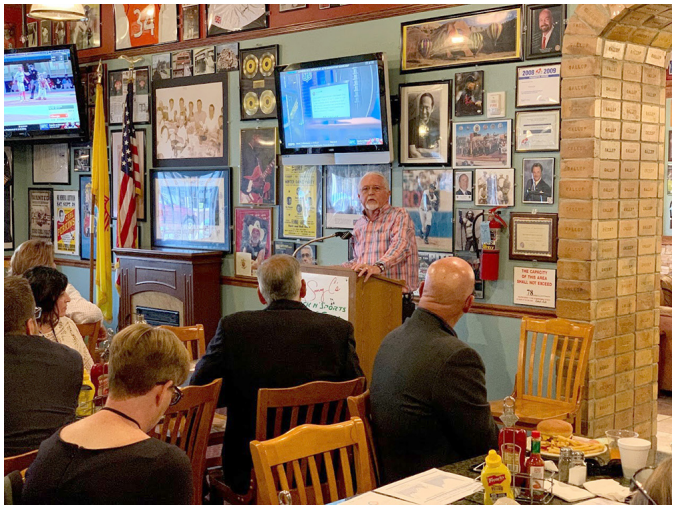
Written by By Cody Begaye Sun Correspondent
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Impact aid, other business opportunities discussed

Business owners in Gallup could be the catalyst to a number of changes in certain New Mexico policies and programs if they join together and work with business owners in other communities.

This was the idea presented at a business luncheon between the Greater Gallup Economic Development Corporation and members of the Albuquerque Chamber of Commerce.

The luncheon, held June 4 at Sammy C's Rock N' Sports Pub and Grille, was held to discuss the economic climate of Gallup and surrounding areas. The event was sponsored by the New Mexico Roadrunners, a program created by the Albuquerque Chamber of Commerce.

The New Mexico Roadrunners is comprised of 50 business leaders and CEOs from Albuquerque companies and organizations who travel through rural New Mexico communities to discuss methods of collaboration to solve challenges that those communities face.

Terri Cole, president and CEO of the Albuquerque Chamber of Commerce, said this is their way

of extending a hand of friendship to smaller communities, and that they chose to visit Gallup because of its location and business climate.

“We selected this part of New Mexico because of the importance of the oil and gas industry, the Navajo Nation, and the art and jewelry business,” Cole said. “This area is an important quadrant with Gallup, Farmington, and the Navajo Nation adding to the state’s economy.”

Other speakers at the luncheon included Rep. Patricia Lundstrom, D-Gallup, Sen. George Munoz, D-Gallup, and Mayor Jackie McKinney.

One of the issues discussed during the luncheon was the ongoing battle over New Mexico impact aid, federal funding provided to rural school districts that exist on federal land and thus do not receive as much tax support from the nearby rural community.

In the 1980s, legislation was passed that allowed the state to essentially take a portion of the impact aid given to rural school districts and redistribute those funds as they saw fit.

This allows the state to effectively favor the richer, more urban districts, Munoz said.

“Take Los Alamos for instance,” he said during the luncheon, “They’re one of the wealthiest counties in the state, but they’re getting a piece of poor counties by taking their impact aid.”

Previously, the *Sun* reported that Gallup-McKinley County Schools needed about $85 million to operate for one year, which would be provided by the state. But through the state’s impact aid laws that allowed them to take about 75 percent of impact aid amounts out of state funding, GMCS got $63 million from the state, effectively only receiving extra $7 million to operate for the 2018 school year.

Lundstrom said that one of the goals of meeting with the Roadrunners is to figure out how to recruit company owners to join the group and support local education.

She added that the local elected leaders fight tooth and nail for fair treatment and funding from the state because it is their main objective to focus on providing goods and services for Gallup residents and visitors.

“We put money into other city issues because we are a retail trade center,” she said.

When McKinney got to speak, he said the location and proximity of Gallup to other small towns and the Navajo Nation presents a bevy of unique business opportunities for the city and its residents.

One such opportunity comes from the amount of traffic Gallup sees on a daily and weekly basis.

“People commute through Gallup,” he said. “There’s a swell [of people] on weekdays for commuting to work, and there’s a swell on weekends with visitors.”

McKinney said that being able to provide goods and services and forming good trade partnerships with neighboring Native communities presents unique opportunities for Gallup.

He added that new business owners can find ways to capitalize on these relations.

“We can show people that Gallup is a great place to do business because of the swell of business every week,” he said.

Another reason for Gallup business owners to collaborate is to prevent another situation like the passage of HB 641 in 2013 by the New Mexico Legislature, McKinney said.

HB 641 was intended to reduce corporate income tax rates, but the bill was given little time for debate and revisions. The bill also did not receive enough time in the legislature to allow for public input, nor opportunities by legislators to consider its potential fiscal impact.

McKinney said the bill was passed without any idea of what it could mean for New Mexico.

After the bill was passed, the state's general fund went from earning $10 million in FY14 to a smaller profit of $5 million in FY15, to ultimately losing $100 million between FY16 and FY17, according to a report published in 2018 by New Mexico Voices for Children.

No one had stepped up to reverse the effects of HB 641 until now, McKinney said. He added that he believes business owners in the state would benefit from changes to the bill's policies.

"We can't afford it, and we're going to go down fighting [to change the bill]," he said.

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