

## Legislative Update for Monday, February 27, 2017

### Budget Activity

The House Democratic Majority passed their revenue omnibus bill (CS/HB 202). The total revenue that would be raised is about \$212 million.

The major four elements of the legislation are:

- Internet tax (Local business fairness provision)
- Level the playing field on Health Care Taxes
- Motor Vehicle Excise tax from 3% to 4%
- A new \$90 heavy truck permit fee

The tax package passed the House on a [party-line vote](#).

On the budget side, [HB 2 the general appropriations act](#) also passed the House on [a party-line vote](#). An additional \$38 million was added to the school equalization guarantee preventing additional cuts to education in the FY 18 budget.

Both bills are now being considered by the [Senate Finance Committee](#). This committee will craft a Senate version of the budget and revenue bills. Urge committee members to add, not subtract, funding for public schools.

**[Take action! Follow this link to contact the chairs of the Finance Committees and your legislators with the message of no cuts to Public Schools](#)**

### More on Funding

Followers of the news are hearing wildly different interpretations stories about who are the champions of public education in this legislative session.

The answer is clear, but all the spinning is blowing dust around us like the spring New Mexico winds.

Let us start at the beginning. The Governor's proposal to solve the so-called "solvency" issue for the current 2017 fiscal year in the first days of this session called for cuts of \$120 million. She also asked legislators to take from away from educators

(and state employees) three and one-half percent of your salary too. Keep in mind the Governor is Republican who asked to take \$1,500 out of a \$50,000 salary!

She called for those cuts while speaking out of the other side of her mouth in her State of the State address. While asking for those cuts, she proclaims she would support no budget cuts to education that would affect the classroom.

The Democratic majorities in both chambers quickly came out to state that the governor's request for a 3 1/2% cut of your salary would not happen, and they reduced the hundred and \$120 million cut to \$46 million. In the last few months have any fiscal year, it is impossible for Legislature to create new revenue sources for that same fiscal year.

Friday at the roundhouse, the public and the media heard from one superintendent after another saying the \$46 million reduced budgets have already lead to major impacts on the classrooms across our state.

Curiously, some Republican legislators are now posing as saviors of the public schools. They blame Democratic legislators for the cuts made for 2017. This is spun even though they have supported budget after budget, year after year which insufficiently funded our public schools; most Republican senators also voted for the cuts; and the cuts were much less deep than their own governor asked for.

Last Friday, Republican Representative Roch, speaking to the New Mexico School Boards Association, tried yet another spin. For the sake of politics, Roch ignored the reality he knows is true: unlike most tax credits, our state film and TV tax credits are only issued after those businesses spend money in New Mexico, employing New Mexicans throughout our state. He said "we send \$50 million a year to Hollywood. There is plenty of money here... I'd rather choose education than making another movie." The film and TV tax credit is the only credit proven to create a positive return for our tax base, so why would he speak of that tax credit, among the many granted? The industry is heavily unionized!

Moving forward, the House of Representatives passed a budget that very slightly increases school spending, relying on possible new revenue. It passed largely on party lines in the Democratic controlled House. HB202, which would create additional revenue to fund that budget bill has also been passed by the House.

Senate committees are now passing a variety of other revenue bills sponsored by Democratic senators, too.

[Follow this link to identify and contact your legislator](#)