

Legislative committee recommends \$7 billion budget for N.M.

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Top lawmakers on Monday rolled out a proposed \$7 billion state budget that would include \$600 million for public works projects around New Mexico as the government's coffers swell with a windfall of revenue from an oil and gas boom.

The Legislative Finance Committee's proposed budget would mark almost an 11 percent increase in spending by the state. That is less than what Gov. Michelle Lujan Grisham has proposed in her own version of the state budget, which would raise spending by about 13 percent.

But as lawmakers prepared to convene Tuesday for a 60-day legislative session, leaders indicated they are not far off from an agreement with the new governor when it comes to some spending on the issue that is sure to dominate the agenda: education.

Faced not only with a judge's order to develop ways of improving education for many of the state's most vulnerable students, but also with a bright financial outlook in the short term, legislators echoed Lujan Grisham's call to greatly increase funding for New Mexico schools.

"Gov. Lujan Grisham has called for a moonshot on education," said Senate Majority Leader Peter Wirth, D-Santa Fe. "Today, you are seeing the first steps towards that moonshot."

Republicans in the House of Representatives were cool toward the amount of additional spending proposed by the governor and the legislative committee.

Rep. Jason Harper, R-Rio Rancho, called the levels of recurring spending proposed by the governor and Legislative Finance Committee “a disaster waiting to happen” if when revenue from oil dwindles.

Pointing to past cycles of booms, busts and budget cuts, Harper said: “Politicians are often accused of having no memory and not caring about the future. This is both.”

The Legislative Finance Committee’s version of the budget would dedicate an additional \$416 million to public schools, a nearly 15 percent increase.

This would include \$113 million targeted towards students at risk of failing because of poverty, lack of proficiency in English or factors such as a lack of housing.

The committee is also proposing nearly \$120 million to extend the K-3 Plus program to students in fourth and fifth grades, as well as \$60 million for after-school enrichment programs.

And like the governor’s proposed budget, the committee is also proposing to raise the minimum salaries for teachers. Minimum pay would go from \$36,000 to \$41,000 for a level 1 teacher; from \$44,000 to \$50,000 for level 2 teachers; and from \$54,000 to \$60,000 for level 3 teachers.

The committee’s budget would provide a 7.5 percent raise to principals, a 6 percent raise to judges and a 4 percent raise for all other state, public and higher education employees.

The committee’s budget, though, would provide a slightly smaller pay raise for teachers — 5.5 percent compared to the governor’s proposed 6 percent. It calls for only 4 percent for school personnel, such as educational assistants.

Despite these relatively small differences, leading legislators said they are optimistic about working with the new administration to make education a priority in the session.

Still, teachers unions have argued for bigger increases than the committee has proposed in pay not only for teachers but for all school personnel.

And a lawyer for the plaintiffs in a civil rights lawsuit over funding for the state's education system said recently they would like to see lawmakers dedicate another \$1 billion to improving public schools.

"The Legislature and the governor have both built a spaceship capable of getting to the moon. I'm just not sure the fuel tanks are full," said Charles Goodmacher, of the National Education Association New Mexico.

Still, referring to a court's order in that civil rights lawsuit, Senate President Pro Tempore Mary Kay Papen, D-Las Cruces, said the proposed budget "addressed exactly what Judge [Sarah] Singleton has asked us to do."

And House Speaker Brian Egolf, D-Santa Fe, argued for viewing the sort of moonshot on education that the governor is talking about as a multiyear effort.

The governor's top budget official struck a conciliatory tone, too, following the administration's first Cabinet meeting, telling reporters that Lujan Grisham's proposed budget is not too far from the committee's proposed recommendations.

"I think we'll be able to negotiate this session and come up with a really good public schools budget," said Olivia Padilla-Jackson, secretary-designate of the Department of Finance and Administration.

The Legislative Finance Committee calls for leaving about 21 percent of the state's general fund in reserves. That is less than the 25 percent Lujan Grisham's budget targets, but far higher than recent years.

And the committee proposes using \$600 million in cash on public works projects such as roads and senior centers.

Tucked in the numbers, too, were signs of disagreement between legislators and the governor.

For example, Lujan Grisham is proposing to scrap the annual limit on the tax credits the film and television industry can get for bringing productions to New Mexico. The Legislative Finance Committee's budget does not account for that and the proposal will inevitably meet opposition from budget hawks, who fear scrapping the cap will mean the state goes from doling out \$50 million in tax credits a year to upwards of \$150 million a year.