

State of New Mexico

Office of the Governor

Bill Richardson
Governor

For immediate release
1/27/04

Contact: Gilbert Gallegos
505.476.2217

Governor Bill Richardson says state revenue up \$43 million

SANTA FE - Governor Bill Richardson today said the state is expecting \$43 million in additional revenue. The news comes as the Governor and Legislature work on a new state budget.

Governor Richardson delivered the following remarks during a news conference today:

The economic situation in New Mexico is improving. Our economic development strategy is working. New Mexico is one of the top states in job growth. We're among the leaders in economic momentum.

As a result of our aggressive policies, I'm proud to report some good news. Revenue is up - to the tune of \$43 million new dollars, which means we now have more than \$210 million in new revenue.

I've been meeting with the legislative leadership - about the budget and about our priorities. As a result of the new revenue figures, and after consulting with legislators, I am recommending that we give teachers and educational employees 2 percent pay raises next year.

I am now convinced that we can count on having enough revenue to afford annual 2 percent pay raises - that will be built into the budget. That's what teachers prefer.

I am in the process of assessing possible bonuses. I'll be discussing that with legislators and teachers.

I want to be fiscally responsible. This is a more reasonable approach to paying for raises than dipping into the education reform money that voters approved last fall. That reform money should be used for specific reforms, not annual pay raises.

It is very important to do all we can to recruit and retain the best quality teachers for our public schools. Quality teachers are an integral part to my efforts to improve student performance in the classroom.

We took major a step in that direction last year when we gave teachers 6 percent pay raises, which in one fell swoop, moved New Mexico from 46th to as high as 32nd in the nation in teacher salaries.

We are also implementing the new three-tier salary system - tying strong standards and classroom performance to a professional salary structure. That law will raise the minimum salary for most teachers to \$35,000 dollars.

This new revenue estimate is also an opportunity to discuss Medicaid reform with the Legislature. It is important that we make sure our children and our most vulnerable citizens have the care they deserve.

I've said over and over that I am committed to a balanced budget. To do that, we must make tough decisions about reining in the growth of Medicaid, while making sure that we continue to provide health care access for 400,000 children and disabled adults.

Finally, this increased revenue gives us an opportunity to revisit our economic incentives:

- High-wage job credit
- Tax holiday for technology start-ups
- Incentives for alternative fuel vehicles
- Tax credit for one-time sporting events