



LFC Newsletter

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Legislative Finance Committee

Representative Patricia Lundstrom, Chairwoman

Senator John Arthur Smith, Vice Chairman

David Abbey, Director

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From the Chairwoman Eureka!

As the top-secret site for development of the nuclear bomb during World War II, Los Alamos National Laboratory was an international leader in scientific research from the start. Since the world was let in on that secret at the end of the war, its international reputation has only grown. Similarly, the lab has become a valued member of its New Mexico community.

Although not without its controversies, LANL created a separate foundation 21 years ago to support pueblo and other early childhood programs and science education in public schools, advocates for home-visit supports for new families, and funds scholarships for students and grants for educators.

But while that support is appreciated and critically necessary in some cases, just as important to northern New Mexico and the state as a whole is the potential for "technology transfer," the transformation of scientific discoveries into products or services that can be commercialized and spur economic development.

The U.S. Department of Energy lab system, of which LANL is a key part, attempts to facilitate the evolution of scientific research to profitable products through alliances with private industry to solve specific problems, shared research and expertise, patents and intellectual properties licenses, and spin-off companies that market technology developed at a national lab.

LANL is involved in a broad range of multidisciplinary studies with substantial potential for tech transfer. Its focus on national security includes work on nanotechnology, renewable energy, and the environment.

Despite the transfer mechanisms in place, the potential within LANL research, and an agency dedicated to tech transfer, New Mexico has found capturing the economic benefit of lab science very difficult. The step from pure research to real-world product is a Grand-Canyon-size chasm and national security poses its own hurdle.

Nevertheless, New Mexico and LANL, along with Sandia National Laboratories, have been and will remain committed to strong partnerships.

The committee will be in Los Alamos for the first day of its July meeting and is scheduled to hear about tech transfer from Department of Energy and LANL staff. Perhaps together we can build the bridge that will allow New Mexico to cross the tech transfer divide.

Representative Patricia Lundstrom
Chairwoman

New Mexico Early Ed Needs Workforce Boost

New Mexico hits all the benchmarks on prekindergarten quality but falls well below teacher credential requirements, a national research organization reports, and LFC analysis suggests New Mexico falls short because of the way it cultivates early education teachers.

The National Institute for Early Education Research ranked New Mexico 20th or better among states for prekindergarten access and state spending and New Mexico hit all but one of the assessments quality standards.

However, New Mexico fell short on the number of preschool teachers with bachelors' degrees.

LFC staff report anecdotal information suggests many early education teachers start as parents, then take jobs in childcare centers. Those who have or earn degrees typically move on to public schools, where pay is three times that of early childhood.

The Center for the Study of Child Care Employment reports the average pay of a New Mexico childcare worker is \$9.66 an hour, while a kindergarten teacher earns \$33.35 an hour. New Mexico preschool teachers earn an average of \$12.89 an hour and preschool center directors earn an average of \$19.87 an hour.

Coordinating early childhood services and building a stronger early education workforce are the topics of two workshops that committee members are

scheduled to attend July 19 during their monthly meeting.

The workshops, part of a day of workshops for New Mexico legislators and one in a series being held around the country, are being conducted by the National Conference of State Legislatures.

While Central New Mexico Community College and Santa Fe Community College have strong early childhood education programs, and Western New Mexico University offers an education degree with a concentration in early childhood, New Mexico could do more to create an education pipeline to put more teachers with bachelors' degrees in preschool and childcare center classrooms, LFC staff report.

The New Mexico Early Childhood Funders Groups, the collaborative effort of eight public and private charitable foundations, has developed a plan to improve access to prekindergarten that includes an \$11 million increase in spending over the next five on scholarships and wage incentives for those entering the early education field. The investment would be aimed at expanding the workforce and system capacity.

The *Business Plan for Early Childhood in New Mexico* calls for increasing recurring spending on prekindergarten and supports for new families over the next five years for an increase close to \$84.7 million by 2024.

Medicaid Contractor Decision Challenged

The award of New Mexico's four-year, \$4 billion contract for managing its Medicaid managed-care program remains unsettled but could mean almost half of the 670,000 New Mexicans in Centennial Care will have to change managed-care providers.

An LFC Program Evaluation Unit report, [Health Notes: Medicaid Centennial Care Managed-Care Organization Procurement](#), presented to the committee during its June meeting, notes Molina and United Healthcare, current Medicaid managed-care contractors serving more than 300,000 Centennial Care members, have filed formal legal appeals challenging the Human Service Department's procurement process.

Since June, a third company, Ameri-

Health Caritas, has appealed the department's denial of its bid, and a district court judge has ordered the department to allow United Healthcare to participate in contractor transition activities while its appeal proceeds.

The Molina appeal will have its first hearing in mid-July, and a hearing on the merits of the United Healthcare appeal is scheduled for August. No hearing has been scheduled for Caritas.

The department awarded the contract in January to two existing contractors, Blue Cross Blue Shield and Presbyterian, and one company new to the state, Western Sky Community Care.

Centennial Care 2.0, the latest iteration of the state's Medicaid plan, is set to go into effect January 1 and will be in effect through at least 2022.

Crime Rate Grows While Indictments Steady

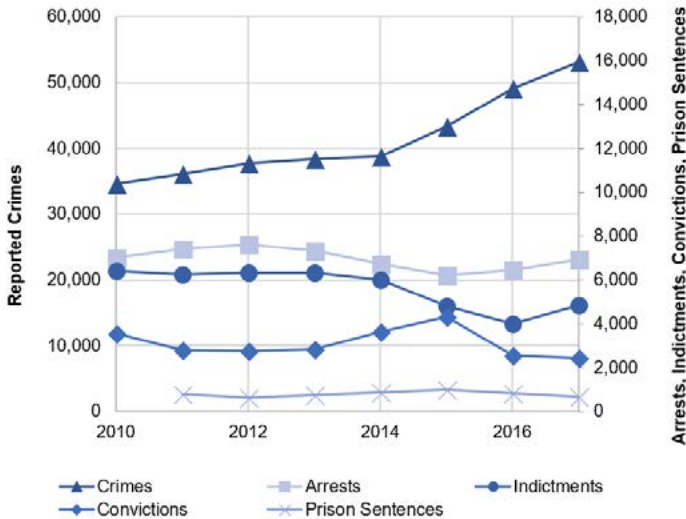
While the number of reported crimes in Bernalillo County nearly doubled between 2010 and 2017, the number of arrests, indictments, convictions, and prison sentences all went down, LFC analysis shows.

During that same period, local and state government direct spending on criminal justice in Bernalillo County increased from \$430 million to \$494 million, or 15 percent.

Early data indicates the number of crimes reported declined in the first half of 2018.

The committee is scheduled to hear a report on the Bernalillo County criminal justice system at 1:30 p.m. July 19.

Crime and Criminal Defendants in Bernalillo County Albuquerque and County Justice Systems



Sources: Bernalillo County Sheriffs' Office, state Administrative Office of the Courts, New Mexico Sentencing Commission, and Albuquerque Police, University of New Mexico Police, and New Mexico Corrections departments.

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On the Table

Oil Prices Jump

Oil prices jumped to \$74 a barrel in late June on news the federal government plans to impose sanctions on countries importing oil from Iran, potentially eliminating the Iranian oil supply from the global market. The news negated the downward pressure on prices that followed the decision by OPEC – the Organization of Petroleum Exporting Countries – to increase the global supply.

Water System Gets Well

A six-year effort to improve a back-up well supplying water to three small communities northeast of Silver City has been completed. Since 2012, the Hanover Mutual Domestic Water Consumers Association project serving Hanover, Vanadium, and Fierro has received \$225,000 in colonias capital outlay, \$100,000 in other state capital outlay, a \$185,600 Water Trust Board grant, and a \$18,600 state rural infrastructure loan.

NM Employment Up

The state's employment growth was 1.7 percent in May, the strongest growth since October 2014 and the first month since 2013 that New Mexico growth exceeded the national average. The rate put New Mexico at 16th nationally. While most industry sectors added jobs, the two healthcare sectors declined by 0.6 percent. Those sectors have led employment growth in New Mexico for the last few years.

Home-Visiting Contract Cut

The Children, Youth and Families Department has cut about \$357,000 from an FY18 contract with Tresco Inc. for home-visiting services in Dona Aña and Sierra counties because of low enrollment. The move will mean the number of new families that can be served by the support program will be reduced from 201 to 115. Tresco's FY19-21 contracts also were reduced by \$262.5 thousand per year with amended enrollment at 126. The department previously submitted a budget adjustment request transferring \$2.6 million of unexpended home-visiting dollars to the childcare assistance program.

Transitions

Leonard "Lenny" Martinez has been named chief of staff for New Mexico State University. Formerly an executive at Sandia National Laboratory, Martinez replaced Sharon Jones. Sammy Quintana, executive director of the Public Schools Insurance Authority, will retire effect August 31. Public Education Department Deputy Secretary Matt Montano has been named an assistant superintendent of the Boston Public Schools.

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