

November 16, 2020

Forward

Someday, maybe in a few months, we will meet friends at packed restaurants, kiss our kids goodbye as they leave for school, hug our grandparents. When we do, New Mexico will be well-positioned to move confidently forward. New Mexico, so often buffeted by economic windstorms, is weathering this hurricane from a solid financial foundation. The world might have turned upside down while we were hunkered down, but we won't have to start from nothing.

This time last year – what feels like a lifetime ago – New Mexico was in the middle of an oil-fed financial boom. Many policymakers wanted to spend the surplus on services. Others wanted to return it to taxpayers. In the end, we developed a sound budget that increased spending for schools and healthcare, invested in the state's infrastructure, and set aside a hefty 25 percent of planned spending in reserves. New Mexico, highly dependent on oil and natural gas for state revenues and economic growth, has a long history of booms and busts, and lawmakers knew it was only a matter of time before the strong oil market collapsed. Strong reserves would cushion the blow of a financial downturn.

And it worked. Knowing we had reserves allowed us to breath when the pandemic and an oil market plunge crashed the economy, seemingly overnight. Strong reserves made it possible to carefully cut back spending, rather than hack away at critical services for vulnerable New Mexicans. Bolstered by federal stimulus funds that have propped up employment and consumer spending and a muted but faster-than-expected recovery in oil and gas prices, the New Mexico economy is poised for progress. Notably, our reserves remain strong, ready for another rainy day.

Going forward, at the direction of the governor, state agencies are submitting budgets 5 percent under current spending and identifying their highest priorities to continue to provide essential services to New Mexicans.

In addition, New Mexico has bonding capacity and one-time money that can be spent on road construction and other capital improvements and fire trucks, school buses, and other equipment to stimulate the economy, improve services, and restore infrastructure.

Finally, another federal stimulus package is in the works and is likely to include expansions for federal facilities, like the national laboratories, support for states and local government without the limits placed on the pandemic aid states received this summer, additional supports for business, and a continuation of unemployment and other benefits for individual New Mexicans.

We must capitalize on those supports to help us address ongoing concerns. We must develop new strategies for supporting struggling businesses and struggling families, with low-interest lending programs that will help young adults buy their first homes and help small businesses survive until customers return and ensure they thrive when the doors reopen.

We must leverage federal assistance to build broadband infrastructure that recognizes we have a new economy, one in which many businesses realize their employees can be anywhere and still produce, one in which the beauty and culture of New Mexico is as much a draw to business as proximity to economic hubs. Most of all, we need reliable Internet available to every child to ensure those who have less don't fade from the system should we face another public health emergency like this pandemic.

Further, it's time for the Senate to have a committee dedicated solely to the issues of health and human services in our state. When we invest in our people, we invest in our future. We need healthy communities and healthy people if we want a healthy economy.

New Mexico is ready. Using the same judicious approach that shielded us from the worst of the financial crisis, New Mexico will be able to continue to improve access to healthcare, improve our quality of life, and take care of our children, from birth through college.

¡Siempre Adelante!