



PRESS RELEASE

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NM's \$3.4 Billion in Federal Stimulus Being Used Exactly as Intended ARRA money meant to shore up sagging state budgets

ALBUQUERQUE—New Mexico's \$3.4 billion share of the American Reinvestment and Recovery Act (ARRA) money is being spent exactly as it was intended—namely to help fill the state's budget shortfall. In fact, states have very little wiggle room in terms of how the money can be spent.

"The ARRA money was intended to help with the budget deficits that so many states are facing," said Gerry Bradley, Research Director for New Mexico Voices for Children. "The idea was to stave off drastic spending cuts in health care, public safety and education, because those cuts would lead to big job losses.

"The public perception seems to be that most of the funding would go toward construction, and that we'd see this boom in construction jobs, but that category was slated to receive just one-twelfth of the money," Bradley added. A significantly higher percentage of the ARRA money was slated for Medicaid and K-12 education. The spending categories are laid out in a report the child advocacy group released in August.

While the ARRA has averted more drastic state-level cuts across the nation, it is only a short-term fix. "The federal money will go away but, unless we raise new revenue, our deficits will not. Thirty-two states have already passed legislation to raise new revenue. Hopefully, New Mexico will follow suit."

The report, "New Mexico's Economy and the Recovery Act of 2009," is attached separately as a pdf and is available online at: www.nmvoices.org

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