



STATE OF NEW MEXICO
GOVERNOR BILL RICHARDSON



For Immediate Release
July 9, 2008

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Governor Bill Richardson Announces \$392 million in New Revenue, \$1 billion for one-time spending
New Mexico Ranks 12th in Economic Growth

SANTA FE – Governor Bill Richardson announced today that the state is projected to have \$392 million in new money for the upcoming budget year. The Governor said the new money will be on the table when he calls the Legislature into a special session to address access to universal health coverage.

"We can invest in health coverage in a fiscally responsible way," said Governor Bill Richardson. "While cynics will no doubt complain about using revenue from oil and gas, I am confident – as I have been for the past six years – that New Mexico's economy is performing well and will allow us to expand health care coverage to all New Mexicans."

Another \$1 billion will be available for one-time spending and for keeping cash reserves at a responsible level to protect the state against emergencies. The \$1 billion will be available for capital projects like school construction, economic development and water initiatives, as well as emergency funding for state agencies. That emergency funding will likely include money to help cover the higher-than-expected costs for school buses and State Police vehicles.

Governor Richardson pointed to a national report that ranked New Mexico's economic growth as the 12th strongest in the nation in 2007 according to the U.S. Bureau of Economic Analysis. New Mexico's economy, adjusted for inflation, grew at a strong 6.7 percent rate last year.

The \$392 million in new money projected for the 2010 budget year was highlighted in the latest consensus revenue outlook generated by economists from the executive and legislative branches of state government. Revenue would grow from \$6 billion to an estimated \$6.4 billion in the 2010 budget year, according to the projections.

The outlook concludes that much of the new revenue is the result of royalties based on oil and gas production. But while high oil and gas prices is contributing to higher revenue for the state, high prices at the gas pump are forcing New Mexicans to spend less elsewhere, which is resulting in lower-than-expected revenue from gross receipts taxes, and personal and corporate income taxes.

"Overall, New Mexico's economy continues to grow and perform well, despite national conditions that are resulting in severe deficits in other states," said Katherine Miller, secretary of the Department of Finance & Administration.

According to the Bureau of Economic Analysis report, New Mexico's unemployment rate was 9th lowest in the nation for 2007, ending the year with a rate of 3.8 percent. New Mexico continues to rank significantly lower than the national average of 5.5 percent.

New Mexico is 13th in the nation for person income growth, with a 5.5 percent growth rate and estimates show we are also 13th in the country for percent change in population.

The Bureau of Economic Analysis report can be viewed at: www.bea.gov

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