

Today's Budget Realities Could Help Us Prepare for the Future

By Senator Pete Campos

Before the 2016 legislative session even began, lawmakers in Santa Fe began to tackle our number one priority every 30-day session: developing a responsible budget that funds state government services, including education, while staying within our means. In good years, when oil and gas revenues and a robust economy helped revenues outpace spending from the previous year, the state enjoyed what is known as "new money", or money that we did not have last year. New money is a great way to fund new initiatives, new programs and new ideas. The only real difficulty is the influx of plans for spending it, and the reality is that some new things get funding and some don't.

There is talk this year that none of that will matter, as many indicators suggest that this will not be a good year for New Mexico's economy. It is true that as oil prices continue to plunge, the amount of new money available this year will continue to shrink, and there is some chance that there will be none at all. As I walk through the halls of the Roundhouse, it doesn't take long to find someone who thinks the sky is falling. However, I think some of those people are missing the bigger picture. It's as if they have chosen to fixate on a scratch on the wood floor, rather than notice the beautiful living room they're standing in. Well, New Mexico is that beautiful living room, and we are being presented with a unique opportunity to do more than just fix the floor. This is an excellent time for us to reexamine how we develop our budget and to think about just how much we depend on a relatively small number of sources to fund state government, like oil and gas revenue and an increasingly problematic tax code that provides far too many exemptions.

Other voices in the Roundhouse are calling for a focus on public safety and compliance with the federal Real ID Act this session. They want to stiffen penalties for some crimes and even create some new crimes. I recently outlined a sensible approach to Real ID in another article, and following that approach and not unnecessarily politicizing the issue, can be accomplished fairly quickly. I also want to be clear, as a former mayor of a city, I know what it takes to help keep a community safe, and I am fully aware of just how important public safety

issues are. I am a firm believer in holding criminals accountable for their actions. Still, I think the voices trying to make those issues the focus of a budget session are missing a larger point. To be clear, public safety issues are certainly important, and I am as committed as anyone to ensuring that our streets remain safe. Still, I think these voices miss the point, too. In many cases, criminal behavior results when people believe they have no other choice. The most desperate people I have ever encountered are those with no job, no money and no hope, and desperate people can be capable of anything, even heinous crimes. I believe that getting a handle on our crime problem has more to do with providing opportunities to people, rather than punishing them. Reinvigorating our economy, through education and job creation, will likely do more to prevent crime than stiffer penalties will. I especially think that vocational education, which provides an opportunity for people to learn a trade that pays well, is a viable path toward a better-trained workforce for New Mexico.

Along with job creation, development of a budget remains our most pressing priority. Like a household budget, we know that there are no discretionary funds and that we must fund the essentials. Funding public employees is an essential part of the budget. Without public employees, there are no government services. While the governor's budget proposal calls for targeted raises for educational and public safety workers, I believe that all public employees deserve better compensation. I especially think that our female public employees deserve to make at least as much as their male counterparts. One of the things we have begun to see in New Mexico is the migration, often out of state, of people from public sector jobs to private sector ones that pay similarly.

In developing a budget this year, we have to be forward thinking and establish a direction for the next several years. Oil and gas revenue will always play a part in our revenue picture, but we have to find ways to move away from so much dependence on it, so that market volatility does not throw the whole budgeting process into chaos. There are numerous ways we can begin to do this: the film industry, renewable energy, agriculture and small businesses should all play a part in helping to diversify our economy. Prioritization, efficiency, stability and innovation should be the cornerstones upon which we build our budgeting process. While we learned valuable lessons during the 2008 financial crisis, we still have a long way to go, and we will not

be able to sweep unspent resources time and again to make up for shortfalls. Now is also the time for state agencies to evaluate their own budgets, as it would be better for them to make tough choices about what to prioritize than to have the legislature do it for them.

This is not a time for blame or to say whose budget is right. Instead, this is a time to roll up our sleeves, identify those essential state government functions and fund them appropriately. Education and public safety employee salary increases must be considered, but all public employees have to know we support them. I have witnessed the hard work of our state agencies, and I know that there are good, hard-working people in each of them. We will have to use every penny appropriated with prudence, wisdom and an awareness that a budget has to be more than the sum of its parts, of its dollars and cents. It is a blueprint for next fiscal year's spending, yes, but it also has to look forward, away from overreliance on too few revenue sources poured into inefficient processes that do not get the most out of the limited resources we have. This session is an opportunity to see the bigger picture, to develop a budget that makes the most of our best qualities. We should see our beautiful living room and not to get caught up looking at the scratches on the floor.