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House GOP urges caution as NM budget outlook is updated

Santa Fe – Today, the Legislative Finance Committee received an updated revenue outlook for New Mexico’s budget as the state continues under the forced economic shutdown imposed by Governor Lujan Grisham. The turmoil in the state budget began in mid-March 2020 when oil and gas prices and production fell dramatically; shortly followed by the first of several economic shutdowns that has created a fragile state economy.

The newest revenue estimates look more promising than those released in the earlier in 2020. New Mexicans should remember the Governor and Democrat lawmakers delayed calling a legislative session for months, until finally in June 2020, to deal with a then deepening budget shortfall and unprecedented unemployment across the state. In the first special legislative session, both Democrat-controlled chambers were forced to pare back their out-of-control spending that saw a \$2 billion dollar surplus vanish. The June special session slashed promised raises to teachers and state employees and used federal CARES Act funds to re-balance the overspent budget as required by the NM State Constitution.

“The problems New Mexicans face have not gone away, in fact they are compounded by the shutdown of our state economy, the burden of record unemployment, and thousands of disillusioned New Mexicans who cannot see the light at the end of the tunnel,” said House Republican Whip Rod Montoya (Farmington).

Days before Thanksgiving, and again following months of inaction by the Governor and Democrat lawmakers, a second special session of the Legislature was convened to redirect federal CARES Act funds which were originally allocated into the state budget during the June special session. In the November special session, CARES Act funds were pulled back out of reserves for grant funding to help floundering New Mexico small businesses and enhance assistance for New Mexicans on unemployment. Unfortunately, front line low-wage workers who make \$15 an hour or less were left out of the “back room” deal brokered between the Governor and legislative Democrats. Republicans in the House and Senate Republicans argued in their respective chambers that this hazard pay should be included in the relief package, however the proposal was ultimately rejected by Democrat legislators in a contentious partisan split.

“The only reason our state is close to breaking even is because of federal action, and not because of any real leadership being provided by our state’s executive and legislature. This Governor has shut down our economy and refused to support hazard pay for low-wage front line workers,” said House Republican Leader Jim Townsend (Artesia). “While the budget outlook seems less dire than initially forecast, but we cannot forget that Governor Lujan Grisham and Democrat lawmakers have spent billions over the past two years; what happens when the federal CARES Act dollars are not there to supplement our budget.”

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