



LFC Newsletter

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Representative Patricia Lundstrom, Chairwoman
Senator George Muñoz, Vice Chairman
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From the Chairwoman Work Zone Ahead

Few things sour the public's opinion of its elected leaders like an election. What should be a respectful, fact-based debate on the issues can become a sloppy slugfest. This year's state contests, extraordinarily polarized according to researchers, were marked by fearmongering and character assassination. Email and snail-mail boxes, the airwaves, and social media were stuffed with accusations that misrepresented the truth and, in some cases, stepped over the line into lies.

Thank goodness it's over.

Now the real work begins.

Despite what you might have heard during the campaigns, the issues are not black and white. No political party is singularly responsible for New Mexico's ills and no single politician has a fool-proof plan for solving them. All of us—elected leaders of every stripe, those who elected them and those who didn't vote at all, and the public servants who enact policy—must work together if we want to make New Mexico a better place.

Crime in our communities won't suddenly go away if we "get tough" and put more cops on the streets, unless we also look at how those officers work within their communities. We must consider officer pay and department resources and investments in the swift and sure execution of justice we know has the biggest impact. At the same time, we must look at community behavioral health access and the underlying factors that make it more likely someone will commit a crime.

Investment alone won't help our struggling young students. We must target that investment at the students who need the most help and at the programs that we know help students succeed. We must watch for and work to overcome the barriers inhibiting the impact of our already substantial investment, and we must hold educational leadership accountable.

Simply cutting taxes won't bring businesses thundering to our borders. We must balance a business-friendly tax environment with the need to create a quality of life that makes people want to live here. We must invest as much into clean water, safe streets, and good schools as we do in business incentives.

Real governing doesn't fit on an oversized postcard stuffed in your mailbox. It takes more than coming up with a pithy insult on Twitter. Governing is hard work and it's time to roll up our sleeves.

Representative Patty Lundstrom
Chairwoman

Empty Space Costs State

Unused building space costs the state up to \$18 million a year, flagging a need for better space planning that considers staff vacancies and telework, an LFC evaluation concludes.

Program Evaluation Unit staff who visited several state agency sites for the evaluation, scheduled to be presented to the committee at 11 a.m. November 15, found entire office buildings and several building floors of unused office space.

In one case, almost all the employees of an agency occupying a building with a \$1.2 million annual lease were continuing to telework, and the agency had no plan in place for when the workers would be back in the building.

State government spends about \$158 million a year on maintenance, utilities, and rent for roughly 22 million square feet of owned and leased building space for executive, judicial, and legislative employees, the evaluation says.

The General Services Department, which manages about half of that space,

bases its space needs on budgeted full-time positions, even though more than 20 percent of state positions are vacant.

In addition, based on August 2022 data, up to 38 percent of state employees telework on any given day, the evaluators found. Notably, the agencies slated to occupy a planned \$221.6 million executive office building, developed before the pandemic, have high rates of teleworking.

New Mexico state government does not have a statewide telework policy that could help guide space use, and the General Services Department does not fully exercise its authority over space planning, the report says.

According to the evaluation, the state spends more per square foot for leased space than owned space; 17 percent of state building space is leased, but lease costs represent 45 percent of recurring spending on facilities.

The department says in its strategic plan it is working on moving leasing agencies into state-owned space.

Labor Participation Options Fall Short

Solutions offered so far to raise the state's low labor force participation rate might bring some working-age adults into the job market but may not be enough, LFC analysis indicates.

In a LegisStat brief prepared for the Workforce Solutions Department's budget hearing scheduled for 10 a.m. November 16, LFC staff report department managers cited a program targeting poor families who receive cash assistance, which has 50 participants, and "career transition specialists," who work with unemployment insurance recipients through the job search process as evidence of their efforts to improve labor participation.

Those solutions "chip at the edges," the brief says, but are too little to substantially address the need to bring 100 thousand New Mexicans back to the workforce.

The department also mentioned a number of existing programs outside the agency as part of the effort to increase the labor participation rate, including higher education scholarships, childcare access, criminal justice re-entry programs, and substance abuse treatment.

The brief notes the department has yet to detail how it will use a total of \$10

million appropriated for adult and youth reemployment and case management services.

While New Mexico unemployment rates have largely recovered to pre-pandemic levels, the state's labor force is persistently small, with low labor force participation potentially impacting social services, economic development, tax rates, pension systems, and any function that depends on workers supporting those who do not work, LFC analysis shows.

An estimated one-quarter of the population of the state, or 486 thousand people, are of working age but not employed.

The report notes many of those who receive unemployment benefits also receive other social services. A Workforce Solutions Department report found about 17 thousand of 32 thousand unemployment insurance beneficiaries were also enrolled in the Medicaid program, and almost 13 thousand were receiving food stamps.

The Workforce Solutions Department cites an aging population and a high number of people qualifying for disability benefits as reasons behind the low participation rate.

Public Defender Vacancies Inch Back Up

After five years of declining vacancy rates, the share of vacant positions at the Public Defender Department grew in FY22.

More than one in five positions at the agency were vacant in 2017 when the department sought state Supreme Court permission to turn down some indigent clients because public defenders had too many clients to provide each with a constitutionally adequate defense.

The court declined to limit caseloads, a decision that followed a ruling by a district judge refusing to allow public defenders to withdraw from cases in Lincoln County because of too many clients.

The department's vacancy rate had dropped to 8 percent by FY21 before climbing to 14.7 percent in FY22.

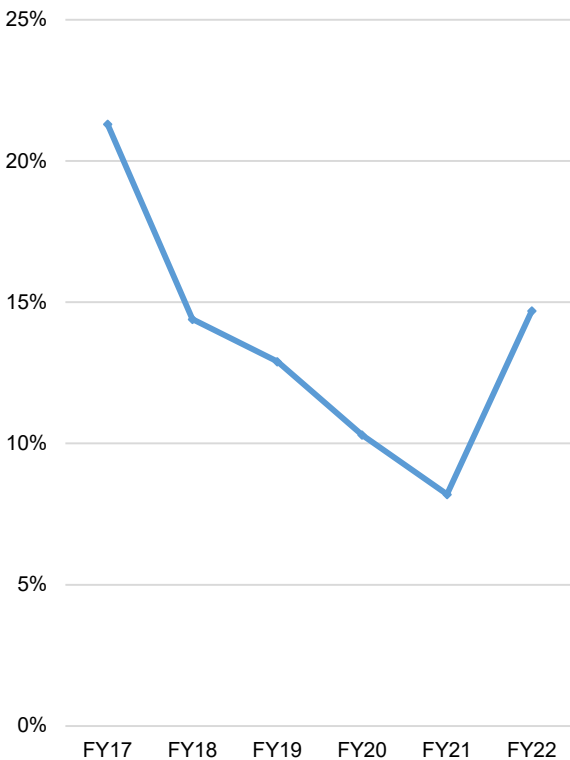
The personnel budget for the agency increased an average of 6.5 percent a year between FY17 and FY21 and 1.3 percent between FY21 and FY22.

The department is scheduled to present its budget to the committee at 2:30 p.m. on November 15. The Attorney General, Administrative Office of the Courts, district and municipal courts, and district attorneys are also scheduled to present their budgets in November.

A 2022 workload study conducted for the Public Defender Department recommended the agency sharply increase the number of in-house attorneys. Fully implementing the recommendation would increase the number of attorneys by 104 percent.

The agency budget request would increase in-house attorneys by 13 percent. The agency is also requesting \$2.3 million for 30 new case managers, social workers, and investigators.

Public Defender Department Vacancy Rates



On the Table

Copper Devaluation Impacts School District

A 43 percent drop in the value of copper produced from the Chino Mine in the Cobre Consolidated School District over the last five years could impact the district's ability to generate matching funds for its plan to build and equip new schools. Advisors for the district have lowered estimates of bond revenue that could be supported with property taxes from \$2.5 million to \$1.8 million. Cobre's \$29 million, five-year facilities master plan requires the district to pay 80 percent and the state to pay 20 percent of projected capital outlay costs.

PFAS Rule Could Prompt Lawsuit

A proposed federal rule to classify a group of chemicals known as PFAS as hazardous could open the door for the Office of the Natural Resource Trustee and Attorney General to sue the U.S. Air Force for contamination linked to Holloman and Cannon air bases. An NMAG lawsuit stumbled over the failure of the federal government to list the chemicals as hazardous. The "forever" chemicals commonly used in fire suppressants by the Air Force have been found in drinking water throughout the state.

July Oil Production Up

Average daily oil production grew by 2.9 percent in July over June, preliminary Taxation and Revenue Department data shows, reaching a new record and exceeding expectations in the August 2022 revenue forecast. Natural gas production also exceeded the forecast, growing 3.6 percent, month-over-month. New Mexico produced 1.63 million barrels per day on average in July at an average price of \$101.49 per barrel. Natural gas production reached 7.8 billion cubic feet per day at an average price of \$8.18 per thousand cubic feet.

Opportunity Goes To Current UNM Students

The University of New Mexico has awarded \$37 million in Opportunity Scholarships to 11,350 students, with all but 645 of those awards made to existing students, the school reports. The average award was \$3,300. At the same time, UNM enrollment increased by 3 percent, or 645 students, in fall 2022, with half the increase in online programs.

Abuse Prevention Plan Submitted to Feds

The Children, Youth and Families Department has submitted its Families First Prevention Services Act plan for reducing child maltreatment to the federal government, an issue raised by committee members during the August meeting. If approved, New Mexico will be able to access federal support for programs that prevent the trauma of unnecessary separation of children from their families through evidence-based interventions for children and families. At least 40 other states have already submitted their plans.

Covid Deaths Highest in NM Prisons

New Mexico state and federal corrections facilities had the highest mortality rate per 1,000 prisoners for Covid-19-related deaths in the first year of the pandemic, according to a recent report from the U.S. Department of Justice. New Mexico and Michigan both had a mortality rate of 3.2 deaths per 1,000 prisoners compared with a national rate of 1.5 deaths per 1,000 prisoners. New Mexico also had the highest infection rate for correctional staff, with nearly two-thirds of staff testing positive.

Transitions

Environment Department Administrative Services Division Director Danielle Gilliam will replace former Deputy Secretary Stephanie Stringer, who has resigned.

The new president of Southeast New Mexico College in Carlsbad is Kevin Beardmore, former vice president of student affairs at Owensboro Community College in Kentucky



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