

# NAIOP NM

**New Mexico Legislative Session  
February 28, 2011**

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# The Basics

## 50<sup>th</sup> Legislature

### Session Duration

2011 - 1<sup>st</sup> Session - Long - 60 Days - January 18<sup>th</sup> - March 19<sup>th</sup>

2012 - 2<sup>nd</sup> Session - Short 30 Days - January 17<sup>th</sup> - February 16<sup>th</sup>

## House Bills

HB 1 – “Feed Bill”

HB 2 – “General Appropriations Act”

Day 42 of the  
Legislature

Remaining Days

18

# Number of Bills Introduced by Legislators

1,283

**“No Tax Increase” Pledge and No  
Surplus Funds Has Reduced Bill  
Introductions**

# Number of Bills Passed by the Legislature and Signed by Governor

1

# Number of Bills Passed by the Legislature and Awaiting Governor's Signature

0

# State Budget Deficits

## FY 2011 and 2012

	<b>FY 2011 Total Budget Gap</b>	<b>FY 2011 Gap (as % of Budget)</b>	<b>Projected FY 2012 Budget Shortfall</b>
<b>Nevada</b>	<b>\$1.8 Billion</b>	<b>54.5%</b>	<b>\$1.5 Billion</b>
<b>Arizona</b>	<b>\$3.1 Billion</b>	<b>36.5%</b>	<b>\$974 Million</b>
<b>Colorado</b>	<b>\$1.5 Billion</b>	<b>21.5%</b>	<b>\$988 Million</b>
<b>Utah</b>	<b>\$700 Million</b>	<b>14.7%</b>	<b>\$437 Million</b>
<b>Oklahoma</b>	<b>\$725 Million</b>	<b>13.7%</b>	<b>\$600 Million</b>
<b>New Mexico</b>	<b>\$333 Million</b>	<b>6.1%</b>	<b>\$410 Million</b>

**Source: Wall Street Journal and Center on Budget and Policy Priorities**

# Budget Solutions in Other States

- **Government Employee Layoffs (Including Teachers and Professors)**
- **Slash Salaries/Benefits**
- **Furloughs**
- **Increase Employee Contributions to Health and Pension Benefits**
- **Cut/Eliminate Govt. Programs and Services**
- **Reduce/Cut Employee Collective Bargaining Agreements**

# New Mexico General Fund Recurring Revenue (\$ Billions)



Source: Legislative Finance Committee Report (Edited by RPI)

# Remedy for Past NM Budget Deficits

## *2009 to 2011*

### Revenue Side

- Federal Stimulus Dollars
- 1/8¢ Gross Receipts Tax Increase
- Dip Into Reserve Funds

### Expense Side

- Increase Employees' Contributions to Their Pension Fund
- Furloughs
- Reduce Number of Government Positions Through Attrition
- Government Agency Cuts/Belt Tightening (Including Education)

# Projected Budget Deficit

## FY2012

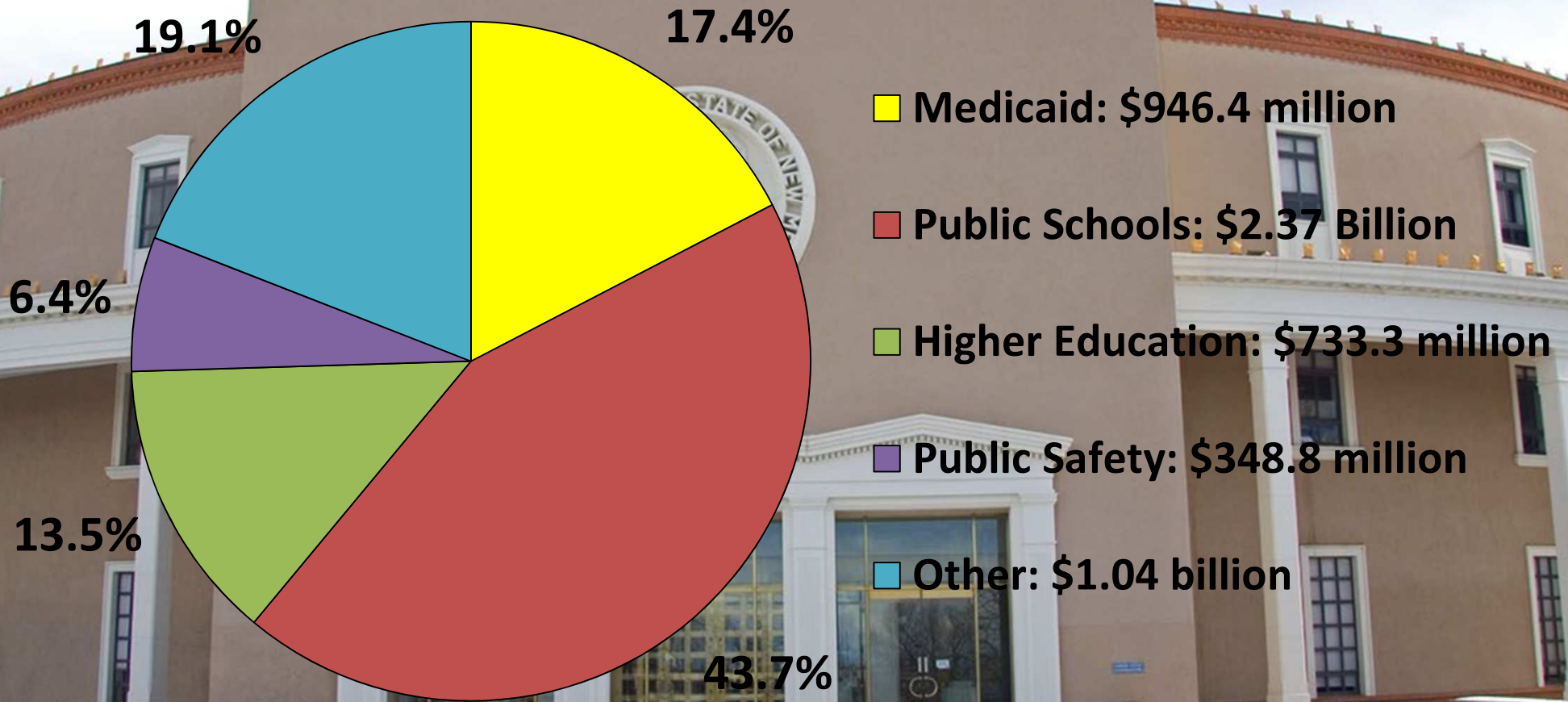
**\$200 Million ?**

**or**

**\$400 Million ?**

# FY2012 Recurring General Fund Appropriation

## LFC Recommendation: \$5.39 Billion



Source: Legislative Finance Committee Report (Edited by RPI)

# Proposed FY2012 Budget

**Governor**



**VS.**

**Legislature**

# Governor's Film Incentive Messaging

**“Subsidizing Hollywood”**

**VS.**

**New Mexico Classrooms and  
Healthcare**

# Governor's Top Priorities

1. No Tax Increase
2. Education Reform
3. Tough on Crime & Public Corruption
4. Reduce Government Regulations on Business/Environment
5. Suspend Issuance of Driver's Licenses to Illegal Immigrants
6. Reduce Scope of Film Incentive Program
7. Voter Photo ID
8. Minimize Government Spending Cuts

# Impact of 2010 General Election on State House Seats

## Number of Representatives

	<i>Democrats</i>	<i>Republicans</i>	<i>Margin</i>
<b>Pre-Election (2010)</b>	<b>45</b>	<b>25</b>	<b>20</b>
<b>Post-Election (2011)</b>	<b>37</b>	<b>33</b>	<b>4</b>

# Political Dynamics

**Republican Governor**

**House: Slim Democratic Majority (36 to 33 to 1)**

**Senate: Larger Democratic Majority (25 to 17)**  
*(But, Conservative Leadership)*

**Balance of Power Shifting to the Middle**

**Republicans Have Marginalized Democratic Power**

**Democrat Majority Playing Defense**

**No Extreme Bills (Left or Right) Will Become Law**

**Las Cruces/Roswell Clout**

# Governor's Legislative Style

Feeling Each Other Out

Tentative Start

Populist

Focused Message to the Public

Aggressive Communication Style Reaching Beyond Capitol Walls

Radio ads

Robo telephone calls

Flip video cameras

Personally testifying in committee

Strong criticism of APS

Strong intervention with New Mexico Gas Company

# Capital Outlay

**Approximately \$260 million bonding capacity for construction projects.**

**No deal yet on how to slice the pie.**

# **Unemployment Compensation Fund**

**Expenditures: \$930,000 per day**

**Projected Insolvency Date: March 2012**

**Likelihood: Combination Rate Increase  
and Benefit Cut.**



# Government Restructuring and Reorganization?

# Mood

**Respect and Recognition of the Budgetary  
Problems We Face**

**Conciliatory**

**Somber**

**Subdued**

**Flashes of Anger**

# Pace

**Slow/Sluggish**

**Special interest and social issue bills not gaining momentum**

**Bloggers' characterization:**

**“Two heavy weights feeling each other out”**

**Session: “Like a baked potato with nothing on it”**