

**Guest Editorial**  
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## **Budget Process Messy but Important**

Many New Mexicans are aware the legislative session is about to start. They might even be aware that, because this is an even year, the session is 30 days long and focused on finance. But many others have only a general understanding, or perhaps no understanding, of terms like recurring appropriation, capital outlay, or general fund.

The budget process is complex and often confusing even to those directly involved in planning for the state's financial future. Money comes into state government from numerous sources, including taxes, special fees and the federal government. It is returned to New Mexicans through services, big projects like highways, and, sometimes, through tax incentives to businesses and tax breaks for the poor. Unlike federal lawmakers, state lawmakers are required to balance this process. While the state can borrow money through the sell of bonds for big, one-time projects, it is constitutionally forbidden to borrow money for ongoing expenses, like paying school teachers.

At the heart of the development of the budget is a legislative process that starts with proposals from both the governor and the Legislature and ends with a spending plan that is acceptable, more or less, to both. New Mexico is unusual in that the Legislature as well as the governor propose spending plans, a characteristic that reflects the state constitution's intent to make the Legislature the branch of government most responsible for financial decisions for the state. The budget bills – the bulk of the plan is in one bill but the final law incorporates numerous proposals and can be several different pieces of legislation – are heard in various committees, where the public has the opportunity to testify. The plan that becomes law must win the support of both a majority of the House of Representatives and the Senate and survive the governor's veto. Once the spending plan is law, the executive agencies operating under the direction of the governor have the primary responsibility for fulfilling the intentions of the plan and spending the taxpayers' money efficiently and effectively.

With 112 lawmakers intent on representing the needs and concerns of the people who elected them and a governor with his own agenda, this process can be contentious. From an outsider's perspective, it can look like just a lot of politics with little consideration for the actual people of New Mexicans. But this political wrangling that looks so messy from the outside is an important part of the process of balancing the needs of the farmer in southern New Mexico with the businessman from Albuquerque, the single mother struggling to keep her kids healthy and happy and the elderly retiree worried about whether his pension will survive. It is because it is contentious that it works.

Putting together a spending plan is easier some years than others but it is rare that the state has enough money to take care of all but its most important obligations. Although the media is reporting surpluses, it is important to remember that a surplus is often from iffy sources, like the volatile oil and gas industry, and inappropriate for ongoing expenses. The state must be cautious when it commits to long-term costs, like tax cuts and new healthcare services, because it is difficult and painful to increase taxes or cut off

important services when the money dries up. Budget makers must look not only at what we can afford today but also at what we can afford to continue for years to come.

The Legislative Finance Committee has drafted a budget recommendation that anticipates a forecasted drop in the growth of state revenues and emphasizes meeting existing commitments over new initiatives. The state has invested heavily in badly needed public school reforms still being implemented and many state agencies are struggling to provide basic services. These ongoing needs must be addressed first. The recommendation prioritizes education, health care and public safety because economic growth is not possible without quality of life. The Legislative Finance Committee is the starting point for the state spending plan and this year it is a particularly strong starting point.

For all its mystery, the budget-making process is dependent on the participation of the people of New Mexico. State lawmakers need to know what is important to you. I invite you to come to Santa Fe to learn more about the process and help us make the decisions that will affect our lives, the lives of our children and the future of New Mexico.

*Senator Campos has been a member of the Senate Finance Committee for nine years. The senator for parts of Guadalupe, Mora, San Miguel, Santa Fe and Torrance counties, Campos is also a member of the Information Technology Oversight Committee, Legislative Ethics Committee, Legislative Council and Legislative Finance Committee.*