

Governor: Diversifying New Mexico's economy is paramount

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Gov. Michelle Lujan Grisham reiterated Tuesday that a key long-term goal of her administration is to diversify New Mexico's economy in order to reduce poverty and avoid the perils of a boom-and-bust cycle.

She directed her Cabinet secretaries to work together to strengthen long-term economic growth so one of the country's poorest states doesn't rely as heavily on sectors such as oil and gas.

"Everyone's job in this room is to build that economy," Lujan Grisham told the department heads as they sat at a large table for a news conference at the Capitol. "That allows us to do something about deep-rooted poverty."

In its bid to diversify, the administration has emphasized industries such as renewable energy, cybersecurity, biosciences, outdoor recreation, and film and television production.

On Tuesday, the governor cited hemp as an example as well. She signed a bill into law this year allowing the manufacture, testing, regulation of and research into hemp, and Rich Global Hemp Corp. announced in May that it would open a production business in Doña Ana County.

Lujan Grisham also plans to make legalization of adult recreational use of cannabis a priority for next year's 30-day session of the Legislature.

Later Tuesday, the governor announced the state will provide \$4 million in economic development assistance to Pebble Labs USA Inc. to expand its biosciences business in Los Alamos.

“Everything touches the diversification efforts,” said Tripp Stelnicki , a spokesman for the Governor’s Office. “Medicaid is a driver. Education is a driver. Raising educator salaries, raising reimbursement rates for hospitals and providers, investing in local infrastructure, making New Mexico a sustainable and attractive place to live and work and raise a family — all of these move the needle.”

Education

For the administration, improving the quality of public education is a key component of efforts to boost long-term economic growth.

The governor cited three main education goals: universal early childhood education, universal child care and stronger K-12 education.

Lujan Grisham will need to work with legislators to find a source of permanent funding for early childhood programs. Past legislative proposals to draw more money from the state’s Land Grant Permanent Fund to expand early childhood education have failed.

Education in New Mexico has plenty of room for improvement. The 2019 Kids Count Data Book, a prominent state-by-state examination of child well-being, last month ranked the state worst in the nation.

So far this year, the governor has touted efforts by her office and the Legislature to improve outcomes for children, including raising the state’s minimum wage, increasing the Working Families Tax Credit and appropriating nearly \$500 million in new funding for K-12 public schools.

Lujan Grisham has also said a new Cabinet-level Early Childhood Education and Care Department, created through legislation this year, will overhaul the way the state provides services for infants and young children.

First six months

At Tuesday's news conference, the governor and Cabinet secretaries gave a long progress report on the administration's first six months. Secretaries gave updates on issues such as staffing levels at state agencies, wait times for government services and reduction of backlogs.

"In six months, I believe unequivocally we are restoring credibility with our stakeholders," Lujan Grisham said. "We are reengaging with New Mexicans in a number of ways, and we are being clear and earnest about the things that we have yet to fix and resolve. We have a long way to go. We're not done."

The vacancy rate for state jobs was at 22 percent at the start of the administration and remains at that level, said Pamela Coleman, director of the State Personnel Office. "We understand that 22 percent is unacceptable to us. We have a sense of how we can get to the next level and reduce these numbers even further."

Some departments have been able to improve their staffing somewhat over the past six months, which has helped improve wait times for government services. The Taxation and Revenue Department, which had a vacancy rate of 30 percent in January, has seen a 4 percent reduction, Secretary Stephanie Schardin Clarke said.

"It's going to take us a year, probably, to get to a staffing level where we can expect wait times to come down and be at a level that we can really feel good about," she said.

Schardin Clarke's department also is working to standardize procedures so employees in different tax and motor vehicle offices can give consistent information to state residents who visit their offices with questions.

The Health and Human Services Department is working on expanding services for Medicaid clients, and has developed an outreach program to identify 30,000 New Mexicans who are eligible for the program but not enrolled.

The department also has decreased backlogs in processing applications. It had a backlog of 96,000 applications for benefits in March 2016, and had reduced the queue to 1,383 clients as of Monday, Secretary David Scrase said.

The Children, Youth & Families Department has decreased wait times for its Statewide Central Intake child abuse hotline, which were an hour and a half earlier this year and are now nearly nonexistent, department head Brian Blalock said.