



State of New Mexico
Office of the Governor

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**STATE PUBLICATIONS
PROGRAM**

Bill Richardson
Governor

Governor Bill Richardson's 2007 State of the State Address
(As prepared for delivery)

Lt. Governor Denish, Senate Pro-tem Ben Altamirano, and Speaker Ben Lujan;
Native American and spiritual leaders;
Chief Justices and members of the Judiciary;
Democratic and Republican leaders, members of our state House of Representatives and
Senate;
former Governors, distinguished guests, and our First Lady, my partner, Barbara

Bienvenidos and Welcome.

To the people of New Mexico—thank you. I am deeply honored to stand before you
once more.

To the new citizen legislators in our ranks—welcome. And to our senior legislators—
welcome back. I'd like to congratulate you all—not just for your electoral victories but
for your service to our state.

To Lt. Governor Denish thank you for your leadership in supporting small business,
fighting to keep our public safe, and expanding health coverage to more New Mexican
families.

Over the last four years, I've laid out 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.

The legislature joined me, we acted—and acted boldly. We put progress above politics.
We found common ground. Democrats and Republicans, community groups and

churches, business and government—we came together--regardless of party, faith, or affiliation—and got things done.

I ask you to continue that progress. We should respect our differences, but seek a common purpose. We should identify the real problems affecting our citizen's lives and work together to build real solutions.

Regardless of any future political plans I may have, my priority will be a successful legislative session.

Our fellow New Mexicans have experienced progress, and they want more. Their confidence, in themselves and in our state is renewed.

They have higher expectations for their own future, for their state and for those who lead it.

They expect us to keep building an economy that creates opportunity for every New Mexican.

They expect us to preserve our quality of life, stay true to our Western values and keep our commitment to common-sense.

They expect us to demand accountability from every citizen and every public servant.

I believe we must expand the bounds of opportunity for every New Mexican.

- Expanding opportunity means extending health care coverage, so the lives of our citizens are not are limited by poor health and no health care.
- It means investing for the long haul--into education, economic development, clean energy, and reaping dividends for decades to come.
- Expanded opportunity means protecting the needs of future generations for a clean environment and sustainable water supply.
- It means widening our economic base—so our oil and gas economy, expands to renewable energy, film, tourism and high-tech—from our urban areas to our rural main streets.
- Most of all it means—an education system dedicated to learning, achievement, and success. So that every child gets a world-class education and enters the world of work prepared to succeed.
- Every New Mexican deserves a fair shot.

Today, our economy is strong and growing stronger. We created more than 80-thousand jobs during the past four years. Our unemployment rate plummeted from 5.8 percent to 4.3 percent. And average income is growing -- 10th fastest in the nation.

The budget I propose continues to build on this foundation and aggressively invests in our top priority—the people of New Mexico. We must maintain fiscal discipline, protect against unforeseen downturns, and keep moving forward.

This budget makes the most out of our historic surplus. We must continue to cut taxes, protect our high bond rating, and balance the budget. At the same time, I am insisting that we put aside at least 10 percent of the budget in reserve. I will accept nothing less.

And make no mistake, a booming economy is not an excuse for excessive spending---we have a shared responsibility to invest wisely in our priorities.

My capital budget identifies and proposes strategic investments to create jobs, improve our quality of life, and expand opportunities in every corner of the state.

Let's work on this capital budget together. I understand your prerogative as legislators and I want to help you meet the needs of your districts. I ask you to help me take care of the needs of our state.

Today, I am proposing a substantial commitment to one of those statewide priorities – modernizing our public schools.

In addition to the \$20 million dollars I have pledged for charter schools, I am asking the Legislature to devote \$283 million dollars—to relieve overcrowded schools and catch up with needed repairs. Kids cannot learn in overcrowded classrooms.

I know I'm not the most patient person. And, as a former Congressman, I understand and respect the deliberative nature of this body. You are dedicated, responsible, and thorough in your work.

I hear those who say we should slow down, who say we've done all we can do.

But I believe the message from 69 percent of voters was loud and clear. The people of New Mexico are calling us to act. We can't slow down. We have too much to do.

I also know that the people of New Mexico expect a lot from us. And they should. Last session, we left these chambers with much unfinished business. I propose that we finish that business – and I respectfully ask that we work together to get it done quickly.

I propose a 4-part action agenda that I believe has broad support, was thoroughly debated during the last session, and deserves to be passed during the first 30 days:

1. Let's restore dignity to a hard day's work ... let's raise the minimum wage-to seven-fifty per hour. We should not wait for Washington, we must do what's right for the working men and women who drive our economy.
2. New Mexico is already the leader in clean energy. Let's go further—I want New Mexico to become one of the first states in the nation to create a Renewable Energy Transmission Authority and export solar, wind and other renewable energy. I also want to require utility companies to produce 15 percent of their energy through renewable resources by 2015 and 25 percent by 2020.
3. We've done our part rebuilding our highways and expanding alternative transportation. Let's pass GRIP II for our city and county roads and finish the job.
4. Finally, I'm proposing more than \$123-million dollars in tax cuts. When we are blessed with additional resources, I believe we have responsibility to return some of those resources to the people—especially those who need it the most. Through targeted tax cuts, I believe we can help working families, support our military and continue to create high-wage jobs.

I know many legislators have ideas for cutting taxes. But there's one tax cut that everyone can support – the Working Families Tax Credit. Let's pass that tax plan that rewards work and helps as many as 139-thousand middle income taxpayers.

We should extend the personal income tax cut to more middle-income New Mexicans—as many as 720-thousand people.

I believe we should speed up the personal income tax cuts we began in 2003 – a sentiment that I know many of you share. I made room in my budget recommendation to drop our top rate from 5.3-percent to 5.1-percent this year – allowing us to continue our economic momentum. Let's get it done

Next, one group is making enormous sacrifices on behalf of our state, our country, and our freedom—brave New Mexicans serving in the U.S. military. We have done more than most states to show our gratitude. Let's go a step further – Let's eliminate the state's income tax for active duty members of the military. Period.

More than 190-thousand retired military veterans have made New Mexico their home. Many of those veterans put their skills to work in second careers. I believe we should acknowledge their benefit to our state, and encourage more skilled veterans to work here. I propose that we offer military retirees a 50 percent deduction of their earned income up to \$50-thousand dollars.

But to recruit new industries we must provide new incentives such as:

- A tax cut for investment management firms.
- A tax credit to encourage investment in New Mexican high-tech companies
- And reduction in tax pyramiding.

If we can move quickly on these priorities, I believe we still have plenty of time to tackle the rest of the ambitious agenda we face.

I have dubbed 2007 the Year of Water. I ask that we commit ourselves to solving New Mexico's water problems. I propose a three-part strategy focused on improving water availability, investing in innovation, and conservation of our waterways and watersheds.

First, we can conserve our water through river ecosystem restoration, by mandating water conservation standards in building codes and investing more money in our Strategic Water reserve. We should also boost our investment in the Water Trust fund to extend water infrastructure, and fund a new water-conserving strategy to quickly detect and repair leaks statewide. And any conservation effort must never forget and always protect New Mexico's agricultural heritage and traditional reliance on acequias.

Second, we must continue to invest in innovation. That's why I created the Water Innovation Fund to inspire and invest in the latest technological breakthroughs.

We have been generous in funding important water projects, but we need better coordination—to stretch every dollar, and to make sure projects get done. I'm proposing the creation of the New Mexico Office of Water Infrastructure to provide communities and citizens with a one-stop shop to get answers to their water infrastructure needs.

Last, we must do our part to extend reliable and clean water supplies.

- In the Eastern Navajo checkerboard region, more than a third of the population does not have easy access to safe drinking water.
- The Ute pipeline promises a long-term supply for the citizens of Curry and Roosevelt counties.
- And beneath the Otero Mesa lies potentially hundreds of millions of gallons of water, enough to provide a sustainable fresh water supply for communities in Southern New Mexico.

These projects are aggressive, innovative and offer the best way to secure New Mexico's water supply for the future. Let's invest in these projects--because this generation, and the next deserve access to clean, safe drinking water.

Our future and our way forward—is always education. Education is our obligation and our path to expanding opportunity for all.

We've made real progress toward making our schools work. And quality schools start with quality teachers in the classroom.

We are going to raise teacher salaries again and tie them to the tough accountability standards--- that have made our three-tier licensure system a model for the rest of the nation. A 7.4-percent increase in teacher salaries would bring New Mexico to 27th in the nation.

Our Pre-Kindergarten program is essential to preparing all children to succeed and to narrow the achievement gap before kids reach kindergarten. We must double this effort from 2,200 to 5,000 four year olds statewide.

For our schools that need the most help, I propose three major initiatives to help students get up to speed in reading and math, and meet our high standards:

1. Invest in After-School Enrichment programs to tutor and mentor students
2. Continue and expand our efforts to extend school days, offer longer school years, and pay for Reading, Math and Summer Institutes.
3. And forgive loans for teachers who work in low-income areas, and give a tax credit to encourage highly qualified teachers to work in schools with the greatest needs.

You can't encourage success if you make it easy to drop out of school. Let's raise the drop out age from 17 to 18 years old, increase graduation requirements, and fund schools based on the time students are in class.

In higher education we all want the same thing: to make college more affordable for our families, to widen access to financial aid and to hold our universities accountable.

I propose that we invest another \$50-million dollars in the College Affordability Act, expand access to more students, and provide 2,500 more scholarships for needy New Mexicans.

And let's get a grip on the out-of-control tuition hikes that put college out of reach for many New Mexicans. I'm working with our universities-- to limit tuition hikes-- to no more than 5-percent-- during each of the next three years.

I am also proposing a state tax-credit to help pay for college tuition and fees.

The Lottery Scholarship Fund---which has expanded opportunities for thousand of New Mexicans -- must be preserved. But it must also be improved. That's why I'm endorsing a plan to reduce spending on bureaucracy, increase spending on students, and ensure that the Lottery Scholarship is around 30 years from now.

As we work to expand educational opportunities, we must make sure that our communities are safe for our families.

On DWI alone---our top priority---New Mexico's interlock law was recognized by Mothers Against Drunk Driving as a model for the nation. But, even with the strongest

DWI laws in the country—tragedy can still strike – as it did in recently when a drunk driver took the lives of five members of a Las Vegas family.

Members of the Collins and the Gonzales family, who lost so much in that tragedy, are here with us today. They remind us that we still have more work to do. Please join me in a moment of silence for this family's loss and in memory of all victims of DWI.

Let's keep working together to save lives.

We must go further; we should apply our tough ignition interlock law to out-of-state applicants with prior DWI convictions.

The sad fact is that nearly 60 percent of DWI offenders with two or more convictions are abusing more than one drug. To protect our citizens and combat drug addiction, I propose we triple funding for Substance Abuse Treatment.

This year, I am confident that we are finally going to ban cockfighting. New Mexicans don't want our state associated with this practice. I am ready to work with the Legislature to get this done.

We must protect New Mexico consumers against those who target our most vulnerable citizens. I think we are all in agreement that we need to take action – this session – to do away with predatory lenders and protect our people from exploitation.

I also want to address what I believe to be a weak link in our criminal justice system. I am asking for the legislature to join me in funding to plan and design a state-of-the-art crime lab and to hire more technicians to help law enforcement solve crimes quickly.

I'd like to salute First Lady Barbara Richardson for her hard work to increase immunization rates, expand literacy and reduce domestic violence. We must increase our efforts to curb domestic violence and protect families from its tragic effects.

Last year we dedicated our session to New Mexico's children. We agreed that every child should be healthy, and no child should be without quality health care. And we acted boldly by making health care available to all children five years old and younger.

This year, we are taking the next step toward our goal of expanding access to quality, affordable health care to every New Mexican.

We've successfully enrolled nearly 10-thousand New Mexicans in affordable state health insurance plans through their small employers. But more than 400-thousand New Mexicans still don't have health care coverage.

I am proposing two important steps toward closing the uninsured gap. First, for those who have the least, I want to raise Medicaid eligibility to 100% of the federal poverty level to help low income adults get health care. Second, for the hardworking New Mexicans who simply can't afford insurance, we should expand our State Coverage

program to thousands more middle-class working adults. Combined these initiatives will help cover an additional 34,000 New Mexicans.

And for children with disabilities, we want to expand access to early diagnosis, which will lead to early treatment. We want to lend a hand to their parents. And we want to make sure that specialized services remain available, independent of where they live or whether they are insured or not.

Expanding health care coverage is important, but finding a cure for diabetes or cancer is the hope of life renewed. Let's work to help our scientists, physicians and researchers at the University of New Mexico—some of the best in the world—unlock the potential of stem cell research.

The federal government has once again turned its back on its responsibilities to Native Americans in our state. Let's find ways to help our Native American residents meet their health care needs

But it is in the area of energy where New Mexico is beginning to expand economic opportunity that has been overlooked for too long.

We have invested heavily in clean energies like wind, solar and biomass, while requiring utilities to produce more of their energy through renewable sources.

We have led the fight against global warming—even when the federal government has not. We have followed the principles of the Kyoto treaty and mandated some of the toughest emission reduction goals in the country.

We have the potential to lead once more. We can, and should become the first state in the country to use 100-percent renewable energy in government buildings.

Rather than wait for Washington, I propose adopting tough carbon emission standards for new cars and trucks sold in New Mexico. Tough standards will cut vehicle emissions by 30% within the next ten years.

I am also proposing an advanced coal tax incentive. This will help ensure that any new coal-fired power plant built in New Mexico will install state-of-the-art pollution controls and achieve significant carbon dioxide reductions.

I ask this legislature to join me in transforming our schools into “green buildings”—protecting our environment and saving energy costs. We should also provide tax credits to promote green offices and homes, create an Energy innovation fund to develop clean energy projects, and give consumers a one-month tax holiday to purchase energy-efficient appliances.

And once again I propose a land conservation fund to support land, wildlife and clean energy projects that create a legacy for future generations.

But while energy and conservation are perhaps our state's greatest opportunity, today we face one last test—a test of responsibility.

Holding the highest ethical standards is not a privilege, but our responsibility as public servants. It's also the best, and only way, we can protect the public's faith in their democracy.

Some of you here served in the Ethics Reform Task Force and provided valuable recommendations. Thank you for your efforts. Those recommendations are the basis for my ethics package.

I'm proposing—an independent ethics commission, better campaign reporting, public financing for judicial candidates, and limits on gifts and campaign contributions. These recommendations are now before the legislature and represent a tough reform package that will help restore the public faith in our Government.

I know the Legislature will want to fully review these proposals. This time, there are no excuses. The time for ethics reform has come.

When we first met in this chamber 4 years ago—it was with the hope of a new beginning for New Mexico. Boldly believing that we could revitalize our state by expanding opportunity—

To make our state a place--

- where tax rates go down, while salaries go up---
- where our economy is growing, and the achievement gap is shrinking—
- where the environment is cleaner, and our children's health is safer
- And where budgets are balanced, and our future is built to last.

Hemos logrado mucho trabajando juntos. Sigamos juntos hacia adelante.

We have achieved so much together. Let us go forward together.

In our great state, we debate as individuals and parties, but we fight for the common good. We may disagree on policy and principle, but we always agree to be civil and constructive. And in the end, we get things done.

I don't have all the answers and I have made mistakes. And not every answer can be found in Santa Fe. That wisdom resides with our people, and is carried by their representatives. To use that wisdom and meet the challenges before us, I ask for your help, your guidance and your leadership.

We can take the timid path of the status quo, or continue down the path to progress with bold steps and strong action.

As I've said before---Let us choose to be bold. Let us choose to act. Let's choose to make a difference.

We care too deeply for this generation and every one that follows to do anything other than make a difference for the people we serve, in the place that we cherish—the great state of New Mexico.

May God bless us all. Que Dios Nos Bendiga. Thank you.