



LFC Newsletter

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Senator John Arthur Smith, Chairman

Representative Patricia Lundstrom, Vice Chairwoman

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From the Chairman Challenges

For Deming and the other border communities absorbing the extraordinary influx of mostly Central American immigrants, the debate over immigration politics will simply have to wait. For now, all resources are focused on addressing the humanitarian crisis.

Overwhelmed, the U.S. Border Patrol has stopped providing assistance to some migrant parents and children and instead has dropped thousands in Deming and other border communities, leaving it to a small city with limited resources and few transportation options to take on the responsibilities of health screenings and some healthcare, temporary room and board, and travel arrangements for the revolving door of asylum seekers headed to relatives and sponsors in other parts of the country.

According to a lawsuit filed by the state challenging the federal government's abandonment of the "safe release" policy, which required the Border Patrol to provide those services, about 4,700 asylum candidates have been left in Deming and another 9,000 in Las Cruces.

These communities, ill-prepared for the influx and in the face of scattered but sometimes ugly anti-immigrant sentiment, have stepped up with inspiring generosity and cooperation among city, county, and volunteer organizations.

In Deming, law enforcement, the fire department, emergency medical services, local government, and volunteers have worked together with state health and homeland security departments to help the immigrants moving through the community. The city of Deming has committed \$1 million for shelter services.

Through a \$2.5 million appropriation for border security included in the just-approved General Appropriation Act, the state has been able to provide \$250,000 grants to Las Cruces, Deming, and Luna and Doña Ana counties. In addition, the Santa Fe Community Foundation is paying for chartered buses to take the immigrants, here legally while their asylum cases are active, from Deming to Dallas and Denver, where there are bus and airport hubs and greater resources generally. In Dallas, a group of volunteer organizations have formed a partnership to care for migrants coming from Deming.

But that money won't last long and volunteers burn out. Further, the state grants are only available to border communities, leaving out some impacted counties. If the crisis persists, Deming, Las Cruces, and other border towns, which have already demonstrated their compassion and commitment, will be hard pressed to keep up the effort.

Then, the state and the federal government – whose responsibility this is – will have to step up.

*Senator John Arthur Smith
Chairman*

Slow, Dated Info Hinders Higher Ed Budgeting

Legislative oversight of the state's billion-dollar higher education system is hampered by inadequate and slow data, LFC analysis shows.

Although colleges and universities collect "tremendous amounts" of data on each student every semester – classes taken and completed, academic performance, financial status, progress toward a degree, etc. – the data is provided primarily to federal agencies and the state Higher Education Department.

The Legislature, which uses the data to make budget decisions, must wait a year or more for the information.

The committee is scheduled to hear about higher education performance data and its use by the Legislature during a hearing at 10 a.m. on June 19.

A staff brief prepared for the hearing says four-year and two-year schools report different information at different times, making it difficult to measure relative performance among the schools. To overcome that weakness, legislative staff instead compare New Mexico schools to national data and have found that New Mexico institutions trail their regional peers.

Information on the number of students retained the following semester – provided semiannually – and on gradu-

ation rates – provided annually – only tracks traditional first-time, full-time students, leaving many students out. In addition, the reports are prepared for federal regulators and delivery to the Legislature is delayed.

State higher education institutions prepare annual reports for the Legislature, which attempt to clarify out-of-date and incomplete information, but those reports are provided shortly before the start of the session, giving staff little time to analyze the information and recommend funding based on the success or failure of specific programs.

The brief notes legislative staff must wait nearly six months to get spring graduation data and do not get data on the number of degrees and certificates awarded to students who were at risk for failure, even though the higher education funding formula rewards schools that have successful at-risk students.

Further, while legislative staff track tuition and fees at each school, information for the average net price of attendance would be more useful, as would be information on spending per degree using calculations standardized by the American Institutes for Research.

Medicaid Controls Admin Costs

The Human Services Department spent just 4 percent of its Medicaid budget on administration of the multibillion dollar program in 2018, less than most states, but that figure doesn't include the amounts spent by private companies that manage most of the program.

[Health Notes: Medicaid Spending on Program and Managed Care Administration](#), a report by the LFC Program Evaluation Unit released in May, looks at administrative costs in the healthcare program for the poor and middle class and in hospitals.

The report notes the 30 cents of every U.S. healthcare dollar spent on administration makes U.S. administrative costs among the highest in the world.

While the Human Services Department is a national leader in controlling administrative costs, its figures do not

include all administrative expenses.

The department treats all money spent with the private managed-care organizations as medical spending, even though the organizations use some of it for administration.

All four of the organizations have met the administrative cost limit in their contracts, now set at 14 percent.

"Some were able to do this and still make substantial profits, others were less financially successful," the report says.

The report finds hospitals spend a far larger share of their revenues on nonmedical costs, primarily because even the smallest hospitals must maintain physical facilities. New Mexico's 34 general and acute care hospitals spent from 17 percent to 56 percent on administration in 2017, averaging 42 percent.

Turnover, Fewer Ed Students Strain Staffing Levels

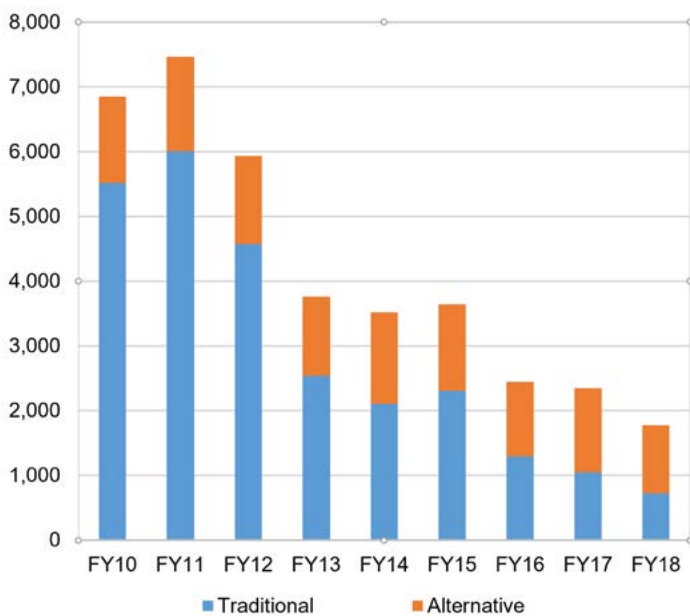
Fewer education students moving through traditional colleges of education and high teacher turnover mean New Mexico schools will need to consider out-of-state teachers, teachers with alternative certifications, long-term substitutes, and other approaches to stay fully staffed, LFC analysis shows.

In a brief prepared for a hearing scheduled for 8:30 a.m. June 20, LFC staff report the number of teachers in the state declined at about the same rate as total school enrollment between FY15 and FY19, keeping the overall student-teacher ratio constant, but U.S. Department of Education data shows New Mexico lacks teachers with specific subject endorsements in math, sciences, and bilingual education.

While New Mexico has increased teacher compensation, the brief notes, so have other states, and the state needs a strategic plan for teacher recruitment and retention that doesn't rely on salary levels.

Retention is particularly important because turnover costs money and disrupts classrooms and more experienced teachers tend to be more effective. New Mexico has more inexperienced teachers in the classroom than the national average, with more than a quarter of the teachers employed this year having less than four years experience.

Teacher Preparation Program Enrollment



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On the Table

Oil Partnership Pledges To Invest in NM

The members of the Permian Strategic Partnership, a group of the 20 largest oil and gas producers in the Permian Basin that formed in fall 2018, have pledged to contribute nearly \$10 million each over the next five years to workforce training and other needs in the Permian Basin, with about half expected to be invested in New Mexico. The partnership intends to develop a master plan and action items to meet its goals to improve housing, roads, safety, and education, in addition to workforce training. So far, the partnership has spent \$80,000 on a grant writer to help the New Mexico Department of Transportation to apply for federal grants.

Oil Prices Drop

West Texas intermediate oil prices, which run slightly higher than New Mexico prices, fell another \$5 per barrel earlier this month, to \$53 per barrel. Current revenue forecasts for the state assume an average annual New Mexico price of \$49.50 per barrel for the budget year that ends June 30 and \$52 per barrel for the FY20 fiscal year.

Law Firms Work Without Contracts

The Risk Management Division has asked the State Auditor to investigate the state's use of private law firms doing work for the state without valid contracts. The division reports that 25 cases involving just over \$100,000 were assigned despite contracts for legal services being expired.

Road Repairs Covered by Warranty

The Transportation Department will receive \$4.3 million in warranty payments to perform roadway maintenance on U.S. 550. The funding, matched by \$1.2 million in state funds, will be used to perform microsurfacing and crack sealing. The warranty on U.S. 550 was entered into in 1998 and will expire in 2021.

Transitions

Janelle Taylor Garcia has joined the LFC Program Evaluation Unit. Garcia has worked as an education administrator and in the classroom and was lead analyst for the Senate Education Committee for two sessions. She holds a master's from the University of New Mexico in elementary education and a doctorate from New Mexico State University in educational administration. She has worked as a Los Lunas elementary school teacher, a college professor, and director of programs in public school districts and higher ed institutions. She is also a former principal of Bernalillo High and the New American School, a charter school in Albuquerque.

Anne Greene Romig, the former director of government relations and capital outlay for the Cultural Affairs Department, has retired after 29 years with the department.

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