



For Immediate Release
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Governor Bill Richardson Delivers 2009 State of the State Address

SANTA FE -- Governor Bill Richardson delivered the 2009 State of the State address today to a joint-session of the Legislature. The address kicked off the 60-day session.

Governor Richardson's prepared remarks:

Lt. Governor Denish, Speaker Ben Lujan, Senate President Pro Tem Jennings,

Chief Justice Ed Chavez and members of the state Supreme Court,

Pueblo Governors and former Governors,

Distinguished guests and my wife First Lady Barbara Richardson.

Democratic and Republican leaders, members of our state House of Representatives and Senate;

Welcome to our new legislators and welcome back to our returning reformers, congratulations to you both on your electoral victories.

Before we start, I'd like to take a moment to recognize someone who's not here today. This year, we lost a true champion for our children, former First Lady Alice King. I hope we will remember her legacy, by never forgetting the needs of New Mexico's kids.

Now I know there are some legislators who were looking forward to my departure, and not having to deal with me this session. I'm sorry to disappoint. I'll try to make it up to you somehow.

Before I talk about New Mexico, I want to take a moment to recognize this historic moment in Washington. Our nation has a new president, the first African-American elected to our highest office, and has kept a promise made long ago---

"We hold these truths to be self-evident, that all men are created equal."

On behalf of my fellow New Mexicans, I wish our new president and his administration every success, and join the rest of our nation in celebrating this new beginning for America.

Today, this state faces a new challenge—the biggest global financial crisis of our lifetime. A cold financial winter has come, and our state faces a serious budget shortfall. This economic crisis is not of our making, nevertheless it is ours to solve. This is our task, and our test. Let us be equal to it. Let's recognize that for the past six years, we've made the wise choices to prepare for such a winter.

First, we balanced the budget every year, invested in our priorities of education, health care and job creation, increased state revenue by nearly \$2 billion dollars—and returned over \$1 billion in tax-cuts to working families.

Second, we put more than \$400 million dollars into our rainy-day fund and went from a 6% operating reserve to an average 13 percent reserve.

Third, we knew our state economy balanced on the rise and fall of oil and gas, agriculture and the whims of Washington.

So together, legislature and executive, we worked hard to diversify our state economy and create tens of thousands of new jobs.

- We targeted incentives to attract higher paying jobs, as well as clean and renewable energy companies
- We created new industries-like TV and Film production, which have attracted more than \$2 billion dollars of investment and created 10 thousand jobs.
- We even went boldly where no state has gone before---launching Spaceport America, signing Virgin Galactic as an anchor tenant, and starting a new commercial space industry in Southern New Mexico that's going to create thousands of new jobs.

Today, our economy is no longer dependent on one or two industries. It is broader and more diverse than ever, and for that reason we are weathering this financial crisis better than most.

We remain 20th in the nation for job growth, 6th in the nation in personal income growth, and we continue to have the 6th lowest unemployment in the nation. But, these statistics don't show the pain that so many New Mexicans are feeling.

Some have lost their jobs, and many worry they might be next. Families living paycheck to paycheck face harder and harder choices— food or shelter, health care or gas money. Parents fear that a tight budget will mean school closings, or fewer teachers. Workers are watching their retirement funds shrink, and communities' are worrying that cuts will mean fewer cops on the street.

Everyone understands why this must be the Year of Fiscal Restraint.

Some are offering a pessimistic view of our future. But pessimism never built a road, never taught a student, and never immunized a child. It never protected our streets, never created a job and pessimism will not solve this crisis.

Our task this session is not just to cut spending, pass two budgets, and go home.

Our task must be to keep building a vibrant, optimistic New Mexico that looks over the horizon with hope and anticipation.

This year, I'm proposing a four-part economic security plan.

This plan will do the following:

- Create new jobs
- Build a better workforce
- Renew our role as an innovation state
- And provide a safety net to catch those who fall.

The engine of this economic plan is a strong, responsible and balanced budget—that targets cuts where we can manage it, maintains services where we need it, and makes strategic investments to create more jobs.

My budget does not demand an across the board cut for every agency. And it does not raise taxes, nor cut our most essential services.

For the last six years, I've staunchly defended a 10 percent reserve—or rainy day fund. But, if our national economy is the weather, then it's raining—hard.

So, I propose that we draw down our rainy day fund from ten to eight percent---Enough to preserve our high bond rating and help balance our budget.

In the last six years, this legislature and administration worked together to reform how we budgeted capital projects. We left behind provincial views which pitted us against each other. And we began strategic investments into vital statewide projects—building new schools in overcrowded areas, constructing projects to guard precious water resources, and modernizing our roads and highways.

Today, I propose we take the next step.

Working together—my administration, this legislature, and local governments across our state have identified hundreds of stalled or stopped projects—some that have not moved for 3 or more years. I am putting legislative projects and executive projects on the table. I propose that:

If a project creates jobs-keep it.

If it protects the public safety-save it.

If it does not-reinvest those funds into this year's budget to keep our school doors open, our cops on the streets, and keep our financial condition sound.

Our citizens should know that, months before this session began, my administration and this legislature started working hard to forge compromises, and balance our current budget. It's just the beginning of the session, yet we found a lot of common ground, and I'm hopeful we can reach an agreement quickly. That is a good sign and much of the credit belongs to our hard-working citizen-legislature.

This year, creating jobs must be job one. New Mexico has opened the door to clean energy and clean tech companies with targeted tax incentives, a strong renewable portfolio standard, and progressive energy efficiency standards. We've made our state a reliable place to invest, and new companies from around the world are moving and expanding into New Mexico:

Schott Solar, Hewlett Packard, Fidelity Investments, Signet Solar and ReelzChannel are a few of the major companies coming to New Mexico and who will create more than 4500 jobs over the next few years.

And the demand for these high-paying jobs is real. Just a week ago, more than twenty-five hundred applicants lined up to interview for just 100 jobs at ReelzChannel.

But it's not enough. This year, as the national financial picture dims, competition for scarce new jobs will be fierce.

The first point in my economic security plan is to continue to compete, attract and create high-paying, green collar jobs.

I propose that we establish a research applications center to move new technologies, developed with federal funds at our national labs and universities, into the commercial sector.

We should also increase our popular Renewable Energy Production Tax Credit to help wind, and biomass projects boost their operations.

We should make larger solar and geothermal energy providers eligible for the Advanced Energy Tax Credit.

And we should give a hand to our state's primary job-creator, by extending our tax credit for small businesses.

Second, we must build a clean energy workforce.

Having clean energy policies and incentives in place is critical. But states are now competing to receive federal funds and host clean energy companies, and good policy will not be enough. Investors want to see that our state is educating and preparing its workforce for the clean energy jobs of the future.

That's why this week I will issue an executive order directing key state agencies—from education to workforce development, and from economic development to energy—to form a "Green Jobs Cabinet." This cabinet will build an aggressive clean energy strategy, so our state educates, trains, and prepares a clean energy workforce.

The key to this workforce is education.

We continue to make steady progress—aligning grades, improving accountability in our schools, and fighting to close the achievement gap.

As proof, the Quality Counts 2009 report moved us from 30th in the nation to 22nd and ranked us second in the nation for alignment among education, the economy and the workforce. That progress is a direct result of our steady commitment to better pay for high-quality teachers, increased investment in our schools and more accountability in our system.

I'm proud that this year the National Education Association named our state as the 3rd most aggressive in the nation for advancing average teacher salaries over the last ten years.

It's also time to change the school funding formula. A 2007 study found our current formula no longer focuses on the needs of schools and students. It also estimated our schools are underfunded by \$350 million dollars.

Each year, many schools—especially small and rural ones— must ask for emergency supplemental funding just to keep their doors open. If we expect our schools to achieve, we must give them adequate tools to do so, and then demand accountability for their results.

This funding formula change will demand more resources and I support it. But an investment of this size deserves the direct approval of the voters.

We will continue to invest in Pre-Kindergarten because we've already seen the achievement gap begin to close—as young graduates from every background—disadvantaged or English-language learners—enter school ready to learn.

And in order to improve student achievement in mathematics, I'm proposing that we increase the math requirement for new elementary and middle school teachers.

Teacher training days are vital to improving our teachers' skills, but they should never reduce a student's time to learn. In some cases students are actually in school only 165 days a year. I'm proposing legislation tightening the school calendar to make sure our students receive a full 180 days of instruction.

Once our students graduate from high school, we can't let hard economic times stop qualified students from going to college. That's why I want to continue our zero-percent tuition credit policy and hold down rising tuition costs.

Next, I'm proposing that we change the College Affordability Fund and the 3% scholarships fund to direct 100 percent of their grants to students with financial need.

Meanwhile our state still has an urgent need for healthcare professionals in our rural and underserved communities. That's why we must continue to offer scholarships to attract and retain dentists, doctors and nurses, and tax breaks to encourage speech and physical therapists, as well as social workers to practice in rural areas.

And we should find a fiscally responsible way to assure that this city continues to host a four-year college, like the College of Santa Fe, to inspire and educate our next generation of actors and artists, painters and public servants.

Beyond educating our future workforce, it's critical that we treat our current workforce with fairness and equity.

I've appointed women and minorities to top posts in my Cabinet, on boards and commissions and am proud to serve side by side with the first woman Lt. Governor of New Mexico. This fall, my administration commissioned a leading expert, Dr. Martha Burk, to survey six state agencies, and evaluate if state government pays men and women equitably. She found that while nationally, women make 77 cents to every dollar a man makes-the pay gaps in our departments were less than the national average.

And in both number and size--- most gender wage gaps favored.....women.

It's time to go further.

This week, I will sign a new executive order creating a Task Force on Fair and Equal Pay. This task force will look for ethnic, racial and gender gaps as well as job segregation in every state agency, and offer solutions for closing those gaps.

If we are to be fair in how we treat our workers, then we must also be fair in how we treat our families, and fully extend domestic partnership rights. Two people, who agree to spend their lives committed to each other, deserve to have the same legal protections for their families, as any other.

As a minority-majority state, where we celebrate diversity, we should never accept discrimination, on any basis, for any reason, period.

The third part of my Economic Security plan is to expand our role as an innovation state.

We made a great step forward when we initiated the state supercomputing center-the first public-private partnership of its kind. Now companies and universities are using the supercomputer to create alternative fuels, develop solar energy projects, and attract millions of dollars in venture capital. And the supercomputer's next task? ----Turning two-dimensional movies into 3-D movies for Hollywood and earning hard dollars for state coffers.

On renewable energy, we lead by example, having nearly tripled our usage of wind- powered electricity over the last six years. But each year our current electrical grid loses over one hundred megawatts of power through inefficiency and out-of-date technology.

I propose we lead the nation in the construction of a Green Grid to harness the power of solar and wind, and use smart electronics to deliver energy to consumers cheaper and more efficiently.

The Green Grid will also help us tackle the toughest environmental challenge we face----Climate change.

Climate change threatens New Mexico tourism, recreation, forestry, agriculture and our precious water resources---in short, our quality of life, and our way of life. We've joined forces with eleven states and provinces to form the Western Climate Initiative and implement a regional cap and trade program to reduce greenhouse gas emissions.

I'm proposing we take a bold new step and pass the New Mexico Global Warming Solutions Act to start carbon trading in the region.

Next, we should extend the hybrid vehicle tax credit, and help keep fuel-efficient cars and trucks affordable.

This year we will also pursue a carbon storage enabling act, because before we move forward on clean coal or natural gas, we need a clear regulatory framework.

I also am calling for the creation of a new Pecos Canyon State Park, the fifth I've established as Governor, to join the thirty-five other treasures that make up our world-class State Park system.

The fourth point on my economic security plan is to help working families make ends meet.

We are expanding healthy breakfasts to 270 elementary schools, and will cover more than 100 thousand elementary students. We will continue before- and after-school programs, provide kids with healthy food choices, and make sure our children get physical education.

These programs help give working families a little more time at the job and assurance that their child's basic needs are being met.

And to safeguard against food insecurity for our poorest citizens, I will support the construction of a major new warehouse for the Roadrunner Food Bank.

Next, we recognize that many families with young children depend on safe, affordable childcare in order to stay working. But now, childcare costs can run more than \$5 thousand dollars per year. And those costs often decide whether a parent can afford to stay in the workforce.

For our lowest income families, we need to keep expanding child care assistance until we get to double the federal poverty level. And for the 12 thousand working families making less than

twice the minimum wage, we should double the Child Day Care tax credit over the next two years. That means that a working family with two children would see their credit more than double.

And for the families struggling to make ends meet-many of whom are asking for government help for the first time—we will be there. That means assistance to put food on the table, keep the heat and lights on, train them with new skills, offer basic health insurance, and provide them enough income to get them to their next job.

So while this session must focus on economic security, we need to remember that for many families health care access and coverage is an urgent economic issue.

Today, too many families are struggling to pay the rising cost of their insurance and medical bills. And a 2005 national study said that medical illness triggers about half of all personal bankruptcies. This year I'm focusing my health care agenda on three items:

First--Insurance Reform.

I'm proposing for every \$10 dollars a patient pays, insurance companies must spend \$8 dollars and 50 cents directly on care-not on bureaucracy, and not to pad the bottom line.

These companies shouldn't have the right to choose only healthy clients and reject those with pre-existing medical conditions.

Second--Electronic Medical Records.

We need to move from paper to electronic records to control costs, reduce errors, and protect the privacy of patients.

Third---Public Insurance Consolidation.

We are proposing to save tax dollars by consolidating public health insurance purchasers, and requiring them to work as one.

Next, I propose we make the Women's Health Council permanent in statute, so that women and men are treated equally when it comes to the cost of their insurance.

And while my budget proposal is tight, it continues our commitment to cover health care for children-- first.

Those are the four points of my economic security plan.

Create Jobs.

Build a better workforce.

Expand our role as an innovation state.

And help working families make ends meet.

We also have some unfinished business from our last few legislative sessions:

We've taken great strides to fight domestic violence, drunk driving, and protect our children from predators.

My budget continues to invest in recruiting new state police and keeping them on our streets.

On drunk driving, I am proposing legislation to reform our Liquor Control Act. This reform increases penalties on establishments that sell to minors or over-serve customers, and make offenders subject to our strict Three Strikes rule. It also empowers local law enforcement to act, and allows the state to revoke the liquor licenses of repeat offenders.

The growing problem of drugged driving is becoming a threat on our roads, but our law enforcement does not have adequate legal tools to make criminal prosecutions. I'm asking for new laws to get those who drive under the influence of drugs off our streets.

On domestic violence, we've created more shelters for victims, tripled funding for services, and increased the penalties for repeat offenders.

With your permission, I'd like to brag about my wife and one of her initiatives-the special Domestic Violence Prosecution Project in Bernalillo County.

In 2004, Metro Court in Bernalillo County dismissed nearly two out of every three domestic violence cases. But today, with the expansion of the specialized prosecution project, dismissal rates are down by almost half, offenders are being prosecuted, and victims are now seeing justice served.

To better protect victims of domestic violence, I'm calling for much tougher anti-stalking laws, penalties for those who destroy community property to intimidate their partner, and a law to prevent domestic violence offenders from serving in law enforcement.

It's also vital that we give domestic violence survivors the right to get personal protection, or participate in legal proceedings, without worrying that they may lose their job.

On gangs, I am once again proposing legislation that makes recruiting people into a criminal street gang a crime in New Mexico-and makes it a felony offense to recruit a minor into this life of violence. Complementary legislation will propose that as gang activity continues to rise, the penalties must increase.

My last series of initiatives gets to the core of public service and the public trust---Ethics and Elections Reform.

When I first became Governor, New Mexico's election and campaign finance systems held back our progress. So I put together ethics and election reform task forces made up of our states most prominent leaders and citizens. And we implemented many of their recommendations--initiating public financing for judicial posts, limiting contributions by contractors seeking to do business with the state, and capping gifts to candidates, employees and officials.

We also moved to an auditable, accountable 100 percent paper ballot system, which this year produced the earliest and most accurate election results in our state history. But there is much more to do.

First, we should establish an ethics commission that can provide independent oversight of all branches of state government.

Second, we currently ban former state officials from lobbying their agencies for one year. I propose we hold former legislators to the same standard.

Third, its time for New Mexico to join the rest of the nation and set strict campaign contribution limits---23 hundred dollars for non-statewide candidates and 5 thousand dollars for statewide candidates.

Fourth--we need same-day voter registration.

If you are a law-abiding citizen and resident, you should be able to register the same day you vote, cast your regular ballot, and be confident your vote will count.

Last--it's time for public financing of statewide political campaigns.

Six years ago and every year since, my administration and this legislature have convened to do the work of the people.

We didn't agree on everything--and sometimes it seemed like we couldn't agree on anything--but we did agree on one thing. We agreed to believe in ourselves and our state.

Today, we no longer accept the belief that the problems we face are too complex, too difficult, too intractable for us to make a difference.

We no longer accept drunk driving as an unchangeable truth in New Mexico.

We ran statewide super-blitzes, tightened drunk driving laws and imposed ignition interlocks for repeat offenders, and alcohol related fatalities are down by 34%--the lowest in state history.

We reject the cynics who said we couldn't build a commuter rail from Belen to Albuquerque, and Albuquerque to Santa Fe--and if we did no one would use it. Well, we built that rail line--faster and cheaper than any commuter rail in US history--and so far a million and a half riders have used it. And perhaps long after I'm gone, while many of you are still here, we will see the RailRunner expansion north to Colorado, south to Las Cruces, and to other communities in our state.

We remain proud of our traditional economy that depends on what we produce from our farms, mines and wells.

But today our economy also depends on what we can invent with our intellect what we can produce with our skills, and what we can harness from the wind and sun.

We have a difficult climb ahead---filled with tough choices and great sacrifice.

We will weather this storm.

New Mexico always has.

Today, a new administration headed by President Obama has taken the reigns and offers new hope and change for our nation's future.

He has already demonstrated his commitment to reduce partisanship, and create real progress for the American people.

Let's partner with that spirit.

In these unprecedented times, the people of New Mexico deserve leadership that puts aside political, or partisan differences to act in their best interest.

That is our task. Let us be equal to that task.

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