

Challenges and Opportunity Await New Mexico

By Senator Pete Campos

New Mexico, like virtually every other state, remains firmly in the grip of an economic crisis that has shaken the world and the nation, right down to our state and our community. While there are credible signs that the overall economy is already improving, there are just as many signs that state government's finances have not yet made that turnaround and will not for several years.

The legislature and the governor, who have already cut budgets, shifted money, used federal stimulus money to shore up the state budget and delayed expenses to keep the state's treasury in the black, will be forced during the 2010 legislative session to do even more. Tax increases and massive spending cuts will be necessary as we confront this unprecedented challenge.

These are difficult choices, and we recognize that our decisions will have real and immediate impacts on our fellow New Mexicans. Now, more than ever, it is critical that we bring people together to address the issues for the common good, not the political expediency of a few. The state government's fiscal situation is bleak, and the facts are unyielding: recurring tax revenue for the current fiscal year is expected to be \$4.8 billion — 20 percent less than what was collected just two years ago. Unemployment is approaching eight percent. We have lost tens of thousands of jobs across the state since the recession began, confirming the fact that New Mexico is in the midst of the deepest and longest recession since World War II.

New Mexicans have already made considerable sacrifices. Some state services have been cut or put on hold, inconveniencing the public and in many cases denying important services to those who need them, such as a state-sponsored health insurance plan for employees of small businesses. State workers, like their counterparts in the private sector, have not received raises, have had their take-home pay cut, have been furloughed and, in some cases, have lost their jobs. And state approval for projects intended to improve the quality of life in communities throughout New Mexico has been canceled.

Unfortunately, we citizens will all be asked to sacrifice more. But we must commit

ourselves to the principle that this shared sacrifice will not be shared equally. Those who are able must be willing to sacrifice more for the benefit of our children, who deserve the best education possible, and for the benefit of our elders, the physically and mentally ill and those less fortunate, who deserve basic care and to live with dignity. We cannot risk cutting public school spending so much that we damage our children's futures and our long-term hopes of economic recovery. We must not turn our backs on those New Mexicans who cannot afford health care insurance or who are disabled, chronically unemployed or suffering from mental illness.

At the same time, we must be cautious to avoid inadvertently halting the state's fragile economic recovery by sharply raising taxes or fees that cause consumers to spend less money or businesses to hire fewer people. Any tax increases we consider, especially those on the sale of goods and services, must be temporary, lasting just long enough to get us through this crisis. And we cannot afford to cut state spending or public employees' salaries so much that we hurt our economy, which depends on consumer spending. We should reinvest time, effort and resources to rejuvenate our small businesses and our public schools — the keys to a healthy work force and a healthier economy.

We have reason to be hopeful. Health care reform is coming and with it the promise of a brighter future. New Mexicans, like all Americans, have retrenched by spending more wisely, becoming more frugal and gaining an understanding of the shared sacrifice necessary to overcome this challenge. We are finding strength and comfort in our families and the simpler pleasures of life.

State government will also retrench financially, helping to ensure a sustainable future. With this will come growing consumer confidence, which will ultimately fuel our economic recovery.

This year, and this decade, can be one of progress, one that we will look back upon and savor for bringing the most massive economic transformation since the Great Depression. By working together, we can overcome this challenge.