

Dear New Mexico State Legislators:

The Greater Albuquerque Chamber of Commerce is united with other chambers of commerce, trade associations, businesses and employers throughout the state in concern about the state's budget crisis. As you are aware, the budget shortfall is without doubt the most serious issue facing the Legislature. The impact of your decisions, along with the Governor's, in the next few weeks will be felt by New Mexicans for years to come.

The crisis facing New Mexico today will require you to make difficult decisions to balance the budget and secure the state's fiscal stability. Businesses know how difficult these decisions are. The majority of us – especially small businesses – have faced similar decisions in the past year as a result of the worst recession in decades. We have reorganized our operations, cut our staffs, and restructured the way we do business with the goal of increasing our productivity – just to survive. And, as you know, unfortunately many businesses did not survive. The challenge for business today is to survive and to be ready when the economy recovers – which may still be many months away.

The State of New Mexico faces a similar challenge. In the January 14, 2010 report to Governor Richardson on Recommendations of Improving State Government by the Governor's Committee on Government Efficiency, chaired by former Governor Garrey Carruthers, the point was made that New Mexico state government has a substantially higher number of FTE's per thousand population (24.50) than our neighboring states of Arizona, California, Colorado, Oklahoma, Texas and Utah and much higher than the United States average of 14.30.

Additionally, state government must consolidate appropriate state agencies and increase efficiencies. Again, in referring to the recent report by the Governor's Committee on Government Efficiency, opportunities were identified for consolidation of agencies and other state entities that included merging 16 agencies into some 6 agencies and eliminating or consolidating certain boards and commissions. We agree with the recommendations, and believe they are a good starting point for trimming government spending.

We recognize state government cut some of its budget during the Special Session but it wasn't near enough and some of the problem was simply kicked into this regular session. Now, New Mexico State government needs to balance its budget by cutting expenses, and, in a way that supports private sector job creation.

**We specifically urge you to:**

- **Oppose any new taxes**
- **Consolidate appropriate state agencies**
- **Reduce state government inefficiencies**
- **Oppose undue regulatory burdens on businesses**
- **Support job creation**

We recognize that cutting costs and scaling back operations can be difficult because these decisions affect more than numbers on a page – they affect people. In our present economic climate, it may seem easier to avoid looking at spending cuts and instead concentrate on increasing revenue through taxes.

The reality, of course, is that all decisions, including raising taxes, have profound impacts on people. But, the negative effects of raising taxes will hurt our businesses and families more than smart government budget cuts because raising taxes will prolong getting jobs back to the people of New Mexico. The only way for our state to improve its economic situation is to grow out of it. **A key goal in resolving the current budget crisis must be creating an environment in which businesses can create high wage jobs for the 72,650 out-of-work New Mexicans.** Raising taxes discourages new businesses from coming into the state and slows job creation. Businesses that are not growing do not add jobs. Ultimately, it is job creation that will improve the quality of life for all New Mexicans and lead to stable revenue streams for the state. And businesses can only grow new jobs if they are not overburdened with taxes.

We , the 1000 plus business people who have signed onto this letter, think it is important for you to hear from the people in the business community who will be directly affected by your decisions.

We know that your job is a difficult one. We thank you for your service. We look forward to working with you in this legislative session to find solutions that will balance the budget without crippling our potential for long-term prosperity and stability for all New Mexicans.

Sincerely,

Del Archuleta, Chairman, Greater Albuquerque Chamber of Commerce

Terri Cole, President and CEO, Greater Albuquerque Chamber of Commerce

The Board of Directors of the Greater Albuquerque Chamber of Commerce