

Northern N.M. Needs Sustainable Economy

BY DAVID COSS AND
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More than 63 years ago, the Los Alamos National Laboratory, referred to as "the lab," was established. Today, the lab's budget of more than \$2 billion represents a significant economic engine. The lab's total workforce of almost 15,000 personnel makes it the largest employer in northern New Mexico.

However, the lab has had a minimal impact on the region's economy outside of Los Alamos County. The lab's workforce is primarily distributed among the counties of Los Alamos (44 percent), Santa Fe (23 percent), Rio Arriba (21 percent), Sandoval (5 percent), Bernalillo (3 percent),



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and Taos (2 percent).

The region continues to lose its best and brightest and its economy is isolated from the mainstream economy. Infrastructure is vitally needed. Venture capital investment is almost nonexistent. Despite the lab's presence, the socioeconomic disparities that exist within the lab's workforce area remain substantial. A compari-

son between two neighboring counties in the lab's region, Rio Arriba and Los Alamos, using key economic indicators, clearly illustrates a stark contrast between the "haves" and "have-nots."

For example, the poverty status — the poverty status for Los Alamos residents is 1.9 percent, while in neighboring Rio Arriba County it's 16.6 percent. The unemployment rate in Los Alamos was 2.5 percent in 2005, while in Rio Arriba it was 6.6 percent. The per capita income in Los Alamos is \$48,541; in Rio Arriba, it's \$20,720. The average wage per job is \$62,148 in Los Alamos, and \$23,382 in Rio Arriba. And according to the 2000 Census, a quarter of the Los Alamos population 25 or

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older has at least a bachelor's degree, while only 9 percent of the same group in Rio Arriba does.

Since the lab contract was re-competed, its taxable status has changed whereby gross receipts taxes must now be paid by the new Los Alamos National Security lab management team. Prior to the change in taxable status, the lab was paying approximately \$35 million in gross receipts taxes. Under its new status, LANS will be paying a total of approximately \$90 million. The approximate allocation of the total is \$40 million, or 44 percent, to Los Alamos County and \$50 million, or 56 percent, to the state. Communities outside of Los Alamos County have lost tax revenues as a result of the changed tax status; however,

the losses are difficult to quantify.

Recently, LANS announced a \$175 million budget shortfall and a major cut in jobs — up to 600, with more expected in the future. The job cuts will primarily target contractors and maintenance personnel, not LANS employees. These cuts have shocked a fragile economy and disproportionately impacted communities outside of Los Alamos County.

During this legislative session, Gov. Bill Richardson and the New Mexico State Legislature have an historic opportunity to invest a share of the lab's tax revenues in northern New Mexico. Area local governments lead by Española Mayor Joseph Maestas are backing legislation to create a

fund to invest \$20 million per year for seven years — the initial LANS contract period — for economic development projects that will build a sustainable economy. Building an economy for northern New Mexico that substantially closes the gaps between the haves and have-nots can only happen through such equitable, substantial and sustained investment. The time is now to address the needs of northern New Mexico! New Mexico cannot move forward while northern New Mexico lags behind!

By Mayor Joseph M. Maestas, Española; Mayor David Coss, Santa Fe; Commissioner Felipe Martinez, Chairman, Rio Arriba County Commission; and Commissioner Charlie Gonzales, Vice-Chairman, Taos County Commission