



LFC Newsletter

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From the Chairman Common Ground

The scandal rocking the Jemez Mountain School District is just an extreme example of a problem common throughout New Mexico. The unfortunate reality is that it is routine, at any time, for several of New Mexico's local school districts to be wrapped up in controversy. The problems range from embezzlement – millions of dollars in the case of the Jemez Mountain schools – to school boards exerting inappropriate influence over hiring. Local school districts spend billions of the state's dollars every year. We should expect more from them.

These problems aren't new and it's not news that New Mexico's schools could do a better job of educating our young people. Perhaps it is time to rethink how we manage our public schools. Perhaps it is time to take some local control away or at least exert greater oversight. Perhaps it is time to hold teachers accountable for their performance in the classroom and principals and superintendents accountable for performance and finances.

The committee will hear from three school districts regarding what steps they are taking to improve district performance and fiscal accountability on May 11th at 1:45 p.m. when it meets this month in Las Cruces. The committee's evaluation staff has been reviewing the operations of districts to assess the cost-efficiency and effectiveness of the biggest single service funded by state government. Those reviews are likely to reveal a variety of issues, from large to small, but will also include best practices implemented by those school districts. These reviews have been an important step toward achieving greater accountability in the public schools. Our children and our future depend on it.

Representative Luciano "Lucky" Varela
Chairman

Juvenile Detention Revamp May Reduce Facility Violence

Initial implementation of a juvenile detention program that emphasizes small, therapeutic communities shows a reduction in violent incidents, the Children, Youth and Families Department reports.

The department will report on the progress of the switch to the program called Cambiar New Mexico during the committee's meeting in Las Cruces. The hearing is scheduled for 8:30 a.m. May 12 at the J. Paul Taylor juvenile center.

Staff and youth at the center report the biggest change since Cambiar was fully implemented in fall 2009 has been an increase in safety, the department says. The department reports the number of disciplinary incidents at the center dropped from 597 in FY08 to 142 in FY09.

The program, modeled on a successful project in Missouri, shifts the focus from detention and punishment to rehabilitation. The program focuses on small, regional facilities closer to the offender's family and community; nurturing, therapeutic living units; individualized treatment plans; and specially trained "youth care specialists."

As part of the switch to the Cambiar program, state law was changed so that the Juvenile Parole Board was replaced with an advisory panel and staff of the juvenile facilities decides when a juvenile offender is released.

Because of the emphasis on smaller living units, Cambiar is more expensive than the more traditional juvenile justice model it replaced. Under the Cambiar model, operational capacity at the Youth Diagnostic and Development Center in Albuquerque will drop from 152 to 84. Capacity at Camino Nuevo, originally planned as a staff-intensive high-security facility, will drop from 96 to 84.

The Children, Youth and Families Department has closed the New Mexico Boys' School in Springer and Camp Sierra Blanca in Fort Stanton and shifted the money to reopening Camino Nuevo and other costs associated with the implementation of Cambiar.

A master plan for developing regional facilities calls for expansion of an existing boys' facility in southwest New Mexico and new boys' facilities in southeast, northwest, and central/northeast regions. The central and northeast regions were combined because of the low population of offenders in the northeast.

A new girls' facility would be built in the central/northeast region.

The plan calls for tackling a new facility in southeast New Mexico first because the region is underserved. Under the plan, the southeast facility would be ready in 2015.

The master plan does not address the needs for facilities specifically for behavioral and mental health clients.

Investment in Colonias Improvements Steps Up

A new law passed during the last legislative session will likely double the amount of state money available for improvement projects in New Mexico's colonias, poor rural communities with substandard housing and little infrastructure.

The LFC will hold a hearing on the potential impact of the Colonias Infrastructure Act during its May meeting. The hearing and a tour of several projects in the colonia of Vado near Las Cruces are scheduled for 9:30 a.m. May 11.

The act allocates 5 percent of the annual estimated severance tax bond capacity into the colonias infrastructure project fund starting in FY12. About \$11 million is expected to be earmarked

for the fund that year.

Between 2005 and 2010, the Legislature appropriated \$25.5 million to the colonias fund. Those funds have been used to draw \$45 million from the federal government and private and other sources. Since 2005, about \$23.5 million of the state money has been allocated to 60 projects.

The act creates a recurring form of funding for colonia projects, which include water and sewer systems, flood control, land use planning, roads and housing.

Colonias, defined by the federal government as rural communities within 150 miles of the Mexico border, typically are collections of substandard

houses without basic necessities like running water, electricity and paved roads.

New Mexico has over 140 colonias in 12 counties, with 35 in Dona Ana County alone.

The hearing includes a tour of the Vado flood control project. A flood in 2006 destroyed utility infrastructure and two children died in a more recent flood.

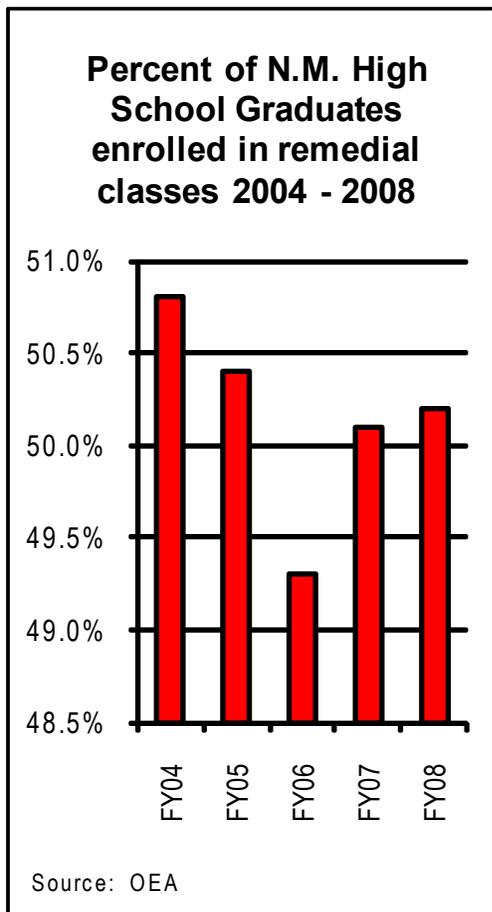
Many colonias in New Mexico are in flood plains because the land was cheap. Vado sits in the bottom of a drainage bowl and the flood control project includes a drainage system as well as a wall to channel flood waters into ponds that feed the Rio Grande.

Remedial Ed Common for College Freshman

More than 50 percent of New Mexico high school graduates continuing to college must take at least one remedial class in math or literacy at a cost to the state of some \$32 million a year, LFC analysis shows.

The committee will hold a hearing on the demand for college-level remedial education at noon May 10 at New Mexico State University in Las Cruces.

LFC staff note that the state pays for the education of students in remedial classes twice, once in high school and once in college. Some states are considering proposals that would require the public school system to pay for remedial work by a public school student.



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On the Table

New Status Considered for Cultural Center

Congress is considering an act that would declare the Indian Pueblo Cultural Center in Albuquerque Indian country. The act would exempt the Indian Pueblo Cultural Center from state taxation and regulation. The legislation is being considered in the U.S. House Natural Resources Committee.

Some Health Facilities Expect Shortfalls

Health Department officials have reported the New Mexico Behavioral Health Institute will overspend its FY10 budget by some \$1.58 million, while Fort Bayard Medical Center is expected to run about \$203,000 short. Each facility has about \$9 million in accounts receivable. Facility directors say they have had trouble collecting on the bills because of a hiring freeze.

Financial managers at the Miners' Colfax Medical Center have cut last year's operating shortfall of \$4 million to \$1.5 million through improved collections and expanded services. The shortfall will be covered by the facility's trust fund. Facility managers are also applying to the Centers of Medicare and Medicaid Services to be designated a critical access hospital, which will increase revenues an additional \$1.3 million to \$1.8 million.

Miners' Medical Center Honored

U.S. News and World Report named the Miners' Colfax Medical Center one of the best nursing homes in the United States.

Strong Energy Market Softened Recession

Strong oil and gas revenues in energy-rich states like New Mexico helped delay the recession and mitigated job losses, the Federal Reserve Bank of Kansas City reports. The report says the leaps in oil and gas prices from 2003 to 2008 enabled the industry to increase investment and employment even as other sectors were sliding into the recession that began in December 2007.

Healthcare Reform Entices Insurers

National insurance and healthcare companies are promoting their managed care products to handle the expected 16 million increase in Medicaid clients nationwide. New Mexico's Medicaid program is run mostly through managed care organizations, and the state's recent shift to managed care of long-term services has increased spending because of greater utilization.

Transitions

Health Department Deputy Secretary for Finance and Administration Duffy Rodriguez has resigned. No permanent replacement has been named.

Rhonda Dibachi, a senior managing director and a chief executive officer for the private equity firm Noribachi Group, has been appointed to fill one of two Board of Finance vacancies.

The Retiree Health Care Authority has hired Sara Brownstein as its new chief financial officer. Brownstein is a certified fraud investigator who has worked for the Taxation and Revenue Department and served as an accountant and financial specialist for the authority.

Jim Perry, administrative services director at the Environment Department, has been asked to also serve as the acting administrative services director at the Energy, Minerals and Natural Resources Department.

Sarah Cottrell, the governor's energy and environment advisor, has been appointed a deputy secretary at the Environment Department.

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