

State of New Mexico
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**GOVERNOR SUSANA MARTINEZ DELIVERS STATE OF THE STATE
ADDRESS**

SANTA FE – The following is the prepared text of the State of the State Address delivered by Governor Susana Martinez from the chamber of the New Mexico House of Representatives on January 17, 2012.

Governor Martinez – 2012 State of the State Address

Thank you.

Lieutenant Governor; Senate President Pro Tem; Mr. Speaker; Democratic and Republican leaders; esteemed members of the New Mexico legislature; honorable members of the judiciary; former governors; distinguished guests; the state's First Gentleman, my husband, Chuck Franco; and my fellow New Mexicans.

Thank you for the high honor of addressing you this afternoon.

Last year, when we gathered at this time, New Mexico was facing the largest structural budget deficit in state history.

For years, government had overspent and as federal stimulus dollars dried up, we had holes throughout the budget.

The state of our state was one of financial crisis.

We faced a tremendous challenge.

Many said we couldn't get it done, that we could not both balance the budget and still protect our priorities.

We had a vigorous debate.

Some felt we should have raised taxes despite the jobs that would have been lost.

Others felt we needed deep cuts in education and Medicaid.

I'm proud of the fact that we were able to work together – the Legislature and the Governor – Democrats and Republicans.

We came together and found a better way.

We protected classroom spending and Medicaid.

And we did not raise taxes.

Public officials must never forget that we serve the public.

Not the other way around.

That's why, in a time of shared sacrifice, I felt it important to lead by example.

We eliminated the chefs from the Governor's residence and cut salaries there by 55%.

And I kept my promise to get rid of the ultimate symbol of waste and excess.

We sold the state's luxury jet.

We cut waste across state government. We cut cell phones. We got rid of non-essential state cars.

In the Governor's office, we slashed our budget and reverted over half a million dollars back into the state's savings account.

Cabinet secretary salaries were cut by 10% and we dramatically reduced the number of political appointees.

And together – the Governor and the Legislature – we hammered out a budget compromise that reduced spending while protecting priorities and balanced the state budget.

New Mexicans can be confident that we didn't lose sight of our priorities along the way.

Over the past year, school districts throughout the state had to do more with less, but they did it by cutting administrative waste and increasing the percentage of their funding that goes directly into the classroom.

We protected health care for the most vulnerable, expanded child care for working moms and food stamps for the elderly and disabled, and provided school clothes for kids most in need.

Thinking about the state of our state last year, it gives me great pleasure to report to you today that New Mexico's financial house is back in order.

We are no longer running a budget deficit; in fact, our historic deficit has now become a projected \$250 million surplus.

And we have doubled the money in our state's savings account.

But a great deal of economic uncertainty persists across the country and across the globe. Too many people are still hurting.

We must move cautiously. We cannot go back to the credit card spending that contributed to the financial crisis in the first place.

That's why I propose keeping budgets flat for most state agencies.

Rather than using the surplus to grow government, I propose safeguarding it by using it to make targeted reforms – investments in our future to help struggling students, to make New Mexico more competitive with job-creating tax reforms, and to maintain a safety net for our most vulnerable.

My budget focuses on these high priorities while increasing state spending by only 3.6%, a rate that tracks with the population and inflation growth in New Mexico.

As we continue to do more with less, we must never forget that our budget is a statement about our values.

That's why my budget invests \$45 million more in Medicaid, providing health care for the poor and the disabled.

Federal Medicare cuts are threatening to close nursing homes, leaving patients, parents, and grandparents with nowhere to go.

We promised to be there. That's why my budget includes \$8 million to keep that promise and keep those nursing homes open.

And exactly half of the new spending – \$97 million – is targeted toward improving our local schools.

But it's not just throwing more money at the status quo.

It's an investment in reform, an investment in initiatives that are designed to get results and improve student performance.

We took some very important first steps in education reform.

Just last week, we announced the preliminary, baseline grades for New Mexico schools. They will continue to be fine-tuned as we work with school districts to finalize the results. By this summer, every school will receive an official letter grade – A, B, C, D, or F.

Finally, we have a school rating system that is uniquely our own.

Not a one-size-fits-all federal system, but rather an honest assessment of how our children are learning and improving – a way to identify struggling schools, so we can get them the help they need.

I was encouraged last week to hear teachers, principals, and parents saying things like, “Our school is so close. We're almost there. We can get to a higher grade.”

Now, we must take the next steps and take on the status quo once again.

We know how essential learning to read is for our kids – that children learn to read by the third grade and then they read to learn for the rest of their lives.

When we consider this issue, we must consider the kids whose lives it impacts and what will happen to them if we fail to act.

Consider the child who just can't quite learn to read. Think about him.

His parents love him, but maybe they are working long hours to make ends meet so they can't

read to him much at home.

Maybe his teacher knows he needs more one-on-one instruction but there's no after-school tutoring.

So the little boy doesn't get the help, but we keep passing him on from one grade to the next.

Imagine that child in fourth and fifth grade and on to middle school.

Now he can read the words but doesn't really understand them, so he struggles to learn about history, geography, science.

When he can't meet the standards, we don't offer him a hand-up. We just lower the bar, sending him to the next grade and sending him a toxic message that he's not capable of making the cut.

He's ashamed, frustrated, and angry.

Eventually, he drops out.

I encountered many of these kids as a prosecutor – not when they were kids but when they were living a life of crime as adults.

We know that children who can't read by the third grade are four times more likely to drop-out.

And 80% of our fourth-graders cannot read proficiently.

As President Obama's Education Secretary addressed this issue, he talked about New Mexico's status quo.

He said "If your students keep being allowed to leave third grade and fourth grade without being able to read, you're not doing them any favors."

He's right.

Passing children who can't read from one grade to the next is not compassionate.

It is morally wrong.

Are we going to turn a blind eye to the fact that 80% of our fourth graders cannot read proficiently?

Let's do something about it.

Holding children back is not the goal.

The goal is for every child to learn the basics and to identify and help those who struggle before the third grade.

Our obligation is to teach our kids to shoot for the stars.

We build a child's self-esteem not by convincing them that accepting failure is okay but by showing them that they can reach any goal by offering a helping hand when they struggle so they learn to never give up, to persevere, and to ultimately triumph and succeed.

Every child can learn, regardless of circumstance, and it's up to us to help them.

And here's how we'll do it.

My plan this year calls for a \$17 million investment in reading reforms.

Teachers will assess children early on – in kindergarten, first, second grade...

And those students who are struggling will get immediate help in these early years – more tutoring, more individual attention.

We'll put more reading coaches in elementary schools.

And while we are on the subject of reading, let me say that helping our children learn is a responsibility we all share.

As Governor, I've read books to kids in over a dozen classrooms this past year.

Truth be told, as much as I love hanging out with all of you, reading to those kids has been my favorite thing to do as governor.

I've gotten really good at sitting "criss cross apple sauce" on the floor.

Teachers need parents, family members, friends – all of us – to be engaged.

We must all accept that responsibility.

Today, I'm encouraging parents, grandparents, aunts, and uncles to read to their children.

And to help, I have a special announcement.

That luxury jet cost the state nearly half a million dollars a year to operate.

Now that we sold it, we can use that money on something else.

I'm proposing that we take that same amount of money and buy every New Mexico first grader a reading book of their very own.

Every child will get this book when they leave kindergarten, so that every family will have the opportunity to teach their children.

Every child will have a great book to read over the summer as they prepare for the first grade.

As I mentioned, I'm proud of the fact that our education reforms have been embraced not only by Democrats in New Mexico, but also by the Obama administration.

At the top of that list is a reform to reward our best teachers with higher pay.

In evaluating teachers, we must measure the progress their students make in mastering the basics.

That doesn't mean teachers with the most "A" students get a bonus.

It means that we must measure and reward progress. It's the progress that counts.

The teacher who takes kids three grades behind and gets them up to grade-level has arguably accomplished more than the teacher who has a class full of over-achievers.

That's why I'm urging you to support a teacher evaluation system that will identify these great heroes in our schools and reward them accordingly.

There are also several things we can do to raise graduation rates and prepare our children for college, like assessing kids from the fourth to 10th grades to catch kids before they fall too far behind, paying for 10th graders to take the Pre-SAT, and expanding access to Advanced Placement classes for low-income students.

All of these reforms are important and I'm willing to work with legislators in both parties to get

these passed.

These reforms will help our children reach their goals, giving them a better shot at success and more opportunities to live a better life than us.

But increasing opportunities for our kids is more than just education. We have to make sure there are jobs here in New Mexico when they graduate.

Last year, I promised that we would send a loud message that New Mexico is open for business.

Small businesses now know that government is doing a better job working to facilitate – not impede – job growth.

And we saw what can happen when we make ourselves competitive with surrounding states.

Early last year, I came before you to ask that we eliminate the gross receipts tax on locomotive fuels to level the playing field with Texas.

I promised that if we did that, Union Pacific would locate in New Mexico.

We came together in a bi-partisan manner and eliminated that tax.

And Union Pacific is now in New Mexico, creating 3,000 jobs building their new facility and over 600 permanent jobs.

TE Connectivity is now leaving El Paso and moving to Santa Teresa, creating up to 200 jobs.

It's a similar story with Alaska Structures, which also moved operations here from El Paso.

And later this week, I'll be continuing my work with governors from Mexico to make our state, not just Texas, a key trade corridor into the United States.

There is tremendous optimism about the economic development New Mexico is doing along the border.

In fact, a Texas newspaper has seen what we've done, and they're worried – they said so in an editorial.

Texas is worrying about New Mexico stealing their jobs.

My friends, the more they worry, the better we're doing.

Lowe's also announced that it is bringing 600 jobs to Albuquerque and we welcome them with open arms.

I recently visited General Mills as well, which just finished a \$100 million expansion, creating 60 new and permanent jobs, all while achieving the highest levels of environmental standards.

I said last year that I believe we can support the growth of businesses and protect the environment.

We are going to help those who play by the rules and punish those who do not.

When Intel needed an air quality permit, we held them to high standards. And when they met those standards, we got them their permit in less than four months – quicker than ever before.

But when corporations broke our environmental laws, when they tried to sidestep our safeguards, we went after them, collecting over \$3.3 million in fines from utility, energy, and oil and gas companies.

With sensible, predictable regulations we can grow our economy and protect our environment.

We can and we must do both.

We have to do it all because we are competing with other states.

Unfortunately, a recent study ranked New Mexico dead last in terms of our competitiveness. It said we have one of the most burdensome tax codes in the country.

I've long said government doesn't create jobs. It doesn't – small businesses do.

But government can, and does, create the environment to help small businesses grow.

We can do so much more to level the playing field for our small businesses, to put more New Mexicans back to work.

That's why I am proposing that we exempt roughly half of New Mexico's small businesses – those earning less than \$50,000 per year – from the gross receipts tax.

That's roughly 40,000 of our small businesses – the little ones, the start-ups.

This is a bottom-up approach.

Many of New Mexico's successful businesses started at kitchen tables with not much more than a family's savings and a dream.

We need to invest in a culture of entrepreneurship so more of these family businesses can make it – so they can grow and hire more New Mexicans.

I'm also proposing a tax credit for high-tech research and development to attract more high-paying jobs to the state.

And this year, it's time for us to stop the double and triple taxation that is crippling our construction and manufacturing industries.

This is often called pyramiding – a business-to-business tax that kills jobs in New Mexico.

Because of our tax system, it's cheaper for a New Mexico company to hire an out-of-state corporation for services rather than hiring an in-state firm.

It makes no sense.

Only two other states in the entire country impose taxes like this and it's time for us to end it.

And for the ultimate heroes among us, I'm proposing a \$1,000 tax credit for employers who hire veterans returning home from deployment.

These men and women should not fight for our freedoms abroad only to be stuck on the unemployment line when they return home.

We are joined today by Major John Miller, a pilot in our Air National Guard, 23 years in, most recently deployed to Iraq, and Staff Sergeant Anna Doo of the Army National Guard, who spent all of 2011 deployed as a leader in the NATO-led peacekeeping mission in Kosovo.

Let's give them a hand.

We are so grateful for what our veterans have done and continue to do for us. Both Major Miller and Staff Sergeant Doo are making a career in the military – to eventually retire.

These veterans, and so many others who I see here today, have given us freedom.

And I am proposing that we allow retiring veterans to exempt 25 percent of their pension income from state taxes.

Ladies and gentlemen, they have earned it.

Another critical element to turning New Mexico around is rooting out corruption. We are making progress, but there is much more we can do.

Corruption tilts the playing field against honest people and shakes public confidence in their government.

That's why I signed an executive order that prohibits state government from doing business with companies involved in corruption.

It's why all of my appointees must disclose their financial interests online and it's why my appointees are barred from lobbying state government for 2 years after serving in my administration.

Public service should be about serving the public – not setting up a future payday.

That's why I'm once again asking you to close the revolving door that turns citizen legislators into special-interest lobbyists, where one day they're serving the public and the next day, they're using those connections to serve a special interest.

Both parties are guilty of this.

It's wrong for Democrats and it's just as wrong for Republicans.

There are a few other common-sense measures we can enact to help restore public confidence.

When a public official is convicted of corruption, they should be forced from office immediately – not 10 or 14 days later – but immediately.

When a politician violates the public trust, they should lose their public pension and be barred from doing business with the state.

And when the state goes after a public official for corruption – to get taxpayers their money back – taxpayers should not have to pay to defend that person in court.

New Mexicans expect us to act, to pass these reforms and to state loud and clear: Corruption in New Mexico will not stand.

Finally, keeping New Mexico children and families safe should be a top priority every time our legislature meets.

Like you, I was horrified over the holidays to read about the tragic and inexcusable cases of child abuse.

A child just a few weeks old was badly beaten, sexually abused, and eventually left to die. Small, helpless little girls were bruised and broken, left in a bathtub.

I have spent my life and career helping those who had no voice, particularly children who had been the victim of senseless cruelty, violence, and abuse.

I am asking you to join me in standing up for those who are unable to stand for themselves.

I'm asking you to increase penalties for child abuse.

Those who abuse children should face severe penalties and mandatory prison time.

We must always put justice for victims first.

Senator Bill Payne and I had the opportunity to meet with the family of Michael Snyder, an Albuquerque man who was murdered by his wife and then secretly buried at his home for 8 years.

Michael's sisters Teri (Johnson) and Laura (Bowman) as well as Michael's mother Allene (Snyder) are here today.

Michael's wife said he had simply gone missing – he simply had left.

And sadly, her secret was kept long enough that the statute of limitations had run out.

So, this killer will serve only a few years for a murder that should have kept her behind bars for the rest of her life.

That is not right, and we are going to change the law and fight to ensure that no one is able to murder someone in our state and get off easy – or get away with it completely – by simply running out the clock.

I am confident we can work together to solve other pressing public safety needs - strengthening Megan's Law to ensure sex offenders cannot live in secret in our neighborhoods, allowing Amber Alerts to be issued when relatives abduct a child and put them in harm's way, and ending the practice of providing driver's licenses to illegal immigrants.

Just last week, a man pled guilty in Alamogordo to trafficking humans from Pakistan and elsewhere through New York, and into our state – a 'touch and go' to grab our license, to grab our government-issued ID card, and leave.

To where? Who knows? For what purpose? Who knows?

Over and over, we hear the same story – the fraud, the trafficking, the security threats.

I want to thank Independent Representative Andy Nunez for sponsoring the bill to repeal this law and I want to thank the Democratic House Judiciary Committee Chairman Al Park for working with us last session to cut through and tone down the rhetoric and to develop a compromise – a bill that does not give driver's licenses to illegal immigrants but does allow foreign nationals here legally, on a work or student visa, to get a driver's license.

That was a good compromise and it cleared the House last year with bi-partisan support.

This issue has been debated thoroughly. The desire of New Mexicans is clear.

And it's time to vote to repeal this law.

I'm also asking the Legislature to work with me to crack down on repeat drunk drivers.

A vehicle in the hands of a repeat drunk driver is a deadly weapon – it's a deadly weapon that we should confiscate.

Just like they do in the City of Albuquerque, we should seize the vehicles of repeat drunk drivers.

And for those who rack up four, five, six, or more DWIs, who just don't get the message, it's time to impose more serious, mandatory prison sentences that get them off the streets and away from our families.

Controversial issues like these always stir heated debate and that's okay because we have proven that through tough debate we can find common ground without compromising our principles.

We did it last year to protect classroom spending. We did it on school grading. We did it on Katie's Law. And we did it to close the loophole that allowed out-of-state corporations to game the system.

We should all be proud of these successes – not for us, but because of what it means for others.

I'm reminded of a quote that hangs on my wall. It motivates me to work for all of the things we've discussed today.

It reads, "A hundred years from now it will not matter what my bank account was, the sort of house I lived in, or the kind of car I drove... But the world may be different because I was important in the life of a child."

New Mexico turned 100 this year. Think of where we've been as a state – how far we've come. And a hundred years from now, imagine where our state will be.

And accept the responsibility we all share to shape that future, to provide an even greater state for the children and grandchildren of New Mexico.

I believe there is good reason to be optimistic.

New Mexicans always rise to the challenge.

I would be remiss not to recall how families, friends, and neighbors took care of one another as many battled record-cold temperatures without heat last winter and the record-breaking wildfires we faced over the summer.

I was humbled and honored to watch New Mexico's finest battling these blazes with poise, grace, guts, and determination.

I'd like to have former Los Alamos Fire Chief Doug Tucker and Police Chief Wayne Torpy please stand.

We became pretty close friends throughout the Las Conchas Fire.

A community trusted you. They relied on your briefings and on the men and women you trained to handle a crisis of that magnitude.

Gentlemen, you made New Mexico proud. Thank you.

Today, I believe that in front of us is an opportunity to make tomorrow better than today – to create the New Mexico that reflects our values, a place where those who play by the rules succeed and those who don't are brought to justice...

...A place where those who have risked their lives to protect our freedom, return home to find a state that has protected their jobs...

...A place where small businesses grow and where other companies choose to locate...

...A place where every New Mexico child is taught to chase his or her dreams and when they struggle, they are helped and learn to overcome challenges but never accept failure.

It is up to us to seize this moment, to face our challenges and rise once again to the occasion.

New Mexico's best days are ahead of us.

I believe that. I know you believe that.

And together, we will ensure our children live that.

Thank you. God bless you all and God bless our great state.

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