

State of New Mexico

Legislative Council Service

411 State Capitol, Santa Fe, New Mexico 87501

(505) 986-4600 Fax: (505) 986-4680

Information Memorandum

DATE: February 11, 2013

DISCUSSION DRAFT

TO: Senator Pete Campos

FROM: John Yaeger

SUBJECT: ECONOMIC DEVELOPMENT — OP-ED

You have requested an op-ed regarding New Mexico's economy expressing the point of view articulated below. The following information is submitted in compliance with that request and does not necessarily reflect the opinions of the author, the New Mexico Legislative Council or any other member of its staff.

Putting New Mexicans to Work: Short- and Long-Term Solutions

By Senator Pete Campos

The Great Recession hit New Mexico especially hard and, even more troubling, our recovery is extraordinarily slow. We must commit ourselves to both short- and long-term solutions that will put New Mexicans to work.

While there is no quick fix that will restore the 50,000 jobs New Mexico lost in the last four and a half years, there are several steps we can take that will have the immediate effect of putting people back to work and supporting our long-term recovery efforts.

- * Approve public works legislation worth hundreds of millions of dollars to immediately boost construction employment, increase sales at construction material, building furnishings and equipment businesses and spark renewed consumer spending by all of those employees and their family members. Legislation to do exactly that – House Bill 337 – is working its way through the legislative session.

- * Boost state government hiring and raise public employee wages and salaries. New Mexico state government employment is down and workers haven't received pay increases since 2008. The effect is dramatic – not only does New Mexico's economy suffer because there are fewer jobs and decreased consumer spending, but state services to New Mexicans have declined as fewer and less motivated workers are providing those services.

- * Authorize temporary expenditures from New Mexico's permanent fund to shore up the budgets of necessary programs without raising taxes. Just as families dip into savings accounts when times are tough, state government should be willing to spend a little from its \$11.5 billion permanent fund to get through this recession.

- * Boost tourism by advertising and ensuring that local communities are attractive as destinations to out-of-state residents.

While these short-term solutions will help now, they are not sustainable over the long haul. Other solutions, none of which will show immediate results, are necessary if the state is to recover the jobs it has lost in the last several years.

- * Invest in ourselves by supporting early childhood programs, reforming our public school system and ensuring that our community colleges, and four-year colleges and universities, have the resources they need to improve the quality of New Mexico's work force. The ability to

hire educated, well-trained and reliable workers is the number one consideration that investors, business owners, executives and managers consider when making decisions about where to expand or relocate. These investments will not be easy or inexpensive and will require broad cooperation and collaboration. We will not advance as a state if we do not accept the fact that keeping kids physically and mentally healthy, helping them to learn at an early age and ensuring that they continue to gain knowledge and skills through high school is key to our economic and social success. Employers will not locate or expand in New Mexico if our colleges and universities do not produce workers with the skills, training, education and work ethic that employers demand. Parents, policymakers, students, educators and employers share this responsibility.

* Update and adhere to a statewide water plan. New Mexico is a desert state and we are experiencing the worst drought in decades, one that isn't showing any signs of abating. We cannot change the weather, but we can ensure that we have an accurate inventory of our surface water and ground water supplies, that adjudications of water rights proceed expeditiously and that we explore more aggressive and innovative conservation policies and water importation strategies.

* Continue the improvements we've made to the process of identifying, vetting and funding public infrastructure projects. Wise capital outlay investments can make a tangible difference in our economy and in the quality of life enjoyed by New Mexicans; poor decisions tie up valuable dollars and erode public confidence in government.

* Examine New Mexico's tax system to ensure that it treats taxpayers fairly, raises the revenue we need to properly fund early childhood programs, public schools and higher education and does not hinder economic development.

We must act now to bring jobs back to New Mexico.