

Schools, hospital butt heads in county tax fracas

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At a meeting of the Taos County Board of Commissioners Tuesday (April 17), education leaders from Taos County turned out en masse to deliver a unified message that funding for the struggling Holy Cross Hospital should not be taken out of the budgets of local schools and the community college.

But the forceful message came several years early due to a miscommunication between officials at Taos County and school district administrators.

The tax at the center of the controversy is a half-cent gross receipts tax, or sales tax. Voters approved the tax many years ago to bankroll the construction of the current Holy Cross Hospital.

After the hospital was built, the electorate later voted for the tax to go to capital improvements at schools in Taos, Questa and Penasco, as well as the University of New Mexico-Taos. Voters reauthorized the tax for 10 years in 2012, leading to a bond sale that generated about \$22 million, which was distributed to each school based on its enrollment.

In the past five years, the tax has helped pay for renovations to Taos High School, the former Taos Convention Center that's now leased to UNM-Taos, Padre Martinez Hall, the community college Klauer Campus and smaller capital projects, such as a middle school building at Anansi Charter School.

Now at the halfway point of the tax period, another round of bonds are ready to be sold, meaning schools could get another \$10 million out of the tax.

School leaders have been meeting for several months with their financial advisors from George K. Baum and Company, an investment bank, to plan for the next round of bond sales. Under their timeline, the Taos County commissioners, who must pass a resolution approving the bond sale, would have acted during the Tuesday meeting, leading to cash hitting the schools' bank accounts in early June — just in time for summer break and major renovations.

Also in the past several months, county, town and hospital leaders have discussed the future of the half-cent tax. Their focus has been whether it should stay a source of school facility funding or, as has happened in the past, be redirected to other purposes. One idea is to bolster the nonprofit hospital that earlier this year went through layoffs and has broached the idea of tapping into another tax to help meet payroll.

Last week, when Taos County Manager Leandro Cordova read through the proposed resolution concerning the upcoming bond sale, one provision gave him enough pause to hold off on having the board of commissioners move ahead; it included the schools' financial advisor as the underwriter, the company that's hired to handle selling the bonds. Baum and Company was the underwriter of the last bond sales, but Cordova said it was the county's responsibility to shop around in order to get the most benefit out of taxpayers' money.

Cordova called superintendents from Penasco and Taos Friday afternoon (April 13) to raise his issue with the resolution. But he also told them of the ongoing conversations about the future of the tax, including the possibility of redirecting funds to the hospital.

“That’s where the message got really confused,” Cordova told *The Taos News*. “I would never go against the will of the voters.”

The calls caused a panic among educators who were banking on getting their share of the next \$10 million toward the beginning of summer break. Emails went out among the superintendents, charter school directors and even the Taos County Chamber of Commerce encouraging people to show up and speak out against moving any money away from schools.

While several people acknowledged that both the hospital and the schools serve “vulnerable populations,” educators were resolute in their defense of funding for capital improvements and equipment.

“We can’t afford to lose a dollar,” Anansi director Michele Hunt told *The Taos News* .

While Hunt said she’s grateful the bond money will soon be disbursed to schools and appreciates the county manager’s diligence in spending “our taxpayer dollars...most efficiently,” she’s also disappointed about the delay.

Not only could the extra month hold up needed improvements, such as replacing parapets to avoid a leaky roof, but it could also drive up the overall costs of those improvements.

Cordova told *The Taos News* that at the end of the day, education and county leaders were “at the same table”, initiating a discussion that would have needed to happen in the coming years.

While the conversation about the future use of that pool of tax money is underway, it looks like it’ll be a bumpy ride.

“It’s clear the community is going to have to make a decision about Holy Cross Hospital and...how important of an aspect it is to our community,” said Commissioner Tom Blankenhorn.