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Viewpoint Viewpoint

Building healthy communities where all children can grow into healthy, contributing adults is a core value of New Mexico Voices for Children. This issue of Viewpoint is devoted to how the health of our state budget (and the role of tax policy), impacts our ability to build healthy communities. We also introduce you to two new New Mexico Voices initiatives designed to contribute to improved health in immigrant and Native American communities.

NM Voices' Publications:

Special Reports

- Minority/Majority: A Profile of New Mexico's Children 2003 (A Kids Count Special Report)
- The Bare Bones Budget Report (summary)
- The Bare Bones Budget Report (full report)
- The Economic Impact of Increasing Food Stamp Utilization
- New Mexico Kids Count Data Book 2003
- New!** •The State of Working New Mexico 2004

Policy Briefs

- Policy Brief #1: The Low Income Comprehensive Tax Rebate
- Policy Brief #2: Health Insurance for Low-Income Children
- Policy Brief #3: Benefits of Tax Rebates and Credits
- Policy Brief #4: Medicaid Look Back Periods Are Barriers to Health Insurance for Children
- Policy Brief #5: Parents' Health Insurance Benefits Children
- Policy Brief #6: Early Childhood Education
- Policy Brief #7: Taxation of Low-Income New Mexico Families
- Policy Brief #8: Strengthening the New Mexico Economy Through Unemployment Insurance Reform
- Policy Brief #9: The Impact of Medicaid on New Mexico's Economy
- Policy Brief #10: The Invisible Caretaker - Grandparents as Parents in New Mexico
- New Mexico Tax Basics: The Personal Income Tax Cut: What it Means to You

A complimentary copy of all reports and policy briefs is available to all NMVC members. If you are not a member, please use the enclosed envelope to join today!

Wanted: A Healthy Budget to Support a Healthy New Mexico

A recent Albuquerque Journal cartoon shows a weight-lifting Governor Richardson holding a giant bar bell with one arm. The joke is that the heavy weights at each end of the barbell – Medicaid and tax cuts – are supported on barrels labeled “energy prices”. The joke isn't so funny if funding for Medicaid evaporates when oil and gas prices drop.

The Governor is banking on the high revenue from oil and gas to support essential health care for children, the disabled and the elderly (through Medicaid) and still have enough to pay for the tax cuts he has already passed – plus those he proposes for the coming legislative session.

This is a risky gamble (see Viewpoint, Summer 2004, www.nmvoices.org, for a discussion about the volatility of oil and gas revenues).

The tax cut passed in 2003, and phased in over five years, reduces the top personal income tax rate from 8.2% to 4.9%. They have largely benefited those who are already wealthy (i.e., those who pay the top rate). The same legislation also included a significant reduction in the capital gains tax (paid on sale of an asset such as stocks) – which, of course, also primarily benefits higher income people.

These tax cuts have not only failed to benefit moderate and low-income people,

they have so reduced tax revenues that we now have under-funded priorities – like quality healthcare for children. Last year, Medicaid needed \$40 million more than was appropriated. Adding in the uncollected federal funds, that is a \$160 million reduction in medicaid funding.

This Medicaid cut hurt everyone. The Presbyterian Health Maintenance Organization budget was cut by \$40 million. To absorb the cut, Presbyterian lowered reimbursement rates for some providers. In Carlsbad, two family practice doctors are closing their practices. Parents are not able to obtain needed medication for their disabled children.

The lack of adequate money to fund the essentials is now, with the income tax cut, a built-in problem. It will happen each year until tax policy is fixed.

(Continued on page 2)

OPEN HOUSE!

Please join us on December 15th from 5:30 - 7:00 p.m. at an open house in our new space at 2340 Alamo S.E., Suite 120, Albuquerque, NM 87106. Our phone and fax numbers remain the same.

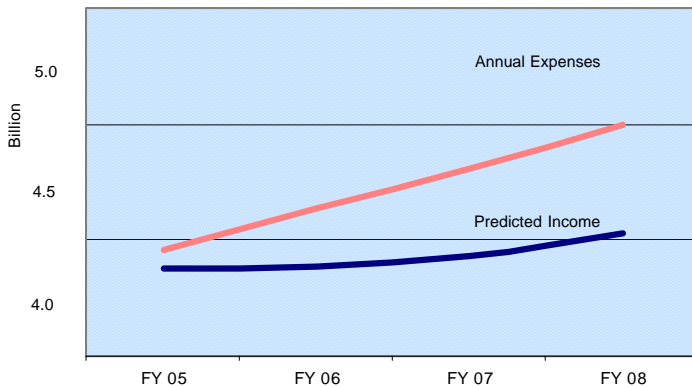
("Healthy Budget" continued from page 1)

Economists call this problem a "structural deficit". It simply means that the growth in revenue is not keeping pace with the growth in the cost of providing essential state services. If the problem is not fixed through tax revenues that can be counted on each year (recurring and predictable), the difference between expenses and income will widen. As the structural deficit grows, the pressure to decrease spending – or to increase taxes – increases.

And, under current tax policy, the structural deficit is guaranteed to widen. The state budget loses about \$166 million this year alone from the personal income tax cut – and \$360 million in 2007 – **and every year after**. (For further discussion about state budget and tax policy, see the last two issues of Viewpoint, www.nmvoices.org).

The pressure to continue to cut the basic services that benefit everyone will intensify.

On-Going Annual Expenses Growing Faster Than Predictable, Annual Sources of Income



Staying in Touch

We would like to have your e-mail address for legislative updates, announcements and other communications. Even if you think we have it, we would appreciate it if each and every one of you would send an e-mail to Felicia Griffin, our Director of Development, at fgriffin@nmvoices.org. And, while you're at it, please drop a comment about Viewpoint - what you like about it, and/or how we can improve it. If you have a new mailing address please also include that in your email.

The solution to a revenue crisis, which is what we have, is to increase revenue. The structural deficit needs to be fixed. A freeze on further implementation of the personal income tax cut would, at least, stop the budget hemorrhage at the current revenue loss of \$166 million each year.

The Governor is now proposing another tax cut - this time for middle class families. While we support fiscal relief for low and middle income families, this cut would cost the state budget another \$40 million per year - making the structural deficit even worse. Of course, everyone wants a tax cut. The problem is that this one will only increase the risk that essential services will be cut.

A reporter from the Albuquerque Tribune recently interviewed shoppers at Wal Mart about their views on the proposed middle class tax cut. The typical response was that the value of the services they receive (such as healthcare) was much greater than the \$70 or so they would gain through the tax cut. People understand that tax cuts do not make sense in the face of under-funded priorities such as education and healthcare.

A Better Approach to Tax Policy Reform

A tax cut for middle class New Mexicans should be paid for with a tax increase on the highest income earners (who have already benefited significantly from the 2003 tax cuts). This could be done by reinstating the estate tax, and by closing a loophole currently available to higher income taxpayers in New Mexico. Please see our website Fiscal Policy Project page for more information on these tax proposals too.

These two progressive tax reform proposals, combined with a freeze on further implementation of the personal income tax cut passed in 2003, would make New Mexico's tax policy more fair, and would generate the revenues better used for services. 🍂

Planned Giving Opportunity

Including New Mexico Voices for Children in your planned giving provides you the opportunity to help New Mexico's children and families. Planned gifts are generally made through a bequest in a will; a charitable trust or annuity; or a gift of real estate, personal property (stocks or bonds), or life insurance. Often, a planned gift provides a means for an individual to make a larger gift than originally thought possible. And often current income and estate taxes can be reduced. Planned gifts can be designated by the donor directly to New Mexico Voices for Children or through an endowment. For more information on Planned Giving, please contact Felicia Griffin, Director of Development at (505) 244-9505 .



New Mexico Voices for Children is proud to announce two major new initiatives designed to improve health among two populations in New Mexico that are underserved by our health care system: Native American and immigrant children.

4 Youth: Reaching Native American Youth Through School-Based Health Care

Native American children have historically been – and continue to be – poorly served by the health care system. Over one-fourth (27%) of Native American youth receive *no* routine health care. The Indian Health Service (IHS) is charged with providing a comprehensive healthcare delivery system for members of federally-recognized American Indians. But, with a federal appropriation of only 54% of the funding needed to provide all *medically necessary* healthcare to Native Americans, the IHS is woefully under-funded. Lack of transportation to the existing health care facilities (Native American children often live in remote rural locations far from facilities) compounds the difficulty of accessing quality health care. It should come as no surprise, then, that Native Americans have higher mortality, and lower life expectancy, rates than whites.

Fortunately, there is a model of health care delivery that brings the health care to the children, and has proven to be very effective for health care delivery to Native American, as well as to other, children: school-based health care. New Mexico has 35 school-based health centers, or clinics (nine of which focus on serving Native American youth) that provide youth-oriented preventive and primary services, education, emergency care, diagnosis, referral and management of acute and chronic health conditions and, where available, mental health services. In addition to improved

health outcomes, schools with SBHCs report increased school attendance and higher graduation rates.

Not every school has one, and the school-based health care centers that do exist tend to be significantly under-resourced. The good news is that the school-based health care movement in New Mexico has received significant new support. New Mexico Voices for Children has received a \$1.2 million, five year grant from the W.K. Kellogg Foundation to strengthen school-based health centers in Native American communities, through a new initiative: 4 Youth – Reaching out to Native American Youth Through School-Based Health Care. Our partners in this effort are: the New Mexico Assembly for School Based Health Care; the Northern Navajo Medical Center in Shiprock; and the Acoma-Canoncito-Laguna Teen Centers, a program of the University of New Mexico's Center for Health Promotion and Disease Prevention. Voices staff member, Lyn Wilson, has been promoted to the position of 4 Youth Project Director. Lyn has a rich background in community organizing and working with youth. She is a member of the Navajo Nation.

The Richardson administration has also recently announced its commitment to doubling the number of SBHCs in New Mexico.



Vecinos y Vacunas – Neighbors and Immunizations

New Mexico ranks forty-third in the country in our immunization rate (71%) for children age two and younger. The rate of immunization of infants in the state has been dropping in the past few years. In Albuquerque's Southeast Heights neighborhood – a predominately immigrant community – the immunization rates are even lower. Community Health Partnership, a project of New Mexico Voices for Children, has partnered with St. Joseph Community Health Services to reverse this trend and to boost immunization rates in the Southeast Heights to 90% by 2007. St. Joseph's will contribute \$700,000 to fund the project, Vecinos y Vacunas (Neighbors and Immunizations). The Community Health Partnership Block Leaders will provide the neighbor-to-neighbor outreach and education needed to support parents to get their children immunized. Community Health Partnership Project Director, Angelica Regino – an immigrant from Mexico - knows first-hand the cultural and language barriers many immigrants face as they seek to access health care for their families. Angelica joined the Governor and First Lady, and Charlie Ivy, the Executive Director of St. Joseph Community Health Services, in a July press conference to announce the initiative. 🍂

Lt. Gov. Diane Denish spoke at the 4 Youth Press Conference in Laguna on September 29, 2004





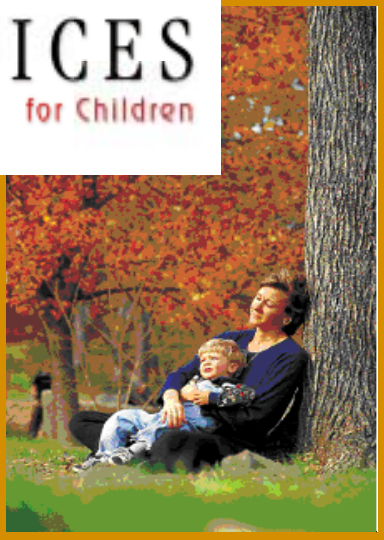
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We've Moved!



Viewpoint

Fall 2004



Newsletter

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