

Context and Introduction

The Greater Albuquerque Chamber of Commerce works with government, business, and community partners to promote and develop a welcoming business environment and thriving, diverse economy in New Mexico. Our goal is to make our city and state a great place to start and grow a business and a safe, exciting place to work and raise a family. Prior to each legislative session, the Chamber’s Board of Directors approves a policy agenda – presented herein – that is consistent with our organization’s mission and work. During each session, our team of lobbyists and policy experts works on behalf of the business community to advocate for this agenda, and the Chamber produces a nightly newsletter – the “Legislative Roundup” – to keep our investors and partners up to speed on the latest activity in the Roundhouse.

The 2020 legislative session, just 30 days in length, will primarily address fiscal matters, though other pressing issues may be addressed through the appropriation process or considered upon the designation of the Governor. This is the second straight year in which the Legislature is facing a sizeable projected budget surplus in the current fiscal year and a sizeable projected increase in recurring revenue for next fiscal year (\$797 million). A large share of the state’s additional revenue is either directly or indirectly attributed to a continued increase in oil and gas production. New Mexico is now the third highest oil-producing state, and the Permian Basin is considered one of the most favorable basins in which to drill for oil. However, sustaining the pace of oil production seen in recent years is likely impossible, given declining well productivity; indeed, oil production has begun to slow elsewhere in the U.S.

Following a double-digit percentage increase in recurring spending during the last legislative session, and given our state’s dependence on volatile oil and gas revenue for its operations, the Chamber urges the Legislature and Governor to exercise spending restraint. Bolstering reserves, investing in roads and other important infrastructure or technology, reforming the public employee retirement plan, and diverting excess oil and gas revenues to a new endowment fund for early childhood programs are all ways the state can wisely prepare for leaner years.

With respect to spending priorities, the Chamber prefers a targeted approach aimed at overcoming significant, foundational challenges to New Mexico’s long-term economic growth, such as improving public education, addressing homelessness in Albuquerque, and reducing crime. Securing funding for the high-tech Crime Strategies Unit at the D.A.’s Office, a statewide group violence intervention program, and new crime-fighting technology for the Albuquerque Police Department are top priorities. The Chamber also hopes the State will match the \$14 million approved by Albuquerque voters for a new, critical around-the-clock homeless center to provide shelter for the homeless, a drop-off point for law enforcement, and connection to important services, including permanent supportive housing.

Finally, New Mexico must be able to attract new companies and skilled professionals alike. While reasonable effort should be made to lower the gross receipts tax rate, personal and business taxes should not be raised. Economic development incentives should be fully funded, high-quality charter schools should be opened and replicated to spur innovation and provide great options for families, and costly business regulations should be shelved.

It’s time to bring down the gavel... the Chamber looks forward to working for a safer, stronger New Mexico!

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The FY '21 State Budget and New Mexico's Fiscal Future

SPENDING	<ul style="list-style-type: none"> • Restrain recurring spending growth to roughly 6.5%ⁱ • Prioritize the spending of nearly \$800 million in “projected new money” on efforts to grow the economy, improve K-12 student achievement and early childhood outcomes, and enhance public safety/health • Use non-recurring surplus funds to bolster state reserves, improve pension solvency, create an endowment/permanent fund for early childhood programs, fund large capital projects (i.e. roads, ABQ homeless center), and invest in new crime-fighting technology and IT systems • Provide salary increases to teachers and certain groups of state employees in hard-to-recruit/retain positions (especially those in public safety/criminal justice)
SAVING	<ul style="list-style-type: none"> • Build and maintain total budget reserves of at least 25% of recurring spending • Preserve the structure of the tax stabilization reserve “rainy day” fund (collects excess oil/gas revenue)ⁱⁱ
CAPITAL PROJECTS	<ul style="list-style-type: none"> • Focus statewide capital spending on large-scale infrastructure projects (roads, water, buildings, etc.) that have a significant economic impact and that local governments often cannot afford themselvesⁱⁱⁱ • Reform the capital outlay process to make spending decisions more transparent and ensure that appropriated money is sufficient to complete a project (or a meaningful phase of a project)^{iv}
PENSION SOLVENCY	<ul style="list-style-type: none"> • Reform the public employee pension system in a balanced way that addresses the unsustainable annual escalation of retiree benefits, infuses the pension fund with one-time surplus revenue, and requires additional contributions from current employees and the agencies/governments they serve^v • Shift the Public Employee Pension Association of New Mexico’s board from elected to appointed members, and require that members have certain relevant professional backgrounds and expertise^{vi}

The Chamber will oppose:

- Any increase in distribution from the state’s permanent funds or use of permanent fund dollars for unintended purposes^{vii}
- The imposition of onerous regulations (including a ban on hydraulic fracturing), additional taxes, or significant new fees on energy production, upon which New Mexico’s budget and economic outlook are heavily dependent^{viii}

Crime Reduction and Public Safety/Health

GUN VIOLENCE AND CRIMINAL PENALTIES	<ul style="list-style-type: none"> • Enhance criminal penalties for those who use a firearm during the commission of a crime^{ix} • Make threatening mass violence in New Mexico a felony crime • Secure funding for violence intervention programs in the Albuquerque area; use focused deterrence strategies to specifically reduce group-member involved homicides, shootings, and aggravated assaults^x • Broaden sex offender registration requirements; ensure those registered in other states must also register in NM and add those convicted of human trafficking and sexual exploitation of children by prostitution • Create penalties for the operation of stolen vehicle “chop shops” to help prevent auto theft in New Mexico
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<p style="text-align: center;">JUSTICE REFORM</p>	<ul style="list-style-type: none"> • Adopt several changes to current procedures around pre-trial detention, including (a) creating a rebuttable presumption that defendants who have been charged with certain serious crimes are deemed dangerous and should be detained in jail pre-trial, (b) establishing that a person’s likelihood of being a flight risk or obstructing justice are also grounds for pre-trial detention, and (c) allowing judges to detain an individual pre-trial even in the absence of a motion to do so by a prosecutor^{xi} • Amend state law to no longer allow defense attorneys to interview children or developmentally disabled individuals prior to trial, allow adults who have been victims of certain violent crimes to refuse a pre-trial interview by the defense, and allow for the introduction of statements taken during Safehouse interviews of children and developmentally disabled individuals as evidence at trial^{xii} • Pass legislation allowing a person to use an MDC-issued booking sheet with a fingerprint number to secure a New Mexico ID within 30 days of their release^{xiii} • Expand the Law Enforcement Assisted Diversion (LEAD) program, a promising recidivism reduction effort^{xiv}
<p style="text-align: center;">CRIME-FIGHTING TECHNOLOGY</p>	<ul style="list-style-type: none"> • Secure permanent, recurring funding for the Crime Strategies Unit (CSU) in the 2nd Judicial District Attorney’s office (\$780,500) and an increase to the D.A.’s base budget, per the executive recommendation^{xv} • Secure capital and/or IT funding to upgrade and modernize the technology infrastructure and data systems at the Albuquerque Police Department, including additional license plate readers, ballistics analysis equipment and licenses, DNA and fingerprint analysis equipment, and new record-keeping, video management, and evidence laboratory information systems (\$17.5 million) • Secure funding to implement ongoing data integration projects (consistent with HB 267 from the 2019 legislative session), including the establishment and use of unique identification numbers for those involved with the criminal justice system, the deployment of technology to standardize the collection of an arrestee’s identifying information, and the increased use of analytics in policing and prosecution
<p style="text-align: center;">OFFICERS & EQUIPMENT</p>	<ul style="list-style-type: none"> • Secure capital funding for the Albuquerque Police Department for a new public safety complex in Southeast Albuquerque, 40 new patrol cars, additional horses and horse transport vehicles for the mounted patrol, and a modernized crime scene investigation bus (\$6.7 million) • Add 60 officers to the ranks of the New Mexico State Police, per the Governor’s budget recommendation • Allow officers in New Mexico to return to work after retirement and continue to receive their pension
<p style="text-align: center;">HOMELESS SERVICES & HOUSING</p>	<ul style="list-style-type: none"> • Secure state capital funding to build the “Gateway Center” in Albuquerque, an around-the-clock shelter and service facility for the homeless, which would also serve as a drop-off point for first responders to take the homeless and a triage/connection point to medical treatment, behavioral health support, and a host of other services (\$14 million in state funding to match \$14 million in local GO bond funding approved by voters)^{xvi} • Secure state capital funding to help construct an additional 120 to 240 units of affordable housing for vulnerable populations in Albuquerque – specifically designed to help individuals exit homelessness (\$5 million in state funding to match \$5 million in local GO bond funding approved by voters for the Workforce Housing Trust Fund)^{xvii} • Secure additional state funding through the Human Services Department for supportive housing and wrap-around services for the homeless, including additional move-in assistance and eviction prevention grants^{xviii}

HEALTH CARE, BEHAVIORAL HEALTH & OTHER SERVICES

- Expand the ADOBE program at UNM; provide wraparound services and support to more previously incarcerated young people in the Albuquerque metro area to prevent recidivism in the juvenile justice system (nearly \$1 million)
- Provide partial hospitalization and intensive outpatient care at the UNM Child Psychiatric Hospital to adolescents struggling with behavioral health and substance use disorders (\$1.75 million)
- Expand UNM’s Project ECHO (Extension for Community Healthcare Outcomes) to include new programs on child wellbeing and behavioral health/substance use disorders (\$3 million)
- Determine how best to maximize the expenditure of federal funds (via Medicaid) on behavioral health treatments and crisis response services, increase reimbursement rates for behavioral health providers, and consider enacting a loan repayment or debt forgiveness program for behavioral health professionals who choose to work in rural areas
- Expand New Mexico’s health care workforce, particularly in rural and under-served areas, by adding students in UNM’s nursing and physician assistant programs and offering free medical school tuition for anyone who commits to practicing in New Mexico (\$7.1 million)
- Ensure the UNM Comprehensive Cancer Center has the funding necessary to retain its designation as a premier American cancer center (top 3%) and continue to meet the state’s cancer challenges (\$4.25 million)

The Chamber will oppose:

- Any legislation that would make it more difficult or burdensome for officers and prosecutors to apprehend and hold criminals accountable, including any proposals that would make pre-trial detention/release rules more lenient, infringe on the rights of victims, or make it more challenging for victims and witnesses to participate and testify in criminal cases

Economic Growth and Job Creation

ECONOMIC DEVELOPMENT AND TAXES

- Increase Job Training Incentive Program (JTIP) funding to at least \$9 million and move a larger portion of the program’s funding into the Economic Development Department’s base budget^{xxix}
- Maintain a closing fund for economic development projects (LEDA) of between \$60-75 million^{xx}
- Provide professional license reciprocity to spouses of active duty military stationed in New Mexico^{xxi}
- Preserve the single sales factor apportionment for manufacturers; extend the current investment credit for manufacturers to 2030, expand the credit to apply against gross receipts taxes, cap the credit for qualified equipment purchased with an IRB at 5.125%, and adjust the employment requirements for inflation^{xxii}
- Create a Public-Private Partnership (P3) framework to help communities invest in necessary infrastructure - including highway, railroad, and broadband projects - to retain jobs and expand economic opportunities
- Secure at least an additional \$3 million to increase New Mexico True advertising in seven target markets, with a particular emphasis on the San Francisco area
- Discontinue the policy of taxing Social Security income in New Mexico^{xxiii}
- Pass comprehensive tax reform that lowers the gross receipts tax rate, broadens the GRT base, eliminates egregious tax pyramiding issues for businesses, and encourages economic growth and business investment
- Strengthen and expand the Angel Investment tax credit

PRC	<ul style="list-style-type: none"> Enact additional reforms to the structure, governance, and oversight of the Public Regulation Commission, including changing the way certain staff officials are appointed^{xxiv}
KEY CAPITAL PROJECTS	<ul style="list-style-type: none"> Study the feasibility of building a large soccer stadium in Albuquerque, including the type, cost, and potential location of the facility (\$500,000)^{xxv} Secure capital funding to build a multi-use soccer facility that would host youth championship soccer matches and tournaments, as well as serve as a practice site for the New Mexico United (\$3 million) Secure capital funding to widen Paseo del Norte between Calle Nortena and Rainbow Boulevard, a heavily-traveled and often-backlogged portion of one of the city’s most utilized commuter roads (\$22 million) Secure capital funding to redevelop streets in and around the Sawmill District and Old Town (\$7.9 million)
HIGHER ED & WORKFORCE	<ul style="list-style-type: none"> Increase funding for, and expand initiatives to, make college more affordable for New Mexico students^{xxvi} Construct new student services facilities at Central New Mexico Community College to support its workforce development programs and mission (\$13 million)
OTHER	<ul style="list-style-type: none"> Establish a voluntary retirement savings plan web-based marketplace for private sector and non-profit employees and the self-employed, via the “Work and Save Act of 2020”^{xxvii}

The Chamber will oppose:

- Any further increase in personal income tax rates or proposed increase in corporate tax rates^{xxviii}
- Any further decrease in (or repeal of) the capital gains tax deduction
- So-called tax reform that does not meaningfully reduce the gross receipts tax rate and instead simply raises various other tax rates, making our state less competitive for business investment and the recruitment of skilled professionals
- Any proposal to legalize recreational cannabis unless it satisfactorily addresses serious questions relating to the right of employers to have a drug-free workplace and enforce workplace safety, the inability to reliably test for impairment or determine when the drug was used, the challenge of enforcing laws against driving under the influence, and the need for federal government agencies and contractors to comply with federal law. The business community remains concerned that no technology exists to reliably determine when cannabis was used or a person’s level of impairment, which would make it hard to prosecute drugged driving and would lead to employees being reprimanded or fired for the use of a legal substance (under state law) on their personal time, simply because the drug remains in their system. Businesses are concerned that statutory language allowing businesses to maintain a drug-free workplace is being challenged in courts in other states and may be vulnerable to nullification in New Mexico courts^{xxix}
- Any reduction in funding for – or any additional limitations and earmarks attached to – key job-creating economic development incentives, especially JTIP and LEDA
- Any further increase in New Mexico’s minimum wage or attempt to index the wage rate to rise each year^{xxx}
- The imposition of new, burdensome environmental reviews of public and private construction projects
- Attempts to push private health insurers out of the health care system, in favor of more government involvement/control

- The increase of medical malpractice claim limits, which could make it even harder to recruit doctors to our state
- Any paid sick leave proposal that places onerous and unreasonable requirements on businesses, including failing to exempt or accommodate small business, failing to recognize existing generous paid-time-off policies as equivalent, establishing a costly and unfair process for resolving sick leave disputes, and requiring too many hours of leave to be provided each year

Early Childhood and K-12 Public Education

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">FUNDING, STANDARDS & ACCOUNTABILITY</p>	<ul style="list-style-type: none"> • Following last year’s record increase in public education spending, take a more targeted approach this year; provide a reasonable annual increase in teacher pay and expand key initiatives that are working to raise student achievement and improve school leadership, such as Principals Pursuing Excellence, stipends for teachers in hard-to-recruit areas/subjects, and the state’s early warning dropout prevention system • Continue with the expansion of K-5 Plus that was approved and funded during last year’s legislative session; ensure the program is implemented with fidelity by school districts to ensure additional instructional time and a longer school year leads to improved academic outcomes • Require greater financial transparency from districts around school-level budgets • Require districts and charters to specifically certify and demonstrate that at-risk funding provided through the funding formula has in fact been spent supporting at-risk students^{xxxii} • Expand funding for community schools and for career and technical education and STEAM programs • Establish a minimum percentage that school districts must commit to classroom spending or, in the alternative, limit the percentage increase allowed for non-classroom administrative spending each year • Maintain high academic standards and relative consistency in the annual assessment used to gauge student performance, and ensure the state’s new school performance dashboard provides clear and transparent information about the academic growth and standing of students • Secure capital funding for technology and equipment to improve the safety and security of public schools in Albuquerque, including perimeter fencing, key card access, and allowing for the sharing of video feeds from school cameras with APD’s Real Time Crime Center
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">CHARTER SCHOOLS</p>	<ul style="list-style-type: none"> • Enact policies that promote and encourage the opening and replication of high-quality charter schools, while providing for swift closure of low-performing charter schools • Make it easier for charter schools to access facilities funding and create a revolving loan fund to finance charter school facilities^{xxxiii}
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">EARLY CHILDHOOD</p>	<ul style="list-style-type: none"> • Create a new Early Childhood Endowment/Permanent Fund to provide a stable, recurring revenue stream for the expansion and delivery of early childhood services in the future; set aside roughly \$300 million in non-recurring funding this year (and each of the next two years) to build the corpus of the fund, invest the fund through the State Investment Council and distribute a percentage each year to the Early Childhood Education and Care Department, and allow the fund to grow over time by capturing certain types of excess revenue from oil and gas production in New Mexico • Continue to use a differentiated delivery system for early childhood services that relies on public and private providers, and ensure early childhood programs grow in a responsible, incremental manner that allows the state to build a high-quality workforce and maintain rigor and high standards

The Chamber will oppose:

- The imposition of a moratorium – of any length – on the opening of new charter schools in New Mexico^{xxxiii}
- The imposition of a cap on the number of students who can attend charter schools or the number of charter schools allowed to operate in New Mexico^{xxxiv}
- Changes to authorizing statutes that would make it harder to open/replicate high quality charter schools
- Increase in the distribution from the State’s permanent funds to pay for an increase in early childhood services
- The movement of Pre-K funding into the funding formula (SEG), to be distributed to school districts^{xxxv}

ⁱ A 6.5% increase in recurring spending would be roughly half the percentage increase approved during the 2019 session. It matches the proposed increase in spending recommended by the Legislative Finance Committee and is lower than the Executive’s proposed 8.4% spending increase.

ⁱⁱ The tax stabilization reserve, established in 2018, has been used to successfully capture and hold approximately \$390 million in excess oil and gas revenues during the current energy boom; it is expected to capture another \$173 million in FY21.

ⁱⁱⁱ Last session, legislators were able to use non-recurring surplus general funds to finance capital projects; this year, severance tax bonds (and perhaps some non-recurring general funds) will be appropriated for capital spending. With a billion dollars’ worth of capital projects in the current pipeline, causing strain on the state agencies that must oversee them, it is imperative that capital spending in this session focus on large infrastructure projects that are well-planned and will help address important regional/statewide challenges.

^{iv} Currently, lawmakers’ individual decisions about how to allocate capital outlay funding are shielded from public view.

^v The public employee retirement plan currently faces a \$6.6 billion unfunded liability, which contributed to a recent downgrade by Moody’s of New Mexico’s bond rating.

^{vi} A recent study comparing the performance of pension accounts overseen by a professionalized board vs. a board with no standards for expertise (like PERA’s) showed that the latter on average underperforms by 1-2 basis points annually, which equates to hundreds of millions of dollars in lost gains each year to pensions.

^{vii} Raiding the state’s permanent funds is not necessary to adequately fund early childhood programs and would lead to a reduction in funding for education over the long-term.

^{viii} Nearly all of the state’s revenue streams are, in one way or another, heavily dependent on oil and gas drilling (personal income taxes, gross receipts taxes, permanent fund distributions, and corporate income taxes). According to a recent study by the New Mexico Tax Research Institute, roughly one-third of state government revenues are attributed to oil and gas production. Impeding the growth of the energy industry would negatively impact the State’s ability to fund and operate our schools and hospitals, protect the public, and carry out all of its various other functions.

^{ix} As property crime has begun to subside in the Albuquerque-area, gun violence remains a serious problem, and the state’s district attorneys are wisely urging the Legislature to lengthen the prison sentences of those who use a gun in the commission of a crime.

^x Focused deterrence initiatives, such as the Ceasefire program that has worked to reduce gun violence in other large cities, put violent individuals who are part of dangerous groups on notice that the authorities know who they are and are prepared to prosecute them to the fullest extent of the law (often in the federal justice system) if they discharge their firearms and commit further crimes, while offering various forms of basic support to help them put their guns down and not engage in violent crime.

^{xi} New Mexico voters approved a constitutional amendment that was designed to keep serious defendants in jail prior to their trial; sadly, this expectation has not become a reality. For example, over half of the Bernalillo County D.A.'s motions to detain serious defendants are not granted by 2nd Judicial District Court judges. Defendants who have been charged with serious crimes are routinely released and, too often, re-offend or fail to show up for court hearings. State statutes should be adopted – or the Constitution should be amended once again – to presume that defendants who have been charged with certain serious crimes are dangerous enough to be held in jail pre-trial, among other changes.

^{xii} These changes would bring pre-trial interview processes more in line with other states and prevent children and violent crime victims, especially, from having to needlessly re-live their victimization prior to trial.

^{xiii} Bernalillo County has identified as a key driver of recidivism the inability of those released from MDC to easily obtain state identification, which is often necessary for things like accessing social services, receiving financial assistance, and securing prescribed medications.

^{xiv} LEAD allows police officers to redirect certain non-serious, low-risk offenders away from prosecution and into rehabilitation or other services instead. This program has worked to reduce recidivism in Santa Fe and is beginning to be deployed in Bernalillo County. It is consistent with the Chamber's viewpoint that our prosecutorial resources should be focused on serious, repeat offenders, while giving lower-level offenders an opportunity to not automatically become a part of the criminal justice system.

^{xv} The Crime Strategies Unit brings prosecutors, investigators, and crime analysts together to identify and cripple crime networks in Bernalillo County using high-tech tools, advanced data systems, and analytics. It was funded as a pilot program by the Legislature and has also been supported through federal grants. The CSU has proven an effective, indispensable tool in the fight against crime in Albuquerque and needs to be made a permanent part of the D.A.'s budget.

^{xvi} The Chamber is working hand-in-hand with the City of Albuquerque, UNM, and other partners to make the Gateway Center a reality; it is a primary piece of the Chamber's plan to revitalize downtown Albuquerque, in particular. The Albuquerque area lacks sufficient overnight sheltering for the homeless, services are currently spread throughout town, and first responders often have no other option but to take the homeless to emergency rooms or the local jail – both of which are costly and ineffective strategies for addressing homelessness. The Gateway Center will offer a stable, safe place for the homeless to go or be taken, where their needs can be assessed and they can be connected to the right medical, behavioral health, housing placement, or other services.

^{xvii} Increasing shelter capacity may reduce the impact and visibility of homelessness in the community, but helping people actually exit homelessness will require an increase in available supportive housing (with services), as well as vouchers or other one-time financial supports to help individuals and families stay housed.

^{xviii} See note above.

^{xix} JTIP is a nationally recognized program that benefits long standing New Mexico businesses as well as companies wanting to locate here. It's time to place some of the JTIP funding in the base budget rather than needing to seek special appropriations every year. Moreover, the funding should be increased in order to fulfill all valid requests for job training support.

^{xx} In order to compete for jobs, New Mexico must have a robust closing fund, one that has proven its effectiveness in helping companies expand in rural and urban areas alike, as well as recruit large new companies to the state like Netflix and Facebook.

^{xxi} The United States Air Force has said that whether or not a state offers professional license reciprocity to the spouses of its service members is a primary factor it will consider when determining where to place and expand its missions. Enlisted military members and their spouses often move frequently, and it is costly, discouraging, and impractical for spouses to have to comply with onerous licensing and certification requirements in each new state they live in.

^{xxii} Without action by the legislature in 2020, the manufacturing investment credit will go from being uncapped and requiring one FTE hire per \$500,000 in qualifying equipment investment to being capped at \$2 million and requiring one new FTE for every \$100,000 in qualifying equipment. This change will disincentivize large manufacturing investments in New Mexico and render the state uncompetitive in a time of increasing automation. In addition, the current employment requirements have not been adjusted for inflation since 2003.

^{xxiii} According to Think New Mexico, our state is one of only 13 states that taxes Social Security benefits; in fact, New Mexico imposes the second highest tax on these benefits in the nation. Think New Mexico reports that the state's tax on Social Security benefits costs the average recipient nearly \$700/year.

^{xxiv} These statutory changes, if passed, would complement a proposed constitutional amendment that will appear on the 2020 ballot to change the PRC from an elected 5-member board to an appointed 3-member board of subject-matter experts.

^{xxv} Soccer has proven to be a highly popular sport in Albuquerque, and a new stadium (preferably located in the downtown area) could be a game-changing attraction and economic development project for our city.

^{xxvi} Currently, the Governor and Legislative Finance Committee are considering differing methods for accomplishing this goal; the Chamber will review these proposals as they are released, study them, and advocate accordingly.

^{xxvii} According to the U.S. Census Bureau, New Mexico ranks third highest in the nation for the percentage of seniors living in poverty, and Think New Mexico reports that two out of every three private sector workers in our state do not have money saved for retirement (80% have less than \$10,000 saved). This proposal would give every private sector worker an opportunity to enroll in a retirement plan that they can fund through automatic payroll deductions. According to Think New Mexico, "The research shows that workers are 15 times more likely to save for retirement if they can contribute to a retirement plan using automatic payroll deductions."

^{xxviii} Taxes were raised on so-called upper income earners and small businesses across New Mexico during the last legislative session; raising taxes is a disincentive to growth and new investment, dissuades working professionals (such as doctors) from moving to our state, and makes New Mexico less competitive with other states for jobs.

^{xxix} Last year, several state legislatures – including New Mexico and other states like CT, NJ, and NY – considered and ultimately did not pass legislation to legalize the use of recreational cannabis. Only two state legislatures in America, in fact, have passed recreational cannabis legalization (other states' efforts have relied on ballot measures).

^{xxx} The minimum wage was increased to \$12/hour, phased in over the next few years, during the last legislative session. This will be a difficult adjustment for many small businesses, especially in rural areas. The changes adopted last session should be allowed to take effect before any further changes are considered.

^{xxxi} It remains unclear what authority the NM Public Education Department has to ensure that money appropriated to school districts for the benefit of at-risk students is, in fact, directed to serve at-risk students when it is spent at the district level. Getting this right is key to meeting the State's obligations under the Yazzie-Martinez court ruling to improve the educational outcomes of at-risk children through targeted interventions and supports. Some legislators and others have criticized last year's distribution of funds for a lack of verifiable impact on the students the money was intended to serve.

^{xxxii} Currently, charter schools are unable to access public financing options through the Public School Facilities Authority, resulting in many charter schools being forced to use state funds to pay higher interest rates on private loans. Proposed legislation would provide charters the same facilities financing options as traditional district schools, helping to ensure that more state funds are spent on student achievement.

^{xxxiii} This is an unnecessary proposal. In fact, over the past several years, there are actually fewer charter schools in New Mexico (serving more students and getting better results), as poor-performing charters have closed. According to a survey of Bernalillo County parents released last year, roughly 70% oppose a charter school moratorium and want to see additional public charter schools open.

^{xxxiv} See note above. Additionally, this proposal would freeze charter school enrollment at near-current levels, limiting the provision of academic choice that students and families should have in New Mexico.

^{xxxv} This proposal would erode the current differentiated delivery system of private and public pre-K providers in New Mexico. Additionally, it would make oversight and accountability of public school pre-K programs much more challenging.