



Policy, Advocacy, and Child Well-being In New Mexico:

Using Taxes and Budgets to Create a Healthy and Racially Equitable Recovery

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New Mexico Voices for Children



New Mexico Voices for Children



Our mission is to improve the status, well-being and racial and ethnic equity of New Mexico's children, families, and communities in the areas of:

1. health
2. education
3. economic security

by promoting **public policies** through credible research and effective advocacy.



Today's Agenda

1. Policy, Taxes, and Budgets

- *How do public policy, taxes, and budgets shape racial disparities in health outcomes?*

2. Recovering from COVID-19

- *What are evidence-based policy solutions that promote racial justice and work towards an equitable post-pandemic recovery for New Mexico?*

3. Legislative Advocacy

- *How can we participate in policy and budget decisions that improve outcomes for kids?*

Policy, Taxes, and Budgets



Where Are We Now?

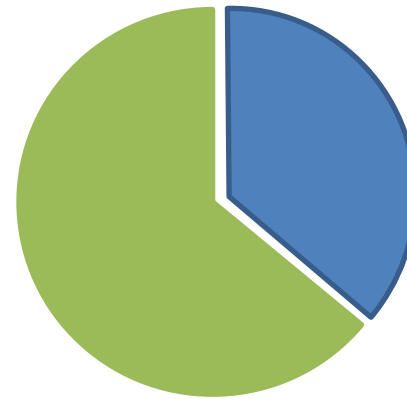
NM's families and kids face big challenges

Ranked worst in child well-being

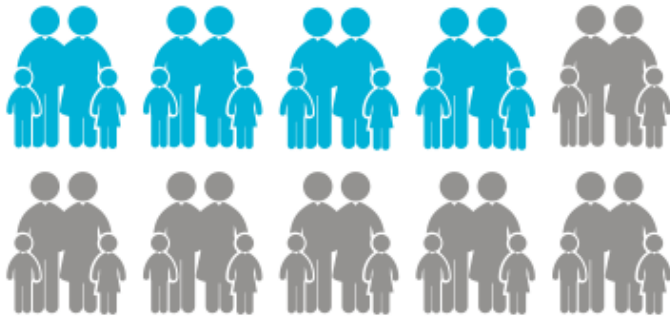
Ranked worst in education

50th

34% of NM kids are food insecure



42% of working families are low-income



NM has some of the highest poverty rates in the U.S. among:

- Children (48th)
- people who work full-time, year-round (50th)
- people with a bachelor's degree or higher (50th)

Sources: Annie E. Casey Foundation; U.S. Dept. of Education; U.S. Census American Community Survey data; Feeding America; U.S. Dept. of Agriculture

How Did We Get Here?

We've tried to tax-cut our way to prosperity

Actions

- PIT: Personal income tax cut 2003
- CIT: Ineffective corporate income tax cut 2013
- GRT: Gross receipts tax exemptions

Results

- Inability to fund education & other services
- Increased reliance on volatile oil and natural gas revenue
- Unbalanced & regressive tax system

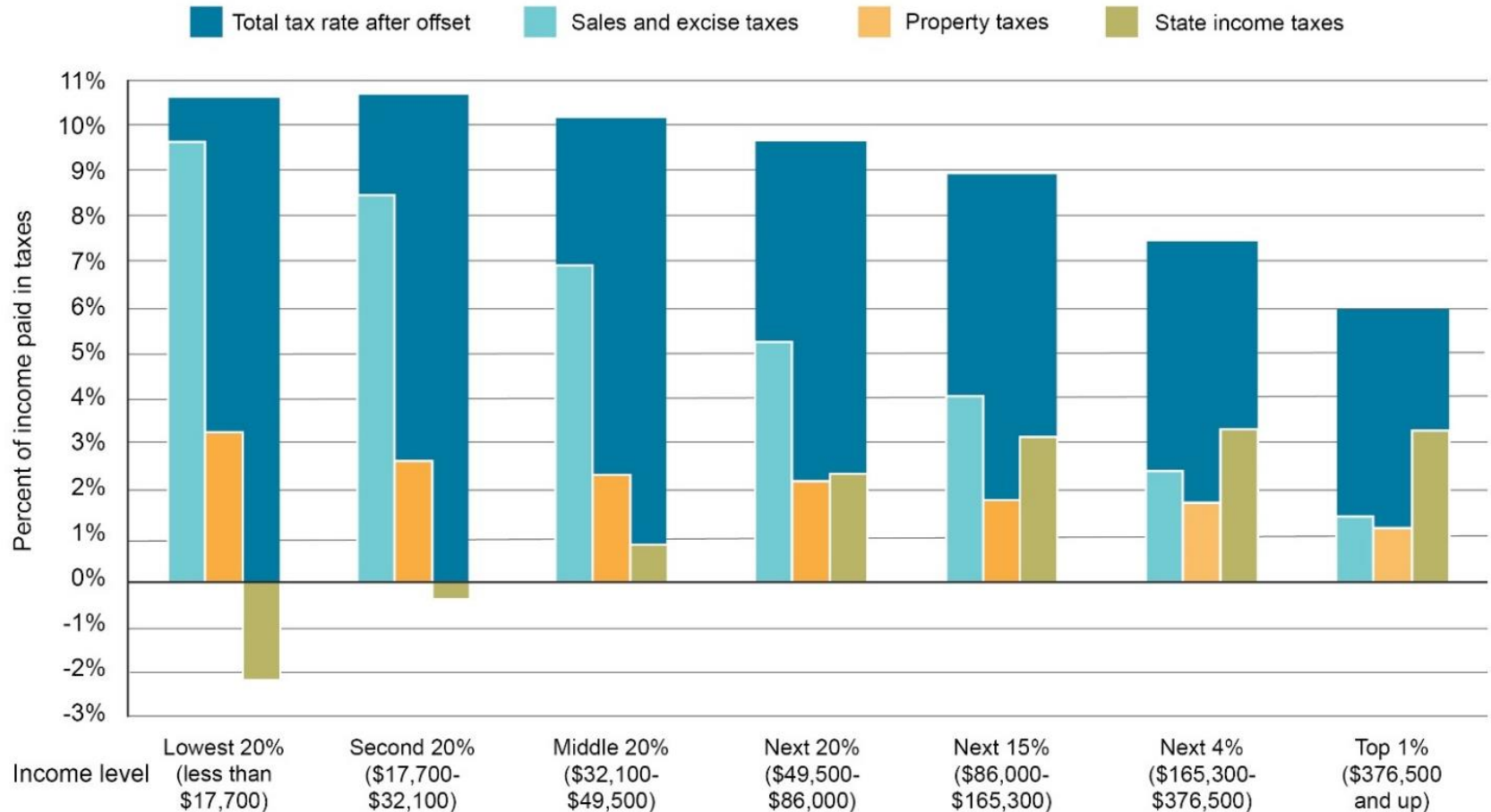
Budget Cuts Hurt Our State

- Chronically understaffed agencies
- Enrollment in child care assistance has dropped by 20% since 2010
- Cut U.I. benefits for unemployed workers with kids
- Dismantled behavioral health system
- Underfunded Medicaid, led to cuts in provider payments
- Underfunded our public education system, leading to the Yazzie-Martinez lawsuit
- Over a billion dollars drained from various targeted funds

Our Tax System is Regressive

New Mexicans with the lowest incomes pay the highest rates in state and local taxes

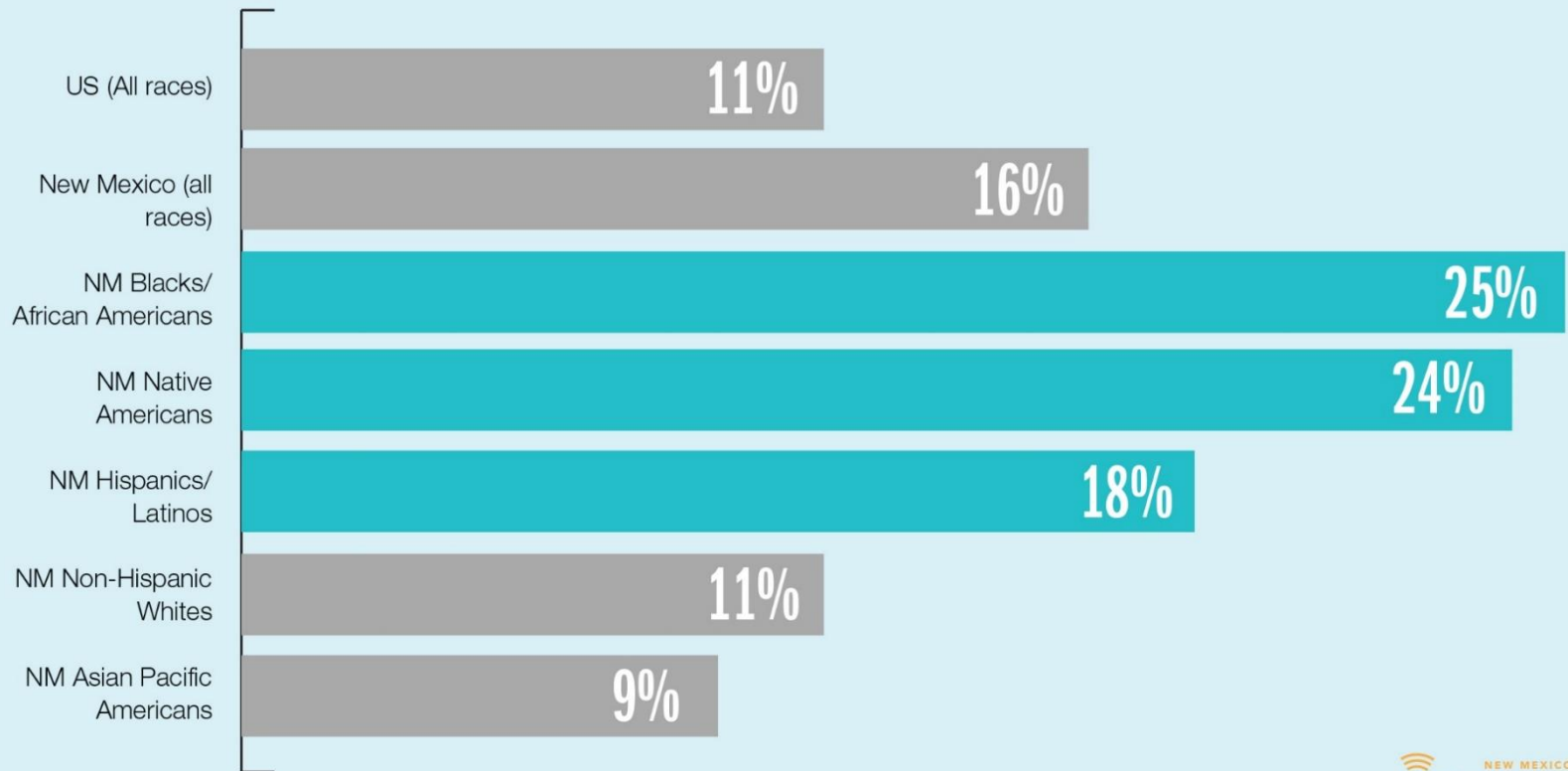
The majority of New Mexicans (those earning less than \$49,500) pay more than 10 percent of their incomes in state and local taxes, while a tiny minority (making more than \$376,500) pay just 6 percent.



Source: Who Pays? The Institute on Taxation and Economic Policy, 2018

The Regressive Tax System is a Root Cause Racial Inequities

BLACK, NATIVE, AND HISPANIC FAMILIES ARE MORE LIKELY TO EARN LESS THAN \$15,000 THAN ARE WHITE AND ASIAN FAMILIES



Share of New Mexico households earning less than \$15,000

Tax Policy and Racial Inequity

- Historical and structural inequities
 - e.g. supermajority requirements and caps on property tax
- Regressive tax systems disproportionately impact People of Color
- Revenue from taxes largely benefits People of Color
 - e.g. schools, public transit, publically funded healthcare.

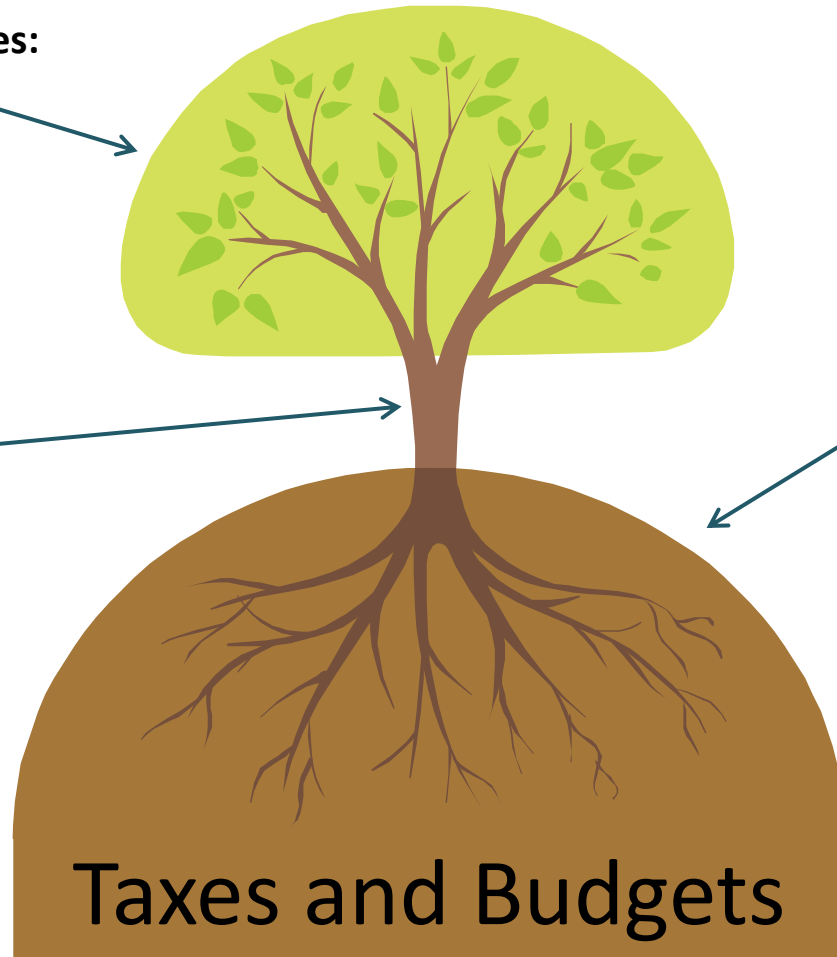
Tax and Budget as a Social Determinant of Health

Health outcomes:

- cancer
- diabetes
- asthma
- depression

Health choices:

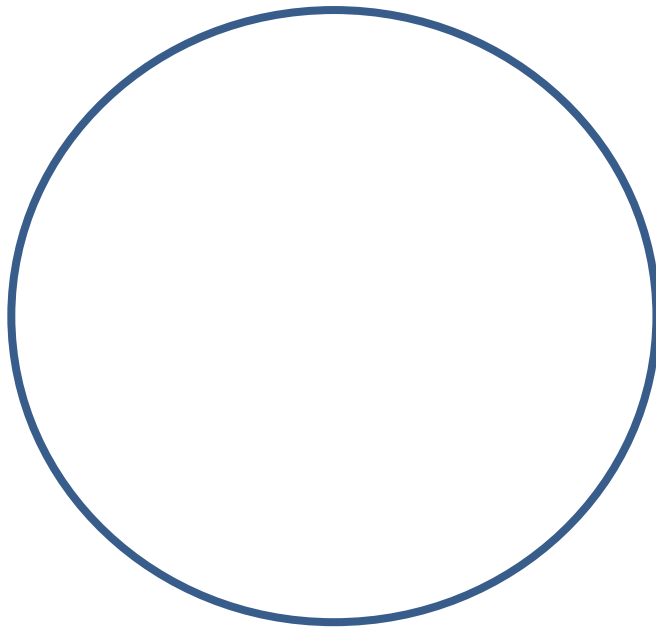
- diet
- exercise
- drinking
- smoking



Social, economic & environmental factors :

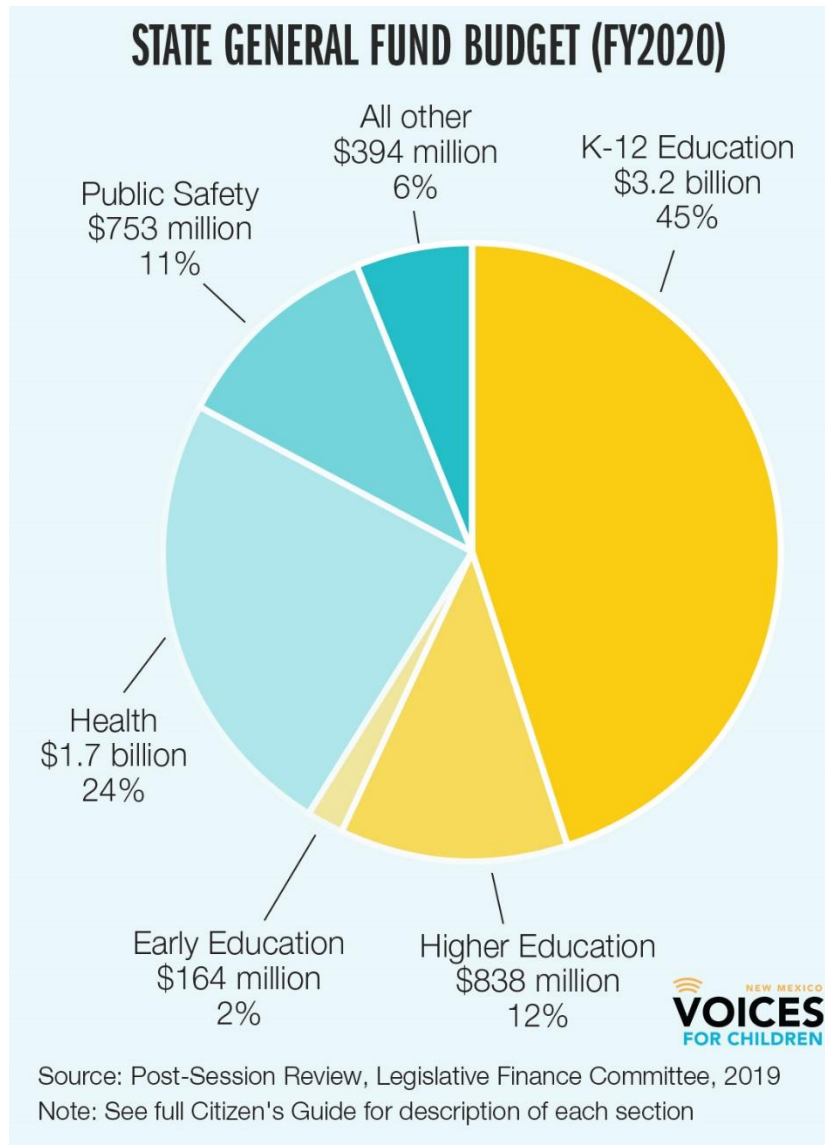
- education
- child care
- healthy food
- housing
- health care
- work environment
- wages & benefits
- transportation
- air & water quality
- A.C.E.s

State General Fund Budget = \$7 billion



| | |
|---------------------------------|------|
| Medicaid | ___% |
| Other health and human services | ___% |
| K-12 education | ___% |
| Early education/care | ___% |
| Higher education | ___% |
| Public safety, courts | ___% |
| All other | ___% |

State General Fund Budget = \$7 billion



Are Kids Prioritized in the Budget?

Issues in the budget

- “Don't tell me what you value; show me your budget, and I'll tell you what you value.”
 - We proportionately spend money in the right areas.
- But there's another side to the budget:
 - We don't make kids and families a priority in tax expenditures.
 - We don't raise enough revenue through the tax code to support education, health, public safety, and infrastructure needs.

COVID-19: Increased Disparities and Recovery



The Impact of COVID-19 on Child Well-Being

1. Economic Insecurity:

- 51% of New Mexican adults in households with children have lost employment income
- Over 38,000 children were excluded from receiving a stimulus payment because of a family member's immigration status

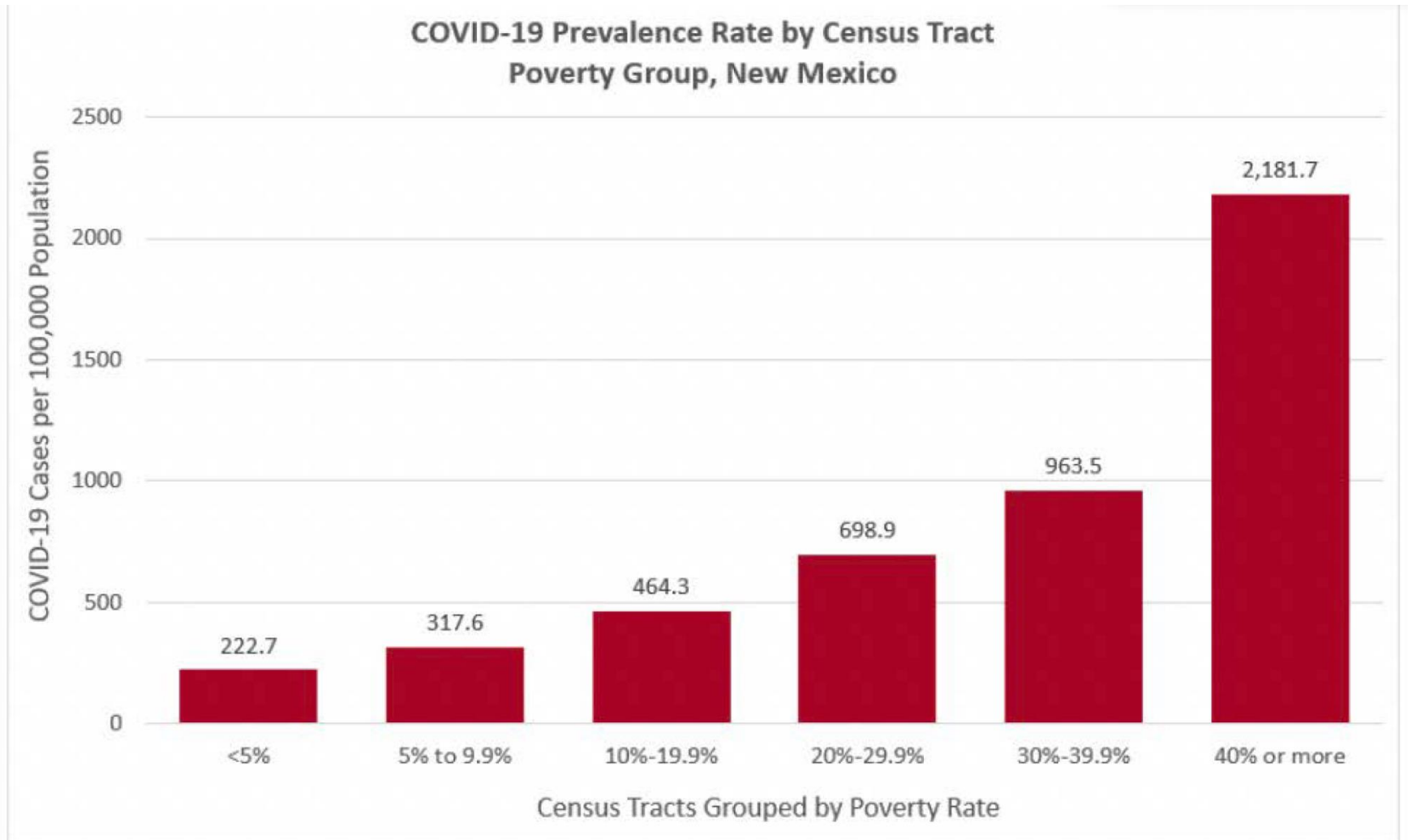
2. Housing Insecurity:

- 26% of New Mexican households with children were unable to make last month's rent payment

3. Food Insecurity

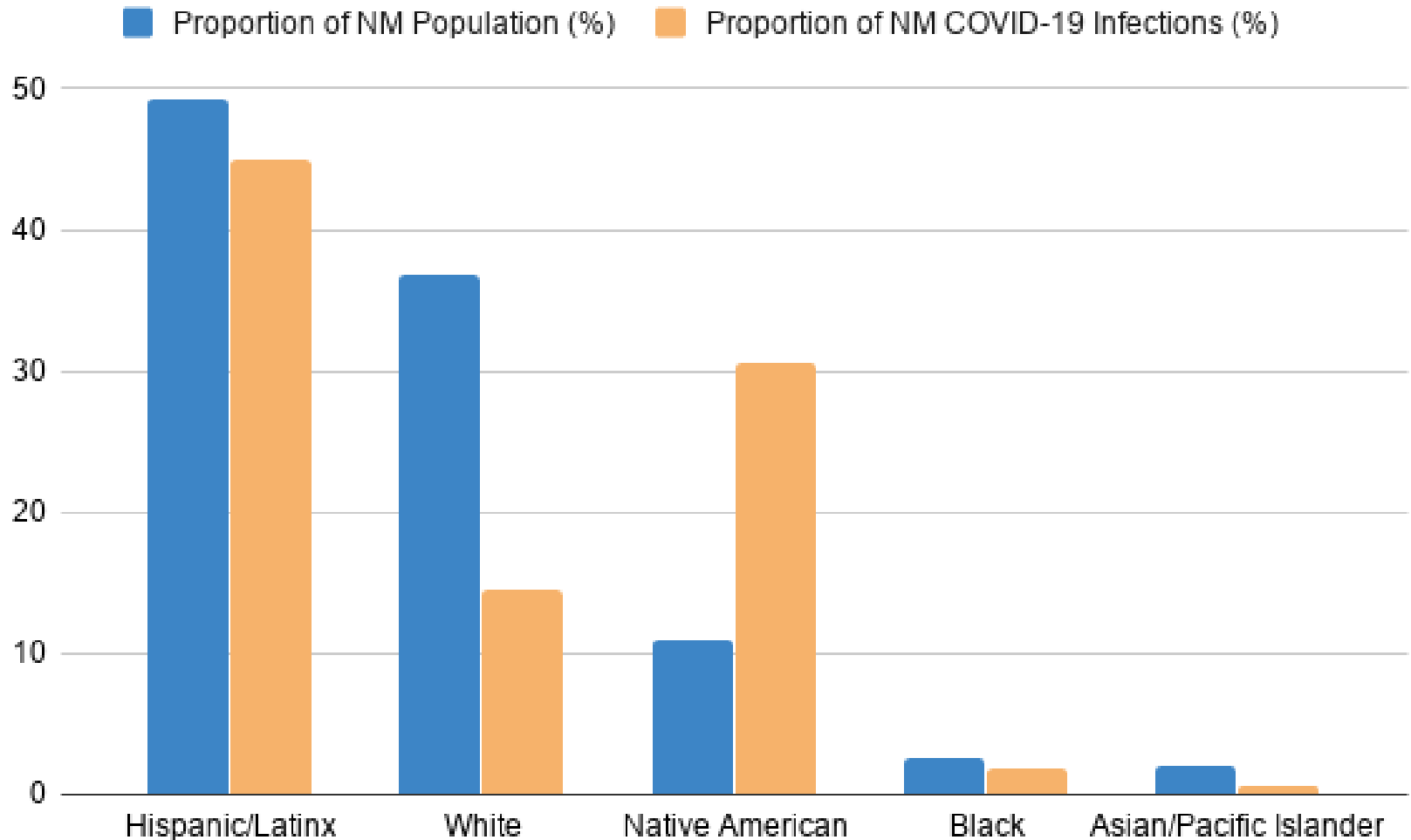
- As many as 34% of New Mexico children are projected to be food insecure in 2020 as a result of COVID-19. In 2018 that rate was 24%

Lowest Income Communities have Highest Rates of COVID-19 Infection



Source: HSD presentation to LHHS on 9/4/2020

COVID-19 Has Hit Native American Communities the Hardest



COVID-19 Recovery Needs to be Equitable and Anti-Racist

- 1. Equitable state spending:** Support New Mexicans with the greatest health and economic needs
 - Protect funding K-12, higher education, and early childhood education and care, as well as health system improvements
- 2. Incorporate anti-racism into policymaking:** Advance policies that promote ethnic, gender, and economic equity
 - Expand the Working Families Tax Credit
- 3. Protect state finances:** Ensure our tax system is equipped for long-term economic growth and opportunity
 - Repeal ineffective tax breaks for corporations and the wealthy to make revenue more sustainable

The Working Families Tax Credit is a Public Health Policy

The WFTC is an equitable, anti-racist policy that helps break the cycle of poverty

- Increases fruit and vegetable consumption
- Improves mental and prenatal health
 - Reduces low-birthweight rate
 - Improves home environment
 - Higher test scores on math
 - Two extra months of schooling
- Increases college graduation rates
 - Improves annual earning wages
- Decreases smoking and number of colds

Working Families Tax Credit

- ✓ State version of federal Earned Income Tax Credit (EITC)
- ✓ NM's WFTC returns \$50 million to low-income families
- ✓ 97% of value goes to working families with kids
- ✓ Claimed by 210,000 NM filers (1 out of 4 filers)
- ✓ Proven to reward work & improve outcomes for kids
- ✓ Without EITC & WFTC, 40,000 more families would be in poverty

Proposals to expand the WFTC to more families

- Rate increase to 20% of EITC (\$15m)
- Increase for parents of young children (\$7-30m)
- End exclusion of ITIN filers (\$5-9m)
- Young workers 18-24 (\$3m)

Invest in New Mexico Children, Families, and Workers for a Healthy Recovery

- **Avoid budget cuts**
 - Meeting ECE, K-12, higher education, and health care program needs.
- **Ensure all New Mexicans can meet their basic needs**
 - Medicaid buy-in; increasing SNAP supplement; eliminating TANF work requirements and increasing benefit amounts; restoring unemployment insurance cuts; and no food tax.
- **Put money in the hands of families**
 - Increasing and expanding the WFTC; increasing LICTR; and ensuring cash assistance for all residents in need.

Ensure New Mexico Has Adequate Financial Resources

- **More federal COVID relief funding to state and local gvts**
 - Pushing for increased federal relief for the state and for local governments, pushing for flexibility in spending those funds.
 - For more on federal relief, see our series of fact sheets [here](#).
- **Utilize reserve funds**
 - To fill in budget shortfalls, prevent program cuts, & keep people working.
 - Use the Land Grant Permanent Fund to support kids and families
- **Protect and raise revenues**
 - No more tax cuts for those who don't need them; repeal past ineffective tax breaks to corporations and the wealthy; and [consider new revenue options.](#)

Legislative Advocacy



New Mexico's Legislature

- Meets for a 60-day session on odd-numbered years to do *all* business.
- Meets for a 30-day session on even-numbered years for budget issues only, plus whatever the Governor wants.
- Meets between regular sessions for interim committee hearings to hear reports on past actions and to prepare for the next session.

New Mexico's Legislature

Representation

- Senators represent about 50,000 people (or about 27,500 who vote).
- Representatives represent about 30,000 people (or about 16,500 who vote).

• Governor:
505-476-2200 www.gov.state.nm.us

• Legislature (Capitol switchboard):
505-986-4300 www.nmlegis.gov

State Government Elections

- Governor and Lt. Governor are elected every 4 years.
- All 42 state Senators are elected every 4 years (2 years after the Governor).
- All 70 members of the House of Representatives are elected every 2 years.

Why Advocate?

- **Your credibility, knowledge, caring.**
- Constituents/voters matter to elected officials.
- Elected officials need and want your expertise.
- ***You have a vote and a voice, children don't.***
- Policymakers *do* listen.
- When you advocate for change, *you* change.
- **The squeaky wheel gets the oil.**

Advocacy Approach

COVID-19 has changed things for the 2021 session...and maybe beyond

How?

- Personal or group visits
- Personal letters
- Phone calls
- Emails
- **Letters to the editor and op-ed pieces**
- Editorial board meetings
- Press conferences, press releases
- Radio talk shows
- Testimony at committee hearings

Who?

- Your own elected officials (and candidates!)
- Committee members
- Committee chairs
- Legislative leadership
- Legislative staff and analysts
- Department officials and analysts
- General public (through the media)

When?

- During a campaign to influence the agenda.
- After the campaign to influence priorities.
- Before a legislative session ... because they have time to listen.
- During a legislative session.
- After a legislative session ... to thank them or express your disappointment with their votes.

What?

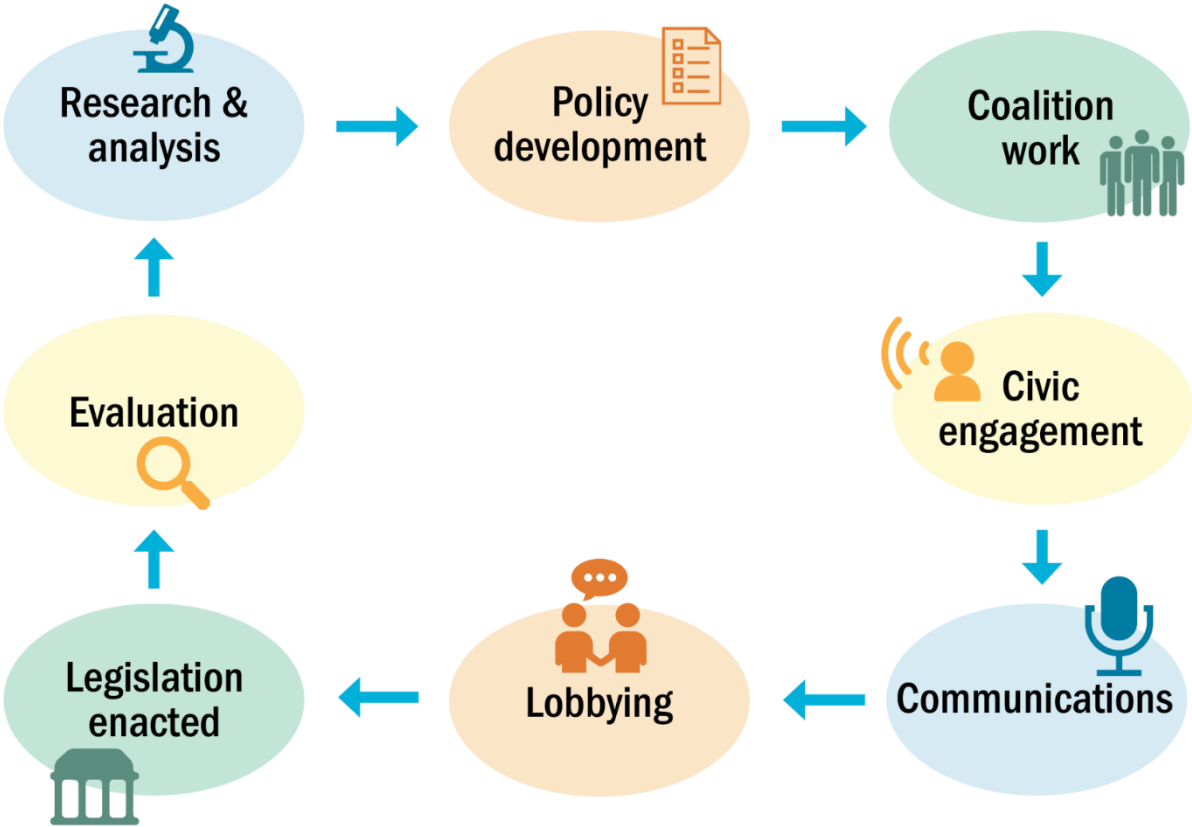
Do's

- Be *united* and well *organized*.
- Make an appointment.
- Be quick with gratitude, but slow to criticize.
- Be courteous and respectful.
- Use *both* data and personal stories.
- Be concise and to the point.
- Make it *simple*.
- *Ask* for what you want.
- Report back.

Don'ts

- Be late.
- Be argumentative, arrogant, condescending or threatening.
- Exaggerate.
- Overwhelm them with too much data.
- Take more time than you were offered.
- Burn bridges. Always leave the door open for further discussion, on this or other issues.

Legislative Advocacy Flowchart



Icons by Freepik via flaticon.com
NEW MEXICO VOICES FOR CHILDREN

For Info on Bills and Legislators

www.nmlegis.gov

- To find a legislator, click on **Legislators** tab
- To find a bill, click on **Legislation** tab
- To find the schedule of committee hearings and the agenda for the Senate and House, click on **What's Happening** tab
- To watch committees or floor sessions, click on **Webcast** tab

*We all have a chance
to help ensure all NM
families have a
healthy future*

- COVID-19 has exacerbated hardship for families in our state
- Now is the time to enact equitable tax reform
- We need sustainable revenue to support a healthy New Mexico and a strong recovery

Tax Policy is Health Policy!

Policy Interventions are “Upstream”



Thank you!

NM Voices' work is *not* to help kids beat the odds,
but rather to *change* the odds

for more information:

New Mexico Voices for Children

www.nmvoices.org

www.datacenter.kidscount.org

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