

State Representative – Richard Berry

Thank You District 20



Let me start by expressing my sincere gratitude to everyone in District 20 for giving me the opportunity to once again serve you in the New Mexico Legislature. As I put the finishing touches on my first term and look forward to the next two years I must reflect on all that I have learned and on how much more there is to learn. Although I was fortunate to have been able to affect many important policies and legislation over the past two years, there are certainly heavy responsibilities as we look forward. The experience gained during my first term will be invaluable as we tackle what are most certainly serious and difficult times ahead, particularly for our State's budget.

As in every 60-day session there will be thousands of bills addressing a myriad of policy issues. As important as all of these issues are, our primary focus will be on fiscal matters. The October revenue estimates for fiscal year 2009 were decreased in October by \$344 million dollars. We receive 15-20% of our State's revenues from oil and gas severance taxes and royalties. Both oil and natural gas prices have continued to drop which will only exacerbate the problem by the time we get to Santa Fe in January. Couple the lower oil and gas prices with flat growth in income tax revenues, slowed growth in gross receipts tax revenues and decreases in corporate income taxes paid and we have a recipe for some rough sledding for the budget. The upshot is that FY09 revenues are expected to be less than the FY09 appropriations (we are spending more than we make). This situation will require direct action by the Governor and the legislature. Even though New Mexico is slated to fair much better than many other states during the current economic downturn, it has been the growth of our state budget based on increased revenues from commodities that has caused so many of us in the legislature to express our concern over the past two years. We will now have to make tough decisions on how to work our way out of this fiscal downturn. Several options available to us are;

- Cutting existing Government programs
- Repeal the General Appropriations Act of 2008 and/or reauthorize the Governor to reduce expenditures
- De-authorize unused capital outlay appropriations from prior sessions and use them to cover revenue shortfalls
- Expend reserve funds set up specifically to buffer economic down turns
- Increase revenues through higher taxes and fees

It will be interesting to see which options gain footing during the session, but one thing I feel strongly about is that taxpayers should not be forced to shoulder a hefty additional burden in order to rescue the State government from prior imprudent fiscal decisions. I feel that the State should do what the rest of us do when our financial circumstances take a downturn – we tighten our belts, cut non-essential spending and stop spending growth.

I will be having another informal town hall meeting from 6-8pm on December 17th at the Lomas and Tramway library. Please come by and let me know your thoughts, ideas and concerns. I represent all of you and would appreciate your thoughts prior to the January 60-day session. I'll bring the coffee and cookies.

In closing I would like to extend my best wishes to you and your family during the holidays and the New Year. As always, please do not hesitate to contact me at my home phone number 293-1130 or at my legislative e-mail; richard.berry@nmlegis.gov Your opinions, thoughts and ideas are important to me.