

STATE OF NEW MEXICO

BUDGET IN BRIEF

Governor Bill Richardson

Path to Progress . . . Expanding Opportunity

January 2007



State of New Mexico

Office of the Governor

Bill Richardson
Governor



To the People of New Mexico ...

Our path to progress is clear – improve our schools, create high wage jobs, protect our water and natural resources, expand access to health care, make our streets safer, and keep a fiscally responsible approach to government. Our bold approach expands opportunity, demands accountability, and aggressively moves our state forward. Today New Mexico is on the move – and making results.

We raised teacher’s salaries, tied them to higher standards and improved our teacher quality from 30th to 17th in the nation. Our state has invested to protect and conserve our precious water supply, and leads the nation in promoting clean energy and reducing carbon emissions. We cut taxes, recruited new high-tech, high-wage companies to our state, put over 83,000 New Mexican’s back to work and have the 11th highest job growth in the nation. We doubled the number of school-based health centers, and provided children under the age of five with access to health care. We shutdown hundreds of meth labs, decreased our DWI fatalities, and made our state safer.

With each new accomplishment, we have stayed true to our Western values – our belief in hard work and self-reliance, our respect for our land and water, our bonds of family and community, and our insistence on accountability.

The budget I propose invests in our top priorities – quality teachers in the classroom, access to health care, and putting money into the pockets of working families. It demands fiscal responsibility, maintaining 10 percent of recurring appropriation in reserve.

I have declared 2007 the “Year of Water.” My FY08 budget invests in creating a sustainable water future and continues our commitment toward solving New Mexico’s water problem. We’ve made significant progress by settling major water rights disputes and establishing a strategic water reserve, but there is more work to do. My budget invests \$119 million in bold initiatives to expand water supplies, restore river ecosystems, increase water conservation and protect agricultural water uses.

In summary, my budget plan is focused on creating results in six targeted policy areas with General Fund allocations as follows:

Making Schools Work – \$275.5 million recurring and \$130.2 million nonrecurring;

A Healthy New Mexico – \$151.6 million recurring and \$31.4 million nonrecurring;

Promoting and Growing New Mexico – \$17.0 million recurring and \$21.8 million nonrecurring;

Protecting and Promoting New Mexico's Environment – \$10.6 million recurring and \$9.3 million nonrecurring;

A Safer New Mexico – \$44.2 million recurring and \$10.7 million nonrecurring;

Efficient Services for New Mexicans – \$13.1 million recurring and \$13.6 million nonrecurring.

I'm recommending \$712 million in capital investments in New Mexico infrastructure. Of this amount, \$326.7 million is from Senior Severance Tax Bonds and \$385.7 million is from the General Fund. I've allocated the available capital dollars as follows:

- ⇒ More than \$140 million (20 percent) is to ensure that our public schools are safe, well-maintained, and equipped with current education technology – this is above the \$173 million in Supplemental Severance Tax Bonds for public school facilities.
- ⇒ An additional \$87 million (12 percent) for higher education facility construction and maintenance.
- ⇒ Approximately \$117 million (16 percent) for water and wastewater projects to protect New Mexico's limited water resources, expand water capacity, and to promote innovative water technologies.
- ⇒ Approximately \$200 million (28 percent) for local roads, infrastructure, and economic development projects, including \$50 million for GRIP II.
- ⇒ More than \$57 million (8 percent) for health, human services, and public safety.
- ⇒ More than \$44 million (6 percent) for science, technology and energy projects, including \$18 million for a new Center for Advanced Computing.

I look forward to the upcoming session and working with the Legislature to make a difference in the lives of all New Mexicans – by creating opportunity for students to succeed, opportunity for businesses to grow, and opportunity for families to stay in New Mexico communities – now and for years to come.

Sincerely,



Bill Richardson
Governor

Budget in Brief and Policy Highlights

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YEAR OF WATER

“Our economy, our citizens and the health of our rivers and streams depend on a continued supply of good, clean water – we have an opportunity and a responsibility to create a sustainable water future for New Mexico.”

– Governor Bill Richardson

Sustainable Water Delivery

New Mexico must continue to expand its available water supply to meet new demands for smart growth and development. This can be accomplished by a combination of reuse and recycling of existing supplies, and development of new supplies from sources such as brackish groundwater. The Governor is committed to developing the long-term water capacity needed to maintain New Mexico’s quality of life and promote economic growth. He is proposing initial investments of \$76 million to move forward on large, bold projects that will expand available supply, deliver water to where it is needed, and benefit New Mexico for years to come.

Eastern Navajo Water Supply \$15.3 million
Ute Pipeline for Eastern New Mexico \$5 million
Salt Basin Aquifer Development \$2.2 million
Indian Water Rights Settlements \$12 million
Water Trust Fund \$25 million
Water Project Fund Increase from 10% to 15% of STB Capacity \$16.3 million

Water Conservation and New Sources

New technologies for water purification and reuse and increased application of conservation strategies are the most effective approaches for expanding water supplies. The Governor supports mandated water conservation standards in building and landscaping codes. He is also proposing \$20 million for projects in leak detection and repair, aquifer recharge, desalination, water recycling and conservation projects.



River Ecosystem Restoration

Healthy rivers are essential for water quality, biodiversity, aquaculture, fishing, and recreation. However, disruption of watersheds and rivers by water development projects over the years has left many of New Mexico's rivers, wetlands, and riparian areas significantly impaired. The Governor is committed to the necessity that all future development must be balanced with protection of river health and restoration of river ecosystems.

To address ecological shortfalls of the past, the Governor is recommending \$7.5 million to restore ecosystem function and watershed health in major river basins across New Mexico. Potential projects include floodplain management, habitat restoration, drought mitigation, bosque improvements, and wetlands enhancements.

Water Innovation and Demonstration Projects <i>\$10 million</i>
Leak Detection and Repair <i>\$10 million</i>
River Ecosystem Restoration <i>\$7.5 million</i>



Certainty of Water Rights and Protecting Agricultural Water Use

Strategic Water Reserve <i>\$5 million</i>
Purchase of Agricultural Conservation Easements <i>\$1 million</i>
Ground and Surface Water Metering <i>\$1.5 million</i>
Acequia and Community Ditch Water Rights Adjudication <i>\$575,000</i>
Licensing Water Rights for the Middle Rio Grande <i>\$270,000</i>

Providing security and protection to senior water rights is critical for protecting New Mexico's agricultural heritage, economic development, environmental protection, and compliance with interstate compact obligations.

In addition to specific appropriations for water rights and protection of agricultural water uses, the Governor's recommendations to expand the Water Trust Fund and Water Project Fund will increase the funds available for adjudication by nearly \$600,000.

Effective Management and Regionalization

New Mexico lacks an effective approach for ensuring sustainable management of local water supplies. Funding is being spent piecemeal to replace and replicate old infrastructure instead of investing in regional systems.



The Governor believes there is a better approach for managing water and wastewater projects. He is proposing a reorganization of existing expertise in state agencies and addition of four new positions to create an Office of Water Infrastructure Development.

This Office will provide direct staff support to the Water Trust Board and will be responsible for vetting water project requests, managing project implementation, providing technical assistance, and promoting regionalization and water conservation.

Furthermore, because local capacity is critical to successful management of water systems, the Governor's recommendation includes \$1.0 million to expand technical assistance to water systems and acequias.

**\$119 million in new dollars for
clean, safe and sustainable water**



BUDGET AND POLICY HIGHLIGHTS

The Governor's approach for the FY08 budget recommendation is to expand opportunity, build on the results we have achieved, and require accountability.

The Governor is demanding fiscal responsibility leaving \$587 million to maintain reserves at 10 percent of recurring appropriations.

Along with requiring fiscal accountability in state government, the Governor is committed to enacting a comprehensive ethics reform package across state government because every citizen benefits from a

Fiscal Responsibility

The budget recommendation is balanced and fiscally responsible –

- ⇒ It funds the basic costs for existing services to New Mexicans
- ⇒ Provides compensation increases to recruit and retain qualified professionals, and
- ⇒ Avoids creating obligations for future spending that cannot be supported by anticipated revenue.

Furthermore, the Governor has –

- ⇒ Allocated 10 percent of recurring appropriations to reserves that will be available to address potential fluctuations in the economy, and
- ⇒ Left \$37 million on the table for recurring needs in FY09

Ethics Reform

- ⇒ Independent Ethics Commission
- ⇒ Limit on Gifts
- ⇒ Campaign Contribution Limits for All Races
- ⇒ "Clean Elections" Financing for Judicial Candidates
- ⇒ Better Campaign Reporting

government that is open, transparent and accountable. The Governor's budget recommendation includes \$1.5 million for ethics reform.

In addition to his Year of Water agenda, Governor Richardson is also

expanding opportunity and focusing on other critical policy areas – making schools work and making college more affordable, implementing a five-point health care plan, expanding services for children with disabilities, fighting substance abuse, reducing the tax burden on New Mexicans, promoting affordable housing, and making New Mexico the *Clean Energy State*.

Making Schools Work

Governor Richardson continues to work with the Legislature to make schools work by recruiting and retaining quality teachers, closing the achievement gap and preparing all children to succeed. Every New Mexican should have access to an affordable higher education, and be prepared to graduate and thrive in a high-wage economy. The FY08 budget recommendation includes \$646 million in new General Fund and capital for school improvement, making schools safer, and college affordability.



School Improvement

- ⇒ 7.4% Increase in Teacher Salaries
- ⇒ \$283 Million for Public School Facilities (\$110 Million Above Required Amount)
- ⇒ \$20 Million for Charter School Facilities
- ⇒ Expand AP Courses
- ⇒ Expand Pre-AP Courses
- ⇒ Implement a Statewide E-Learning Program
- ⇒ Strengthen Career Technical-Vocational Education
- ⇒ Expand the School Improvement Framework Initiative
- ⇒ Increase Teachers Attending Summer Institutes
- ⇒ Train Executive Turn-Around Specialists
- ⇒ Provide After School Enrichment
- ⇒ Increase Parent Involvement
- ⇒ Expand Pre-K Opportunities

Making New Mexico Schools Safer

- ⇒ Install Security Cameras in Schools
- ⇒ Equip School Buses with GPS Technology
- ⇒ Establish School Safety Crime Stoppers Program
- ⇒ Establish Community-Based Public Safety Programs
- ⇒ Mandate School Assemblies and Expand Notification Requirements

College Affordability

- ⇒ Expand Need-Based Scholarships
- ⇒ Establish Tax Credits for College Tuition and Fees
- ⇒ Limit Tuition Increases to No More Than 5 Percent

A Healthy New Mexico

Governor Richardson is implementing a five-point plan to extend health care and insurance to more New Mexicans. This plan builds on previous initiatives for working families and with special focus on children under the age five. The Governor's initiative to expand health care coverage includes \$108 million in new state and federal funds.

To enhance the lives of children with disabilities, Governor Richardson is recommending a multi-pronged approach. The earlier a child is diagnosed and begins receiving treatment the better the outcome. The availability of appropriate and specialized services is critical to the health and life outcomes of children with disabilities. The Governor's initiative for children with disabilities includes \$77.5 million in new General Fund, federal funds, and capital.

New Mexico has made progress in reducing DWI and eliminating meth labs. However, substance abuse remains a serious problem requiring prevention, treatment, and law enforcement. The Governor's initiative includes \$23 million in new General Fund and capital to reduce substance abuse in New Mexico.

Fighting Substance Abuse

- ⇒ Promote a Total Community Approach to Fighting Substance Abuse
- ⇒ Establish a Central New Mexico Substance Abuse Treatment and Training Facility
- ⇒ Expand Substance Abuse Prevention Messaging
- ⇒ Create a Registry of Meth Dealers

Expand Health Care Coverage in New Mexico

- ⇒ Help Small Employers Provide Health Coverage for Working Adults
- ⇒ Provide Medicaid Coverage for Low Income Adults Up to 100% FPL
- ⇒ Require Companies that Do Business with the State to Offer Health Insurance
- ⇒ Cover as Many State Employees and their Families as Possible
- ⇒ Develop Recommendations for Universal Coverage

Care, Treatment, and Support for Children with Disabilities

- ⇒ Eliminate the Three Year Waiting List for Evaluation and Diagnosis
- ⇒ Respond to a Growing Need for Early Diagnosis (FIT Program)
- ⇒ Add 53 Clinics to Increase Access to Specialty Services
- ⇒ Increase Capacity of Parents and Professionals to Better Support Children with Autism
- ⇒ Improve the Quality of Special Needs Childcare
- ⇒ Eliminate Barriers to Adoption of Disabled Children
- ⇒ Address Safety Concerns at the Center for the Blind and Visually Impaired through Relocation

Promoting and Growing New Mexico

The New Mexico economy continues to show strong, broad-based growth with an additional 83,000 New Mexicans working since Governor Richardson took office in 2003. The Governor is recommending a package of tax cuts, housing assistance, and investments to ensure that this growth benefits working families, small businesses, and entrepreneurs. The initiative includes nearly \$94 million in FY08 tax cuts and \$35 million in capital.

Tax Cuts and Better Jobs

- ⇒ Accelerate Tax Cuts from 5.3% to 5.1%
- ⇒ Working Families Tax Credit
- ⇒ Expand Eligibility for Personal Income Tax Exemption to More Low and Middle Income New Mexicans
- ⇒ Reduce the Impact of Tax Pyramiding on Small Businesses
- ⇒ Remove the Gross Receipts Tax from Hospitals
- ⇒ Encourage Location of Investment Management Firms through GRT Exemption



Housing for Working Families

- ⇒ Promote Affordable Housing and Home Ownership through the Housing Trust Fund
- ⇒ Provide Affordable Housing for Teachers, Police Officers, Fire Fighters, Nurses and Active Members of the Military



Expand High-Tech Research, Innovation, and Employment

- ⇒ Build a Super-Computer Facility
- ⇒ Provide Incentives for New Mexicans to Invest in High-Technology or Manufacturing Businesses

Clean Energy and a Clean Environment

The Governor is continuing to create a cleaner, more secure, energy future. Energy efficiency and clean energy technologies protect our environment, limit greenhouse gas emission, reduce dependence on foreign oil, and create jobs. The Governor's initiative includes approximately \$13 million in FY08 tax incentives and \$30 million in new General Fund and capital for clean energy and a clean environment.



Reduce Greenhouse Gas Emissions

- ⇒ Establish Clean Car Standards
- ⇒ Ensure State Buildings Have Energy Efficient Appliances

Promote Clean Electricity

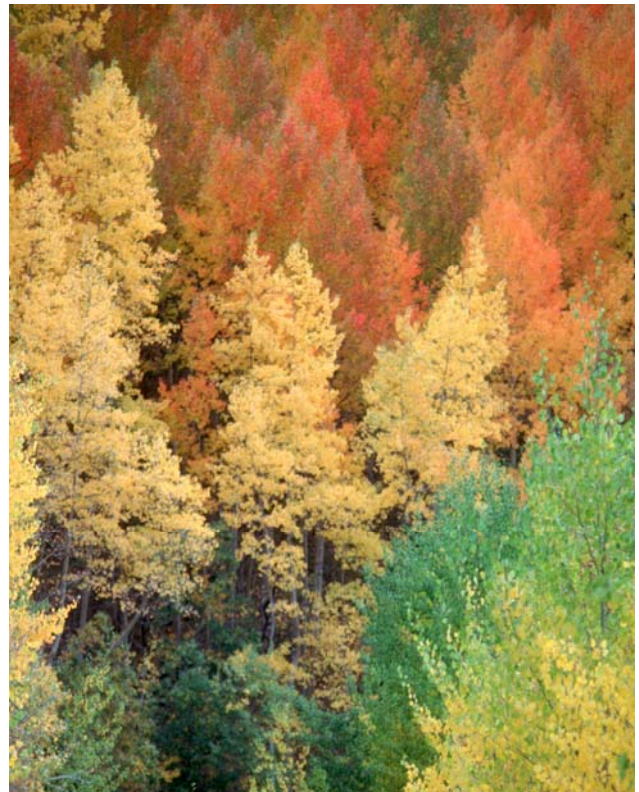
- ⇒ First State to Purchase 100 Percent Renewable Electricity
- ⇒ Increase Renewable Production Standards for Utilities to 25% by 2020
- ⇒ Establish a Renewable Energy Transmission Authority

Expand the Use of Biofuels in New Mexico

- ⇒ Establish Biodiesel Standards
- ⇒ Create Tax Credits for Biofuel Producers, Distributors, and Alternative Fuel Filling Stations

Promote Energy Conservation and Green Building

- ⇒ Tax Holiday for Certain Energy Star Appliances
- ⇒ Tax Credit for Efficient Heating and Cooling Systems
- ⇒ Incentives for Green Building in Schools, Offices and Homes
- ⇒ Implement an Energy Savers Program
- ⇒ Expand the Development and Use of Clean Energy Technology



Continuing the Commitment to a Qualified Workforce

\$228.1 million in General Fund to attract and retain qualified teachers, police officers, and state employees

Public Schools Compensation Package = \$140.4 million

Teachers: 7.4% = \$69.9 million. Raises provided during the Richardson administration have moved New Mexico from 46th to 37th in average teacher salaries. This salary increase is projected to bring New Mexico to 27th in average teacher salaries.

Tier 3 Licensure = \$20.8 million. Implement the final year of the five-year phase-in of the three-tier teacher salary structure plan to bring the minimum teacher salary to \$50,000 and to help recruit and retain high quality teachers.

Principals = \$580,600. Implement requirements of the School Personnel Act to provide a minimum annual salary for school principals based on the size of the school in which the principal is employed beginning in the 2007-2008 school year.

Other School and Transportation Employees: 5% = \$34.8 million.

Educational Retirement = \$14.3 million. In addition to salary increases, fund a 0.75% increase in the employer share of FY08 Educational Retirement Board contributions.

Higher Education Compensation Package = \$51.5 million

Faculty: 6% = \$21.2 million.

Staff: 5% = \$24.1 million.

Educational Retirement = \$6.2 million. In addition to salary increases, fund a 0.75% increase in the employer share of FY08 Educational Retirement Board contributions.

State Agency Compensation Package = \$36.2 million

State Police and Other Law Enforcement Officers = \$2.2 million. Governor Richardson is committed to ensuring public safety by providing state law enforcement officers with a competitive pay structure:

- ⇒ 3.3% salary increase and structure adjustment in July and an average 3.0% step or lump-sum increase on anniversary date for all State Police patrolmen, sergeants, lieutenants and captains;
- ⇒ 3.3% salary increase in July and an additional 3.0% salary increase on anniversary date for State Police majors, inspectors and chiefs;
- ⇒ 3.3% salary increase in July and an additional 3.0% salary increase in January for motor transportation division and special investigations division officers.

Executive Classified = \$13.6 million. This year's increase reflects year two of a comprehensive three-year plan which increases salaries by 2% of pay band midpoint in July and an additional 1.0% to 4.0% of actual pay in January. The average increases will allow the State to maintain its current position in relation to the external salary market.

Judges and Justices = \$3.6 million. This salary package raises judicial pay to the average of a nine-state region, excluding New Mexico; increases the stipend for the Chief Justice of the Supreme Court, district and metropolitan court Chief Judges and certain Presiding Magistrates from \$2,000 to 5%; and increases the percentage of a metropolitan court judge's salary from 90% to 95% of a district court judge's salary.

Attorneys of the District Attorney: 7% = \$1 million.

All Other Judicial, Legislative, Executive Exempt: 3% = \$5.3 million.

Correctional Officers = \$7.7 million. Provide correctional officers, captains, and majors in the Corrections Department an increase of \$3.00 per hour in July, in place of the compensation package for classified employees.

Lab Workers = \$806,300. Provide an additional average 10% salary increase for State lab workers in the Department of Health and for crime lab staff in the Department of Public Safety.

Ensure Minimum Salary of \$7.50 Per Hour for All State Employees = \$111,000.

Classified Employee Pay Study Increases: 4%. In addition to the compensation package for classified employees, provides a salary adjustment for various position classifications to address recruitment and retention issues.

OPPORTUNITY TO MOVE NEW MEXICO FORWARD

Following four years of strong economic growth, Governor Richardson will continue to expand opportunity in 2007 by investing new state revenue in New Mexico and its people. Recommended FY08 recurring appropriations increase by 11 percent to both “open the doors” and continue to move New Mexico forward.

General Fund Summary in Brief Executive Recommendation

(Dollars in Millions)

	FY07	FY08
Revenue		
Recurring	5,661.2	5,836.0
Revenue Proposals	(59.2)	(124.7)
Nonrecurring	1.0	1.0
TOTAL REVENUE	\$5,603.0	\$5,712.3
TOTAL NEW FUNDS¹		\$723.0
Appropriations		
Recurring	5,113.0	\$5,674.9
Nonrecurring Prior Session	71.1	-
Nonrecurring 2007 Session	618.8	37.4
TOTAL APPROPRIATIONS	\$5,802.8	\$5,712.3
TOTAL BALANCES	\$548.8	\$568.4
RESERVE TARGET	10.7%	10.0%

1. FY08 recurring revenue above FY07 recurring appropriations.

to live, work and do business. Recent data, surveys and awards have confirmed that the State is moving in the right direction.

New Mexico job growth continues to be exceptionally strong and remains broad-based, with all 13 industry groups expanding. Job growth for FY07 is forecasted at 2.8 percent year-on-year and job growth for FY08 is expected to moderate to 2.4 percent. Personal income growth is also strong when compared to the rest of the nation. New Mexico’s personal income is expected to grow by 7.1 percent in FY07 and slow slightly to 5.9 percent for FY08.

Revenue Growth

In FY07, recurring General Fund revenue is expected to increase 1.2 percent over the previous fiscal year for a total of \$5.7 billion. In FY08, total recurring General Fund revenue is expected to be \$5.8 billion.

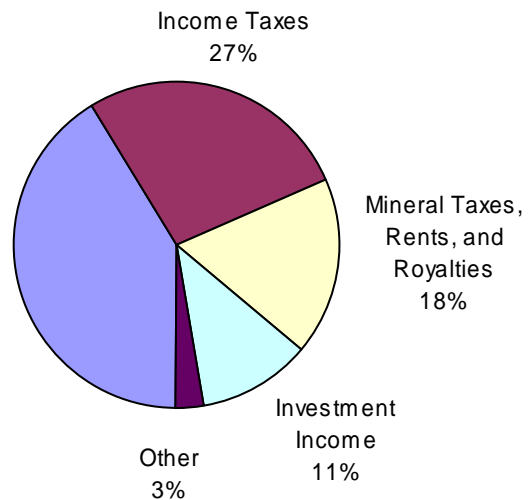
This means **\$723.0 million in “new money”** will be available for additional tax cuts and investments in education, health care, public safety, and other priorities.

The consensus revenue projections reflect a strong and growing state economy embedded in a slowing national economy. Policy decisions by Governor Richardson and the Legislature over the past four years have made New Mexico a better place

Both crude oil and natural gas prices have declined from peak levels reached during the summer. Natural gas is expected to be \$6.30 per mcf for FY08, while crude oil is expected to average \$61 a barrel. The General Fund revenue estimates reflect recent strength in oil and natural gas prices. However, broad-based revenues, including gross receipts tax and personal income tax, have also increased.

Recurring General Fund Revenue FY08

Dollars in Millions	
Sales Taxes	\$2,419.3
Income Taxes	1,581.0
Mineral Taxes, Rents, and Royalties	1,030.3
Investment Income	645.6
Other	159.8
TOTAL	\$5,836.0



The Supplemental and Senior Severance Tax Bond capacity estimates also reflect the strength in oil natural gas prices. After accounting for the FY07 impact of Governor Richardson’s proposed tax cuts, nearly \$1.2 billion is available for non-recurring appropriation in the 2007 session.

Nonrecurring Revenue Available for Appropriation

Dollars in Millions	2007	2008	2009
Supplemental Severance Tax Bonds	173.0	190.7	188.0
Senior Severance Tax Bonds	326.7	285.7	269.3
General Obligation Bonds	0	115.7	0
General Fund	653.1	37.4	NA
TOTAL	\$1,152.8	\$629.5	\$457.4

Recommended Recurring Appropriations

New Mexico’s current economic conditions provide an unprecedented opportunity to invest in the Governor’s top policy priorities – on programs that focus on children’s education, health and safety – and move New Mexico forward.

The Governor’s FY08 recurring General Fund recommendation is \$5.67 billion, an 11 percent increase above FY07 recurring appropriations.

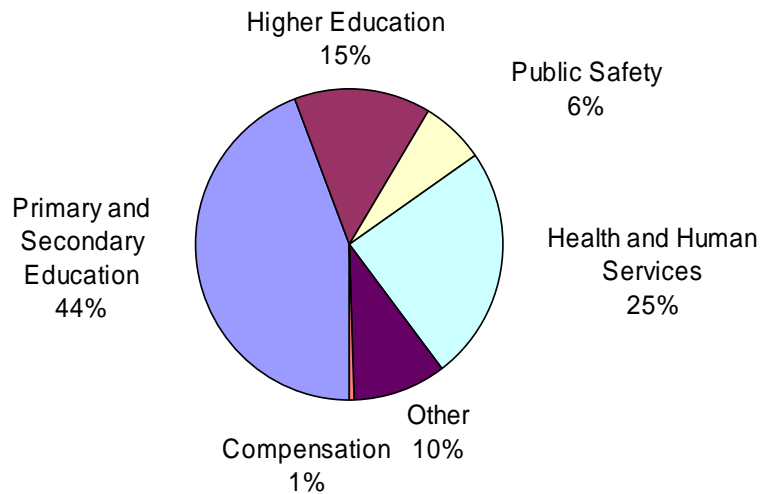
Recommended Recurring General Fund Appropriations for FY08

	Dollars in Millions	% Change
Primary and Secondary Education	\$2,501.9	9.1%
Higher Education	829.9	8.9%
Public Safety	368.7	10.6%
Health and Human Services	1,397.8	13.3%
Other	540.8	10.2%
Compensation	35.8	NA
TOTAL	\$5,674.9	11.0%

Primary and secondary education will increase by more than 9 percent. The recommendation to “open the doors” for public education is primarily driven by enrollment growth, cost increases for group health and risk insurance, statutorily mandated contribution increases

to the educational retirement fund, inflationary costs for school transportation and cost for the next instructional material purchase of science, health and physical education books.

Recommended expansions focus on paying teachers well, implementing the next phase of the Administration’s pre-kindergarten initiative, funding the school breakfast program, increasing the number of physical education teachers in elementary schools, expanding the reading, math and summer institutes, after-school enrichment programs, and high school redesign.



Projected enrollment at New Mexico’s higher education institutions for FY08 is relatively flat. Most of the recommended increase for higher education is attributed to compensation, increases in formula funding for utilities and building renewal and replacement, expansion of New Mexico Department of Agriculture programs, athletics programs, and expansion of the University of New Mexico Latin American Studies program.

The most significant budget driver for public safety is inmate growth within the correctional system. The male inmate population is expected to grow 5.6 percent in FY07 and 6.2 percent in FY08. The female population is projected to increase by 8.1 percent in FY07 and 6.3 percent in FY08. In addition, the recommendation includes

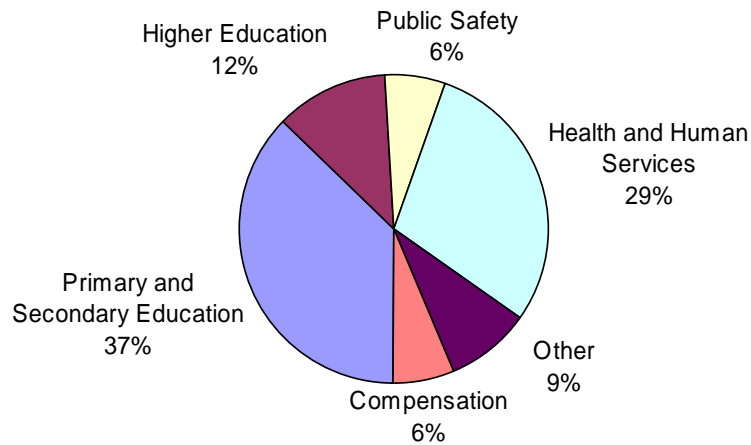
increased funding for border and homeland security, state crime lab and regional narcotics task forces.

The major factors affecting the health and human services budget include the loss of federal funds and enrollment growth and cost increases of the Medicaid program. State agencies such as the Labor and Children, Youth and Families departments saw a

Recommended New General Fund Appropriations for FY07

Dollars in Millions	
Primary and Secondary Education	\$208.4
Higher Education	68.0
Public Safety	35.5
Health and Human Services	163.7
Other	50.1
Compensation	36.2
TOTAL	\$561.9

significant drop in federal fund support during FY06, which carried forward into FY07 and will likely carry forward into FY08. In addition to the Governor’s recommendation for Medicaid expansion, projections show base enrollment will grow 3.8 percent with cost and utilization increasing by another 3.0 percent.



Recommended Nonrecurring Appropriations

A total of \$653.1 million is available from the General Fund for nonrecurring purposes. The Governor’s recommendation allocates \$235.6 million for FY07/FY08 special, supplemental and deficiency, and information technology appropriations, including, \$34.3 million for public school reform projects from the education “lockbox” established in 2004. Finally, \$454.9 million of available nonrecurring revenues is available for capital projects; this amount includes \$37.4 million in FY08 recurring revenue that the Governor proposes to dedicate to nonrecurring programs, and leave on the table for recurring purposes next year.

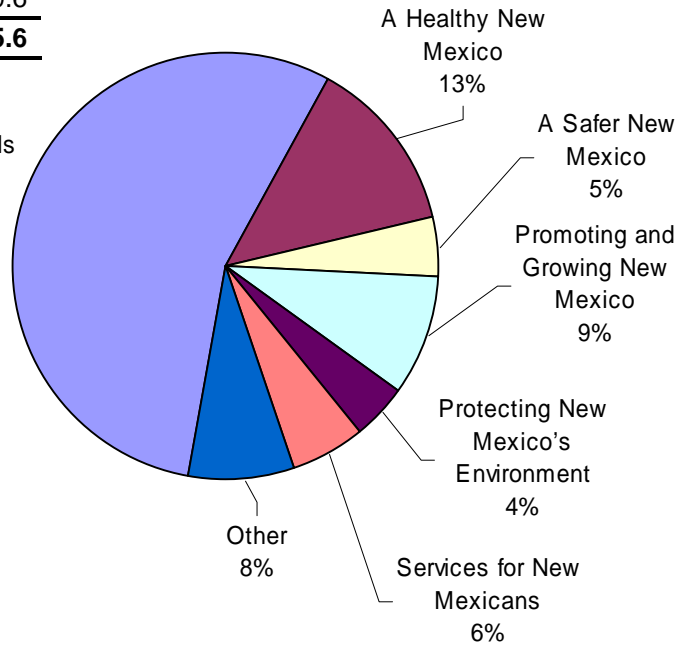
The Governor is recommending \$178.9 million in special appropriations from the General Fund, including \$21.3 million from the education “lockbox” for special, multi-year nonrecurring purposes.

The Governor is recommending \$27.1 million from the General Fund for state entities to finish out FY07 and make up prior year deficiencies. About \$20 million is dedicated to ensure the developmentally disabled receive services at the expected level, foster care children are appropriately cared for and inmates are housed.

Recommended Nonrecurring Appropriations for FY07

Dollars in Millions	
Making Schools Work	\$130.2
A Healthy New Mexico	31.4
A Safer New Mexico	10.7
Promoting and Growing New Mexico	21.7
Protecting New Mexico's Environment	9.3
Services for New Mexicans	13.6
Other	18.7
TOTAL	\$235.6
Appropriation Type	
Special	\$178.9
Supplemental and Deficiency	27.1
Information Technology	29.6
Total	\$235.6

The Governor wants to ensure the information technology projects he supports are focused, have clear objectives, are well-planned and incorporate an enterprise approach. For FY07 and FY08, the Governor recommends \$29.6 million to fund projects that are ready to be implemented, including \$13.0 million from the education “lockbox”.



More than half of the appropriations for specials, supplementals, deficiencies, and information technology projects are for Making Schools Work. Another 13 percent of the appropriations are for A Healthy New Mexico, 9 percent are for Promoting and Growing New Mexico and 6 percent are for Services for New Mexicans.

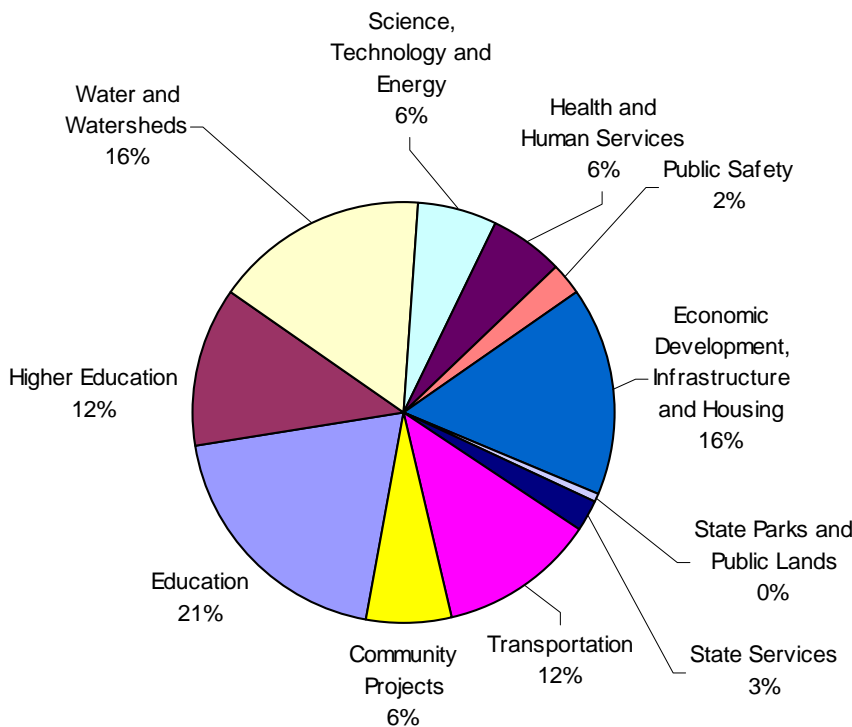
Recommended Capital Appropriations

After accounting for the commitment of \$173.0 million of Supplemental Severance Tax Bonds to public schools and other prior commitments of \$66.7 million, the

Recommended Capital Appropriations for 2007

Dollars in Millions	
Education	\$140.4
Higher Education	87.4
Water and Watersheds	116.7
Science, Technology and Energy	44.2
Health and Human Services	39.4
Public Safety	17.3
Economic Development, Infrastructure and Housing	115.4
State Parks and Public Lands	3.1
State Services	18.6
Transportation	85.0
Community Projects	45.0
TOTAL	\$712.4

Governor is recommending a total of \$712.4 million for bold capital projects – \$326.7 million in Senior Severance Tax Bonds and \$385.7 million of General Fund. The Governor’s recommendation allocates the available capital dollars across eleven policy priorities, including \$140 million for pre-Kindergarten through 12 schools, above the \$173 million of Supplemental Severance Tax Bonds allocated to schools, \$87 million for higher education facilities, nearly \$117 million for water and wastewater projects, \$85 million for GRIP II and other transportation projects, and \$115 million for economic development, infrastructure, and housing.



MAKING SCHOOLS WORK

Governor Richardson continues to work with the Legislature to make schools work by recruiting and retaining quality teachers, closing the achievement gap and preparing all children to succeed. Every New Mexican should have access to an affordable higher education, and be prepared to graduate and thrive in a high-wage economy. Creating opportunity, toughening standards, and requiring greater accountability are the keys to success.

Governor Richardson's budget reflects proposals to meet the need for expanded pre-Kindergarten services, ensure students have a healthy and safe school experience, close the achievement gap, graduate more students from high school prepared to succeed in college and work, and make college more affordable. Roughly \$275.5 million in new recurring General Fund dollars, \$130.2 million in nonrecurring General Fund, and \$12.4 million in FY08 revenue initiatives, is allocated to making schools work.

Richardson Administration Accomplishments

New Mexico was ranked 2nd out of all fifty states for education reform

Increased efforts to improve teacher quality – jumping from 30th to 17th in the nation – by creating a three-tiered system of licensure and increasing the number of fully qualified teachers in the classroom

Moved from 48th to 37th in the nation in average teacher salary and added more than 600 teachers while requiring accountability and results tied to licensing standards

Doubled the number of charter schools

Removed junk food from all school vending machines and eliminated food vending in elementary schools

Invested \$430 million in modernizing school facilities and helped New Mexico rank 17th in the country for using technology in schools

Improvements have resulted in 28 schools no longer identified as *corrective action* schools

Moved money from administration to the classroom – increasing spending directly on the classroom from 71 percent to 76 percent

New Mexico received a grade of "A" for participation in higher education

Budget and Policy Priorities

Ensure that all your children are ready for school

Expand Voluntary Pre-Kindergarten. Expand the Pre-Kindergarten program from approximately 2,200 four-year old children to 5,000 children. Research shows that children enrolled in quality pre-

Keep students ready to learn by providing access to health care, healthy food and physical fitness activities

kindergarten are most likely to reach their full potential since the most important brain development occurs before age five. The total program will serve approximately 25 percent of four-year olds estimated to participate and includes funds for instructional materials, transportation, professional development, program evaluation, and technical assistance. One-time start-up funds will pay for developmentally appropriate equipment and classroom safety improvements in 251 classrooms, at an average cost of \$30,000 per classroom.

\$10.0 million GF (plus \$8.0 million GF in recurring base), \$7.5 million GF Nonrecurring (Education Reform Lockbox), and \$3.0 million Capital

Provide Elementary Physical Education. Increase access to quality physical education at elementary schools. Quality physical education instruction will positively influence student health and academic performance. This initiative will provide physical education for nearly 37,000 students and is part of a four-year plan to provide all elementary schools with physical education.

\$6.6 million GF

Breakfast for Elementary Students. Provide universal, free breakfast at all elementary schools in New Mexico. This program was piloted in FY06 and FY07. This would be the first year of recurring funding to establish free breakfast in 176 elementary schools most in need of improvement. In subsequent years, the program would be extended to all elementary schools.

\$2.9 million GF

Decrease Obesity through Before- and After-School Programs. Expand before- and after-school programs to increase daily physical activity, provide students with healthy food choices, provide nutrition education, and increase parent and community

Increase parents' involvement in their children's education

involvement in schools. These programs improve student achievement and reduce the economic burden of chronic disease associated with obesity (\$324 million in New Mexico annually). All 89 school districts have developed Phase I wellness policies, which include developing school health advisory committees and nutrition and physical activity components. Continued funding will enable all 89 school districts to establish Phase II wellness policies.

\$1.0 million GF

Parent Involvement in Education. Provide a statewide coordinated effort for parent education and involvement through direct training opportunities, media campaigns, and statewide partnerships between the Public Education Department and parent interest groups. Research has found that when schools, families and community groups work together to support learning, children do better in school, stay in school longer and enjoy school more.

\$1.0 million GF and \$1.0 million GF Nonrecurring (Education Reform Lockbox)

Rural Education and Community Revitalization. Increase participation in School-Led Community Partnerships for Revitalization from 13 to 23 rural school districts. These partnerships focus on schools as the catalyst for increased community and parent involvement in education and economic growth.

\$1.5 million GF Nonrecurring (Education Reform Lockbox)

Increase the level of educational excellence for all students

Expand Advanced Placement Courses and Teacher Training. Expand advanced placement (AP) courses to rural school districts and the southern region of the state and increase participation of underrepresented minorities in AP. The goal is to expand current AP course enrollment by approximately 4,200 students to a total of 15,750 and to serve 100 percent of the 46 rural districts.

\$4.0 million GF

Expand Pre-AP and Achievement via Individual Gear-Up Determination (AVID). Provide funding for pre-advanced placement programs that target students in grades 5-12 in underserved areas and better prepare them for more rigorous courses in high school, including AP courses. In addition, the initiative will expand the AVID program focuses on minority, rural, low-income and other students without a college-going tradition in their families. The AVID program has proven successful for Native American and Hispanic students.

\$2.0 million GF

Provide After School Enrichment Programs. Provide after-school programs including: 1) academic enrichment tutoring activities, 2) physical activity programs, 3) nutrition education and 4) transportation for students where needed to participate in the programs. These activities promote critical thinking and allow students to successfully develop academic skills, pursue useful knowledge and help prevent obesity. The program will fund a projected 108 programs (including transportation costs) in schools across the state and reach an estimated 108,000 students.

\$6.0 million GF

Phase III of the STARS Data System. Develop and implement a web interface providing all public schools with access to disaggregated educational data and reports. Data collection and data tools support decision making at the school, district, and state level and assist in improving student performance.

*\$4.5 million GF Nonrecurring (Education Reform Lockbox)
(\$8.65 million GF Nonrecurring in previous years)*

Assessment Improvements and Alignment with College Level Courses. Ensure that the New Mexico Standards-Based Assessments, the New Mexico

Close the student achievement gap by supporting the children and schools who need the most assistance

Alternate Assessments and the New Mexico English Language Proficiency Exam meet the alignment requirements of New Mexico's content standards, technical rigor and improvements in quality. This initiative includes alignment studies, improvements to reporting procedures, and refinement of assessment instruments.

\$1.0 million GF Nonrecurring (Education Reform Lockbox)

Continue the School Improvement Framework.

Provide systemic reform assistance for all schools that are identified as in need of improvement. Schools are assisted in creating fully aligned improvement goals, strategies, and action steps. This process includes targeted assistance and intensive classroom assistance for increasing achievement in schools and districts.

*\$7.5 million GF Nonrecurring (Education Reform Lockbox)
(\$6.0 million GF Nonrecurring in previous years)*

New Mexico Executive Educator Turnaround Specialists.

Establish a new program to train 20 certified school principals and three additional school and district staff teams to be executive turn-around specialists for low-performing schools. The participants will undergo intensive training during the summer of 2007 using the most advanced thinking in business and education to meet the demands of our most challenged schools.

\$1.5 million GF Nonrecurring (Education Reform Lockbox)

Statewide E-Learning IDEAL. Provide a standardized e-learning system and a shared service center for New Mexico called Innovative Digital Education and Learning in NM (IDEAL NM). This investment leverages several existing technology programs and provides a coordinated infrastructure. E-learning provides students with expanded access to teachers and curriculum and provides teachers with more professional development opportunities. The initial focus of the initiative will be to provide a 6-12

Ensure that all students are taught by qualified teachers

cyber academy, greater access to higher education courses, and teacher professional development.

\$2.2 million GF and \$8.5 million GF Nonrecurring (Education Reform Lockbox)

Expand the Teach for America Corps. Support recent college graduates of all academic majors who commit to teach for two years in public schools. Currently, 67 corps members are serving as highly qualified teachers for approximately 4,800 students in 24 schools.

\$500,000 GF Nonrecurring

Increase Public School Employee Compensation.

Recruit and retain highly qualified education employees through a 7.4 percent raise for all teachers (including those eligible to move to tier-three); an increase to established annual minimum salaries for principals; a 5 percent raise for all other school employees; and \$20.8 million to raise level-three teachers to the \$50,000 minimum annual salary. In addition to salary increases, the Executive recommendation provides \$14.3 million to fund the 0.75 percent for the employer share of FY08 Educational Retirement Board contributions.

\$140.4 million GF

Increase Higher Education Faculty and Staff Compensation. Recruit and retain highly qualified higher education employees through a 6 percent raise for all faculty, a 5 percent raise for staff, and \$6.2 million to fund the 0.75 percent employer share of Educational Retirement Board contributions.

\$51.5 million GF

Teacher Retention Tax Credit. Provide income tax credits to encourage highly qualified teachers to teach in schools with the highest needs.

\$3.5 million in FY07 and \$7.0 million in FY08 GF Revenue Reduction

Summer Reading, Math and Science Institutes.

Provide hands-on training for 200 to 300 more teachers through nine different summer reading, math, and science programs designed to provide best practices and content knowledge. This funding will expand geographic coverage and will target schools needing to improve.

\$2.0 million GF

Teacher Professional Development Fund. Provide professional development activities in the areas of leadership, curriculum support, instructional delivery and staff development. These resources are primarily directed to schools and districts identified as in need of improvement.

\$2.5 million GF Nonrecurring

Participate in a National Accreditation Process.

Participate in a comprehensive accreditation system to provide leadership, technical assistance and accountability for New Mexico public schools and districts in their efforts to improve student performance. As part of the accreditation process the Public Education Department will coordinate on-site structured peer reviews at 125 schools per year (in addition to the 140 priority schools currently receiving technical assistance). Participation in an accreditation process has been shown to improve student achievement.

\$1.0 million GF

Teacher Loan Forgiveness Program. Establish a state-funded loan forgiveness program as an incentive for teachers to work in low-income areas. The program would assist those teachers who do not qualify for the existing federal teacher loan forgiveness program by repaying part or all of their college loans. Funding is contingent upon authorizing legislation being enacted.

\$400,000 GF and Legislation

**Make schools safer
and protect students**

Statewide School Safety Crime Stoppers. Establish a program for students or community members to anonymously report crimes or the intention to commit a crime. Helps make schools and communities safer by focusing on prevention.

\$250,000 GF

School Security Cameras. Install up to 4,000 security cameras in schools, starting with those schools with the highest level of need based on their school safety reporting. This initiative includes the purchase of metal detectors that can be moved from school to school to address specific threats.

\$2.0 million GF Nonrecurring

GPS for School Buses. Purchase Global Positioning System (GPS) devices for all of New Mexico's 3,200 school buses. These devices help pinpoint actual locations of buses, provide two-way communication, disable the bus if the bus is hijacked, and provide real time video. Devices include a panic button where the bus driver can call for help in the case of an emergency.

\$2.6 million GF Nonrecurring

Community-Based Public Safety. Establish community-based public safety action grants to support a broad range of activities including development of community coalitions and crime prevention action groups, gang and drug prevention programs, and public safety hotlines.

\$1.0 million GF

**Ensure students
graduate from high
school prepared to
succeed in higher
education and the
workplace**

“Open the Doors” Public School Support. Support basic public school program costs, the state equalization guarantee, and categorical public school support. Statewide enrollment is projected to grow by an estimated 2,754.8 units or about 253 more students.

\$2,436.8 million GF (total recurring base and expansion)

**Make higher education
affordable for students
and families**

Strengthen Career Technical-Vocational Education. Expand the number and scope of career technical-vocational education centers. Using funds from a prior \$10 million appropriation, eighteen centers are currently being developed to prepare high school juniors and seniors for high school completion, and transition into either college career programs or technical careers.

\$10.0 million GF Nonrecurring

Adult Basic Education. Offset cost increases in the program as well as expand services through some of the high-performing community providers.

\$450,000 GF

College Affordability Endowment. Provide scholarships through the College Affordability Act to increase opportunities for New Mexicans to attend college. Scholarships of up to \$1,000 per semester will be available for students with financial need to help pay for the cost of tuition, fees, books and other expenses. As currently structured, the Endowment provides approximately 650 scholarships per year. Appropriating \$10 million of the \$50 million directly into the Scholarship Fund and revising the statute to allow 100 percent of the interest from the endowment to be distributed to the Scholarship Fund would increase the number of available scholarships to 2,500 per year.

\$50.0 million GF Nonrecurring and Legislation

Tax Credit for College Tuition and Fees. Offer a state tax credit equal to 25 percent of the federal Hope Tax Credits (undergraduate expenses) and the Lifetime Learning Tax Credits (post-secondary expenses). These credits would provide an average benefit of \$135 per return and could be claimed by as many as 40,000 New Mexicans.

\$2.7 million in FY07 and \$5.4 million in FY08 GF Revenue Reduction

Increase higher education program completion and graduation

Higher Education Operational Expenses. Provide funding based on an overall one percent decrease in student credit hours in the 2005-2006 academic year. No credit is taken against expenditures for increases in tuition. Address increased utilities and maintenance costs through a 3.4 percent increase in utilities funding and increased funding for building renewal and replacement from 40 percent to 50 percent of the formula cost basis. This funding also includes the final phase-in of instruction and general funding for University of New Mexico's Taos branch and the second year phase-in for Eastern New Mexico University's Ruidoso branch.

\$1.6 million GF

Ensure that New Mexico's education system supports a high-wage economy

Endow Faculty Chairs at Higher Education Institutions. Retain and attract high-caliber faculty to the State's higher education institutions by creating endowed chairs, particularly in specialized, high-need fields. Institutions must provide matching funds from private sources, which helps engage the private sector and alumni.

\$12.0 million GF Nonrecurring

Approximately \$275 million of new recurring General Fund dollars and \$130 million of nonrecurring General Fund dollars for Making Schools Work

A HEALTHY NEW MEXICO

Governor Richardson is investing in the health and well-being of New Mexicans by expanding access to health care and affordable health insurance, and taking steps to improve health outcomes. He put in place programs to insure children 0 to 5, increased preventive services, redesigned behavioral health care, and enhanced the trauma care system throughout the State. The Governor has a zero tolerance policy for abuse, neglect and exploitation of vulnerable citizens of all ages in nursing homes and community-based settings.

The Governor's budget and policy priorities for FY08 include closing the uninsured gap in New Mexico, fighting meth and other substance abuse addictions, providing services for children and adults with disabilities, making further improvements in trauma care and enhancing clinical research. Approximately \$151.6 million in new recurring General Fund money, \$31.4 million in nonrecurring General Fund, and \$8.0 million in FY08 revenue initiatives is allocated to creating a healthy New Mexico.

Richardson Administration Accomplishments

Enrolled nearly 10,000 New Mexicans in affordable health insurance plans for small employers through the State Coverage Insurance and Health Insurance Alliance Programs

Provided opportunities for part-time employees to get health insurance and allowed dependents up to age 25 to stay on their parents' insurance policies

Assured that abused and neglected children in state custody who were deemed able to be *appropriately and safely* reunited with their families did so within 12 months in 87.9 percent of the cases

Established a youth crisis hotline that received more than 3,000 calls in FY06

Created a behavioral health collaborative to improve quality of care, cost effectiveness and access to services with 80 percent of families and 85 percent of adults reporting satisfaction with services during its first year of operation

Established 170 telehealth sites throughout the state for training, consultations among providers and direct patient services

Doubled the number of school-based health centers from 34 to 68 so every county has at least one center – the centers see 25 percent of the schools' total student population

Budget and Policy Priorities

Provide New Mexicans more opportunities for health insurance

Increase Adult Medicaid Eligibility to 100 Percent of the Federal Poverty Level. Increase the adult Medicaid eligibility level from 30 percent to 100 percent of the federal poverty level over two years

Improve health outcomes and family support for New Mexicans

and allow additional uninsured, low income adults to receive health care coverage in FY08.

\$15.9 million GF and \$62.4 million Federal Funds

Expand State Coverage Insurance. Expand eligibility for working adults to participate in Medicaid through the State Coverage Insurance program from 200 percent to 300 percent of the federal poverty level over two years. This expansion of eligibility will allow additional uninsured New Mexicans to receive health insurance in FY08.

\$4.1 million GF and \$21.5 million Federal Funds

Rural Primary Care Clinics. Maintain the capacity of primary care clinics to serve New Mexico's rural, underserved and uninsured populations. This expansion supports operating costs associated with providing uncompensated care to low-income, uninsured New Mexicans. Primary care clinics lost \$2.3 million in 2004 and \$2.8 million in 2005, despite implementing austerity measures.

\$3.0 million GF

Invest in Stem Cell Research and Regenerative Medicine. Support research that will help address diseases and conditions that greatly affect New Mexicans – such as cancer, diabetes and brain and behavioral illnesses – through a stem-cell research and regenerative medicine initiative. The funding will be used to recruit principal investigators and research teams, develop curricula and pilot projects at the University of New Mexico Health Sciences Center, and renovate facilities.

\$2.2 million GF and \$3.8 million Capital

Emergency Medical Services. Sustain funding for rural, frontier and urban emergency medical service providers through an increased appropriation to the Emergency Medical Services Fund. This funding can be used for ambulances (purchase, maintenance, gas),

medical supplies, training and education, and equipment purchases necessary to perform emergency medical services.

\$400,000 GF

Homeless Veterans Services. Allow the Veterans Services Department to transport additional needy homeless veterans to medical appointments and continue providing shelter and guidance outreach services to over 300 homeless veterans. These services emphasize rehabilitation of homeless veterans.

\$250,000 GF

Increase immunizations for children and adolescents

Immunization Initiatives. Improve health outcomes through immunizations for preventable ailments including cervical cancer, tetanus, diphtheria, and pertussis. A total of 12,600 human papilloma virus (HPV) vaccines and 183 tetanus, diphtheria and pertussis or whooping cough (Tdap) vaccines will be provided for the uninsured or underinsured.

\$1.4 million GF

Ensure preparedness for pandemic influenza and increase adult influenza immunizations

Pandemic Influenza Vaccines. Ensure preparedness for pandemic influenza by providing a stockpile of 348,767 courses of antiviral agents to treat 18 percent of the population in the event of a pandemic.

\$1.0 million GF Nonrecurring

Adult Influenza Vaccines. Protect uninsured individuals at-risk for influenza from complications associated with influenza by ensuring access to vaccinations. A total of 64,600 will be provided. Complications associated with influenza are estimated to be as high as \$93.00 per dose to treat pneumonia, while the cost per vaccine is only \$11.25.

\$500,000 GF

Reduce teen pregnancy

Teen Pregnancy Prevention. Implement two different evidence-based interventions (i.e., Teen Outreach Program and Carrera Model) to reduce unintended and second births in teenagers. Communities selected for intervention will be those in which the teen birth rate is not declining.
\$750,000 GF

Improve access and quality of childcare

Increase Special Needs Childcare. Increase the capacity for special needs child care, including care for children with autism; physical disabilities; severe, chronic health conditions; and children of chronically homeless parents. With this expansion child care providers statewide will be trained to care for special needs children in their child care facilities.
\$650,000 GF

Expand Childcare Assistance Eligibility to 165 percent of the Federal Poverty Level. Expand childcare eligibility from 155 percent to 165 percent of the Federal Poverty Level. Quality, affordable childcare is one of the most significant factors allowing parents to retain meaningful employment or to take advantage of education opportunities. At the current eligibility limit of 155 percent, approximately 24,500 clients per month receive a subsidy. The increase to 165 percent will serve nearly 1,000 additional clients.
\$2.77 million GF and 4 FTE

Link children with disabilities to needed healthcare services

Reduce the Waiting List for Developmental Disabilities Waiver Services. Reduce the Developmental Disabled Medicaid Waiver waiting list by an estimated additional 84 to 90 individuals. Currently, there are approximately 3,300 individual on the central registry waiting for services. This expansion provides funding to help meet the growing need for

critical services among developmentally disabled individual and their families across the State.

\$2.0 million GF and \$4.9 million Federal Funds

(plus \$5.8 million GF and \$14.3 million Federal Funds increase in recurring base)

(plus \$11.4 million GF and \$28.9 million Federal Funds Supplemental)

Training and Professional Development to

Address Autism Spectrum Disorder. Provide training to approximately 320 parents of children with autism and health professionals who serve them using an evidenced-based model. Parents would receive 25-30 hours of intensive, individualized training. Professional training would be provided through a statewide regionalized system and includes hands-on experiences and professional consultation.

\$1.0 million GF

Multidisciplinary Evaluation and Diagnosis for Children Suspected of Having Autism Spectrum and Other Related Developmental Disorders.

Enhance screening, evaluation and diagnosis of children suspected of having autism spectrum and other related developmental disorders and eliminate the current waiting list for these services. Appropriate and early diagnosis results in improved outcomes.

\$750,000 GF

Expand Early Intervention Services. Provide early intervention services for an additional 900 infants and toddlers with or at risk of developmental delays.

\$1.25 million GF and \$3.75 million Federal Funds

Expand Children's Medical Services Specialty Clinics. Improve access to pediatric specialty care in rural New Mexico by increasing the number and type of Children's Medical Services specialty outreach clinics. The expansion would provide an additional 53

specialty clinics and serve approximately 1,200 more children in underserved areas across the State.

\$650,000 GF

Medical Services for Children with No Health Insurance. Provide vision, hearing, orthopedic, oral health and other clinical health care for 400 additional uninsured children in rural New Mexico.

\$450,000 GF

Tax Credit for Parents Who Adopt Special Needs Children. Significantly expand the tax benefit for these parents by converting the current \$2,500 tax exemption to a refundable tax credit of \$1,000 per special needs child. This initiative also expands the credit to be available as long as the child qualifies as a dependent for federal tax purposes. An estimated 350 households with 600 special needs children would receive average benefits of \$1,700 per household.

\$540,000 GF Revenue Reduction

Developmental Disabilities Oral Health. Co-locate two current clinics and replace specialized dental equipment to provide dental services to children and adults with developmental disabilities. In partnership with Carrie Tingly Hospital, the newly established clinic will serve as a teaching site that will support future dentists to perform practica and internships, and practicing dentists to gain specialized experience.

\$500,000 GF Nonrecurring

Link seniors to needed healthcare services

MiVia Self-Directed Waiver Services. Provide new options for frail elderly and persons with disabilities receiving Medicaid waiver services to exercise greater direct control over the type and intensity of services that they receive. By reducing certain administrative costs and by providing participants with more direct control over services, the annual per capita cost of service for individuals is expected to decrease.

\$242,500 GF, \$242,500 Federal Funds, and 8.0 FTE

Combat hunger and improve nutrition

Aging Network Programs. Increase the service levels provided by the Area Agencies on Aging (AAA) including adult day care, case management, home delivered meals, home health care, caregiver support, senior employment, legal services, transportation and other services. There is an increased need for these services in order to address the needs of the growing elderly population.

\$2.47 million GF

Ten-Year Plan for Healthier Weight. Collaborate with over 250 local and state partners to reduce obesity through implementation of a comprehensive ten-year plan which aims to: increase physical activity and nutrition in schools; increase access to primary and preventive care related to obesity; increase physical activity and improve nutritional behaviors in workplaces; and increase physical activity in communities.

\$1.0 million GF Nonrecurring

Food Stamps for Seniors. Increase the monthly food stamp benefit for elderly New Mexicans. More than 6,000 New Mexicans currently receive the minimum monthly benefit. This initiative would increase this benefit by \$10 per month.

\$600,000 GF

Improve access, quality, and value of mental health and substance abuse services

Total Community Approach for Substance Abuse. Provide funding to support three or more targeted “total community approach” plans for substance abuse treatment, prevention and enforcement. This will significantly increase the number of adults, children and adolescents receiving effective substance abuse and mental health services and will help to reduce the negative social impact of untreated disorders, crime, domestic violence, demand for social services and emergency health care.

\$5.0 million GF and \$1.0 million Capital

Establish a Central New Mexico Substance Abuse Treatment and Training Facility. Establish a 16 to 28 bed facility and a state-of-the-art community based, outpatient component focused on meth, heroin and other substance abuse issues in New Mexico. The facility will also provide significant telehealth capacity to support smaller communities and will use evidence-based practices to train workforce for the facility and community programs.

\$2.0 million GF and \$7.0 million Capital

Psychotropic Medication. Provide psychotropic medications to non-Medicaid eligible patients who have been released from hospitals, residential treatment centers or correctional facilities who cannot afford the prescribed medication they need. Providing this assistance will help to lower the likelihood that individuals will return to these facilities or require expensive emergency services. Approximately 550 high risk adults will receive assistance to obtain psychotropic medications otherwise unavailable to them.

\$1.0 million GF

Behavioral Health Services for Veterans. Provide mental health and substance abuse services for an estimated 150 veterans and educate nearly 9,000 through outreach regarding their benefit rights and available services. This initiative will provide training for therapists to better treat Post Traumatic Stress Disorder (PTSD) and other behavioral health problems that may afflict as many as 10,000 New Mexico veterans.

\$200,000 GF

Compulsive Gambling Treatment. Create a certified training program for therapists who treat gambling addictions and establish a treatment voucher program

Improve outcomes for vulnerable families and children

to serve those affected by compulsive gambling. This initiative will fund an estimated 3,000 units of therapeutic services.

\$425,000 GF

Substance Abuse Prevention Messaging. Create and disseminate anti-substance abuse ads and other materials proven to work with high risk populations.

\$500,000 GF Nonrecurring

Improve the Quality of Treatment Services for Children in Protective Care. Expand the number of treatment workers in response to the increased number children in care of the State and the greater complexity of cases. Since 2003, the number of children in care of the State has increased by more than 30 percent, but the number of treatment workers has not increased since 1996. This expansion will support the safety, permanency and well-being of New Mexico's most vulnerable children and their families.

\$889,400 GF and 18 FTE

Services for Girls in the Juvenile Justice or Protective Services Systems. Improve residential services for female clients ages 13 to 17 in the juvenile justice and protective services systems. This expansion will provide services to females that have a history of volatile behavior or mental illness. It also improves services for residents who may have brain impairment related to brain injury, head trauma or fetal alcohol.

\$1.0 million GF

Youth Civic Justice Corps. Assist young men and young women aging out of the foster care system to be integrated into existing AmeriCorps programs. Youth would work for one year, receive health care, and be eligible for childcare assistance. At the end of the year, they would receive up to a \$4,725 scholarship.

\$300,000 GF

Health Insurance for Adopted and Foster Care Children with Disabilities. Secure health insurance for adopted children with special needs who are not eligible for Medicaid. Currently, services for non-Medicaid eligible children are paid for by the State on a fee for service basis, which can be time consuming for families. This will eliminate a barrier to adoption for families without comprehensive private medical insurance

Civil Legal Aid. Provide civil legal aid to an additional 1,250 low income families. Civil legal aid helps low income New Mexicans obtain or maintain basic necessities such as housing, secure and stable families, food, and health care. Federal funding for civil legal aid programs has declined.
\$2.0 million GF

Supportive Housing. Assist in low-income housing project development, provide eviction prevention and move-in assistance, and provide bridge rental assistance.
\$750,000 GF

Outreach to Urban Indians. Locate four additional eligibility workers at Albuquerque area Indian health facilities to increase Food Stamps and Medicaid outreach to Native Americans who may be eligible for assistance but not enrolled in either.
\$500,000 GF
program. The uninsured rate among Native Americans is seven percent higher than the statewide average.
\$87,400 GF, \$118,800 Federal Funds, and 4 FTE

Home Heating Assistance. Provide financial assistance to low-income New Mexicans to pay heating and cooling costs through the Low Income Home Energy Assistance Program.
\$1.0 million GF

Improve health care and human services by investing in workforce development and infrastructure

Improve Behavioral Health Training and Research. Create a Consortium for Behavioral Health Training and Research at a higher education institution to coordinate statewide efforts to strengthen the behavioral health workforce. The Consortium would help increase the number of graduates in behavioral health, improve program offerings in behavioral health fields of study, develop training for existing behavioral health workers and provide research into and dissemination of evidence-based practices.

\$200,000 GF

Trauma Services Fund. Improve trauma services throughout the state by supporting local hospitals in providing access to trauma care.

\$ 3.0 million GF

Remove Gross Receipts Tax for Hospitals.

Implement the first year of a three-year plan to phase out the payment of gross receipts taxes on for-profit hospitals in New Mexico. Most of these hospitals operate in rural areas and are on the front lines in caring for those most in need. The proposal would create a new tax credit for the gross receipts tax otherwise owed by hospitals.

\$4.0 million in FY08 GF Revenue Reduction

Tax Credit for Rural Health Care Providers.

Provide an annual tax credit of up to \$5,000 for physicians and \$3,000 for other licensed medical care providers who devote at least 60 percent of their practice to qualifying underserved areas.

\$1.8 million in FY07 and \$3.5 million in FY08 GF Revenue Reduction

Expand Rural Medical Services through

Telehealth. Improve the scope, accessibility, and quality of medical services available to rural New Mexicans by connecting patients and health care

providers. Specifically, this initiative would create an electronic medical records and health information exchange system, expand clinical service hubs, and implement four pilots using remote monitoring equipment to prevent repeat hospital visits.

\$2.0 million GF Nonrecurring

Enterprise Eligibility System. Improve access to social services programs and provide consistency in eligibility determinations through a web-based Enterprise Eligibility System. The system will integrate multiple state programs and services into one common web-based portal for screening, intake, application, referrals, scheduling and reports.

\$2.4 million GF Nonrecurring

Approximately \$152 million of new recurring General Fund dollars and \$31 million of nonrecurring General Fund dollars for A Healthy New Mexico

PROMOTING AND GROWING NEW MEXICO

Governor Richardson's focus on expanding opportunity has made New Mexico more competitive, created tax incentives to attract quality companies and high paying jobs, helped grow existing businesses, and invested in innovation, infrastructure, and the workforce. Under Governor Richardson, the New Mexico economy is thriving. Personal income is up and unemployment is down.

- New Mexico is ranked 10th in the nation in economic growth and 9th in personal income growth.
- New Mexico's unemployment rate is 4.3 percent – lower than the national unemployment rate of 4.4 percent – and the state's lowest rate in over 20 years.
- New Mexico's rate of job growth is 3.0 percent, representing 24,700 jobs over last year and making New Mexico the 11th highest state for job growth.
- Since January 2003, there are more than 83,000 new jobs in New Mexico.

Richardson Administration Accomplishments

Cut income and capital gains taxes in half and eliminated taxes on food and medical services

Attracted more than 60 feature film and television productions representing approximately \$900 million in economic activity in communities statewide

Facilitated establishment of 728 new businesses and creation of 1,400 new jobs through the *Main Street Program*

Instrumental in bringing new jobs to communities throughout the State:

- Southwest Cheese – 200 jobs
- Tempur-Pedic – 300 jobs
- Monarch Litho – 110 jobs
- Ci Direct – 100 jobs
- Merillat Industries – 700 jobs
- Eclipse Aviation – 2,000 jobs
- Sento – 800 jobs
- Lo Presti – 300 jobs

- Job growth is broad based, with particularly strong growth in health services, professional and business services, and construction.
- For the first time in ten years, New Mexico is experiencing job growth in manufacturing.
- High wage sectors including biotechnology, aviation, high tech manufacturing, film and entertainment production and renewable energy are driving New Mexico's recent job growth.

Governor Richardson's budget priorities for FY08 include tax initiatives for working families, small businesses, and entrepreneurs, expanding science and research efforts, and investing in the New Mexico workforce. Approximately \$93.7 million in FY08 revenue initiatives, \$17.0 million in new recurring General Fund dollars and \$21.8 million nonrecurring General Fund dollars are directed to promoting and growing New Mexico.

Budget and Policy Priorities

Improve New Mexico's economic base

Accelerate Personal Income Tax Cuts. Decrease the top personal income tax rate from 5.3 percent to 5.1 percent for Tax Year 2007. The tax rate would be reduced to 4.9 percent for Tax Year 2008.

\$16.0 million in FY07 and \$16.0 million in FY08 GF Revenue Reduction

Working Families Tax Credit. Provide a refundable income tax credit to low and moderate income working New Mexicans. This credit is especially important to families with children. The credit is equal to 10 percent of the federal earned income tax credit (EITC) and can be taken instead of, but not in addition to the Low Income Comprehensive Tax Rebate (LICTR). The maximum working family tax credit is \$500 per year for families with two or more children and earned income between \$11,000 and \$12,000. The average benefit is estimated to be \$191 per year and 75 percent of the benefits would go to families earning less than \$20,000.

\$15.0 million in FY07 and \$30.0 million in FY08 GF Revenue Reduction

Expand Eligibility for Personal Income Tax Exemption to More Low and Middle Income New Mexicans. Make permanent an expansion of eligibility for a \$2,500 personal income tax exemption. In 2006, eligibility thresholds were expanded from \$27,000 to \$40,000 for an individual and from \$41,000 to \$60,000 for married taxpayers. This initiative would make this

expansion permanent and would provide an average tax benefit of \$180 per return to 110,000 taxpayers. *\$10.0 million in FY07 and \$20.0 million in FY08 GF Revenue Reduction*

Reduce Pyramiding of Gross Receipts Tax.

Address pyramiding in the gross receipts tax by creating a tax credit for services purchased by small New Mexico businesses with less than \$300,000 of gross receipts. Services eligible for any other New Mexico tax credit will be excluded from this credit. *\$1.5 million in FY08 GF Revenue Reduction*

Continue the New Mexico Economic Development Partnership. Attract competitive, high value-added companies to New Mexico by partnering with businesses to make informed site-location decisions. Since its inception in October 2003, the New Mexico Partnership has worked with 18 businesses that have located in New Mexico creating more than 5,100 jobs. Of these jobs, 56 percent are in rural New Mexico.

\$1.1 million GF

Tax Relief for Military Retirees. Allow military retirees to claim a 50 percent deduction of their earned income from a second career up to \$50,000 for purposes of the state income tax. As many as 12,000 military retirees would qualify for this tax relief. Earned income would be defined to include wages and salaries, and income from operation of a business or farm.

\$4.2 million in FY07 and \$8.4 million in FY08 GF Revenue Reduction

Remove Income Tax for Active-Duty Military.

Exempt military pay for New Mexicans on active duty from the state income tax. This will provide an average of \$1,340 in tax benefit to 7,000 New Mexicans.

\$4.7 million in FY07 and \$9.4 million in FY08 GF Revenue Reduction

**Position New Mexico
as a tech-intensive
state**

MainStreet Expansion to More Communities.

Foster economic development by supporting local MainStreet revitalization organizations and their work in downtowns and the adjacent neighborhoods. The program provides resources, education, training and services that preserve and enhance the built environment, local historic culture and heritage and stimulate the economic vitality of each participating community.

\$250,000 GF and \$1.7 million Capital

New Mexico Computational Applications Center.

Invest in a super-computing center that will provide researchers from industry, national laboratories and universities with an opportunity to use advanced capabilities for computational analysis and to collaborate both on-site and in “virtual interaction labs”. Gateways to the center will be located at New Mexico State University, New Mexico Institute of Mining and Technology, Los Alamos National Laboratory, and Sandia National Laboratory.

\$2.0 million GF Nonrecurring and \$18.0 million Capital

Angel Investment Credit. Create an incentive for investment in high-tech or manufacturing companies. A personal income tax credit would be allowed for 25 percent of qualifying investments up to a maximum of \$25,000. Credits for an individual investor would be limited to three qualifying investments a year and an overall cap of \$750,000 per year would be imposed.

\$350,000 in FY07 and \$750,000 in FY08 GF Revenue Reduction

**Expand and safeguard
New Mexico’s
agricultural industries**

Farm, Food, and Health Initiative. Support the state's agricultural sector and improve nutrition for school children and low-income families through several initiatives: a "Healthy Kids/Healthy Economy" program that will provide additional servings of fresh fruits and vegetables for more than 130,000 school

children; a nutrition program to provide more than 4,000 low-income residents with access to fresh produce; capacity building for farmers' markets throughout New Mexico; and an initiative to provide New Mexico-produced fresh and processed food for the statewide food bank system.

\$2.0 million GF

Promotion of Specialty Crops. Stimulate rural economic growth and increase market share in domestic, national and international markets for New Mexico's \$320 million specialty crop industry.

Traditional specialty crops are chile, pecans, onions, apples, and winter vegetables while areas of growth include watermelons, pumpkins and nursery products.

\$275,000 GF

Food Products Processing and Testing Center.

Establish a state-of-the-art animal and food testing facility at New Mexico State University that will meet industry demands for services, generate highly-skilled graduates needed by industry and government, and identify new research opportunities. Currently the state's horse racing, livestock, dairy, chile, onion and pecan industries spend more than \$1 million annually for testing services at out-of-state laboratories. This facility would allow the state's testing and regulatory needs to be met within the state.

\$475,000 GF and \$525,000 GF Nonrecurring

Food Safety Diagnostic Services. Expand the Department of Agriculture's capacity to provide comprehensive molecular diagnostic services. This will help ensure a safe and secure food supply and assist in responses to any disease emergency by providing accurate and timely diagnosis of the cause of disease outbreaks such as trichomoniasis, Johne's Disease and others.

\$140,000 GF

Strategically invest in the workforce and infrastructure to support economic growth

Plant and Animal Research. Develop proactive management methods to address and limit the impacts of invasive plant and animal species as well as diseases by establishing a facility for ongoing research and training on structural and urban pests.

\$250,000 GF

Family Opportunity Accounts. Provide more than 650 low-income individuals with interest-bearing savings accounts that match their savings dollar for dollar to \$3,000. The funds could be used for home improvements, a down payment on a home, starting a business, paying for education or a vehicle for employment. Eligible participants include residents with a household income below 200 percent federal poverty level.

\$500,000 GF

Continue the Job Training Incentive Program. Provides wage reimbursement for on-the-job and classroom training. In FY06, the program funded 3,462 jobs at an average wage of \$11.84 per hour. In FY08, the Economic Development Department expects to train individuals for 4,000 jobs. The program reimburses 50 to 80 percent of wages while employees are in training (reimbursement rates are higher for rural and economically distressed areas). The program may reimburse the costs of customized training conducted at New Mexico public educational institutions.

\$8.0 million GF Nonrecurring

One-Stop Career Centers. Open two integrated, full-service one-stop pilot offices (Albuquerque and Clovis) to make available the full spectrum of the State's workforce program – intake assessment, job training, and skills development – in a single location under integrated management.

\$950,000 GF

WorkKeys Career Readiness Certificate Program.

Promote WorkKeys as the statewide employability assessment tool to measure, monitor, and improve New Mexico's workforce. WorkKeys is a nationally-recognized assessment tool, developed by American College Testing, which measures those skills used in a wide range of current jobs, provides tools for skills improvement, and can be used for job analysis.

\$1.5 million GF and 4 FTE

Youth Employment Program. Implement an employment program designed to assist youth in learning life and employment soft skills. Participating youth will work a year-long, part-time job and will receive compensation and mentoring from businesses.

\$2.5 million GF

Veterans' Enterprise Program. Coordinate a program to ensure veteran-owned businesses take advantage of the President's Executive Order 13-360 and federal law designed to ensure that three percent of federal contracts are awarded to veteran owned businesses.

\$150,000 GF

Employment Gold Program. Provide paid seniors to mentor 200 unemployed or underemployed individuals with barriers to employment (TANF recipients, youth with disabilities, etc.). Individuals who are mentored are 67 percent more likely to find jobs than the general TANF population. This program provides employment opportunities for seniors who, as a group, have high unemployment rates. Federal funding for senior employment mentoring program has decreased significantly over the last two years.

\$100,000 GF

Improving New Mexico's Highways and Roads.

Expand highway maintenance activities to keep pace with needs across the State and to prevent costly

Develop and promote media arts and cultural assets

repairs. New Mexico has added approximately 3,000 road miles over the past ten-years. This initiative will also provide additional staff for transportation safety initiatives, DWI prevention, and other transportation programs.

\$10.7 million State Road Fund, \$1.5 million Other Funds, and 82 FTE

Marketing of the X PRIZE Cup. Conduct an advertising campaign for the X PRIZE Cup that highlights southern New Mexico as a new “space trail” and pioneer in the commercial space market. The 2006 X PRIZE Cup included three classes of rockets, two official prize competitions, the Space Elevator Games, and a multi-camera webcast. The event also included a comprehensive teaching guide and curriculum. The X PRIZE Cup was attended by more than 20,000 people in 2006, and the numbers are expected to increase.

\$1.0 million GF Nonrecurring

New Mexico Rodeo Initiative. Continue activities to enhance the sport of rodeo in New Mexico and expand economic opportunities for rural communities statewide. The initiative provides clinics, educational outreach and a wide range of rodeo activities, including the exploration of district, regional and national rodeos that can be relocated to New Mexico.

\$1.2 million GF

Arts Trails to Bring the Market to New Mexico’s Artists. Build on the success of the current arts trail by expanding trails to southern, northeastern, and western New Mexico. The expanded program would serve approximately 50 communities, 150 artists and 25,000 tourists. The program develops trails, publishes maps in tourism guides, and provides technical assistances to artists on the trails to promote cultural tourism in rural New Mexico.

\$250,000 GF

National Hispanic Cultural Center. Expand programming, services and outreach at the National Hispanic Cultural Center. The initiative will increase outdoor programming in the Plaza Mayor and will expand program offerings in communities outside Albuquerque-Bernalillo County to establish the National Hispanic Cultural Center as an institution serving New Mexicans statewide. The initiative will also add a media arts director; create a film exhibition series; make production facilities available to local Latino independent production; and provide media production workforce development programs.
\$290,800 GF, \$30,000 Other State Funds, 4.0 FTE, and \$1.3 million Capital

Tribal Reburial Grounds. Acquire a burial site on state or federal land for the reburial of unmarked Native American human remains and funerary objects. There are currently over 400 human remains in the State's museum repositories awaiting reburial. The reburial of unmarked Native American human remains and funerary objects is a top priority of the Tribal-State Workgroup on Repatriation and Sacred Place Protection.
\$50,000 GF and \$50,000 GF Nonrecurring

Sports Authority Promotion. Promote New Mexico athletic events and acquire athletic events from across the country to expand the sports industry in New Mexico.
\$1.0 million GF Nonrecurring

Promote New Mexico. Advertise New Mexico as a top tourist destination point.
\$1.5 million GF and \$4.0 million GF Nonrecurring

Approximately \$17 million of new recurring General Fund dollars and \$22 million of nonrecurring General Fund dollars for Promoting and Growing New Mexico

PROTECTING AND PROMOTING THE ENVIRONMENT

New Mexico has both finite water supplies and abundant energy supplies that must be actively managed for the future. Through resource management, interagency coordination, incentives, and technical assistance, our water and energy resources will be developed and preserved for all New Mexicans. Under Governor Richardson, New Mexico is developing a sustainable water future and becoming a leader in clean energy. New Mexico is protecting the environment, conserving habitat, restoring forests and watersheds, and maintaining balanced stewardship of public lands.

Governor Richardson's budget recommendation makes significant investments in developing reliable and efficient water supply systems, restoring rivers and habitat, creating incentives for biofuels and green building, and expanding opportunities for hunting and fishing. Approximately \$13.2 million in FY08 revenue initiatives, \$10.6 million in new recurring General Fund and \$9.3 million in nonrecurring General Fund is allocated to these purposes.

Richardson Administration Accomplishments

Determined water rights on approximately 53,000 acres of irrigated land

Eliminated state sales tax on hybrid vehicles

Established strict targets for reducing greenhouse gas emissions – 2000 levels by 2012, 10% below that by 2020 and 75% below 2000 levels by 2050

Became the first state to join the Chicago Climate Exchange to reduce New Mexico state government's greenhouse gas emissions

Required coal plants to consider gasification as Best Available Control Technology

Adopted an early action compact to address ozone pollution

Protected the Valle Vidal by successfully petitioning to qualify the surface waters in this area as Outstanding National Resource Waters

Launched the Rio Grande Trail project

Negotiated consent decree with PNM and environmental groups resulting in \$300 million in improvements to the San Juan Generating Station – the largest source of air pollution under state jurisdiction

Budget and Policy Priorities

Protect New Mexico's limited water resources

Establish a New Office of Water Infrastructure Development. Reorganize existing state staff to establish an Office of Water Infrastructure

Development responsible for developing well-planned water and wastewater projects in New Mexico.

The new entity will be responsible for developing project recommendations, coordinating available funding sources, overseeing implementation of funded projects, and providing technical assistance. The Office would also be charged with promoting water conservation and the use of innovative water and wastewater technologies.

\$1.0 million GF, 4 FTE, and Legislation

Technical Assistance for Acequia Governance.

Strengthen acequias as political subdivisions by providing technical assistance on topics including acequia bylaws, regional governance, infrastructure planning and implementation, water transfers, water banking, easements, liability, enforcement, community mapping, and conflict resolution.

\$500,000 GF

Public-Private Partnership for Water Innovation

Research. Participate in a partnership to develop, demonstrate, and deploy low cost, energy efficient technology for improving water quality and availability. The project will be conducted with the Tularosa Basin National Inland Water Desalination Facility, New Mexico State University's Institute for Energy and the Environment, the Water Resources Research Institute, General Electric Water, and other partners.

\$1.5 million GF Nonrecurring

Enforcement of Water Rights in Priority Basins.

Provide additional water masters in priority basins to limit illegal diversions and increase the number of water users who receive their full allotments.

\$300,000 GF and 3 FTE

Middle Rio Grande Adjudication. Establish a new Middle Rio Grande Adjudication Bureau to begin the

process of adjudicating water rights in one of the key basins in the State.

\$269,900 GF and 4 FTE

Regional Water Plan Updates. Collect current information and public input for assuring future water supplies, improving infrastructure, preparing for drought, and addressing demands due to growth. The 16 regional water plans support the overall State Water Plan.

\$400,000 GF

Gila Basin Water Development. Continue steps necessary for the development of 14,000 acre feet of water rights and access to up to \$128 million in federal funds made available as a result of the 2004 Arizona Water Settlements Act.

\$500,000 GF Nonrecurring

Water Rights Adjudication for Acequia and Community Ditch Systems. Increase assistance to acequia and community ditch systems for adjudication of water rights through the Acequia and Community Ditch Fund. Funds may be used to obtain or prepare hydrological studies, historical studies and economic impact reports as well as for expert witness fees, legal fees and other necessary technical services directly related to the adjudication process.

\$575,000 GF

Statewide Aquifer Mapping and Characterization. Conduct statewide aquifer mapping and characterization to provide data to facilitate decision making regarding the state's groundwater.

\$250,000 GF

Renewable Fuel Facility Tax Credit. Provide personal and corporate income tax credits for the construction, reconstruction or acquisition of refueling facilities for fuel that is 85 percent ethanol or 5 percent biodiesel. The amount of the credit will decline from

Expand the use of clean and efficient renewable fuels and alternative energy vehicles

40 percent for tax years 2007 and 2008 to 20 percent for tax years 2011 and 2012.

\$55,000 in FY07 and \$172,000 in FY08 GF Revenue Reduction

Biofuel Distributor Tax Credit. Expand the availability of B5 biodiesel in New Mexico by providing personal and corporate income tax credits for distributors of biofuels. The credit amount would be 6 cents per gallon of fuel containing a mixture of at least 5 percent biofuels in 2007 and declining by 1 cent per gallon each year until no credit would be allowed in 2013.

\$120,000 in FY07 and \$240,000 in FY08 GF Revenue Reduction

Biofuel Facilities Investment Credit. Expand the availability of biodiesel blended fuels in New Mexico by providing personal or corporate income tax credits for 30 percent of the amount invested in facilities for producing or distributing biofuels.

\$100,000 in FY07 and \$100,000 in FY08 GF Revenue Reduction

Increase the use of clean energy in New Mexico

Transmission Authority. Promote the development of renewable energy in New Mexico by establishing a renewable energy transmission and storage authority to construct needed energy transmission lines.

\$1.0 million GF Nonrecurring and Legislation

Purchase 100 Percent Renewable Electricity for State Government. Expand the use of renewable energy in New Mexico and reduce harmful emissions from fossil fuel generated power. The conversion to renewable electricity will be phased-in with the intent purchase an additional 25 percent of all electricity used in state buildings from renewable sources in FY08.

\$575,000 GF

Promote energy efficiency and conservation

Increase Tax Credits for Solar Energy Production.

Increase the renewable energy tax credit for electricity produced using solar energy from \$0.01 per kilowatt hour for the first 400,000 megawatt hours to \$0.02 per kilowatt hour for the first 200,000 megawatt hours. In addition, this initiative will reduce the minimum size of an eligible facility for the credit from 10 megawatts to 1 megawatt.

\$50,000 in FY08 GF Revenue Reduction

Promote Investment in Advanced Energy Technology.

Provide a new tax credit of up to five percent of the cost of manufacturing vehicles powered by advanced energy sources, fuel cell systems, renewable energy systems, components of integrated gasification combined cycle coal facilities, and components of facilities related to the sequestration of carbon from integrated gasification combined cycle coal plans.

\$200,000 in FY08 GF Revenue Reduction

Incentives for Green Building. Encourage energy efficiency, water conservation, and other environmental considerations in commercial and residential construction through non-refundable, but transferable, tax credits for owners of properties that meet “green building” criteria. The credits would be designed to offset approximately 35 percent of the added cost of meeting the green building standards and would be based on a sliding scale depending on the level of energy conservation achieved.

\$100,000 in FY07 and \$400,000 in FY08 GF Revenue Reduction

One-Month Tax Holiday for Energy Star Appliances. Create a one-month gross receipts tax holiday for purchases of certain appliances that meet the EPA’s criteria for Energy Star appliances.

\$500,000 in FY08 GF Revenue Reduction

Combat Climate Change

Conserve and restore forests and watersheds

Encourage Installation of Energy Efficient Home Heating and Cooling Systems. Provide non-refundable income tax credits for the purchase of certain energy-efficient home heating and cooling appliances. State tax credits would be equivalent to one-half of the federal credit amounts and would be limited to \$250 per taxpayer.

\$350,000 in FY07 and \$700,000 in FY08 GF Revenue Reduction

Energy Audit to Promote Energy Efficiency and Renewable Energy in Public Buildings. Conduct initial energy audits to allow state government, local communities, and school districts to participate in the Energy Efficiency and Renewable Energy Bonding Act program. This program allows savings obtained from retrofitted facilities to be used to repay the costs associated with bonds for energy efficiency or renewable energy projects.

\$500,000 GF Nonrecurring

Western States Climate Change Initiative. Lead a regional dialogue aimed at developing mandatory emission reductions and a cap-and-trade program across a number of Western states.

\$500,000 GF

Land, Wildlife, and Clean Energy Act. Initiate conservation and clean energy bond projects by redirecting half of the net revenue attributable to the Oil and Gas Conservation Tax to a new fund. Proposed uses of the revenue include conservation easements, game and fish habitat and access programs, clean energy grants and oil and gas cleanup enforcement.

\$10.5 million in FY08 GF Revenue Reduction

Conserve New Mexico's lands and habitats and expand citizen use of public lands

State Park Operations. Address the growing needs of the State Parks system by expanding operating resources and staffing including increases at the Manzano State Park outside of Albuquerque and Red Rocks State Park in Gallup, which will once again become a state owned park in FY08.

\$396,800 GF and 4 FTE

Expand Public Land Access. Double the resources dedicated to purchase of easements for public land access. This expansion will provide access to approximately 120,000 additional acres of public and private lands for hunters, anglers and other recreationists.

\$250,000 Game Protection Fund

Habitat Enhancement and Conservation. Expand programs to enhance, conserve and protect big game habitat by annually issuing two "grand slam" packages of enhancement authorizations to hunt elk, deer, oryx, ibex and pronghorn antelope.

\$225,000 in Revenue to the Game Protection Fund

Expand Youth Outdoor Programs. Expand programs that introduce youth to hunting, fishing and outdoor skills. This initiative would increase the number of participating youth from approximately 9,500 to approximately 11,400.

\$50,000 GF and \$100,000 Federal Funds

Approximately \$11 million of new recurring General Fund dollars and \$9 million of nonrecurring General Fund dollars for Protecting and Promoting New Mexico's Environment

A SAFER NEW MEXICO

Governor Richardson is working to protect New Mexico families, increase the safety of our communities, and provide rapid assistance in response to security risks and natural disasters. He has increased penalties for violent criminals and DWI offenders, helped to protect women and children from domestic violence, and targeted law enforcement efforts on drugs and gangs.

Governor Richardson's budget and policy priorities for FY08 include tough anti-meth measures, additional initiatives to reduce DWI-involved fatalities, and stiffer penalties for serious violent offenders, gun crimes, and sex offenders. The budget recommendation allocates \$44.2 million in new recurring General Fund dollars and \$10.7 million in nonrecurring General Fund to a safer New Mexico.

Richardson Administration Accomplishments

Implemented measures to reduce drunk driving that contributed to a 31 percent reduction in alcohol-related serious injury crashes from 2002 to 2005

Nationally recognized by Mothers Against Drunk Driving for initiating and signing legislation to make ignition interlocks mandatory for all convicted DWI offenders

Established a special prosecution team in metro court that reduced dismissal rates for domestic violence cases by 35 percent

Increased penalties for meth trafficking and controlled access to pseudoephedrine, a primary ingredient for manufacturing meth

Increased the length of time a sex offender must continue to register from 20 years to lifetime

Expanded domestic violence services to communities that previously lacked services

Seized and cleaned up over 460 meth labs

Budget and Policy Priorities

Reduce death and injury due to DWI in New Mexico

Expand Ignition Interlock Law. Apply New Mexico's ignition interlock law to applicants from out of state with prior DWIs by requiring applicants from out of state who want a New Mexico driver's license to provide a certified copy of their previous driving record.

\$1.11 million GF and 12 FTE

Expand DWI and Drug Courts. Expand the current magistrate DWI court in Eddy County to include the use of alcohol-detecting ankle bracelets, provide drug court training before implementation of a new

Reduce domestic violence and provide adequate services for victims, children, and batterers

magistrate drug court in Quay County, and provide additional staff and treatment for the magistrate DWI/drug court in Valencia County.

\$199,900 GF

Attorney for Liquor Enforcement. Provide an advanced attorney, hearing officers, and investigative and research services to ensure compliance with and to more efficiently handle prosecutions of violations of the Liquor Control Act.

\$250,000 GF and 1 FTE

Domestic Violence Services. Provide additional services to victims of domestic violence, prepare more effectively for prosecution of domestic violence cases, and assist more victims in applying for orders of protection. Specifically, this initiative will provide additional court monitoring, new victims advocates, a new specialized domestic violence prosecution unit to combat the effects of domestic violence in the 3rd (Dona Ana County) and 8th (Taos) judicial districts, and continuation of the Domestic Violence Homicide Review Team.

\$668,900 GF and 6.5 FTE

Protect citizens, especially children, from sex offenders

Sexual Assault and Child Sexual Abuse Prevention Programs. Expand primary prevention services to unserved and underserved populations to reduce sexual assault and abuse. Such services include rape crisis centers, prevention programs, sexual assault nurse examiner programs, and data collection and analysis. Most communities do not have the resources to coordinate effective sexual assault prevention programming or treatment services.

\$500,000 GF

Increase homeland security and emergency preparedness

Interoperable Communications for First Responders Statewide. Provide a statewide interoperable communications network for first responders to communicate with each other and the

Investigate, arrest, and prosecute the sale and possession of illegal drugs

Eliminate violent, criminal, street gangs

state public safety agencies.
\$2.0 million GF Nonrecurring

Emergency Equipment. Purchase new equipment to assist in emergencies with activities such as snow removal.
\$1.5 million Capital

Border Security. Continue assistance for local law enforcement efforts to protect our citizens, property, and communities along the New Mexico-Mexico border, specifically in Doña Ana, Luna, Grant, and Hidalgo counties.
\$1.0 million GF

Regional Program to Reduce Narcotics Trafficking. Continue collaborative local law enforcement programs to increase arrests, seize high quantities of narcotics, seize and dismantle meth laboratories, track meth, heroin and cocaine trafficking, and reducing crime, gangs and gang activity. These programs are administered through the Drug Enforcement Advisory Council and seven New Mexico regional task forces, the State Police Narcotics Division, the New Mexico Gang and Terrorism Taskforce and the Open Space Southwest Investigative Fugitive Team. These effective programs are facing a lose of federal funding.
\$1.0 million GF

Create a Registry of Convicted Felony Drug Dealers. Create an online database of convicted felony drug dealers which is accessible by local, state, and federal law enforcement, and the public.
\$250,000 GF

Youth Mentoring. Recruit and train volunteers to serve as mentors for 10 percent of all at risk children in every county in New Mexico and expand the program from 3,110 to 7,300 matches. Mentors work with at-risk children (e.g., low income, minorities, single parent

Reduce serious violent crime

families, etc.) to increase socially acceptable and responsible behavior. Children who receive mentoring services are 46 percent less likely than their peers to start using illegal drugs, 27 percent less likely to start drinking and 52 percent less likely to skip a day at school. Nonrecurring funds provide one-time infrastructure improvements.

\$2.0 million GF and \$2.0 million GF Nonrecurring

Gang Prevention and Intervention. Continue local programs to reduce the number of gangs, gang membership and gang related crime. Activities include recreational and life skills programs, athletics, mentoring, treatment resources, public awareness, and education.

\$500,000 GF

Law Enforcement Compensation Package. To ensuring public safety by providing state law enforcement officers with a competitive pay structure provide: 1) a 3.3 percent salary increase and structure adjustment in July and an average 3.0 percent step or lump-sum increase on anniversary date for all State Police patrolmen, sergeants, lieutenants and captains; 2) a 3.3 percent salary increase in July and an additional 3.0 percent salary increase on anniversary date for State Police majors, inspectors and chiefs; and 3) a 3.3 percent salary increase in July and an additional 3.0 percent salary increase in January for motor transportation division and special investigations division officers.

\$2.2 million GF

Reduce the Crime Lab Backlog. Ensure evidence analysis is available for prosecution of crimes by expanding the number of technicians at the state crime lab, retaining qualified scientists through higher salaries, freeing up lab space for analytical work, and initiating design and planning for a new crime lab.

\$751,000 GF, \$131,800 GF Nonrecurring, 8 FTE, and \$2.0 million Capital

Women’s Halfway House Work Program. Serve between 48 and 60 women annually through a work program at the New Mexico Women’s Recovery Academy located in Los Lunas. There are currently no work programs for women transitioning into the community. These transition services provide four to six months of programming.

\$400,900 GF and 1 FTE

Los Lunas Women’s Residential Program Expansion. Add 24 new beds to the Women’s Recovery Academy located in Los Lunas. This is a six-month residential treatment program with a current capacity of 48 beds.

\$448,500 GF

Effective Supervision of Offenders on Probation and Parole. Reduce the caseloads for probation and parole officers from approximately 113 to 105. Probation and parole caseloads have been growing at a rate of over 10 percent per year.

\$898,400 GF and 17 FTE

Inmate Growth. Address a projected increase of 390 male and 45 female offenders in the inmate population, as a result of tougher penalties. The total inmate population increased by 925 between FY02 and FY06 – an average annual growth of about 4.6 percent for males and 4.0 percent for females. The annual growth for FY08 is estimated to be 6.2 percent for males and 6.3 percent for females. The Department continues to focus on recidivism reduction which is critical in managing incarceration costs.

\$13.4 million GF and \$744,900 Other State Funds

Approximately \$44 million of new recurring General Fund dollars and \$11 million of nonrecurring General Fund dollars for A Safer New Mexico

EFFICIENT SERVICES FOR NEW MEXICANS

New Mexico government should facilitate the pursuits of citizens and businesses by providing quality regulatory, licensing, and tax services; convenient motor vehicle services; and increased workplace safety. This is achieved through a more transparent and efficient state government. The Richardson Administration will continue to examine state operations to improve efficiency, provide better services and make sure every tax dollar is spent wisely.

Responsible management of state resources requires critical examination of how state business is done, a clear vision of the State's needs, and a willingness to take on the difficult task of requiring change in state programs. The Governor's FY08 budget recommendation includes several important recommendations to streamline and redirect how state business is done including reform of regional housing authorities, ethics reform, and proposals for reorganization of state programs. The FY08 budget recommendation includes \$13.1 million in new recurring General Fund and \$13.6 million in nonrecurring General Fund for initiatives to improve services to the citizens and businesses of New Mexico.

Richardson Administration Accomplishments

Improved efficiency in state services resulting in \$230 million in General Fund savings since FY03

Finalized a major settlement with Qwest that will invest \$270 million in communications infrastructure and new technology for New Mexico, including \$5 million for laptops in the most disadvantaged schools

Generated more than \$94 million since FY03 for education, government services, and state infrastructure through an initiative to increase collection of taxes already owed to the State

Conducted 22 successful tax evasion prosecutions and generated \$5.1 million through increased tax fraud investigations

Created an unlicensed contracting prosecutions unit and more than doubled the fines and penalties assessed against unlicensed contractors

Reduced average wait times in motor vehicle offices from 34 to 15 minutes in FY07

Decreased the percent of uninsured vehicles from 33 percent in FY04 to 11.5 percent in FY07

Maintained the state's AA+ bond rating

Budget and Policy Priorities

Enhance New Mexico's financial management practices and strengthen accountability in government

Regional Housing Authority Reform. Stabilize a component of New Mexico's affordable housing delivery system and ensure its sustainability in the long term so that additional affordable housing will be provided to those who need it the most. With the repeal of the Regional Housing Authority Act, the Mortgage Finance authority will assist existing regional housing authorities establish federally recognized non-profit housing authorities and will manage contracts for services on a regional basis.

\$2.25 million GF Nonrecurring

Establish an Independent Ethics Commission. Provide independent oversight of the executive and legislative branches and all state employees through a newly established ethics commission. The commission would receive and investigate complaints by concerned citizens and whistleblowers, and would also have strong powers to investigate and discipline, including the ability to fine, censure, and reprimand public officials, state employees, lobbyists, and contractors.

\$500,000 GF Contingent on Legislation

Clean Elections Public Financing. Allow candidates in contested judicial elections to run as 'clean elections' candidates. These candidates would qualify for public financing if they meet a threshold based upon the number of \$5 contributions they receive from individuals. If the opposition opts out of the public system and spends more, clean elections candidates would be given matching funds.

\$1.0 million GF Nonrecurring

County Detention Facility Costs. Create a small county detention facility reimbursement fund to provide financial reimbursement to as many as 18 small counties to support the incarceration of felony

Enhance revenue collections and regulatory compliance

offenders. Felony offenders are typically individuals who, having been released from a state correctional facility, violate conditions of parole and probation or re-offend and are temporarily confined at a county detention facility until transferred back to a state corrections facility or released. The average annual cost to house a felony offender in a county detention facility can be over \$25,000 annually.

\$2.0 million GF

Alternative Dispute Resolution. Implement a proactive program to minimize civil rights claims. Over the past five years, civil rights claims have cost \$50 million. This initiative should minimize these costs.

\$185,000 Internal Services Funds and 3 FTE

Additional Weight and Distance Auditors. Provide four out-of-state weight distance tax auditors. The vast majority of the 50,000 out-of-state trucking companies using New Mexico roads currently go unaudited. This initiative is anticipated to pay for itself through an estimated increase in annual audit collections of more than \$300,000.

\$228,200 Other State Funds and 4 FTE

Improve Animal Welfare and Create an Animal Welfare Commission. Initiate a multi-pronged effort to protect animals, including improvements to infrastructure and services at animal shelters, expansion of the existing statewide spay/neuter program, and creation of an animal welfare commission.

\$363,000 GF and \$3.2 million GF Nonrecurring

Efficiently license New Mexico service providers to ensure the health, safety, and welfare of the public

E-Licensing for Boards and Commissions. Expand the use of electronic licensing and renewals using a single online system for boards and commissions. The goal is to have this service available to all boards and commissions within two fiscal years.

\$136,500 Other State Funds, \$160,700 Other State Funds Nonrecurring, and 2 FTE

Expand broadband telecommunications in New Mexico

Expand Wire New Mexico. Provide greater technical support for the initiative to provide broadband telecommunications statewide to state agencies, telehealth sites, public safety locations and public schools. The initiative will support and maintain an expanding state network of voice, data and video communication

\$478,700 GF and 7 FTE

Improve efficiency and provide better services

Reorganization of State Agencies. Implement seven initiatives to reorganize state programs and provide clear lines of authority, accountability, and policy direction. These changes will streamline state bureaucracy and result in more efficient and effective services for New Mexicans. Specifics changes are outlined in the table on the following page.

Approximately \$13 million of new recurring General Fund dollars and \$14 million of nonrecurring General Fund dollars for Services for New Mexicans

Reorganization	Benefit to New Mexico	Net Fiscal Impact
<p>Department of Information Technology ⇒ Transfer the Information Systems and Communications programs from the General Services Department to the Office of the Chief Information Officer</p>	<p>Better coordination, more uniform statewide information systems, more flexibility in IT decision making</p>	<p>- 0 -</p>
<p>Health Policy Commission ⇒ Transfer the Health Policy Commission duties to the Department of Health</p>	<p>Align health research with service implementation</p>	<p>- 0 -</p>
<p>Office of Homeland Security and Emergency Management ⇒ Create non-cabinet level agency ⇒ Transfer Governor’s Office of Homeland Security ⇒ Transfer Department of Public Safety Emergency Management</p>	<p>Cleaner chain of command and a one-stop-shop for all hazards management</p>	<p>\$250,000 4 FTE</p>
<p>Sports Promotion Division ⇒ Transfer duties of the Sports Authority to a division within the Tourism Department</p>	<p>Consolidate promotion of sporting events</p>	<p>- 0 -</p>
<p>Media Arts and Industries ⇒ Create a non-cabinet level agency ⇒ Consolidate film policy, tax credits, tax initiatives, and economic development initiatives</p>	<p>Streamline administration</p>	<p>\$400,000 3 FTE</p>
<p>Behavioral Health Services Division ⇒ Transfer the Behavioral Health Services Division from the Department of Health to the Human Services Department</p>	<p>Consolidate behavioral health services into a single agency</p>	<p>- 0 -</p>
<p>Office of Water Infrastructure Development ⇒ Create a new office, administratively attached to the Department of Finance and Administration ⇒ Transfer the Construction Programs Bureau from the Environment Department</p>	<p>Promote sustainable management of water and wastewater systems</p>	<p>\$1.0 million 4 FTE</p>

STATEWIDE CAPITAL BUDGET PRIORITIES

Investing in New Mexico's infrastructure is essential for our state's continued economic vitality and our quality of life. The Governor is recommending coordinated, strategic, long-term investments that will maximize the benefits from available capital outlay. Governor Richardson is continuing his commitment to strengthen planning, management, and fiscal responsibility in capital budgeting. The capital recommendations address statewide policy priorities such as quality schools, water systems, clean energy technology, research and innovation, good roads, health care facilities, and affordable housing. The FY08 capital budget recommendation includes \$712 million for initiatives to expand opportunities for all of the communities and citizens of New Mexico.

Richardson Administration Accomplishments

GRIP I = \$1.6 billion transportation program in process, creating 1,900 new construction jobs

Doubled investment in education capital, with \$775 million dedicated for next 5 years

Targeted investments in economic development for high wage jobs

Created Housing Trust Fund to expand affordable housing

Established school-based health centers and telehealth sites to expand health system access

Capital Budget Priorities

Public Education

Public School Facilities. Expand the funds available for critical public school capital outlay need across the State to provide safe, healthy, learning environments where children can thrive. The recommendation represents a 64 percent increase over the statutory obligation of supplemental severance tax bonds. The funds will be allocated by the Public School Capital Outlay Council through a standards-based evaluation process.

\$173.0 million Supplemental Severance Tax Bonds and \$110.0 million Capital

Higher Education

Charter School Capital Outlay.

Provide capital outlay improvement assistance to public charter schools across the state through the Public School

Capital Outlay Council. By 2010, all New Mexico charter schools must be housed in public buildings.

\$20.0 million Capital

Pre-Kindergarten Classrooms. Construct pre-Kindergarten classrooms across the State. The appropriation will go to the Public School Capital Outlay Council and the Children, Youth, and Families Department for distribution to public schools and licensed child care facilities to make health and safety improvements for pre-Kindergarten classes.

\$3.0 million Capital

Higher Education Building Renovation and Renewal. Address the backlog of higher education institutions needs for deferred maintenance and capital renewal.

\$40.0 million Capital

University of New Mexico Learning Center. Assist students that face academic and cultural challenges to stay in college and graduate through a new learning center. The center will house academic support personnel in a single building and will help over 900 students each year that come to the University of New Mexico with academic deficiencies.

\$8.0 million Capital

New Mexico School for the Blind and Visually Impaired. Address safety concerns at the Albuquerque early childhood program by relocating the facility. The program provides the direct instruction necessary to prepare young children who are blind or visually impaired for elementary school. The facility is working with the New Mexico State

Water and Watersheds

Land Office on a land exchange, and in November, voters approved \$3.0 million in General Obligation Bond funds for the new facility.

\$5.0 million Capital

Increase the Allocation to the Water Project Fund from 10 to 15 Percent. Increase matching funds for water projects and implementation of regional water plans. Potential projects include storage, conveyance or delivery infrastructure, implementation of Endangered Species collaborative programs, restoration or watershed management, flood prevention, water conservation, or responses to drought conditions.

\$49.0 million Senior Severance Tax Bonds (\$32.7 million under current statute)

Direct Appropriation to the Water Trust Fund.

Allocate funds for future water projects. In November 2006, the voters passed a Constitutional Amendment making the Water Trust Fund a permanent fund to support critically needed projects designed to preserve and protect the state’s water supply. Distributions from the Water Trust Fund are made to the Water Project Fund. The revenue in the Water Project Fund is appropriated by the Legislature for grants or loans recommended by the Water Trust Board. At the current level of funding, the Water Trust Fund will be depleted by 2030. The recommended appropriation will make the statutory distributions from the fund sustainable.

\$25.0 million Capital

Safe and Clean Water for Eastern Navajo

Reservation. Fund design and construction of a pipeline to connect five currently isolated water systems operated by the Indian Health Services on the eastern portion of the Navajo Nation in New Mexico. These communities have a very difficult time obtaining clean and safe drinking water. Many residents haul water for many miles. These pipelines will connect

existing water systems operated by the Indian Health Service and will allow flexible operation among them, bringing reliability and efficiencies of scale.

\$15.3 million Capital

Ute Pipeline: Sustainable Water Supply for Eastern New Mexico. Fund technical and engineering studies to continue design and initiate construction of the Eastern New Mexico Rural Water System (ENMRWS). The \$5.0 million will provide a 30 percent design, a value engineering study, and associated geotechnical and right-of-way evaluations. Communities in Eastern New Mexico currently depend on diminishing supplies of groundwater in the Ogallala/High Plains aquifers. The pipeline from Ute Reservoir represents the only renewable water supply of enough magnitude to supply current needs and provide for future municipal and commercial /industrial development.

\$5.0 million Capital

Sustainable Water Supply for Eastern New Mexico: Salt Basin Aquifer. Fund the first phases for quantification and development of Salt Basin water resources in southern New Mexico. Preliminary studies indicate the potential for development of as much as 100,000 acre feet of water annually from the Salt Basin – a quantity of new water on a par with what the San Juan-Chama Project brought to Northern and Central New Mexico in the 1970s. Sustainability of the yield, potential effects on existing area water users and best location for wells must be determined before production can be optimized.

\$2.2 million – Capital

Indian Water Rights Settlements. Appropriate to the Indian Water Rights Settlement Fund a first-year deposit toward the cost share proposed for the State in three separate pending Indian water rights settlements: 1) Navajo Nation; 2) *Aamodt* Pueblos (Nambé, Pojoaque, Tesuque, and San Ildefonso); and 3) Taos

Pueblo. These settlement agreements were executed in 2005 and 2006 among the local New Mexico parties. These settlements will require approximately \$100 million from the State over the next five to ten years. The proposed appropriation would serve as the State's down payment toward this amount. These settlements will resolve longstanding water rights disputes and will promote certainty in water rights and water supply.

\$12.0 million Capital

Leak Detection and System Repair Program. Fund leak detection and repair projects to further water conservation, water accountability, and system maintenance. Projects will be selected based on the potential for reducing water loss, as well as criteria or funding conditions that promote the long-term sustainability of the water system.

\$10.0 million Capital

Water Innovation and Demonstration Projects.

Provide a fourth year of funding for projects that promote development of innovative water technologies or demonstrate the large-scale application of innovative technologies such as aquifer recharge, desalination, water recycling, and conservation.

\$10.0 million Capital

Strategic Water Reserve. Add to the \$2.8 and \$2.0 million appropriations made to the Strategic Water Reserve during the 2005 and 2006 legislative sessions, respectively. These funds will help protect and restore the many benefits that flowing rivers provide the state's people and communities. Specifically, they will be used to help minimize conflicts in water-short areas and help protect against the possibility that individuals' water rights will be taken from them to meet federal environmental mandates or interstate compact obligations.

\$5.0 million Capital

Protect Agricultural Land Use and Water Supplies.

Expand the purchase of agricultural land conservation easements. The state funds would draw down a 50 percent match of federal dollars through the Farm and Ranch Preservation Program. This program pays farmers the incremental value of the farm as development land in exchange for a restrictive covenant keeping the land in agriculture.

\$1.0 million Capital

River Ecosystem Restoration. Restore ecosystem function and watershed health in major river basins across New Mexico. Potential projects include floodplain management, habitat restoration, drought mitigation, bosque improvements, and wetlands enhancements. This initiative will support ten to twelve comprehensive projects. Projects will be selected through a formal evaluation process that includes input from appropriate entities including environmental advocacy groups and the state's resource management agencies.

\$7.5 million Capital

Acequia Water Storage. Conduct repair and rehabilitation for water storage projects that provide water to farmers and ranchers.

\$3.0 million Capital

Ground Water and Surface Water Measurement Statewide. Install well meters for non-domestic wells and install real-time water measurement stations for surface waters. This equipment provides certainty of water rights, allows for better water conservation and management, and is a step toward more innovative approaches for managing municipal, industrial, and agricultural water rights.

\$1.5 million Capital

**Science, Technology,
and Energy**

Clean Water State Revolving Loan Fund. Provide local communities with low cost financial assistance for wastewater facilities. These projects protect the ground and surface waters of the State. State funding will leverage approximately \$4.5 million in federal funds.

\$1.5 million Capital

New Mexico Center for Advanced Computing.

Invest in a super-computing center that will provide researchers from industry, national laboratories and universities with an opportunity to use advanced capabilities for computational analysis. Capital outlay will be used for the computer purchase and renovations.

\$18.0 million Capital and \$2.0 million Nonrecurring

Energy Innovation Fund. Help speed the innovation process from concept to commercialization (RD&D) for early- to mid-stage technologies that will aid in the adaptation of clean energy technology in New Mexico. Examples include the general areas of bioenergy, solar, wind, and systems or components that enable or increase the efficiency of clean energy systems.

\$10.0 million Capital

Lead-by-Example: Green Building in Public Schools. Make additional funds available for new school construction or major renovation projects that achieve specified green building standards.

\$10.0 million Capital

EnergySavers Program. Provide families with low- or no- interest rate loans for fixture and appliance upgrades to Energy Star, conversion of utility systems to solar, and other energy efficient retrofits. This program will also offer low- or no-interest rate loans to buildings for installation of energy efficient systems in new or rehabilitated homes.

Transportation

The New Mexico Mortgage Finance Authority will administer this program.

\$2.5 million Capital

Clean Energy Grants. Assist public entities in implementing “clean energy” projects to promote renewable energy (wind, solar, geothermal and biomass), energy efficiency and clean-burning transportation fuels such as ethanol, compressed natural gas, bio-diesel and hydrogen. This grant program was funded in the 2004 and 2005 session.

\$2.5 million Capital

GRIP II – Transportation Partnership to Address Community Road Transportation Projects.

Conduct local road transportation projects across the state through a partnership with local communities and tribal governments, who have identified priority needs and will provide local matching funds – a 10 percent match on projects between \$1.0 million and \$6.0 million and a 25 percent match on projects over \$6.0 million. The appropriation will result in a \$250 million program authorized over a five year period (\$50 million per year). Projects have been distributed over the five year period based on project readiness along with the availability of matching funds from the local entity. GRIP II encompasses road projects across every county, five Metropolitan Planning Organizations (MPO's), seven Regional Planning Organizations (RPO's), and seventeen tribal governments.

\$50.0 million Capital

RailRunner Phase II. Accelerate the second phase of the RailRunner which will bring the line from Albuquerque to Santa Fe. Travel time on I-25 is expected to double in the next twenty five years. RailRunner service will provide a safe and reliable alternative to travel on the I-25 corridor.

Health and Human Services

This appropriation would ensure work on the project is completed and delivered for service in 2008.

\$35.0 million Capital

University of New Mexico Cancer Center.

Complete the final phases of construction for a cancer treatment, clinical research, and education facility. The University of New Mexico Cancer Research and Treatment Center is the only academic health care facility in New Mexico providing a fully integrated cancer treatment program and it treats more than 40 percent of the adults and virtually all of the children in New Mexico affected by cancer. The new facility will provide new treatment modalities, address overcrowding, and expand cancer training programs.

\$11.0 million Capital

Stem Cell Research. Establish state-of-the-art research facilities for stem cell research. These facilities will provide space for newly recruited faculty and their research teams.

\$3.8 million Capital and \$2.2 million GF Recurring Expansion

Establish a Central New Mexico Substance Abuse Treatment and Training Facility. Establish a 16 to 28 bed facility and a state-of-the-art community based, outpatient component focused on meth, heroin, and other substance abuse issues in New Mexico. The facility will be located in Los Lunas and will also provide significant telehealth capacity to support smaller communities and will use evidence-based practices to train workforce for the facility and community programs.

\$7.0 million Capital and \$2.0 million GF Recurring Expansion

Public Safety

Southern New Mexico Regional Substance Abuse Facilities. Capital resources to support a total community approach for substance abuse.

\$1.0 million Capital

Improve Public Health Clinics Services. Renovate or rebuild the five public health clinics most in need of immediate repair or replacement: Bernalillo, Mora, Roosevelt, Socorro, and McKinley. These sites were selected because of their current state of disrepair, the pressure on the facilities for services, and the lack of alternative sites to provide these services. It is anticipated that an estimated 30,000 annual clinic visits will be improved through this investment in public health clinics.

\$3.0 million Capital

Aging and Long-Term Care Facilities and Equipment. Rehabilitate existing senior facilities and upgrade equipment and vehicles for senior programs.

\$6.0 million Capital

State Tri-Lab. Additional funding to construct a state health laboratory for clinical services, education, and research. The laboratory is associated with the University of New Mexico, the New Mexico Department of Health Scientific Laboratory, the New Mexico Office of the Medical Investigator, and the New Mexico Department of Agriculture Veterinary Diagnostics Services and will primarily focus on environmental analyses, non-criminal toxicology, and autopsies.

\$4.0 million Capital

Crime Lab. Initiate planning and design for a new forensic laboratory to provide quality, timely analyses of evidence for criminal cases.

\$2.0 million Capital

**Economic
Development**

Drought Mitigation and Fire Protection. Provide emergency responses to drought conditions or fire protection in the coming year.

\$1.0 million Capital

Emergency Equipment. Purchase new equipment to assist in emergencies with activities such as snow removal.

\$1.5 million Capital

Housing Trust Fund. Expand the availability resources to generate additional housing throughout the State. Of the \$11 million appropriated to the Trust Fund, approximately \$10 million has been used to leverage \$142 million in other funds and to create more than 850 housing units across the State.

\$15.0 million Capital

HERO: Home Equity with Required Occupation. Expand an existing program to provide below-market mortgage loans and down payment assistance to teachers, police officers, fire fighters, nurses, and active members of the military. The state investment is anticipated to leverage \$30 million in assistance.

\$2.0 million Capital

New Mexico State Fair. Provide a range of facility improvements to support growth in fair attendance, improve the quality of the fair experience and continue the fair tradition.

\$20.0 million Capital

New Mexico Finance Authority Smart Money Loan Participation Program. Partner with New Mexico bankers to stimulate economic development in New Mexico by offering low-cost loan financing to businesses creating new jobs for New Mexicans. The program has developed relationships with 164 smart partner bank locations throughout the State, made

commitments for funding three projects, and has received legislative authorization for 45 projects.

\$30.0 million Capital

New Mexico's Film and Media Arts Industry.

Expand film, television and other media productions in the state and train New Mexicans in these skills.

\$5.0 million Capital

Tribal Infrastructure. Invest in housing, water, wastewater and economic development projects on tribal lands. Last year, \$5.0 million was distributed to 10 projects leveraging an additional \$8.7 million in other funds. The largest of these projects was a partnership with the Navajo Nation to invest in Raytheon and bring between 80 and 100 new manufacturing jobs to the Navajo Nation.

\$5.0 million Capital

Colonias Infrastructure. Invest in critical infrastructure projects for colonias. Last year, approximately \$5.9 million was distributed to 15 colonias projects to address flood, drainage, water, wastewater, street repair and other needs. The state investment leveraged nearly \$27 million from other funding sources.

\$6.0 million Capital

Main Street Projects. Invest in local communities throughout New Mexico. The Main Street program requires up to a 33 percent match from communities. Projects include building renovations, historic plaza centers, streetlights, sidewalks, awnings, and signage in designated main street corridors.

\$1.7 million Capital and \$250,000 GF Recurring Expansion

\$712 million for Statewide Capital Priorities

APPENDIX A
REVENUE FORECAST

General Fund Financial Summary

*Five-Year General Fund
Consensus Revenue Estimates*

Economic Indicators

General Fund Financial Summary Executive Recommendation

(Dollars in Millions)

	Preliminary FY06	Estimated FY07	Estimated FY08
Appropriation Account			
REVENUE			
Recurring Revenue, December 2006 Consensus Estimates	5,594.0	5,661.2	5,836.0
Nonrecurring Revenue, December 2006 Consensus Estimates	(95.2)	1.0	1.0
Executive Recommendation for 2007 Session		(59.2)	(124.7)
TOTAL REVENUE	5,498.8	5,603.0	5,712.3
APPROPRIATIONS			
Recurring Appropriations	4,708.6	5,113.0	-
Nonrecurring Appropriations	656.2	71.1	37.4
Executive Recommendation for 2007 Session		618.8	5,674.9
TOTAL APPROPRIATIONS	5,364.8	5,802.8	5,712.3
Transfer to/from General Fund Operating Reserve	134.0	(199.8)	(0.0)
General Fund Operating Reserve			
Beginning Balance	330.1	350.8	109.5
Appropriations	(1.8)	(1.5)	(1.5)
Transfers In Appropriation Account	134.0	-	-
Transfers Out Appropriation Account	-	(199.8)	(0.0)
Other	(111.6)	(40.0)	-
Ending Balance	350.8	109.5	108.0
Ending Balances as a Percentage of Prior Year Recurring Appropriations	8.0%	2.3%	2.1%
Appropriation Contingency Fund			
Beginning Balance, Excluding Education Reform	42.3	17.8	38.8
Expenditures	(24.5)	(18.9)	(10.0)
Revenue, Transfers and Reversions	-	40.0	-
Ending Balance, Excluding Education Reform	17.8	38.8	28.8
Education Reform, Beginning Balance	105.4	79.8	45.6
Transfers In	-	-	-
Transfers Out	(25.5)	(34.3)	-
Ending Balance, Education Reform	79.8	45.6	45.6
Ending Balance	97.6	84.4	74.4
Tax Stabilization Reserve			
Beginning Balance	133.1	244.6	244.6
Transfers In	111.6	-	-
Transfers Out	-	-	-
Ending Balance	244.6	244.6	244.6
Ending Balances as a Percentage of Prior Year Recurring Appropriations	5.6%	5.2%	4.8%
Tobacco Settlement Permanent Fund			
Beginning Balance	77.3	85.0	110.3
Transfers In, December 2006 Consensus Estimate	34.9	36.2	43.5
Transfers Out	(34.9)	(18.1)	(21.7)
Gains or (Losses)	7.7	7.2	9.3
Ending Balance	85.0	110.3	141.4
Total Balances	778.0	548.8	568.4
Reserves as a Percentage of Recurring Appropriations	16.5%	10.7%	10.0%

Notes to General Fund Financial Summary:

Appropriation Account, Nonrecurring Appropriations:

FY06 includes \$0.06 million from the General Appropriations Act of 2005; \$0.817 million SB190; \$0.2562 HB901; \$37.5 million from the 2005 Special Session (LIHEAP). 2006 Regular Session includes \$158.6 million from the General Appropriations Act; \$4.3 million from HB1; \$487.6 million from HB622.

FY07 includes 2006 Regular Session appropriations of \$68.681 in the General Appropriations Act and \$0.2835 from HB337 (Additional Judgeships).

Appropriations from the Operating Reserve:

FY06 includes \$1.5 million for BOF Emergency Fund and \$0.2774 million for the Corrections Department (Laws 2005, Chapter 33, Section 4, Subsection G).

FY07 includes \$1.5 million for BOF Emergency Fund (Laws 2006, Chapter 109).

Appropriation Contingency Fund:

FY06 includes \$15.0 million for disaster allotments and \$525.0 to Department of Public Safety for criminal background check contingency (Laws 2005, Chapter 33, Section 4 Subsection G). \$4.5 million for Interstate Stream Commission (ISC) for land and water rights for augmentation; \$4.5 million to ISC for augmentation services (Laws 2006, Chapter 111); and \$25.553 for Public Education Reform.

FY07 includes \$15.0 million for disaster allotments, \$2.0 million for DOH Behavioral Health Services Program (Laws 2006, Chapter 109) and 1,912.5 for Santa Fe Community College (Laws 2006, Chapter 109).

Tobacco Settlement Permanent Fund Reserve established (see Laws 2003, Chapter 312).

GENERAL FUND CONSENSUS REVENUE ESTIMATES

Fiscal Year Ending June 30th
Reflects December 2006 Estimates

	FY 2005 Actual	FY 2006 Preliminary	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate
Dollars in Millions							
General Sales Taxes	1,556.6	1,744.9	1,890.0	2,008.4	2,138.3	2,259.1	2,382.5
Selective Sales Taxes	389.8	405.7	402.3	410.9	418.9	427.0	435.4
Personal Income Tax	1,086.0	1,126.6	1,138.0	1,181.0	1,228.0	1,308.0	1,393.0
Corporate Income Tax	242.5	382.6	400.0	400.0	420.0	441.0	463.1
Mineral Taxes, Rents & Royalties	903.2	1,160.5	1,033.8	1,030.3	974.1	932.9	894.1
Investment Income	547.3	585.5	643.1	645.6	687.7	719.5	762.8
Other	180.9	188.2	154.0	159.8	165.6	171.6	177.9
Total Recurring Revenue	4,906.3	5,594.0	5,661.2	5,836.0	6,032.6	6,259.2	6,508.8
Non-Recurring	62.8	(95.2)	5,662.2	5,837.0	2.0	2.0	510.8
Total Revenue	4,969.0	5,498.8			6,034.6	6,261.2	
Percent change vs. prior year							
General Sales Taxes	7.9%	12.1%	8.3%	6.3%	6.5%	5.7%	5.5%
Selective Sales Taxes	9.9%	4.1%	-0.8%	2.1%	2.0%	1.9%	2.0%
Personal Income Tax	7.8%	3.7%	1.0%	3.8%	4.0%	6.5%	6.5%
Corporate Income Tax	75.4%	57.8%	4.5%	0.0%	5.0%	5.0%	5.0%
Mineral Taxes, Rents & Royalties	31.6%	28.5%	-10.9%	-0.3%	-5.5%	-4.2%	-4.2%
Investment Income	13.0%	7.0%	9.8%	0.4%	6.5%	4.6%	6.0%
Other	71.0%	4.0%	-18.2%	3.7%	3.6%	3.6%	3.7%
Total Recurring Revenue	14.6%	14.0%	1.2%	3.1%	3.4%	3.8%	4.0%
Non-Recurring	-80.9%	-251.6%	-101.1%	0.0%	100.0%	0.0%	0.0%
Total Revenue	7.7%	10.7%	3.0%	3.1%	3.4%	3.8%	4.0%

U.S. and New Mexico Economic Indicators
By fiscal year ending June 30
Reflects December 2006 Estimates

	<u>2005</u> <u>Actual</u>	<u>2006</u> <u>Preliminary</u>	<u>2007</u> <u>Estimate</u>	<u>2008</u> <u>Estimate</u>	<u>2009</u> <u>Estimate</u>	<u>2010</u> <u>Estimate</u>	<u>2011</u> <u>Estimate</u>
<i>NATIONAL ECONOMIC INDICATORS</i>							
U.S. Real GDP Growth (% , SAAR)	3.1	3.5	2.0	3.0	3.4	3.3	2.9
U.S. Inflation Rate (CPI, % , SAAR) ¹	3.0	4.0	1.9	1.9	1.8	1.7	1.7
Overnight Yield (%) ²	2.2	4.2	5.2	4.5	4.6	4.8	4.8
<i>LABOR MARKET AND INCOME DATA</i>							
NM NonAgricultural Employment Growth (%)	2.1	2.6	2.8	2.4	2.0	1.7	1.6
NM Personal Income Growth (%) ³	8.8	6.0	7.1	5.9	5.6	5.6	5.4
NM Wage and Salary Growth (%)	5.8	7.0	6.4	6.0	5.2	4.7	5.1
NM Private Wage and Salary Growth (%)	6.4	8.5	7.0	6.5	5.4	5.0	5.1
<i>CRUDE OIL AND NATURAL GAS OUTLOOK</i>							
Oil Price (\$/barrel) Gross Sales Value	\$44.00	\$59.00	\$61.00	\$61.00	\$61.00	\$60.00	\$60.00
Taxable Oil Sales (million barrels)	63.5	62	59.5	57.7	56	54.3	52.7
Gas Price (\$ per thousand cubic feet) Gross Value	\$5.80	\$7.46	\$6.20	\$6.30	\$5.90	\$5.70	\$5.50
Taxable Gas Sales (billion cubic feet)	1,550	1,510	1,535	1,520	1,505	1,490	1,475

¹ CPI=all Urban

² Overnight Yield = Federal Funds Rate

³ Personal Income growth rates are for calendar years.

Sources: Global Insight November 2006 Forecast

FOR-UNM November 2006 Forecast

Consensus Revenue Estimating Group

APPENDIX B
REVENUE INITIATIVES

Revenue Initiatives

(General Fund Fiscal Impacts in Millions)

	FY07	FY08	FY09	FY10
Total	(59.2)	(123.3)	(116.2)	(133.0)
Tax Policy	(50.3)	(93.7)	(85.7)	(100.4)
Energy Policy	(0.6)	(13.2)	(13.3)	(14.5)
Other	(8.3)	(16.4)	(17.2)	(18.1)
Tax Policy Initiatives	(50.3)	(93.7)	(85.7)	(100.4)
1 Working families tax credit (10% of FEITC)	(15.0)	(30.0)	(30.9)	(31.8)
2 Reduce top rate from 5.3% to 5.1% during TY2007	(16.0)	(16.0)		
3 Reduce GRT pyramiding	-	(1.5)	(3.3)	(3.5)
4 GRT credit for hospitals -- state revenue offset only	-	(4.0)	(8.4)	(13.2)
5 GRT deduction for mutual fund advisory services	-	(0.1)	(0.1)	(0.1)
6 Investment credit for large manufacturing investments	-	-	-	(8.0)
7 GRT relief for railroad fuel	*	(3.3)	(3.3)	(3.3)
8 GRT deduction for repair and maintenance services by aircraft manufacturers	-	(0.3)	(0.3)	(0.3)
9 Angel investment credit	(0.4)	(0.8)	(0.8)	(0.8)
10 Extend personal exemption to households making up to \$40 thousand (single) and \$60 thousand (Married)	(10.0)	(20.0)	(20.2)	(20.4)
11 Tax relief for New Mexicans on active-duty in U.S. armed services	(4.7)	(9.4)	(9.7)	(10.1)
12 Tax exclusion for 50% of earned income of military retirees up to \$50,000	(4.2)	(8.4)	(8.7)	(9.0)
Energy Policy Initiatives	(0.6)	(13.2)	(13.3)	(14.5)
1 Expand definition of biomass for renewable energy production credits	-	(0.3)	(0.3)	(0.3)
2 Alternative fuel refueling facility tax credit	(0.1)	(0.2)	(0.3)	(0.4)
3 Advanced energy investment tax credits	-	(0.2)	(0.2)	(0.2)
4 Earmark conservation tax for land conservation	-	(10.5)	(9.9)	(9.4)
5 Income tax credit for efficient heating and cooling	(0.4)	(0.7)	(0.8)	(0.8)
6 GRT holiday for Energy Star appliances	-	(0.5)	(0.5)	(0.6)
7 Increase renewable energy credit for solar projects	-	(0.1)	(0.1)	(0.1)
8 Tax credits for "Green" buildings	(0.1)	(0.4)	(0.7)	(1.1)
9 Income tax credit for biofuels distributors	(0.1)	(0.2)	(0.4)	(1.4)
10 Investment credit for biofuels facilities	(0.1)	(0.1)	(0.1)	(0.1)
Other Initiatives	(8.3)	(16.4)	(17.2)	(18.1)
1 Tax credit for adopting special needs children	(0.3)	(0.5)	(0.5)	(0.6)
2 Tax relief for rural health care providers	(1.8)	(3.5)	(3.7)	(3.9)
3 Tax credit for college tuition and fees	(2.7)	(5.4)	(5.7)	(6.0)
4 Teacher-retention tax credit	(3.5)	(7.0)	(7.4)	(7.7)
Total Local revenue impacts	-	(1.5)	(1.6)	(1.7)

APPENDIX C
FY08 EXECUTIVE OPERATING
BUDGET RECOMMENDATIONS

Executive Recommendation Summary

(Dollars in Thousands)

Code	Agency	Total Funds				General Fund			
		FY07	FY08	Dollar	Percent	FY07	FY08	Dollar	Percent
		Operating	Recomm	Change	Change	Operating	Recomm	Change	Change
	Total	12,747,916.5	13,281,548.4	533,631.9	4.2	5,116,137.0	5,675,112.4	558,975.4	10.9
	Legislative	17,333.5	17,935.9	602.4	3.5	17,333.5	17,935.9	602.4	3.5
	Judicial	211,325.8	217,311.1	5,985.3	2.8	180,824.3	191,421.2	10,596.9	5.9
	General Control	1,181,710.5	1,368,505.0	186,794.5	15.8	166,326.3	188,521.6	22,195.3	13.3
	Commerce and Industry	110,165.2	118,314.1	8,148.9	7.4	51,598.7	56,972.6	5,373.9	10.4
	Agriculture, Energy and Natural Resources	209,770.1	212,989.5	3,219.4	1.5	75,409.3	85,761.2	10,351.9	13.7
	Health, Hospitals and Human Services	4,597,368.1	5,133,841.2	536,473.1	11.7	1,234,053.2	1,397,794.4	163,741.2	13.3
	Public Safety	495,887.9	472,646.6	(23,241.3)	(4.7)	333,262.0	368,748.9	35,486.9	10.6
	Transportation	807,343.0	783,902.5	(23,440.5)	(2.9)	-	-	-	-
	Other Education	84,439.6	128,518.7	44,079.1	52.2	27,798.5	65,037.3	37,238.8	134.0
	Higher Education	2,397,737.4	2,354,571.4	(43,166.0)	(1.8)	763,869.3	829,906.9	66,037.6	8.6
	Public School Support	2,634,835.4	2,436,812.8	(198,022.6)	(7.5)	2,265,661.9	2,436,812.8	171,150.9	7.6
	Public Employee Compensation	-	36,199.6	36,199.6	-	-	36,199.6	36,199.6	-
11100	Legislative Council Service	4,956.0	5,320.4	364.4	7.4	4,956.0	5,320.4	364.4	7.4
11200	Legislative Finance Committee	3,807.3	3,876.4	69.1	1.8	3,807.3	3,876.4	69.1	1.8
11400	Senate Chief Clerk	1,030.5	1,031.0	0.5	-	1,030.5	1,031.0	0.5	-
11500	House Chief Clerk	1,009.5	1,018.8	9.3	0.9	1,009.5	1,018.8	9.3	0.9
11700	Legislative Education Study Committee	1,195.6	1,195.6	-	-	1,195.6	1,195.6	-	-
11900	Legislative Building Services	3,647.7	3,806.8	159.1	4.4	3,647.7	3,806.8	159.1	4.4
13100	Legislature	1,686.9	1,686.9	-	-	1,686.9	1,686.9	-	-
Legislative		17,333.5	17,935.9	602.4	3.5	17,333.5	17,935.9	602.4	3.5
20500	Supreme Court Law Library	1,711.3	1,720.1	8.8	0.5	1,711.3	1,718.7	7.4	0.4
20800	New Mexico Compilation Commission	1,559.7	1,593.1	33.4	2.1	167.6	154.2	(13.4)	(8.0)
21000	Judicial Standards Commission	686.8	784.6	97.8	14.2	656.8	784.6	127.8	19.5
21500	Court of Appeals	5,141.7	5,254.2	112.5	2.2	5,140.7	5,253.2	112.5	2.2
21600	Supreme Court	2,630.2	2,644.8	14.6	0.6	2,630.2	2,644.8	14.6	0.6
21800	Administrative Office of the Courts	47,085.3	51,016.3	3,931.0	8.3	36,044.0	40,606.1	4,562.1	12.7
21900	Supreme Court Building Commission	729.8	733.6	3.8	0.5	729.8	733.6	3.8	0.5
23100	First Judicial District Court	6,788.7	6,830.4	41.7	0.6	5,971.6	5,981.1	9.5	0.2
23200	Second Judicial District Court	22,520.1	22,211.7	(308.4)	(1.4)	19,961.4	19,891.7	(69.7)	(0.3)
23300	Third Judicial District Court	6,772.5	6,788.1	15.6	0.2	5,899.0	6,059.4	160.4	2.7
23400	Fourth Judicial District Court	1,773.0	1,784.9	11.9	0.7	1,599.7	1,743.0	143.3	9.0
23500	Fifth Judicial District Court	6,028.3	6,065.0	36.7	0.6	5,513.6	5,655.0	141.4	2.6
23600	Sixth Judicial District Court	2,708.3	2,708.3	-	-	2,498.2	2,588.2	90.0	3.6
23700	Seventh Judicial District Court	2,290.5	2,355.1	64.6	2.8	1,918.3	1,958.8	40.5	2.1
23800	Eighth Judicial District Court	2,536.0	2,473.4	(62.6)	(2.5)	2,317.4	2,324.8	7.4	0.3
23900	Ninth Judicial District Court	3,567.4	3,617.0	49.6	1.4	3,030.8	3,078.8	48.0	1.6
24000	Tenth Judicial District Court	724.6	724.6	-	-	707.3	707.5	0.2	-
24100	Eleventh Judicial District Court	5,707.0	5,707.0	-	-	5,025.6	5,106.9	81.3	1.6
24200	Twelfth Judicial District Court	2,912.7	2,912.7	-	-	2,519.5	2,776.6	257.1	10.2
24300	Thirteenth Judicial District Court	5,646.8	5,790.0	143.2	2.5	4,989.9	5,413.6	423.7	8.5
24400	Bernalillo County Metropolitan Court	24,582.6	25,298.2	715.6	2.9	20,416.3	21,696.4	1,280.1	6.3
25100	First Judicial District Attorney	4,781.8	4,775.6	(6.2)	(0.1)	4,103.0	4,404.1	301.1	7.3
25200	Second Judicial District Attorney	16,586.9	16,880.4	293.5	1.8	15,144.4	15,958.4	814.0	5.4
25300	Third Judicial District Attorney	4,427.7	4,593.7	166.0	3.7	3,427.0	4,108.1	681.1	19.9
25400	Fourth Judicial District Attorney	2,754.3	2,980.9	226.6	8.2	2,684.6	2,911.2	226.6	8.4
25500	Fifth Judicial District Attorney	3,974.8	4,005.4	30.6	0.8	3,834.0	3,874.9	40.9	1.1
25600	Sixth Judicial District Attorney	2,663.3	2,657.4	(5.9)	(0.2)	2,066.4	2,165.5	99.1	4.8
25700	Seventh Judicial District Attorney	2,130.8	2,182.8	52.0	2.4	2,103.8	2,153.6	49.8	2.4
25800	Eighth Judicial District Attorney	2,368.7	2,439.9	71.2	3.0	2,256.3	2,439.9	183.6	8.1
25900	Ninth Judicial District Attorney	2,524.0	2,526.1	2.1	0.1	2,524.0	2,526.1	2.1	0.1
26000	Tenth Judicial District Attorney	872.8	929.6	56.8	6.5	872.8	929.6	56.8	6.5
26100	Eleventh Judicial District Attorney, Div I	3,515.9	3,443.6	(72.3)	(2.1)	3,004.9	3,294.0	289.1	9.6
26200	Twelfth Judicial District Attorney	2,954.8	2,998.2	43.4	1.5	2,292.3	2,335.7	43.4	1.9
26300	Thirteenth Judicial District Attorney	3,886.5	4,146.8	260.3	6.7	3,709.5	3,902.3	192.8	5.2
26400	Administrative Office of the District Attorneys	1,749.4	1,742.6	(6.8)	(0.4)	1,356.5	1,572.3	215.8	15.9
26500	Eleventh Judicial District Attorney, Div II	2,030.8	1,995.0	(35.8)	(1.8)	1,995.8	1,968.5	(27.3)	(1.4)
Judicial		211,325.8	217,311.1	5,985.3	2.8	180,824.3	191,421.2	10,596.9	5.9
30500	Attorney General	15,462.1	16,050.3	588.2	3.8	12,134.9	13,468.9	1,334.0	11.0
30800	State Auditor	3,024.4	3,162.9	138.5	4.6	2,411.8	2,534.6	122.8	5.1

Executive Recommendation Summary

(Dollars in Thousands)

Code	Agency	Total Funds				General Fund			
		FY07	FY08	Dollar	Percent	FY07	FY08	Dollar	Percent
		Operating	Recomm	Change	Change	Operating	Recomm	Change	Change
33300	Taxation and Revenue Department	74,752.3	81,860.9	7,108.6	9.5	59,691.4	65,696.5	6,005.1	10.1
33700	State Investment Council	29,576.7	29,676.7	100.0	0.3	-	-	-	-
34100	Department of Finance and Administration	82,468.9	85,890.3	3,421.4	4.1	19,910.6	28,196.6	8,286.0	41.6
34200	Public School Insurance Authority	301,963.5	321,455.9	19,492.4	6.5	-	-	-	-
34300	Retiree Health Care Authority	173,638.3	187,275.0	13,636.7	7.9	8.9	8.9	-	-
35000	General Services Department	386,444.5	515,071.3	128,626.8	33.3	13,663.8	16,463.3	2,799.5	20.5
35200	Educational Retirement Board	24,883.7	33,137.6	8,253.9	33.2	-	-	-	-
35400	New Mexico Sentencing Commission	659.9	834.9	175.0	26.5	659.9	834.9	175.0	26.5
35500	Public Defender Department	36,939.8	38,299.2	1,359.4	3.7	36,789.8	38,149.2	1,359.4	3.7
35600	Governor	4,688.7	4,688.7	-	-	4,688.7	4,688.7	-	-
36000	Lieutenant Governor	727.1	757.1	30.0	4.1	636.0	757.1	121.1	19.0
36100	Office of the Chief Information Officer	1,022.6	1,101.3	78.7	7.7	1,022.6	1,101.3	78.7	7.7
36600	Public Employees Retirement Association	28,129.6	32,053.7	3,924.1	14.0	-	-	-	-
36900	State Commission of Public Records	2,797.6	2,904.9	107.3	3.8	2,578.4	2,727.6	149.2	5.8
37000	Secretary of State	5,616.3	4,592.7	(1,023.6)	(18.2)	3,312.3	4,288.7	976.4	29.5
37800	Personnel Board	4,385.1	4,454.9	69.8	1.6	4,314.1	4,394.9	80.8	1.9
37900	Public Employee Labor Relations Board	327.1	328.5	1.4	0.4	327.1	328.5	1.4	0.4
39400	State Treasurer	4,202.3	4,408.2	205.9	4.9	4,176.0	4,381.9	205.9	4.9
39900	State Ethics Commission	-	500.0	500.0	-	-	500.0	500.0	-
General Control		1,181,710.5	1,368,505.0	186,794.5	15.8	166,326.3	188,521.6	22,195.3	13.3
40400	Board of Examiners for Architects	312.0	332.0	20.0	6.4	-	-	-	-
41600	Sports Authority	295.2	433.0	137.8	46.7	295.2	433.0	137.8	46.7
41700	Border Authority	1,055.1	507.7	(547.4)	(51.9)	438.1	507.7	69.6	15.9
41800	Tourism Department	13,937.3	15,767.0	1,829.7	13.1	8,468.8	10,252.0	1,783.2	21.1
41900	Economic Development Department	7,318.0	10,055.4	2,737.4	37.4	7,318.0	10,055.4	2,737.4	37.4
42000	Regulation and Licensing Department	24,450.2	25,551.1	1,100.9	4.5	15,352.9	15,890.9	538.0	3.5
43000	Public Regulation Commission	32,920.5	34,310.0	1,389.5	4.2	10,815.5	10,605.7	(209.8)	(1.9)
44600	Medical Board	1,410.4	1,460.4	50.0	3.5	-	-	-	-
44900	Board of Nursing	1,308.9	1,552.4	243.5	18.6	-	-	-	-
46000	New Mexico State Fair	14,562.5	15,046.0	483.5	3.3	-	-	-	-
46400	State Board Licensure for Prof. Engineers and Land Surveyors	588.9	591.9	3.0	0.5	-	-	-	-
46500	Gaming Control Board	6,149.1	6,189.1	40.0	0.7	6,149.1	6,189.1	40.0	0.7
46900	State Racing Commission	2,253.4	2,331.1	77.7	3.4	2,253.4	2,331.1	77.7	3.4
47900	Board of Veterinary Medicine	277.9	287.9	10.0	3.6	-	-	-	-
49000	Cumbres and Toltec Scenic Railroad Commission	2,918.1	3,291.4	373.3	12.8	100.0	100.0	-	-
49100	Office of Military Base Planning	150.0	150.0	-	-	150.0	150.0	-	-
49500	Spaceport Authority	257.7	457.7	200.0	77.6	257.7	457.7	200.0	77.6
Total Commerce and Industry		110,165.2	118,314.1	8,148.9	7.4	51,598.7	56,972.6	5,373.9	10.4
50500	Department of Cultural Affairs	40,680.9	42,508.4	1,827.5	4.5	29,112.6	31,755.9	2,643.3	9.1
50800	New Mexico Livestock Board	6,492.8	6,460.9	(31.9)	(0.5)	1,044.5	1,430.3	385.8	36.9
51600	Department of Game and Fish	34,527.8	35,187.8	660.0	1.9	234.2	304.2	70.0	29.9
52100	Energy, Minerals and Natural Resources Department	65,068.8	59,448.9	(5,619.9)	(8.6)	22,553.3	24,098.4	1,545.1	6.9
52200	Youth Conservation Corps	2,408.9	2,421.5	12.6	0.5	-	-	-	-
53800	Intertribal Ceremonial Office	175.0	175.0	-	-	175.0	175.0	-	-
53900	Commissioner of Public Lands	13,276.2	13,356.2	80.0	0.6	-	-	-	-
55000	State Engineer	46,764.7	53,051.0	6,286.3	13.4	22,000.7	27,703.6	5,702.9	25.9
56900	Organic Commodity Commission	375.0	379.8	4.8	1.3	289.0	293.8	4.8	1.7
Total Agriculture, Energy and Natural Resources		209,770.1	212,989.5	3,219.4	1.5	75,409.3	85,761.2	10,351.9	13.7
60100	Commission on the Status of Women	2,103.9	2,134.1	30.2	1.4	560.2	590.4	30.2	5.4
60300	Office of African American Affairs	683.3	779.3	96.0	14.0	683.3	779.3	96.0	14.0
60400	Commission for the Deaf and Hard-of-Hearing Persons	3,811.2	3,878.9	67.7	1.8	-	-	-	-
60500	Martin Luther King, Jr. Commission	283.6	372.5	88.9	31.3	283.6	372.5	88.9	31.3
60600	Commission for the Blind	8,768.4	8,375.5	(392.9)	(4.5)	1,919.4	1,919.4	-	-
60900	Indian Affairs Department	3,211.6	3,329.3	117.7	3.7	2,711.6	2,829.3	117.7	4.3
62400	Aging and Long-Term Services Department	58,441.2	64,596.3	6,155.1	10.5	41,337.1	47,086.2	5,749.1	13.9
63000	Human Services Department	3,415,398.2	3,882,503.3	467,105.1	13.7	727,337.1	833,626.2	106,289.1	14.6
63100	Labor Department	38,414.4	35,072.1	(3,342.3)	(8.7)	3,260.5	6,017.7	2,757.2	84.6
63200	Workers' Compensation Administration	11,043.5	12,066.2	1,022.7	9.3	-	-	-	-
63500	Office of Workforce Training and Development	36,159.6	32,430.2	(3,729.4)	(10.3)	800.0	6,250.0	5,450.0	681.3

Executive Recommendation Summary

(Dollars in Thousands)

Code	Agency	Total Funds				General Fund			
		FY07	FY08	Dollar	Percent	FY07	FY08	Dollar	Percent
		Operating	Recomm	Change	Change	Operating	Recomm	Change	Change
64400	Division of Vocational Rehabilitation	43,980.9	43,730.0	(250.9)	(0.6)	5,927.6	5,927.6	-	-
64500	Governor's Commission on Disability	729.7	979.7	250.0	34.3	729.7	979.7	250.0	34.3
64700	Developmental Disabilities Planning Council	3,821.5	4,183.3	361.8	9.5	3,269.7	3,621.5	351.8	10.8
66200	Miners' Hospital of New Mexico	22,725.7	24,440.4	1,714.7	7.5	-	-	-	-
66500	Department of Health	487,548.7	543,616.9	56,068.2	11.5	255,345.5	278,630.5	23,285.0	9.1
66700	Department of Environment	99,258.0	99,192.9	(65.1)	(0.1)	14,545.4	15,524.1	978.7	6.7
66800	Office of the Natural Resources Trustee	406.1	387.4	(18.7)	(4.6)	246.3	346.3	100.0	40.6
66900	New Mexico Health Policy Commission	1,290.5	1,290.6	0.1	-	1,289.5	1,289.5	-	-
67000	Veterans' Services Department	2,937.5	3,387.6	450.1	15.3	2,416.2	2,816.2	400.0	16.6
69000	Children, Youth and Families Department	356,350.6	367,094.7	10,744.1	3.0	171,390.5	189,188.0	17,797.5	10.4
Total Health, Hospitals and Human Services		4,597,368.1	5,133,841.2	536,473.1	11.7	1,234,053.2	1,397,794.4	163,741.2	13.3
70500	Department of Military Affairs	18,870.9	18,318.0	(552.9)	(2.9)	6,642.8	7,149.1	506.3	7.6
76000	Parole Board	475.3	467.7	(7.6)	(1.6)	475.3	467.7	(7.6)	(1.6)
76500	Juvenile Parole Board	401.3	414.8	13.5	3.4	401.3	414.8	13.5	3.4
77000	Corrections Department	262,385.4	292,525.6	30,140.2	11.5	240,738.7	270,746.1	30,007.4	12.5
78000	Crime Victims Reparation Commission	7,599.4	7,699.5	100.1	1.3	2,120.6	2,214.9	94.3	4.4
79000	Department of Public Safety	206,155.6	153,221.0	(52,934.6)	(25.7)	82,883.3	87,756.3	4,873.0	5.9
Total Public Safety		495,887.9	472,646.6	(23,241.3)	(4.7)	333,262.0	368,748.9	35,486.9	10.6
80500	Department of Transportation	807,343.0	783,902.5	(23,440.5)	(2.9)	-	-	-	-
Total Transportation		807,343.0	783,902.5	(23,440.5)	(2.9)	-	-	-	-
92400	Public Education Department	32,895.5	38,131.5	5,236.0	15.9	12,625.0	16,953.5	4,328.5	34.3
92500	Other Education	15,173.5	48,083.8	32,910.3	216.9	15,173.5	48,083.8	32,910.3	216.9
93000	Regional Education Cooperatives	30,516.9	36,449.7	5,932.8	19.4	-	-	-	-
94000	Public School Facilities Authority	5,853.7	5,853.7	-	-	-	-	-	-
Total Other Education		84,439.6	128,518.7	44,079.1	52.2	27,798.5	65,037.3	37,238.8	134.0
95000	Higher Education Department	84,543.4	93,272.6	8,729.2	10.3	40,824.7	44,638.1	3,813.4	9.3
95200	University of New Mexico	1,196,024.3	1,223,864.3	27,840.0	2.3	282,863.1	290,830.3	7,967.2	2.8
95400	New Mexico State University	502,813.6	337,526.2	(165,287.4)	(32.9)	181,632.9	187,933.8	6,300.9	3.5
95600	New Mexico Highlands University	47,956.5	59,469.9	11,513.4	24.0	30,842.8	31,269.9	427.1	1.4
95800	Western New Mexico University	25,078.6	25,878.8	800.2	3.2	18,562.8	18,455.0	(107.8)	(0.6)
96000	Eastern New Mexico University	96,252.2	70,147.2	(26,105.0)	(27.1)	43,941.2	44,999.1	1,057.9	2.4
96200	New Mexico Institute of Mining and Technology	132,416.6	143,864.8	11,448.2	8.6	36,630.9	36,955.1	324.2	0.9
96400	Northern New Mexico College	12,646.2	19,746.7	7,100.5	56.1	9,241.5	10,347.4	1,105.9	12.0
96600	Santa Fe Community College	48,515.9	40,981.7	(7,534.2)	(15.5)	13,358.3	13,182.0	(176.3)	(1.3)
96800	Central New Mexico Community College	120,009.5	132,743.8	12,734.3	10.6	52,409.5	50,243.8	(2,165.7)	(4.1)
97000	Luna Vocational Technical Institute	14,737.6	14,863.7	126.1	0.9	7,808.4	7,934.5	126.1	1.6
97200	Mesalands Community College	4,936.6	4,970.1	33.5	0.7	2,512.5	2,660.1	147.6	5.9
97400	New Mexico Junior College	20,186.9	20,899.9	713.0	3.5	7,974.8	5,992.2	(1,982.6)	(24.9)
97600	San Juan College	31,157.4	53,986.6	22,829.2	73.3	21,310.3	19,580.1	(1,730.2)	(8.1)
97700	Clovis Community College	14,954.0	13,727.3	(1,226.7)	(8.2)	10,489.3	9,769.3	(720.0)	(6.9)
97800	New Mexico Military Institute	21,279.4	20,911.9	(367.5)	(1.7)	788.8	788.8	-	-
97900	New Mexico School for the Blind and Visually Impaired	11,194.9	12,363.3	1,168.4	10.4	153.1	191.4	38.3	25.0
98000	New Mexico School for the Deaf	13,033.8	13,784.9	751.1	5.8	2,524.4	2,568.3	43.9	1.7
98200	Higher Education Compensation	-	51,567.7	51,567.7	-	-	51,567.7	51,567.7	-
Total Higher Education		2,397,737.4	2,354,571.4	(43,166.0)	(1.8)	763,869.3	829,906.9	66,037.6	8.6
99300	Public School Support	2,634,835.4	2,310,676.7	(324,158.7)	(12.3)	2,265,661.9	2,310,676.7	45,014.8	2.0
99400	Public School Compensation	-	126,136.1	126,136.1	-	-	126,136.1	126,136.1	-
Total Public School Support		2,634,835.4	2,436,812.8	(198,022.6)	(7.5)	2,265,661.9	2,436,812.8	171,150.9	7.6
99600	State Employees Compensation	-	36,199.6	36,199.6	-	-	36,199.6	36,199.6	-
Total Public Employee Compensation		-	36,199.6	36,199.6	-	-	36,199.6	36,199.6	-

APPENDIX D
FY07 AND FY08 NONRECURRING
BUDGET RECOMMENDATIONS

*Special, Supplemental, and Deficiency,
and Information Technology
Appropriation Recommendations*

FY07 and FY08 Special, Supplemental and Deficiency, and Information Technology Appropriation Recommendations

(Dollars in Thousands)

Code	Agency	Fiscal Year	R/N	Ed Ref	General Fund	Other State Funds	Internal Services/ Inter-agency	Federal Funds	Total	Purpose
Total					235,772.4	4,038.6	1,300.0	4,028.9	245,139.9	
Total Special					179,023.7	3,280.1	-	728.9	183,032.7	
Total Supplemental and Deficiency					27,137.7	480.4	-	-	27,618.1	
Total Information Technology					29,611.0	278.1	1,300.0	3,300.0	34,489.1	
Special:										
131	Legislature	2007 - 2008	N		8,000.0	-	-	-	8,000.0	2007 session expenses
244	Bernalillo County Metropolitan Court	2007 - 2008	N		200.0	-	-	-	200.0	Pilot program to enhance background checks
252	Second Judicial District Attorney	2007	R		190.0	-	-	-	190.0	Domestic violence pilot project
305	Attorney General	2007 - 2008	N		1,000.0	-	-	-	1,000.0	Water rights litigation
305	Attorney General	2007 - 2008	N		Language recommended	-	-	-	-	Extend period of time to expend Texas water litigation appropriation
333	Taxation and Revenue Department	2007 - 2008	N		Language recommended	-	-	-	-	Extend period of time to expend centralized issuance appropriation
333	Taxation and Revenue Department	2007 - 2008	N		Language recommended	-	-	-	-	Extend period of time to expend agent agreements appropriation
333	Taxation and Revenue Department	2007 - 2008	N		Language recommended	-	-	-	-	Extend period of time to expend traffic citation process appropriation
333	Taxation and Revenue Department	2007 - 2008	N		Language recommended	-	-	-	-	Extend period of time to expend tax collection efforts appropriation
333	Taxation and Revenue Department	2007 - 2008	N		Language recommended	-	-	-	-	Extend period of time to expend GenTax access point of service appropriation
333	Taxation and Revenue Department	2007 - 2008	N		Language recommended	-	-	-	-	Extend period of time to address network and security deficiencies appropriation
333	Taxation and Revenue Department	2007 - 2008	N		Language recommended	-	-	-	-	Extend period of time to expend MVD planning and modeling phases appropriation
333	Taxation and Revenue Department	2007 - 2008	N		300.0	-	-	-	300.0	Critical IT system support
333	Taxation and Revenue Department	2007 - 2008	N		200.0	-	-	-	200.0	Replace handicap placards
341	Department of Finance and Administration	2007 - 2008	N		2,250.0	-	-	-	2,250.0	Regional housing reform
341	Department of Finance and Administration	2007 - 2008	N		500.0	-	-	-	500.0	National youth horse show
341	Department of Finance and Administration	2007 - 2008	N		2,000.0	-	-	-	2,000.0	Youth mentoring
341	Department of Finance and Administration	2007 - 2008	N		50.0	-	-	-	50.0	Santa Fe county clerk
341	Department of Finance and Administration	2007 - 2008	N		1,200.0	-	-	-	1,200.0	Roswell air service
341	Department of Finance and Administration	2007 - 2008	N		75.0	-	-	-	75.0	Santa Fe economic development programs

FY07 and FY08 Special, Supplemental and Deficiency, and Information Technology Appropriation Recommendations

(Dollars in Thousands)

Code	Agency	Fiscal Year	R/N	Ed Ref	General Fund	Other State Funds	Internal Services/ Inter-agency	Federal Funds	Total	Purpose
341	Department of Finance and Administration	2007 - 2008	N		50.0	-	-	-	50.0	Youth programs in Abiquiu
341	Department of Finance and Administration	2007 - 2008	N		150.0	-	-	-	150.0	Rural development response council
341	Department of Finance and Administration	2007 - 2008	N		75.0	-	-	-	75.0	Council of Governments inmate population control study
341	Department of Finance and Administration	2007 - 2008	N		3,100.0	-	-	-	3,100.0	One-time animal protection initiatives
341	Department of Finance and Administration	2007 - 2008	N		100.0	-	-	-	100.0	DWI curriculum in the schools
341	Department of Finance and Administration	2007 - 2008	N		-	-	-	-	-	Transfer \$40 million from General Fund Operating Reserve into Appropriation Contingency Fund
350	General Services Department	2007 - 2008	N		2,000.0	-	-	-	2,000.0	Interoperable communications
366	Public Employees Retirement Association	2007 - 2008	N		-	660.4	-	-	660.4	Data cleansing project
366	Public Employees Retirement Association	2007 - 2008	N		-	137.4	-	-	137.4	RIO implementation
366	Public Employees Retirement Association	2007 - 2008	N		-	52.3	-	-	52.3	Technical writer
366	Public Employees Retirement Association	2007 - 2008	N		-	710.0	-	-	710.0	Information technology hardware and software upgrades
369	State Commission of Public Records	2007 - 2008	N		250.0	-	-	-	250.0	New Mexico digital history project
370	Secretary of State	2007	R		46.6	-	-	-	46.6	Increase in FTE
370	Secretary of State	2007 - 2008	N		150.0	-	-	-	150.0	Upgrade ethics administration political finance reporting system
370	Secretary of State	2007 - 2008	N		1,000.0	-	-	-	1,000.0	Public financing for judicial races
394	State Treasurer	2007 - 2008	N		100.0	-	-	-	100.0	Office furnishings
416	Sports Authority	2007 - 2008	N		1,000.0	-	-	-	1,000.0	Sports promotions
418	Tourism Department	2007 - 2008	N		4,000.0	-	-	-	4,000.0	Advertising
418	Tourism Department	2007 - 2008	N		300.0	-	-	-	300.0	Rose Bowl/Macy's Parade marketing
418	Tourism Department	2007 - 2008	N		300.0	-	-	-	300.0	International off-road race
418	Tourism Department	2007 - 2008	N		600.0	-	-	-	600.0	New Mexico Bowl
419	Economic Development Department	2007 - 2008	N		8,000.0	-	-	-	8,000.0	Job Training Incentive Program
419	Economic Development Department	2007 - 2008	N		100.0	-	-	-	100.0	International Association of Film Commissioners conference

FY07 and FY08 Special, Supplemental and Deficiency, and Information Technology Appropriation Recommendations

(Dollars in Thousands)

Code	Agency	Fiscal Year	R/N	Ed Ref	General Fund	Other State Funds	Internal Services/ Inter-agency	Federal Funds	Total	Purpose
419	Economic Development Department	2007 - 2008	N		70.0	-	-	-	70.0	New Mexico-Chihuahua Commission
419	Economic Development Department	2007 - 2008	N		250.0	-	-	-	250.0	Manufacturing extension partnership
419	Economic Development Department	2007 - 2008	N		2,000.0	-	-	-	2,000.0	New Mexico Center for Advanced Computation
419	Economic Development Department	2007 - 2008	N		2,000.0	-	-	-	2,000.0	Laser technology research and development commercialization project
419	Economic Development Department	2007 - 2008	N		1,000.0	-	-	-	1,000.0	X prize cup operations
0	Animal Welfare Commission	2008	R		150.0	-	-	-	150.0	Advisory commission on animal welfare, contingent on creation of commission
420	Regulation and Licensing Department	2007 - 2008	N		-	120.0	-	-	120.0	Board of Dental Healthcare mannequin simulator for anesthesia certification testing process
420	Regulation and Licensing Department	2007 - 2008	N		250.0	-	-	-	250.0	Replace computer systems
430	Public Regulation Commission	2007 - 2008	N		-	140.0	-	-	140.0	Replace Firefighter's Training Academy pump system
491	Office of Military Base Planning and Support	2007 - 2008	N		100.0	-	-	-	100.0	Emerging national security environment in the state
505	Cultural Affairs Department	2007 - 2008	N		300.0	-	-	-	300.0	Replace Van of Enchantment
505	Cultural Affairs Department	2007 - 2008	N		100.0	-	-	-	100.0	Historic Preservation Loan Fund
505	Cultural Affairs Department	2007 - 2008	N		200.0	-	-	-	200.0	Children's museum programs in Santa Fe
505	Cultural Affairs Department	2007 - 2008	N		400.0	-	-	-	400.0	International biennial
505	Cultural Affairs Department	2007 - 2008	N		100.0	-	-	-	100.0	Conservation projects and commemorate 75th anniversary of New Deal
521	Energy, Minerals and Natural Resources Department	2007 - 2008	N		1,000.0	-	-	-	1,000.0	Renewable Energy Transmission Authority
521	Energy, Minerals and Natural Resources Department	2007 - 2008	N		500.0	-	-	-	500.0	Energy audits
521	Energy, Minerals and Natural Resources Department	2007 - 2008	N		500.0	-	-	-	500.0	Climate change initiative
550	State Engineer	2007 - 2008	N		500.0	-	-	-	500.0	Gila Basin water development
550	State Engineer	2007 - 2008	N		40.0	-	-	-	40.0	Seven Basin States Cooperative Weather Modification Program
550	State Engineer	2007 - 2008	N		1,000.0	-	-	-	1,000.0	Interstate litigation
550	State Engineer	2007 - 2008	N		100.0	-	-	-	100.0	Public outreach and involvement
601	Commission of the Status of Women	2007 - 2008	N		14.0	-	-	-	14.0	2008 National Association of Commissions for Women conference

FY07 and FY08 Special, Supplemental and Deficiency, and Information Technology Appropriation Recommendations

(Dollars in Thousands)

Code	Agency	Fiscal Year	R/N	Ed Ref	General Fund	Other State Funds	Internal Services/ Inter-agency	Federal Funds	Total	Purpose
609	Indian Affairs Department	2007 - 2008	N		50.0	-	-	-	50.0	Designate a reburial ground for unmarked human remains
630	Human Services Department	2007 - 2008	N		300.0	-	-	-	300.0	Technical support for local behavioral health collaboratives
630	Human Services Department	2007 - 2008	N		402.5	-	-	728.9	1,131.4	Deficit Reduction Act-required Child Support Enforcement System changes
630	Human Services Department	2007 - 2008	N		1,350.0	-	-	-	1,350.0	Food Stamp Program
630	Human Services Department	2007 - 2008	N		Language recommended	-	-	-	-	Extend period of time to expend multi-agency electronic imaging and archiving appropriation
630	Human Services Department	2007 - 2008	N		Language recommended	-	-	-	-	Extend period of time to expend appropriation for HIPAA information security compliance
630	Human Services Department	2007 - 2008	N		Language recommended	-	-	-	-	Extend period of time to expend appropriation to implement the social services architecture plan
630	Human Services Department	2007 - 2008	N		Language recommended	-	-	-	-	Extend period of time to expend appropriation to automate the Medicaid fraud review process
632	Workers' Compensation Administration	2007 - 2008	N		-	460.0	-	-	460.0	Research Studies
635	Office of Workforce Training and Development	2007 - 2008	N		200.0	-	-	-	200.0	Enterprise funding for new clusters
635	Office of Workforce Training and Development	2007 - 2008	N		950.0	-	-	-	950.0	One-stop career centers
645	Governor's Commission on Disability	2007 - 2008	N		200.0	-	-	-	200.0	Reasonable accommodation fund
665	Department of Health	2007 - 2008	N		1,000.0	-	-	-	1,000.0	10-year plan for healthier weight
665	Department of Health	2007 - 2008	N		500.0	-	-	-	500.0	Developmental disabilities oral health
665	Department of Health	2007	N		1,000.0	-	-	-	1,000.0	Pandemic flu vaccines
665	Department of Health	2007 - 2008	N		2,000.0	-	-	-	2,000.0	Telehealth
665	Department of Health	2007 - 2008	N		200.0	-	-	-	200.0	Mercury study
665	Department of Health	2007 - 2008	N		-	1,000.0	-	-	1,000.0	Breast cancer research project; the appropriation is from the Tobacco Settlement Program Fund
665	Department of Health	2007 - 2008	N		500.0	-	-	-	500.0	Substance abuse prevention messaging
667	Department of Environment	2007 - 2008	N		239.8	-	-	-	239.8	Clean Water State Revolving Loan Fund
667	Department of Environment	2007 - 2008	N		400.0	-	-	-	400.0	Lower Rio Grande potential litigation
667	Department of Environment	2007 - 2008	N		295.0	-	-	-	295.0	Clean up Terrero Mine site
667	Department of Environment	2007 - 2008	N		50.0	-	-	-	50.0	Chicago Climate Exchange

FY07 and FY08 Special, Supplemental and Deficiency, and Information Technology Appropriation Recommendations

(Dollars in Thousands)

Code	Agency	Fiscal Year	R/N	Ed Ref	General Fund	Other State Funds	Internal Services/ Inter-agency	Federal Funds	Total	Purpose
668	Office of the Natural Resources Trustee	2007 - 2008	N		500.0	-	-	-	500.0	Natural Resource Damage Assessment and Restoration Program
669	Health Policy Commission	2007 - 2008	N		250.0	-	-	-	250.0	New Mexico dental school feasibility study
690	Children, Youth and Families Department	2007 - 2008	N		Language recommended	-	-	-	-	Extend period of time to expend home visiting appropriation
770	Corrections Department	2007 - 2008	N		210.0	-	-	-	210.0	Corrections Industries start-up costs at Springer
770	Corrections Department	2007 - 2008	N		59.0	-	-	-	59.0	Replace water well at Central New Mexico Correctional Facility
770	Corrections Department	2007 - 2008	N		50.0	-	-	-	50.0	Replace boiler
770	Corrections Department	2007 - 2008	N		50.0	-	-	-	50.0	Metal detectors and ION scanners
770	Corrections Department	2007 - 2008	N		50.0	-	-	-	50.0	Springer Correctional Center renovations
770	Corrections Department	2007 - 2008	N		20.0	-	-	-	20.0	Probation and parole VHF radios
770	Corrections Department	2007 - 2008	N		48.0	-	-	-	48.0	Walk-through metal detectors
770	Corrections Department	2007 - 2008	N		50.0	-	-	-	50.0	ID photo systems for public prisons
770	Corrections Department	2007 - 2008	N		Language recommended	-	-	-	-	Extend period of time to expend Criminal Management Information System appropriations
790	Department of Public Safety	2007 - 2008	N		131.8	-	-	-	131.8	Crime lab
790	Department of Public Safety	2007 - 2008	N		500.0	-	-	-	500.0	Pilot emergency communications system
805	Department of Transportation	2007 - 2008	N		2,000.0	-	-	-	2,000.0	Transit Fund
924	Public Education Department	2007 - 2008	N		1,000.0	-	-	-	1,000.0	Impact Aid shortfall for Public School Support credits
924	Public Education Department	2007 - 2008	N	√	500.0	-	-	-	500.0	Anti-bully
924	Public Education Department	2007 - 2008	N	√	1,000.0	-	-	-	1,000.0	Assessment and test development
924	Public Education Department	2007 - 2008	N	√	750.0	-	-	-	750.0	Computer-based mathematics learning
924	Public Education Department	2007 - 2008	N		50.0	-	-	-	50.0	Dance
924	Public Education Department	2007 - 2008	N		5,000.0	-	-	-	5,000.0	Emergency supplemental
924	Public Education Department	2007 - 2008	N	√	1,500.0	-	-	-	1,500.0	Executive educator turn-around specialists
924	Public Education Department	2007 - 2008	N		2,600.0	-	-	-	2,600.0	Global positioning systems for school buses

FY07 and FY08 Special, Supplemental and Deficiency, and Information Technology Appropriation Recommendations

(Dollars in Thousands)

Code	Agency	Fiscal Year	R/N	Ed Ref	General Fund	Other State Funds	Internal Services/ Inter-agency	Federal Funds	Total	Purpose
924	Public Education Department	2007 - 2008	N	√	1,000.0	-	-	-	1,000.0	Parent involvement
924	Public Education Department	2007 - 2008	N	√	7,500.0	-	-	-	7,500.0	Pre-kindergarten startup
924	Public Education Department	2007 - 2008	N		2,500.0	-	-	-	2,500.0	Professional development fund
924	Public Education Department	2007 - 2008	N	√	1,500.0	-	-	-	1,500.0	Rural education and community revitalization
924	Public Education Department	2007 - 2008	N		60.0	-	-	-	60.0	Santa Fe public schools science initiative
924	Public Education Department	2007 - 2008	N		350.0	-	-	-	350.0	Santa Fe summer camp program
924	Public Education Department	2007 - 2008	N	√	7,500.0	-	-	-	7,500.0	School improvement framework
924	Public Education Department	2007 - 2008	N		250.0	-	-	-	250.0	School-to-careers and dropout prevention
924	Public Education Department	2007 - 2008	N		100.0	-	-	-	100.0	Science and supercomputing challenge
924	Public Education Department	2007 - 2008	N		1,000.0	-	-	-	1,000.0	Science teacher resources
924	Public Education Department	2007 - 2008	N		2,000.0	-	-	-	2,000.0	Security cameras
924	Public Education Department	2007 - 2008	N		1,000.0	-	-	-	1,000.0	State support reserve fund
924	Public Education Department	2007 - 2008	N		500.0	-	-	-	500.0	Teacher corps
924	Public Education Department	2007 - 2008	N		300.0	-	-	-	300.0	Pilot teacher training program for reading
924	Public Education Department	2007 - 2008	N		80.0	-	-	-	80.0	Northern New Mexico science and technology camp and professional development
924	Public Education Department	2007 - 2008	N		100.0	-	-	-	100.0	Pilot animal protection programs in the schools
924	Public Education Department	2007 - 2008	N		250.0	-	-	-	250.0	Journeys in film
950	Higher Education Department	2007 - 2008	N		10,000.0	-	-	-	10,000.0	Career technical-vocational centers
950	Higher Education Department	2007 - 2008	N		50,000.0	-	-	-	50,000.0	College Affordability Act
950	Higher Education Department	2007 - 2008	N		12,000.0	-	-	-	12,000.0	Faculty endowment fund
950	Higher Education Department	2007 - 2008	N		Contingency recommended	-	-	-	-	GEAR-UP state match
950	Higher Education Department	2007 - 2008	N		200.0	-	-	-	200.0	Program for low-income students or adults to pursue postsecondary education
952	University of New Mexico	2007 - 2008	N		1,000.0	-	-	-	1,000.0	Lambda rail

FY07 and FY08 Special, Supplemental and Deficiency, and Information Technology Appropriation Recommendations

(Dollars in Thousands)

Code	Agency	Fiscal Year	R/N	Ed Ref	General Fund	Other State Funds	Internal Services/ Inter-agency	Federal Funds	Total	Purpose
952	University of New Mexico	2007 - 2008	N		1,132.3	-	-	-	1,132.3	BA/MD combined degree program
952	University of New Mexico	2007 - 2008	N		Language recommended	-	-	-	-	Reversion language for unidentified appropriation balance from before 1991
952	University of New Mexico	2007 - 2008	N		100.0	-	-	-	100.0	Climate change impacts to wildlife and wildlife law project
954	New Mexico State University	2007 - 2008	N		140.0	-	-	-	140.0	Bioenergy research and development
954	New Mexico State University	2007 - 2008	N		525.0	-	-	-	525.0	CAHE food processing
954	New Mexico State University	2007 - 2008	N		280.7	-	-	-	280.7	Inspector handheld devices
954	New Mexico State University	2007 - 2008	N		1,500.0	-	-	-	1,500.0	Clean water - desalination
954	New Mexico State University	2007 - 2008	N		200.0	-	-	-	200.0	Institute of International Relations
956	New Mexico Highlands University	2007 - 2008	N		Language recommended	-	-	-	-	Reversion language for unspent faculty endowment appropriation from Laws 1984
958	Western New Mexico University	2007 - 2008	N		Language recommended	-	-	-	-	Reversion language for unspent faculty endowment appropriation from Laws 1984
960	Eastern New Mexico University	2007 - 2008	N		Language recommended	-	-	-	-	Reversion language for unspent faculty endowment appropriation from Laws 1984
962	New Mexico Institute of Mining and Technology	2007 - 2008	N		1,000.0	-	-	-	1,000.0	Research Partnership to Secure Energy for America
967	Northern New Mexico College	2007 - 2008	N		1,000.0	-	-	-	1,000.0	Teacher education programs start-up funding
976	San Juan College	2007 - 2008	N		139.0	-	-	-	139.0	Allied health program start-up funding

FY07 and FY08 Special, Supplemental and Deficiency, and Information Technology Appropriation Recommendations

(Dollars in Thousands)

Code	Agency	Fiscal Year	R/N	Ed Ref	General Fund	Other State Funds	Internal Services/ Inter-agency	Federal Funds	Total	Purpose
Supplemental:										
210	Judicial Standards Commission	2007	R		152.2	-	-	-	152.2	Conduct formal disciplinary hearings in FY07
218	Administrative Office of the Courts	2007	R		75.0	-	-	-	75.0	Court Appointed Attorney Fee Fund
235	Fifth Judicial District Court	2007	N		94.4	-	-	-	94.4	Remodel and add on to historic Chaves county courthouse
239	Ninth Judicial District Court	2007	N		30.3	-	-	-	30.3	Death penalty capital murder trial
260	Tenth Judicial District Attorney	2007	R		26.8	-	-	-	26.8	Risk management civil rights premium costs
333	Taxation and Revenue Department	2007	N		230.0	-	-	-	230.0	Tri-agency data transfer project
369	State Commission of Public Records	2007	R		87.0	-	-	-	87.0	Fine arts insurance coverage
370	Secretary of State	2007	N		1,800.0	-	-	-	1,800.0	Election costs
394	State Treasurer	2007	N		160.0	-	-	-	160.0	Operate TRACS through the remainder of the fiscal year
418	Tourism Department	2007	N		300.0	-	-	-	300.0	New Mexico Bowl
505	Cultural Affairs Department	2007	R		70.0	-	-	-	70.0	Museum of Space History utilities costs
505	Cultural Affairs Department	2007	N		100.0	-	-	-	100.0	Replace and repair database hardware and software
505	Cultural Affairs Department	2007	R		40.0	-	-	-	40.0	Farm and Ranch Heritage Museum security, festival, feed, utilities and rental costs
508	Livestock Board	2007	R		50.0	-	-	-	50.0	Animal cruelty cases
630	Human Services Department	2007	R		773.7	480.4	-	-	1,254.1	General assistance
631	Labor Department	2007	R		500.0	-	-	-	500.0	Compensation increases
647	Developmental Disabilities Planning Council	2007	R		250.0	-	-	-	250.0	Attorney and guardianship services
665	Department of Health	2007	R		11,400.0	-	-	-	11,400.0	Developmental disabilities waiver program
665	Department of Health	2007	N		500.0	-	-	-	500.0	Rescare contract
690	Children, Youth and Families Department	2007	R		1,700.0	-	-	-	1,700.0	Juvenile justice services
690	Children, Youth and Families Department	2007	R		4,100.0	-	-	-	4,100.0	Protective services
690	Children, Youth and Families Department	2007	R		500.0	-	-	-	500.0	Foster care and adoption subsidy

FY07 and FY08 Special, Supplemental and Deficiency, and Information Technology Appropriation Recommendations

(Dollars in Thousands)

Code	Agency	Fiscal Year	R/N	Ed Ref	General Fund	Other State Funds	Internal Services/ Inter-agency	Federal Funds	Total	Purpose
770	Corrections Department	2007	R		4,000.0	-	-	-	4,000.0	Inmate population growth and medical expenses
924	Public Education Department	2007	N		120.0	-	-	-	120.0	Zuni lawsuit hearing
Deficiency:										
469	State Racing Commission	2006	R		22.3	-	-	-	22.3	Personnel services
508	Livestock Board	2006	R		9.6	-	-	-	9.6	Travel costs for meat inspectors
605	Martin Luther King, Jr. Commission	2006	R		14.8	-	-	-	14.8	FY06 youth conference
605	Martin Luther King, Jr. Commission	2006	R		31.6	-	-	-	31.6	FY06 youth conference

FY07 and FY08 Special, Supplemental and Deficiency, and Information Technology Appropriation Recommendations

(Dollars in Thousands)

Code	Agency	Fiscal Year	R/N	Ed Ref	General Fund	Other State Funds	Internal Services/ Inter-agency	Federal Funds	Total	Purpose
Information Technology:										
218	Administrative Office of the Courts	2007 - 2008	N		3,500.0	-	-	-	3,500.0	Judicial case management system
218	Administrative Office of the Courts	2007 - 2008	N		1,300.0	-	-	-	1,300.0	Enterprise content management
350	General Services Department	2007 - 2008	N		3,000.0	-	-	-	3,000.0	Information technology infrastructure
350	General Services Department	2007 - 2008	N		-	-	1,300.0	-	1,300.0	Claims management and medical benefits
361	Office of the Chief Information Officer	2007 - 2008	N		500.0	-	-	-	500.0	Geospatial coordination services
369	State Commission of Public Records	2007 - 2008	N		243.0	-	-	-	243.0	Web-based records management training
420	Regulation and Licensing Department	2007 - 2008	N		-	117.4	-	-	117.4	License 2000/WEB/education enhancement
420	Regulation and Licensing Department	2007 - 2008	N		-	160.7	-	-	160.7	E-licensing enhancement
624	Aging and Long-Term Services Department	2007 - 2008	N		400.0	-	-	-	400.0	Social assistance management system
630	Human Services Department	2007 - 2008	N		2,400.0	-	-	-	2,400.0	Enterprise eligibility
630	Human Services Department	2007 - 2008	N		1,700.0	-	-	3,300.0	5,000.0	Replace ISD2
630	Human Services Department	2007 - 2008	N		671.0	-	-	-	671.0	Behavioral health data warehouse
770	Corrections Department	2007 - 2008	N		705.4	-	-	-	705.4	Video Conferencing
790	Department of Public Safety	2007 - 2008	N		300.0	-	-	-	300.0	NMLETS
790	Department of Public Safety	2007 - 2008	N		400.0	-	-	-	400.0	Rewiring
924	Public Education Department	2007 - 2008	N	√	4,500.0	-	-	-	4,500.0	STARS
950	Higher Education Department	2007 - 2008	N		1,000.0	-	-	-	1,000.0	Banner systems statewide
950	Higher Education Department	2007 - 2008	N	√	8,501.6	-	-	-	8,501.6	IDEAL
950	Higher Education Department	2007 - 2008	N		490.0	-	-	-	490.0	Student data sharing

APPENDIX E
FIRST LADY'S INITIATIVES

FIRST LADY'S INITIATIVES FOR 2007 LEGISLATIVE SESSION

Dollars in Thousands

No.	Code	Agency	Purpose	FY08 Recurring		FY07/FY08
				Amount	FTE	Nonrecurring
Total First Lady's Initiatives				4,401.2	8.0	3,874.0
Total Domestic Violence Initiatives				1,267.2	8.0	190.0
Other Initiatives				3,134.0	-	3,684.0
Domestic Violence Initiatives				1,267.2	8.0	190.0
1	241	First Judicial District Court	Increase domestic violence court monitor from part-time to full-time	19.9	0.5	
2	252	Second Judicial District Attorney	Domestic violence victim advocates in Albuquerque	130.0	3.0	
3	252	Second Judicial District Attorney	Reduce dismissal rate of domestic violence cases	190.0		190.0
4	253	Third Judicial District Attorney	Specialized domestic violence prosecution team in Las Cruces	167.0	3.0	
5	258	Eighth Judicial District Attorney	Specialized domestic violence prosecution team in Taos	62.0		
6	665	Department of Health	Sexual assault and child sexual abuse prevention programs	500.0		
7	690	Children, Youth and Families Department	Oversee new funding and programs throughout the state	98.3	2.0	
8	780	Crime Victims Reparation Commission	Domestic violence homicide review team	100.0		
Other Initiatives				3,134.0	-	3,684.0
1	218	Administrative Office of the Courts	Court Appointed Special Advocate program	13.0		
2	341	Department of Finance and Administration	Tularosa library capital outlay			100.0
3	341	Department of Finance and Administration	Youth mentoring	2,000.0		2,000.0
4	341	Department of Finance and Administration	Santa Fe transitional living housing program - Phase III			500.0
5	341	Department of Finance and Administration	Santa Fe teen court	50.0		
6	505	Cultural Affairs Department	Increase funding for youth education in performing arts to \$250.0	136.0		
7	505	Cultural Affairs Department	Literacy programs	165.0		
8	505	Cultural Affairs Department	Replace two of four bookmobiles			434.0
9	505	Cultural Affairs Department	Promote International Folk Art Market	100.0		
10	516	Department of Game and Fish	Injured and orphaned birds rehabilitation and education program	20.0		
11	665	Department of Health	Youth dance	650.0		
12	952	University of New Mexico	Tamarind Institute (lithograph printing facility)			650.0

APPENDIX F
DEBT AFFORDABILITY

Bond Capacity

Statement of Long-Term Bonded Debt

Senior and Supplemental Severence Tax Bond Capacity Estimates
Reflects December 2006 Estimates
(Dollars in Millions)

Program Revenues and Capacity by Fiscal Year	2007	2008	2009	2010	2011
<u>Senior STB Capacity</u>					
Long-term STB Bonds Issued	135.000	135.000	135.000	135.000	135.000
Annual Sponge	191.715	150.749	134.354	121.160	101.049
<i>Annual Capital Capacity</i>	<i>326.715</i>	<i>285.749</i>	<i>269.354</i>	<i>256.160</i>	<i>236.049</i>
<u>Supplemental STB Capacity</u>					
Supplemental Sponge	172.959	190.730	188.038	179.549	171.000
<i>Annual Supplemental STB Capacity</i>	<i>172.959</i>	<i>190.730</i>	<i>188.038</i>	<i>179.549</i>	<i>171.000</i>
<i>Total Capital Capacity</i>	<i>499.674</i>	<i>476.479</i>	<i>457.393</i>	<i>435.710</i>	<i>407.048</i>

STATE OF NEW MEXICO
GENERAL LONG TERM OUTSTANDING DEBT
December 31, 2006

General Obligation Bonds				Maturity	Principal	Interest	Total
Capital Improvement Bond Series	2001		2011	35,135,000	3,820,956	38,955,956	
Capital Improvement Bond Series	2003		2013	97,655,000	14,437,950	112,092,950	
Capital Improvement Refunding Bond Series	2003	B	2008	19,515,000	1,475,750	20,990,750	
Capital Improvement Bond Series	2005		2015	103,500,000	24,919,750	128,419,750	
				\$ 255,805,000	\$ 44,654,406	\$ 300,459,406	
Severance Tax Bonds							
Severance Tax Refunding Bond Series	2001	A	2009	42,835,000	3,436,750	46,271,750	
Severance Tax Bond Series	2002	A	2008	13,275,000	1,003,750	14,278,750	
Severance Tax Bond Series	2003	A	2013	55,380,000	7,554,675	62,934,675	
Severance Tax Bond Series	2004	A	2014	58,495,000	13,774,000	72,269,000	
Severance Tax Bond Series	2005	A	2015	80,950,000	17,507,700	98,457,700	
Severance Tax Refunding Bond Series	2005	B-1	2012	37,040,000	7,202,925	44,242,925	
Severance Tax Bond Series	2006	A	2016	135,000,000	34,394,242	169,394,242	
				\$ 422,975,000	\$ 84,874,042	\$ 507,849,042	
Supplemental Severance Tax Bonds							
Supplemental Severance Tax Bond Series	2000	C	2007	2,015,000	100,750	2,115,750	
Supplemental Severance Tax Bond Series	2002	A	2008	13,335,000	1,006,250	14,341,250	
Supplemental Severance Tax Bond Series	2002	B	2012	29,580,000	4,352,700	33,932,700	
Supplemental Severance Tax Bond Series	2003	B	2013	7,545,000	1,070,210	8,615,210	
Supplemental Severance Tax Bond Series	2004	B	2014	8,240,000	1,709,650	9,949,650	
Supplemental Severance Tax Refunding Bond Series	2005	B-2	2011	21,095,000	4,192,000	25,287,000	
				\$ 81,810,000	\$ 12,431,560	\$ 94,241,560	
Miscellaneous Bonds							
Enhanced 911 Revenue Bond Series	2000		2007	\$ 745,000	\$ 33,525	\$ 778,525	
Highway Bonds							
Highway Senior Subordinate Bond Series	1998	A	2010	17,760,000	3,215,374	20,975,374	
Highway Subordinate Bond Series	1998	B	2011	34,435,000	6,240,431	40,675,431	
Highway Senior Subordinate Bond Series	1999		2009	23,893,167	2,878,082	26,771,249	
Highway Senior Subordinate Bond Series	2000	A	2010	47,645,000	6,536,738	54,181,738	
Highway Senior Subordinate Bond Series	2001	A	2013	115,450,000	24,149,289	139,599,289	
Highway Senior Subordinate Bond Series	2002	A	2014	40,930,000	9,780,900	50,710,900	
Highway Subordinate Bond Series	2002	B	2010	22,027,500	2,495,125	24,522,625	
Highway Senior Subordinate Bond Series	2002	C	2017	32,945,000	13,302,053	46,247,053	
Highway Senior Subordinate Bond Series	2002	D	2014	5,170,000	1,157,763	6,327,763	
Highway Senior Bond Series	2004	A	2024	700,000,000	452,602,784	1,152,602,784	
Highway Senior Subordinate Refunding Bond Series	2004	B	2014	172,322,500	42,298,058	214,620,558	
Highway Senior Subordinate Refunding Bond Series	2004	C	2024	200,000,000	135,956,252	335,956,252	
Highway Senior Subordinate Bond Series	2006	A	2026	150,000,000	132,709,221	282,709,221	
Highway Senior Subordinate Bond Series	2006	B	2026	30,000,000	18,512,214	48,512,214	
Highway Senior Subordinate Refunding Bond (1998A) Series	2006	B	2009	4,277,500	294,739	4,572,239	
Highway Senior Subordinate Refunding Bond (1999) Series	2006	B	2009	5,415,833	372,870	5,788,703	
Highway Senior Subordinate Bond Series	2006	C	2026	220,000,000	208,238,517	428,238,517	
Highway Senior Subordinate Bond Series	2006	D	2026	50,400,000	58,318,568	108,718,568	
				\$ 1,872,671,500	\$ 1,119,058,978	\$ 2,991,730,478	
Educational Institutions							
New Mexico Institute of Mining & Technology				1,475,000	89,000	1,564,000	
New Mexico State University				105,475,000	45,986,918	151,461,918	
University of New Mexico (incl HSC and branches)				552,971,671	386,972,516	939,944,187	
Eastern New Mexico University				13,568,314	5,066,654	18,634,968	
New Mexico Highlands University				4,425,000	527,735	4,952,735	
Western New Mexico University				6,293,352	1,700,802	7,994,154	
NMSU - Dona Ana Branch				14,450,000	2,286,944	16,736,944	
NMSU - Alamogordo Branch				555,000	31,178	586,178	
ENMU - Roswell Branch				6,050,000	921,000	6,971,000	
Central New Mexico Community College (form. TVI)				39,700,000	11,819,200	51,519,200	
Clovis Community College				1,925,000	836,643	2,761,643	
New Mexico Junior College				4,526,501	2,016,617	6,543,118	
San Juan College				25,838,649	9,812,339	35,650,988	
Santa Fe Community College				15,793,110	1,360,706	17,153,816	
New Mexico Military Institute				7,630,000	1,283,388	8,913,388	
				\$ 800,676,597	\$ 470,711,640	\$ 1,271,388,237	

Source: New Mexico State Board of Finance, New Mexico Department of Transportation, and New Mexico Higher Education Department

APPENDIX G
2007 CAPITAL OUTLAY
RECOMMENDATIONS

Capital Budget Recommendations

Dollars in Thousands

Nonrecurring Revenue Sources

1	Nonrecurring Revenue Available for Appropriation	1,211,974.0
2	Total Special Appropriations	(235,622.4)
3	Revenue Initiatives	(59,200.0)
4	Recurring Revenue Available for Nonrecurring	37,400.0
5	Prior Commitments: Schools, Water Trust Board, Other	(239,630.5)
6	Discretionary Capital Outlay Revenue	714,921.1

Nonrecurring Revenue Uses

2007

9	Education	140,400.0
10	Supplemental Funding for Public School Facilities	110,000.0
11	Charter School Facilities	20,000.0
12	PreK Classrooms	3,000.0
13	School Bus Replacements	4,900.0
14	Laptop Initiative for 7th Graders	1,500.0
15	Library Books	1,000.0
16	Higher Education	87,375.0
17	Higher Education Building Renovation and Renewal	40,000.0
18	Eastern NM Ruidoso - Renovation and expansion of campus	1,000.0
19	Luna Community College, Multi-Purpose Education Bldg	1,000.0
20	New Mexico Highlands, Infrastructure Improvements	2,000.0
21	New Mexico Military Institute, Pearson Auditorium	500.0
22	New Mexico Tech, Infrastructure Improvements	2,000.0
23	Santa Fe Community College, Allied Health Science Bldg	2,500.0
24	Western New Mexico, Computing Center Bldg	2,000.0
25	Community College Nursing Project	4,000.0
26	Mesalands Community College, Wind Energy Training	2,000.0
27	Northern New Mexico College, Land Acquisition	3,500.0
28	NMSU Scoreboard	3,000.0
29	NMSU Native American Center	2,000.0
30	UNM Learning Center	8,000.0
31	UNM - Taos Campus Infrastructure	1,000.0
32	UNM Tamarind Institute	650.0
33	UNM Soccer	1,000.0
34	UNM Golf Course	225.0
35	UNM Pit	6,000.0
36	New Mexico School for the Blind and Visually Impaired	5,000.0
37	Water and Watersheds	116,715.8
38	Appropriation to the Water Trust Fund	25,000.0
39	Safe and Clean Water for Eastern Navajo Reservation	15,300.0
40	Sustainable Water Supply for Eastern New Mexico: Ute Pipeline	5,000.0
41	Indian Water Rights Settlements	12,000.0
42	Expand Water Supply for Southern New Mexico: Salt Basin Aquifer	2,210.0
43	Statewide Leak Detection and System Repair Program	10,000.0
44	Water Demonstration Projects	10,000.0

Capital Budget Recommendations

Dollars in Thousands

Nonrecurring Revenue Sources

45	Strategic Water Reserve	5,000.0
46	Protect Agricultural Land Use and Water Supplies	1,000.0
47	River Ecosystem Restoration (In-Stream)	7,500.0
48	Acequia Water Storage	3,000.0
49	Increase STB Allocation for Water Project Fund to 15% = Total of \$49.0 Million	16,335.8
50	Clean Water State Revolving Loan Fund	1,500.0
51	Dam Emergency Repair Statewide	120.0
52	Ground Water Measurement Statewide	750.0
53	Surface Water Measurement Statewide	750.0
54	Pecos Settlement	1,000.0
55	Repair of Diversion Structures at Eagle Nest Dam	250.0
56	Science, Technology, and Energy	44,178.0
57	New Mexico Center for Advanced Computing	18,000.0
58	Energy Innovation Fund	10,000.0
59	Lead-by-Example: Green Building in Public Schools	10,000.0
60	Energy Savers	2,500.0
61	Renewable Energy Retrofit of Parks - Phase 1	500.0
62	Clean Energy Grants	2,500.0
63	New Mexico Genome Sequencing Center	678.0
64	Health and Human Services	39,400.0
65	UNM Cancer Center	11,000.0
66	Stem Cell Research	3,800.0
67	Substance Abuse Treatment Center	7,000.0
68	Regional Substance Abuse Facilities	1,000.0
69	Department of Health Facility Patient Health and Safety	1,600.0
70	Tri-Lab Scientific Lab Equipment	1,000.0
71	Tri-Lab	4,000.0
72	South Valley Health Facility	1,000.0
73	Renovation of Public Health Clinics	3,000.0
74	Aging Projects: Vehicles, Equipment, Renovation, Improvements	6,000.0
75	Public Safety	17,275.0
76	Crime Lab	2,000.0
77	Drought Mitigation/Fire Protection	1,000.0
78	Camino Nuevo Kitchen Renovation/Roof	750.0
79	Springer Upgrades	1,000.0
80	Corrections Department - Statewide Facility Repairs/Equipment	1,500.0
81	Corrections Department - Statewide Security Upgrades	1,500.0
82	Youth Diagnostic Development Center Fire Detection/Suppression System/Re-Roof	500.0
83	Youth Diagnostic Development Center Kitchen/Sage Unit Remodel	1,150.0
84	Camp Sierra Blanca Security and Grounds Enhancement	475.0
85	John Paul Taylor Center Gym and Weight Room	500.0
86	Department of Public Safety Annual Fleet Maintenance/Replacement	1,500.0
87	State Police Aircraft Replacement	1,300.0
88	Department of Public Safety Statewide Renovations and IT Hazard Mitigation	500.0

Capital Budget Recommendations

Dollars in Thousands

Nonrecurring Revenue Sources

89	Emergency Equipment - Department of Transportation	1,500.0
90	Replace Fire Trucks and Crew Carriers	500.0
91	Statewide Armory Renovation and Repair	500.0
92	Rio Rancho Training/Armory Infrastructure	500.0
93	Military Affairs Department - Statewide Maintenance Backlog	600.0
94	Economic Development, Infrastructure, and Housing	115,410.0
95	Housing Trust Fund	15,000.0
96	HERO: Home Equity with Required Occupation	2,000.0
97	Smart Money	30,000.0
98	Film Initiative	5,000.0
99	Los Luceros Property Purchase	3,000.0
100	Albuquerque Arena	5,000.0
101	Equestrian Facility	10,000.0
102	Tribal Infrastructure	5,000.0
103	Colonias	6,000.0
104	New Mexico State Fair General Improvements	20,000.0
105	Digital Microwave/Wire New Mexico	2,000.0
106	Business Incubator Building Fund	250.0
107	Economic Development Capital Fund	2,000.0
108	Main Street Project Fund	1,700.0
109	Las Vegas Wood Cluster	500.0
110	Cumbres and Toltec: Track Rehab	1,000.0
111	Cumbres and Toltec: Chama Shop Rehab	160.0
112	Cumbres and Toltec: Locomotive & Passenger Rehab	250.0
113	Single Action Shooting Society Facility	500.0
114	Strauss Road	5,000.0
115	Santa Teresa Port of Entry	250.0
116	Columbus Port Streets and Drainage - Border Authority	500.0
117	Border Authority Office Facility	300.0
118	State Parks and Public Lands	3,100.0
119	Elephant Butte State Park Renovation - Phase 2	500.0
120	Red Rock State Park - Phase 1	1,000.0
121	Statewide Park Restoration	500.0
122	GAIN-"Gaining Access into Nature"- Phase 3	100.0
123	Rock Lake Warm Watery Hatchery - Phase 5	500.0
124	Game and Fish Statewide Facilities Renovations - Phase 3	500.0
125	State Services	18,551.7
126	General Services Department - Statewide Emergency Repairs	2,000.0
127	General Services Department - Statewide Repairs and Contingency	1,000.0
128	State Building Central Campus Land Acquisition	1,500.0
129	Ft Stanton Administration Building	1,000.0
130	Ft Stanton Stabilize/Renovate Existing Structure	500.0
131	State Printing Equipment Replacement	500.0
132	EPI Duran Building, Las Vegas	150.0

Capital Budget Recommendations

Dollars in Thousands

Nonrecurring Revenue Sources

133	Upgrades to Wiring and Systems in Human Services Six Buildings	160.0
134	Commission for the Blind Fire Protection Sprinkler System	200.0
135	Taxation and Revenue Department Upgrades at the Lujan Building	250.0
136	All Indian Pueblo Council Building Improvements	3,000.0
137	Bookmobiles	434.0
138	National Hispanic Cultural Center Education Building	1,320.0
139	Northern New Mexico Traditional Art Collection Purchase	3,000.0
140	Statewide Restoration/Conservation of New Mexico Public	75.0
141	Department of Cultural Affairs - Statewide Major Repairs and Upgrades	1,000.0
142	Department of Labor - Alamogordo Repairs	62.7
143	Department of Labor - Las Cruces Expansion Phase 2	500.0
144	AOC Statewide Improvements	1,000.0
145	Supreme Court Building Renovation and Repairs	500.0
146	Taxation and Revenue Department Replacement of Remittance Transports	150.0
147	Taos Motor Vehicle Division Field Office	250.0
148	Transportation	85,000.0
149	GRIP II	50,000.0
150	Rail Runner Phase II - Service to Santa Fe	35,000.0
151	Community Projects	45,000.0
152	TOTAL	712,405.4