

**Hard Truths Demand That We Set Aside Political Differences;
Compromise Required to Set New Mexico Back on the Right Path**

By Senator Pete Campos, Ed.D.

New Mexico faces an economic crisis — not a budget crisis — that can be solved, but not easily, quickly or cheaply.

We have not recovered from the Great Recession of 2008. Wages are up slightly in New Mexico, even considering inflation, but the number of jobs is well below pre-recession levels, and the state's population is essentially unchanged since 2010, as people in their 20s and 30s move to other states in search of work. This is all reflected in the state's budget, which is, as expected, about the same as it was in 2008.

Our current budget shortfall is not the *problem*; it is the *result* of the problem. The problem is complex and requires us to accept the hard truths that our schools must have the resources they need to produce a quality workforce, our roads must support the efficient movement of goods and customers, our communities and streets must be safe enough to encourage people to move to and remain in New Mexico and our communities must have the infrastructure and amenities necessary for a good quality of life.

The hard truth is that blue skies, wide-open spaces, a unique cuisine and an unhurried lifestyle are not an economic development plan. The other hard truth is that we cannot solve these problems by sticking to our talking points and campaign slogans.

We must set aside political rhetoric and honestly discuss potential solutions, seek compromise and take a long-term perspective to fix what ails us. Hiring freezes and layoffs and diverting money from one account to another may start the discussion, but they will do little to solve our underlying problems. We need to make education, public safety and health care our top priorities and ensure that we have a reliable revenue stream to pay for them.

If we're going to commit to anything, let's commit to having an open, frank discussion of all available options, including:

1. Reforming our tax system, something we've been talking about for decades but have failed to do. Our system needs to be simple, consistent and progressive, so that those with less wealth pay less in taxes. It needs to produce the revenue state government needs to properly run our schools, keep our communities safe and ensure that our residents are healthy. It must not

favor certain people, businesses or industries over others. It must take into account the fiscal relationship among the state, county and municipal governments.

2. Raising taxes, without euphemistically calling tax increases "revenue enhancements" or "user fees" or "elimination of tax credits or deductions". The State of New Mexico needs to spend more money to improve the education our children receive, keep our communities safe, build roads and infrastructure and keep people healthy. It takes money from a progressive tax system, in which those who earn more pay more, to do that. The sooner we can agree on that simple but hard truth, the sooner we will end this crisis.

3. Cutting spending. While we have cut spending dramatically, it has not proven to be enough. Like the families we represent, state government must live within its means, and we cannot afford to buy everything that we need or want right now.

4. Freeing up earmarked state funds for education, health care, public safety and infrastructure — proven long-term drivers of a solid economy. Earmarking revenue streams for specific programs is bad policy that hampers the ability of policymakers to make the tough decisions necessary to allocate funds to where they are needed most each year.

5. Reevaluating our current economic incentives with an eye toward channeling a portion of those funds to help small businesses in rural communities and impoverished neighborhoods of our larger cities and towns.

6. Strengthening our relationships with the federal government and Mexico. Rather than look upon our past dependence on federal spending as the cause of our current economic woes, we need to recognize the benefit that we gain from federal spending. New Mexico's military bases and national laboratories are huge economic engines, and the business spin-offs created have helped us stay afloat. Similarly, improving our relationships with Juarez and Chihuahua have already proved beneficial, and we need to continue those efforts.

If we hope to position New Mexico to generate more jobs so that state government can provide the services needed to support a diverse population, our state's leaders must be willing to do more than simply plug holes in the budget; we must plan for and take bold steps now toward a brighter future.