

20 Ways in 20 Days Way 1 Day



20 ways New Mexicans will be hurt by more budget cuts

Potential Cut: Governor Richardson has called for a 3 percent across-the-board budget cut (or about \$165 million) for all state departments and programs. Legislative leaders believe a 5 percent cut (or about \$275 million) will be necessary to help cover the \$443 million budget shortfall.

Potential Consequences: New Mexico's current budget was already cut by about \$500 million during the 2009 regular legislative session. These cuts significantly affected New Mexico's ability to provide essential services like education, health care, and public safety. Budget cuts also lead to job cuts in both the public and private sectors, while deepening and prolonging an economic recession.

A Better Choice: A balanced approach that includes raising revenues is the best strategy for weathering the recession.

Legislators have a clear choice: they can make deeper, more damaging cuts that will lead to job losses and service shortages or they can choose a balanced approach—one that doesn't lay all the sacrifice on working families *and* that offers a sensible, long-term solution.

We urge them to make the *Better Choice for New Mexico*.

First things First, New Mexico. Tell our Legislature: ***Don't balance the budget on the backs of New Mexico's working families.*** Instead, open the books on tax breaks for special interests, close the loopholes for out-of-state corporations, and rollback tax cuts for the wealthy.

Visit *Better Choices New Mexico* on <http://betterchoicesnewmexico.com> for more information about the group and specific revenue generators.

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2 *Potential Cut:* Funding for “Drug Courts,” which tackle New Mexico’s DWI and drug problems at the source.

Potential Consequences: A half-million dollar funding cut for the state’s treatment-oriented courts (5 percent of their \$10 million budget) could mean that many DWI offenders will not be treated—making them more likely to drive drunk again. These courts, which send DWI and other substance-abuse offenders to treatment to address the root cause of their addictions, are very successful and cost effective.¹ Only 9 percent of drug court graduates re-offend, compared to an overall recidivism rate of 45 percent.² Drug courts cost five times less than incarceration.

3 *Potential Cut:* Truancy/Dropout Prevention program funding has already been cut by two-thirds—down to \$298,300. An additional 3 percent cut will likely put an end to this program.

Potential Consequences: New Mexico has one of the highest dropout rates in the nation (46 percent). If the Truancy/Dropout Prevention program is de-funded entirely, as many as 300,000 students at risk for dropping out will not have access to the kind of support this program offers. Our dropout rate is not just an education issue—it is a quality-of-life issue. Higher graduation rates mean higher wages,³ lower poverty rates, and a stronger state economy. Conversely, more than 80 percent of prison inmates nationwide are high school dropouts.⁴

4 *Potential Cut:* New Mexico’s court system already saw a 3.5 percent funding decrease, even as average court case loads grew by 7 percent.⁵ Another 3 to 5 percent cut will reduce \$6 to \$10 million from statewide courts and district attorney offices.⁶

Potential Consequences: The state has a constitutionally mandated duty to assure due process, yet our courts are already struggling to fulfill their responsibilities. Deeper cuts would cause further trial delays and possibly an increased in case dismissals. As most of the court’s budget is for personnel, staffing would likely take the biggest hit, probably through mandatory furloughs. Given that demands on the judiciary system increase during tough economic times, further cuts will overburden the case loads of remaining personnel to an impossible level.

5 *Potential Cut:* The state’s Human Services Department has said that more budget cuts may lead to the elimination of the Medicaid adult dental benefit.

Potential Consequences: This would leave approximately 134,000 New Mexico adults with no dental care coverage, even for preventive services.⁷ Dental decay affects more than 90 percent of American adults.⁸ When untreated, decay leads to oral disease, which is associated with heart disease, diabetes, pneumonia, stroke, and even death. Millions of dollars will end up being spent on emergency room visits for preventable severe oral disease and the associated complications.

6 *Potential Cut:* The state’s College Affordability Fund stands to lose as much as \$20 million.

Potential Consequences: The College Affordability Fund was established to “encourage New Mexico students with financial need to attend and complete education programs at public post-secondary educational institutions in New Mexico.”⁹ The Commission on Higher Education recommended the creation of the

fund, noting how little the state spends on need-based financial aid.

Awards are capped at \$1,000 each semester, so a \$20 million cut could mean that as many as 20,000 low-income students may be unable to get this financial assistance for completing their degrees.

7 *Potential Cut:* A 4 percent cut would pull almost \$3 million total from the state's Child Protective and Adult Protective Services.

Potential Consequences: Every day in New Mexico, 2,500 children are in foster care through the Children, Youth and Families Department¹⁰ because of abuse or neglect. Between 2003 and 2006, the frequency of child abuse and neglect increased 30 percent,¹¹ yet CYFD's funding for the current year has already been reduced.

The state's Aging and Long-Term Services Department budget was also cut this year, even though more than 6,000 adults received protective intervention services last year.¹² Additional cuts to these two programs will mean that fewer children and elders who are in abusive situations will get the help they need. This will lead to more physical and emotional injuries and, tragically, even deaths.

8 *Potential Cut:* New Mexico launched its pre-kindergarten program in 2005 and enrollment has steadily grown. Still, pre-k only serves a small percentage of the 4-year-olds in New Mexico.¹³ Deeper cuts will mean that even fewer children will benefit from this important program.

Potential Consequences: Most of a child's brain development—80 percent—takes place before that child enters first grade. This development provides the foundation for later learning, yet the vast majority of our state investment in education doesn't start until after that critical window has closed. As a result, children do not perform as well in school as they could, and test scores and graduation rates suffer.

Numerous long-term studies have shown that pre-K programs pay off handsomely in the long run by reducing crime rates and improving earnings.¹⁴

9 *Potential Cut:* Funding for 56 of New Mexico's school-based health centers.

Potential Consequences: School-based health centers (SBHCs) are primary care centers located in schools that provide students with the physical, behavioral and oral health care they are often otherwise unable to access. Many of the children served by these health centers are at high risk for health problems and are not covered by insurance. The need for SBHCs is particularly critical to children living in rural areas.

Of the more than 80 SBHCs in New Mexico, the state's Department of Health helps fund 56.¹⁵ In 2008, this funding allowed 20,000 students to receive care. Continued reductions in funding threaten closure or cutbacks in services at what, for some children, are their only sources for health care.

10 *Potential Cut:* A 4 percent cut to the modest budget of the state's Department of Veterans' Services would be \$137,000, but it would mean a loss of much more in federal funding.

Potential Consequences: The state's Department of Veterans' Services helps New Mexico's 180,000 veterans get the benefits they have earned.¹⁶ In addition to federal VA medical benefits, this includes behavioral health care, services for homeless vets, and many other programs to help those who have sacrificed for and served our country. This could lead to veterans missing out on hundreds of thousands of dollars in benefits. This not only hurts the veterans, it also hurts the state's economy. Most of these benefits bring federal funds into the state; funds that add to the New Mexico economy and help limit the effects of the recession in our state.

11 *Potential Cut:* It took more than seven years to restore funding for childcare assistance eligibility to pre-2001 levels. Now those gains are in jeopardy with the prospect of deep budget cuts.

Potential Consequences: Parents must have childcare in order to work, but many working families find the cost—which is higher than college tuition—an overwhelming burden. Childcare assistance makes it possible for 22,000 children from low-income families to receive safe, quality care.¹⁷ A nurturing, enriched environment helps build a child’s foundation for future success.

When it comes to childcare, quality matters, so the state has worked hard to get childcare centers to better educate their staff and improve their level of care. Deeper cuts could reverse this positive trend while leading to lowered eligibility for assistance or the creation of a waiting list.

12 *Potential Cut:* Nearly 13,000 elderly and disabled New Mexicans are already on waiting lists to receive Medicaid waivers.¹⁸ Deeper cuts to this program will ensure that they continue to wait—while the waiting list continues to grow.

Potential Consequences: Medicaid waivers allow seniors and people with disabilities to live independently in the community instead of being forced into institutions like nursing homes. Not only do those living independently have more dignity, but community services also cost less than institutional care, so waiver programs are cost-effective. Additional cuts will mean that people now on waivers will receive fewer services, which will compromise their ability to live independently and may even endanger their health and safety. People on the waiting lists will have to keep struggling with the daily challenges they face, often without any other help, or be forced into nursing homes at an even higher cost to the state.

13 *Potential Cut:* Although Governor Richardson says he will not abide further cuts to New Mexico’s K-12 public education system, some legislators are proposing a \$77 million slash¹⁹ in funding to our most important economic development program.

Potential Consequences: New Mexico already struggles with low graduation rates and an unconscionable achievement gap for minority students. Our schools will not do better with less money. In fact, as class sizes explode, test scores will go down because students will receive less of the personal attention children need. Schools will also be forced to cut back on textbooks and other materials, and our crumbling school buildings will fall into further disrepair.

Our investment in K-12 education is about preparing our children to be productive citizens, ready for 21st century jobs in a competitive global market. If we fail to invest in them now, we shortchange everyone’s future.

14 *Potential Cut:* A 3 to 5 percent cut of the \$6.5 million Adult Basic Education budget would deny as many as 1,000 adults the opportunity to improve their job skills and earn their high school equivalency.

Potential Consequences: Across New Mexico last year, more than 20,000 people took Adult Basic Education (ABE) classes to boost their literacy and math skills. While the cost is minimal—\$320 per student—the payback is enormous, because each GED graduate has an increased earning potential of \$7,400 annually. That’s a total of \$17 million for the 2,350 adults who got their GEDs last year.²⁰

ABE helps more than just adults. The more education a parent has, the better their children do in school, so ABE funding also indirectly supports our K-12 public education system. But our already underfunded ABE program can only serve 5 percent of those who are eligible.²¹ A 5 percent cut would mean the waiting lists would balloon by 33 percent.

15 *Potential Cut:* Public safety funding goes to the state's Department of Public Safety and the New Mexico Corrections Department. Both departments already suffered a 4 to 5 percent funding decrease for the current fiscal year, leaving them with a combined budget of just \$379 million.²²

Potential Consequences: New Mexico's state police force is already short 100 officers and the state's revenue crunch is making it more difficult to recruit and train new officers. More budget cuts could also adversely impact numerous public safety programs, such as: the state prison system, the police academy, disaster and emergency response, search and rescue, the sex offender registry, the Amber Alert system for missing children, and the state crime lab, which processes physical evidence found at crime scenes and provides expert testimony in criminal trials. Public safety is a concern to all New Mexicans.

16 *Potential Cut:* In 2009, the Legislature did not appropriate any money for the New Mexico Housing Trust Fund.²³ Unless the state raises more revenue, the Housing Trust Fund is likely to go unfunded next year as well.

Potential Consequences: Since it was formed in 2005, the Housing Trust Fund has been a powerful tool for creating affordable homes for low- and moderate-income New Mexicans. It has funded the creation of more than 1300 homes throughout the state.

The need for affordable housing is dire. New Mexico public schools saw a 40 percent increase in the number of homeless students between the 2006-07 and 2007-08 school years.²⁴ It costs \$32,000 a year to provide emergency shelter to a family of four. Many New Mexico families are struggling in the current recession to keep their housing. This is not the time to decrease funding for a cost-effective solution to homelessness.

17 *Potential Cut:* The General Assistance (GA) program was underfunded during the 2009 legislative session. The governor put some federal stimulus money into the program to keep it solvent, but GA recipients still took a 10 percent decrease in their benefits. More cuts could mean even lower benefits along with a severe decline in enrollment.

Potential Consequences: The GA program provides a critical source of income for people who have a disability, cannot work, and have no other financial resources. It is a last resort safety-net for some of New Mexico's most vulnerable residents. Without GA, many people would become homeless because they would no longer be able to pay for their housing. Like many of the programs our lawmakers are considering cutting back on, GA is much more cost effective than the alternative—that is, repairing the damage that will be a direct result of the cuts.

18 *Potential Cut:* The state Human Services Department has announced that it will suspend enrollment in the State Coverage Insurance (SCI) program on November 2, 2009 in order to lower the department's costs.²⁵

Potential Consequences: More than 1000 small business groups purchase health insurance for their employees through SCI. In all, more than 45,000 working New Mexicans who would otherwise have no health care coverage are insured through SCI.²⁶ But, as of November 2, new applicants for the program will be put on a waiting list ... and will likely be kept waiting until more funding is made available.

19 *Potential Cut:* An across-the-board budget cut could affect the Child Support Enforcement Division (CSED) of the Human Services Department, to the detriment of New Mexico children.

Potential Consequences: The CSED serves almost 17,000 parents who need assistance collecting their court-ordered child support. The program collected \$11.1 million in child support payments from non-custodial parents last year.²⁷ That money goes right back into the local economy as parents spend it to feed, clothe and house their children. Deep budget cuts may impair this program's ability to provide this important service, meaning more children will go without the basic necessities they need in order to grow up healthy and successful.

20 Potential Cut: The state Human Services Department is considering putting a limit on the number of prescriptions provided each month under Medicaid for adults who rely on the program.²⁸

Potential Consequences: Too many New Mexico families already have to make tough decisions every month about how to stretch their limited incomes. Do they put groceries on the table, pay the electric bill, or buy their prescription medications? Not only are these terrible choices to face, they can compromise a

family's health and well-being. Medicaid coverage for adults is already limited to those who have extremely low incomes. Limiting prescription drug benefits will literally put people's lives in danger, and could ultimately end up costing New Mexico more money. Unable to purchase the medications that keep their chronic conditions in check, people will end up in the E.R. when their illnesses become life-threatening—at a significantly higher cost than the medication that could have prevented it.

A Better Choice: A balanced approach that includes raising revenues is the best strategy for weathering the recession.



Endnotes

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- 3 Schweke, W. (2004) Smart Money: Education and Economic Development, p. 9. Washington, D.C.: Economic Policy Institute
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- 9 Fiscal Impact Report for SB 669, 2005 regular session, <http://www.nmlegis.gov/Sessions/05%20regular/firs/SB0669.pdf>
- 10 <http://www.cyfd.org/node/26>
- 11 The New Mexico Child Abuse and Neglect Citizen Review Board
- 12 HB2, Final Version, 2009 regular legislative session; <http://www.nmlegis.gov/Sessions/09%20Regular/final/HB0002.pdf>
- 13 www.fightcrime.org/reports/PreKstate06/nmprekbrief.pdf
- 14 *Enriching Children, Enriching the Nation*, Robert G. Lynch, the Economic Policy Institute, Washington, DC, 2007
- 15 NM Department of Health, Office of School and Adolescent Health
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- 18 2009 Post Session Review, Legislative Finance Committee, April 2009, pg. 19.
- 19 “\$77 Million School Cuts Considered,” *Albuquerque Journal*, Sept. 23, 2009; <http://www.abqjournal.com/news/state/232239280747newsstate09-23-09.htm>
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- 22 2009 Post Session Review, Legislative Finance Committee, April 2009, pg. 25
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- 25 NM Human Services Department press release, Oct. 2, 2009; <http://www.hsd.state.nm.us/pdf/newsroom/nr/SCI-Waiting-List-NR-10-1-09.pdf>
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- 27 NM Human Services Department press release, Sept. 25, 2009; <http://www.hsd.state.nm.us/pdf/newsroom/nr/25-Most-Wanted-9-25-09.pdf>
- 28 Testimony by Pam Hyde, Human Services Secretary, to the Legislative Finance Committee, Aug. 12, 2009