

RELIABLE SOURCES

Governor's big economy lie

Gov. Bill Richardson is trying to make a name for himself nationally as a tax cutter for the little guy, economic developer, education reformer and a governor doing his best to improve services to the poor.

Too bad the press releases and hype are a good jump from reality.

The need in New Mexico is obvious for a growing economy, for better schools, and for sharply upgraded services for the poor, especially the hungry, or what the federal government now calls the "food insecure."

New Mexico leads the nation in "food insecurity." We are also high on lists of states with lousy social services and schools.

Once again the governor, with a broad smile, is talking about cutting taxes. He and the Legislature are also drooling over what is billed as an unprecedented surplus of \$720 million.

The harsh truth is that the governor and his Legislature, despite this revenue gusher from oil and gas, have not increased social services and education spending in any significant way for the past three years. The budgets of these state agencies have, in fact, remained virtually stagnant as a percentage of the state's general revenue.

Health, hospitals and human services were getting slightly more than 21 percent of the budget three years ago. Last year, despite another healthy revenue surplus, it got 24 percent of the budget.

That increase doesn't keep up with the rate of inflation. It is also entirely inadequate to take care of the needs of the already poorly served children and their parents in this state.

No one, not even our jolly governor, claims these budgets are adequate to meet the needs. Yet they continue to fund overwhelmed state social agencies at rates that only hold the line.

Meanwhile, in the name of "economic development," Richardson and his Legislature have been cutting taxes for the rich, sticking it to

middle class, and handing out bags of tax breaks, exemptions and incentives allegedly to boost the economy.

It's not working. From jobs created to unemployment and personal income increases, the most charitable term for New Mexico's economy is plodding.

Astoundingly enough, hardly anyone running state government seems to understand this failure.

On the other hand, the state's foremost children's advocacy group, New Mexico Voices for Children and its executive director, Kay Monaco, understand it all too well.

Voices for Children has been doing the research and developing the hard data for some time now on the glaring gap between political gas and reality. A recent Voices study on those tax exemptions, tax credits and tax breaks for business is particularly stunning.

Eliminating them would at least double tax revenue in the state. Which if spent properly would feed a lot of hungry kids and improve state health care immeasurably.

The politicians and their business cronies argue that these incentives keep the economy expanding. Just one problem. They have not made an independent study of the real impact of all this tax relief.

Similar incentives that have been studied in other locales have been declared unimpressive.

So we have tax cuts and tax breaks for the rich, enduring hunger, poverty and mediocre schools and a bunch of self-satisfied politicians holding this up as progress and planning on cutting taxes even further in the next legislative session.

Ever wonder why we remain among the poorest states? Ask the folks at Voices for Children.

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Steve Lawrence

Tax Cuts Are Wrong Approach To Solving State's Problems

By Steve Lawrence

Syndicated Columnist

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