



LFC Newsletter

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Legislative Finance Committee

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From the Chairman Public Service

J. Paul Taylor, former state representative, long-time educator, art patron and philanthropist, is the definition of public service. After a lifetime of working for the people of New Mexico, including 18 years in the New Mexico House of Representatives and 30 years in the Las Cruces public schools, Taylor is donating his historic family property to the state for use as a state monument after his death.

Anyone who is familiar with Taylor, his integrity and passion, will find this generous donation completely in keeping with his lifetime of service to education, the arts, and the less fortunate of New Mexico. But Taylor, while an exemplary model, is not alone in the Legislature in his commitment to the people of New Mexico.

Most legislators – even most, dare I say, politicians – serve because they feel called to serve. The compensation is bad, and the job is thankless. The satisfaction comes from being part of an arguably exciting process with the goal of making things better for all. Unfortunately, the public's perception, heavily colored by news stories of the worst behavior by office-holders, is that all politicians are self-serving, concerned mostly with wielding power to better their own lot.

This is a particularly easy position to fall into with the Legislature because, while most voters feel comfortable with their own senator and representative, they know little and are somewhat suspicious of the *other* 110 elected members. In addition, while state legislators are the state officials closest to the people who elect them, they are engaged in a process that is better known for its contention than its efficiency. It is a messy process and invites criticism, but it is precisely the contention that makes it work, that ensures the interests of all New Mexicans are represented.

When news emerges of charges against former lawmakers or family members of sitting representatives, the tendency is to paint all legislators with the same fat, black brush. This is natural, but it's important to remember that those involved in questionable activity are a very small minority. Thousands of New Mexicans have served in the House and Senate and no currently serving member is under suspicion. In my 20 years of service in the Legislature, most of the members I have come to know have been more like J. Paul than the politicians now in the spotlight. Whether foregoing their regular income during a legislative session or resolving constituent problems in their free time, most lawmakers are most concerned with what is in the best interest of the people they represent. They see themselves as and they are, in fact, your public servants.

Senator John Arthur Smith
Chairman

Studies Could Help Focus Early Childhood Spending

National studies of early childhood programs in other states show long-term savings in education, social services and public safety costs, but New Mexico is still assessing which of its programs will be most cost-effective.

Strong state revenues over the last several years have allowed New Mexico to launch or build on a wide range of early childhood programs targeted at higher-risk populations. Those programs include pre-kindergarten, an extended school for kindergarten through third grade, physical education, after-school programs, home visits, autism care and expansion of child care.

The committee will hold a hearing on existing early childhood programs and their evaluation during its meeting in July. The hearing is scheduled for 1:30 p.m. on July 19 in Ruidoso.

Speakers include Jack Tweedie of the National Conference of State Legislatures, who is expected to speak on programs in other states. Rebecca Kilburn, an economist and director of the RAND Corporation Child Policy, is expected to speak on different approaches and

philosophies for assessing programs.

Comprehensive longitudinal studies are underway for two of New Mexico's more publicized early childhood programs: pre-kindergarten and a pilot home-visiting program called First Born. However, both programs are relatively new and any long-term benefits cannot yet be assessed.

In addition, LFC staff have raised concerns that program administrators have not clearly identified goals for some programs. For example, if subsidizing child care for low-income families is an effort to make it easier for parents to work, funding should be focused on providing as many slots as possible. But if it is an effort to improve early childhood development, funding should be focused on providing high-quality childcare slots.

Similarly, the long-term results of New Mexico's First Born home-visiting program might not match those of similar programs in other states. While other states have focused services on higher-risk groups, First Born provides home visits to first time mothers at all socio-economic levels.

Tax Incentive Reporting Inconsistent, Inadequate

New Mexico needs to keep better track of the impact of the tax credits, deductions and exemptions it provides to certain businesses and for certain activities, a panel of New Mexico tax specialists told the committee during its June hearing.

While the group that included representatives of tax policy think tanks and state agencies said tax incentives are important for economic development, they also noted that good tax policy requires accountability.

Richard Anklam, executive director of the New Mexico Tax Research Institute, said any deviations from established tax policy, whether for economic development, social or other purposes, should be well-reasoned and established only when they don't undermine the tax base and can be measured and evaluated.

Jim Nunns, tax policy director of the Taxation and Revenue Department, said the agency has started work on a tax expenditure budget, which measures the loss in revenue from tax credits and other incentives, and is conducting a comprehensive review of business tax credits.

An LFC staff review of 45 tax incentives found state law requires reporting for just four. Staff was able to review data on another 12 because agencies collect the information, mostly through personal income tax collection in the tax department. Nunns said the agency is working on collecting more information on tax credits against corporate income taxes.

The panel of tax specialists will appear before the legislative Revenue Stabilization and Tax Policy on July 25 in Farmington.

Taylor Donation Includes Home, Shops, History

LFC members toured the home of former Representative J. Paul Taylor during a May meeting in the Las Cruces area. Taylor has donated the home on the Mesilla plaza and the shops on either side to the state to be used as a state monument after this death.

Taylor has said he wants the historic buildings to serve as a way for the children of New Mexico to connect to their culture and understand its value.

Taylor told the committee members that his favorite santo in his collection is a depiction of Santiago he bought more than 20 years ago when he attended annual teacher conventions in Albuquerque:

“Year after year, I went into the Catholic Shop. Every year, I would go in and admire the piece. After about the third year, the lady said, ‘If you want this piece, you better buy it because it is going to go up in price.’

When Taylor told her he couldn’t afford the \$90 purchase price, she offered to let him take it for \$5 and a promise to pay \$5 a month until it was paid off.

“I said, ‘I can do that but are you sure you want to do that?’ She said, ‘Yes, I know you want want Santiago. So that’s what I want to do. I know I can trust you. Take Santiago.’

Taylor said the Santiago is also a wonderful example of New Mexico santero art.



J. Paul Taylor points out significant art and artifacts in his extensive collection during a tour of his home in Mesilla.



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On the Table

“Adequate” Schools Priced at \$800 Million

Incorporating statewide reforms that would bring public schools up to adequate levels would cost an additional \$800 million a year, a private consultant says. The preliminary estimate was put together by the American Institutes for Research under contract with the Funding Formula Task Force. Public schools will receive some \$2.5 billion in FY08.

Unexpected Costs Prompt District Reviews

Five public school districts will be part of an audit of “related services personnel,” a factor in the school funding formula that accounted for \$18 million in public school support that was not built into estimates for FY08 public school support. “Related services” are services for special education students such as those provided by psychologists, speech-language pathologists and occupational and physical therapists. The five districts are Albuquerque, Rio Rancho, Española, Grants and Las Cruces.

Welfare Caseload Down 21 percent

The caseload for Temporary Assistance for Needy Families for April 2007 is down 21 percent from April 2006. The food stamp caseload is down 5 percent and the caseload for general assistance is down 4.5 percent. The drop in the TANF caseload should result in some funds carrying over to FY08.

New Aging Offices Planned

An increase in GOLD Mentor funding from \$500,000 to \$700,000 has prompted the Aging and Long-Term Services Department to plan three or four new field offices throughout the state. The program pairs mentors 50 and older with welfare clients and youth with disabilities or just coming out of foster care to help overcome barriers to independence. Sites being considered are Hobbs, Alamogordo/Ruidoso, Grants/Gallup, and Silver City/Deming.

State Police Positions Vacant

A June police academy graduation that added 18 officers to the state police ranks left the agency with a vacancy rate of 12.3 percent — a figure that represents 75 officers. The Department of Public Safety is considering a plan to allow officers in other law enforcement agencies to move laterally into state police positions.

Transitions

Stewart Paisano is the new assistant secretary for economic development at the Economic Development Department.

Scott Stovall, recently deputy state treasurer and a former director of the Board of Finance, has been hired as the chief investment lending officer for the New Mexico Finance Authority.

Bill Dunbar, administrative services director of the Children, Youth and Families Department, will replace CYFD Deputy Secretary Danny Sandoval when Sandoval retires on September 1.

Al Lama will replace Chief Deputy Attorney General Stuart Bluestone, who is retiring.

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