

Reaching a compromise for a better New Mexico

Written by By State Rep. Patricia Lundstrom, D-Gallup
Friday, 23 February 2018 07:45



The art of compromise

SANTA FE – I was once told that a good compromise is when each side is not happy with the deal, but they can live with it. I think that explains where this year’s budget ended up, and I am satisfied with our work to reach this compromise.

As the chair of House Appropriations and Finance Committee, it is my responsibility to provide a balanced budget that reflects the priorities and needs of New Mexico and the critical investments that will raise the bar and better the lives of all New Mexicans. Just one year ago, our state found itself nearly insolvent, leading us to make difficult decisions and cuts across all agencies.

I am happy to report that our revenues have exceeded expectations, putting us presently in good shape. These gains are largely contributed to production and pricing in the oil and gas industry. I recognize that while this windfall is a blessing, it would be risky to increase the budget, substantially betting that this trend will continue. So, I spearheaded the following fiscally-conservative framework:

Budget. We made critical investments in the overall budget by back-filling agencies that were cut last year, but only increased the state’s total budget by four percent. This increase virtually matches the executive’s recommendation. Unlike what you see in the toxic Washington, D.C. environment, my committee reached consensus on our budget, reflecting bipartisan compromise and our ability to work across the aisle to reach a deal.

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Reserves. A key priority was to restore our state reserves. Our budget puts over 10 percent into reserve to hedge against potential boom and bust cycles and federal impacts on our state. We also put \$16 million into the rainy-day fund.

Public Education. A second priority is making gains in education. This budget increases classroom spending by \$69 million dollars, boosts teacher salaries, and makes critical investments into early education, where data shows us we can bend the curve and increase success rates.

Healthcare. A third priority is securing healthcare coverage to all New Mexicans, especially for our children and elders. This budget increases Medicaid to a total of \$930 million. We also have increased the Health Department budget to address rising costs and the waiting list for the developmentally disabled, and the Children, Youth, and Families Department for childcare, protective services, and domestic violence prevention statewide.

Compensation. Lastly, we have not provided a raise to any state employees since the Great Recession of 2009. With these increased revenues, we felt it prudent to provide a modest two percent increase for state employees. Further, we made additional raises for those that provide us with public safety, including our state police, prison guards, parole officers and district attorney staff.

During the budget hearing process, some were very disheartened to hear that while Albuquerque receives the press coverage on its crime issues, the city of Gallup per capita has the highest crime rate in the state.

Finally, my constituents have impressed upon me the need for state and local road funding, so our budget includes \$80 million to improve our roads, bridges, and transportation facilities.

Compromise. Crime and how to pay for fighting it drove the biggest divide and obstacle to reach political peace. After the House passed our version of the budget on a vote of 65-3 on Jan. 31, the Governor's Office was quick to call it "soft on crime." So, in its version of the budget, the Senate ratcheted up funding for the District Attorney's Office in Albuquerque as well as pay raises for state police officers.

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The Senate version also restored some of the funds cut from school district fund balances last year that were needed for solvency. The House declined to accept those changes. With the two chambers at odds, three members from the House and three from the Senate met to forge an agreement. Compared to the version approved by the Senate, the compromise budget would give back to schools less of the money cut from districts last year. The Senate voted to return about \$10 million of the roughly \$41 million clawed back from school districts' reserves in 2017. Again, to be clear, this funding was reserves and not being used in the classroom.

The compromise provides half as much, or about one-eighth of the money taken. The House had approved \$60 million for improving state roads and \$20 million for improving local roads. Senators pared that back to \$34 million, kept the \$20 million for local roads, but added \$10 million for improving rest areas.

The compromise version of the budget provides about \$44 million for state roads and \$4 million for rest areas. I had backed higher funding for roads, arguing it would provide an economic stimulus to the state. I believe that not only are road and highways in need of upgrades, but this is a strategic investment of one-time funding to jump-start our economy.

Only 13 House members voted against the final version of the budget, which showcases bipartisan support and that we forged an effective compromise.

OTHER HIGHLIGHTS FROM THE SESSION

Again, just to recap, the focus in a 30-day session is creating a balanced budget that reflects the priorities and needs of New Mexico and the critical investments that will raise the bar and better the lives of all New Mexicans.

The budget restored our State reserves to over 10 percent, increased classroom spending, provided much needed raises and increased Medicaid support.

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Specific measures that I fought for included:

Workforce Education and Training (House Bill 208): Providing funding to develop a local pipeline of workers to benefit from cleanup related to uranium legacy sites.

Public Project Revolving Fund Projects (House Bill 99): Authorizes the New Mexico Finance Authority to provide loans to 109 local governmental entities.

Criminal Justice Taskforce (House Memorial 16): Requests a taskforce be established to tackle New Mexico's crime epidemic, including Albuquerque and Gallup.

Tribal Community Needs (House Memorial 75): Requesting state agencies, tribal advocacy groups and tribal communities to create policy and Native American agendas.

This Session, we received limited capital outlay that I prioritized and focused on critical infrastructure, including power line extensions, road projects, and senior center vehicles in the Rock Springs and Twin Lakes chapters, as well as funding to plan a new regional senior center in Gallup and a major expansion of the Twin Lakes senior center.

With many of my colleagues in the region, we also fought hard to put over \$7 million of higher education projects in the general obligation package, including Navajo Technical University, UNM-Gallup, San Juan College and Diné College. The House also promoted over \$120 million in funding for local and State roads and bridges without increases to taxes, which could be used to match a federal infrastructural package.

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