

The New Mexico Legislature finished its main task of mending the state's huge fiscal shortfall Saturday, but the special session wasn't over as the House of Representatives still had work to do.

The Senate approved 30-12 a modified budget plan that uses a combination of spending cuts, reserves and federal funding to deal with a projected \$2 billion drop in state revenue for the next fiscal year.

"It's certainly not the perfect response, but it darn well may be the only response we can give right now," Sen. John Arthur Smith, chairman of the Senate Finance Committee, told his fellow legislators.

After approving the budget, senators adjourned — sine die in the parlance of the Legislature — and promptly left the Capitol, with several members eager to hit the road home.

But the special session continued. A long debate and dramatic revote on an election reform bill delayed the House's proceedings, and representatives said they would need to return Monday to finish.

The House still needs to take up a bill that calls for police to wear body cameras and another to provide loans to small businesses — legislation already passed by the Senate.

Legislative leaders originally had aimed for the special session to last three days and end by Saturday night.

The solvency effort aimed to fix a hole in next year's budget caused by the oil price crash and novel coronavirus pandemic. It was the main reason legislators convened at the Capitol for the emergency session, and the plan moved through both houses of the Legislature with relatively little resistance.

The bill, which was approved Friday by the House, now moves to Gov. Michelle Lujan Grisham's desk.

In February, lawmakers approved the largest budget in New Mexico's history, at \$7.6 billion, but only weeks later an oil price war and the COVID-19 pandemic put that plan in peril.

The revised fiscal year 2021 budget reduces spending by more than \$600 million, bringing the budget to \$7 billion. That's a greater reduction than the around \$450 million cut Lujan Grisham had advocated for.

The plan still increases spending compared to the previous year, but only by about 1.5 percent instead of the original 7.6 percent increase, Smith said.

If the bill is signed into law, educators will receive pay raises of 1 percent, while state workers who earn less than \$50,000 annually will also get a 1 percent salary increase. It's a significantly smaller raise, down from the 4 percent pay raises in the original budget that passed in February.

The Opportunity Scholarship, Lujan Grisham's plan to give New Mexicans free college tuition, would get \$5 million instead of the original \$17 million.

The revised budget reduces spending by 4 percent for most state agencies.

It also includes \$165 million in funding to help local governments that have their own coronavirus-related fiscal problems, with \$15 million of that sum earmarked for McKinley, Cibola and San Juan counties.

The plan kept intact most of the funding designated for the state's new trust fund for early childhood education, reducing that amount from \$320 million to \$300 million.

During the debate, the great majority of lawmakers voiced support for the budget plan, with all Senate Democrats voting in favor of it.

“My thought was, ‘Wow, it’s not as bad as I thought it was going to be,’ ” said Sen. Mimi Stewart, D-Albuquerque.

A number of Republicans voted in favor of the bill as well.

“I’m proud of supporting this bill,” said Sen. Gay Kernan, R-Hobbs.

Still, 12 Republicans voted against the plan, arguing the state should cut more spending to lessen the difficulties legislators are likely to face in crafting a new budget in January.

“We, with the public’s input, should have been able to do better,” said Sen. Cliff Pirtle, R-Roswell. “Here we are, not really cutting and getting to a point that is really fiscally irresponsible.”

Senators spent the bulk of Saturday on a memorial bill, praising and telling stories about the seven incumbents who lost their primary elections and will be leaving the chamber at the end of the year.

The Senate also passed House Bill 5, which would set up a commission to look into the issue of “qualified immunity” — a judicial precedent that makes it harder to prosecute police or other public officials in potential misconduct cases.

The chamber approved House Bill 6 as well, which would provide tax relief to residents and businesses impacted by COVID-19.

The legislation, which was already passed by the House, would temporarily waive interest and penalties for liabilities related to personal and corporate income taxes and gross receipts taxes. It also would double the temporary monthly distribution to local governments, sending more proceeds from online sales taxes to municipalities.