



# LFC Newsletter

A publication of the Legislative Finance Committee

Senator George Muñoz, Chairman  
Representative Nathan Small, Vice Chairman  
Charles Sallee, Director

Volume 25 Issue 2

August 2024

## From the Chairman Looking Ahead

This month, the committee will see the most important budget development document LFC staff releases—the consensus revenue forecast.

The forecast drives budget development, telling us both how much we can spend on the ongoing operations of state government and public education and how much we can spend on one-time expenses, like roads and endowments. If revenues follow the same pattern they did last year, the forecast will be for a strong economy, but more importantly, a flattening of the record revenue growth we had in FY22 and FY23.

The strong revenue numbers are certain to prompt calls for more spending but the slowing growth should make us pause.

Also worth a pause? The 37 percent growth in ongoing spending and more than \$6 billion in one-time spending we've authorized since 2021.

Over and over, the committee has heard from agencies that they have struggled to spend the extra dollars because they can't find qualified employees or recruit clients or can't provide services for some other reason.

Just this month, LFC staff reported, based on available data, public safety agencies have failed to spend 44 percent—nearly half—of \$425 million in expansions they've received over the past five years, and the district attorney in Bernalillo County spent more than a million dollars from a supplemental appropriation for personnel on office furniture, vehicles, an evidence-management system, and other expenses.

Tens of millions for public school reform has been left on the table and tens of millions more in the health and human services sector: Of \$20 million appropriated for children's behavioral health, half is unspent and half was spent on other services, \$3 million for workforce development at the Children, Youth and Families Department is idle, and \$1 million at CYFD for supports for families at high risk of child maltreatment will revert because it was never spent.

The state is a perennial low performer in education and social welfare but, clearly, money alone isn't the solution.

We need to start focusing on what agencies need besides revenue for better implementation of programs we know work.

The revenue forecast will give us a clear sense of what revenue will be available for the next budget. Agencies need to tell us what they need, and it can't simply be more money.

**Senator George Muñoz**  
Chairman

## Home Visiting Program Missing Out on Fed Dollars

New Mexico could claim tens of millions of dollars in federal support for its home visiting program for new parents if it helped more providers both meet federal rules for services and get into the Medicaid program, LFC staff reports.

Funding for home visiting, which provides parent education and supports from pregnancy through toddlerhood and is a cornerstone of the state's child well-being efforts, has grown more than 10-fold since its creation in FY12, from \$2.3 million to \$28.3 million for FY24.

However, enrollment has not kept pace, even though some providers report waiting lists.

The state could increase funding for the program without increasing state spending if more providers qualified for matching federal funds through the Medicaid program.

On average, every \$1 from the state general fund can be matched with an additional \$3.45 in federal Medicaid revenue.

Since LFC staff first raised this issue

through the LegisStat process, the Health Care Authority, which oversees the Medicaid program in New Mexico, has worked with federal Medicaid regulators to expand the number of home visiting models that qualify for matching dollars from two to six and to improve the process for referring pregnant Medicaid members to home visiting services.

The agency's progress will be discussed during a follow-up LegisStat hearing with the Early Childhood Education and Care Department scheduled for 10:30 a.m. on August 21.

More than 70 percent of the some 20 thousand births a year in New Mexico are covered by Medicaid, suggesting the families of some 14 thousand newborns could be enrolled in and benefit from the program each year.

The Early Childhood and Care Department, responsible for the Home Visiting Program, has contracts with providers to serve 5,000 families. Four hundred are enrolled in the Medicaid-matched home visiting, far below the department's target of 1,500.

## Workers Needed to Capitalize on Research

New Mexico has a healthy ecosystem for high-tech research—with three research universities, two national laboratories, other national science facilities, and tech transfer offices—but needs highly skilled workers to turn the research into an industry, institution leaders indicate.

In [testimony before the committee in July](#), the vice presidents of New Mexico State University and New Mexico Tech and the operations director of the National Radio Astronomy Observatory, which operates the Very Large Array Radio Telescope near Magdalena, described a wide range of research in progress in New Mexico, including work on hypersonic missiles, carbon capture, and water reclamation.

The two universities, the University of New Mexico, and the UNM Health Sciences Center spent a total of \$631 million on research in FY24, LFC [staff reports](#).

While New Mexico is a center for high-tech research, New Mexico needs workers trained in science and technol-

ogy if it wants high-tech businesses to grow in the state, staff notes.

Michael Doyle of NM Tech said the school has developed cybersecurity curricula and sponsors high school robotics competitions to engage students throughout the state.

Tanner Schaub of NMSU said their engagement efforts take into consideration the New Mexico communities in which they are recruiting and how to differentiate educational approaches.

Patricia Henning of the observatory, after noting tours and educational programs for schools statewide, said the state needs to work on breaking down the barriers to keeping a high-tech workforce in state after graduation by creating paths for recruiting to rural New Mexico and supporting healthy communities.

At the committee's June meeting, representatives from UNM and the Sandia and Los Alamos national laboratories discussed how a recent federal grant will be used to develop a labor force in quantum computing.

# 2nd District Conviction Rate Lowest for Domestic Violence

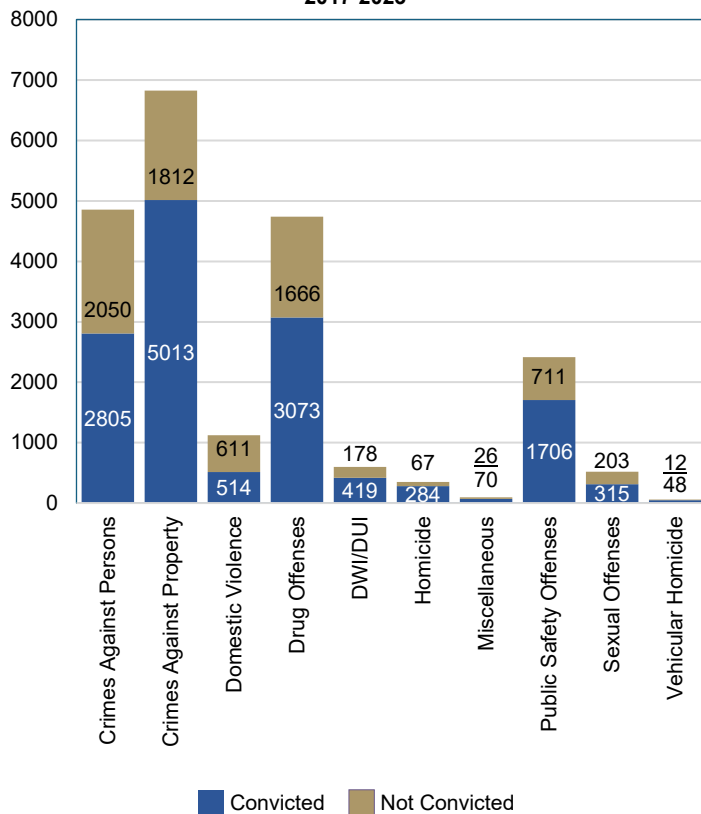
The percentage of cases pursued by the 2nd Judicial District Attorney that are dismissed or end in a finding of innocence varies by type of crime, an [LFC evaluation](#) finds, with the conviction rate lowest for domestic violence and highest for homicide.

The LFC report notes most failed cases are due to issues with evidence collection and witness or victim cooperation, and the district attorney might be able to improve its conviction rates by working more closely with law enforcement.

The district attorney's overall conviction rate ranged from 60 to 72 percent between 2017 and 2023, below the national rate of 74 percent reported by the National Center for State Courts.

The report lists the two highest conviction rates as 81 percent for homicides and 80 percent for vehicular homicides. The rates of 46 percent for domestic violence, 58 percent for crimes against persons, and 61 percent for sexual offenses are cited as the three lowest.

**Cases and Convictions  
2nd Judicial District  
2017-2023**



Note: Excludes open cases

Source: LFC analysis of 2nd Judicial District data

## On the Table

### A Quarter of Fire Aid Distributed

About 25 percent—\$1 billion—of the \$4 billion awarded by Congress to cover Hermit's Peak-Calf Canyon fire losses has been distributed, according to the Federal Emergency Management Agency. As of August 1, \$750 million had been paid to households and individuals, \$187.9 million to businesses, \$5.1 million to local governments, and \$10.3 million to tribal nations. The deadline to submit claims for reimbursement is November 14.

### Lordsburg Gets Transmission Line Grant

Lordsburg, in the path of the Southline Transmission Project, will get \$1.8 million from the U.S. Department of Energy "to renovate downtown Lordsburg and bolster economic development." The Transmission Funding and Economic Development Grant Program, funded under the Inflation Reduction Act, is intended to accelerate siting and permitting of energy transmission lines by supporting economic development efforts in affected communities. The to-be-built Southline Transmission Project is a 280-mile, double-circuit, high-voltage transmission line that will, once built, transport solar and wind from Hidalgo County to both Arizona and El Paso.

### UNM Asks for \$188M for Building Projects

The University of New Mexico main campus and Health Sciences Center submitted \$187.8 million in capital outlay requests to the Higher Education Capital Outlay Committee for consideration by the Legislature in 2025. The requests include \$37 million for design of a new medical school, a 200 thousand to 300 thousand square-foot facility expected to cost \$350 million to \$500 million. Other requests were \$59 million for a new humanities and social sciences complex, with a total cost up to \$125 million, and \$30 million for renovations to the College of Pharmacy, a project authorized by the Legislature to receive \$35 million on general obligation bond proceeds this year.

### Highlands Under Financial Oversight

The Higher Education Department has placed Highlands University on enhanced financial oversight because of risks from a lack of strong internal controls, a reduction in the unrestricted financial reserve fund balance from \$8.9 million to \$884 thousand between FY22 and FY23, and the failure to get department and Board of Finance approval prior to buying a \$3.35 million building from the college's foundation. Highlands will be required to create a corrective action plan and submit to quarterly financial review.

### Most New Jobs Won't Need College Degrees

Of the 11 thousand jobs the Workforce Solutions Department expects the state to gain each year for the next eight years, 60 percent are likely to require no formal educational diploma or only a high school diploma, the department reports. About 11 percent are expected to require some college or an associate's degree, and 29 percent are expected to require a bachelor's degree or higher. WSD forecasters expect the largest growth in home health and personal care aides, fast food workers, and restaurant workers.

### Transitions

Allen Moss, interim president of Mesalands Community College, has been named president of school under a three-year contract.

Linda Freeman, executive director of the Sentencing Commission, has announced her retirement after 14 years with the commission, including eight as executive director.

Aaron Salas has been hired as the protective services director at the Children, Youth and Families Department. His experience includes time as the Doña Ana County office manager.

Amber Dodson, director of the New Mexico Film Office, is leaving her position after a four-year tenure.



## LFC Newsletter

2024-2025 Fiscal Year, Month 02

Published monthly in the interim by the Legislative Finance Committee.

Editor - Helen Gaussoin

Questions, comments: 505-986-4550

[www.nmlegis.gov/Entity/LFC/Default](http://www.nmlegis.gov/Entity/LFC/Default)

Please contact LFC support staff [support.staff@nmlegis.gov](mailto:support.staff@nmlegis.gov) if you would prefer to receive this newsletter electronically.