

SANTA FE – Gov. Susana Martinez announced Jan. 10 her proposal to balance the state budget, which involves moving \$268.5 million from various state agencies.

"This is a responsible budget that reduces the size of government while at the same time protects the progress we've made in diversifying our economy, reforming our education system, and keeps our communities safe," Martinez said in a press release.

The proposal includes taking \$120 million from public education in funds that Martinez's press release referred to as "slush funds."

Sen. John Arthur Smith, D-Deming, told *NM Political Report* that the proposal is a "starting point for negotiation purposes," but that real discussions will happen in committee meetings once the legislative session begins next week. Smith, a fiscal conservative, also criticized Martinez's proposed sweep from public schools.

"I'm not as harsh on education as she is," Smith said.

Martinez also proposed a 3.5 percent "retirement swap," that would require state employees to pay more into their own retirement plans in order to avoid furloughs or wage cuts.

The swap, Smith said, shows how Martinez views public employees.

Gov. Martinez announces budget solvency plan

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"She has a disdain for state employees obviously," Smith said.

Smith did agree that the \$268.5 million is close to the amount the state should try and recover during the upcoming legislative session, but he said that moving money from schools will be "a real challenge" for the administration.

Smith said he doesn't yet have any tangible ideas for balancing the budget and emphasized that the Legislature still needs to fix last year's budget.

During the 2016 special legislative session, Martinez pushed for increased criminal penalties and battled with the Democrat-controlled Senate over crime bills as well as budget issues.

This year, Martinez will be up against a Democratic majority in both the House and Senate.

"She no longer has the majority she had on the House side," Smith said. "It's going to be completely different."

Rep. Brian Egolf, D-Santa Fe, who is slated to be the next Speaker of the House, said his party's goal is to work toward more jobs and and a secure economy. Egolf did not address the specifics of Martinez's plan.

"The Governor today has acknowledged the need to tackle the state's deficit," Egolf said in a statement. "Job creation and economic growth are the top priorities for the incoming leadership in the House of Representatives. We are ready for the difficult task of finding common ground to turn our state's economy around."

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