0.8 percent increase over August.

New Mexicans Fail to Collect Stimulus

The Taxation and Revenue Department has notified 36 thousand New Mexicans who never received a federal stimulus check that they are still eligible. TRD and the Human Services Department worked together to exchange and analyze data to identify Medicaid and food stamp recipients who never received a check because they did not file federal or state tax returns in 2018 or 2019.

Employment of Veterans Above Average

The unemployment rate among New Mexico military veterans was 3 percent in 2019, slightly lower than the national rate of 3.1 percent and 1.9 percentage points lower than the unemployment rate among nonveterans. Veterans made up about 8.4 percent of the state's population last year, with about half of those age 65 or older. Almost 40 percent are veterans of the Vietnam era and 44.7 percent served during a conflict related to the Persian Gulf.

Brine Well Efforts Slower, More Costly

Two discoveries made during efforts to stabilize the brine well cavern in Carlsbad have slowed the project and will mean it will cost more money. First, an unexpected and large void was detected under U.S. 285. Then, sonar logs showed sand injected to stabilize the void was disappearing into cracks in the rubble pile at the bottom of the cavern instead of filling the cavern. The project is expected to cost an additional \$18 million and take an extra eight months.

Out-of-State Athletes Cost \$70K a Week

The University of New Mexico is spending \$70 thousand a week to house about 140 people associated with the football program at the Hilton in Las Vegas, Nevada, according to the *Athletic Sports News*. The school moved the players because of New Mexico restrictions that limited competition, travel, and team practices in counties with high case numbers.

Transitions

The Higher Education Department has appointed Patricia Trujillo as deputy secretary. Trujillo was founding director of the Office of Equity and Diversity at Northern New Mexico College. The Department of Health has named Dr. Christine Ross as the director of epidemiology. Ross is a former epidemiologist for the Centers for Disease Control and Prevention.

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