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New Mexico 2024: Swinging the Compass. Recalibrating Fiscal Policy to Plan for a Slower Economy

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Abstract

In late February 2024, the New Mexico State Legislature closed the books on a relatively uneventful session. After successive years of record revenues and double-digit budget expansion, the legislature modestly reigned in spending increases to less than 7%. Legislators continued their recent trend of stashing some of the state's massive surplus in newly created endowment funds, hoping to insulate the state from future economic downturns. The legislative action reflects a growing consensus that boom and bust budgeting does not provide for a stable, long-term financial future. Legislators still managed to approve a \$10 billion dollar plus budget, set aside reserves upwards of 30%, and spend almost \$1.4 billion in capital projects big and small. Though the 30-day session is short, lawmakers still found time to deal with some social issues (public safety, health care, education, and the environment) and some issues personal to the legislature. Though only 72 pieces of legislation passed, the legislature managed to reset the compass on New Mexico's financial structure while tinkering with current social concerns.

Introduction

In January 2024, the New Mexico Legislature called to order its annual legislative session. This was a 30-day budget session tasked with crafting the budget for Fiscal Year 2025 (FY25) set to begin July 1, 2024. Fortunately for legislators and the governor, the economy in New Mexico remains healthy and productive and state coffers once again produced “new money” to expand the state’s annual budget. Unlike previous years, the legislature opted for moderation in new growth and saw fit to invent ways to stash a portion of recent surpluses. Though budgets were the mandate of the day, the governor asked the legislature to also consider some of the more pressing social and public safety issues of the moment. Their deliberation reflects the time, place, and people of New Mexico in 2024.

New Mexico’s People

Like every state, New Mexico’s budgets and public policies are shaped by the people who live here. New Mexico’s people are a reflection of the multiple layers of culture that have settled here over thousands of years. In 2024, the majority of New Mexicans are people of color. Over 50% of the population (50.2%) is Hispanic and Native Americans constitute 11.2% of the population. Non-Hispanic Whites constitute 35.7% of the population (Census QuickFacts). Only 9% of New Mexicans are foreign born, but over 33% speak a language other than English at home. (HHS). New Mexico’s people remain very much a reflection of more than 500 years of history and settlement.

New Mexico’s people are almost as diverse as its terrain; the state is home to great geographic and climatic variety as six of North America’s seven life zones are found in the state. It is a big state (5th largest) but much of the state is publicly owned and sparsely populated. The federal government owns one-third of the state and state government owns another 12% (Garcia, 2006). New Mexico’s residents are not evenly distributed across the landscape but are much more likely to be found in the urban areas that hug the Rio Grande River. Fifty percent of the state’s population is concentrated in three counties, (Bernalillo, home to a third of the state’s population, Doña Ana, and Santa Fe), which together comprise only 6% of the state’s land area. This concentration of population results in a substantial urban/rural divide. Twenty-four of the state’s 33 counties have population densities of less than 15 persons per square mile. From 2020 to 2021, nearly half of the state’s counties experienced a decline in population (HHS).

Finally, and very importantly, much of New Mexico’s population is poor. In terms of education, labor participation and income, New Mexico remains below the national averages. It continues to rank the third poorest state in the nation (HHS). One in four children in New Mexico live in poverty (HHS) and over 40% of New Mexico’s population qualifies for Medicaid. All of these factors affect New Mexicans’ ability to procure food, housing, health care, and education. These factors also impact the political landscape and the budget priorities of the legislature.

New Mexico’s Political Landscape

New Mexico’s political landscape has shifted over the years. At statehood (1912) and during its long territorial status (1848-1912), Republicans held solid majorities in the state. Over time, the

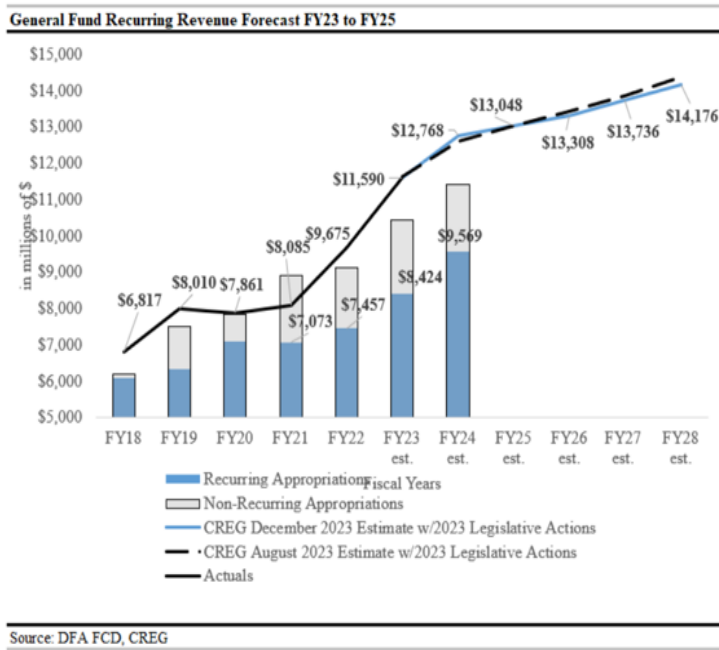
state's voters have migrated to a moderate middle and, in the last 30 years, Democrats have enjoyed increasing electoral success. In 2024, Democrats controlled all the levers of state government from the Governor's Office to both houses of the State Legislature and the Supreme Court. Currently, all federally elected officials in the state are Democrats. Nonetheless, the Republican party maintains strongholds in the southeastern and far northwestern corners of the state and, in the last gubernatorial election, incumbent victor Michelle Lujan Grisham (D) only bested her Republican opponent by 6 points (Secretary of State 2022). Her predecessor in the governor's mansion was a two-term Republican. Like much of America, the rural-urban divide is indicative of political leanings and the Republican party finds its strength in New Mexico's many rural and sparsely populated counties.

Fiscal and social priorities reflect a negotiation between the governor and legislative leaders. Current Governor Grisham (D) has benefited from strong Democratic majorities in the House and Senate. Democrats in the House of Representatives hold a 45D/25R advantage, while State Senate Democrats have a 27D/15R advantage (LCS 2024). As to be expected, Democratic leaders have focused on Democratic priorities while remaining cognizant of where much of New Mexico's budget success has come from- namely, the deep red, majority Republican counties and oil fields of southeastern and northwestern New Mexico.

New Mexico's Economy

New Mexico is a poor state by national standards, but its economy has been very successful in the last few years. The COVID-19 crisis hit New Mexico particularly hard as a dramatic drop in oil price and production, in conjunction with an increase in health care costs, tanked New Mexico budgets in the early years of the pandemic (Seckler 2022). During that time, unemployment soared, state revenues dropped, and the challenges of providing health care to a poor, rural population were magnified. Large infusions of federal money combined with a rebounding oil and gas market has allowed New Mexico's economy to recover and flourish. Since 2022, the state has seen consecutive years of double-digit revenue growth (see Fig 1). That revenue growth, (19.7% in FY22 and 20.3% in FY23) has resulted from a combination of lower unemployment rates, high inflation, higher income tax collections and, most importantly, soaring oil and gas production (Consensus Revenue Economic Group August 2023).

Figure 1. Consensus Change from August Forecast



➤ The December 2023 consensus estimate illustrates near-term strength followed by a return to moderate growth

Fiscal Year	December 2023 Recurring Revenue Growth Y-o-Y	August 2023 Recurring Revenue Growth Y-o-Y
FY21	2.9%	2.9%
FY22	19.7%	19.7%
FY23	19.8% est.	20.3% est.
FY24	10.2% est.	8.3% est.
FY25	2.2% est.	3.5% est.
FY26	2.0% est.	2.9% est.
FY27	3.2% est.	3.3% est.
FY28	3.2% est.	3.8% est.

Source: DFA FCD, CREG

In June 2023, Governor Grisham reported exceptionally strong job growth in May 2023 combined with falling unemployment levels, resulting in the state’s highest number of jobs in its history. This increase in jobs resulted in a 3.5% unemployment rate, a number below the national May average (Grisham 2023).

In August 2023, state revenue forecasters met to release their quarterly consensus revenue predictions. The economic forecasters announced that the state had its highest General Fund revenue forecast in New Mexico history with \$3.48 billion in “new money,” anticipating a 3.5% increase in recurring revenue for FY25. The August Forecast was followed by the December Consensus Revenue Forecast which looked almost as rosy. The December numbers showed a slight uptick in unemployment (the October unemployment rate in New Mexico was 3.8%). However, this number was still lower than our regional neighbors and competitors, (Arizona was 4.2 % and Texas 4.1%) and on par with the national rate of 3.8%. (DFA Dec. Revenue Forecast).

While the fall and early winter economic forecasts were still very favorable, they did provide budget crafters with a cautionary tale. The New Mexico economy is strong but, it is slowing and predictions for growth in the future have returned to more modest and more stable growth rates. Estimated year to year revenue growth was expected to drop to 2.2% in FY25, before legislative actions. Even though year on year growth is expected to slow, December forecasters still predicted that the 2024 legislature would have substantial “new money” to budget. The new money prediction takes into account the previous budget year’s surplus and substantial reserves. The budget for fiscal year (FY24), appropriated \$9.57 billion in recurring expenditures with a reserve of \$4.04 billion. Revenue growth in FY24 was expected to swell reserves to \$5.1 billion, creating a 53% General Fund Reserve by the end of FY24. Thus, legislators entered the 2024 legislative session with substantial reserves and the expectation of \$3.48 billion in “new

recurring money”. Total expected recurring revenue for FY25 was \$13.047 billion (LFC 2023). As of August 2024, the expected FY25 revenue is \$13.01 billion (LFC 2024).

The Run Up to the 2024 Legislative Session

While government economists and forecasters work year-round, the legislature only reports for work in mid-January. The Constitution of New Mexico requires the New Mexico legislature to convene on the third Tuesday in January. Since this is an even numbered year, the constitution limits the legislature to one, 30-day session and limits bill consideration to budget, tax, and revenue matters, veto overrides and bills drawn pursuant to special message of the governor (Constitution of NM, Art IV).

Prior to the January start, the executive and the legislative branches pool their economic forecasting talent, releasing the Consensus Revenue Economic Group’s forecast for the upcoming year. The legislature and the governor start with the same numbers but prepare competing budgets for legislation session introduction. Consolidated Democratic power in the executive and legislative branches has made for limited drama and little daylight between budget proposals in recent years. Interestingly, January 2024 was different. Whether it was a changing of the guard at the Legislative Finance Committee (the longtime director retired after 30 years) or changes in finance committee member and leadership ideas, the proposed budgets diverged in 2024.

The governor’s budget proposal was released at a press conference on Jan 4, 2024. In her executive recommendations for FY25, the governor promoted a budget totaling \$10.5 billion in recurring spending, a 9.9% increase from the previous fiscal year. The governor proposed maintaining reserves at 34.2%. Her budget specifically directed significant investment in housing, education, child welfare, public safety, health care, economic development, and water and natural resources (Grisham 2024).

In her comments introducing her proposed budget, the governor focused her attention on big chunks of money allotted to special projects and funds. Citing studies finding that New Mexico needs to reduce water consumption by 25%, Governor Grisham proposed \$500 million in severance tax bonds to create a strategic water supply. She proposed adding another quarter billion dollars via general fund transfer, to the Land of Enchantment Conservation Fund, which feeds into the Land of Enchantment Legacy Fund (Grisham 2024).

In the area of housing, she proposed sending \$250 million dollars to the Housing Authority and another quarter billion to the Mortgage Finance Authority to work on affordable housing. She recommended appropriating \$100 million for the rural health care delivery fund and \$2.15 billion in recurring spending to the Human Services Department (now called the Health Care Authority). In the area of education, she proposed \$43 million to pay for universal free school lunches, she pushed for more slots to be available for free pre-K, and recommended educator salary increases of 3%. She also advocated increasing public safety funds to increase officer recruitment, training, and retention (Grisham 2024).

In a short 30-day session, bills off the topic of budgets and finance require special messages from the governor. In 2024, a lot of those messages were centered on public safety concerns. The governor proposed numerous bills on gun safety including passage of the Firearm Industry Accountability Act to allow gun manufacturers to be held liable for deceptive trade practices, an assault weapons ban, a bill raising the age for automatic firearms purchases, and a bill establishing a 14-day waiting period for gun purchases. The governor also supported banning guns at polling places and one banning guns in public parks and playgrounds. Multiple other issues were advanced including increasing serious crime penalties and a continued focus on pretrial detention of certain defendants (Grisham 2024).

By tradition and courtesy, the governor's budget is introduced first, as House Bill 2. Inevitably, that bill becomes the House Appropriations and Committee Substitute for House Bill 2 (HAFC sub for HB2) when the bill hits the House's appropriations committee and they substitute in their numbers. The House's substitution usually looks much like the interim Legislative Finance Committee's legislative proposals for the budget. In 2024, those recommendations were a bit different from the governor's.

The Legislative Finance Committee (LFC) released its proposals on January 5, 2024. The committee put forward a FY25 budget recommendation calling for spending \$10.1 billion from the state's general fund, a 5.9% increase over FY24. This translates to an increase in spending of \$566 million. The LFC proposed maintaining a smaller General Fund reserve (30% of recurring appropriations). The committee pointedly left some money unspent with an eye towards future initiatives and tax cuts but, like the governor, the committee focused on strategic rather than across the board increases. The committee proposed significant increases in Human Services spending (mostly to shore up Medicaid payments and compensate for declining federal support) and to expand rural health care delivery initiatives. They proposed increasing public school spending across the board and in targeted programs addressing the Yazzie/Martinez education sufficiency lawsuit. They also recommended additional funding be directed toward the long troubled Children, Youth and Families Department. The legislature proposed targeted increases in the courts and for public safety officers and 4% across the board salary increase for all state employees. Continuing a recent focus, legislators showed their interest in stashing a portion of the year-end surplus in a variety of new endowment accounts with the hope that those accounts would someday buffer the state's oil and gas dependent budget volatility (LFC 2024 press release).

The New Mexico State Legislature was called to order on January 16, 2024, to begin its 30-day session. The governor began the session with a passionate plea for a focus on clean energy, water and natural resources, and additional funding for rural health care initiatives and affordable housing projects. She also advocated for increases in education funding as well as changes to the Public School Code. The governor concluded her remarks with a big focus on public safety, signaling her intent to put forward multiple gun safety and criminal defendant bills (Grisham, State of the State 2024).

The governor was good for her word and, over the next two weeks, she put forward 14 public safety measures, a number of proposed changes to the Public School Code, significant capital

outlay project requests, and a variety of environmental proposals. Her special messages opened the door and the topics for similar legislative bills. Though there was no shortage of bill introductions, the trickle of bills making it through the legislative process was relatively small. When the legislature adjourned sine die on Feb 15, 2024, only 72 bills had scraped over the line (Candelaria 2024). By the time the governor's veto period had passed, 69 of those had survived the two branch process. Most of these bills funded existing government departments and programs. Multiple bills funded an enormous number of capital projects. Additionally, other fiscal bills including the creation of new trust funds and the passage of small tax code amendments also merit attention. Last, but not least, one must also consider a few of the policy areas considered and sometimes neglected by the legislature in 2024.

The Budget

At the end of the 2024 legislative session, the pre-session proposals of the governor and the legislature seemed to meet in the middle. After amendment and substitution, the final reiteration of House Bill 2 authorized recurring spending of \$10.19 billion dollars. Adding in the legislative "feed bill" funding legislative operations for the year, total recurring spending for FY25 is \$10.22 billion. This represents a \$653 million or 6.8% increase above FY24 spending levels (LFC 2024). In addition to recurring appropriations, the final budget bill authorized \$1.316 billion in nonrecurring special and supplemental appropriations. The bill also transfers \$1.3 billion from the General Fund to a series of endowments and expendable trusts to support spending in the mid-to-long term. The bill also provides a 3% increase for all state employees and educators, while leaving a state General Fund reserve at 30% or \$3.09 billion (LFC 2024).

The money allocated through these two bills keeps government in New Mexico operational through FY25. Increases in funding above FY24 levels were not consistent across the board with the legislature targeting particular agencies for substantial increases. New Mexico makes its biggest funding allocation to education and spending on K-12 education will go up 6.1% in FY25. Even that allocation was not across the board as legislators allocated a 5% increase for distribution through the state's education funding formula but added a number of large non-formula budget allocations to fund the governor's proposals for universal free lunch programs and more early childhood education spots. The funding bill also included appropriations for the governor's higher education opportunity scholarship funds (LFC 2024).

In the area of health and human services, the legislature increased funding to increase Medicaid provider payments. Allocations were also made to backfill state funds depleted by declining federal matching funds (LFC 2024). Recognizing the special difficulties of obtaining health care in rural New Mexico (the majority of the state), the legislature allocated \$100 million to the rural health care delivery fund.

Energy and the environment have been a focus of this governor and this legislature. Budget allocations in 2024 reflected this attention and the legislature increased funding for the Environment Department by 19% and the Energy and Minerals Department by 12% (LFC 2024). Presumably, these increases reflect an overall government interest in pursuing clean water and

natural resource projects as well as increasing the monitoring ability of the Energy and Minerals Department.

While providing for an operating budget is the meat and potatoes of every legislative session, many lawmakers seem most interested in dessert - namely the allocation of funds to local pork barrel projects. This year's dessert did not disappoint as lawmakers feasted on the expected FY24 surplus, allocating \$1.4 billion dollars in big and small pork barrel projects (Candelaria 2024). The legislative process for allocating these projects has long supported local electoral ambitions and long defied any common sense or good public policy procedures. The decision to fund local projects is left to the whim of local legislators and funded projects frequently lack broad based support or any sort of feasibility or viability studies. Proposed projects often escape significant public scrutiny and the result is relatively predictable. Many funded capital projects are not completed; many are not even begun.

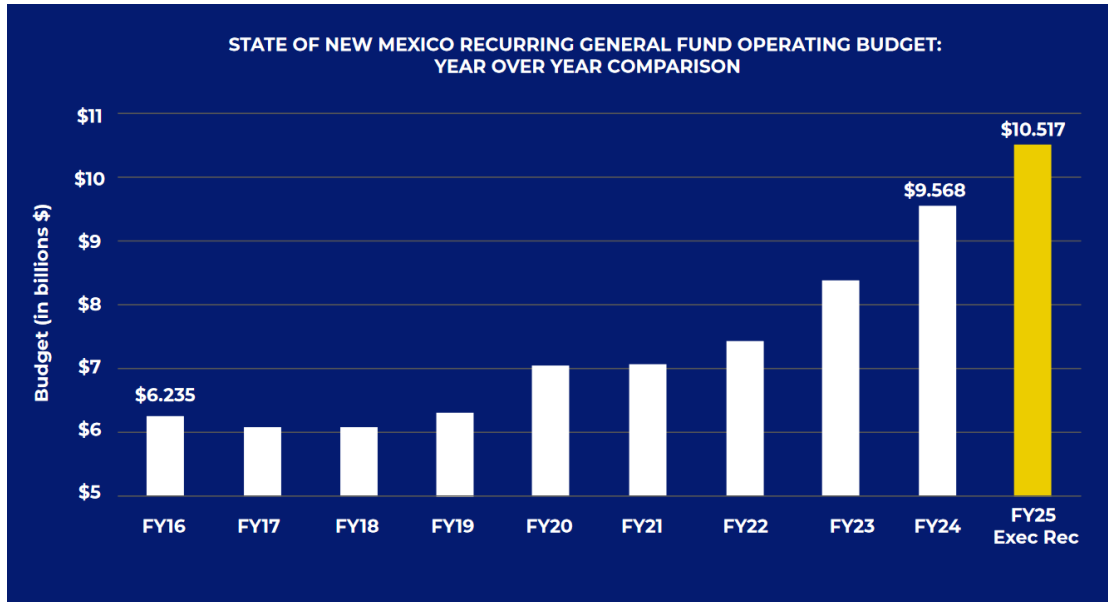
In the summer of 2024 (at the end of FY24), the Legislative Finance Committee reported outstanding capital balances totaling \$5.9 billion across 5600 funded projects (LFC 2024). Admittedly, this includes 1,400 projects newly funded in the 2024 legislative session. Still, the LFC reports there are 258 funded projects that show no activity, no reporting, significant challenges, and unspent funds. This includes money for fire stations, education projects, and senior centers throughout the state. It also means that \$300 million plus sits obligated but unused and unavailable (LFC 2024).

The capital outlay distribution process has been the subject of criticism and derision from editorial boards to legislative members but attempts to reform the process have merely had the effect of putting lipstick on the proverbial pig. Sadly, as record revenues have increased reserves, the temptation to use these reserves for one-time capital projects has only become more irresistible.

How much money is available for operational and capital projects and how money is spent are the most important questions in every budget cycle. Increasingly, in New Mexico, the interesting question is "What is the source of that funding"? Historically, New Mexico has paid its bills from its General Fund, the overall state checking account into which flows tax revenues, interest and investment income, and some permanent fund distributions. Key to the health of the General Fund is our historic, well-endowed Land Grant Permanent Fund and our Severance Tax Permanent Fund. These funds, one conceived at statehood and one conceived half a century ago, are massive multibillion dollar "rainy day funds" whose investment interest funnels into the state checking account to support annual operations (LFC 2005).

As oil and gas price and production have skyrocketed in the years following the beginning of the pandemic, these funding sources (and the resulting investments) have provided double digit annual growth and piles of "new money" available for appropriation. The result has been significant growth in the annual state budget (See Figure 2).

Figure 2. State of New Mexico executive budget recommendations FY25 (Jan 2024) published by New Mexico Department for Finance and Administration



Appropriators have become increasingly wary of the boom and bust cycle of oil and gas receipts as budgets built on a collapsible resource require the retention of significant reserves. As surplus reserves grow, the temptation to squander surpluses on onetime supplemental projects goes up and the ability of the state to develop stable funding sources goes down. In response to these concerns, budget crafters have increasingly pushed for the creation and funding of new, targeted endowments. These have proliferated over the last two years as the legislature has created the Water Trust Fund, the Conservation Legacy Permanent Fund, and the Land of Enchantment Legacy Fund (LCS Highlights 2023). These join the Early Childhood Education and Care Fund, the New Mexico Housing Trust Fund, and others (LCS Highlights 2023). Some of these endowments have received significant infusions of cash and, given current investment returns, have ballooned in value.

The idea of creating lots of dedicated small funds to help finance parts of government is not a new one. Nonetheless, prior generations of lawmakers shied away from earmarked taxes and earmarked funds as tying the hand of future legislatures. Now, however, we have entered a new era of targeted funding sources and a proliferation of new endowments funding everything from affordable housing to rural health care delivery to early childhood education. In 2024, the newest rendition is the Government Results and Opportunity Expendable Trust created to provide additional short term (multiyear) operational funding for government agencies. The new fund will provide operational, temporarily recurring funding for new agency projects for three to five years. This allows the legislature to tighten the reins on agency budget expansion by funding multiyear projects from a non-general fund source without permanently expanding the agency base budget. The legislature allocated \$404 million to this fund in 2024. The use of such funds has the potential to fundamentally change the role of the legislature and legislative process.

While there appears to be little public discussion regarding the proliferation of smaller endowments, there is a great deal of public debate about the fundamental nature of New Mexico's legislature. New Mexico continues to operate a "citizen legislature:" an unpaid, part-time legislative body that is a holdover from its territorial beginnings and its 1910 constitution (Heild 2024). The Constitution of New Mexico mandates annual sessions limited to 30 or 60 days (dependent on the year). The Constitution also requires that legislators be paid per diem and mileage for their service at the session, but receive no other compensation, perquisite, or allowance. (Const. of NM, Art IV). While legislators do receive per diem for all legislative days and for their attendance at interim legislative meetings, the lack of a base salary and, perhaps more importantly, the lack of funding for any personal, permanent constituency staff, has chafed at lawmakers for years. Multiple efforts to amend the New Mexico Constitution have failed, some at the ballot box and some at the hands of the legislature itself. The legislature introduced but failed to pass their own proposed constitutional changes in 2023 (LCS, Highlights 2023).

As the membership of the legislature has changed (members are tending to be younger and fewer retirees are drawn to the job), the grumbles about pay and staff have increased. More than 30 years ago, the legislature created its own pension system, reasoning that, as long as legislators paid in a share, they would not be receiving a perquisite in violation of the constitution. The legislative pension has become more lucrative over the years and amendments in 2024 made future payouts more impressive. By changing one of the factors in the statutory formula, legislators insured members who stay in office more than 10 years increase their "retirements" by 50%. This follows a 27% increase several years ago. Under the new formula, a legislator who retires with 20 years of service would receive \$58,220 a year. The pension factor change slid quietly through the legislature in five days and was signed by the governor (Heild 2024).

In addition to the 2024 pension enhancements enacted during the legislative session, a quiet amendment in the Senate Finance Committee consideration of the General Appropriations Act appears to have given an additional \$6 million to the New Mexico Legislative Council Service to assist in providing more staff for individual legislators (Mencinger 2024). This was not session funding contained in the annual "feed" bill. Rather, it was contained in the General Appropriations Act. Since the only significant current year-round staff is the longtime, non-partisan, committee staff resident in the capitol (the Legislative Finance Committee, the Legislative Council Service and the Legislative Education Study Committee), this is truly fundamental change to the year-round operation of the legislature.

Lastly, 30-day sessions of the legislature are fundamentally designed to pass a budget and ensure a revenue stream for the coming year. While the budget process is a policy setting process in itself, 30-day sessions are also used to address fundamental policy areas that the governor does not feel can wait for the next 60-day session. This 30-day session, the governor asked legislators to also consider a number of public safety bills. The governor's concerns about public safety were front and center in her State of the State speech opening the legislative session (Grisham, State of the State, 2024). She put forward 14 bills in the area of public safety, many of them addressing her concerns about gun safety. Like many states, New Mexico has suffered from the scourge of gun violence. Stories range from road rage gun fights to school yard guns to

legislators' homes' being shot at by a disgruntled losing candidate. Currently, firearms are the leading cause of death of children in New Mexico (Rubel 2024). Governor Grisham asked the legislature to consider banning the sale of automatic weapons, to put a 14-day waiting period on gun purchases, to raise the minimum age for gun purchases, and to ban guns at polling places. Gun bills continue to face a steep uphill trajectory in a Capitol that only banned guns in the legislative chamber a few years ago. Most of the public safety bills did not pass though bills prohibiting guns in polling places and requiring a 7-day waiting period for purchases did pass (Rubel 2024). A disappointed Governor Grisham hinted she would bring the legislature back for a special session dedicated to public safety. She did that in July 2024, only to be rebuffed by the legislature who refused to consider her proposed legislation, adjourning five hours after gaveling into session (Jennings 2024).

Conclusion

The New Mexico legislature concluded its 2024 regular session in late February 2024. It enacted a \$10.22 billion dollar budget, increasing public spending about 6.8%. After successive years of double digit budget expansion, the legislature has reset its government growth targets, planning for lower, slower growth in the upcoming years. The legislature also took the opportunity to stash a portion of the state's current multi-billion dollar surplus into endowments new and old, continuing recent efforts to retrench surpluses into a variety of safe harbors. Budget crafters hope the establishment of numerous new special funds and endowments will allow the state to remain financially centered and stable in the face of eventual economic and/or oil field downturns.

Saving portions of the recent record surpluses and planning for a more stable future is supported in many public policy circles in New Mexico. How the state goes about that is more divisive and less discussed. There is always a faction that argues for tax cuts. There is also a faction that thinks we should spend all. The faction that has won popular legislative support has advocated creating more and more small endowments allocating future, topic specific revenue streams. The long-term impact of this, both legislatively and financially, has yet to be seen.

Having financial cushions make some budget decisions easier. Nonetheless, all budget decisions reflect legislative priorities. In 2024, legislators' priorities favored the "E's" and "H's." Education, the Environment Department, and the Energy and Minerals Department all received substantial budget boosts in 2024. The "H's" were also well funded. Health Care, Human Services, Medicaid funding, and rural health delivery initiatives all did well. Appropriations providing housing solutions for the homeless and affordable housing were also big winners.

In the area of capital spending, the legislature set the stage for over a billion dollars' worth of new capital projects. Spending a significant portion of last year's surplus, legislators provided for pork barrel projects statewide to the tune of \$1.4 billion dollars. It is doubtful that even a majority of those projects will proceed to completion. Given the dysfunctional allocation process, completion may not even be the goal.

Finally, short legislative sessions are supposed to be about budgets and revenues. Nonetheless, the 2024 legislature advanced significant institutional change. For the first time in the state legislature's existence, legislators allocated money to hire and support personal constituency

staff for each individual member. Additionally, the body voted to increase personal legislative pensions by fifty percent. These two changes fundamentally change the nature and operation of the body. Whether this is modernization remains to be seen.

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