

Senate Finance Chairman lays out fiscal challenges facing legislature

Written by gallupsun
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SANTA FE – Senate Finance Chairman John Arthur Smith spoke on the Senate floor Feb. 13 about the serious fiscal challenges facing the Legislature as it begins to tackle the FY18 Budget. Budget forecasts estimate that nearly 300 million new dollars will be needed in order to address the next fiscal year's shortfall and establish a responsible level of reserves.

Senator Smith's remarks, as transcribed, are below:

We believe that there will be a new revenue forecast on Wednesday, and hopefully, we will receive House Bill 2 (Budget) by the middle of next week.

I want to remind people that under the present revenues that we have, and if they do not change, we will need somewhere around 200-250 million new dollars to build reserves and plug some holes in the budget. We have a vacancy rate with corrections officers in the 32-35% range; we have a court system that we wrestled with for solvency in '17, and which will face the same problem in '18, and we have a Cultural Affairs division that is limping along and wondering if they are going to be able to complete the year in the present situation without a supplemental infusion.

You need to wrap your heads around it. We need \$200-\$250 million just to build any reserves. The '18 budget is virtually flat from '17. We still have a huge, serious problem. And we have

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not addressed the Medicaid issue.

We really don't know the extent of the downturn of with our revenues. We are hoping the new forecast numbers will reflect a leveling out. But it probably will not reflect an increase.

We have serious issues that need to be taken care of in next 32 days.

We still have to address the universities; we still have to deal with public education that's already reflecting the pain. As a result, hopefully, we can pull together and find some solutions working with the executive branch to do what is responsible, and still preserve our bond rating which is in deep trouble right now.



Courtesy of Victor Reyes, NMSD