

THE FEDERAL PRESENCE IN NEW MEXICO

**Presentation to the
NEW MEXICO FIRST TOWNHALL #33**

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The University of New Mexico

A decorative green line starts from the top right, curves over the top, and ends at a small sphere with a grid pattern on the left side of the yellow banner.

OVERVIEW



FEDERAL PRESENCE IN NEW MEXICO

FEDERAL GOVERNMENT



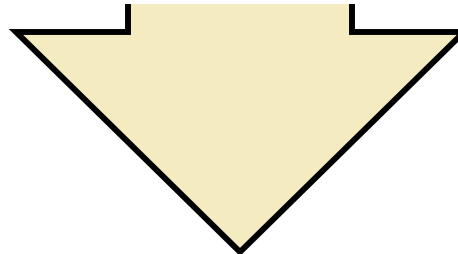
FEDERAL EXPEDITURES

FEDERAL EMPLOYMENT

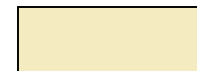
FEDERAL LOANS & INSURANCE

FEDERAL TAXATION & TAX POLICY

**FEDERAL OWNERSHIP OF LAND,
RESOURCES & FACILITIES**



NEW MEXICO ECONOMY





FEDERAL EXPENDITURES IN NEW MEXICO

FY 03 spending totaled \$18.7 billion
This amount is ...

- More than 4 times the State's General Fund Budget
- About 1.7 times the assets held by the State's Land Grant and Severance Tax Permanent Funds at the end of 2003
- About \$10,000 per capita, ranking NM 4th among the states



FEDERAL EXPENDITURES IN NEW MEXICO

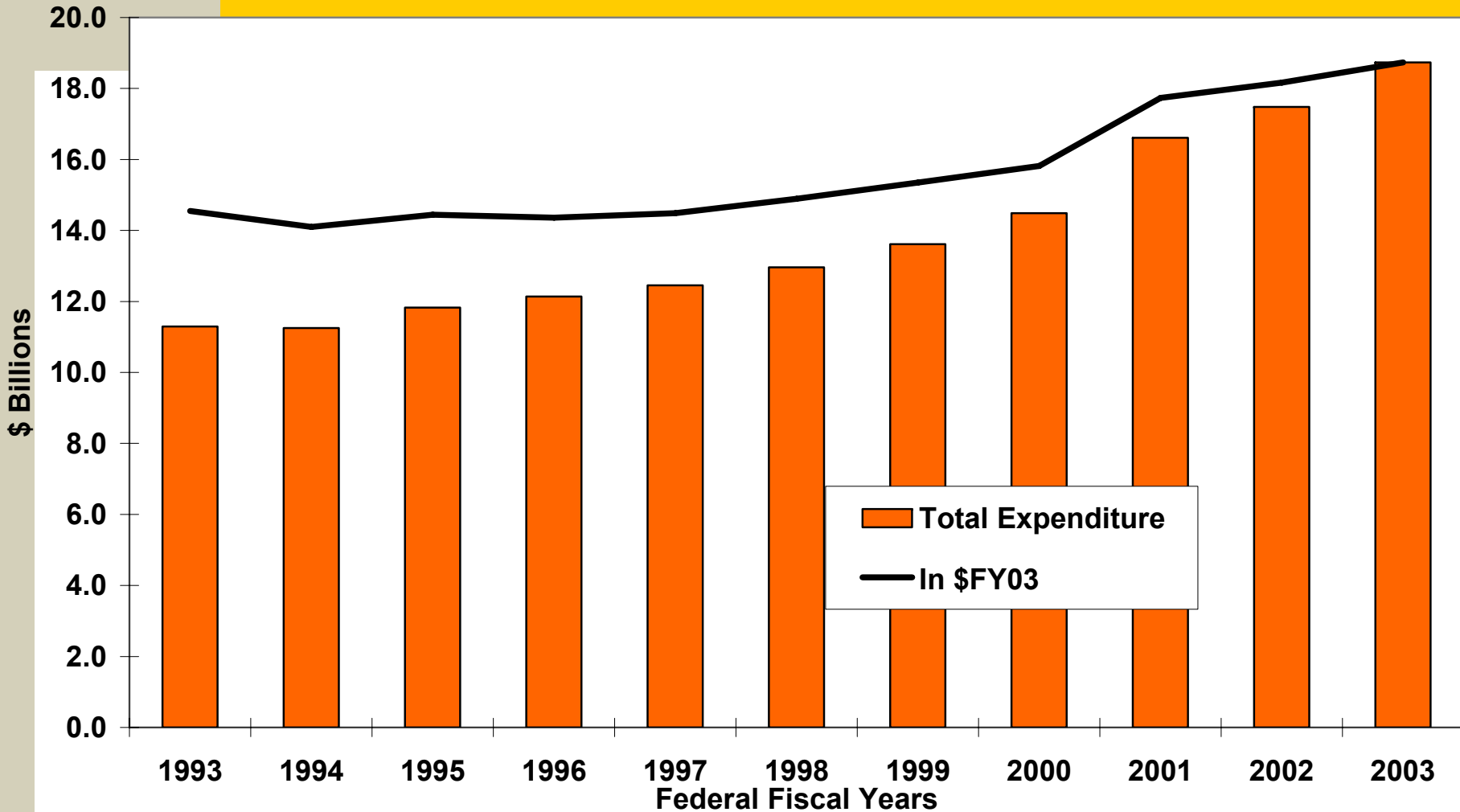
Federal spending in New Mexico is huge. However, the \$18.7 billion flowing to NM in FY03 is ...

- less than 1% of FY 03 federal expenditures
- less than 5% of the federal deficit in FY 04
- about 6% of the estimated \$300 billion spent so far on the war in Iraq



TOTAL FEDERAL EXPENDITURES IN NEW MEXICO

In Current and in \$FY03

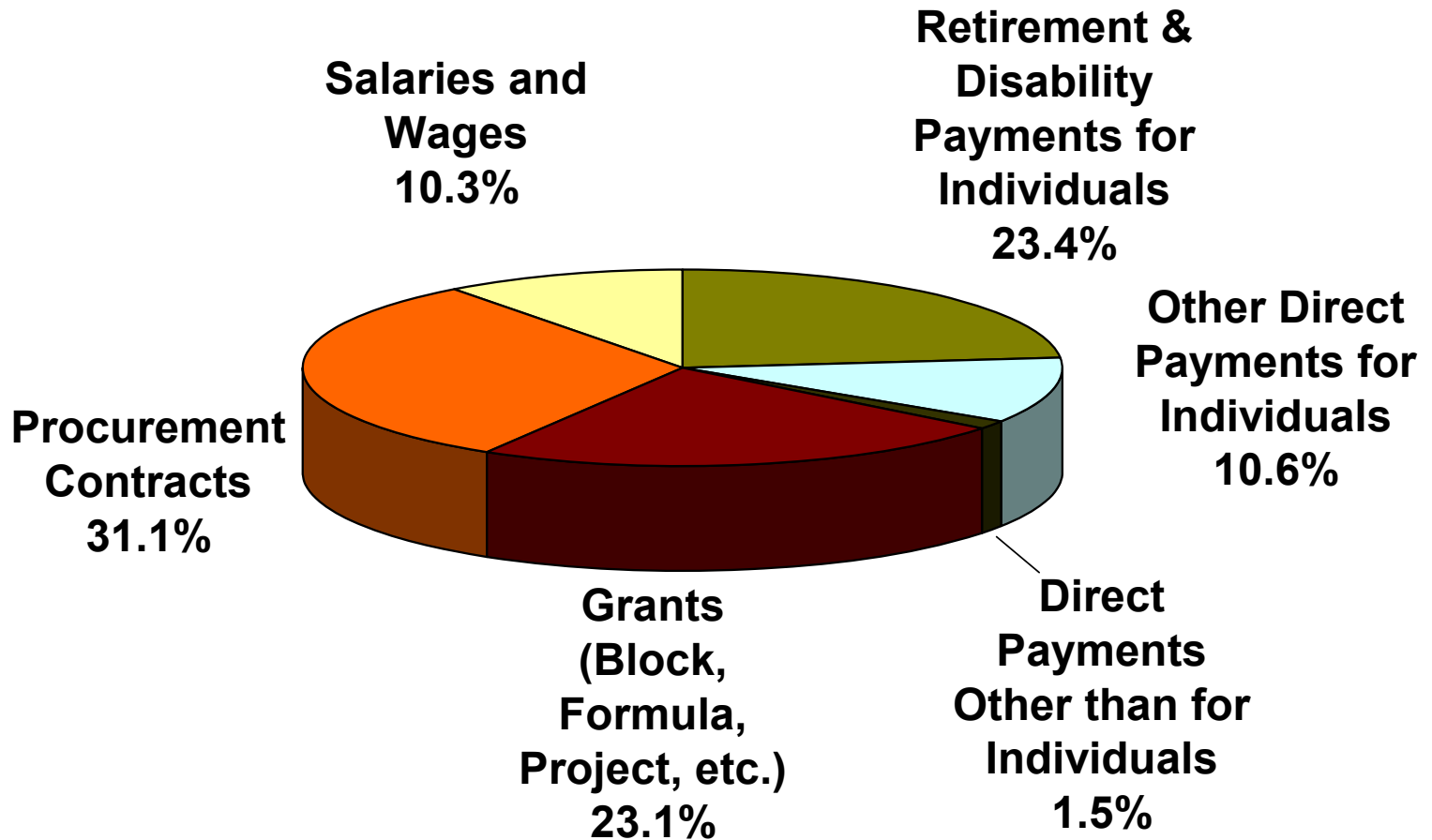


Source: US Census, Consolidated Federal Funds Report , FY03
Bureau of Economic Analysis, Price Index Federal Expenditure

FEDERAL EXPENDITURES

FEDERAL EXPENDITURES IN NEW MEXICO

FY 03 TOTAL = \$18.7 Billion





OTHER DIRECT PAYMENTS FOR INDIVIDUALS

In Millions of Dollars

OTHER DIRECT PAYMENTS FOR INDIVIDUALS	\$1,992.1	10.6%
FOOD STAMPS	183.5	9.2%
FEDERAL PELL GRANT PROGRAM	100.3	5.0%
MEDICARE-HOSPITAL INSURANCE	633.6	31.8%
MEDICARE-SUPPLEMENTARY MEDICAL INSURANCE	556.9	28.0%
UNEMPLOYMENT COMPENSATION PAYMENTS	152.9	7.7%
EXCESS EARNED INCOME TAX CREDITS	312.9	15.7%
	<u>1,940.2</u>	<u>97.4%</u>



GRANTS

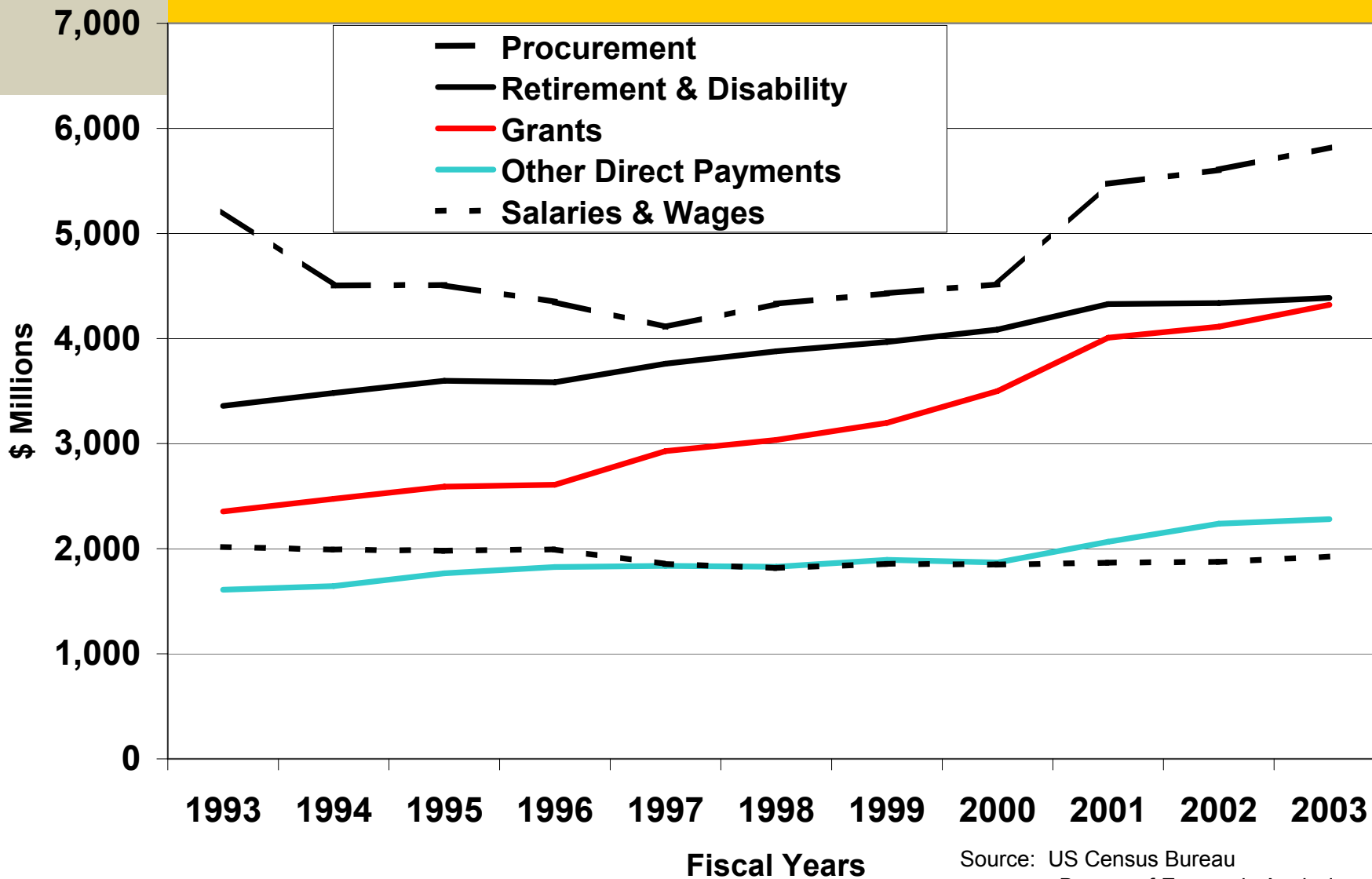
BLOCK, FORMULA, PROJECT, COOPERATIVE AGREEMENTS

In Millions of Dollars

GRANTS	\$4,322.3	23.1%
HIGHWAY PLANNING AND CONSTRUCTION	396.1	9.2%
SECTION 8 HOUSING CHOICE VOUCHERS	89.7	2.1%
SPECIAL EDUCATION-GRANTS TO STATES	152.2	3.5%
NATIONAL SCHOOL LUNCH PROGRAM	61.0	1.4%
TITLE I GRANTS TO LOCAL EDUCATION AGENCIES	73.5	1.7%
HEAD START	66.2	1.5%
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES	122.5	2.8%
→ MEDICAL ASSISTANCE PROGRAM	1,605.6	37.1%
STATE CHILDREN'S INSURANCE PROGRAM (CHIP)	61.0	1.4%
IMPACT AID	86.6	2.0%
FEDERAL MINERAL LEASING, OTHER INTERIOR	297.9	6.9%
	<u>3,012.3</u>	<u>60.5%</u>

GROWTH IN FEDERAL EXPENDITURES BY CATEGORY

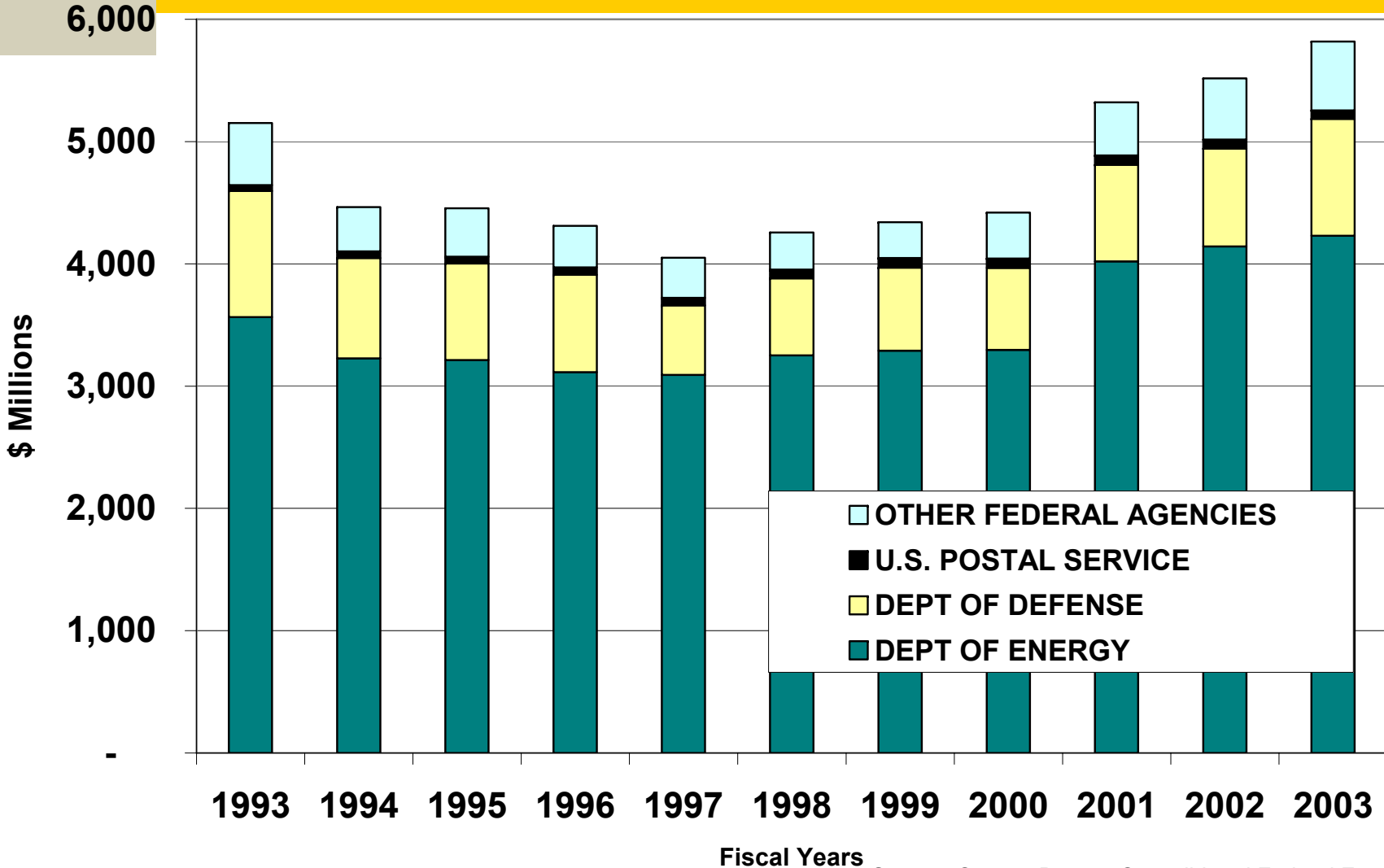
FY 03 Dollars



Source: US Census Bureau
Bureau of Economic Analysis

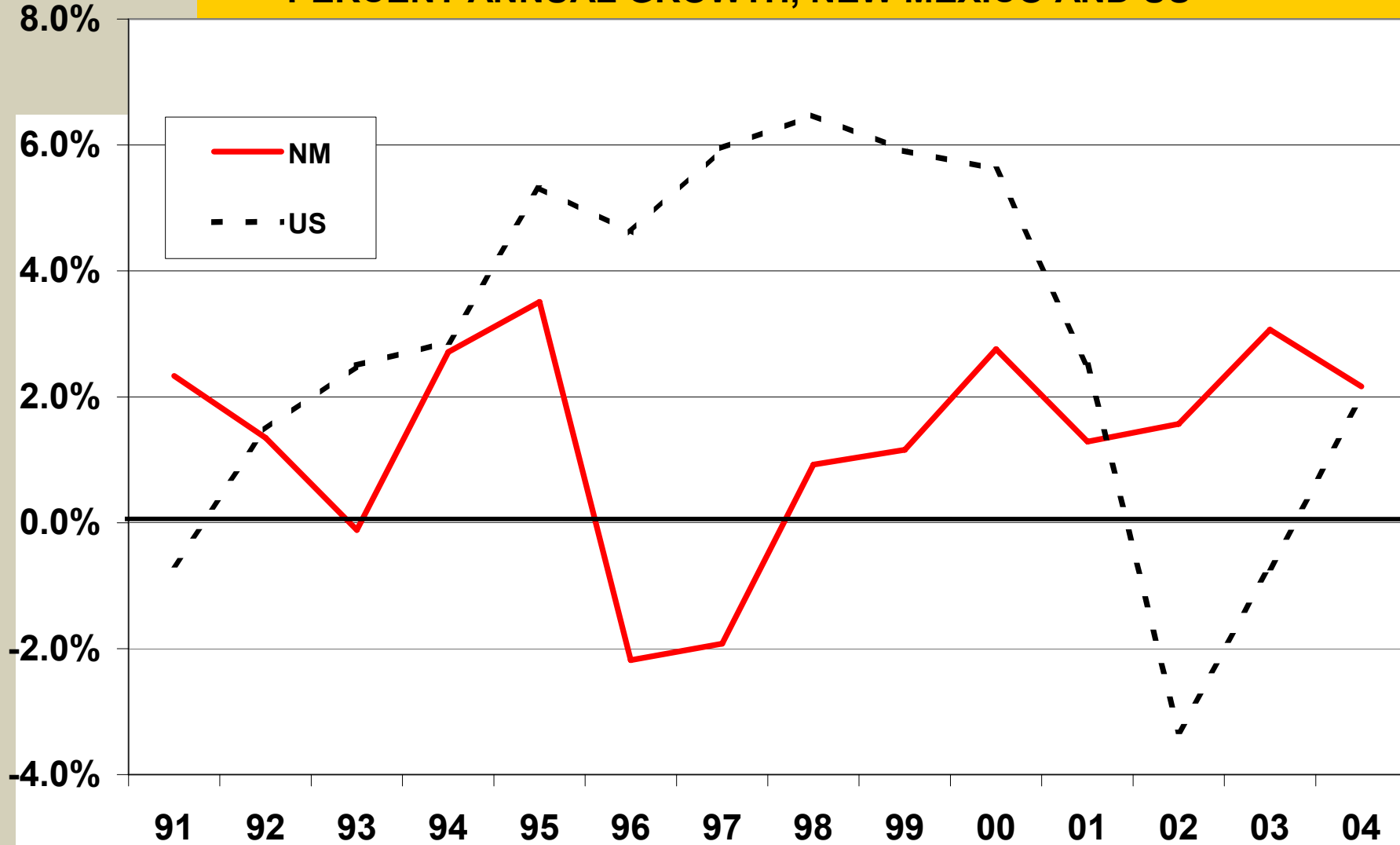
FEDERAL PROCUREMENT IN NEW MEXICO

IN MILLIONS OF FY 03 DOLLARS



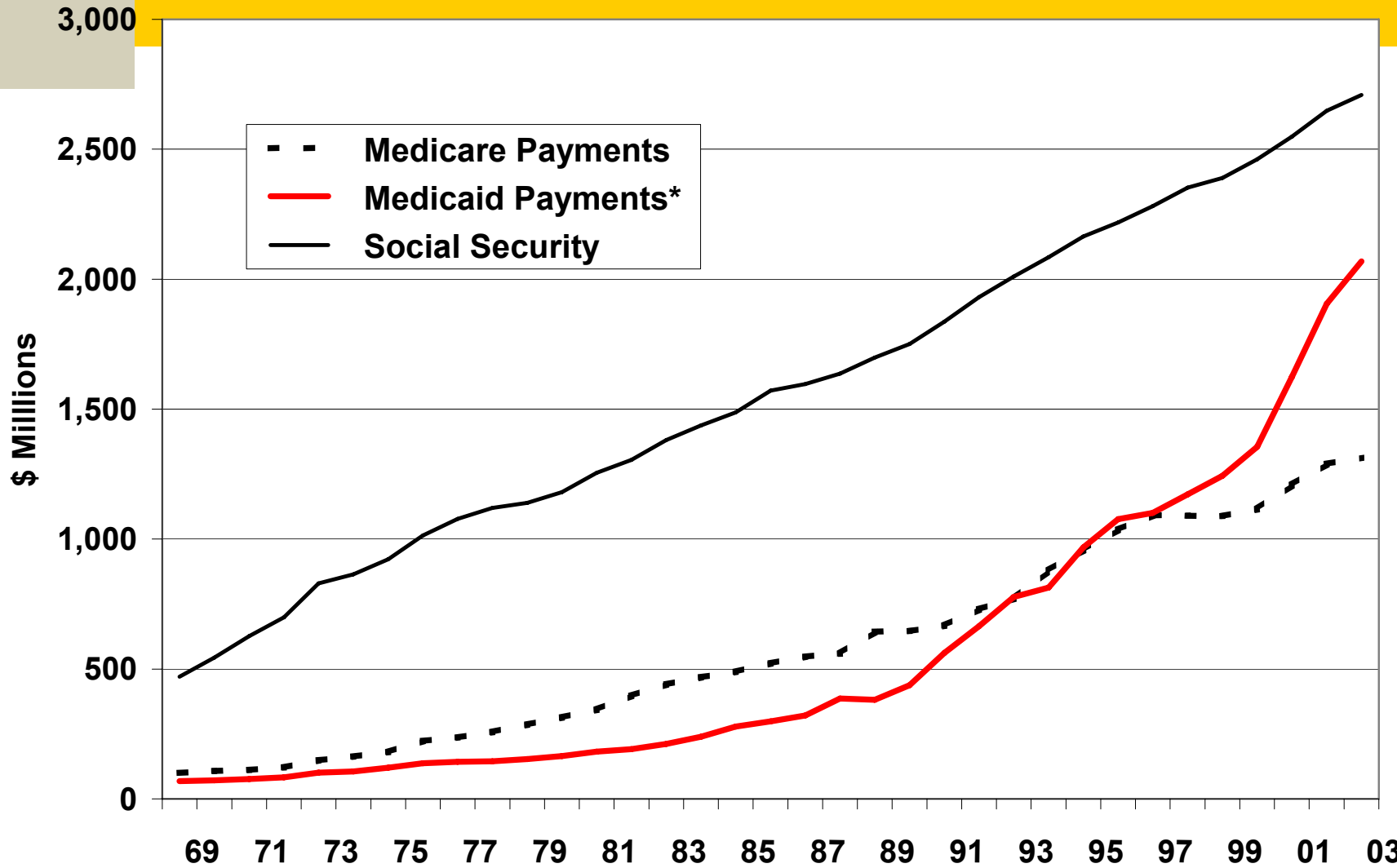
Source: Census Bureau Consolidated Federal Funds

PROFESSIONAL, SCIENTIFIC & TECHNICAL EMPLOYMENT PERCENT ANNUAL GROWTH, NEW MEXICO AND US



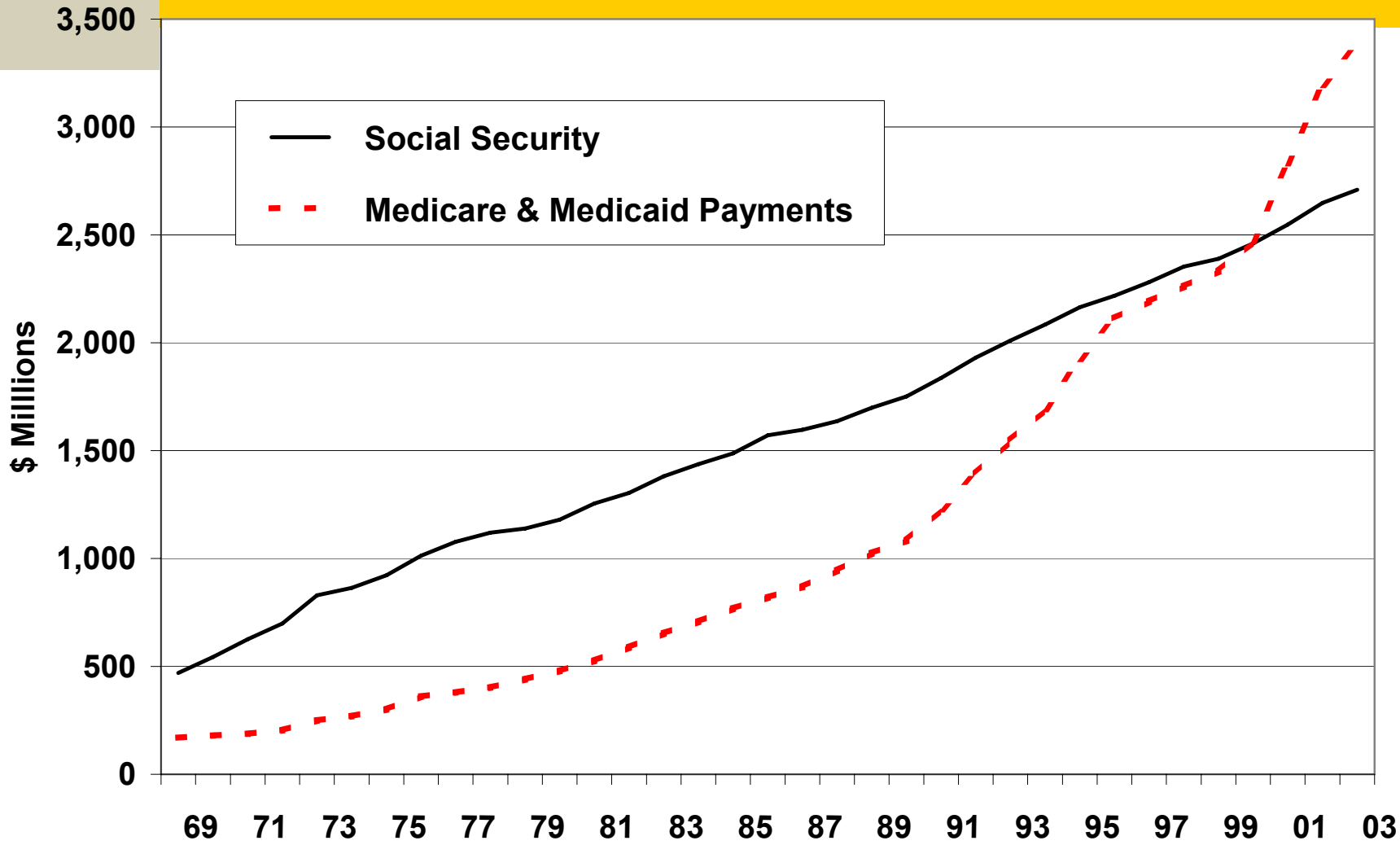
Source: US Bureau of Labor Statistics, NM Dept of Labor

MEDICARE, MEDICAID AND SOCIAL SECURITY PAYMENTS TO/FOR NEW MEXICANS (\$ 2003)



* Consists of medicaid and other medical vendor payments from State and Federal Monies (3:1 match federal to state) Source: Bureau of Economic Analysis

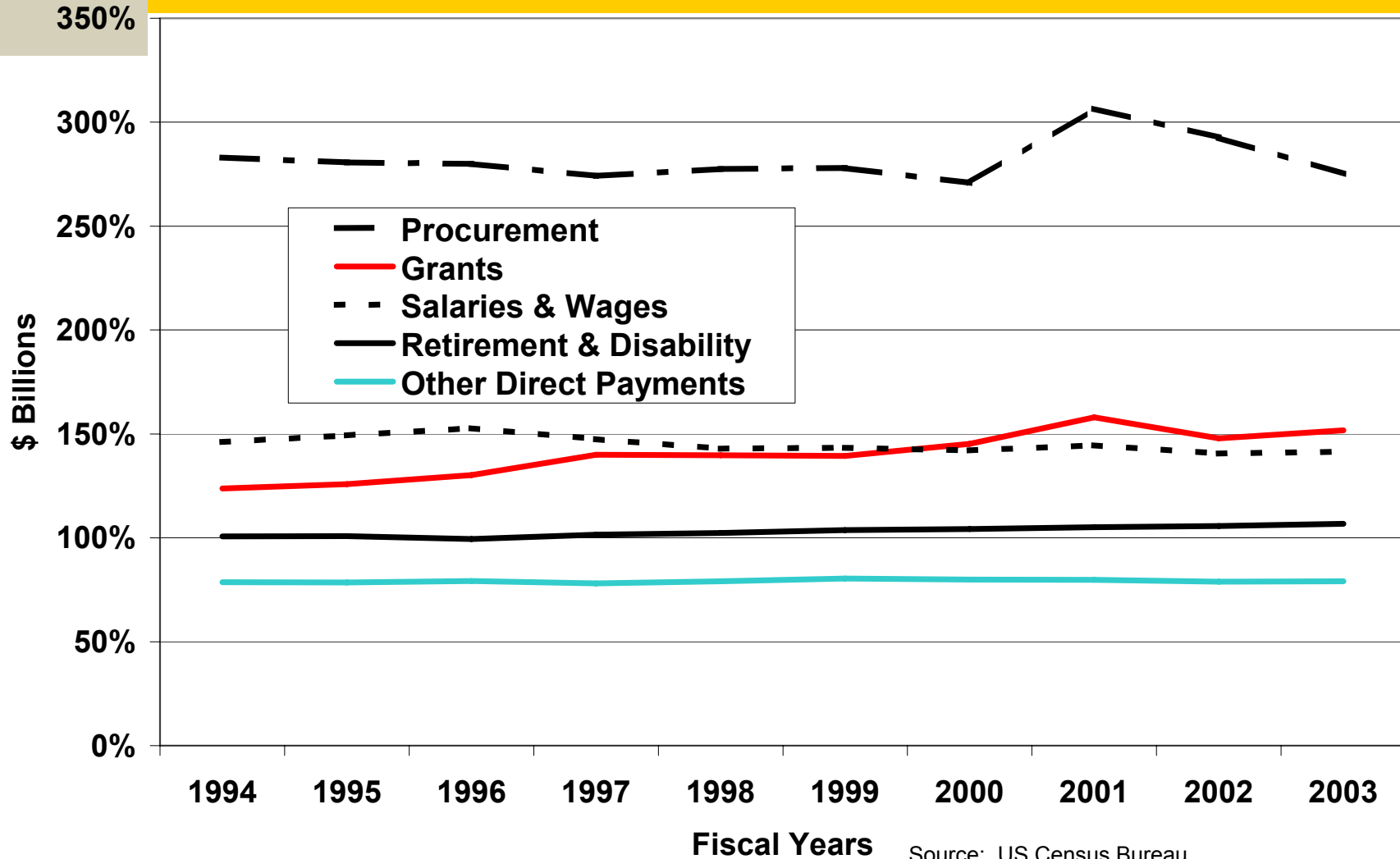
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Source: Bureau of Economic Analysis

PER CAPITA FEDERAL SPENDING IN NEW MEXICO AS A PERCENT OF THE US AVERAGE

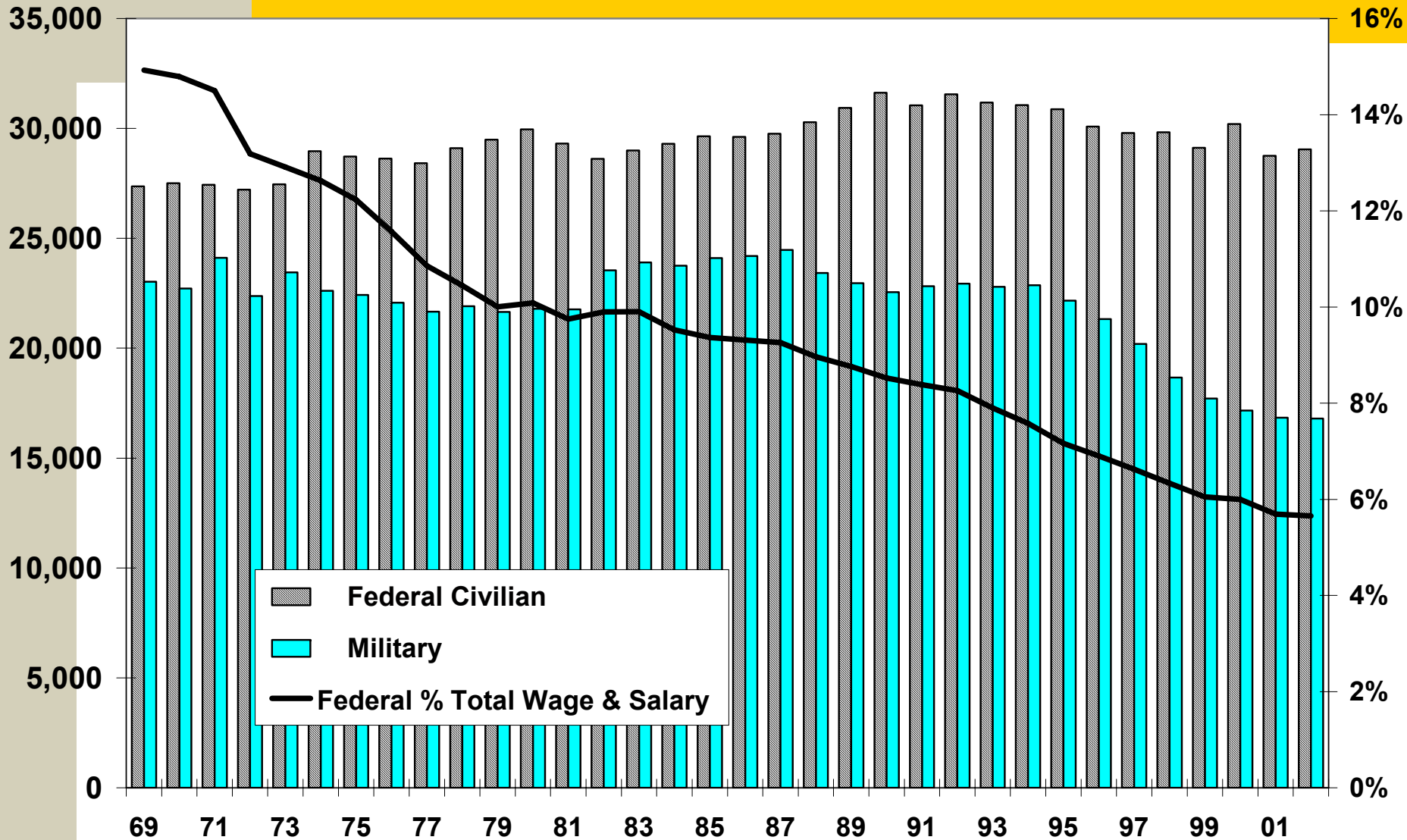


Source: US Census Bureau
Bureau of Economic Analysis

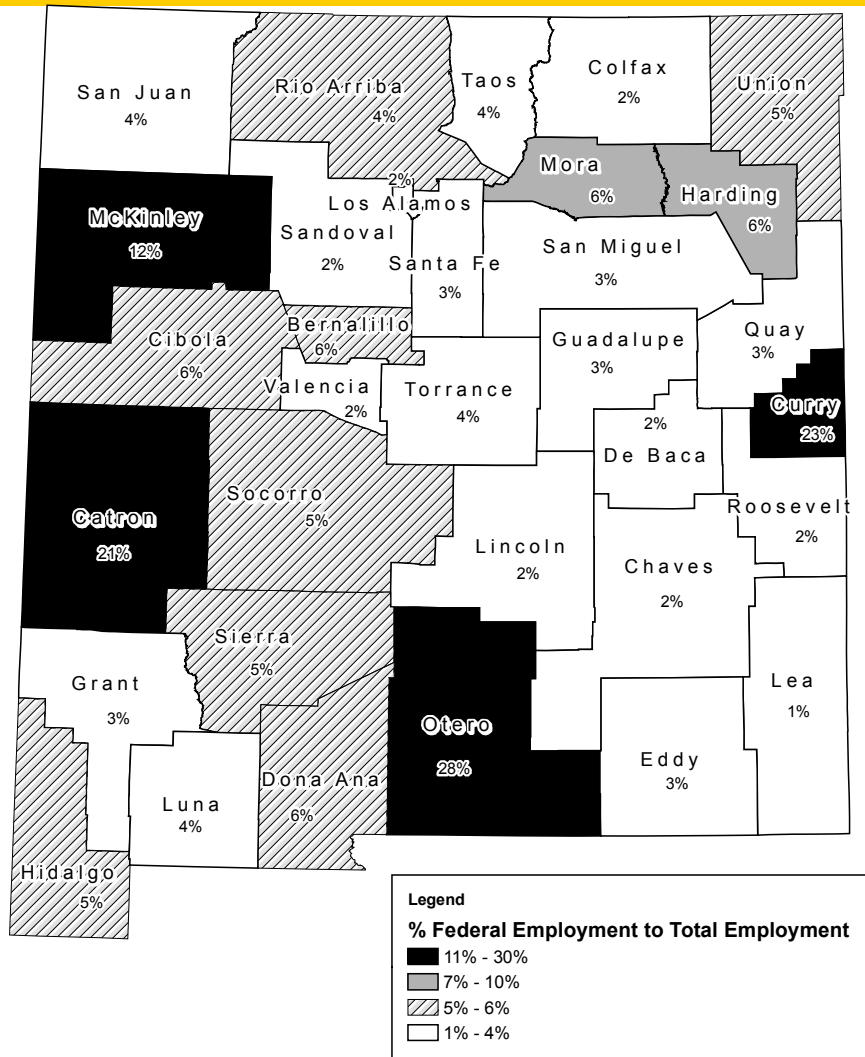


FEDERAL EMPLOYMENT

FEDERAL EMPLOYMENT IN NEW MEXICO



2002 FEDERAL EMPLOYMENT AS A SHARE OF TOTAL WAGE AND SALARY EMPLOYMENT





FEDERAL LOANS AND INSURANCE

FY03 NM TOTAL = \$3.1 BILLION

✿ **Direct Loans: \$171 Million**

79% Dept of Education for Federal Student Loans (\$134.8 M)

✿ **Guaranteed Loans: \$1.6 Billion**

68% Department of Housing and Urban Development,
primarily for Home Mortgage Insurance

✿ **Insurance: \$1.3 Billion**

93% Department of Homeland Security for FEMA Flood
Insurance

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FEDERAL TAXATION & TAX POLICY



ESTIMATED FEDERAL TAX COLLECTIONS NEW MEXICO, FY 2003

	\$ Millions
Corporate Income Tax	661
Personal Income Tax	3,873
Social Insurance	3,527
Excise	484
Estate	65
Customs	102
Total	8,712

Source: Tax Foundation 2004

These collections are net of some \$900 million in federal tax expenditures...



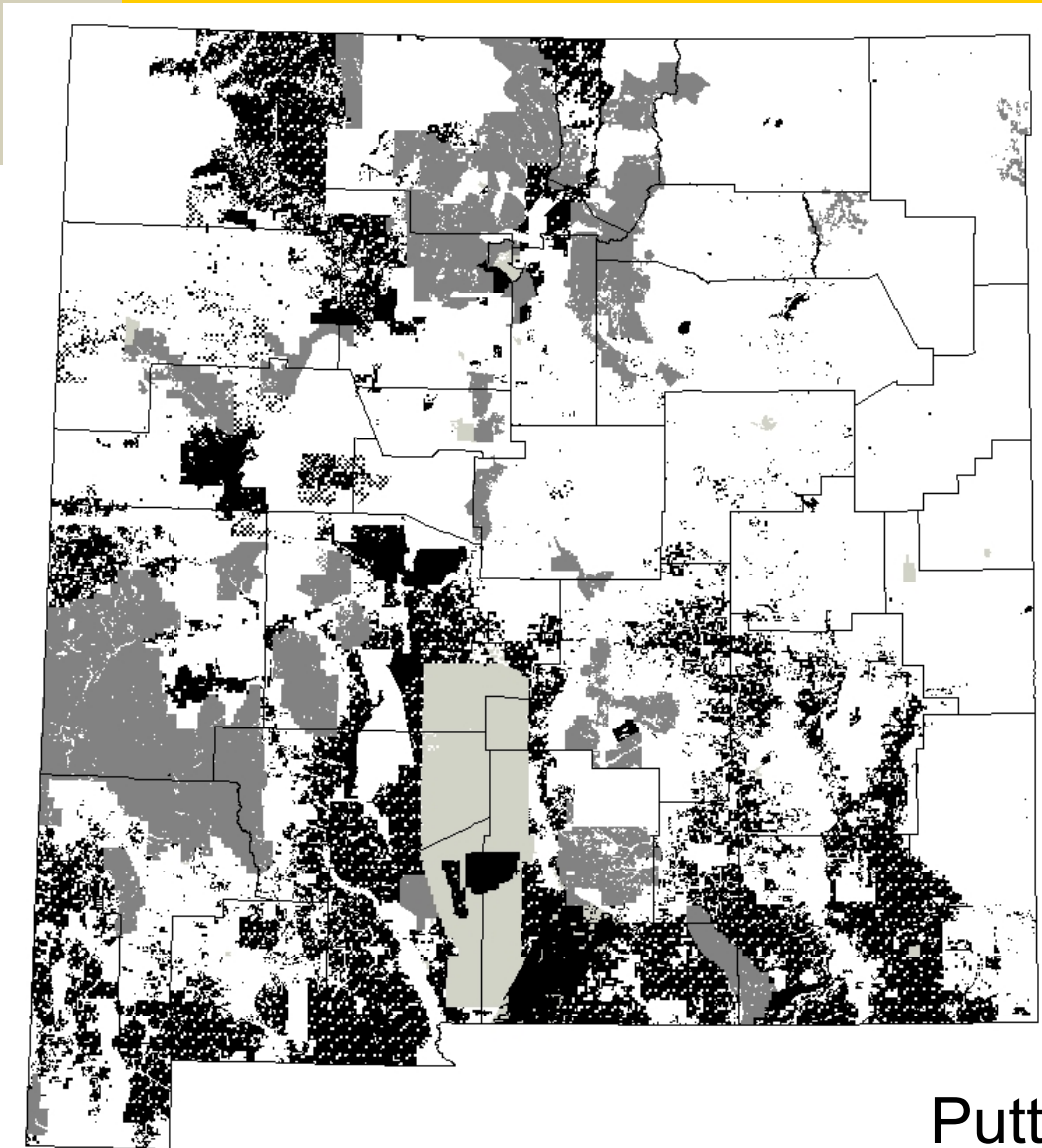
FEDERAL TAX EXPENDITURES

- ✦ **State and Local Tax Deductibility**
- ✦ **Mortgage Interest Deductibility**
- ✦ **Earned Income Tax Credit and Child Credits**
- ✦ **Child/Dependent Care Credits**
- ✦ **Deductibility of Interest on Municipal Bonds**
- ✦ **Depreciation and Investment Deductions**







FEDERAL OWNERSHIP OF LAND & RESOURCES

FEDERAL OWNERSHIP OF LAND BY AGENCY



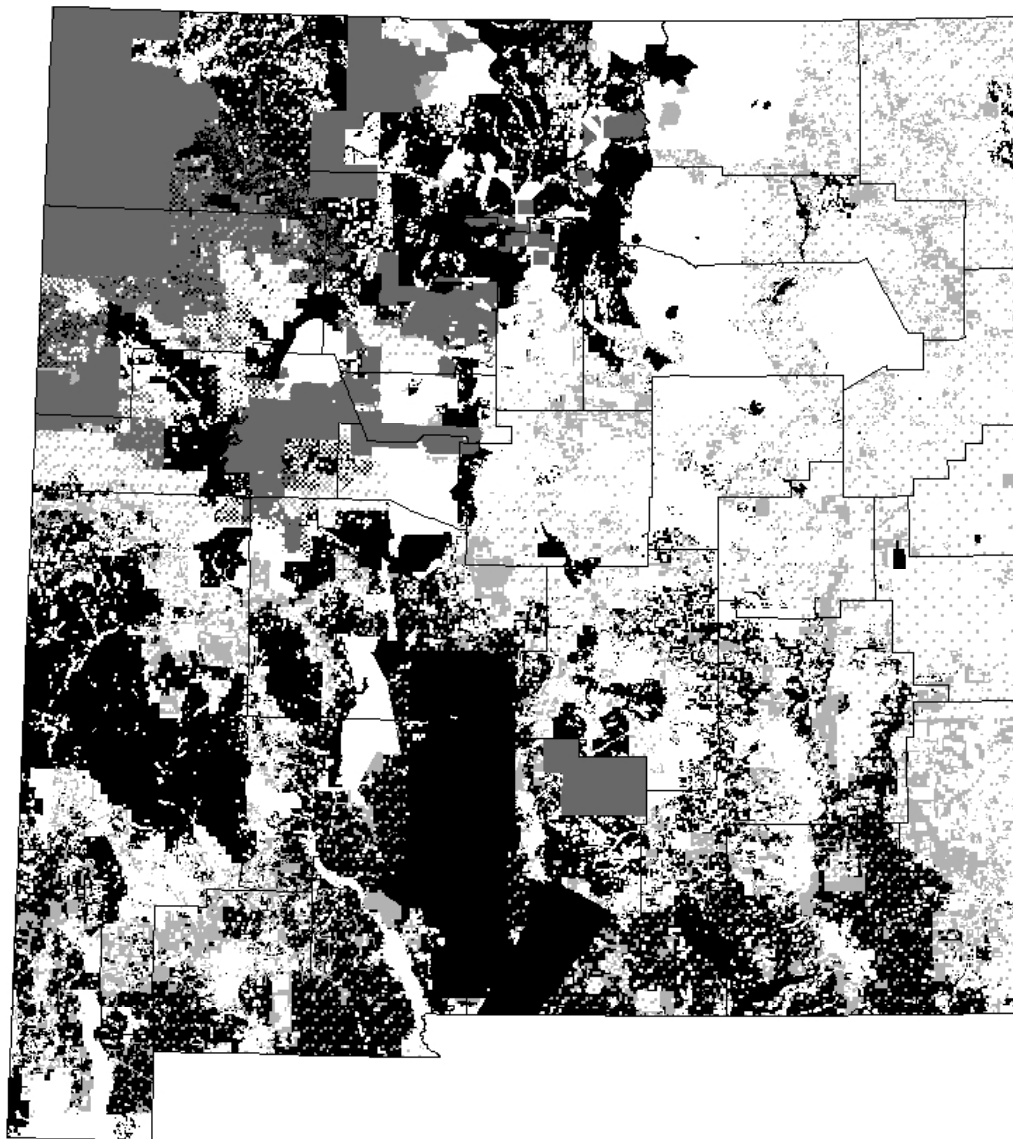
Legend

Ownership Type

-  Department of Interior
-  Department of Agriculture
-  Department of Defense & Energy
-  Non Federal Land





Putting into context...

LAND OWNERSHIP IN NEW MEXICO BY TYPE

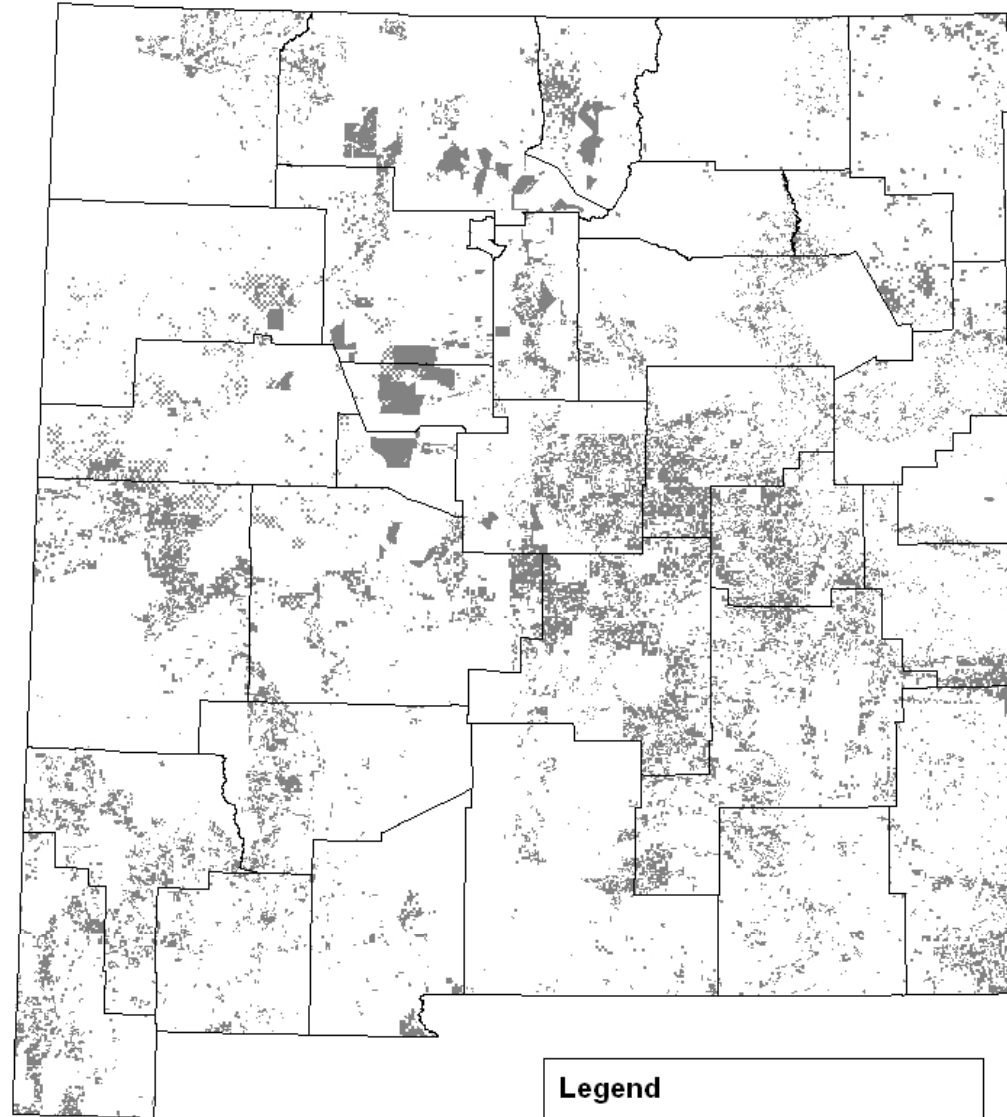


Legend

Ownership Type

-  Federal Land
-  Indian/Tribal Land
-  State Land
-  Private

PRIVATE LAND WITH US MINERAL RIGHTS



Legend

Private Land with US Mineral Rights



ECONOMIC IMPACT



ECONOMIC IMPACTS OF FEDERAL EXPENDITURES ON NEW MEXICO, FY 03

	Total Activity		
	Employment	Compensation \$ Millions	Gross State Product \$ Millions
Total Supported by Federal Spending	316,817	11,437	13,646
FY 03 New Mexico Totals	837,142	30,468	55,771
Federally Supported as a % of NM	37.8%	37.5%	24.5%

UNM Bureau of Business and Economic Research, 2005



ECONOMIC IMPACTS MAJOR FEDERAL PROGRAMS, FY 03

	Federal Expenditure \$ Billions	Total Estimated Impacts	
		Employment 000'S	Compensation \$ Billions
Military Bases	2.4	58	2.1
National Research Laboratories	5.2	54	2.6
University Research	0.4	12	0.4
Health Care Services	3.0	60	1.7
Social Security & Retirement	3.7	47	1.2
Cash & Non-Cash Assistance	1.2	19	0.5



SUMMARY OF IMPACT MEASURES

	Jobs per \$1 Million	Compensation per \$1	Average Compensation	
			First Round	Total
Military Bases	25	\$0.91	\$50,504	\$36,483
National Research Labs	17	0.91	93,410	52,272
Research Universities	33	1.09	46,403	32,542
Health Care	20	0.57	30,919	28,787
Income Maintenance	17	0.43	25,662	26,158
Retirement	13	0.32	23,150	25,365
Average	18	0.64	41,730	34,743

UNM Bureau of Business and Economic Research, 2005



NEW MEXICO'S RANKINGS AMONG THE STATES

	<u>Rank in FY 03</u>
Per Capita Federal Spending:	
Total Federal Government Expenditure, FY 03	4
Retirement and Disability	20
Other Direct Payments	41
Grants	5
Procurement	2
Salaries and Wages	6
Total Federal Expenditures Per Dollar of Taxes	1
Per Capita Income	47

Source: U.S. Census Bureau, Consolidated Federal Funds Report for Fiscal Year 2003, Table 14.
Tax Foundation, State-by-State Tax Burden Allocation Model
US Bureau of Economic Analysis



**STRATEGIZING:
FUTURE MANAGEMENT OF
THE FEDERAL INVESTMENT...**



TOWARD A VIBRANT, SUSTAINABLE ECONOMY

- **Viabile Communities**
- **Viabile Businesses, Viabile Economies**
- **Viabile Workforce**

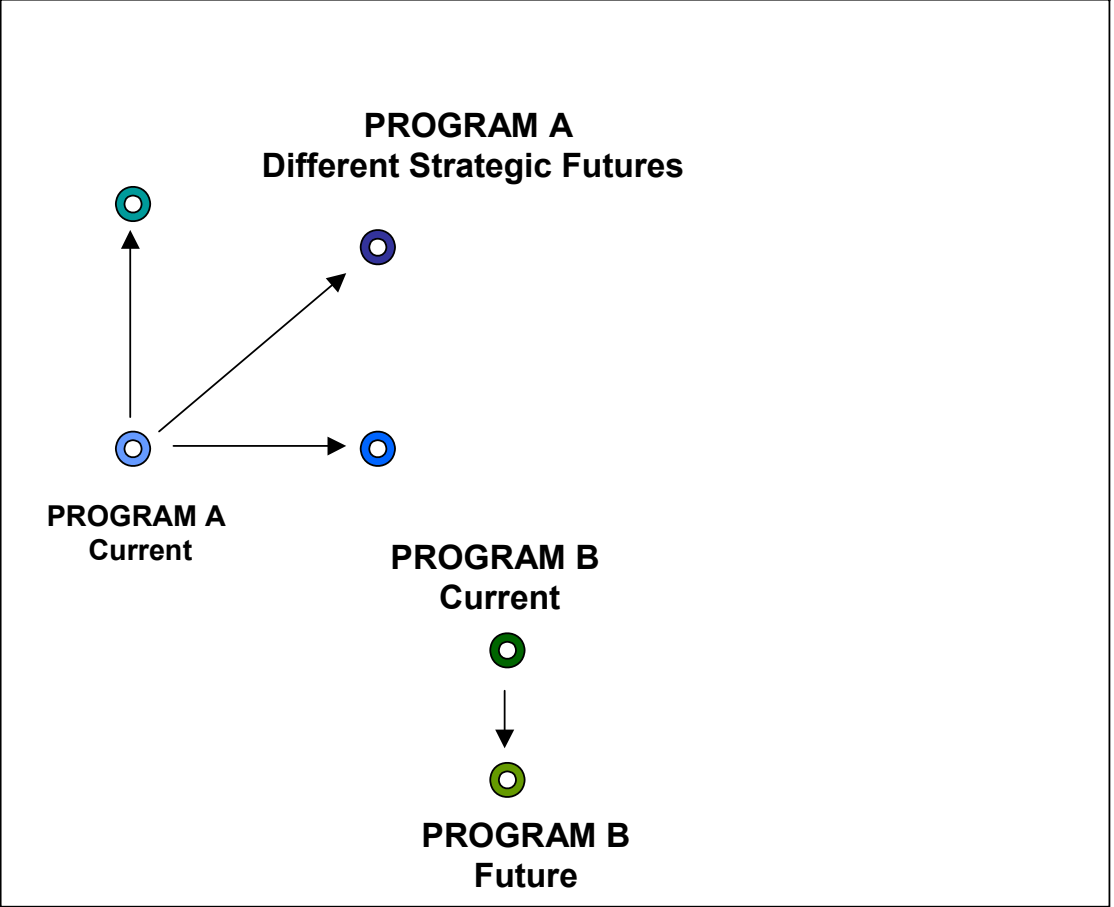
ACHIEVING MAXIMUM IMPACT

HIGH

FLOW OF FUNDS



LOW



LOW



HIGH

IMPACTS

PANEL AREA 1 – VIABLE COMMUNITIES

VIABLE COMMUNITIES EXPENDITURES FY03

	<u>\$ Billions</u>
Facilities	1.7
Land & Resources	0.3
Infrastructure	1.0
Income Support	5.0
Public Safety	0.4
Health Care	3.3
Native American Services	0.3
Quality of Life	0.1

Source: BBER analysis of CFFR, FY03



PANEL AREA 2 - VIABLE BUSINESSES, VIABLE ECONOMIES

VIABLE ECONOMIES EXPENDITURES FY03

	<u>\$ Billions</u>
Research & Development	2.5
Business Development	2.8
Energy Development	0.1
Federal Lands	0.4

Source: BBER analysis of CFFR, FY03



PANEL AREA 3 – VIABLE WORKFORCE

VIABLE WORKFORCE EXPENDITURES FY03

	<u>\$ Billions</u>
Nutrition & Health	0.1
Education	1.1
Training	0.1
Access	0.1
Work Support	0.6

Source: BBER analysis of CFFR, FY03