



State of New Mexico  
House of Representatives  
Santa Fe

**ROD MONTOYA**

**Minority Whip**

R - San Juan

District 1

**COMMITTEES:**  
Energy, Environment & Natural Resources  
Labor & Economic Development  
Rules & Order of Business

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June 12, 2020

The Honorable Michelle Lujan Grisham  
Governor, State of New Mexico  
State Capitol, room 400  
490 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Dear Governor:

I am writing to request the inclusion of a proposal to provide additional resources to New Mexico's Unemployment Insurance (UI) Trust Fund as part of "the call" for the upcoming special session. With the UI Trust Fund likely to become insolvent within the next few months, I believe this is a serious problem that demands immediate attention. In fact, we have heard from the business community that fixing this problem is their highest priority.

It is my understanding that as of May 25, 2020, the UI Trust Fund had a balance of \$322 million, however, that fund is being depleted by approximately \$25 million per week. Therefore, it is safe to assume the UI Trust Fund will run out of cash within the next 3 months. With more than 150,000 New Mexicans currently receiving unemployment benefits, it is our responsibility to take every step possible to ensure the UI Trust Fund is solvent as long as possible. Otherwise, our state will be forced to request a loan from the Federal government to maintain unemployment benefits and our small business community, which makes up a vast majority of employers who pay into the Trust Fund, will be required to pay significant increases in their unemployment premiums. Even without borrowing from the federal government, small businesses across the state will be hit with premium taxes as a result of the unemployment surge. Such increases will further threaten their ability to reopen their doors or remain in business, and undermine our state's economic recovery. Additionally, not taking action would be all the more disconcerting as the high unemployment rate is through no fault of their own.

I am requesting that we provide an immediate cash infusion of \$350 million into the UI Trust Fund. Source of funding could be from the Federal CARES Act as the unemployment rate is a direct result of the COVID-19 pandemic. I am also suggesting a retooling of the premium rate structure to give small business much needed financial relief as the New Mexico economy reopens. I would be pleased to work with your administration on any additional suggestions for funding the UI Trust Fund.

I look forward to a response on this important issue. Thank you for your consideration.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Rod Montoya".

Rod Montoya