



LFC Newsletter

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Representative Patricia Lundstrom, Chairwoman

Senator John Arthur Smith, Vice Chairman

David Abbey, Director

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From the Chairwoman American Icon

The committee hits the road this month, as it does every summer, to bring the legislative process to the people who cannot always make it to Santa Fe. Fitting for a road trip, our first destination is Gallup, the iconic stop on Route 66.

Unlike many of the communities along Route 66, so symbolic of an American sense of the open road and an unlimited future, Gallup was not among those small cities whose fortunes were bypassed when interstates replaced the highway.

Still connected to the rest of the country by Interstate 40 and the rail now owned by BNSF, Gallup did not die.

Strong infrastructure, like roads and rail, will continue to be critical to the region as the declines in the natural gas and coal industries take their toll. In fact, all the outposts of our expansive state need good infrastructure perhaps more now than ever before.

Telecommunications have made it possible to stay connected to the global economy from anywhere – a consultant can live among the colorful bluffs of northwest New Mexico and remain vitally engaged in business in New York. But no one can connect if broadband isn't in place, and it takes rail and roads to get goods to market. Even telecommuters sometimes need to meet face to face.

Further, a New Mexico with deteriorating roads, water systems that fall short, and generally shoddy infrastructure can't attract businesses or telecommuters.

Gallup and northwest New Mexico have been blessed with an abundance of natural resources and a rich, diverse culture. The move away from coal-fired energy – an issue that needs more attention from and greater collaboration with the utility – and persistent low natural gas prices driven down by cheap production make it critical the region build on quality of life, BNSF, I-40, the Navajo-Gallup water supply project, and other strengths.

In the dry Southwest, northwest New Mexico has a dependable water supply. Even though coal-fired energy is in decline, it can boast of its potential for wind and solar energy production. Gallup and northwest New Mexico have a bright future. They just need the road to get there.

*Representative Patricia Lundstrom
Chairwoman*

Schools Leave Millions in Fed Funds Unspent

New Mexico schools receive about a half billion dollars in federal support each year, but schools leave millions in state and federal grants unspent, an LFC program evaluation concludes.

The report on the impact of federal funding on student performance and school district and charter school administration, scheduled for a committee hearing at 8:30 a.m. on May 10, finds districts and charter schools sometimes don't spend grant money because of bureaucratic hurdles.

New Mexico receives about \$500 million from more than 70 different categories of federal funding, about 13 percent of the total per-pupil revenues received by school districts and 5 percent of the total received by charter schools, the evaluation says.

Most of the funding is for food programs and supports for low-income children provided under Title I of the federal Every Student Succeeds Act and special education students under the

Individuals with Disabilities Education Act – IDEA. The federal government also pays certain districts Impact Aid to offset the cost of educating students of military families, those living on tribal land, and those otherwise connected to the federal government.

Much of the federal funding is intended for the same initiatives supported by state funding, including preschool for low-income students, teacher and principal professional development, and extended school year and school day time.

New Mexico is expected to receive an increase in some federal funds during this federal fiscal year, with an estimated 7.9 percent increase in Title I funds and 1.8 percent increase in IDEA grants.

The evaluation found no correlation between school performance and per-pupil federal funding, although federal funds are mostly focused on students at risk of failing or with special needs.

Unemployment Hits State Unevenly

New Mexico's recently persistent unemployment rate of about 6 percent is one of the worst in the nation, but LFC analysis shows two-fifths of the jobless are in the Albuquerque metro area and almost all the unemployed are under age 34.

New Mexico needs about 16,000 jobs statewide to bring unemployment down to the national average of 4.3 percent, [the LFC hearing brief](#) says, but 5,620 jobs in the Albuquerque area would bring unemployment in that area down to the national rate, and cut the statewide rate by a half percent.

Focusing on creating 9,900 jobs in the Albuquerque, Las Cruces, Farmington and Santa Fe metro areas would bring unemployment in those areas down to the national level and lower the New Mexico statewide rate to 4.9 percent.

Unemployment among teens ages 16 to 19 is 21.2 percent, and about 5,600 jobs are needed for that age group to bring it down to the national level.

However, while the unemployment rates are lower for older workers – 10.4 percent for ages 20 to 24 and 7.1 percent for ages 25 to 34 – both groups need a similar number of jobs to reach the

national level.

The unemployment rates for most of the older age groups are either close to or lower than the national rate, with the 5.2 percent rate for those ages 55 to 64 the only one significantly higher than the national rate.

Wiping out the unemployment difference for workers under age 34, which would require more than 16,000 jobs, would bring the statewide rate under the national average.

The report notes creating entry-level jobs with opportunities to gain skills and advance to higher-paying jobs, along with improving the skills of older workers, would contribute to the workers' lifetime earning capacity and to the value of the state's workforce to employers.

The report also says the New Mexico Bureau of Business and Economic Research shows New Mexico competes well with peer states in gaining jobs through business openings, but creates a smaller share of jobs through business expansion than other states in the region and the national average. Further, it says, New Mexico loses a larger share of jobs through businesses cutting back or closing.

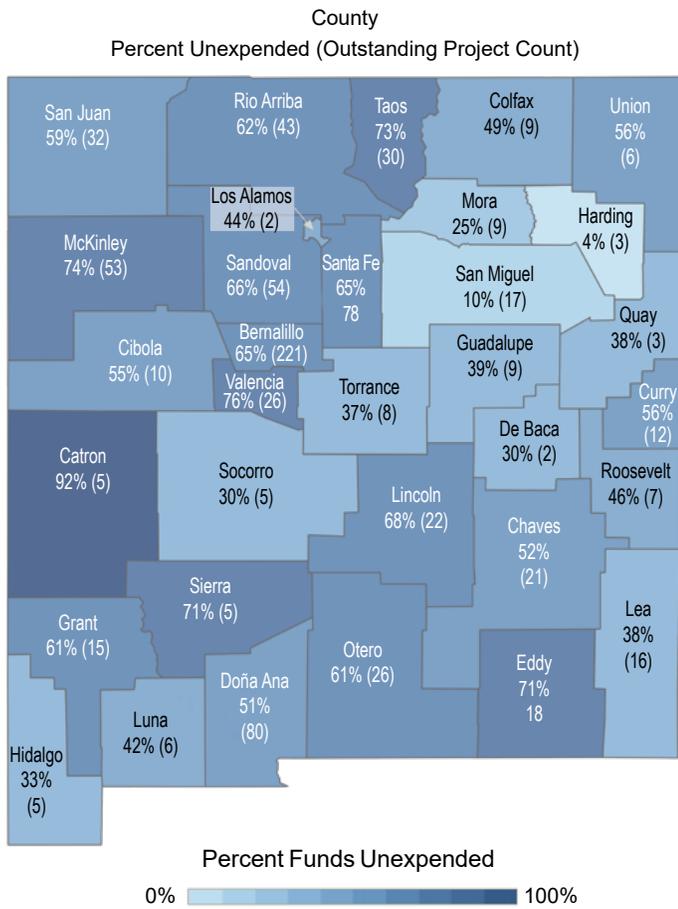
More than Half of Local Capital Outlay Idle

About \$74.7 million for 858 local capital outlay projects authorized between 2014 and 2017 is listed as outstanding in the [latest LFC capital outlay quarterly report](#), 59 percent of the total appropriated.

Of funds authorized in 2014, six counties had at least 60 percent unspent: Catron, Lincoln, Mora, Otero, Union, and Valencia. Of funds authorized in 2015 or 2016, five counties had at least 80 percent unspent: Catron, Eddy, Lea, McKinley, and San Juan.

Almost 31 percent of funds appropriated for local projects in 2014 are unspent, while 58 percent for 2015 projects is outstanding, 65 percent for 2016 projects, and 95 percent for 2017 projects.

Percent of Appropriated Funds Unexpended County



On the Table

DA Ramp Up Triggers PDD Concerns

The 2nd Judicial District Attorney plan to hire almost 45 new staff in FY 19 has prompted the state Public Defender Department to raise concerns about its ability to handle a jump in cases and to stress a potential need for supplemental funding. The district attorney reported to the Bernalillo County Criminal Justice Coordinating Council that his office, which has a 16 percent vacancy rate, plans to hire 18 to 20 new felony prosecutors, three investigators, and 20 support staff to prosecute about 2,000 new cases a year.

Suspect Guardianship Cases To Be Audited

The Office of the State Auditor and the Administrative Office of the Courts are planning to work together on a pilot project to audit a sampling of guardianship cases and flag suspicious cases for review. Auditors will then refer noncriminal findings to the courts to be addressed with the guardian and criminal findings to prosecutors.

Veterans' Home Cited for Neglect

State and federal regulators have cited the Veterans' Home in Truth or Consequences with three serious deficiencies for patient neglect, lack of care planning, and the failure of nurses to wash their hands before and after inserting catheters. The level H deficiencies, close to the worst a nursing facility can receive, are defined as occurring in a pattern that could cause actual harm and compromise patient health. Because of the findings, the federal Centers for Medicare and Medicaid Services will fine the home \$1,400 a day dating back to March 14.

Oil and Natural Gas Production Up

Oil production in December and January was up over 30 percent from the same months last year. Natural gas production in the Permian Basin is also increasing, driving total gas production up about 2 percent so far this fiscal year compared with the same period last year, despite production declines in the northwest corner of the state.

"Hardened" Schools Fail To Stop Shooters

Millions of federal dollars invested in "hardening" schools has failed to show evidence of preventing school shootings, a state Homeland Security and Emergency Management official told a school security workshop. Intelligence and Security Bureau Chief Adam Simonson, speaking at the Albuquerque workshop organized by the Public School Facilities Authority, suggested training school staff on threat assessment and prevention would be a better use of funding.

Transitions

Ned Fuller, litigation bureau chief of the General Services Department's Risk Management Division, is acting department secretary.

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