

Journal North
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From Page:
8
10/18/2009
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Cuts⁰⁴ to the Budget Need Careful Consideration

BY ADAIR WALDENBERG

Cutting budgets is never easy. It means sacrifices have to be made, and things that people expected and planned on doing will not be done as well or not done at all. This is true for families and it is true for our state government. As the projections of state revenues have fallen, our New Mexico legislators must cut deeper and find ways to quickly raise revenues.

The legislators may be tempted to cut the same percentage across the board. Although this is politically easier, it does not serve us well. It is a cop-out. Unless everything is funded equally well, growing at the same rate, and equally important to us, then cutting across the board is not the right answer. It will hurt most the underfunded programs, the ones that face a growing demand, and the ones that are the most crucial. Is this what we really want?

The best decisions will be made by thoughtful consideration and analysis. The best choices will protect the most vulnerable populations who cannot sustain further cutbacks. We need to protect programs which serve growing numbers of people and those that are the most underfunded. These will be

the least able to absorb the cutbacks. The easiest cuts are ones that just involve postponing noncritical capital expenditures or ones that affect generously funded areas.

Among the most vulnerable populations are our children. Since public education, not including higher education, represents 43 percent of the state budget, it is unrealistic to think the budget gap can be closed without cutting there, even though public education in New Mexico is already be underfunded. How deeply the cuts are made and how they are made will have a tremendous impact.

There are ways to help make the cutbacks to public education less painful. Among the things the legislators could do:

- Reduce the amount of testing they require of schools while maintaining enough testing to meet accountability standards.
- Relax maximum class size restrictions.
- Give schools the ability to use the funds from HB33 and SB9 for property and liability insurance, utilities and maintenance.

These could be temporary changes during a time of financial crisis, and some

See **CAREFUL** on **PAGE 7**



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 From Page:
 7
 10/18/2009
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Careful Consideration Needed

from PAGE 8

of them may succeed so well that they could be made permanent.

Another way to minimize the magnitude of the cutbacks is to raise revenue. Revenue-increasing measures also should not be across the board. They should be targeted based on analysis and the value system of our society. Measures could include:

- An income tax surcharge for individuals who have the highest incomes.
- Raising taxes on cigarettes and alcohol.

These could be temporary, or part of some much-needed tax reform. New Mexico Voices for Children estimates that a one percent surcharge tax on filers with income over \$200,000 would generate \$80 million a year. They estimate that a \$1 per pack of cigarettes surcharge would generate \$37 million annually. They also have identified several other ways to increase revenue.

There are many ideas out

there and many people who are willing to try to make the best of a bad situation. Will the special session be used to identify targeted cutbacks and revenue opportunities based on analysis, or will it just be across the board cutbacks and hand-wringing? Will the legislators provide administrators in public schools and state agencies with the flexibility to implement the cutbacks wisely or will they be constrained by the legislature's unfunded mandates?

It is best to allow those who are closest to the front lines to make the difficult choices. Those administrators have few opportunities to raise revenues; only the legislators and governor can implement the tax reform.

What will our legislators do? Will they make the tough decisions and choices? Will they give administrators in programs and public schools the freedom to make the best decisions? Will the financial crisis cause educators to change the emphasis from educational improvement

and achievement to just surviving the school year? These are very important questions.

And what will next year bring? What will happen the year after, when the federal stimulus funds disappear? It is time for all of us to be thoughtful, to plan, and to reform our tax system. It is time for our legislators to show that they are leaders and strategic thinkers. Our children are watching.

After 24 years as an administrator at Northwestern University in Evanston, Illinois, Waldenberg retired and relocated with her husband to Santa Fe in 2007. In Illinois, she served on several boards, including the one for New Trier High School and the Northern Suburban Special Education District Governing Board. In Santa Fe, she is a Court Appointed Special Advocate (CASA) for neglected and abused children and a member of the CASA Board of Directors. She also a member of the Strategic Planning Oversight Committee of the Santa Fe Public Schools.