

## **Cuts, Tax Increases Must be Thoughtful and Targeted**

**By Senator Pete Campos**

It should be clear by now that the state's policymakers must pursue both spending cuts and tax increases to balance the state government's budget.

Neither solution by itself will do the job, and the faster those at the political extremes come to that realization, the faster we can arrive at a solution. Taxes cannot be increased enough to avoid painful budget cuts, and government programs cannot be cut enough to avoid raising taxes during a recession. Ending the see-saw debate over whether to cut spending or raise taxes allows us to more productively move ahead to the real questions: how to do the least harm to important state programs while still cutting spending, and how to raise taxes without unduly burdening those who can least afford it.

We must strike a delicate balance in New Mexico. Our economy, which does not generate the kind of tax revenue seen in economically more robust states, is fragile. At the same time, our social needs are great. More than 85 percent of state general fund spending is devoted to our public schools (which we depend upon to produce an educated work force), our colleges and universities (which see increased enrollment during a recession), health and human services programs (which provide health insurance and income support to less fortunate New Mexicans) and public safety programs, like the state police and the corrections department. Eighty-five percent. If real savings are to be found by cutting the budget, it is those programs that will have to shoulder the burden.

But we know that we cannot indiscriminately raise college tuition without thinking about whether doing so may cause some students to drop out. We cannot ignore the developmentally disabled, the elderly and those New Mexicans needing long-term care, and we cannot ignore the huge cost of ensuring that they have the basic care and services necessary for a dignified life. We cannot risk the public's safety by reducing the number of police officers on the street or by freeing potentially dangerous prisoners early.

So, instead, we must look for every efficiency possible in these programs. State jobs that have been vacant for months should be left unfilled. Other jobs that become vacant through attrition should be redirected to an agency's core mission or to another agency providing direct, critical services to the public. Agencies and departments that can reasonably be consolidated—

such as the those recommended by the Committee on Government Efficiency led by former Governor Garrey Carruthers—should be merged over the next several years. And every office, agency, department and branch of government should look to save every dollar possible.

That effort will get us halfway to our goal of a balanced budget. The other half must come from increased taxes. Just as we must be cautious in cutting government, so too must we be cautious in raising taxes, so that we do not unfairly burden families already financially stressed by the recession or small businesses that will help fuel our economic recovery. We should focus our energy on temporary tax increases that make our overall tax system more progressive, by shifting the tax burden to wealthier individuals, and fairer, by putting out-of-state corporations on equal footing with New Mexico businesses.

If we are to make these tough decisions thoughtfully and in a relatively short amount of time, then we must commit ourselves to working together for the sake of our collective future.