



# State of New Mexico

## *Office of the Governor*

**Bill Richardson**  
Governor

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## **Governor Richardson Delivers State of the State Address**

SANTA FE - Governor Bill Richardson today delivered the 2005 State of the State address to a joint session of the New Mexico Legislature. The Governor's address marks the official start of the Legislature's 60-day session.

### **2005 State of the State—Governor Bill Richardson's Remarks**

#### **Introduction and Acknowledgements**

The State of the State marks a special occasion when we gather together. My job here is to talk, to report on the state of our affairs, and it is the job of the legislature and assembled audience to listen. If, by chance, you finish before I do, please let me know.

To Lt. Governor Denish, Senate Pro Tem Altamirano, and Speaker Lujan;  
To Democratic and Republican leaders, members of the New Mexico House of Representatives, and the New Mexico Senate;  
To the former Governors, distinguished guests, and our First Lady, my wife, best friend, and lifelong partner, Barbara:

Thank you and welcome.

## **Who we are**

I thank all of you here today, and all of you listening and watching. I am proud to stand before you. We have accomplished so much in a short time—by focusing on what’s important, by working together, and by putting our shared values first.

When we see something wrong, we right it. When we see something broken, we mend it. And when we see something that needs to be done, we go out and do it.

We are home to people who care deeply about the future of New Mexico. So many extraordinary people who make a difference for our state everyday.

This is a great job. The best job I’ve ever had. Because I go to work for the people of New Mexico everyday. And I’ve tried to follow a few simple lessons to serve the people well. Be bold. Never fail to act. Keep your promises. And make a difference.

The last two years at this time, I laid out several ambitious goals for New Mexico: Better schools, better jobs with higher wages, protection of our water and natural resources, more accessible health care, safer streets and communities, and a more fiscally responsible approach to government.

You, the legislature, joined me and we acted. We kept our promises. And made a difference. Together.

Now, we have results to talk about, not excuses.

## **Where we are going**

Today, the State of New Mexico is on the move, and in the right direction. That is not to say we do not have steep challenges ahead. Because we certainly do.

But we will confront our challenges with hard work, innovation, and bipartisan effectiveness. We will not rest on our successes. Because there is more we must do.

So, where do we go from here?

Government must make a difference in three significant ways. First, we must work tirelessly to increase opportunity for all New Mexicans. Second, we must promote responsibility and accountability from ourselves and from every citizen. And third, we need to ensure a safe, sustainable quality of life for our people and our state. This is our charge—and together, legislative and executive, we can build this kind of community.

Here’s how we make a difference.

## **Tax Cuts and Economic Development**

We're going to cut taxes for New Mexicans, focusing on single parents and low- and middle-income earners. The tax relief I am proposing is consistent with my approach: fiscally responsible, affordable, and sustainable. When we are blessed with additional resources, I believe we have a duty to turn some of those resources back to the people, not to more programs.

We want to put more money in people's pockets by:

- Allowing a one-day, back-to-school "sales tax holiday" to help working families cut costs, spur greater retail activity, and keep more dollars here in New Mexico,
- Providing an income tax exemption for low- and middle-income households worth up to \$3,000 that would benefit nearly 600,000 families,
- And eliminating the single parent penalty to provide a tax cut for some 50,000 single parents.

Raising a family is difficult enough. But it's even more difficult for single parents struggling to make ends meet. They don't need more obstacles. They need more opportunities.

With us today is a courageous example of opportunity at work. Please give a hand to Gabrielle Amster. She's a working single mom, supporting her two children, who would save three-hundred and seventy dollars from our tax proposals.

We can have lower taxes and create jobs.

And now we have a lot of momentum with job growth. Over 42,000 more New Mexicans are earning a paycheck now than were two years ago. Our unemployment rate has dropped from 6.8 percent to 5.1 percent in two years, and it has been at or below the national average for 20 straight months. But we can't pat ourselves on the back just yet. It's now our responsibility to keep our foot on the pedal.

We must never forget that it is the private sector—not government—that is the engine of economic opportunity. Businesses, particularly small businesses, flourish and can provide good jobs when government acts as a productive partner.

We can spark even greater economic growth by giving a three-year tax cut for high-tech start-up companies, and a 5 percent personal income tax credit for people making qualified investments in New Mexico corporations.

We want to focus our efforts on rural New Mexico by expanding the Main Street Fund, and extending the Rural Jobs Tax Credit, which is set to expire this year.

And for the first time, we're proposing an infrastructure fund for our Native Americans to make sure they are treated fairly in the capital outlay process and receive investments they need.

I respect the need for input and guidance on capital outlay from every legislator to ensure that your communities get the support they need.

The film industry has increased its investment in New Mexico from 8-million to 162-million dollars in just two years—25 films in 24 months. We can expand and sustain that growth by funding a comprehensive film-training program and extending the state's 15 percent refund on filming expenses in New Mexico to include post-production.

We want to provide tax exemptions for our promising aviation industry, and create the New Mexico Spaceport Authority to develop this important and innovative opportunity.

We have the chance to turn research and development into new investment and new jobs.

## **Education**

And the smartest thing we can do to create high-wage jobs and grow our economy is to keep our focus on education. The cornerstone of an opportunity society is education. And I will continue to take bold steps to prepare New Mexico students to succeed at every level.

We've done a lot to improve our schools. We're no longer at the bottom of the rankings. Test scores are up. And more college graduates are staying here in New Mexico.

But we need to do more, to make sure our education system is seamless, from start to finish.

We all want the same thing for higher education: make college more affordable for New Mexico families, widen access to financial assistance, and hold our universities accountable.

There is a 51-million dollar surplus in our Lottery Scholarship Fund. What good does it do to sit on that much money when we have so many families struggling so hard to pay for college?

We need to preserve the Lottery Scholarship Fund. We also need to expand opportunities by adding a two-year wait-out period for students not ready for college right after high school, giving students a second chance if their grade point average slips below the minimum 2.5, and providing access to Native American students if they attend an accredited tribal college in New Mexico.

Separately, we should establish a need-based scholarship through the College Affordability Act.

And we will hold all students on scholarship accountable by maintaining the 2.5 GPA standard.

Our universities deserve our strongest support. We will fully fund higher education with a 31.6 million dollar increase. And we will help universities recruit and retain faculty by increasing their salaries.

Still, we must hold our universities accountable by creating a Secretary of Higher Education to coordinate efforts and enforce standards. We can save money, ensure cooperation, and target resources, while preserving the authority and autonomy of each institution and local regents board. And we will link state funding to graduation rates to make sure our universities and colleges prepare New Mexicans for high-wage jobs.

For K through 12 education, we need good teachers, better student performance, and more investment in early childhood education. We need to close the achievement gap, keep students healthy, and hold our schools accountable.

My plan achieves these goals with 97-million dollars in new funding, and 41-million dollars from the education “lockbox” for several important initiatives.

We want to close the achievement gap and improve student performance by:

- Fully funding the next phase of the three-tiered licensure system for teachers,
- Increasing teacher salaries and holding them accountable for results in the classroom,
- Boosting professional development for pre-Kindergarten teachers,
- And creating the New Mexico Teacher Corps program to train teachers for work in failing schools.

We want to invest in early childhood education by:

- Fully funding full-day Kindergarten,
- Investing in our before- and after-school programs,
- And taking the first step in my pre-Kindergarten initiative.

Too many children come to school at 5-years old with the development of a 3- or even 2-year old. These children are constrained to a life of great challenges and more obstacles to success. And that is simply not right. Every child deserves a chance to succeed in life.

We know that kids with quality early learning opportunities are more likely to graduate from high school, more likely to graduate from college, and more likely to earn higher income. And we know for every one dollar we invest in early education, we save seven dollars down the line in welfare, special education, and criminal justice costs. Our children deserve the chance for an early start on success. And this is proven to be the best investment we can make to give them limitless opportunity.

We want to make sure New Mexico students are healthy as they grow up and learn to stay that way by:

- Creating 34 new school-based health centers across the state
- Expanding physical education courses,
- Curbing child obesity,
- And bringing breakfast programs to our elementary schools.

In our schools and our communities, we want to create and promote a culture of nutrition, physical activity, and healthy habits that students can take with them throughout life. So let's phase out junk food in our schools, and encourage vendors to provide healthy meals and healthy choices.

And we want to reform how we pay for our schools by:

- Taking a fresh look at the way funding works,
- Asking school districts to look for efficiencies and savings,
- And discussing how we can make changes to use education funds more effectively.

Some of these changes will be hard. But true change is never easy. We must be able to tell every New Mexican citizen that our government and our schools are spending every tax dollar wisely. I know that every legislator supports our public schools and I salute your longstanding commitment to investment in public education.

To that end, we must address the multi-billion dollar pension shortfall facing our educational retirees. I propose forming a 30-day task force to review pension issues and make sensible proposals we can consider this legislative session.

We cannot stop our joint efforts to reform education. We must demand more money in the classroom—not in administration. And we must ensure that every district spends its money effectively. As headlines told us last week about wasted school spending, we still have more work to do.

We will hold our public schools accountable, not just for spending, but also for results, by:

- Testing 11<sup>th</sup> graders to better track student performance,
- And providing financial incentives for schools to improve.

As important as it is to educate our children, our more sacred responsibility is to keep them, their families, and their communities safe.

## **Public Safety**

Criminals must be punished. Victims must be compensated. And New Mexico streets, neighborhoods, and communities must be kept free of the ravages of DWI offenders, gang violence, and domestic abusers.

Our efforts to make a difference in public safety will focus here.

To continue our progress in battling the scourge of DWI, we want to:

- Lower the breath alcohol count for repeat DWI offenders from .08 to .06,
- Create a toll-free hotline for people to call and report DWI offenders or to report selling or providing of alcohol to minors,
- Expand the use of ignition interlock devices for all DWI convicted offenders,
- And help local governments lessen the impact of alcohol use in their communities.

We will take action to halt and reverse gang activities in New Mexico, by:

- Enhancing criminal penalties for gang-related crimes,
- And making it a felony offense to recruit minors into criminal gangs.

We must increase our efforts to curb domestic violence and protect families from its tragic effects with tougher penalties, including mandatory jail time for abusers and mandatory counseling.

We'll provide safe alternative addresses to victims, identify cyber stalking as a crime, and ensure that damage to community property is a crime. We'll coordinate statewide efforts through the office of the Domestic Violence Czar to ensure that all victims of domestic violence in New Mexico have access to services.

All of this will take cooperation with law enforcement and our judiciary. Some called 2003 the Year of the Governor. 2004 was the Year of the Legislature. Let's make this the Year of the Judiciary.

We're recommending increased staffing of the judiciary, district attorneys, and public defenders; an appropriate wage that boosts recruitment and retention; and our plan includes 12 new judgeships—7 of which are in districts heavily impacted by DWI and domestic violence cases. This will make sure justice is served, and that the guilty are not set free.

While we spare no effort to keep New Mexicans safe, we will also continue striving to keep New Mexico healthy.

## **Health Care**

A healthy New Mexico makes our families stronger and improves the quality of life for New Mexicans. And I am committed to providing care to those who need it most.

No child should go without sufficient healthcare. No one with a disability should be denied the care and service they need. No senior citizen should have to go without his or her medicine. And no one should have to go without health insurance for them and their families.

More than 414-thousand people in New Mexico don't have health insurance. Seventy percent of those are working people. That's not acceptable. And the costs are not sustainable.

This year, we want to reduce the number of people without health insurance by 10 percent, or 41-thousand people.

To achieve this, we want to allow small businesses to voluntarily buy into the state's health insurance plan, require insurance companies to give part-time workers health coverage through their employers, and offer graduated tax credits to encourage small businesses to provide insurance for their employees.

We will also keep New Mexico's children healthy by creating an immunization registry so that children's shot records will have one central location accessible to all providers. This is an important and personal cause of the First Lady, and I am proud of her efforts.

Too many seniors live in poverty, struggle to pay bills, or can't afford food or housing. Too many of our most vulnerable citizens are put at risk in situations where they should be getting good care.

We want to create a safety network, so this never happens. That includes more access to affordable prescription drugs, state assistance to those who can't afford their medicine, and strict monitoring of health care facilities that house our most vulnerable citizens.

And to New Mexico's retirees, let me be perfectly clear. I fully support and am deeply committed to ensuring the preservation of your health insurance benefits - today and tomorrow. Anyone who would say otherwise has misunderstood or deliberately misrepresented my commitment to them.

One of the biggest challenges New Mexico faces is maintaining Medicaid. This coming year alone, we will receive 50 to 60 million dollars less in federal Medicaid funds. States are forced to come up with the funding or make draconian cuts, while dealing with rising Medicaid enrollment and exploding costs.

So make no mistake, it is an uphill battle. But—together—it is one we can win.

423-thousand New Mexicans count on Medicaid for their medical coverage, 271-thousand of whom are children.

I am proposing a 16-percent, 78.4-million dollar increase for Medicaid. This is responsible, manageable growth that will allow us to both protect our most vulnerable citizens and contain costs.

We can do so by making reforms, controlling prescription drug costs, instituting service caps like private insurers do, and various other cost sharing approaches. In the

last two years, we have controlled the growth of Medicaid costs, maintained the eligibility for children, and become a leader in coverage for long-term care.

This is one of the toughest problems we face. But we'll continue making a difference.

## **Environment/Water**

The lifeblood of New Mexico is water. It is an indispensable resource we must protect to ensure the viability of agriculture in New Mexico, for farmers, ranchers, and our quality of life.

We need clean air, land, and water, for our families and our communities.

And we share the goals of responsible management of our land and water resources; protecting natural treasures and endangered species; and using innovative approaches to develop sound energy policies that are good for the environment and help create jobs.

New Mexico is undertaking the most aggressive approach to water management in 30 years, called Active Water Resource Management. It will encourage water banks in areas that face major growth or places prone to water shortages. It will expand the metering and measuring of water. And it will advance the efficient development of local water markets. New Mexico will take control of its water.

I want the Interstate Stream Commission to have the tools to make the proposed Strategic Water Reserve a reality in streams where environmental or compact delivery requirements strain supplies

And we will make several other water management reforms this year that will simplify the process for local government, and provide technical assistance.

These reforms will combine with my proposal for 65-million dollars in regional and statewide water projects. It's aggressive, it's innovative, and it's the best way to secure a sustainable water supply for New Mexico's future.

## **Energy**

I've been told that I have a lot of energy. The secret is that I use renewable resources. Some days I'm solar powered. Some days I'm wind powered. And some people in this room might think I'm hybrid gas-powered.

You'll just have to guess which it is today.

In all seriousness, our state's energy needs are critical. But we are lucky to have innovation, opportunity, and technology on our side.

We are an energy state. We have world-class oil, coal, and gas reserves. We have the capacity for clean energy—solar, wind, biomass, geothermal, and other renewable energy resources. And we share the goals to build energy capacity, reduce our dependence on foreign oil, keep our environment clean, and create high-wage jobs in the energy industry.

We have an incredible opportunity in New Mexico to build a high-wage renewable energy industry. New Mexico has the potential to produce more than triple our energy needs in wind and solar energy. If we can export that energy to neighboring states, we can create good jobs—particularly in rural New Mexico.

To facilitate this, I am proposing the creation of the New Mexico Transmission and Storage Authority, which will help overcome some of the obstacles to wind energy development. It will concentrate on transmission planning, interstate negotiation, and financing tools in a new independent authority. It can help construct the transmission capacity we need to move our energy to markets in other states. And it will help produce billions of dollars in new construction and more stable utility costs for consumers.

Finally, we must protect our lands and increase access to our fantastic wildlife areas. To get this done, I am proposing 5-million dollars for land conservation to provide hunters and fishermen more access, protect wildlife habitat, help ranchers and farmers with land conservation, and assist communities that want to protect open space and wildlife areas.

### **Military Families**

Few needs are more pressing, or more deserving of our attention, than taking care of the men and women of the U.S. armed forces.

All of these men and women, and their families, sacrifice so much on our behalf. They put their lives on the line for our freedom. They protect our way of life, and keep us safe everyday.

With longer deployments and meager benefits, the strain on soldiers is unimaginable. The pressures on their families can be unsustainable.

This is especially true of National Guard troops and reservists—who now account for more than 40 percent of our forces in Iraq.

Today, we honor Major John Fishburn, representing the New Mexico National Guard. He is here with his wife Laura and daughter Kara. Major Fishburn received the Bronze Star for exemplary service with the 717<sup>th</sup> Air Ambulatory Company in Afghanistan. He is one of many who have sacrificed so much for our country.

These are your neighbors, your co-workers, people you see at the grocery store, a ball game, or at church. And there is no measure for the gratitude, respect, and support they have from everyone who calls America home.

Sometimes those who serve sacrifice everything. And when they do, we lose a hero. But their families and loved ones lose so much more—a mom, a dad, brother or sister, son or daughter. We have seen too many heroes pass on recently, and too many families say good-bye.

In the memory of those lost, and in honor of those who remain, we are taking action in New Mexico.

My plan is called “Take Care of Our Own.” It is a three-part benefit package—with strong bipartisan support—that is the first of its kind.

New Mexico will become the first state in the country to pay for 250-thousand dollars worth of life insurance for all 4,027 active duty New Mexico National Guard members. This will require an appropriation of 800-thousand-dollars annually, and I ask for your complete and full support.

I have heard so many horror stories of families left with nothing, who didn’t just lose a loved one, but lost their breadwinner as well.

Military families are out there across the country struggling to get by, and their government is just not doing enough. The current military death benefit is only 12-thousand dollars. And while proposals exist in Congress to increase the benefit, the time for talk is over, and the time to act is now.

My plan would also make half of military retirement pay exempt from New Mexico state taxes.

Additionally, every taxpayer in New Mexico would have the opportunity to contribute to the new Military Family Relief Fund by designating a portion of their refund on their tax returns. The fund is an unprecedented way to show our support, by helping pay for clothing, housing, medical, and other expenses for those who need and deserve it the most.

I know we have the compassion in our hearts to help our troops and their families. That is why I am counting on bipartisan support, and challenging other states to follow our lead. And I hope you make this one of the first bills to pass the legislature.

Our troops, our veterans, and their families need our help now. They need action, and they deserve results. For those who have given so much, for those who have sacrificed everything, we have a responsibility—a moral duty—to take care of our own. And we will.

## **Fiscal Responsibility**

We will also take care of taxpayer dollars. Fiscal Responsibility will continue to guide my priorities and my actions. That's why the budget I am submitting to you will cut taxes and maintain our cash reserves. It is bold, balanced, and builds on the services New Mexico families need and deserve.

We have saved millions, reformed procurement, and increased the business state government does with New Mexico firms by 35 percent.

Reform is also needed in our elections. We've just been through a very contentious one, and there is concern about the integrity of the system. While I support Speaker Lujan's call for a task force to help identify future solutions, I believe we need immediate action to restore confidence in our elections to ensure honesty and fairness. Voters should know that their votes count in New Mexico.

## **Conclusion**

We cannot accomplish all that we need to do without working together. We came this far as a team. And I am asking for and counting on support from all of you in this room.

In our great state, we have a tradition of working together—Republicans and Democrats, side-by-side. We have our disagreements. We have our debates. But we know how to be civil. We know how to be constructive. We know how to get things done.

I held legislative strategy sessions this past year with both Republicans and Democrats so we could develop good lines of communication and collaborative approaches to solving our problems. Many of you have worked closely with my Administration on the proposals I have discussed today. I look forward to rolling up our sleeves, resolving our remaining differences, and getting things done for the people of New Mexico.

I don't have all the answers. I need your help, your guidance, and your leadership to tackle the challenges before us.

Our future will not be determined by chance, but rather by the choices we make today, and in the days and weeks ahead.

We can accept the status quo, we can wipe our hands clean, pat ourselves on the back and say job well done. Or we can take bold steps, strong action, and do what's right for the people of New Mexico.

I choose bold. I choose action. I choose what's right for the people. I choose to make a difference.

We as a people, as a state, and as a community, have too much promise, too much potential, and too much at stake to go any other way than forward. We are too strong in our hearts, too innovative in our minds, and too firm in our beliefs to retreat from our goals.

I believe we can make New Mexico a place where every kid can get a sound education, stay here, find a good job, and be near their families. I believe we can build a culture that demands accountability from those who would threaten the safety of our roads, our families, and our communities. And I believe that there is nowhere on Earth where the quality of life—reflected in the beauty of our environment and the values of our people—is any greater.

We care too deeply for the generations that follow, to do anything other than make a great difference for the people we serve in this place that we cherish—the great state of New Mexico. May God bless us all. Thank you.

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