



LFC Newsletter

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From the Chairman Lost Opportunity

It should be good news: The number of New Mexicans receiving public assistance programs is dropping. And it would be good news if it were a reflection of a strong economy with fewer people in need. But, while the economy is better, employment is not growing as fast as assistance is dropping – mathematically suggesting struggling New Mexicans are not getting the help they still need.

New Mexico employment dropped precipitously between mid 2008 and late 2009 and then more slowly until finally hitting a Great Recession low in July 2011. Unsurprisingly, the number of New Mexico households receiving cash assistance through Temporary Assistance for Needy Families exploded. However, the TANF caseload peaked in December 2010 and started dropping six months before the state began its lackluster recovery. The caseload is now close to pre-recession levels, even though Human Services Department figures show the state has regained only about 10,000 of the 60,000 jobs lost.

The Human Services Department suggests reduced benefits and eligibility are possible reasons caseloads have dropped. Department managers point to similar national figures as evidence. But the disproportion of job growth and TANF decline is more pronounced in New Mexico and, for that, the department has no solid explanation.

Looking at a similar drop in the number of Americans receiving food stamps through the federally funded Supplemental Nutrition Assistance Program, a Washington think tank indicates administrative barriers, benefit cuts and eligibility limits might be responsible. New Mexico is also seeing a drop in food stamp recipients, as well as the number of families receiving child care assistance. The Children, Youth and Families Department attributes the drop in the number of families receiving childcare assistance to a new requirement that families register with child support enforcement in order to get the assistance.

The childcare assistance program will end the fiscal year with \$15 million left unspent. Similarly, the SNAP program is expected to end the year \$45 million under budget and the TANF program is expected to finish FY14 with \$14 million left over.

That's tens of millions of dollars intended for needy New Mexicans going back to the feds or the general fund, when it could be helping New Mexico families. That's tens of millions of dollars that could be stimulating the struggling New Mexico economy. New Mexico could be using that money to get our neediest families and our economy back on track.

*Representative Luciano "Lucky" Varela
Chairman*

UNM Efforts Focus on Clarity, Intervention

Most University of New Mexico students who quit, at least for a while, "stop out" in the first three semesters, when the university's colleges are less engaged in their progress and student advisor caseloads are high, university administrators say.

During testimony at a hearing in May, Provost Chaouki Abdallah told the committee UNM is implementing reforms that include tracking advising and intervention efforts and requiring colleges to work more closely with students in their programs, with the University College responsible for undeclared students and students in general education programs.

UNM's efforts include continuous monitoring so that the college can intervene if a student needs help and clarifying the path to a degree, including an online tool for students to track their progress.

After analyzing student data, the university identified courses – mostly in math – that, if never completed, halt a student's success and has implemented diagnostic testing and a math lab to help students complete the classes.

UNM is also working with community colleges on an "early start" program to strengthen less-prepared

students' academic skills and improve their chances of completing a four-year degree.

UNM found strategic use of financial aid also helps retention. Retention improved significantly when the university used federal need-based Pell Grant money to help students ineligible for the lottery scholarship.

UNM's six-year graduation rate in the 2012-13 school year was 48 percent, slightly better than the 45 percent average for similar universities.

Abdallah noted the university's participation in the collegiate learning assessment, a tool for measuring student critical thinking, problem-solving, scientific reasoning and writing skills that helps the school gauge the quality of its education programs outside of the graduation rate.

He said the university has invested \$10 million over the last two years to improve student success. Improving student performance will continue to be costly, with funding needed for intervention and evaluation faculty and programs, new software and rewards for effective faculty and staff. However, the state should see a return on investment in the long run.

Border Development Explodes

The \$400 million Union Pacific rail hub at Santa Teresa, as well as development in San Jeronimo, Mexico, has triggered a boom in commercial development, with numerous businesses planning to locate at the New Mexico border crossing and Santa Teresa grabbing a growing share of U.S./Mexico trade, recent news reports say.

Committee members will spend more than a half day touring border facilities and hearing about border development during their June hearing in Las Cruces.

The committee's schedule for June 11 includes a trip to Sunland Park, an update on Santa Teresa development, a tour of the Santa Teresa Industrial Park and Union Pacific hub, and a discussion of border infrastructure.

In addition to other activity, including cooperative efforts with Foxconn,

Mexico's largest maquiladora operator and the second largest private employer in the world, New Mexico is working with the Mexico state of Chihuahua on a bi-national planned community with infrastructure, open areas, and residential, commercial and light industrial zoning, as well as foreign trade zones on both sides of the border.

New Mexico has three international ports along the Mexican border in Santa Teresa, Columbus and Antelope Wells and is developing a fourth.

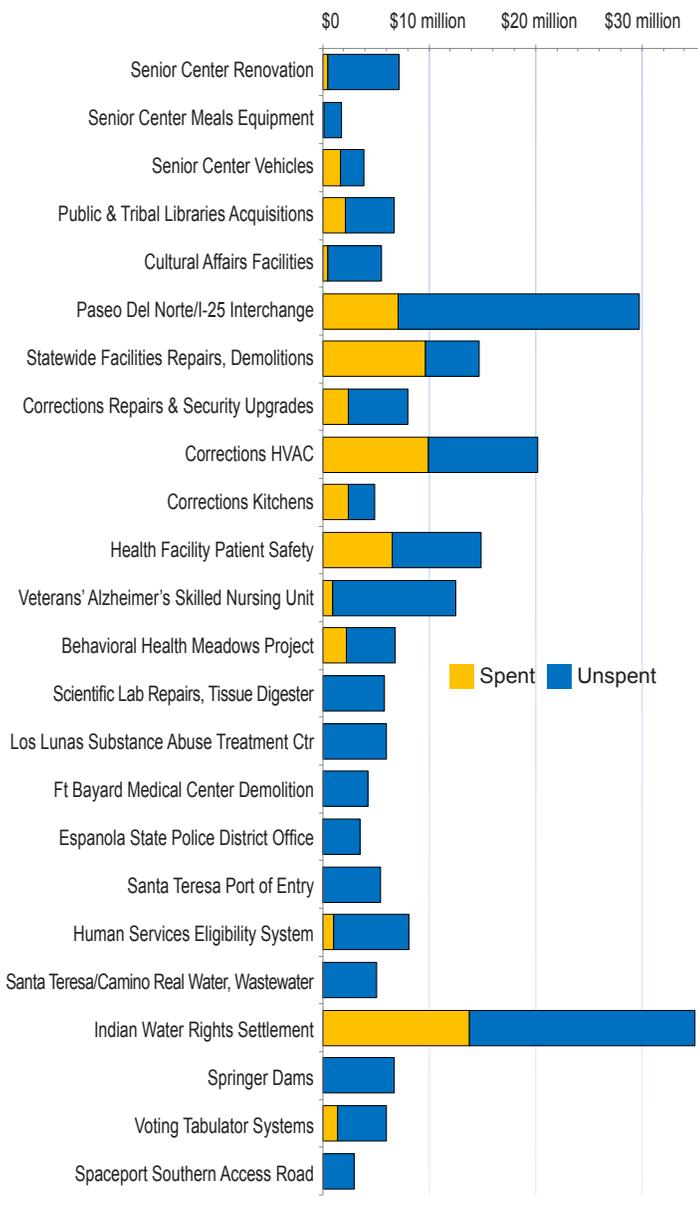
In Columbus, the federal government recently completed a \$3.5 million commercial traffic bypass to reduce congestion and is planning a \$50 million expansion on 11 acres around the port of entry.

While the federal government already has purchased the land, the development must be approved by Congress.

\$163 Million for Agency Projects Unspent

Almost three-quarters of about \$225 million appropriated between 2009 and 2013 for large capital outlay projects in state agencies remains unspent, LFC analysis shows. Agencies have spent about \$52 million of the money intended for projects costing \$1 million or more. That figure does not include funding for large projects in the state's colleges or public school library materials.

Outstanding Capital on State Agency Projects \$1 million or Greater



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On the Table

Revenue Collection Stronger than Expected

Preliminary figures for year-to-date revenue shows collections are ahead of the December 2013 forecast. Personal income tax revenue are particularly strong. The general fund also got a boost from a large unclaimed property sale and \$45 million in reversions – including \$22.5 million from the Human Services Department and \$18.4 million from the Department of Health. Energy-related revenues were also stronger than the December figures.

NEA School-Spending Ranking Off

The latest National Education Association report on per-pupil public school spending, which ranked New Mexico 20th nationally in FY13 with spending at \$11,019 a student, was not based on state-reported data and likely was inflated. The Public Education Department indicates per-pupil spending totaled \$9,771, putting New Mexico 31st nationally.

Rewrite Aimed at Reducing Caseload

The director of the Public Defender Commission, Jorge Alvarado, is working with Council Service staff on proposed legislation that would tighten eligibility for indigent clients. The goal is to reduce the number of public defender clients, although the commission has no estimate on the impact of the proposal.

CYFD Working on Child Care Quality

The Children, Youth and Families Department is working on changes to the child care assistance and licensing regulations intended to improve the quality of the care. The proposal includes raising the reimbursement rates for licensed infant and toddler care and the differential among rates for higher-quality centers.

Feds OK Pojoaque Casino Negotiations

The U.S. Interior Department has approved Pojoaque Pueblo efforts to pursue a new gambling compact through federal “secretarial procedures” outside the customary process of negotiating with the Legislature, the Gaming Control Board reports. The governor plans to legally challenge the decision.

Transitions

The LFC has received two awards for program evaluations from the National Legislative Program Evaluation Society. An evaluation of childcare assistance and Head Start received an Excellence in Research Methods Award and the evaluation on teacher preparation received an Impact Award.

Jon Courtney, an LFC evaluator, has been promoted to program evaluation manager.

LFC has hired Caroline Malone as a new fiscal analyst. Malone recently graduated from Scripps College with a double major in international relations and economics.

Greg Ridgley has been appointed general counsel for the State Engineer. He replaces D.L. Sanders, who retired.