



State of New Mexico

Office of the Governor

Bill Richardson
Governor

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Governor Bill Richardson Outlines Historic “Year of the Child” Budget

SANTA FE – Governor Bill Richardson today outlined a \$5 billion operating budget plan and a \$1.4 billion capital budget plan that continues to Move New Mexico Forward – by investing in our children and creating opportunities for every community to thrive.

“I declared 2006 the “Year of the Child” and my budget reflects this priority,” Governor Bill Richardson said. “We’ve made a lot of progress toward making our schools work and preparing our children for the future. But we have more work to do.”

Governor Richardson’s budget proposal for the 2007 budget year includes \$385 million in new, recurring spending, which enables the state to pay for bold initiatives to help close the achievement gap in New Mexico schools, keep kids healthy, partner with parents, recruit and retain quality teachers, and keep kids safe.

To avoid creating obligations for future spending that can’t be supported by anticipated revenue, the budget recommends leaving approximately \$110 million on the table for future needs and establishing reserves at 10 percent of recurring appropriations -- \$509 million.

“We’re taking care of the state’s needs, and investing in the future,” Governor Richardson said. “But we’re doing it in a fiscally responsible way – with a balanced budget and prudent cash reserves. I will not tolerate reckless spending.”

Of the \$385 million in new, recurring spending:

- \$192 million (50 percent) is for pre-kindergarten through 12 education;

- \$87 million (23 percent) is for health and human services;
 - \$29 million (8 percent) is for compensation increases
 - \$107 million for public school teachers and staff and \$6.4 million for state police and other law enforcement officers;
 - \$28 million (7 percent) is for higher education; and
 - \$31 million (8 percent) is for public safety.
- The recommendations represent an 8.2 percent increase over FY06 recurring appropriations, this includes:
 - A 9.0 percent increase for pre-kindergarten through 12 education;
 - A 3.9 percent increase in higher education;
 - A 10.4 percent increase in public safety; and
 - A 7.8 percent increase in health and human services.
- The proposal also includes initiatives to cut taxes by \$29 million.
- Approximately \$1.4 billion in non-recurring revenue is available, including \$162.8 million from supplemental severance tax bonds, \$284.8 million in senior severance tax bonds, \$142.8 million in general obligation bonds, and \$815.8 million in non-recurring General Fund.
- For the 2006 session, more than \$225 million will be allocated to non-recurring specials, supplementals, deficiencies, and information technology projects. This includes \$50 million for the college affordability endowment, providing need-based scholarships to thousands of New Mexico students and \$10 million for career technical-vocational programs.
- The remaining \$1.2 billion is dedicated to capital and infrastructure spending. Of this amount:
 - Nearly \$320 million (27 percent) is to ensure that our public schools are safe, well-maintained, and equipped with current education technology.
 - An additional \$150 million (13 percent) supports higher education facility construction and maintenance.
 - The budget also includes approximately \$128.0 million (11 percent) for local roads, infrastructure, and economic development projects, including \$33 million for the Spaceport.

- Another \$70 million (6 percent) is recommended for water and wastewater projects to protect New Mexico's limited water resource and to promote innovative water technologies.

- More than \$72 million (6 percent) is recommended for state agency projects to improve facilities throughout the state.

- Finally, approximately \$380 million is dedicated to local strategic priorities.

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