

January 25, 2010

Dear Friends, Neighbors and Constituents,

Snow fell for the entire first week of the 2010 legislative session, adding to the challenges we face in coping with a \$500 million shortfall in next year's budget. During this short session we must come up with the proper balance between further spending **cuts** and **tax increases** to meet our obligation to balance the budget. During the past year, we have slashed \$1 billion in state spending, furloughed state employees, eliminated hundreds of positions, used reserves and the federal stimulus. My goal is to lay the groundwork for a healthy recovery and not reverse the improvements we have made in education and health care over the past few years.

These are **hard choices for hard times**, but you are helping me immensely with your survey responses, which have come in heavier than ever before. So far, I have received over 700 forms filled in on paper and, for the first time, on line. Here's a basic summary of what you told me.

61% favor tax increases, or rollbacks of earlier tax cuts, to balance the budget, as opposed to **31%** who favored additional program cuts. You are also more likely to favor targeted spending cuts (73%) rather than across-the-board salary reductions and furloughs in state departments and schools (27%). Only about 40% of you favored tapping into the state permanent fund for more revenue; just 44% felt that capital outlay projects should be scrapped in favor of salary support for teachers and state workers.

Here's how it shook out when it came to specific taxes:

- **88.7% favor a combined reporting tax** to close a loophole that allows large out of state corporations to evade taxation
- 86% favor increased **tobacco** taxes
- 84% favor increased alcohol taxes
- 81% favor taxes on **soft drinks**
- 77% favor imposing a tax on junk food
- 70% favor a **surtax** on personal income above \$150,000

But other taxes were not so well-received.

- **81% opposed going back to a gross receipts tax on food**
- 75% oppose an increase in GRT across the board
- 54% oppose a gas tax
- 53% favor a roll back of the 2003 income tax cuts

*Last week I introduced two of these tax measures. **Senate Bill 30** is*

an increase in the cigarette tax of \$1 per pack with the proceeds (\$33 million) to go to Medicaid, which currently pays \$2.78 per pack of cigarettes sold here to treat tobacco related illness, according to the American Cancer Society.

Senate Bill 31 re-imposes the gross receipts tax on soft drinks and will yield \$23-25 million in revenue, for the hard-pressed Medicaid program. The Pediatric Society and other health experts are behind this tax (and an even greater, excise tax) to help pay for the costs of obesity and diabetes which they link to soft drinks, now the leading source of calories for young people.

Once again, I am glad to see that you **continue to support ethics** and campaign finance reform. 96% of you favor banning contributions from lobbyists and contractors to state officials, 96% favor enactment of a whistleblower protection act and 77% favor the formation of a state ethics commission.

*The recent Supreme Court decision makes it even more important that we keep up our efforts at the state level to reduce conflict of interest and the power of big money to shape elections and government decisions. With the help of the Attorney General, I am sponsoring a bill (**SB 28**) to require even more disclosure of contributions from prospective **state contractors**, and another (**SB 68**) to restrict the activities of **lobbyists** on the executive branch. **I am also introducing a bill to form an Ethics Commission.** We sure need it, but, as always, the devil is in the details—and the funding—in this tough budget year.*

Almost 90% of you want to maintain the current benefits and eligibility standards for **Medicaid**. *This will be a major priority for me during the session. The administration has already cut provider rates services for people with disabilities, and has started a waiting list for the State Coverage Insurance Program. It is embarking on a “restructuring” of this entire safety net program, just as the rolls swell to 500,000 needy New Mexicans.*

Among other survey results:

- 89.1%** are **unsatisfied** with the administration of UNM
- 79.4%** **support** giving the same legal rights to **domestic partners** as those afforded to married couples
- 76.7%** favor mandatory treatment and medication in order to prevent people who are mentally ill from harming themselves and others
- 69.3%** **oppose relaxing environmental regulations** to allow for more drilling for the oil and gas industry
- Cultural affairs programs, roads and buildings, and water projects were top choices for program cuts

Thanks again for sharing your views. Please contact me while I'm in Santa Fe at 1-505-986-4300, e-mail me at dede.feldman@nmlegis.gov or drop by my office in Room 300.

Information on bills, schedules and committees is available at www.legis.state.nm.us. Senate floor sessions are now broadcast onto your computer through this website as well. I'll be sending out periodic e-newsletters and will post news and photos as often as I can on my blog at <http://senatorfeldman.typepad.com>.

With confidence that we **can** rise to the challenge of these tough times,

Senator Dede Feldman