



LFC Newsletter

A publication of the

Legislative Finance Committee

Senator John Arthur Smith, Chairman

Representative Jimmie C. Hall, Vice Chairman

David Abbey, Director

Volume 15 Issue 12

June 2015

From the Chairman **Justice Delayed**

Two years after the Human Services Department audited New Mexico's behavioral health providers, leading to accusations of fraud and the disruption of the state's behavioral health system, the Attorney General has filed charges against a Carlsbad provider and four of its employees. While the charges are the result of the whistleblower allegations that partly triggered the comprehensive audit, they are not directly connected to the audit.

Indeed, the audit itself has resulted in just one criminal complaint so far, against a single employee with a Raton provider. But that is little comfort to the tens of thousands of often-fragile mental health patients whose lives were disrupted when their providers were shut down because the department froze Medicaid payments.

The state brought in five Arizona companies to take over services in an expensive transition that ensured services were never unavailable. However, that did not stabilize the system as the department hoped. Some some of those companies have struggled in New Mexico and now one has pulled out, leaving patients in Carlsbad, Roswell, Clovis and Tucumcari again in transition, and another has notified the state it is leaving.

Meanwhile, the Attorney General has completed its reviews of just three of the 15 audited providers. A fourth – the sizable Presbyterian Medical Services – is still under investigation but settled with the department so the agency would unfreeze its Medicaid payments. The AG has started investigations of four other providers but has yet to work on the investigations of the remaining eight. The Legislature appropriated \$1.8 million earlier this year specifically to accelerate the investigations and the Attorney General has issued a request for proposals that specifically requires any contract investigators to complete work in six months.

The AG is to be lauded for taking action to bring these investigations to a close. But, as criminal justice reformists like to say, justice delayed is justice denied. And justice has been denied – to the never-coming-back providers who were never informed of the specifics of the allegations or given a chance to respond and, much more importantly, to the patients throughout New Mexico thrown into turmoil.

The administration argues the potential for fraud, no matter how weak the allegations, justified their actions. Concerns about protecting the taxpayers' interest are legitimate but in hindsight the public dollar could have been protected with less disruption.

With the Attorney General now pushing for a speedy conclusion to the investigations, perhaps the Legislature and the executive can work together to build a better system than we had before.

*Senator John Arthur Smith
Chairman*

Middle Schools Struggle

New Mexico students flounder during the transition to middle school, with drops in standardized grades and increases in disciplinary problems, and many New Mexico schools are not prepared to meet their special needs, an LFC evaluation finds.

The report, the first LFC evaluation to focus on middle schools, is scheduled to be presented to the committee at 1:30 p.m. June 25 during the committee's June meeting at the University of New Mexico.

New Mexico has 385 schools that serve 77,000 sixth, seventh and eighth graders at an estimated cost of a half billion dollars. However, the 25 different school configurations in that group vary widely, from schools that cover prekindergarten through 12th grade to those who serve only sixth graders.

While about a third cover sixth through eighth grade, the traditional grades for middle school, the study finds no clear answer on what configuration leads to higher student performance, although

reading scores were slightly better for schools that serve kindergarteners through eighth graders.

Just 2 percent of New Mexico's middle schools received As in the annual Public Education Department assessment and middle schools are more likely to earn Ds or Fs than either elementary schools or high schools, the study says.

LFC staff found about a dozen non-charter middle schools that are beating the odds and share similar characteristics, including unique programming and strong principals.

As with elementary schools, absences are closely tied to student performance but the relationship is much stronger for eighth graders. Chronic absenteeism starts to rise in middle school and continues to climb through 12th grade.

The Public Education Department has started implementation of an early warning system to catch students with characteristics that put them at risk of failing to complete school.

Impact of State Efforts To Stop Adult Maltreatment Unclear

New Mexico is projected to be fourth in the nation in the share of its population over the age of 60 by 2030 and adult maltreatment caseloads are growing, but the state has no information on whether intervention efforts help or prevent future maltreatment, an LFC evaluation says.

The assessment of the Adult Protective Services Program of the Aging and Long-Term Services Department, presented at the committee's meeting in May, reports 21 percent of New Mexicans – about 436,000 people – were over the age of 60 in 2013 but that share is expected to grow to a third by 2030.

About 42 of those over the age of 65 have a disability, making them vulnerable to maltreatment, the report notes.

The Adult Protective Services program investigated 12,000 reports of abuse, neglect or exploitation in FY14, up from about 10,000 in FY12, and investigated 6,700, finding evidence of maltreatment in 1,800. Because the number of reports is growing faster than the number of substantiated cases, the increase might be the result of greater awareness of elder abuse, the report concludes.

The average number of cases per caseworker increased from 72 in FY12 to 82 in FY14. However, caseload growth is not consistent across the programs five regions, suggesting to LFC evaluators the department should redistribute caseworker positions. In addition, while the program has received funding for additional caseworkers, the actual number on staff has dropped 5 percent since FY12.

The report says the program has focused its efforts on investigating reports, leaving the determination of services needed in the hands of private contractors.

Once the program closes a case, the department no longer knows if the client is being served or has been discharged even though it is paying millions for social services.

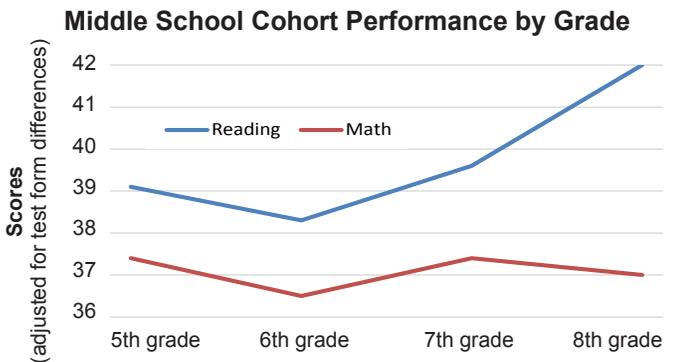
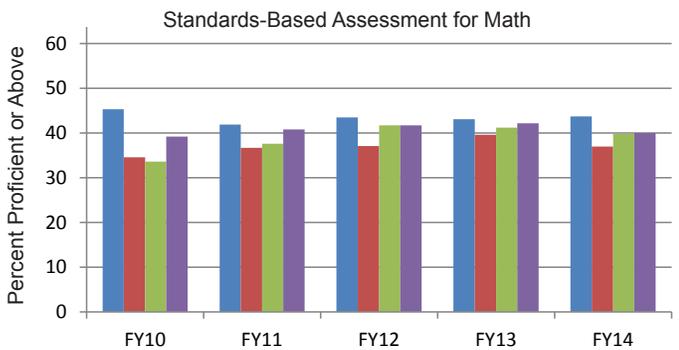
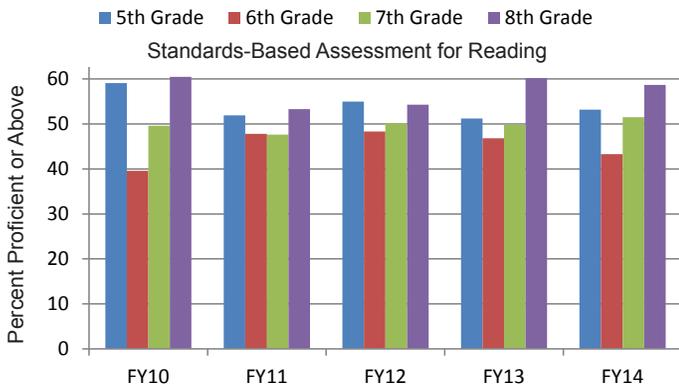
Gino Rinaldi, Aging and Long-Term Services Department secretary, told the committee the agency is working with New Mexico State University on a study of adult day care and with Harmony, an information technology contractor, on making better use of the extensive data they collect.

Student Scores Drop after Elementary School

In most years, a greater percentage of fifth grade students statewide are proficient on state standardized tests for both reading and math than sixth or seventh graders, LFC analysis shows. Seventh graders tend to perform better than sixth graders on both subjects and eighth graders better than seventh graders in reading. However, eighth-grade scores tend to be about the same as seventh grade scores for math.

Reinforcing the findings from the statewide results, LFC staff found similar results for a cohort of 25,000 students in fifth grade in FY11. The performance of the cohort students dropped in sixth and recovered in seventh. Reading scores improved again in eighth but math scores dropped.

Statewide Student Performance by Grade



LFC Newsletter

Volume 15 Issue 12

Published monthly in the interim by the Legislative Finance Committee.

Writer, Editor - Helen Gaussoin Staff Editor - Rachel S. Gudgel

Questions, comments: 505-986-4550

www.nmlegis.gov/lfc

Please contact Adreena Lujan at adreena.lujan@nmlegis.gov if you would prefer to receive this newsletter electronically.

Legislative Finance Committee
325 Don Gaspar Street Ste101
Santa Fe NM 87501

On the Table

State Government Vacancies Still High

State government employment has increased by 1 percent since the start of the fiscal year in July 2014. The vacancy rate is 11 percent.

Businesses Unaware of State Incentives

The single best thing New Mexico can do to bring companies to the state is promote its “very, very good if not great” incentive package, business site scouts said. Invited to New Mexico by the Economic Development Partnership, the four site selectors said they were not aware of New Mexico’s complete package of favorable tax rates and credits until they were briefed during their stay. They recommended New Mexico market its strong incentive program.

Spaceport Expects Thousands of Visitors

The Spaceport Authority, which plans to have a grand opening of its expanded visitor center on June 24, projects it will receive 200,000 visitors a year once Virgin Galactic starts commercial space launches. Fewer than 4,000 visited the center during the first 10 months of this fiscal year.

Treasurer Opposes SHARE Upgrades

Upgrades to the statewide accounting system called SHARE are cosmetic and will do nothing to address systemic problems, State Treasurer Tim Eichenberg wrote in a letter to the Department of Finance and Administration. Eichenberg says the state needs to start over on implementation of SHARE because an upgrade, which would not resolve existing corrupted data, is akin to “rearranging deck chairs on the Titanic.”

CYFD Hiring Accelerates

The Children, Youth and Families hired 22 workers at a job fair in Rio Rancho in May and another five during an event in February. The increased hiring is an attempt to address growing child protective services caseloads. The department received an additional 45 full-time positions for FY16.

New Drivers’ Information System Goes Live

The first phase of the Motor Vehicle Division’s information systems reengineering project, Tapestry, went live on May 26. This first phase replaced the outdated driver database. The division reports the implementation has been smooth. Phase two of the project, set for rollout in a little over a year, deals with the vehicle registration system.

Transitions

The governor has appointed Dianna Luce as 5th Judicial District attorney. Luce, former chief deputy district attorney, replaces Janetta Hicks, who resigned. Luce was named prosecutor of the year in 2014 by the New Mexico District Attorneys Association.

Jennifer Saavedra, former general counsel for the Children, Youth and Families Department, has been named deputy secretary. She was formerly general counsel. Jennifer Padget, former deputy secretary, is now the administrative services director. Renada Peery-Galon, former CYFD budget manager and a former LFC analyst, has left the agency to replace Sylvia Barela as the finance director of the Public Employee Retirement Association. Barela, who retired, is also a former LFC employee. Tamara Marcantel was named director of Juvenile Justice.