



# LFC Newsletter

A publication of the

Legislative Finance Committee

Representative Luciano "Lucky" Varela, Chairman

Senator John Arthur Smith, Vice Chairman

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## From the Chairman

### New Management

It's been more than 60 years since the Republicans were in charge of the New Mexico House, prompting more-intense-than-usual speculation about the politics of the upcoming session. Will this be the year the governor gets her bill outlawing immigrant drivers' licenses or holding back third graders who struggle with reading? How will the still-Democratic Senate respond?

It's human nature, at least in the United States, to see politics as a sporting match with a touch of intrigue. Who are the winners and the losers, who's aligned with whom, what's the final score?

With all the speculation about the players and the odds, we forget the game would be impossible without the support team. Someone has to assign offices, plan events, accommodate touring school groups, and hire employees and contractors to man the phones, sort mail, track all the paper and action, and perform all those small and large tasks that keep everything moving smoothly.

While most of these jobs are only marginally political, a change in leadership typically leads to a change in staff. So it's no surprise that Steve Arias, House chief clerk for 30 years, has resigned and will be replaced by Denise Greenlaw Ramonas, a long-time Republican staffer with Washington D.C. experience.

While Ramonas' credentials suggest she is well-suited to the top job in the House, Arias takes with him decades of experience and institutional memory. Fortunately, not all the veteran staffers are leaving and those who remain are committed to helping the new kids negotiate the arcane details of session management. The transition will also be eased by the permanent staffs of the legislative agencies.

Whether it's the Legislature or the executive, state government or the federal government, the public benefits from experienced civil servants who have chosen public service as a career. With both the executive and the Legislature going through a transition, it's important that the politicians remember that.

*Representative Luciano "Lucky" Varela  
Chairman*

***This meeting will be the last for four members who have contributed greatly to the work of our committee: Representatives Kiki Saavedra, Ed Sandoval, Bill Gray and Jim White. Representatives Gray and White were with us a relatively short time while Representatives Saavedra and Sandoval served decades, but all four were key to the the bipartisanship and cooperative spirit that made the committee successful. We will all miss them when we convene in January.***

## Horse Racing Concerns Prompt Special Meeting

Legislators, horse racing regulators and track managers will meet this month to discuss ongoing problems with effective enforcement of rules intended to clean up the industry.

The special meeting of a newly created subcommittee of the LFC, scheduled for 9 a.m. on December 16, was prompted by testimony from the State Racing Commission director in October that horse trainers and owners were getting around drug-related sanctions.

Vince Mares told the committee during the agency's regular budget hearing that many owners and trainers respond to track-level administrative sanctions for doping horses by challenging the sanctions in court and winning the right to keep racing while the findings are appealed to the commission. The appeal process can take up to a year.

Mares said the tracks have had more than 200 doping cases filed this year and about half were appealed to a contract hearing officer, who hears about

two cases a week.

The agency is asking for legislation during the upcoming session that would prevent owners and trainers from using the courts to keep racing, although Mares acknowledged it will be hard because of the legal right to appeal the sanction.

The New Mexico horse racing industry has undergone a variety of reforms since 2012, when a *New York Times* investigation of U.S. horse racing reported New Mexico tracks had the worst safety record in the nation. The news article noted that during a 13-day stretch of racing in 2010 at Sunland Park, nine horses died, five were taken away in ambulances and two jockeys were hospitalized.

Since then, the state has enacted new laws upping fines and penalties for doping horses, creating a special fund to pay for more testing, and exempting regulators from civil lawsuits connected to enforcement actions.

## DPS Continues Struggle with Staffing

The Department of Public Safety is asking for \$4 million next year for the second year of a three-year, \$10.8 million pay-improvement plan to attract and keep more state police officers. But so far the state's first-year investment of \$3 million has made little difference on staffing levels, LFC analysis shows.

The department presented its FY16 budget request to the committee during November hearings. The committee is expected to release its budget recommendations in early January.

The department has struggled to hire and keep state police and motor transportation officers because, it says, its pay is not competitive with other law enforcement agencies in the state.

The department has about 340 state patrol officers, almost 100 fewer than recommended in a study by the New Mexico Sentencing Commission. The commission recommended 243 motor transportation officers for overseeing commercial traffic, 124 more than actually employed.

The department used the \$3 million first-year funding, appropriated on top of

the funding for a 3 percent pay increase for all state employees, to increase officer pay and bring pay for motor transportation officers, who were being paid less than state police, into line with the pay for state police officers.

Pay for both state police and motor transportation officers now ranks 10th in the state when compared with law enforcement officers in other agencies. State police ranked 11th and motor transportation 12th a year ago.

Although staffing levels have not changed significantly since the higher pay was implemented – state police available for patrol has dropped 10 percent since September 2012 – the department is anticipating improved staffing levels after the second year of the phase in.

The department recently received a federal grant to hire clerical staff for the Motor Transportation Division, freeing more officers for enforcement.

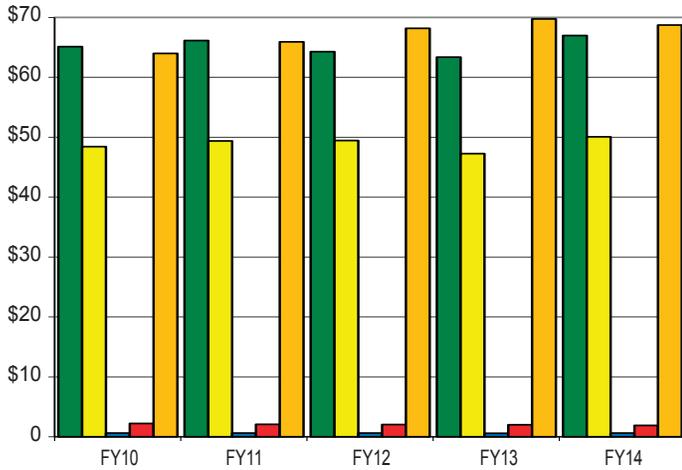
The department also is asking for an increase of about \$424,000 to hire additional forensic scientists to reduce a crime lab backlog.

# Gaming Revenue Steady

Total gaming revenue has grown over the past five years but by less than 5 percent, or on average under 1 percent per year.

Tribal gaming revenues have grown about 7.3 percent since FY10, while the state's share of horse-racing purses has grown by just 3.3 percent and revenue from horse track and racino taxes has grown by 2.8 percent. Revenue from gaming run by charities is down about 1.4 percent.

**Gaming Revenue by Source**  
(in millions)



	FY10	FY11	FY12	FY13	FY14
Gaming Taxes from Licensees	\$65.1	\$66.1	\$64.3	\$63.4	\$66.9
Horse Racing Purses	\$48.4	\$49.4	\$49.5	\$47.2	\$50.0
Problem Gambling	\$0.6	\$0.6	\$0.6	\$0.6	\$0.6
Charities	\$2.2	\$2.0	\$2.0	\$2.0	\$1.9
Tribal Revenue Sharing and Regulatory Fees	\$64.0	\$65.9	\$68.4	\$70.0	\$68.7
<b>Total</b>	<b>\$180.3</b>	<b>\$184.1</b>	<b>\$184.6</b>	<b>\$182.9</b>	<b>\$188.3</b>

## On the Table

### Center Says Exclusion Practices Over

The New Mexico Rehabilitation Center in Roswell reports it has ended admission practices that excluded complicated patients and kept patient numbers low. The new director of the Health Department facility says the center had been excluding patients needing complicated medications, intravenous fluids, feeding tubes, catheters, and other more intense services. In addition, nurse workloads were below industry standards.

### Juvenile Facilities Population Down

The average daily population for secure juvenile justice facilities dropped from 217 in FY14 to 199 in November. Capacity at the centers is 286, meaning 87 beds, or 30 percent, are empty.

### Road Fund Dwindles

The balance in the road fund dropped from \$84.4 million in October 2013 to \$37.6 million in October 2014 partly because the Department of Transportation has relied on the fund for equipment and supplies for road maintenance. In related news, the department has received a \$1 million federal grant to improve collection of the weight-distance tax on commercial trucking, all of which goes to the road fund. The grant, which runs through September 2015, will allow the department to hire additional clerical staff to free up enforcement staff.

### Estimated Medicaid Need Jumps

State Medicaid managers project they will need \$8.5 million more from the general fund in FY16 than they included in the Human Services Department budget request. The increase is primarily driven by increased enrollment and utilization under Centennial Care, the comprehensive configuration of Medicaid services recently implement.

### One-Quarter of State Roads in Disrepair

A statewide evaluation of the state's 30,000 miles of state roadways shows 28 percent are in need of repairs, from minor rehabilitation to major reconstruction. The Department of Transportation puts the maintenance gap, the amount of funding necessary to keep roads in good condition, at about \$115.8 million. The findings are the result of the department's first-ever systemwide pavement evaluation using laser crack measurement.

### Transitions

Associated Press reporter Barry Massey, a 21-year veteran at the capitol, has been hired as the legislative liaison for the Administrative Office of the Courts.

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