



# STATE OF NEW MEXICO

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## **BUDGET IN BRIEF**

Fiscal Year 2009

(July 1, 2008-June 30, 2009)

# GOVERNOR BILL RICHARDSON

*Path to Progress . . . Solutions for New Mexico*

January 2008

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# State of New Mexico

## *Office of the Governor*

**Bill Richardson**

*Governor*



### **To the People of New Mexico ...**

While national economic growth has slowed, New Mexico has a strong and healthy economy in which we continue to create jobs. New Mexico continues to benefit from our efforts to expand opportunity. In October the New Mexico unemployment rate hit an historic low at 3.1 percent, compared to the national unemployment rate of 4.7 percent, we ranked 7<sup>th</sup> in total personal income growth, and we are ranked 11<sup>th</sup> for job growth from January 2003 to present.

New Mexico has not arrived at this unique position through happenstance; it is because we have worked together to face tough problems and have found solutions that work. We've cut income and capital gains taxes in half, eliminated taxes on food and medical services and provided tax credits for working families and for employers that create rural and high-wage jobs. By setting aggressive goals for greenhouse gas reductions and renewable energy use, investing in commuter rail and regional transportation and by creating tax credits for biofuels we are moving toward a clean energy economy. We have improved teacher quality, invested in public school facilities, and New Mexico is now ranked 8<sup>th</sup> in the nation for progress in connecting early childhood and college and career readiness. But we still have much to do.

The budget outlined in this document builds on the progress we have made together over the past five years. My proposals invest in critical priorities such as health care and education and accomplishes it a fiscally responsible manner. My recommended budget once again targets a minimum of 10 percent for reserves and ensures that we will be able to meet our long-term spending obligations.

My budget priorities for the 2008 session are:

1. ***HealthSOLUTIONS New Mexico.*** This year we are at a strategic crossroads in terms of the health and well-being of our state. We've taken important strides in expanding health coverage. Small employers and individuals in New Mexico now have more affordable options for offering health coverage and low-income New Mexicans have more opportunities for obtaining coverage. But, approximately 21 percent of New Mexicans – adults and children – still do not have health coverage. Now is the time for comprehensive reform to achieve universal coverage and to redesign the way health care is delivered.

My budget recommendation supports this reform by allocating \$130.3 million for: 1) the anticipated costs of growth in the base Medicaid program, 2) an expansion of Medicaid to cover

nearly 9,000 more children, 3) creation of a Health Coverage Authority, 4) initiatives to expand the use of electronic medical claims and records, and 5) initiatives to enhance the healthcare workforce and selected healthcare services.

2. ***Energy Efficiency and a Clean Energy Economy.*** In Fall 2007, my Administration launched a statewide initiative to increase energy efficiency and this budget recommendation includes \$33.7 million in capital investments and tax initiatives to promote the up front investments that will lead to cost savings in the long term.
3. ***Comprehensive Ethics Reform.*** Along with several ethics and campaign-finance reform bills, my budget recommendation includes \$4.7 million to support public financing for all statewide elections and creation of an Ethics Commission.
4. ***Improving Student Achievement.*** The recommendation includes \$142.1 million for public school operations, teacher compensation, and efforts to increase the number of high poverty and minority students who are proficient in reading and mathematics.
5. ***Juvenile Justice System: Regionalization and Rehabilitation.*** The budget recommendation supports critical steps to reform New Mexico's juvenile justice system including \$4.6 million to enhance education programs for committed youth, improve medical and behavioral health services, and recruitment and retention of highly qualified staff.

I look forward to working with the Legislature to build on the results we have achieved, find solutions and address the needs of New Mexicans. Together we will make a difference.

Sincerely,

A handwritten signature in black ink that reads "Bill Richardson". The signature is written in a cursive, flowing style.

Bill Richardson  
Governor

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# *HEALTHSOLUTIONS NEW MEXICO*

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## **Making a Difference . . . *Insure New Mexico!***

Providing health coverage for all New Mexicans has been a priority throughout the Richardson Administration. Small employers and individuals in New Mexico now have more affordable options for offering health coverage and low-income New Mexicans have more opportunities for obtaining coverage.

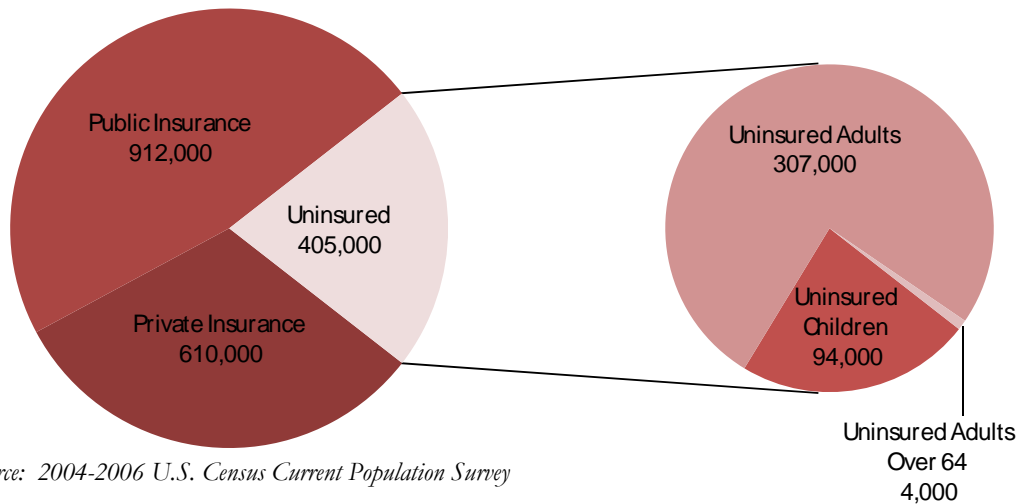
## **Meeting Challenges**

Even with all these efforts, approximately 405,000 or 21 percent of New Mexicans – adults and children – still do not have health coverage, and 41 percent of New Mexico employers do not provide health insurance for their employees.

Health coverage is important for the well being of all New Mexicans and for New Mexico's economy. People who lack health coverage are not as productive or able to learn because they lack adequate health care and often have worse health outcomes. Individuals and employers alike are paying the cost of care for those who are without health coverage through higher costs for health services and insurance premiums.

### *Insure New Mexico! Solutions*

- ✓ Increased Medicaid eligibility for children ages zero to five
- ✓ Established premium assistance for children and pregnant women, whose family income is too high to qualify for Medicaid but do not have access to affordable coverage
- ✓ Established the State Coverage Insurance (SCI) Program - a public/private partnership to help small employers purchase affordable health insurance for their employees
- ✓ Increased Medicaid eligibility for adults up to 100% of FPL
- ✓ Increased Medicaid eligibility for family planning and pregnancy to cover women up to 235% of FPL
- ✓ Made private insurance more affordable by lowering the small employer rates offered through the NM Health Insurance Alliance
- ✓ Allowed unmarried dependents to stay on their parents' individual health insurance policies until they turn 25 years old
- ✓ Required contractors doing business with the state to offer coverage



Source: 2004-2006 U.S. Census Current Population Survey

## Finding Solutions

*All people living in New Mexico should have the opportunity to purchase or be provided with public or commercial healthcare coverage that is affordable for individuals, taxpayers, employers, and other payers*

HealthSOLUTIONS New Mexico will provide real opportunities for every New Mexican to have access to health coverage through reform of the current system.

The four part plan will make health care more affordable, accessible and accountable through (1) insurance reform, (2) coverage mechanisms and participation, (3) reduction of bureaucracy through a single organizational structure, and (4) 21<sup>st</sup> century information technology to help control costs and increase quality.

### Insurance Reform

- ✓ Require a minimum of 85% of insurance premiums be spent on direct services
- ✓ Require insurance companies to offer coverage to any individual who requests it, without permanent exclusion of pre-existing conditions
- ✓ Limit what insurance companies can charge as part of premiums based on the health status or claims experience to no more than 10% for small groups
- ✓ Require insurance carriers to contract with IHS and tribal providers
- ✓ Increase transparency and accountability through uniform data reporting



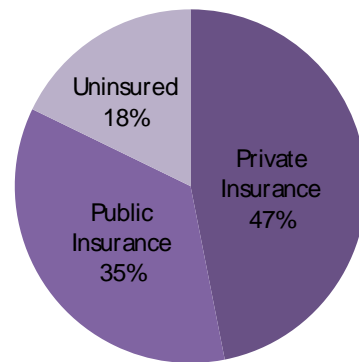
This legislative session, Governor Richardson is also recommending initiatives that help New Mexico’s healthcare workforce, provide targeted services for veterans and their families, and provide better healthcare access for Native Americans. In addition, the Governor is allocating \$101.4 million to anticipated increases in existing Medicaid programs.

Under the *HealthSOLUTIONS New Mexico* initiative, responsibility for universal health coverage will be shared among government, private employers, insurance companies, individuals, families, and the clinical community. The plan uses different approaches for different populations and expands both private and public insurance.

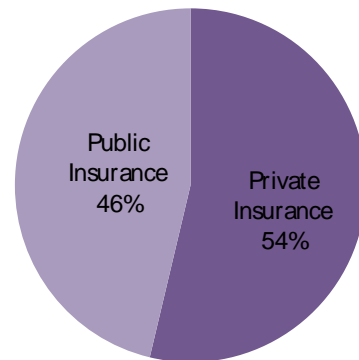
The Health Coverage for New Mexicans Committee (jointly appointed by the Governor and Legislative Leadership) worked over the past year and a half to analyze the full costs of health coverage – including individual out-of-pocket expenses, employer costs, and federal and state program costs. What this analysis has shown is that *HealthSOLUTIONS New Mexico* is a true investment in the future of our state.

We can spend a small percentage more now, get every New Mexican the coverage they need, and in five years it is estimated that we will be spending nearly \$60 million less than we would have spent without reform.

### Current System



### Health Solutions



Source: data based on 2007 analysis by Mathematica Policy Research Inc.

State spending under the *HealthSOLUTIONS New Mexico* approach in five years will be roughly equal to the amount that would be spent under the current system.

## Assuring Everyone Has Coverage

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A basic principle of the plan is that persons and families with low incomes or high health care needs will require assistance in purchasing and accessing healthcare coverage. Approximately 60 percent of the uninsured are already eligible for Medicaid, the State Children's Health Insurance Program (SCHIP) or the New Mexico State Coverage Insurance (SCI).

### Children Who Are Eligible but not Enrolled in Medicaid or SCHIP.

Currently, children, ages zero to five years old, in households with an income up to 300 percent of the FPL (through income disregards) are eligible for either Medicaid or SCHIP, while all other children in households with incomes up to 235 percent of the FPL are eligible. Approximately 48,000 children who are already eligible for these programs could be enrolled over the next five years.

*\$8.8 million GF and \$21.3 million Federal Funds to cover nearly 9,000 more children in FY09*

**Healthy New Mexico Workforce Fund.** Many employers in New Mexico already offer health coverage for their employees and family members. However, many other employers, especially smaller ones, do not. This means that a large number of working New Mexicans do not have anyone to share in the cost of coverage

### Coverage Mechanisms and Participation

- ✓ Require individuals to show proof of coverage – public, private or self-insured – beginning January 1, 2010
- ✓ Expand Medicaid, SCHIP and SCI for children and low-income adults
- ✓ Employers with six or more employees can either offer coverage or contribute to a Healthy New Mexico Workforce Fund, offset dollar-for-dollar by amount contributed to employees' health coverage

for themselves and their families. Phase I will require employers with six or more employees to contribute to a healthy New Mexico workforce. Employers will have the option of contribution to their employee's coverage or contributing to a Health New Mexico Workforce Fund. The contribution amount will be offset by the amount an employer already contributes to employee health coverage. This fund will be appropriated by the legislature to assist individuals who cannot afford the full cost of coverage, and who do not have

an employer to help pay part of the cost.

*Revenue Not Estimated for FY09*

**Increase in Collections of Premium Taxes Due to Increase in Premiums Paid.** *HealthSOLUTIONS New Mexico*

is estimated to generate an increase in annual revenue to the General Fund because more people will be insured (under the recommendation, the tax rate will remain unchanged). A portion of this increase in revenue will be set aside for helping lower income New Mexicans afford coverage.

*Revenue Not Estimated for FY09*

**Creating a Single Point of Accountability**

New Mexico has eight departments, boards and commissions administering and providing publicly-funded health coverage or conducting health care studies and analyses. In addition the Public Regulation Commission, licensing boards, the Human Services Department and the Department of Health oversee health coverage or health care. The state lacks a single point of accountability and clear lines of authority resulting in duplication of administrative services and a public system built in silos.

**Establish the Health Coverage Authority.** A phased-in process will be used to reorganize existing programs and responsibilities within state entities to create a new Authority and to establish the appropriate links to other

entities. The Authority will have five critical advisory councils covering issues such as Native American health care, delivery system issues, benefits and services, cost and financing issues, and federal issues affecting health care and coverage in New Mexico.

- In the first phase, the Authority will be created as a state agency with an Executive Director appointed by the Governor and confirmed by the Senate. An 11 member Board representing those who purchase or utilize health coverage or services will provide policy direction for the Authority. One-time start-up funding is being recommended to

**Health Coverage Authority**

- ✓ Set standards for affordability, benefits and plan choices, and provider performance
- ✓ Engage in activities to control costs and increase access and quality
- ✓ Consolidate multiple public agencies to gain administrative efficiencies
- ✓ Assess options for pool consolidation
- ✓ Public participation

set up the Authority and initiate work on the statutory responsibilities of the Authority.

- In the second phase, the Authority will identify administrative resources that can be brought together to achieve greater efficiencies and will develop an FY10 recurring budget recommendation reflecting proposed administrative changes.
  
- The Authority will then carefully review the benefits and risks of consolidating program pools and make recommendations to the Governor and the Legislature.
  
- The Authority will also develop a comprehensive plan on the next steps to provide coverage for New Mexicans, including cost, access and quality issues.

*\$1.3 million GF Nonrecurring*

### **Controlling Costs and Increasing Quality**

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Expanding electronic claims and the use of electronic medical and health records will improve quality of care, help control costs, and reduce errors. Approximately 12 percent of New Mexico providers use electronic medical records.

#### **Electronic Health Information**

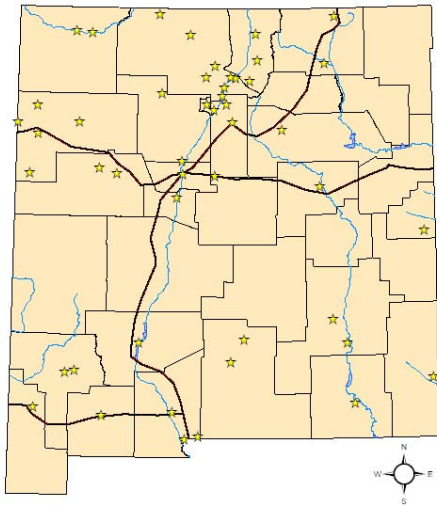
- ✓ Require a plan by July 1, 2009 for statewide adoption of electronic claims and remittance submissions
  
- ✓ Require a plan by January 1, 2010 for statewide adoption of electronic medical records
  
- ✓ Protect patient's privacy and rights to information

**Expand the Use of Health Information Technology.** Develop plans for the statewide adoption of electronic billing and electronic medical records and expand the Health Information Exchange. This initiative will connect all Department of Health public health clinics, primary care clinics and school-based health centers that have electronic medical records systems and an additional hospital to the Health Information Exchange. This initiative supports the exchange of health information among providers and will include state law changes to protect the privacy of electronic medical information and the right of patients to have access to and control their own information.

*\$150,000 GF Nonrecurring*

**Electronic Medical Records Systems in Rural Primary Care Clinics.** Continue a grant program to assist clinics funded under the Rural

### NM Telehealth Facilities



Primary Healthcare Act in adopting electronic medical records. The program requires a dollar-for-dollar match. The cost of installing an electronic medical records system for rural providers is between \$20,000 and \$40,000, but through economies-of-scale it is anticipated that grants will assist between 50 and 60 providers in five to eight provider groups.  
*\$400,000 GF Nonrecurring*

**Expand Telecommunications Connectivity and Telehealth Programs.** Expand telehealth programming for children with disabilities (REACH), obesity and diabetes prevention for children (ENVISION), and suicide prevention. Nine new sites would be established across the state. In addition, funds would be used to provide assistance to rural providers in accessing the FCC

Universal Service Fund and to initiate a pilot in home health monitoring demonstrating its value in reducing costs and improving outcomes.  
*\$220,000 GF*

### Enhancing New Mexico's Healthcare Workforce

The Richardson Administration efforts to recruit and retain healthcare providers include the removal of the majority of gross receipts taxes from individual provider and hospital services, enactment of a rural provider tax credit, developing new trauma centers and supporting existing ones, expanding emergency medical services, doubling the number of school-based health centers and expanding telehealth and health information technology funding. In New Mexico, 32 of 33 counties are designated as primary medical health professional shortage areas and 31 of 33 counties are designated as dental health professional shortage areas. To address health disparities, improve access to care, and support universal health coverage, the healthcare workforce needs to be enhanced, particularly in border and rural counties.

The Governor aims to increase the number of providers that choose to work in New Mexico by enhancing financial support both during academic training or residency and after all education and training have been completed.

**Incentives for Students and Residents.** Students or residents that are from or train in New Mexico are more likely to choose to practice in New Mexico.

- *Expand the General Dental Residency Program to Rural and Underserved Urban Areas.* New Mexico is facing a severe shortage of dentists, particularly in the rural areas, and nationally there is a shortage of space in dental residency programs. This initiative will increase recruitment and retention of dentists in New Mexico by increasing training. Under this initiative, the program would expand existing partnerships between the University of New Mexico Health Sciences Center and Federally Qualified Health Centers and Community Health Centers in Silver City, the South Valley of Bernalillo County, and Eastern New Mexico University-Roswell. This initiative will increase UNM HSC



clinical faculty and staff, double the number of residents – increasing program slots residents from five to ten, and establish facilities for patient care, residents, faculty and staff. The new facility for dental residency programs will also house the Department of Health and Carrie Tingley Hospital dental programs for special populations. *\$2.0 million GF and \$12.0 million Capital*

- *Expand the Health Service Corps Stipends to Support Students in School or During Residency.* Physicians, dentists, nurse practitioners, nurse midwives, physician assistants, dental hygienists and EMT-paramedics in the last two years of training are eligible for a stipend. Students receiving this support agree to serve in an underserved part of the state for two years. This recommendation would increase the maximum award for physicians and dentists from \$20,000 to \$30,000 and increase the number of awards from 7 per year to 17 per year. *\$300,000 GF*

➤ *Increase the Number of Western Interstate Commission for Higher Education (WICHE) Loan-for-Service Awards for Dental Schools.* Add five new awards for New Mexicans to attend approved dental schools. In exchange for the WICHE scholarships, dental school graduates must return and practice in New Mexico for a minimum of three years. Approximately 10 awards are made a year and the student receives \$21,300 per year.  
*\$100,000 GF*

➤ *Loan-for-Service for Nursing Faculty to Obtain Higher Degree Levels.* Provide support for college and university nursing educators to obtain higher degree levels and help retain them in higher education institutions. Educators are an integral part of solving the nursing shortage. For each year of service provided a portion of the loan is forgiven. The maximum award is \$5,000 annually. The number of awards will increase from 12 to 30.  
*\$100,000 GF*

**Incentives for New Providers.** New Mexico must be competitive with other states that offer greater financial incentives – often residents choose to work out of state for higher wages to

pay off the significant debt accrued from tuition and training.

➤ *Expand the Health Professional Loan-Repayment-for-Service Program.* Currently, physicians and dentists that agree to work for two years in rural New Mexico are provided an annual loan repayment award. This initiative will increase the award from \$12,500 to the federal maximum of \$25,000, and increase the number of awards from approximately 45 to 70.  
*\$1.0 million GF*

➤ *Expand the Medical Student Loan-for-Service Program.* Increase the number of physicians in areas of the state which have experienced shortages of health professionals by making educational loans to students entering medical school. Medical students currently qualify for loans up to \$12,000 per year and must provide one year of service for



every year of funding received. This initiative would increase the award to \$25,000, and increase the number of awards from 4 to 12 students.

*\$250,000 GF*

- *Fund the Application Fee for Licensure of Physicians Who Choose New Mexico as Their First State of Licensure.*

*\$80,000 GF*

### **Providing Treatment for Veterans and Their Families**

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A basic principle of *HealthSOLUTIONS New Mexico* is that safety net services must be maintained. A current pilot program in Sandoval County is providing veterans and family members with screening, early intervention, and services regardless of their ability to pay, their involvement in any other treatment program, or whether they are currently covered by any type of health coverage or insurance. The program coordinates federal, state and private services.

**Expand Post-Traumatic Stress Disorder Treatment for Veterans and Their Families.** It is estimated that between 18 and 40 percent of all military service personnel returning from Iraq and Afghanistan have symptoms associated with post-traumatic stress disorder (PTSD). Additional funding will provide the clinical and support staff, training and outreach to expand the Sandoval

County pilot program to serve veterans and their families across the state. The existing model is a partnership between the State, the federal Veterans Administration Medical Center, federal grant funding for program evaluation, and in kind support from private providers. The model integrates innovative use of telehealth technology.

*\$1.43 million GF*

### **Better Care for Native Americans**

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**Improve Access to Services for Native Americans.** Expand treatment for Native American Veterans with post traumatic stress disorder (PTSD) or traumatic brain injury (TB), expand behavioral health and substance abuse services as identified by local collaborative priorities, and expand tribal youth suicide prevention efforts.

*\$750,000 GF*





# *ENERGY EFFICIENCY AND A CLEAN ENERGY ECONOMY*

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## **Making a Difference . . . The Clean Energy State**

The Governor has led a bold approach to make New Mexico the Clean Energy State. The Richardson Administration has implemented measures to promote clean and efficient energy generation, distribution, and use.

## **Meeting Challenges**

Improvements in energy efficiency will increase disposable income, increase jobs and stimulate the economy while protecting our natural resources. New Mexico has taken significant steps, but we can do more. Energy efficiency is the fastest, cheapest way to reduce energy demand and energy use.

The central strategies for improving energy efficiency are to encourage innovative energy technologies and promote energy efficient products, retrofits, and construction. On average, weatherization reduces heating bills by 31 percent and overall residential energy bills by \$358 per year. New buildings can be designed to cut heating and cooling costs by 50 percent or more.

### **The Clean Energy State**

- ✓ Mandated an aggressive renewable energy portfolio standard: 20% for large utilities and 10% for electric co-ops by 2020
- ✓ Established greenhouse gas reduction targets: 2000 levels by 2012, 10% below 2000 levels by 2020, and 75% below 2000 by 2050
- ✓ Created a sustainable building income tax credit for improved residential and commercial energy efficiency
- ✓ Created renewable and advanced energy production tax credits and a biodiesel infrastructure tax incentive
- ✓ Invested in innovative clean energy technology – e.g., a solar combined heat and power system at the Sunport
- ✓ Supported green building projects at 16 schools and solar projects at 25 schools
- ✓ Called for state buildings to reduce fossil fuel use by 50% – examples include a LEED-certified visitor center in Eagle Nest that will require little or no active heating or cooling

## Finding Solutions

In November, the Governor launched a statewide initiative to increase energy efficiency in New Mexico. He set specific goals and directed state agencies to outline and implement the steps necessary to meet these goals.

### Energy Efficient Products

The initiative makes it easier for New Mexicans to make choices that will reduce their energy use and energy costs and for businesses to make the up front investment in energy efficiency.

#### **Encourage Installation of Energy Efficient Home Heating and Cooling Systems.**

Provide nonrefundable income tax credits for the purchase of energy-efficient home heating and cooling equipment. The state tax credits would be equivalent to one-half of the federal credit amounts and would be limited to \$300 per taxpayer.

*\$900,000 in FY08 and \$945,000 in FY09  
GF Revenue Reduction*

**Expand EnergySavers for Low- and Middle-Income Families.** Provide more families with low- or no-interest rate loans for energy efficient fixture upgrades, conversion of utility systems to solar, and other energy efficient retrofits. This program also offers incentive funding to builders for installation of energy efficient systems in new or rehabilitated homes.

*\$2.0 million Capital*

**Efficient Use of Energy Act Amendments.** Amend the Efficient Use of Energy Act of 2005 to promote all cost-effective and achievable

#### **Increasing Energy Efficiency**

- ✓ Amend the Efficient Use of Energy Act
- ✓ Reduce per capita energy use statewide to 10% below 2005 levels by 2012 and 20% below 2005 levels by 2020
- ✓ Reduce state building energy use to 20% below 2005 levels by 2015
- ✓ Reduce state fleet and transportation-related energy use to 20% below 2005 levels by 2015
- ✓ Draft building and vehicle energy efficiency recommendations and implementation plans by July 1, 2008
- ✓ Consult with stakeholders and the Public Regulation Commission
- ✓ Consider proximity to transit stations in locating public facilities

investments in energy efficiency by utilities and avoid more costly investments in new power plants.

*Legislation*

### **Lead-by-Example: Making Public Buildings Green**

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In addition to establishing specific energy efficiency goals, the Governor is recommending capital investments to reduce energy use in public education, higher education, state parks, and state agency buildings. New Mexico state agencies are already leading-by-example and these recommendations further their ability to make investments that will generate operating cost savings, reduce greenhouse gas emissions, and create benefits for the environment for years to come.

#### **Green Building in Public Schools.**

Continue to invest in green building design, new public school green construction or major renovation projects that achieve specified green building standards.

*\$5.0 million Capital*

#### **Higher Education Green Screen.**

The New Mexico Higher Education Department has been working with institutions to explicitly consider the effect on the environment when evaluating every new construction and renovation project. This 'green screen' not only considers energy costs, but also other aspects of design affecting the sustainability of the entire campus. Examples of these projects include the

multi-purpose education center at Luna Community College, which is designed to meet LEED platinum standards and the agriculture center at New Mexico State University.

In addition to requiring a higher standard in all higher education project design, an Energy Efficiency Improvement Fund will be distributed by the Higher Education Department through an RFP process for specific renovation projects that will generate quantifiable and credible energy savings.

*\$7.0 million Capital*



*Villagra Building is LEED Gold*

#### **Energy Efficiency Retrofits for State Parks.**

Provide more passive and active solar energy sources for the operation of State Park facilities. This initiative will increase energy efficiency, reduce the use of fossil fuels and reduce greenhouse gas emissions. The State Parks Division has reviewed its inventory of facilities and developed a

list of facilities that are considered priorities. The Division has identified comfort stations statewide and 22 park facilities for energy efficiency retrofits.  
*\$760,000 Capital*

**State Building Energy Efficiency Improvements.** Conduct rapid payback energy efficiency projects in state buildings that will generate quantifiable and credible energy savings. The primary measures to be implemented will be lighting retrofits and HVAC control upgrades, for the purpose of improving conditions and reducing utility expenditures. This initiative will replace 100,000 lighting fixtures, which will reduce energy consumption by 12,500 MWh per year and will generate annual benefits of \$1 million in energy costs avoided and 78,300 metric tons of CO<sub>2</sub> avoided.  
*\$3.0 million Capital*

## **Innovative Energy Technology**

Governor Richardson believes that investing in green technology is the next step our state must take toward building a clean energy economy. He believes we must move from the limited resources of oil and gas, to the unlimited resources of renewable energy—wind, biomass, solar, and biofuels.

**Energy Innovation and Clean Energy Fund.** Continue investments that speed the innovation process from concept to commercialization for early- to mid-stage clean energy technologies and provide grants for “clean energy” projects to promote energy efficiency, renewable energy (wind, solar, geothermal and biomass), and clean-burning transportation fuels. A portion of the fund will be earmarked to provide capital grants to local public entities (other than public schools) for projects that are designed to meet LEED standards.  
*\$15.0 million Capital*



# COMPREHENSIVE ETHICS REFORM

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## Making a Difference . . . Accountability and Transparency

The Governor proposed significant ethics and campaign finance reforms in both the 2006 and 2007 legislative sessions. As a result, public officials are now more accountable and government decision making is more transparent.

## Meeting Challenges

Although significant ethics and campaign finance reforms are now law, some key proposals have not been enacted. In April 2007, the Governor reestablished his Task Force on Ethics Reform. This 23-member Task Force was charged with continuing its study of reforms to promote the integrity and honesty of public servants and to strengthen public confidence in government.

## Finding Solutions

*Public officers and employees must protect the public trust and use their office only to advance the public interest*

This session Governor Richardson will again introduce several ethics and campaign-finance reform bills modeled after recommendations from his ethics reform task force, including new limits on campaign contributions. These legislative proposals are supported by the Governor's budget, with specific funding recommended for the ethics commission and publicly financed campaigns.

### Accountability and Transparency

Reforms already in place:

***Campaign Contribution Disclosure.*** State law now requires entities to disclose campaign contributions when seeking state contracts and bans campaign contributions or gifts during the contracting process.

***Amendments to the Governmental Conduct Act.*** The law, as amended, provides stricter standards of conduct for state employees and elected officials, holds judges to the same standards as other public officials, and imposes penalties for officials who use their office to promote their own financial interests.

***Limits on Gifts to Elected Officials.*** State law sets clear limits on gifts that can be donated to state officials, candidates and their families.

***Public Campaign Financing.*** PRC candidates and judicial candidates for statewide Court of Appeals and Supreme Court races can voluntarily receive public financing for contested races.

**Establish a State Ethics Commission.**

Create an independent commission with authority to initiate investigations of potential ethics violations by executive officials, legislators, justices, judges, state employees, government contractors, and lobbyists. The commission would also have authority to recommend discipline to the appropriate entity for all other officials or employees and draft a code of conduct for the executive branch.

*\$500,000 GF*

**Public Financing for All Statewide Elections.** Extend the voluntary public financing system for contested statewide judicial and Public Regulation Commission elections to all statewide offices. To receive public financing, candidates would be required to raise a specified amount to cover the costs of starting a campaign and would be required to limit spending to the public financing received. The amount of public financing would be based on a rate per registered voter of the candidate's party. The proposal would increase the transfer of unclaimed property revenue to the Public Financing Fund from \$100,000 per month to \$450,000 per month.

*\$4.2 million FY09 GF Revenue Reduction*

**Comprehensive  
Ethics Reform**

- ✓ Establish an independent state ethics commission
- ✓ Impose a \$2,300 limit per state election on campaign contributions to an individual candidate, \$5,000 to a political action committee, and \$10,000 to a political party
- ✓ Strengthen campaign reporting requirements and enforcement
- ✓ Expand voluntary public campaign financing to all statewide elections
- ✓ Establish a bipartisan task force to study the creation of a state elections commission
- ✓ Require legislative conference committees to be open to the public

# *IMPROVING STUDENT ACHIEVEMENT*

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## **Making Schools Work . . . Focusing on Student Success**

Ensuring that all New Mexico students succeed at every level of education has been a critical priority for Governor Richardson since he took office in 2003. New Mexico now has a coordinated PreK-20 education system that spans from PreK through K-12 public education and on into higher education.

Over the last five years, the Governor has continued to build on the landmark public school reforms passed in 2003.

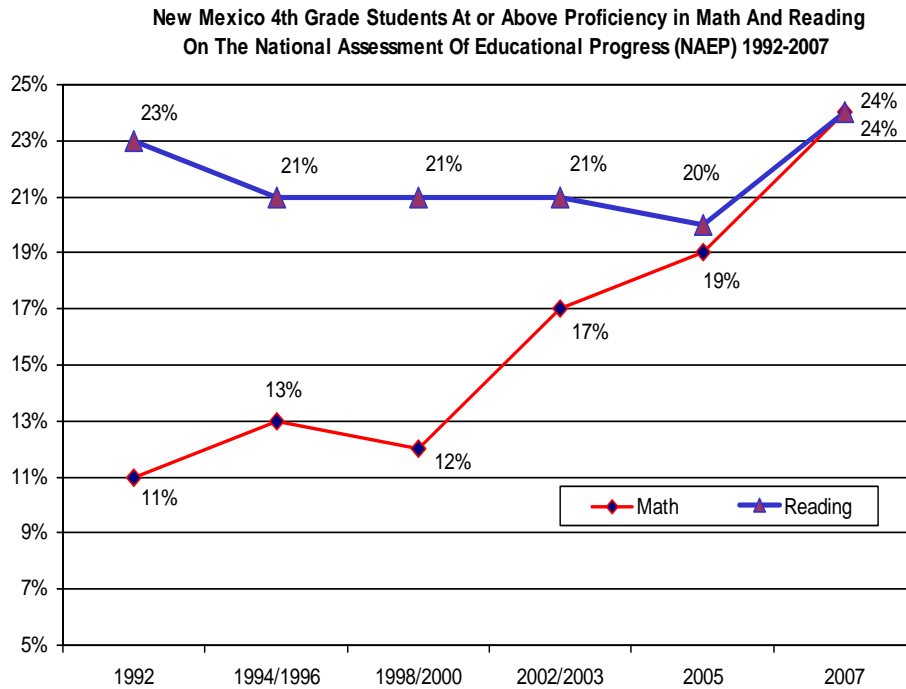
## **Meeting Challenges**

New Mexico has made important strides in improving its education system, but more needs to be accomplished. One of the most important educational challenges facing New Mexico is improving student achievement.

The 2007 National Assessment of Educational Progress (NAEP) results indicate that New Mexico is making progress in student achievement. In 2007, 24 percent of 4<sup>th</sup> grade students were proficient or above in math in reading. Although New Mexico has made significant gains in student achievement on the NAEP, New Mexico still lags behind other states in the country, with national averages at 38 percent and 31 percent, respectively.

### **Making Schools Work**

- ✓ PreK programs have improved children's vocabulary, early math skills, and early reading skills – in 2007-2008, more than 3,500 children are participating in PreK
- ✓ New Mexico is ranked 8<sup>th</sup> in the nation for progress in connecting early childhood, college and career readiness
- ✓ New Mexico is ranked first in school breakfast participation and the program is expected to provide breakfast for more than 64,000 elementary students in 2007-2008
- ✓ The most recent NAEP reports show that New Mexico is one of only 14 states that significantly improved both in 4<sup>th</sup> and 8<sup>th</sup> grade math
- ✓ New Mexico's three-tiered teacher licensure system has had a positive effect on the recruitment and retention of teachers
- ✓ New Mexico ranks 12<sup>th</sup> in the country for the percentage of high school graduates who attend higher education



Note: Reading was assessed in 1992, 1994, 1998, 2002, 2005, 2007; Math was assessed in 1992, 1996, 2000, 2003, 2005, 2007.

## Finding Solutions

*New Mexico needs to focus on students most in need of support and continue to provide innovative solutions to increase the reading and math skills of our children*

Over the last five years, Governor Richardson, the Legislature, and the citizens of New Mexico have committed themselves to finding solutions to the educational challenges faced by too many of the students in our schools. New Mexico's efforts are receiving national recognition.

### Improving Student Achievement

The toughest issue New Mexico continues to face is raising the level of academic achievement for all students, particularly those students in high-need schools. This year, Governor Richardson's education recommendations focus on meeting the challenge of dramatically increasing the number of high poverty and minority

students who are proficient in reading and mathematics.

- **Meet the Challenge of Students Not Achieving Proficiency.** Target assistance to schools identified as in need of improvement because their students are not meeting proficiency in mathematics or reading. Funds will be used to assist schools in increasing student achievement



through research-based approaches and to provide incentive dollars for schools that improve. Funding will be used in conjunction with \$5.5 million for the same purpose in the recurring base budget.

*10.0 million GF Nonrecurring  
(Education Reform Lockbox)*

- **Expand Teacher Participation in Summer Institutes.** Provide hands-on training for 200 to 300 more staff in the areas of math, reading and science. Training topics include best practices, content knowledge, and assessment practices. This funding will expand geographic coverage and will target schools needing to improve.  
*\$500,000 GF*

- **Improve College and Workplace Readiness.** The 2007 high school redesign legislation called for a number of changes including creation of the New Mexico Diploma of Excellence; the design and development of a College and Workplace Readiness Assessment; and the requirement that all students take certain core courses in order to graduate. This recommendation is to implement important initiatives in high school redesign.  
*\$2.0 million GF Nonrecurring  
(Education Reform Lockbox)*



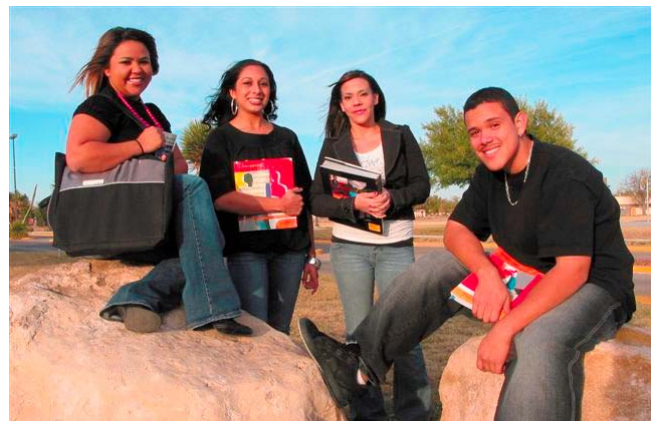
- **Support the Dual Credit Program.** Continue and expand the Dual Credit Program that encourages high school students to take advantage of college level work. Encouraging high school students to take college classes is one of the most critical connections in between public education and higher education in New Mexico's PreK-20 education system. The Dual Credit Tuition Revenue Credit Offset provides an important incentive for increasing participation in dual credit programs.  
*\$960,000 GF*

## Continuing to Make Schools Work

Governor Richardson's focus on raising student achievement is strengthened by his continued commitment to keeping students ready to learn by providing access to early-childhood education, health care, healthy food, and physical fitness activities. The FY09 budget includes the following recommendations.

- **Expand Voluntary Pre-K** to serve 2,600 more four-year olds than last year. In the 2007-2008 school year, approximately 3,570 children are participating in PreK.  
*\$9.3 million GF, \$4.0 million GF Nonrecurring, and \$3.0 million Capital*
  
- **Expand the School Physical Education Program** by an additional 23,499 students at 79 schools. In FY08, the elementary school physical education program served an estimated 37,163 students in 110 schools statewide.  
*\$5.0 million GF*
  
- **Expand the Breakfast for Elementary Students Program.** Since FY06 when the elementary school breakfast program began, the number of children served has more than doubled from approximately 29,000 to more than 64,000 in 176 schools during FY08.  
*\$3.3 million GF*
  
- **Public School Support Formula, Categorical Costs, State Equalization, and Compensation.** Increase funding for public schools to support the projected increase of 2,888.3 units in enrollment growth, inflation on fixed costs, and 3 percent compensation increase for teachers and other school employees (including 0.75 for Educational Retirement Board contributions).  
*\$109.0 million GF*

- **Make College More Affordable.** Support access, program completion and graduation by making college more affordable through a budget recommendation that supports higher education institutions efforts to hold the combined tuition and fee increase below 5 percent by continuing the 0 percent tuition credit and by funding inflation for utilities, health insurance, risk management, and libraries.  
*\$2.3 million GF*
  
- **Higher Education Funding Formula and Compensation.** Increase total workload funding for FY09 by \$5.8 million, reflecting the 2006-2007 academic year enrollment and funding formula changes. Total enrollment declined by 1.87 percent; however, enrollment by institutions varies greatly. The recommendation also includes 2 percent compensation increases for faculty and staff.  
*\$28.4 million GF*



# *JUVENILE JUSTICE SYSTEM: REGIONALIZATION AND REHABILITATION*

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## **Making a Difference . . . A Safer New Mexico**

The Richardson Administration has made significant strides in protecting families and making our communities safer. Alcohol-related serious injury crashes have decreased, successful DWI and drug court programs have been expanded across the state, dismissal rates for domestic violence cases have been reduced, and services for domestic violence victims have increased.

Governor Richardson, as in previous years, is taking care of basic institutional costs – expanding probation and parole staffing to keep pace with workload growth (\$329,400 and 8 FTE), opening the Northeastern New Mexico Facility in Clayton (\$4.1 million), supporting a necessary increase in the cost of providing adequate medical services to the inmate population (\$13.0 million), and providing funding for equipment, maintenance, and renovations in correctional and juvenile justice facilities across the state (\$12.0 million Capital and \$1.7 million Nonrecurring). In addition, the Governor is recommending a 3 percent increase in law enforcement salaries – \$1.0 million – for the next year of their pay plan.

This year the Governor is also supporting critical steps to reform New Mexico’s juvenile justice system. In 2006, the State closed the New Mexico Boys School at Springer to provide more appropriate alternate placements for these youths. The State is now moving forward in implementing recognized best practices that place committed youth in regional facilities focused on rehabilitation.

### **A Safer New Mexico**

- ✓ Alcohol-related serious injury crashes decreased by 15 percent from 2002 to 2006
- ✓ New Mexico is ranked 11<sup>th</sup> among all states in a Mothers Against Drunk Driving “State Progress Report”
- ✓ Created the Domestic Violence Homicide Team and increased probation time for domestic violence
- ✓ Took aggressive steps to reduce the backlog at the Crime Lab – significant improvements are expected in the coming year

## Meeting Challenges

In January 2007, the Children, Youth and Families Department created the Juvenile Justice Commission in partnership with Bernalillo County to make recommendations for improvements and reforms in the areas of behavioral health, education, training, employee recruitment and retention, and facility specialization. The central recommendations from the Commission focus on adapting best practices to New Mexico.

The Missouri juvenile justice system has become a model for the nation and is the source of many best practice recommendations. Missouri has exceptionally low recidivism rates compared to other states – approximately 8 percent, the cost per youth is lower than what is spent in many states, and there have been no youth suicides while in custody in the 20 years since Missouri began its reform efforts.

New Mexico has begun making changes toward this model of juvenile justice in one pod at the John Paul Taylor Center and has developed recommendations to extend these reforms to other parts of the juvenile justice system.

### Juvenile Justice Best Practices: The Missouri Model

- ✓ Small residential programs, most of which enroll fewer than 35 offenders
- ✓ Placement of youth within 50 to 75 miles of home to encourage parent visits and involvement
- ✓ A focus on rehabilitation, constant therapy, and positive peer pressure
- ✓ Well-trained counselors
- ✓ Continuous case management and numerous day treatment centers that continue to work with youth as they transition back into the community

## Finding Solutions

This session Governor Richardson is recommending specific initiatives to implement best practices in the juvenile justice system.

- **Enhance Education Programs for Committed Youth.** The most critical element for improving the juvenile justice system in New Mexico is enhancing the education programs. This initiative supports

hiring ten new teachers for the state's juvenile justice facilities; creating new long-distance learning opportunities at locations where they are not currently available – Eagle Nest, Carlsbad, and Alamogordo; creating an education database; and investing in the libraries at the institutions.

*\$652,900 GF and \$541,000 GF Nonrecurring*

- **Regionalization and System Reform.** Allow the Children, Youth and Families Department to contract with experts from the Missouri Youth Services Institute to assess all of New Mexico's facilities, train staff at each facility, and conduct organizational planning.  
*\$400,000 GF Nonrecurring and \$200,000 Capital*

- **Improve Medical and Behavioral Health Services for Committed Youth.**

In FY08, the Children, Youth and Families Department took over the contract for medical and behavioral care for committed youth to improve services. To facilitate these changes, this initiative funds a full-time psychiatrist a full-time psychiatric nurse, nurses, doctors, and other medical personnel. With these

improvements, the Department will be seeking accreditation from the American Corrections Association for the medical and behavioral health programs.

*\$2.6 million GF in base budget, \$20,000 GF, and \$75,000 GF Nonrecurring*

- **Recruitment and Retention of Highly Qualified Staff.** Implement a staff empowerment program through specialized training in the regional positive peer culture model and conduct an agency-wide recruitment and retention program for high turnover and difficult to recruit positions, such as juvenile corrections officers. The effort would use a multi-media campaign including TV, radio, newspaper, the internet, and billboard advertising.  
*\$300,000 GF and \$60,000 GF Nonrecurring*



# *EXPANDING OPPORTUNITIES AND BUILDING FOR THE FUTURE*

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## **Making a Difference . . . Investing in the Communities and People of New Mexico**

New Mexico is already benefiting from our efforts to expand opportunity. The state is more competitive than it was five years ago and continues to outperform the rest of the nation. In October, the New Mexico unemployment rate hit an historic low at 3.1 percent, compared to the national unemployment rate of 4.7 percent, New Mexico ranked 7<sup>th</sup> in total personal income growth, and New Mexico is ranked 11<sup>th</sup> for job growth from January 2003 to present.

2008 is the final year of the Governor's personal income tax cuts. Over his Administration, the Governor has cut income and capital gains taxes in half, eliminated taxes on food and medical services, and implemented tax credits for working families, rural jobs, and high wage jobs.

## **Statewide Capital Budget Priorities**

**Public Education Facilities.** The capital budget recommendation includes \$211.2 million in supplemental severance tax bond capacity for public school facilities. This is roughly the same level of funding that was available last year for critical public school capital outlay needs across the state.

**Higher Education Facilities.** The recommendation also includes \$194.4 million for higher education institutions, of which \$175.4 million is from general obligation bond capacity. This represents a 22 percent increase over the capacity allocated to higher education in the 2006 bonding cycle.

### **Education and Libraries**

Public Education Facilities  
*\$211.2 million*

Higher Education Facilities  
*\$194.4 million*

Libraries  
*\$6.0 million*

PreK Classrooms  
*\$3.0 million*

Library Books  
*\$4.5 million*

**Roads and Transportation.** The recommendation includes \$17.0 million state and federal funds for the operation of the Rail Runner. In addition, legislation signed by the Governor last session allocates \$40.3 million of new 2008 bonding capacity to transportation including, \$8.1 million for highway maintenance, \$16.1 million for GRIP I, and \$16.1 million for GRIP II. The Governor is recommending an additional \$50.0 million above these prior authorizations for GRIP I projects.

**Economic Development and Infrastructure**

**Projects.** The recommendation of \$110.3 million for economic development and infrastructure projects, includes \$10.0 million for an economic development capital fund and \$36.5 million for specific economic development projects that will bring new high-wage jobs to communities across the state. The

recommendation also includes continued investment in infrastructure through the colonias program, the Tribal Infrastructure Fund, Smart Money, and the Housing Trust Fund.

**Science, Technology and Energy.**

In addition to the investments that support the energy efficiency agenda, the Governor is recommending \$4.0 million for start-up costs for New Mexico Computer Application Center and \$1.8 million to link the Center to universities and communities across New Mexico.

A budget recommendation of \$7.0 million, along with legislation, creates a Technology Development Authority that will replace the Technology Research Collaborative. This change will improve the State's ability to transition basic research to commercialization and will focus efforts on technology that is driven by needs in the market.

**Energy**

Energy Innovation and Clean Energy Fund  
*\$15.0 million*

Higher Education Energy Efficiency Fund  
*\$7.0 million*

Green Building in Public Schools  
*\$5.0 million*

State Building Green Renovations  
*\$3.0 million*

EnergySavers for Low- and Middle-Income Families  
*\$2.0 million*

**Economic Development and Infrastructure**

Roads and Transportation  
*\$90.9 million*

Economic Development Projects  
*\$46.5 million*

Colonias Infrastructure  
*\$5.0 million*

Tribal Infrastructure  
*\$5.0 million*

Smart Money  
*\$3.0 million*

Housing Trust Fund and Home Equity Program  
*\$3.0 million*

New Mexico Computing Application Center  
*\$1.8 million*

Technology Development Authority  
*\$7.0 million*

**Water and Watersheds**

River Ecosystem  
Restoration  
*\$5.0 million*

Land and Wildlife  
Projects  
*\$3.5 million*

Strategic Water Reserve  
*\$4.0 million*

Emergency Dam Repair  
*\$3.0 million*

Dam Rehabilitation and  
Renovation  
*\$6.5 million*

Pecos Settlement  
*\$5.0 million*

Water Innovation Fund  
*\$10.0 million*

Ute Pipeline  
*\$1.0 million*

Salt Basin Aquifer  
*\$1.0 million*

**Water and Watersheds.** The recommendation includes \$32.2 million for the Water Trust Fund allocation, as required by statute.

It also includes \$1.1 million and 12 FTE to improve water and wastewater infrastructure financing, monitoring, and management and \$41.5 million for continuation of water projects that promote a sustainable water future – projects for water ecosystem restoration, land and wildlife, water rights, and infrastructure.

**Health and Human Services.** In addition to the dental residency facility that is part of the *HealthSolutions New Mexico* initiative, the recommendation includes \$16.0 million for senior facilities, renovations, equipment, and transportation, \$5.0 million for the Los Lunas Substance Abuse Treatment Center, which is expected to be operational mid-2009, and \$10.0 million for the New Meadows expansion and \$2.0 million for patient health and safety upgrades at the New Mexico Behavioral Health Institute.

**Health and Human  
Services**

Dental Residency Facility  
*\$12.0 million*

Senior Projects  
*\$16.0 million*

Los Lunas Substance  
Abuse Treatment Center  
*\$5.0 million*

New Mexico Behavioral  
Health Institute  
*\$12.0 million*

Regional Wellness Center  
– Santa Fe Indian School  
*\$2.0 million*



# OPPORTUNITY TO MOVE NEW MEXICO FORWARD

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The Governor is recommending a fiscally responsible budget that works towards solutions for the needs of New Mexicans. The recommendation includes a 6.4 percent increase in recurring appropriations, a 10 percent reserve, and more than \$1.0 billion for nonrecurring and capital expenditures.

## General Fund Summary in Brief Executive Recommendation (Dollars in Millions)

	FY08	FY09
<b>Revenue</b>		
Recurring	5,902.3	6,044.0
Revenue Proposals	(1.3)	(6.7)
Nonrecurring	47.0	0.0
<b>TOTAL REVENUE</b>	<b>\$5,948.0</b>	<b>\$6,037.4</b>
<b>NEW FUNDS AFTER REVENUE INITIATIVES<sup>1</sup></b>		<b>\$362.3</b>
<b>Appropriations</b>		
Recurring	5,675.1	\$6,037.2
Nonrecurring Prior Session	49.2	0.0
Nonrecurring 2008 Session <sup>2</sup>	292.0	0.0
<b>TOTAL APPROPRIATIONS</b>	<b>\$5,997.8</b>	<b>\$6,037.2</b>
<b>TOTAL BALANCES</b>	<b>\$586.8</b>	<b>\$603.7</b>
<b>RESERVE TARGET</b>	<b>10.3%</b>	<b>10.0%</b>

1. FY09 recurring revenue above FY08 recurring appropriations.
2. Includes \$18.5 million from the "Education Lockbox."

## Revenue Growth

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In FY08, recurring General Fund revenue is expected to increase 2.6 percent over the previous fiscal year for a total of \$5.9 billion. In FY09, total recurring General Fund revenue is expected to be \$6.0 billion.

This means **\$368.9 million in "new money"** will be available for tax cuts, revenue initiatives, additional investments in health care, education, public safety, and other priorities.

*The consensus revenue projections reflect a strong and growing state economy* embedded in a national economy which faces challenges in continuing the third-longest economic expansion in history.

Policy decisions by Governor Richardson and the Legislature over the past five years have made New Mexico a better place to live, work and do business. Recent data, surveys and awards have confirmed that the state is moving in the right direction.

However, economic and revenue growth has moderated from the very high levels of the previous few years. New Mexico's job growth has moderated from the near-record job

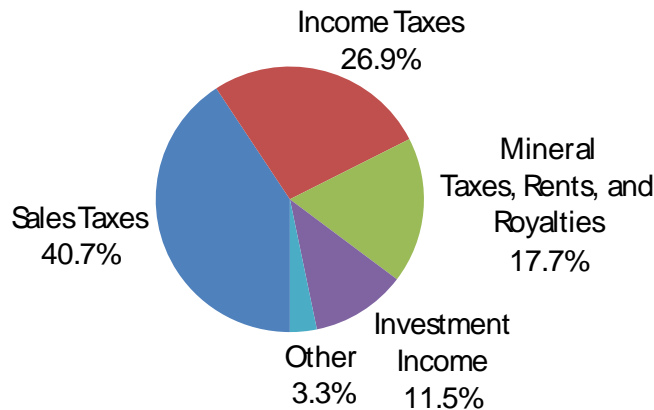
growth over the past two years – in excess of 2 percent. Job growth for both FY08 and FY09 is forecasted at 1.7 percent year-on-year. Personal income growth is also strong when compared to the rest of the nation. New Mexico’s personal income is expected to grow by 6.5 percent in FY08 and slow to 5.2 percent for FY09.

While crude oil prices continue flirting with and surpassing \$90 per barrel levels, natural gas prices have declined from peak levels reached just after Hurricanes Katrina and Rita during the early fall of 2005. Natural gas is expected to be \$6.60 per mcf for FY09, while crude oil is expected to average \$75 a barrel. The General Fund revenue estimates reflect this mixed strength in oil and natural gas prices and continued moderate growth in the broad-based revenues, including gross receipts tax and personal income tax.

**Recurring General Fund Revenue FY09**

<b>Dollars in Millions</b>	
Sales Taxes	\$2,459.3
Income Taxes	1,624.4
Mineral Taxes, Rents, and Royalties	1,067.3
Investment Income	695.4
Other	197.6
<b>TOTAL</b>	<b>\$6,044.0</b>

The Supplemental and Senior Severance Tax Bond capacity estimates also reflect the continuing strength in oil and natural gas prices.



After accounting for the recommended revenue initiatives, over \$1.0 billion is available for non-recurring purposes in the 2008 session.

**Nonrecurring Revenue Available for Appropriation**

<b>Dollars in Millions</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Supplemental Severance Tax Bonds	211.4	212.3	208.7
Senior Severance Tax Bonds	322.5	306.7	301.1
General Obligation Bonds	223.8	0	160.8
General Fund	292.0	NA	NA
<b>TOTAL</b>	<b>\$1,049.7</b>	<b>\$519.0</b>	<b>\$670.6</b>

## Recommended Recurring Appropriations

The recurring budget recommendation takes care of base spending needs and supports the Governor’s top policy priorities that provide solutions for New Mexico – including universal health coverage, energy efficiency, ethics, student achievement, and juvenile justice reform.

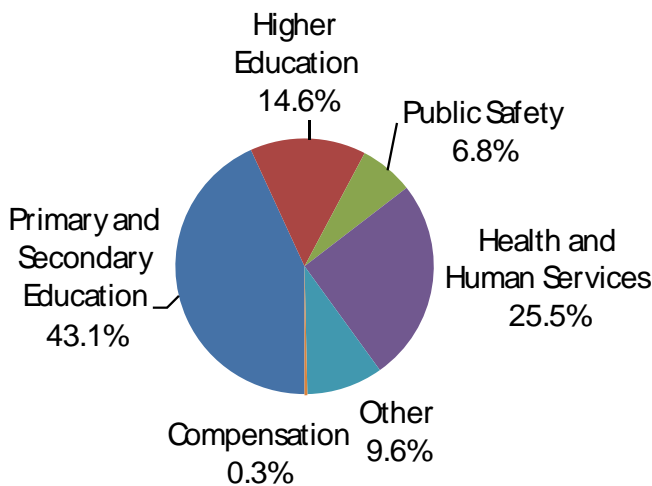
The Governor’s FY09 recurring General Fund recommendation is \$6.04 billion, a 6.4 percent increase above FY08 recurring appropriations.

Under the recommendation, primary and secondary education will increase by 4.8 percent and will account for 43 percent of the recurring General Fund appropriations.

### Recommended Recurring General Fund Appropriations for FY09

	Dollars in Millions	% Change
Primary and Secondary Education	\$2,603.7	4.8%
Higher Education	883.8	4.4%
Public Safety	410.4	7.1%
Health and Human Services	1,536.5	10.3%
Other	581.9	2.6%
Compensation	20.9	NA
<b>TOTAL</b>	<b>\$6,037.2</b>	<b>6.4%</b>

The recommendation to “open the doors” for public education is primarily driven by enrollment growth, cost increases for group health and risk insurance, increases to the educational retirement fund, inflationary costs for school transportation and cost for the next instructional material purchase.



The recurring budget also implements the next phase of the Governor’s pre-kindergarten initiative, expansion of the school breakfast program, an increase in the number of physical education teachers in elementary schools, and expanded distance learning.

Projected enrollment at New Mexico’s higher education institutions for FY09 is relatively flat, although enrollment varies significantly among institutions. Most of the recommended increase for higher education is attributed to

compensation and increases in formula funding for workload, inflationary costs such as utilities, group health and risk insurance and libraries. The higher education recommendation also includes funding for the dual credit program and expansions related to the *HealthSolutions New Mexico* initiative to strengthen the healthcare workforce.

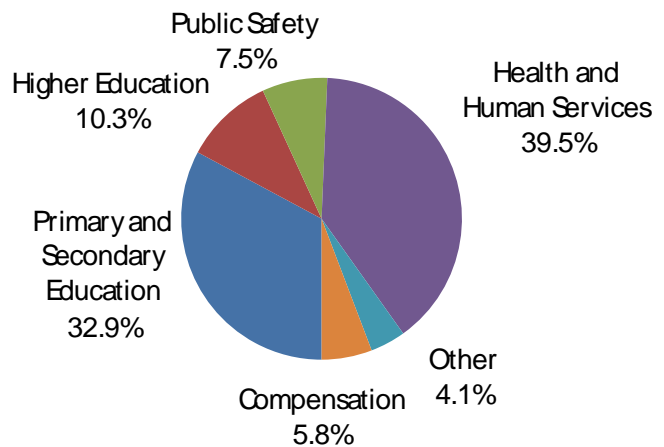
**Recommended New General Fund Appropriations for FY09**

	<b>Dollars in Millions</b>
Primary and Secondary Education	\$119.0
Higher Education	37.3
Public Safety	27.1
Health and Human Services	143.1
Other	14.7
Compensation	20.9
<b>TOTAL</b>	<b>\$362.1</b>

The most significant budget drivers for public safety are increased costs for medical services and the contract services costs associated with opening the new facility in Clayton. The male inmate population is expected to grow 0.9 percent in FY08 and 2.8 percent in FY09. The female population is projected to increase by 2.0 percent in FY08 and 5.5 percent in FY09. In addition, the recommendation includes additional funding for probation and parole, GPS monitoring of sex offenders, port-of-entry staffing, and alcohol enforcement.

The major factors affecting the health and human services budget include the loss of federal funds, Medicaid enrollment growth and Medicaid cost increases. State agencies such as the Human Service, Health and Children, Youth and Families departments saw a significant drop in federal fund support during FY06, which carried forward into FY07 and FY08 and will likely carry forward to FY09.

The General Fund for the Medicaid budget is \$806.9 million, representing \$110.2 million in new money and a 15.8 percent growth in the program. In addition to the Governor’s recommendation to expand Medicaid enrollment of children, projections show base enrollment will grow 4.5 percent with cost and utilization increasing by another 2.2 percent.



## **Taking Care of Ongoing Commitments – The Base**

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More than half of the new money available for recurring purposes is allocated to base budget increases for current commitments to provide services and another 27 percent of the new money is allocated to compensation increases.

### Recurring General Fund Revenue Outlook for FY09

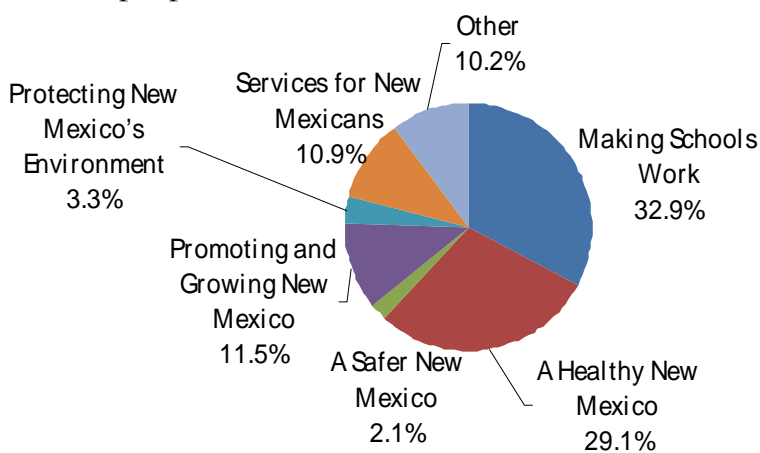
(Dollars in Millions)

<b>Sources</b>	
New Money	\$368.9
Revenue Initiatives	(6.7)
<b>Total GF Available for Appropriation</b>	<b>\$362.2</b>
<b>Uses</b>	
<b>Base Budget Increases</b>	<b>209.1</b>
Medicaid - Base	101.4
Public Schools - Base	48.9
Higher Education - Base	11.4
Corrections - Base	19.1
Other Base Increases	28.3
<b>Compensation</b>	<b>98.0</b>
Public Schools (3% for Faculty and Staff)	60.1
Higher Education (2% for Faculty and Staff)	17.0
State Agencies (2% midpoint / compa ratio; 3% law enforcement pay plan )	20.9
<b>Expansions</b>	<b>55.1</b>
Medicaid Expansion for Children	8.8
Other Health Initiatives	6.6
Continuation of Making Schools Work Initiatives	14.2
All Other Expansions	25.5

## Recommended Nonrecurring Appropriations

A total of \$292 million is available from the General Fund for nonrecurring purposes. The Governor's recommendation allocates \$141.8 million for FY08/FY09 special, supplemental and deficiency, and information technology appropriations, including, \$18.5 million for public school reform projects from the education "lockbox" established in 2004. Finally, \$150.3 million of available nonrecurring revenues is allocated to capital projects.

The Governor is recommending \$87.1 million in special appropriations from the General Fund, including \$13.7 million from the education "lockbox" for special, multi-year nonrecurring purposes.



## Recommended Nonrecurring Appropriations for FY08

Dollars in Millions	
Making Schools Work	\$46.6
A Healthy New Mexico	41.2
A Safer New Mexico	3.0
Promoting and Growing New Mexico	16.3
Protecting New Mexico's Environment	4.6
Efficient Services for New Mexicans	15.5
Other	14.5
<b>TOTAL</b>	<b>\$141.8</b>
Appropriation Type	
Special	\$87.1
Supplemental and Deficiency	41.5
Information Technology	13.1
<b>TOTAL</b>	<b>\$141.8</b>

The Governor is recommending \$41.5 million from the General Fund for state entities to finish out FY08 and make up prior year deficiencies. About \$24.6 million is dedicated to ensure that eligible children and adults receive Medicaid services during FY08.

For FY08 and FY09, the Governor recommends \$13.1 million to fund information technology projects that are ready to be implemented, including \$4.7 million from the education "lockbox".

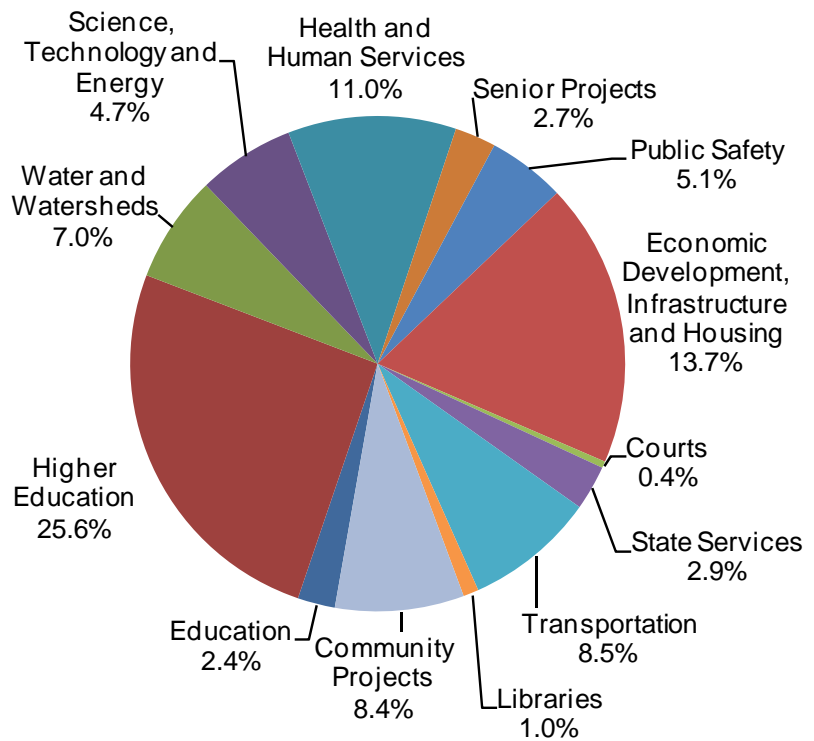
More than half of the appropriations for specials, supplementals, deficiencies, and information technology projects are for Making Schools Work and A Healthy New Mexico, 11.5 percent is for Promoting and Growing New Mexico and another 10.9 percent is for Efficient Services for New Mexicans.

## Recommended Capital Appropriations

After accounting for the commitment of \$211.2 million of Supplemental Severance Tax Bonds to public schools and other prior commitments of \$123.5 million, the Governor is recommending a total of \$593.6 million for bold capital projects – \$216.9 million in Senior Severance Tax Bonds, \$223.8 in General Obligation Bonds, \$150.3 million in General Fund, and \$2.7 million in other state funds. The Governor’s recommendation allocates the available capital dollars across thirteen policy areas, including \$151.9 million for higher education facilities, \$41.5 million for water and watershed projects, \$65.3 million for health and human services projects, \$110.3 million for economic development and infrastructure, \$50.6 million for transportation projects, and \$50.0 million for local community projects.

### Recommended Capital Appropriations

Education	14.5
Higher Education	151.9
Water and Watersheds	41.5
Science, Technology and Energy	37.6
Health and Human Services	65.3
Senior Projects	16.0
Public Safety	30.1
Economic Development and Infrastructure	110.3
Courts	2.6
State Services	17.4
Transportation	50.6
Libraries	6.0
Community Projects	50.0
<b>TOTAL</b>	<b>\$593.6</b>







**APPENDIX A**  
**REVENUE FORECAST**

*General Fund Financial Summary*

*Five-Year General Fund  
Consensus Revenue Estimates*

*Economic Indicators*



**General Fund Financial Summary**  
**December 2007 Revenue Estimate (FY07 Audited) with FY09 Executive Recommendations**

(Dollars in Millions)

	Audited FY07	Estimated FY08	Estimated FY09
<b>Appropriation Account</b>			
<b>REVENUE</b>			
Recurring Revenue, December 2007 Consensus Estimates	5,774.5	5,902.3	6,044.1
Executive Revenue Initiatives		(1.3)	(6.7)
Nonrecurring Revenue, December 2007 Consensus Estimates	0.0	47.0	-
<b>TOTAL REVENUE</b>	<b>5,774.5</b>	<b>5,948.0</b>	<b>6,037.4</b>
<b>APPROPRIATIONS</b>			
Recurring Appropriations	5,113.1	5,675.1	6,037.2
Nonrecurring Appropriations	814.3	322.7	-
<b>TOTAL APPROPRIATIONS</b>	<b>5,927.4</b>	<b>5,997.8</b>	<b>6,037.2</b>
<b>Transfer to/from General Fund Operating Reserve</b>	<b>(152.9)</b>	<b>(49.9)</b>	<b>0.1</b>
<b>General Fund Operating Reserve</b>			
Beginning Balance	359.5	155.8	104.4
Appropriations	(10.8)	(1.5)	(1.5)
Transfers In Appropriation Account	-	-	0.1
Transfers Out Appropriation Account	(152.9)	(49.9)	-
Other	(40.0)	-	-
<b>Ending Balance</b>	<b>155.8</b>	<b>104.4</b>	<b>103.0</b>
Ending Balances as a Percentage of Prior Year Recurring Appropriations	3.3%	2.0%	1.8%
<b>State Support Reserve:</b>			
Beginning Balance	-	1.0	1.0
Transfers In	1.0	-	-
<b>Ending Balance</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
<b>Appropriation Contingency Fund</b>			
Beginning Balance, Excluding Education Reform	19.9	38.7	23.7
Expenditures	(22.8)	(15.0)	(15.0)
Revenue, Transfers and Reversions	41.6	-	-
<b>Ending Balance, Excluding Education Reform</b>	<b>38.7</b>	<b>23.7</b>	<b>8.7</b>
Education Reform, Beginning Balance	79.8	74.9	56.4
Transfers Out	(4.9)	(18.5)	-
<b>Ending Balance, Education Reform</b>	<b>74.9</b>	<b>56.4</b>	<b>56.4</b>
<b>Ending Balance</b>	<b>113.6</b>	<b>80.1</b>	<b>65.1</b>
<b>Tax Stabilization Reserve</b>			
Beginning Balance	254.4	254.4	254.4
<b>Ending Balance</b>	<b>254.4</b>	<b>254.4</b>	<b>254.4</b>
Ending Balances as a Percentage of Prior Year Recurring Appropriations	5.4%	5.0%	4.5%
<b>Tobacco Settlement Permanent Fund</b>			
Beginning Balance	84.6	116.7	147.0
Transfers In, December 2006 Consensus Estimate	36.2	40.8	41.5
Transfers Out	(18.1)	(20.4)	(20.7)
Gains or (Losses)	14.0	9.9	12.5
<b>Ending Balance</b>	<b>116.7</b>	<b>147.0</b>	<b>180.3</b>
<b>Total Balances</b>	<b>641.4</b>	<b>586.8</b>	<b>603.7</b>
<b>Reserves as a Percentage of Current-year Recurring Appropriations</b>	<b>12.5%</b>	<b>10.3%</b>	<b>10.0%</b>

## **Notes to General Fund Financial Summary:**

### **Appropriation Account, Nonrecurring Appropriations:**

**FY07 includes** \$68.6809 million from the General Appropriation Act of 2006 (Laws 2006, Chapter 109); and \$0.2835 million from HB337 for judgeships (Laws 2006, Chapter 99, Sections 5 and 12); \$2.093 million from the "Junior" bill (Laws 2006, Chapter 110); and \$743.2281 million from various bills from the Laws of 2007.

### **General Fund Operating Reserve Appropriations:**

**FY07 includes** \$1.533 million for BOF Emergency Fund (Laws 2006, Chapter 109), \$700.0 contingency for water litigation (Laws 2002, Chapter 4(1st E.S.) as reauthorized by Laws 2006, Chapter 109); and \$8.6 million contingency for the spaceport (Laws 1998 (1st SS), Chapter 13, Laws 1998 (1st SS), Chapter 11 and Laws 2005, Chapter 347, Section 173).

**FY08 includes** \$1.5 million for BOF Emergency Fund.

**FY09 includes** \$1.5 million for BOF Emergency Fund.

### **Year-ending Balances in the Operating Reserve:**

Annually, if the balance in the General Fund Operating Reserve exceeds 8% of the previous year's recurring appropriations, the excess over 8% is transferred to the Tax Stabilization Reserve.

### **State Support Reserve (See Section 22-8-31 NMSA 1978):**

**FY07 includes** \$1 million transfer from the Appropriation Account (Laws 2007, Chapter 28, Section 5).

### **Appropriation Contingency Fund Appropriations:**

**FY07 includes** \$18.161 million for disaster allotments, \$2.0 million for DOH Behavioral Health Services Program (Laws 2006, Chapter 109) \$1,912.5 for Santa Fe Community College (Laws 2006, Chapter 109), and \$4.9 million to PED for education reform initiatives (Laws 2007, Chapter 28) and \$0.750 million contingency to Corrections (Laws 2005, Chapter 33, Section 4) for FY06.

**FY08 includes** \$15 million for disaster allotments.

**FY09 includes** \$15 million for disaster allotments.

### **Year-ending Balances in the Tax Stabilization Reserve:**

Annually, if the balance in the Tax Stabilization Reserve exceeds 6.0% of the previous year's recurring appropriations, the excess over 6% is transferred to the Taxpayer's Dividend Fund.

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

**APPENDIX A: TABLE 2. CONSENSUS REVENUE FORECAST**

**December 2007**

(dollars in millions) (1)

	FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012	
	Audited Actual	% Chng From FY05	Dec. 07 Prelim.	% Chng From FY06	Dec. 07 Est.	% Chng From FY07	Dec. 07 Est.	% Chng From FY08	Dec. 07 Est.	% Chng From FY09	Dec. 07 Est.	% Chng From FY10	Dec. 07 Est.	% Chng From FY11
Gross Receipts	1,689.8	11.7%	1,833.1	8.5%	1,910.0	4.2%	1,973.0	3.3%	2,034.2	3.1%	2,101.3	3.3%	2,170.7	3.3%
Compensating	51.8	17.5%	59.8	15.4%	64.0	7.0%	66.8	4.3%	69.6	4.3%	72.6	4.3%	75.7	4.3%
<b>Total General Sales Taxes</b>	<b>1,741.7</b>	<b>11.9%</b>	<b>1,892.9</b>	<b>8.7%</b>	<b>1,974.0</b>	<b>4.3%</b>	<b>2,039.8</b>	<b>3.3%</b>	<b>2,103.8</b>	<b>3.1%</b>	<b>2,173.9</b>	<b>3.3%</b>	<b>2,246.4</b>	<b>3.3%</b>
Bed surtax	13.2	-34.5%	0.6	-95.5%	0.0		0.0		0.0		0.0		0.0	
Tobacco	48.4	-0.1%	45.3	-6.4%	46.2	2.0%	46.2	0.0%	46.2	0.0%	46.2	0.0%	46.2	0.0%
Alcohol	29.3	16.6%	27.0	-8.0%	25.8	-4.4%	26.2	1.6%	26.6	1.7%	27.1	1.7%	27.6	1.7%
Insurance	103.1	8.0%	107.6	4.4%	105.7	-1.7%	108.5	2.6%	116.6	7.5%	123.1	5.5%	130.1	5.7%
Fire Protection Fund	24.6	-9.5%	19.9	-18.9%	19.1	-4.2%	18.4	-3.9%	17.5	-4.7%	16.4	-6.4%	14.7	-10.1%
Motor Vehicle Excise	121.9	2.5%	131.5	7.9%	136.0	3.4%	141.8	4.3%	147.9	4.3%	154.0	4.1%	160.5	4.2%
Gaming tax	56.7	22.3%	65.2	15.0%	68.3	4.7%	71.6	4.9%	73.4	2.4%	75.2	2.4%	77.0	2.4%
Leased Vehicle Surcharge	6.3	8.4%	5.9	-6.7%	4.7	-21.3%	4.7	0.6%	4.7	0.6%	4.7	0.4%	4.8	0.4%
Other (2)	1.9	-15.6%	2.3	22.0%	2.0	-13.0%	2.1	5.0%	2.1	0.0%	2.1	0.0%	2.2	4.8%
<b>Total Selective Sales Taxes</b>	<b>405.4</b>	<b>4.0%</b>	<b>405.3</b>	<b>0.0%</b>	<b>407.8</b>	<b>0.6%</b>	<b>419.5</b>	<b>2.9%</b>	<b>435.1</b>	<b>3.7%</b>	<b>448.8</b>	<b>3.2%</b>	<b>463.0</b>	<b>3.2%</b>
Personal Income	1,124.0	3.5%	1,163.8	3.5%	1,147.8	-1.4%	1,174.4	2.3%	1,245.2	6.0%	1,287.5	3.4%	1,330.0	3.3%
Corporate & Franchise Income	377.2	55.6%	460.5	22.1%	440.0	-4.5%	450.0	2.3%	450.0	0.0%	447.0	-0.7%	444.0	-0.7%
Estate	3.1	-36.3%	0.1	-96.8%	0.0	-100.0%	0.0		0.0		0.0		0.0	
<b>Total Income Taxes</b>	<b>1,504.3</b>	<b>12.8%</b>	<b>1,624.4</b>	<b>8.0%</b>	<b>1,587.8</b>	<b>-2.3%</b>	<b>1,624.4</b>	<b>2.3%</b>	<b>1,695.2</b>	<b>4.4%</b>	<b>1,734.5</b>	<b>2.3%</b>	<b>1,774.0</b>	<b>2.3%</b>
Oil & Gas School Tax	483.2	26.9%	431.8	-10.6%	427.9	-0.9%	420.7	-1.7%	409.4	-2.7%	400.3	-2.2%	385.0	-3.8%
Oil Conservation Tax	22.6	26.6%	19.8	-12.2%	19.7	-0.6%	19.3	-2.1%	18.8	-2.6%	18.4	-2.2%	17.7	-3.6%
Resources Excise	9.2	39.8%	13.2	44.2%	13.2	0.0%	13.2	0.0%	13.2	0.0%	13.2	0.0%	13.2	0.0%
Natural Gas Processors	26.8	23.5%	35.6	32.6%	35.3	-0.7%	32.2	-9.0%	31.7	-1.6%	31.4	-0.7%	30.6	-2.8%
<b>Total Mineral Production Taxes</b>	<b>541.8</b>	<b>26.9%</b>	<b>500.4</b>	<b>-7.6%</b>	<b>496.2</b>	<b>-0.8%</b>	<b>485.4</b>	<b>-2.2%</b>	<b>473.1</b>	<b>-2.5%</b>	<b>463.3</b>	<b>-2.1%</b>	<b>446.5</b>	<b>-3.6%</b>
<b>Total License Fees</b>	<b>49.0</b>	<b>10.6%</b>	<b>49.4</b>	<b>0.8%</b>	<b>49.7</b>	<b>0.7%</b>	<b>52.0</b>	<b>4.7%</b>	<b>54.5</b>	<b>4.7%</b>	<b>57.1</b>	<b>4.7%</b>	<b>59.8</b>	<b>4.7%</b>
Land Grant Permanent Fund	354.2	1.1%	364.7	3.0%	390.7	7.1%	433.8	11.1%	472.8	9.0%	513.1	8.5%	556.4	8.4%
Earnings on State Balances	64.2	170.5%	68.4	6.4%	79.0	15.6%	70.0	-11.4%	65.0	-7.1%	65.0	0.0%	65.0	0.0%
Severance Tax Permanent Fund	171.8	-0.8%	171.0	-0.5%	177.2	3.6%	191.6	8.2%	203.5	6.2%	215.6	6.0%	228.9	6.2%
<b>Total Investment Income</b>	<b>590.2</b>	<b>7.8%</b>	<b>604.0</b>	<b>2.3%</b>	<b>646.8</b>	<b>7.1%</b>	<b>695.4</b>	<b>7.5%</b>	<b>741.2</b>	<b>6.6%</b>	<b>793.7</b>	<b>7.1%</b>	<b>850.3</b>	<b>7.1%</b>
Federal Mineral Leasing	556.5	28.2%	501.0	-10.0%	553.7	10.5%	535.6	-3.3%	525.5	-1.9%	514.4	-2.1%	501.2	-2.6%
State Land Office	52.7	25.3%	50.4	-4.4%	47.3	-6.2%	46.3	-2.1%	45.3	-2.2%	44.1	-2.6%	42.6	-3.4%
<b>Total Rents, Royalties and Bonuses</b>	<b>609.2</b>	<b>27.9%</b>	<b>551.4</b>	<b>-9.5%</b>	<b>601.0</b>	<b>9.0%</b>	<b>581.9</b>	<b>-3.2%</b>	<b>570.7</b>	<b>-1.9%</b>	<b>558.5</b>	<b>-2.2%</b>	<b>543.7</b>	<b>-2.6%</b>
MVD Penalty Assessments	5.7	-3.2%	6.0	5.7%	6.1	1.7%	6.2	1.8%	6.3	1.6%	6.5	1.7%	6.6	1.6%
Fines & Forfeitures	8.4	2.2%	8.0	-5.4%	8.1	1.0%	8.1	1.1%	8.2	1.0%	8.3	1.1%	8.4	1.0%
Birth/Death Certificates	0.7	14.6%	0.5	-21.3%	0.5	0.0%	0.5	0.0%	0.5	0.0%	0.5	0.0%	0.5	0.0%
District Judges' Receipts	1.0	-4.4%	1.0	4.4%	1.0	-1.0%	1.0	-1.0%	1.0	0.0%	1.0	-1.0%	1.0	0.0%
Notary Public Fees	0.7	1.0%	0.0	-94.5%	0.0	-25.0%	0.0	-33.3%	0.0	0.0%	0.0	-50.0%	0.0	0.0%
Unclaimed Property	12.5	-7.1%	12.0	-4.0%	11.5	-4.5%	11.4	-0.5%	11.3	-0.5%	11.3	-0.5%	11.2	-0.5%
Law Enforcement Protection Fund			6.8		7.0	2.9%	7.3	3.0%	7.5	3.0%	7.7	3.1%	7.9	3.0%
Other Miscellaneous	10.3	-5.6%	1.1		1.2	0.9%	1.1	-0.9%	1.1	-0.9%	1.1	-0.9%	1.1	-0.9%
<b>Total Miscellaneous Receipts</b>	<b>39.3</b>	<b>-3.7%</b>	<b>35.6</b>	<b>-9.5%</b>	<b>35.4</b>	<b>-0.5%</b>	<b>35.7</b>	<b>0.9%</b>	<b>36.1</b>	<b>0.9%</b>	<b>36.4</b>	<b>1.0%</b>	<b>36.7</b>	<b>0.9%</b>
Tribal Revenue Sharing	49.5	20.0%	54.1	9.3%	64.5	19.1%	69.2	7.4%	72.7	5.0%	76.3	5.0%	80.2	5.0%
Tobacco Settlement Revenue	34.9	-8.2%	0.0	-100.0%										
Reversions	14.3	23.5%	36.9	157.5%	39.1	6.1%	40.8	4.3%	42.7	4.7%	44.7	4.7%	46.5	4.0%
<b>Total Recurring Revenue</b>	<b>5,579.6</b>	<b>13.7%</b>	<b>5,754.5</b>	<b>3.1%</b>	<b>5,902.3</b>	<b>2.6%</b>	<b>6,044.1</b>	<b>2.4%</b>	<b>6,225.0</b>	<b>3.0%</b>	<b>6,387.2</b>	<b>2.6%</b>	<b>6,547.1</b>	<b>2.5%</b>
Adjustments & Non-Recurring	-62.5	-199.5%	0.0	-100.0%	47.0		0.0		0.0		0.0		0.0	
<b>Grand Total Revenue</b>	<b>5,517.1</b>	<b>11.0%</b>	<b>5,754.5</b>	<b>4.3%</b>	<b>5,949.3</b>	<b>3.4%</b>	<b>6,044.1</b>	<b>1.6%</b>	<b>6,225.0</b>	<b>3.0%</b>	<b>6,387.2</b>	<b>2.6%</b>	<b>6,547.1</b>	<b>2.5%</b>

(1) Detail may not add to column totals due to independent rounding.

(2) Other selective sales taxes include racing, private car, boat excise, gasoline excise, and telecommunications relay surcharge 3% administrative fee.



**APPENDIX A: TABLE 3. U.S. and New Mexico Economic Indicators  
December 2007**

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
	Actual	Dec. 07 Prelim.	Dec. 07 Estimate	Dec. 07 Estimate	Dec. 07 Estimate	Dec. 07 Estimate	Dec. 07 Estimate
<b>NATIONAL ECONOMIC INDICATORS</b>							
US Real GDP Growth (% SAAR)	3.5	1.9	1.9	2.9	2.9	2.8	2.6
US Inflation Rate (CPI, %, SAAR)*	4.0	2.7	1.9	1.6	1.9	1.8	1.8
Overnight Yield (%)**	4.2	5.25	4.56	4.31	4.75	4.75	4.75
<b>NEW MEXICO LABOR MARKET AND INCOME</b>							
NM Non-Agricultural Employment Growth (%)	2.8	2.4	1.7	1.7	1.6	1.5	1.5
NM Personal Income Growth (%)***	5.9	7.6	6.5	5.2	4.8	4.8	4.9
NM Private Wages & Salaries Growth (%)	8.6	11.9	5.8	3.8	3.8	3.8	3.6
<b>CRUDE OIL AND NATURAL GAS OUTLOOK</b>							
Oil Price (\$/barrel) Gross Sales Value	\$59.00	\$60.23	\$80.00	\$75.00	\$75.00	\$75.00	\$75.00
Taxable Oil Sales (million barrels)	62.0	57.8	58.0	57.0	55.9	54.9	53.9
Gas Price (\$ per thousand cubic feet) Gross Value	\$7.46	\$6.54	\$6.40	\$6.60	\$6.57	\$6.50	\$6.35
Taxable Gas Sales (billion cubic feet)	1,510	1,493	1,463	1,434	1,405	1,377	1,349
*CPI is all-Urban consumers.							
**Overnight Yield = Federal Funds Rate							
***Personal Income growth rates are for the calendar year in which each fiscal year begins.							
Sources: December 2007 economic indicators based on November 2007 Global Insight (national) and November 2007 FOR-UNM (state).							





**APPENDIX B**  
**REVENUE INITIATIVES**



# Executive Revenue Proposals for 2008 Legislative Session

Dollars in Thousands

Purpose	General Fund				
	FY08	FY09	FY10	FY11	FY12
<b>Total</b>	<b>(1,298.2)</b>	<b>(6,694.2)</b>	<b>(4,199.2)</b>	<b>(7,564.2)</b>	<b>(7,664.2)</b>
1 High wage jobs tax credit revisions	(398.2)	(836.2)	(836.2)	(836.2)	(836.2)
2 Amendment to locomotive fuel gross receipts tax			3,300.0		
3 Cyberspace command center tax deduction		(5.0)	(38.0)	(38.0)	(38.0)
4 Tax credit for purchase of energy-efficient home heating and cooling equipment	(900.0)	(945.0)	(945.0)	(945.0)	(945.0)
5 Reduce racetrack gaming tax rate		(708.0)	(1,480.0)	(1,545.0)	(1,645.0)
6 Public campaign financing		(4,200.0)	(4,200.0)	(4,200.0)	(4,200.0)



**APPENDIX C**  
**FY09 EXECUTIVE OPERATING**  
**BUDGET RECOMMENDATIONS**



Executive Recommendation Summary

(Dollars in Thousands)

	Total Funds				General Fund			
	FY08 Operating	FY09 Recom	Dollar Change	Percent Change	FY08 Operating	FY09 Recom	Dollar Change	Percent Change
<b>Total</b>	<b>13,752,499.8</b>	<b>14,780,625.1</b>	<b>1,028,125.3</b>	<b>7.5</b>	<b>5,675,115.2</b>	<b>6,037,237.6</b>	<b>362,122.4</b>	<b>6.4</b>
<b>Legislative</b>	<b>18,808.6</b>	<b>18,808.6</b>	<b>-</b>	<b>-</b>	<b>18,808.6</b>	<b>18,808.6</b>	<b>-</b>	<b>-</b>
<b>Judicial</b>	<b>232,163.5</b>	<b>238,602.0</b>	<b>6,438.5</b>	<b>2.8</b>	<b>205,779.1</b>	<b>211,441.1</b>	<b>5,662.0</b>	<b>2.8</b>
<b>General Control</b>	<b>1,379,109.9</b>	<b>1,502,073.8</b>	<b>122,963.9</b>	<b>8.9</b>	<b>197,705.7</b>	<b>203,066.7</b>	<b>5,361.0</b>	<b>2.7</b>
<b>Commerce and Industry</b>	<b>120,264.9</b>	<b>123,107.4</b>	<b>2,842.5</b>	<b>2.4</b>	<b>58,369.0</b>	<b>59,736.7</b>	<b>1,367.7</b>	<b>2.3</b>
<b>Agriculture, Energy and Natural Resources</b>	<b>227,572.7</b>	<b>216,090.5</b>	<b>(11,482.2)</b>	<b>(5.0)</b>	<b>86,559.9</b>	<b>88,845.2</b>	<b>2,285.3</b>	<b>2.6</b>
<b>Health, Hospitals and Human Services</b>	<b>5,067,478.7</b>	<b>5,506,127.9</b>	<b>438,649.2</b>	<b>8.7</b>	<b>1,393,377.6</b>	<b>1,536,513.8</b>	<b>143,136.2</b>	<b>10.3</b>
<b>Public Safety</b>	<b>489,430.8</b>	<b>507,866.4</b>	<b>18,435.6</b>	<b>3.8</b>	<b>383,336.3</b>	<b>410,421.3</b>	<b>27,085.0</b>	<b>7.1</b>
<b>Transportation</b>	<b>804,035.3</b>	<b>806,688.6</b>	<b>2,653.3</b>	<b>0.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>
<b>Other Education</b>	<b>117,916.5</b>	<b>131,290.0</b>	<b>13,373.5</b>	<b>11.3</b>	<b>53,982.2</b>	<b>63,281.1</b>	<b>9,298.9</b>	<b>17.2</b>
<b>Higher Education</b>	<b>2,379,954.1</b>	<b>2,729,535.0</b>	<b>349,580.9</b>	<b>14.7</b>	<b>846,501.1</b>	<b>883,825.2</b>	<b>37,324.1</b>	<b>4.4</b>
<b>Public School Support</b>	<b>2,915,764.8</b>	<b>2,979,559.0</b>	<b>63,794.2</b>	<b>2.2</b>	<b>2,430,695.7</b>	<b>2,540,422.0</b>	<b>109,726.3</b>	<b>4.5</b>
<b>State Employee Compensation</b>	<b>-</b>	<b>20,875.9</b>	<b>20,875.9</b>	<b>-</b>	<b>-</b>	<b>20,875.9</b>	<b>20,875.9</b>	<b>-</b>
111 Legislative Council Service	5,589.0	5,589.0	-	-	5,589.0	5,589.0	-	-
112 Legislative Finance Committee	4,110.1	4,110.1	-	-	4,110.1	4,110.1	-	-
114 Senate Chief Clerk	1,140.1	1,140.1	-	-	1,140.1	1,140.1	-	-
115 House Chief Clerk	1,129.6	1,129.6	-	-	1,129.6	1,129.6	-	-
117 Legislative Education Study Committee	1,236.5	1,236.5	-	-	1,236.5	1,236.5	-	-
119 Legislative Building Services	3,916.4	3,916.4	-	-	3,916.4	3,916.4	-	-
131 Legislature	1,686.9	1,686.9	-	-	1,686.9	1,686.9	-	-
<b>Legislative</b>	<b>18,808.6</b>	<b>18,808.6</b>	<b>-</b>	<b>-</b>	<b>18,808.6</b>	<b>18,808.6</b>	<b>-</b>	<b>-</b>
205 Supreme Court Law Library	1,785.9	1,807.0	21.1	1.2	1,784.5	1,805.6	21.1	1.2
208 New Mexico Compilation	1,585.9	1,596.5	10.6	0.7	147.0	167.6	20.6	14.0
210 Judicial Standards Commission	802.2	837.1	34.9	4.4	802.2	837.1	34.9	4.4
215 Court of Appeals	5,512.4	5,651.0	138.6	2.5	5,511.4	5,650.0	138.6	2.5
216 Supreme Court	3,003.4	3,016.9	13.5	0.4	3,003.4	3,016.9	13.5	0.4
218 Administrative Office of the Courts	52,730.4	52,999.9	269.5	0.5	41,970.4	42,201.3	230.9	0.6
219 Supreme Court Building Commission	761.6	780.4	18.8	2.5	761.6	780.4	18.8	2.5
231 First Judicial District Court	7,336.5	7,932.8	596.3	8.1	6,474.0	7,023.1	549.1	8.5
232 Second Judicial District Court	24,113.9	24,386.4	272.5	1.1	21,793.9	21,935.9	142.0	0.7
233 Third Judicial District Court	7,200.2	7,783.3	583.1	8.1	6,471.5	6,933.4	461.9	7.1
234 Fourth Judicial District Court	2,142.6	2,288.5	145.9	6.8	2,100.7	2,228.5	127.8	6.1
235 Fifth Judicial District Court	6,594.8	6,643.0	48.2	0.7	6,146.6	6,188.9	42.3	0.7
236 Sixth Judicial District Court	3,165.0	3,178.7	13.7	0.4	3,037.6	3,079.4	41.8	1.4
237 Seventh Judicial District Court	2,701.2	2,778.1	76.9	2.8	2,304.9	2,334.6	29.7	1.3
238 Eighth Judicial District Court	2,709.9	3,191.6	481.7	17.8	2,531.3	3,040.6	509.3	20.1
239 Ninth Judicial District Court	3,872.5	4,094.8	222.3	5.7	3,334.3	3,334.3	-	-
240 Tenth Judicial District Court	762.2	787.4	25.2	3.3	745.1	765.9	20.8	2.8
241 Eleventh Judicial District Court	6,214.4	6,483.8	269.4	4.3	5,600.9	5,798.8	197.9	3.5
242 Twelfth Judicial District Court	3,310.6	3,350.9	40.3	1.2	3,174.5	3,210.9	36.4	1.1
243 Thirteenth Judicial District Court	6,856.6	6,965.2	108.6	1.6	6,221.6	6,344.9	123.3	2.0
244 Bernalillo County Metropolitan Court	26,223.3	26,298.4	75.1	0.3	22,627.4	23,199.9	572.5	2.5
251 First Judicial District Attorney	5,142.5	5,219.1	76.6	1.5	4,771.0	5,045.9	274.9	5.8
252 Second Judicial District Attorney	17,979.7	18,588.3	608.6	3.4	16,867.7	17,483.5	615.8	3.7
253 Third Judicial District Attorney	5,043.2	5,510.4	467.2	9.3	4,185.8	4,383.6	197.8	4.7
254 Fourth Judicial District Attorney	3,312.1	3,369.2	57.1	1.7	3,312.1	3,369.2	57.1	1.7
255 Fifth Judicial District Attorney	4,395.8	4,516.4	120.6	2.7	4,395.8	4,501.4	105.6	2.4
256 Sixth Judicial District Attorney	2,786.3	2,929.0	142.7	5.1	2,471.0	2,598.8	127.8	5.2
257 Seventh Judicial District Attorney	2,409.9	2,437.0	27.1	1.1	2,380.3	2,437.0	56.7	2.4
258 Eighth Judicial District Attorney	2,571.3	2,730.2	158.9	6.2	2,571.3	2,730.2	158.9	6.2
259 Ninth Judicial District Attorney	2,714.7	2,780.5	65.8	2.4	2,714.7	2,780.5	65.8	2.4
260 Tenth Judicial District Attorney	980.0	1,031.3	51.3	5.2	980.0	1,031.3	51.3	5.2
261 Eleventh Judicial District Attorney, Division I	3,531.9	3,825.9	294.0	8.3	3,423.6	3,467.9	44.3	1.3
262 Twelfth Judicial District Attorney	2,859.7	3,185.7	326.0	11.4	2,551.4	2,556.9	5.5	0.2
263 Thirteenth Judicial District Attorney	4,641.6	4,992.1	350.5	7.6	4,397.1	4,745.1	348.0	7.9
264 Administrative Office of the District Attorneys	2,262.2	2,449.2	187.0	8.3	2,091.9	2,299.2	207.3	9.9
265 Eleventh Judicial District Attorney, Division II	2,147.1	2,186.0	38.9	1.8	2,120.6	2,132.6	12.0	0.6
<b>Judicial</b>	<b>232,163.5</b>	<b>238,602.0</b>	<b>6,438.5</b>	<b>2.8</b>	<b>205,779.1</b>	<b>211,441.1</b>	<b>5,662.0</b>	<b>2.8</b>
305 Attorney General	17,151.6	17,511.4	359.8	2.1	15,570.0	15,814.9	244.9	1.6
308 State Auditor	3,326.0	3,293.1	(32.9)	(1.0)	2,691.1	2,693.3	2.2	0.1

**Executive Recommendation Summary**

(Dollars in Thousands)

	Total Funds				General Fund			
	FY08 Operating	FY09 Recom	Dollar Change	Percent Change	FY08 Operating	FY09 Recom	Dollar Change	Percent Change
333 Taxation and Revenue Department	84,380.2	84,698.6	318.4	0.4	67,805.5	68,604.8	799.3	1.2
337 State Investment Council	29,794.7	33,471.4	3,676.7	12.3	-	-	-	-
341 Department of Finance and Administration	88,060.1	92,582.3	4,522.2	5.1	30,326.5	31,688.4	1,361.9	4.5
342 Public School Insurance Authority	321,515.7	344,063.2	22,547.5	7.0	-	-	-	-
343 Retiree Health Care Authority	187,398.6	212,223.8	24,825.2	13.2	8.9	10.0	1.1	12.4
350 General Services Department	471,811.8	526,610.0	54,798.2	11.6	16,776.9	17,655.3	878.4	5.2
352 Educational Retirement Board	30,051.2	32,348.9	2,297.7	7.6	-	-	-	-
354 New Mexico Sentencing Commission	819.9	849.9	30.0	3.7	819.9	819.9	-	-
355 Public Defender Department	41,178.6	42,277.0	1,098.4	2.7	41,028.6	42,093.0	1,064.4	2.6
356 Governor	4,613.2	4,661.0	47.8	1.0	4,613.2	4,661.0	47.8	1.0
360 Lieutenant Governor	828.2	843.4	15.2	1.8	828.2	843.4	15.2	1.8
361 Department of Information Technology	45,493.2	48,995.6	3,502.4	7.7	1,138.8	1,057.0	(81.8)	(7.2)
366 Public Employees Retirement Association	36,036.1	39,796.8	3,760.7	10.4	-	-	-	-
369 State Commission of Public Records	3,103.3	3,142.5	39.2	1.3	2,923.9	2,950.8	26.9	0.9
370 Secretary of State	4,310.8	4,665.7	354.9	8.2	4,006.8	4,215.7	208.9	5.2
378 Personnel Board	4,601.7	4,665.6	63.9	1.4	4,541.7	4,605.6	63.9	1.4
379 Public Employee Labor Relations Board	339.9	342.2	2.3	0.7	339.9	342.2	2.3	0.7
394 State Treasurer	4,295.1	4,531.4	236.3	5.5	4,285.8	4,511.4	225.6	5.3
399 State Ethics Commission	-	500.0	500.0	-	-	500.0	500.0	-
<b>General Control</b>	<b>1,379,109.9</b>	<b>1,502,073.8</b>	<b>122,963.9</b>	<b>8.9</b>	<b>197,705.7</b>	<b>203,066.7</b>	<b>5,361.0</b>	<b>2.7</b>
404 Board of Examiners for Architects	349.0	349.0	-	-	-	-	-	-
417 Border Authority	624.1	561.6	(62.5)	(10.0)	521.3	516.6	(4.7)	(0.9)
418 Tourism Department	16,853.1	17,077.6	224.5	1.3	11,286.8	11,286.8	-	-
419 Economic Development Department	9,382.0	9,386.0	4.0	0.0	9,382.0	9,386.0	4.0	0.0
420 Regulation and Licensing Department	26,779.2	27,177.3	398.1	1.5	16,698.1	16,998.2	300.1	1.8
430 Public Regulation Commission	34,496.2	35,451.0	954.8	2.8	11,165.6	11,345.4	179.8	1.6
446 Medical Board	1,492.7	1,596.4	103.7	6.9	-	80.0	80.0	-
449 Board of Nursing	1,745.0	1,891.2	146.2	8.4	-	-	-	-
460 New Mexico State Fair	15,043.4	15,391.4	348.0	2.3	-	348.0	348.0	-
464 State Board of Licensure for Engineers & Land Surveyors	605.0	649.9	44.9	7.4	-	-	-	-
465 Gaming Control Board	6,332.6	6,332.6	-	-	6,332.6	6,332.6	-	-
469 State Racing Commission	2,363.1	2,363.1	-	-	2,363.1	2,363.1	-	-
479 Board of Veterinary Medicine	294.6	287.3	(7.3)	(2.5)	-	-	-	-
490 Cumbres and Toltec Scenic Railroad Commission	3,385.4	3,613.0	227.6	6.7	100.0	100.0	-	-
491 Office of Military Base Planning and Support	154.3	154.3	-	-	154.3	154.3	-	-
495 Spaceport Authority	365.2	825.7	460.5	126.1	365.2	825.7	460.5	126.1
<b>Commerce and Industry</b>	<b>120,264.9</b>	<b>123,107.4</b>	<b>2,842.5</b>	<b>2.4</b>	<b>58,369.0</b>	<b>59,736.7</b>	<b>1,367.7</b>	<b>2.3</b>
505 Cultural Affairs Department	44,391.3	45,658.9	1,267.6	2.9	32,728.5	33,737.0	1,008.5	3.1
508 New Mexico Livestock Board	7,024.5	6,552.6	(471.9)	(6.7)	1,726.5	1,921.6	195.1	11.3
516 Department of Game and Fish	35,876.4	36,108.5	232.1	0.6	333.1	333.1	-	-
521 Energy, Minerals and Natural Resources Department	69,824.8	63,580.7	(6,244.1)	(8.9)	25,923.5	26,973.3	1,049.8	4.0
522 Youth Conservation Corps	2,428.7	2,775.4	346.7	14.3	-	-	-	-
538 Intertribal Ceremonial Office	177.9	179.7	1.8	1.0	157.9	159.7	1.8	1.1
539 Commissioner of Public Lands	13,724.8	13,724.8	-	-	-	-	-	-
550 State Engineer	53,735.4	47,118.6	(6,616.8)	(12.3)	25,387.5	25,417.6	30.1	0.1
569 Organic Commodity Commission	388.9	391.3	2.4	0.6	302.9	302.9	-	-
<b>Agriculture, Energy and Natural Resources</b>	<b>227,572.7</b>	<b>216,090.5</b>	<b>(11,482.2)</b>	<b>(5.0)</b>	<b>86,559.9</b>	<b>88,845.2</b>	<b>2,285.3</b>	<b>2.6</b>
601 Commission on the Status of Women	2,173.5	2,129.8	(43.7)	(2.0)	629.8	629.8	-	-
603 Office of African American Affairs	1,161.7	823.8	(337.9)	(29.1)	1,161.7	823.8	(337.9)	(29.1)
604 Commission for the Deaf and Hard-of-Hearing Persons	4,133.3	3,921.6	(211.7)	(5.1)	-	-	-	-
605 Martin Luther King, Jr. Commission	402.1	404.0	1.9	0.5	402.1	404.0	1.9	0.5
606 Commission for the Blind	8,616.5	8,120.3	(496.2)	(5.8)	2,005.0	2,046.1	41.1	2.0
609 Indian Affairs Department	3,954.5	4,052.0	97.5	2.5	3,454.5	3,513.1	58.6	1.7
624 Aging and Long-Term Services Department	64,136.6	65,184.9	1,048.3	1.6	46,911.7	48,541.5	1,629.8	3.5
630 Human Services Department	3,783,057.7	4,210,103.9	427,046.2	11.3	817,227.1	939,074.5	121,847.4	14.9
631 Workforce Solutions Department	63,490.9	56,144.0	(7,346.9)	(11.6)	7,262.9	7,846.9	584.0	8.0



**Executive Recommendation Summary**

(Dollars in Thousands)

	Total Funds				General Fund			
	FY08 Operating	FY09 Recom	Dollar Change	Percent Change	FY08 Operating	FY09 Recom	Dollar Change	Percent Change
632 Workers' Compensation Administration	12,387.9	12,652.9	265.0	2.1	-	-	-	-
644 Division of Vocational Rehabilitation	46,207.3	45,860.3	(347.0)	(0.8)	6,126.5	6,287.2	160.7	2.6
645 Governor's Commission on Disability	856.6	862.2	5.6	0.7	856.6	862.2	5.6	0.7
647 Developmental Disabilities Planning Council	4,367.0	4,771.6	404.6	9.3	3,801.1	4,211.1	410.0	10.8
662 Miners' Hospital of New Mexico	27,688.1	28,260.8	572.7	2.1	-	-	-	-
665 Department of Health	560,036.2	565,874.4	5,838.2	1.0	286,415.5	293,653.7	7,238.2	2.5
667 Department of Environment	104,535.6	107,188.2	2,652.6	2.5	16,354.0	17,254.2	900.2	5.5
668 Office of the Natural Resources Trustee	417.5	417.5	-	-	417.5	417.5	-	-
669 New Mexico Health Policy Commission	1,332.3	1,413.6	81.3	6.1	1,331.2	1,411.4	80.2	6.0
670 Veterans' Services Department	3,739.3	3,298.7	(440.6)	(11.8)	3,167.9	3,147.3	(20.6)	(0.7)
690 Children, Youth and Families Department	374,784.1	384,643.4	9,859.3	2.6	195,852.5	206,389.5	10,537.0	5.4
<b>Health, Hospitals and Human Services</b>	<b>5,067,478.7</b>	<b>5,506,127.9</b>	<b>438,649.2</b>	<b>8.7</b>	<b>1,393,377.6</b>	<b>1,536,513.8</b>	<b>143,136.2</b>	<b>10.3</b>
705 Department of Military Affairs	19,054.5	19,855.1	800.6	4.2	7,436.9	7,595.0	158.1	2.1
760 Parole Board	488.1	554.5	66.4	13.6	488.1	554.5	66.4	13.6
765 Juvenile Parole Board	434.4	437.6	3.2	0.7	434.4	437.6	3.2	0.7
770 Corrections Department	299,516.1	321,462.0	21,945.9	7.3	277,387.7	298,289.1	20,901.4	7.5
780 Crime Victims Reparation Commission	7,727.4	7,492.1	(235.3)	(3.0)	2,242.8	2,252.1	9.3	0.4
790 Department of Public Safety	122,801.3	121,581.4	(1,219.9)	(1.0)	92,038.3	97,890.2	5,851.9	6.4
795 Homeland Security and Emergency Management Department	39,409.0	36,483.7	(2,925.3)	(7.4)	3,308.1	3,402.8	94.7	2.9
<b>Public Safety</b>	<b>489,430.8</b>	<b>507,866.4</b>	<b>18,435.6</b>	<b>3.8</b>	<b>383,336.3</b>	<b>410,421.3</b>	<b>27,085.0</b>	<b>7.1</b>
805 Department of Transportation	804,035.3	806,688.6	2,653.3	0.3	-	-	-	-
<b>Transportation</b>	<b>804,035.3</b>	<b>806,688.6</b>	<b>2,653.3</b>	<b>0.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>
924 Public Education Department	36,422.2	47,968.0	11,545.8	31.7	14,956.3	17,166.5	2,210.2	14.8
925 Public Education Department - Special Appropriations	39,025.9	46,114.6	7,088.7	18.2	39,025.9	46,114.6	7,088.7	18.2
930 Regional Education Cooperatives	36,449.7	30,931.4	(5,518.3)	(15.1)	-	-	-	-
940 Public School Facilities Authority	6,018.7	6,276.0	257.3	4.3	-	-	-	-
<b>Other Education</b>	<b>117,916.5</b>	<b>131,290.0</b>	<b>13,373.5</b>	<b>11.3</b>	<b>53,982.2</b>	<b>63,281.1</b>	<b>9,298.9</b>	<b>17.2</b>
950 Higher Education Department	88,918.1	94,085.9	5,167.8	5.8	44,506.8	49,674.6	5,167.8	11.6
952 University of New Mexico	1,253,485.8	1,224,611.1	(28,874.7)	(2.3)	319,451.8	324,146.6	4,694.8	1.5
954 New Mexico State University	356,473.6	599,520.1	243,046.5	68.2	201,196.8	209,396.1	8,199.3	4.1
956 New Mexico Highlands University	61,207.9	62,628.8	1,420.9	2.3	33,007.9	32,942.8	(65.1)	(0.2)
958 Western New Mexico University	27,040.4	35,128.0	8,087.6	29.9	19,616.6	19,758.0	141.4	0.7
960 Eastern New Mexico University	73,919.5	113,058.9	39,139.4	52.9	48,771.4	48,215.9	(555.5)	(1.1)
962 New Mexico Institute of Mining and Technology	147,190.8	161,181.8	13,991.0	9.5	40,281.1	39,581.8	(699.3)	(1.7)
964 Northern New Mexico College	20,590.2	22,080.4	1,490.2	7.2	11,190.9	11,114.4	(76.5)	(0.7)
966 Santa Fe Community College	43,128.9	45,292.4	2,163.5	5.0	15,329.2	14,309.4	(1,019.8)	(6.7)
968 Central New Mexico Community College	137,745.4	146,524.7	8,779.3	6.4	55,245.4	53,438.7	(1,806.7)	(3.3)
970 Luna Community College	15,875.4	16,389.6	514.2	3.2	8,417.9	7,996.6	(421.3)	(5.0)
972 Mesalands Community College	5,121.2	7,230.3	2,109.1	41.2	2,811.0	3,062.3	251.3	8.9
974 New Mexico Junior College	21,907.7	28,774.0	6,866.3	31.3	7,000.0	7,825.0	825.0	11.8
976 San Juan College	55,616.7	67,627.6	12,010.9	21.6	21,210.2	22,446.6	1,236.4	5.8
977 Clovis Community College	14,380.0	23,721.4	9,341.4	65.0	10,422.0	9,821.4	(600.6)	(5.8)
978 New Mexico Military Institute	26,857.5	30,107.4	3,249.9	12.1	1,763.5	1,913.4	149.9	8.5
979 New Mexico School for the Blind and Visually Impaired	12,655.2	11,906.9	(748.3)	(5.9)	306.4	277.9	(28.5)	(9.3)
980 New Mexico School for the Deaf	15,738.4	16,291.9	553.5	3.5	3,870.8	4,529.9	659.1	17.0
982 Higher Education Compensation <sup>(1)</sup>	2,101.4	23,373.8	21,272.4	-	2,101.4	23,373.8	21,272.4	-
<b>Higher Education</b>	<b>2,379,954.1</b>	<b>2,729,535.0</b>	<b>349,580.9</b>	<b>14.7</b>	<b>846,501.1</b>	<b>883,825.2</b>	<b>37,324.1</b>	<b>4.4</b>
993 Public School Support	2,915,764.8	2,919,429.0	3,664.2	0.1	2,430,695.7	2,480,292.0	49,596.3	2.0
994 Public School Compensation	-	60,130.0	60,130.0	-	-	60,130.0	60,130.0	-
<b>Public School Support</b>	<b>2,915,764.8</b>	<b>2,979,559.0</b>	<b>63,794.2</b>	<b>2.2</b>	<b>2,430,695.7</b>	<b>2,540,422.0</b>	<b>109,726.3</b>	<b>4.5</b>
<b>State Employee Compensation</b>	<b>-</b>	<b>20,875.9</b>	<b>20,875.9</b>	<b>-</b>	<b>-</b>	<b>20,875.9</b>	<b>20,875.9</b>	<b>-</b>

(1) FY08 amount represents undistributed compensation that will be reverted to the State General Fund.



**APPENDIX D**  
**FY08 AND FY09 NONRECURRING**  
**BUDGET RECOMMENDATIONS**

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



## FY08 and FY09 Special, Supplemental and Deficiency, and Information Technology Appropriation Recommendations

(Dollars in Thousands)

Code	Agency	Fiscal Year	Ed Ref	General Fund	Other State Funds	Internal Services/ Inter-agency	Federal Funds	Total	Purpose
				141,793.7	4,241.0	211.6	1,713.1	147,959.4	
				87,112.9	1,244.7	211.6	216.7	88,785.9	
				41,548.9	230.1	-	1,496.4	43,275.4	
				13,131.9	2,766.2	-	-	15,898.1	
<b>Special:</b>									
131	Legislature	2008-2009		5,300.0	-	-	-	5,300.0	Session expenses
218	Administrative Office of the Courts	2008-2009		827.3	-	-	-	827.3	Capital and information technology
218	Administrative Office of the Courts	2008-2009		100.0	-	-	-	100.0	Modular work stations for clerks
218	Administrative Office of the Courts	2008-2009		150.0	-	-	-	150.0	Court furnishings
218	Administrative Office of the Courts	2008-2009		950.0	-	-	-	950.0	Metro court bonds
256	Sixth Judicial District Attorney	2008-2009		-	-	78.0	-	78.0	Replace vehicles, computers and printers
260	Tenth Judicial District Attorney	2008-2009		-	-	133.6	-	133.6	Replace old computers, furniture and other equipment
305	Attorney General	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend \$2.4 million appropriation for water litigation
333	Taxation and Revenue Department	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend \$500.0 appropriation for ONGARD
333	Taxation and Revenue Department	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend \$1.5 million appropriation for centralized issuance system
333	Taxation and Revenue Department	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend \$2 million appropriation for MVD needs assessment
333	Taxation and Revenue Department	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend \$230.0 appropriation to revise MVD "agent" agreements
333	Taxation and Revenue Department	2008-2009		1,000.0	-	-	-	1,000.0	Replace desktops and stand alone kiosks
341	Department of Finance and Administration	2008-2009		Language recommended	-	-	-	-	Authorize additional uses of appropriation for the boys' and girls' club in Abiquiu in Rio Arriba County
341	Department of Finance and Administration	2008-2009		550.0	-	-	-	550.0	Collect data for Local Update Census Addresses (LUCA) Program
341	Department of Finance and Administration	2008-2009		163.4	-	-	-	163.4	Office of Education Accountability evaluation of K-3 Plus Program
341	Department of Finance and Administration	2008-2009		170.0	-	-	-	170.0	Filenet software upgrade for imaging program
341	Department of Finance and Administration	2008-2009		75.0	-	-	-	75.0	Driving while intoxicated curriculum in the schools
341	Department of Finance and Administration	2008-2009		250.0	-	-	-	250.0	Consulting services for the additional expertise to analyze policy options regarding RHCA solvency
355	Public Defender Department	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend \$870.0 appropriation for Santa Rosa prison riot cases
355	Public Defender Department	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend \$300.0 appropriation to provide a contract fee structure
355	Public Defender Department	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend \$250.0 appropriation for drug cartel litigation expenses

## FY08 and FY09 Special, Supplemental and Deficiency, and Information Technology Appropriation Recommendations

(Dollars in Thousands)

Code	Agency	Fiscal Year	Ed Ref	General Fund	Other State Funds	Internal Services/ Inter-agency	Federal Funds	Total	Purpose
361	Department of Information Technology	2008-2009		4,000.0	-	-	-	4,000.0	Staffing and operations expenses for New Mexico computing applications center
361	Department of Information Technology	2008-2009		935.0	-	-	-	935.0	SHARE training program
370	Secretary of State	2008-2009		3,000.0	-	-	-	3,000.0	General election
417	Border Authority	2008-2009		75.0	-	-	-	75.0	Update computer equipment
418	Tourism Department	2008-2009		500.0	-	-	-	500.0	Advertise and promote New Mexico Bowl
418	Tourism Department	2008-2009		5,000.0	-	-	-	5,000.0	Advertise and promote New Mexico
419	Economic Development Department	2008-2009		8,000.0	-	-	-	8,000.0	Job training incentive program
419	Economic Development Department	2008-2009		1,000.0	-	-	-	1,000.0	X-Prize
420	Regulation and Licensing Department	2008-2009		60.0	-	-	-	60.0	Construction Industries Division wireless connectivity
420	Regulation and Licensing Department	2008-2009		100.0	-	-	-	100.0	Construction Industries Division Save Smart Energy Conservation Building Program
420	Regulation and Licensing Department	2008-2009		200.0	-	-	-	200.0	Legal services
430	Public Regulation Commission	2008-2009		844.0	-	-	-	844.0	Rent for Marian Hall
430	Public Regulation Commission	2008-2009		30.0	-	-	-	30.0	Qwest performance assurance plan
430	Public Regulation Commission	2008-2009		170.0	-	-	-	170.0	Replace eight vehicles with excessive mileage
430	Public Regulation Commission	2008-2009		-	50.0	-	-	50.0	Repair fire fighter training academy parking lot
430	Public Regulation Commission	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend \$299.5 appropriation for IT system enhancements
505	Cultural Affairs Department	2008-2009		250.0	-	-	-	250.0	History museum collection and staff move
505	Cultural Affairs Department	2008-2009		100.0	-	-	-	100.0	Museum of New Mexico 100th anniversary and opening of New Mexico History Museum
505	Cultural Affairs Department	2008-2009		500.0	-	-	-	500.0	New Mexico statehood centennial
505	Cultural Affairs Department	2008-2009		359.8	-	-	-	359.8	Information technology upgrades and replacements
521	Energy, Minerals and Natural Resources Department	2008-2009		246.6	-	-	-	246.6	Vehicles for the Healthy Forests Program
521	Energy, Minerals and Natural Resources Department	2008-2009		1,000.0	-	-	-	1,000.0	Renewable Energy Transmission Authority
539	Commissioner of Public Lands	2008-2009		-	500.0	-	-	500.0	Remediation projects
550	State Engineer	2008-2009		300.0	-	-	-	300.0	Statutory update to the state water plan
550	State Engineer	2008-2009		250.0	-	-	-	250.0	Educational workshops, decision support model
601	Commission on the Status of Women	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend \$14.0 appropriation for the 2008 National Association of Commissions for Women

## FY08 and FY09 Special, Supplemental and Deficiency, and Information Technology Appropriation Recommendations

(Dollars in Thousands)

Code	Agency	Fiscal Year	Ed Ref	General Fund	Other State Funds	Internal Services/ Inter-agency	Federal Funds	Total	Purpose
624	Aging and Long-Term Services Department	2008-2009		250.0	-	-	-	250.0	Network upgrades
630	Human Services Department	2008-2009		250.0	-	-	-	250.0	External quality review
630	Human Services Department	2008-2009		1,321.5	-	-	-	1,321.5	Create Health Coverage Authority
630	Human Services Department	2008-2009		1,350.0	-	-	-	1,350.0	Food stamp penalty
630	Human Services Department	2008-2009		90.0	-	-	-	90.0	Behavior health consumer operations program (1st Lady's Initiative)
630	Human Services Department	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend appropriations to replace Income Support Division computer system
630	Human Services Department	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend \$2 million appropriation for eligibility determination
630	Human Services Department	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend appropriations to address federal TANF program changes
630	Human Services Department	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend appropriations for the social services architecture plan
630	Human Services Department	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend appropriations to image and archive documents
631	Workforce Solutions Department	2008-2009		2,500.0	-	-	-	2,500.0	Fund operations as nonrecurring for two years until trust fund revenues come in
632	Workers' Compensation Administration	2008-2009		-	694.7	-	-	694.7	Medical cost study on New Mexico workers' compensation claims
665	Department of Health	2008-2009		550.0	-	-	-	550.0	Telehealth
665	Department of Health	2008-2009		200.0	-	-	-	200.0	Legal services
667	Department of Environment	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend \$295,000 to clean up Terrero mine site
667	Department of Environment	2008-2009		458.6	-	-	-	458.6	Lower Rio Grande water quality program
667	Department of Environment	2008-2009		167.0	-	-	-	167.0	Statewide river ecosystem rapid assessment tool
670	Veterans' Services Department	2008-2009		Contingency recommended	-	-	-	-	Appropriation for services for homeless veterans contingent on no availability of federal funds
690	Children, Youth and Families Department	2008-2009		380.2	-	-	-	380.2	Forty-two vehicles
690	Children, Youth and Families Department	2008-2009		1,076.5	-	-	-	1,076.5	Implement Missouri model
690	Children, Youth and Families Department	2008-2009		250.0	-	-	216.7	466.7	Replace current microfilmed adoption case files
690	Children, Youth and Families Department	2008-2009		500.0	-	-	-	500.0	Healthy babies
770	Corrections Department	2008-2009		100.0	-	-	-	100.0	Kitchen equipment for various facilities
770	Corrections Department	2008-2009		500.0	-	-	-	500.0	Equipment and security improvements at facilities and probation and parole
770	Corrections Department	2008-2009		688.2	-	-	-	688.2	Various equipment, software and vehicles
790	Department of Public Safety	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend \$850.0 appropriation to rewire state police district offices

## FY08 and FY09 Special, Supplemental and Deficiency, and Information Technology Appropriation Recommendations

(Dollars in Thousands)

Code	Agency	Fiscal Year	Ed Ref	General Fund	Other State Funds	Internal Services/ Inter-agency	Federal Funds	Total	Purpose
790	Department of Public Safety	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend \$3 million appropriation for NMLETs project
790	Department of Public Safety	2008-2009		692.6	-	-	-	692.6	Digital cameras in patrol cars
924	Public Education Department	2008-2009		5,000.0	-	-	-	5,000.0	Assessment and test development
924	Public Education Department	2008-2009		3,994.2	-	-	-	3,994.2	Pre-kindergarten start-up costs
924	Public Education Department	2008-2009		6,300.0	-	-	-	6,300.0	Supplemental support to school districts experiencing operational shortfalls
924	Public Education Department	2008-2009		95.0	-	-	-	95.0	Westside school district feasibility study
924	Public Education Department	2008-2009	√	2,000.0	-	-	-	2,000.0	High school redesign
924	Public Education Department	2008-2009		500.0	-	-	-	500.0	School for the arts (1st Lady's Initiative)
924	Public Education Department	2008-2009	√	10,000.0	-	-	-	10,000.0	School improvement framework
924	Public Education Department	2008-2009	√	750.0	-	-	-	750.0	Statewide language arts and science voluntary curriculum development
924	Public Education Department	2008-2009	√	1,000.0	-	-	-	1,000.0	Parental training and involvement
924	Public Education Department	2008-2009		1,000.0	-	-	-	1,000.0	Regional Educational Cooperatives' operations
924	Public Education Department	2008-2009		1,598.0	-	-	-	1,598.0	Incentives for School Improvement Fund
924	Public Education Department	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend \$250.0 for the New Mexico outdoor classroom initiative
924	Public Education Department	2008-2009		Language recommended	-	-	-	-	Extend period of time to expend \$1.5 million for the eleventh grade exit examination
924	Public Education Department	2008-2009		450.0	-	-	-	450.0	Data utilization campaign
924	Public Education Department	2008-2009		250.0	-	-	-	250.0	Summer day camp in Santa Fe
950	Higher Education Department	2008-2009		1,000.0	-	-	-	1,000.0	Lambda rail membership
954	New Mexico State University New Mexico Department of Agriculture	2008-2009		500.0	-	-	-	500.0	Acequia and community ditch fund
952	University of New Mexico Health Sciences Center	2008-2009		2,000.0	-	-	-	2,000.0	Stem cell research
505	Cultural Affairs Department	2008-2009		75.0	-	-	-	75.0	Center for International Studies forum on emerging trends among Latinos
630	Human Services Department	2008-2009		500.0	-	-	-	500.0	Friendship and employment program for people with intellectual disabilities
665	Department of Health	2008-2009		70.0	-	-	-	70.0	Governor's Women's Health Advisory Council
690	Children, Youth and Families Department	2008-2009		250.0	-	-	-	250.0	Youth Development, Inc. workforce literacy project
925	New Mexico State University	2008-2009		2,000.0	-	-	-	2,000.0	Phreatophyte removal



## FY08 and FY09 Special, Supplemental and Deficiency, and Information Technology Appropriation Recommendations

(Dollars in Thousands)

Code	Agency	Fiscal Year	Ed Ref	General Fund	Other State Funds	Internal Services/ Inter-agency	Federal Funds	Total	Purpose
<b>Supplemental:</b>									
218	Administrative Office of the Courts	2008		250.0	-	-	-	250.0	Court Appointed Attorney Fee Fund
218	Administrative Office of the Courts	2008		500.0	-	-	-	500.0	Juror payments
252	Second Judicial District Attorney	2008		140.0	-	-	-	140.0	Domestic violence project unit
361	Department of Information Technology	2008		1,860.0	-	-	-	1,860.0	Payment for federal claim
361	Department of Information Technology	2008		Contingency Language	-	-	-	-	Restore fund balance contingent upon the state losing the federal court case
495	Spaceport Authority	2008		100.0	-	-	-	100.0	Operating costs
508	New Mexico Livestock Board	2008		173.6	-	-	-	173.6	Federal funds loss - Livestock Inspection Program
508	New Mexico Livestock Board	2008		-	91.6	-	-	91.6	Federal funds loss - Administration Program
508	New Mexico Livestock Board	2008		-	121.0	-	-	121.0	Federal funds loss - Meat Inspection Program
630	Human Services Department	2008		957.6	-	-	1,436.4	2,394.0	Information systems services rate increase
630	Human Services Department	2008		24,575.0	-	-	-	24,575.0	Medicaid
631	Workforce Solutions Department	2008		533.0	-	-	-	533.0	Compensation increases
665	Department of Health	2008		500.0	-	-	-	500.0	Receivership of a long-term health facility
665	Department of Health	2008		440.2	-	-	-	440.2	Licensing surveys
665	Department of Health	2008		840.4	-	-	-	840.4	Implement billing and electronic health records project
665	Department of Health	2008		1,000.0	-	-	-	1,000.0	Provide residential and day program services for crisis intervention to Jackson and non-Jackson consumers
670	Veterans' Services Department	2008		297.0	-	-	-	297.0	Services for homeless veterans
690	Children, Youth and Families Department	2008		1,994.0	-	-	-	1,994.0	Increase care and support budget to the level of actual costs
690	Children, Youth and Families Department	2008		997.9	-	-	-	997.9	Disallowed costs by federal audit
690	Children, Youth and Families Department	2008		275.0	-	-	60.0	335.0	Security equipment
790	Department of Public Safety	2008		1,000.0	-	-	-	1,000.0	Fuel for state police
924	Public Education Department	2008		1,000.0	-	-	-	1,000.0	Prepare materials and provide professional development
924	Public Education Department	2008		2,200.0	-	-	-	2,200.0	Federal draws and balances
924	Public Education Department	2008		1,200.0	-	-	-	1,200.0	Shortfall due to increase in diesel fuel prices
950	Higher Education Department	2008		164.2	-	-	-	164.2	Salaries and benefits

## FY08 and FY09 Special, Supplemental and Deficiency, and Information Technology Appropriation Recommendations

(Dollars in Thousands)

Code	Agency	Fiscal Year	Ed Ref	General Fund	Other State Funds	Internal Services/ Inter-agency	Federal Funds	Total	Purpose
<b>Deficiency:</b>									
218	Administrative Office of the Courts	2007		489.0	-	-	-	489.0	Jury and Witness Fee Fund
404	Board of Examiners for Architects	2007		-	5.4	-	-	5.4	Personal services and benefits
449	Board of Nursing	2007		-	12.1	-	-	12.1	Personal services and benefits
924	Public Education Department	2007		62.0	-	-	-	62.0	Pay outstanding invoices

## FY08 and FY09 Special, Supplemental and Deficiency, and Information Technology Appropriation Recommendations

(Dollars in Thousands)

Code	Agency	Fiscal Year	Ed Ref	General Fund	Other State Funds	Internal Services/ Inter-agency	Federal Funds	Total	Purpose
<b>Information Technology:</b>									
218	Administrative Office of the Courts	2008 - 2009		500.0	-	-	-	500.0	Electronic filing project
333	Taxation and Revenue Department	2008 - 2009		-	2,766.2	-	-	2,766.2	Point of sale solution
333	Taxation and Revenue Department	2008 - 2009		300.0	-	-	-	300.0	New Mexico driver re-engineering
333	Taxation and Revenue Department	2008 - 2009		300.0	-	-	-	300.0	Replace IDMS
341	Department of Finance and Administration	2008 - 2009		280.0	-	-	-	280.0	Office of the State Treasurer SHARE interface
341	Department of Finance and Administration	2008 - 2009		900.0	-	-	-	900.0	Department of Health SHARE integrated time collection
343	Retiree Health Care Authority	2008 - 2009		300.0	-	-	-	300.0	Retiree employee benefit information system replacement
361	Department of Information Technology	2008 - 2009		750.0	-	-	-	750.0	Asset management
361	Department of Information Technology	2008 - 2009		300.0	-	-	-	300.0	Redundant data center study and pilot project
369	State Commission of Public Records	2008 - 2009		150.0	-	-	-	150.0	Enterprise content management
370	Secretary of State	2008 - 2009		176.5	-	-	-	176.5	Political financial reporting system
370	Secretary of State	2008 - 2009		154.8	-	-	-	154.8	Software upgrade for Uniform Revised Limited Partnership Act
394	State Treasurer	2008 - 2009		150.0	-	-	-	150.0	Local Government Investment Pool online banking system
505	Cultural Affairs Department	2008 - 2009		564.0	-	-	-	564.0	New Mexico cultural resources information system
550	State Engineer	2008 - 2009		208.0	-	-	-	208.0	Data exchange system for water rights administration
665	Department of Health	2008 - 2009		551.2	-	-	-	551.2	Billing and electronic health records
924	Public Education Department	2008 - 2009	√	4,747.1	-	-	-	4,747.1	STARs Phase 3
950	Higher Education Department	2008 - 2009		2,800.3	-	-	-	2,800.3	Higher Education Institutions - BANNER implementation



**APPENDIX E**  
**COMPENSATION RECOMMENDATIONS**



## FY09 Recommended Net Increase in Compensation (\$ in thousands)

	Total Funds	General Fund	% Salary Increase
<b>Total</b>	<b>\$111,761.8</b>	<b>\$98,029.3</b>	
<b>Legislature</b>	<b>\$268.1</b>	<b>\$268.1</b>	<b>2.0%</b>
<b>Judiciary</b>	<b>\$2,961.5</b>	<b>\$2,961.5</b>	
Judges and Justices	\$470.4	\$470.4	2.0%
Judicial Employees	\$1,618.1	\$1,618.1	2.0%
District Attorneys	\$36.1	\$36.1	2.0%
District Attorney Employees	\$836.9	\$836.9	2.0%
<b>Executive</b>	<b>\$31,378.8</b>	<b>\$17,646.3</b>	
Executive Classified	\$28,771.1	\$15,536.4	2% midpoint /compa ratio
Law Enforcement	\$1,012.2	\$1,012.2	3% step
Executive Exempt Teachers	\$196.8	\$135.4	2.0%
Executive Exempt	\$1,398.7	\$962.3	2.0%
<b>Public Schools</b>	<b>\$60,130.0</b>	<b>\$60,130.0</b>	
Teachers	\$37,313.2	\$37,313.2	3% incl ERB
Instructional Staff	\$5,939.2	\$5,939.2	3% incl ERB
Other Certified & Non-Certified, EA's	\$15,515.6	\$15,515.6	3% incl ERB
Transportation Employees	\$1,362.0	\$1,362.0	3% incl ERB
<b>Higher Education</b>	<b>\$17,023.4</b>	<b>\$17,023.4</b>	<b>2.0%</b>





**APPENDIX F**  
**FIRST LADY'S INITIATIVES**



# FIRST LADY'S INITIATIVES FOR 2008 LEGISLATIVE SESSION

Dollars in Thousands

No.	Code	Agency	Purpose	Executive Recommendation		
				FY09 Recurring		FY08/FY09
				Amount	FTE	Nonrecur
<b>Total First Lady's Initiatives</b>				<b>1,710.7</b>	<b>12.0</b>	<b>590.0</b>
<b>Total Domestic Violence Initiatives</b>				<b>360.7</b>	<b>12.0</b>	<b>-</b>
<b>Total Other Operational Initiatives</b>				<b>1,350.0</b>	<b>-</b>	<b>590.0</b>
<b>Domestic Violence Initiatives</b>				<b>360.7</b>	<b>12.0</b>	<b>-</b>
1	251	1st Judicial District Attorney	Victim advocate	36.1	1.0	
2	252	2nd Judicial District Attorney	Convert 4 term FTE to 4 permanent FTE dedicated to Metro Court DV project		4.0	
3	252	2nd Judicial District Attorney	Expand Metro Court DV project	200.0	4.0	
4	263	13th Judicial District Attorney	2 advocates and 1 investigator	124.6	3.0	
<b>Other Operational Initiatives</b>				<b>1,350.0</b>	<b>-</b>	<b>590.0</b>
1	341	Department of Finance and Administration	Youth mentoring	500.0		
2	341	Department of Finance and Administration	Behavioral health consumer operations program			90.0
3	924	Public Education Department	School for the Arts start-up costs (plus \$250k funded from 2007 appropriation)			500.0
4	505	Department of Cultural Affairs	International folk art market school programs	50.0		
5	630	Human Services Department	Behavioral health consumer operations program	100.0		
6	690	Children, Youth and Families Department	Heart Gallery	100.0		
7	690	Children, Youth and Families Department	Children's Trust Fund - programs for children of incarcerated parents	600.0		

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**APPENDIX G**  
**DEBT AFFORDABILITY**

*Bond Capacity*

*Statement of Long-Term Bonded Debt*



**Core Bonding Program:  
Sources and Uses of Funds  
Bonding Capacity Available for Authorization by Legislature**

<b>Sources of Funds (millions)</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>Five-Year</b>
Supplemental Severance Tax Notes	211.2	212.3	208.7	203.0	197.5	1,032.8
Total Senior Severance Tax Bonds and Notes	322.5	306.7	301.1	282.2	257.3	1,469.7
General Obligation Bonds	223.8	-	160.8	-	185.7	570.3
<b>Total Sources of Funds</b>	<b>\$757.5</b>	<b>\$519.0</b>	<b>\$670.6</b>	<b>\$485.2</b>	<b>\$640.5</b>	<b>\$3,072.8</b>
<b>Uses of Funds (millions)</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>Five-Year</b>
<b>Supplemental STB:</b> Public education capital	211.2	212.3	208.7	203.0	197.5	1,032.8
<b>Senior STB:</b>						
10% to the Water Project Fund	32.2	30.7	30.1	28.2	25.7	147.0
12.5% to Transportation <sup>1</sup>	40.3	38.3	-	-	-	78.6
Authorized but unissued STB projects <sup>2</sup>	33.7	69.0	-	-	-	102.7
New Senior STB capital projects	216.2	168.7	271.0	254.0	231.5	1,141.4
<b>GOB:</b> New GOB projects approved by referendum <sup>3</sup>	223.8	-	160.8	-	185.7	570.3
<b>Total Uses of Funds</b>	<b>\$757.5</b>	<b>\$519.0</b>	<b>\$670.6</b>	<b>\$485.2</b>	<b>\$640.5</b>	<b>\$3,072.8</b>
<b>Total for new capital projects (GOB and Senior STB)</b>	<b>\$440.0</b>	<b>\$168.7</b>	<b>\$431.8</b>	<b>\$254.0</b>	<b>\$417.2</b>	<b>\$1,711.7</b>

1. Of this amount 20% is for highway maintenance, 40% is for GRIP I and 40% is for GRIP II. Of the FY08 capacity, \$8.1 million is for highway maintenance, \$16.1 million is for GRIP I and \$16.1 million is for GRIP II. In December 2007, \$32.0 million of these bonds were issued.

2. Represents all projects authorized for 2007 and prior years, but unissued as of June 30, 2007. Includes \$29.0 million of bonds issued in December 2007, of this amount \$11.3 million were issued for the Spaceport.

3. Projects authorized in FY08 will typically be put before the voters during FY09.





**STATE OF NEW MEXICO**  
**GENERAL LONG TERM OUTSTANDING DEBT**  
December 31, 2007

<b>General Obligation Bonds</b>	<b>Maturity</b>	<b>Total Principal</b>
Capital Improvement Bond Series 2001	2011	28,765,000
Capital Improvement Bond Series 2003	2013	85,525,000
Capital Improvement Refunding Bond Series 2003 B	2008	10,000,000
Capital Improvement Bond Series 2005	2015	94,060,000
Capital Improvement Bond Series 2007	2012	134,870,000
		<b>\$ 353,220,000</b>
<b>Severance Tax Bonds</b>		
Severance Tax Bond Series 2003 A	2013	48,580,000
Severance Tax Bond Series 2004 A	2014	52,050,000
Severance Tax Bond Series 2005 A	2015	71,955,000
Severance Tax Refunding Bond Series 2005 B-1	2012	37,040,000
Severance Tax Bond Series 2006 A	2016	124,335,000
Severance Tax Bond Series 2007 A	2018	162,840,000
		<b>\$ 496,800,000</b>
<b>Supplemental Severance Tax Bonds</b>		
Supplemental Severance Tax Bond Series 2002 A	2008	6,790,000
Supplemental Severance Tax Bond Series 2002 B	2012	25,230,000
Supplemental Severance Tax Bond Series 2003 B	2013	6,620,000
Supplemental Severance Tax Bond Series 2004 B	2014	7,310,000
Supplemental Severance Tax Refunding Bond Series 2005 B-2	2011	21,095,000
		<b>\$ 67,045,000</b>
<b>Highway Bonds</b>		
Highway Senior Subordinate Bond Series 1998 A	2010	17,760,000
Highway Subordinate Bond Series 1998 B	2011	34,435,000
Highway Senior Subordinate Bond Series 1999	2009	18,780,000
Highway Senior Subordinate Bond Series 2000 A	2010	41,475,000
Highway Senior Subordinate Bond Series 2001 A	2013	107,085,000
Highway Senior Subordinate Bond Series 2002 A	2014	37,160,000
Highway Subordinate Bond Series 2002 B	2010	17,970,000
Highway Senior Subordinate Bond Series 2002 C	2017	32,945,000
Highway Senior Subordinate Bond Series 2002 D	2014	4,570,000
Highway Senior Bond Series 2004 A	2024	700,000,000
Highway Senior Subordinate Refunding Bond Series 2004 B	2014	162,330,000
Highway Senior Subordinate Refunding Bond Series 2004 C	2024	200,000,000
Highway Senior Subordinate Bond Series 2006 A	2026	150,000,000
Highway Senior Subordinate Bond Series 2006 B	2026	30,000,000
Highway Senior Subordinate Refunding Bond (1998A) Series 2006 B	2009	2,435,000
Highway Senior Subordinate Refunding Bond (1999) Series 2006 B	2009	3,075,000
Highway Senior Subordinate Bond Series 2006 C	2026	220,000,000
Highway Senior Subordinate Bond Series 2006 D	2026	48,196,641
		<b>\$ 1,828,216,641</b>
<b>Educational Institutions<sup>1,2</sup></b>		
New Mexico Institute of Mining & Technology		750,000
New Mexico State University		100,125,000
University of New Mexico (incl HSC and branches)		680,473,930
Eastern New Mexico University		13,970,236
New Mexico Highlands University		3,620,000
Western New Mexico University		5,800,000
NMSU - Dona Ana Branch		11,885,000
NMSU - Alamogordo Branch		200,000
UNM - Gallup Branch		17,835,000
ENMU - Roswell Branch		5,275,000
UNM - Valencia Branch		7,465,000
Central New Mexico Community College (form. TVI)		34,300,000
Clovis Community College		1,840,000
New Mexico Junior College		4,364,833
San Juan College		23,428,649
Santa Fe Community College		26,501,670
New Mexico Military Institute		6,675,000
		<b>\$ 944,509,318</b>

1. The following institutions reported zero outstanding long-term debt: Northern New Mexico College; ENMU-Ruidoso; Mesalands Community College; Luna Community College; NM School for the Blind & Visually

2. Includes everything received via survey of higher education institutions.  
Higher Education Department



**APPENDIX H**  
**2008 CAPITAL OUTLAY**  
**RECOMMENDATIONS**

*2008 Capital Budget Recommendations –  
General Obligation Bond Package*

*2008 Capital Budget Recommendations –  
Senior Severance Tax Bond, General Fund,  
and Other Fund Package*



**Table 1. 2008 Capital Budget Recommendations - GOB Package**

	<b>Project Title</b>	<b>Project Description</b>	<b>Recommendation</b>
1	<b>TOTAL</b>		<b>\$223,800,000</b>
2	<b>Education</b>		<b>\$12,500,000</b>
3	Library Books	Purchase library books for school libraries. Public school library books have a shelf life of 12 years before they must be replaced.	4,500,000
4	Pre K Classrooms	Construct classroom space.	3,000,000
5	School Bus Replacements	Purchase new buses pursuant to 12-year replacement cycle at a cost of \$78,125 per bus.	5,000,000
6	<b>Higher Education</b>		<b>\$132,925,000</b>
7	CNM - Phase III Westside Campus	Construct library and facilities for trades, technology, and nursing courses. Objective is to provide a full range of courses between Westside and Rio Rancho CNM campuses. CNM is the second largest college in the state with this branch serving 6,000 of the 19,000 enrollment.	12,000,000
8	ENMU - Electrical Distribution System	Update 30 year-old electrical distribution system.	2,400,000
9	ENMU - Music Building Renovation	Renovation of 50 year old building.	2,000,000
10	ENMU - Technology Building Renovation/Addition	Renovate building originally designed for Industrial Arts, but re-purposed over the years for Center for Teaching Excellence, Agriculture, FCD, Electrical Engineering Technology, and applied arts.	9,700,000
11	ENMU Ros - University Center - Plan, Design, Construct	Provide 36,500 sf facility in a central location for departments that provide direct services to students.	2,000,000
12	IAIA - Science-Technology-Sculpture Building	Plan and construct a multi-purpose center to enhance studio, academic, and support services and connect to the Library Technology Center and Center for Arts & Cultural Studies.	500,000
13	LCC - Multi-Purpose Educational Center	Construct 43,000 sf facility for performing arts, classrooms, and meetings, including a main hall to seat 1,200-1,400 people for major events or divided into classrooms for everyday use.	4,500,000
14	MCC - Wind Research Training	Provide training space for wind energy technicians and operations and maintenance applied research.	3,000,000
15	NMHU - Infrastructure	Bring Infrastructure/Utility Distribution System into compliance with current standards. Prevent utility service disruptions.	7,000,000
16	NMHU - Lora Magnum Shields Science Building	Complete renovation to bring the building into full service and allow an increase in average class size.	1,800,000
17	NMIMT - Construct Central Utility Infrastructure	Plan, design, and construct central utility infrastructure.	6,000,000
18	NMJC - Central Plant Upgrade	Construct new chillers and cooling towers, upgrade electrical service, increase piping and looping capacity, and increase square footage of central plant.	5,000,000
19	NMMI -Utilities Infrastructure	Replace deteriorating underground gas, domestic water, irrigation, electrical, and data wiring systems.	1,000,000
20	NMSBVI Health Safety and Accessibility Project	Replace deteriorated HVAC system and install new fire suppression and alarm systems.	1,600,000
21	NMSD - Dillon Hall	Update for energy efficiency including new HVAC, lighting, and window replacement.	5,700,000

**Table 1. 2008 Capital Budget Recommendations - GOB Package**

	<b>Project Title</b>	<b>Project Description</b>	<b>Recommendation</b>
22	NMSU - Alamogordo Renovation of Gen Classroom Building	Renovate one of original campus structures to create additional, updated general use classrooms.	500,000
23	NMSU - Athletic Facility Phase II	Plan, design, construct, and equip athletic facility.	3,000,000
24	NMSU - Carlsbad Infrastructure Renovation and Expansion	Repair and replace building components campus-wide which are approaching or exceeding their anticipated life.	500,000
25	NMSU - DACC Trades Building Renovation and Expansion	Renovate Trades Building to allow more organized and better planned facilities and address deferred maintenance.	500,000
26	NMSU - Dona Ana East Mesa Center Phase 6	Construct 24,000 sf of classroom and lab space to be used primarily for instruction.	6,000,000
27	NMSU-Main Campus - Arts Complex	Gather arts programs, currently scattered in six facilities across campus, into one space connecting campus with the surrounding community.	18,500,000
28	NMSU-Main Campus - Southwest Center for Rangeland	Provide 11,400 sf teaching and outreach facility for hands-on and distance learning.	1,000,000
29	NMSU-NMDA - Agriculture Center	Construct Agriculture Center for Research, Education, and Service (ACRES), facility in support of agriculture industry, on NMSU campus.	2,400,000
30	NNMC - Ben Lujan Learning Resource Center Addition	House new library stacks, offices, study rooms, computer lab, art gallery in facility meeting LEED Silver criteria.	2,000,000
31	NNMC - Solar Engineering Research Park & Academy	Planning for research park and academy.	1,000,000
32	SFCC - Trades and Advanced Technology Services Remodel	Provide new training space for existing vocational programs and allow college to expand/develop programs in emerging technologies.	4,200,000
33	UNM - Biology Building	Add 30,000 sf of research labs, equipment rooms, offices, and support space for largest undergraduate program in College of Arts & Sciences.	5,600,000
34	UNM - Plan, Design, Construct New College of Education	Construct approximately 49,000 sf of classrooms, computer labs, support space, and office facilities to replace space lost to demolition.	6,000,000
35	UNM - Plan, Design, Construct New Film & Digital Media	Construct new 21,600 sf facility in conjunction with new film studio at Mesa del Sol. Will help ensure success of program in growing College of Fine Arts.	4,000,000
36	UNM - Plan, Design, Construct New Learning Center	Build 50,000 sf of classrooms, counseling center, offices, and support space for tutoring and instruction assistance.	2,000,000
37	UNM - Taos - Construction Completion of Classroom	Construct 18,600 sf classroom, snack bar, and office facility. Eliminate intercampus commute and enhance class offerings.	3,300,000
38	UNM - Valencia - Campus Renewal and Security Improve	Improve exterior lighting, install security system, improve irrigation and landscaping, add physical plant storage space.	1,325,000
39	UNM Gallup - Infrastructure Repair & Mechanical Replace	Install energy efficient HVAC and lighting systems, replace entrance stairs, and replace communication lines.	900,000
40	WNMU - Chino Computing Center Renovation	Renovate old industrial arts building for computing center and academic programs.	2,000,000

**Table 1. 2008 Capital Budget Recommendations - GOB Package**

	<b>Project Title</b>	<b>Project Description</b>	<b>Recommendation</b>
41	WNMU - Maintain Infrastructure	Bring facilities, roads, and grounds up to date. Includes assets on NM registry of historic buildings.	4,000,000
42	<b>Health and Human Services</b>		<b>\$54,500,000</b>
43	CCC- Construct Allied Health Center Phase 2	Construct labs, classrooms, and faculty offices to support current and anticipated students training to be nurses, radiology techs, and emergency medical techs.	4,000,000
44	SJC - Plan, Design, Construct of Health Sciences Center	Add space to expand health sciences programs, reducing waiting lists for these programs. Help college to build enrollment and respond to local labor market need.	5,000,000
45	UNM - HSC - Plan, Design, Construct New Cancer Research	Build space for educational events, dining facilities, offices, and meeting rooms. Only academic health care facility in NM dedicated to state-of-the-art diagnosis and treatment.	17,000,000
46	UNM HSC - Dental Residency	Construct facility to support expanded residencies in dentistry. Space for faculty, residents, and operatories.	12,000,000
47	UNM HSC - Neurosciences	Accommodate offices, wet labs, animal holding, and support facilities. Facilitate multidisciplinary neuroscience initiatives throughout UNM.	4,500,000
48	NM Behavioral Health Institute - Las Vegas - Meadows	Renovate Behavioral Health Institute in Las Vegas.	10,000,000
49	Santa Fe Indian School - Regional Wellness Center	Construct Wellness Center for use by SFIS students and community to counteract rising trends in obesity, diabetes, and heart disease.	2,000,000
50	<b>Senior Projects</b>		<b>\$11,875,000</b>
51	Senior Project - Meals Equipment	Purchase meal preparation and serving equipment statewide. NM Aging Network serves more than 3 million meals annually statewide.	838,056
52	Senior Project - Renovation-Code Compliance	Renovate senior centers statewide to meet fire, safety, accessibility, and food service codes.	1,089,228
53	Senior Project - Alteration Renovation-Other Projects	Correct existing renovation needs at senior centers statewide.	1,428,760
54	Senior Project - Other Equipment	Purchase equipment such as heaters, air conditioning units, doors, and floor covers for senior centers statewide.	1,839,402
55	Senior Project - New Construction Major Additions	Construction and major renovation for senior centers statewide.	6,679,554
56	<b>Public Safety</b>		<b>\$6,000,000</b>
57	Lordsburg Port of Entry Replacement	Replace original port of entry. Current temporary facility, which has been in use since 1993, has sewage problems, inadequate lighting, a poor off-on ramp, and no enclosed bays.	2,000,000
58	Las Vegas and Las Cruces State Police Offices	Replace overcrowded, out of date district offices. Meet OSHA and ADA standards, update computer infrastructure, address potential security issues.	4,000,000
59	<b>Libraries</b>		<b>\$6,000,000</b>





Table 2. 2008 Capital Budget Recommendations - STB/GF/Other Funds Package

	Project Title	Project Description	Recommendation
1	<b>TOTAL</b>		<b>\$369,848,900</b>
2	<b>Education</b>		<b>\$2,000,000</b>
3	Laptop Initiative for 7th Graders	Purchase laptops that will be owned by students until graduation. Includes partnership with HP for instruction.	2,000,000
4	<b>Higher Education</b>		<b>\$19,000,000</b>
5	HED - Energy Efficiency Fund	Use an RFP process to fund projects that reduce institutions' energy costs. Funded projects must propose quantifiable and credible energy savings.	7,000,000
6	NMSU - Scoreboards	Complete purchase and installation of scoreboards.	1,000,000
7	UNM - Football Stadium	Plan, design, and construct phase 5 of construction at southeast corner of stadium.	5,000,000
8	UNM - PIT	Phase 3 of renovations.	6,000,000
9	<b>Water and Watersheds</b>		<b>\$41,500,000</b>
10	Lake Roberts Dam and Spillway Renovation-Phase 3	Construct spillway replacement for dam with high hazard potential that must be in compliance by 12/31/2010.	2,000,000
11	Rock Lake Warm Watery Hatchery-Phase 6	Complete construction of cold water raceways to integrate old facility with new warm water hatchery.	3,000,000
12	Water Innovation Fund	Fund statewide projects in leak detection and system repair.	10,000,000
13	Clean Water State Revolving Fund	Loans available for federal capitalization grants, state matching funds, principal and interest, construction loan interest, and investment earning.	1,500,000
14	River Ecosystem Restoration Initiative	Restore ecosystem function and watershed health in major river basins across New Mexico.	5,000,000
15	Ground Water Measurement Statewide	Purchase and install water meters for approximately 27,000 non-domestic wells.	750,000
16	Surface Water Measurement Statewide	Supports surface water flow and diversion control and water measurement for Rio Gallinas, Rio Chama, Pecos River, and Mimbres River.	750,000

**Table 2. 2008 Capital Budget Recommendations - STB/GF/Other Funds Package**

	<b>Project Title</b>	<b>Project Description</b>	<b>Recommendation</b>
17	Construction of Elephant Butte Pilot Channel	Construct pilot channel to maintain sufficient reservoir levels, providing supplies for agriculture, recreation and maintaining New Mexico's compact credit status.	1,000,000
18	Strategic Water Reserve	Acquire water, water rights, and storage rights to comply with compacts and court decrees and for water management for benefit of endangered species.	4,000,000
19	Pecos Settlement	Fulfill terms of Pecos Settlement through purchase of water rights, development of well field, and construction of pipelines.	5,000,000
20	Bear Canyon Dam Spillway Expansion-Phase 2	Expand dam spillway and address ability to withstand a potential maximum flood with the possibility of a dam breach.	2,000,000
21	Ute Pipeline	Plan and design pipeline system from Ute Reservoir to eastern New Mexico communities. Without a pipeline, the groundwater sources for these communities will be exhausted in 10-20 years.	1,000,000
22	Salt Basin Aquifer	Plan for use of a water resource in the Salt Basin that could provide between 15,000 and 100,000 acre-feet of water per year in southern New Mexico.	1,000,000
23	Dam Emergency Repair	Plan and remove or repair unsafe dams where failure could cause loss of life or damage to public infrastructure. More than 100 dams have been identified as deficient.	3,000,000
24	Cabresto Lake Dam Rehabilitation	Plan and construct an adequate spillway for this high-hazard dam. Repair the dam to permanently address seepage concerns.	1,500,000
25	<b>Science, Technology and Energy</b>		<b>\$37,570,000</b>
26	Energy Savers Program for Low- and Middle Income Home Owners	Provide more low- or no-interest rate loans for energy efficient fixture upgrades, conversion of utility systems to solar, and other energy efficient retrofits.	2,000,000
27	NSF TeraGrid Program	Purchase equipment as an extension to the supercomputer, contingent on success in attracting a NSF Track 2 Facility to New Mexico.	1,000,000
28	NM Computing Applications Center	Computer plus gateway videoconferencing and visualization equipment.	1,810,000
29	Replace Fire Trucks and Crew Carriers	Replace outdated vehicles. New fire trucks will improve ability to respond to wildfires. Safe crew carriers will prevent liability and security issues.	500,000

Table 2. 2008 Capital Budget Recommendations - STB/GF/Other Funds Package

	Project Title	Project Description	Recommendation
30	Energy Efficiency Retrofit of Parks-Phase 1	Retrofit comfort stations and other facilities with passive and active solar.	760,000
31	Statewide Park Restoration-2009	Improve parking lots, campgrounds, park buildings, utilities, furnishings, and signs statewide.	2,000,000
32	Drought Mitigation & Fire Protection	Wildfire mitigation projects to protect communities listed in New Mexico Communities at Risk Assessment Plan.	2,000,000
33	Land and Wildlife Projects	Fund projects including conservation easements and land acquisition to support farming and ranching, natural areas, and land restoration.	3,500,000
34	Green Building in Public Schools	Fund projects statewide to plan, design, construct and renovate schools using energy-efficient and sustainable building standards.	5,000,000
35	Energy Innovation/Clean Energy	Fund development of innovative energy technologies and clean energy projects statewide on a competitive basis.	15,000,000
36	State Agency - Green Renovation	Conduct rapid payback energy efficiency projects in state buildings, including lighting retrofits and HVAC control upgrades.	3,000,000
37	Elephant Butte State Park Renovation-Phase 2	Renovate main entrance area and Dam Site Historic District within park.	1,000,000
38	<b>Health and Human Services</b>		<b>\$10,784,332</b>
39	DOH Facilities Upgrades Statewide	Construct improvements to Behavioral Health Institute in Las Vegas, State Veterans Home in T or C, Sequoyah facility in Albuquerque.	2,000,000
40	DOH Facility Patient Health & Safety - NM Behavioral Health Institute	Renovate bathrooms, security facilities at NM Behavioral Health Institute in Las Vegas.	2,000,000
41	PHD Top Four Public Health Offices	Construct new public health facilities in Roosevelt County and Espanola. Improve facilities in Sunland Park and Alamogordo.	1,000,000
42	Los Lunas Substance Abuse Treatment - Phase 1	Plan, design, construct, equip facility in Los Lunas for methamphetamine and other substance abuse. Phase 1 will be center for women and their children.	5,000,000
43	Fred Luna Building, Belen ISD Office	Update facility used by Valencia County Income Support Division staff. Includes replacement of HVAC units and new parking lot.	279,305
44	Harriet Sammons Building, Farmington	Bring facility used by Income Support Division into fire/safety code compliance.	227,151

Table 2. 2008 Capital Budget Recommendations - STB/GF/Other Funds Package

	Project Title	Project Description	Recommendation
45	Louise Brown Building, Bernalillo	Repair structural issues to accommodate staff of Income Support Division call center.	124,982
46	SEBCO ISD Office, Albuquerque	Update facility and bring into fire code compliance for use by Income Support Division Commodities office staff.	152,894
47	<b>Senior Projects</b>		<b>\$4,108,680</b>
48	Senior Project - Vehicles	Purchase new accessible vehicles statewide to provide senior transportation, support home repair efforts, and provide shopping assistance.	4,108,680
49	<b>Public Safety</b>		<b>\$24,100,000</b>
50	CD Emergency Kitchen Renovations-SNMCF, CNMCF, RCC	Renovate kitchen facilities at CNMCF in Los Lunas, SNMCF in Las Cruces, and RCC in Roswell.	2,000,000
51	CD Statewide Security Upgrades	Upgrade security systems, including slider doors, surveillance, control rooms, fire alarms, and perimeter detection systems at seven correctional facilities statewide.	3,000,000
52	CD Statewide Facility Repairs/Equipment	Replace needed infrastructure, including plumbing, gas and sewer lines, roofs, structural issues, and HVAC at seven correctional facilities statewide.	3,000,000
53	CYFD Automated Security/JJS Facilities	Update and replace outdated surveillance systems at all Juvenile Justice client facilities. Funds will complete the project.	1,000,000
54	JPTC Gym/Weight Room/Vocational Rooms	Finish construction of new gym and vocational space at J. Paul Taylor Center in Las Cruces.	2,000,000
55	YDDC Waterline Repairs	Replace main water line at YDDC in Albuquerque. Current main is 20 years old and must be shut off for any repair anywhere on the campus.	1,000,000
56	CYFD Best Practice Positive Peer Culture	Planning to support transition to regionalized facilities for the juvenile justice system.	200,000
57	Homeland Security/Emergency Mgt Mobilization Center Upgrades	Construct internal staging area for responders in deployment, and increase response cache capability.	500,000
58	Homeland Security/Emergency Mgt North Office Addition	Expand main building entry, improving building and personnel security, and construct new office space at Emergency Management Center.	2,000,000
59	Aviation Readiness Center Renovation	Renovate and expand armory in Santa Fe for drills, equipment storage, and classroom space. National Guard approved project with 75% Federal / 25% State share.	600,000

**Table 2. 2008 Capital Budget Recommendations - STB/GF/Other Funds Package**

	<b>Project Title</b>	<b>Project Description</b>	<b>Recommendation</b>
60	2009 Statewide Armory Maintenance/Modernization	Repair facilities statewide including roofs, plumbing, electrical, structural, and HVAC. Would match federal funds where possible.	750,000
61	Rio Rancho Armory Infrastructure Improvements	Improve facility including drainage control, access point improvements, construction of new roads, and repairs to existing roads.	750,000
62	DPS Annual Fleet Maintenance/Replacement	Replace law enforcement program vehicles statewide at a cost of \$20,500 per vehicle.	2,000,000
63	NM DPS Northern Forensic Lab	Replace and expand crime lab to bring up to date and provide space needed for modern forensic analysis.	2,500,000
64	DPS Albuquerque District 5 Renovation	Complete phase 2 of construction, including holding area, squad room, and offices.	800,000
65	Domestic Violence Grant Fund	Grant fund for domestic violence facilities statewide with a local match requirement.	2,000,000
66	<b>Economic Development, Infrastructure, and Housing</b>		<b>\$110,265,888</b>
67	Plan, Design, Construction, Equip, Frnsh NMBA Facility at STeresa	Design, construct, furnish, and landscape office space for use by NMBA and lease to other agencies. Second and final phase of construction.	300,000
68	Plan, Design, Construction New Safety Insp Station at STeresa	Construct new inspection station for traffic at port of entry. Truck crossings are projected to increase to 600/day within next five years.	2,000,000
69	Track/Locomotive Rehabilitation	Phase 2 of 5-year program to upgrade track and rail bed. Requesting matching amount from Colorado.	1,000,000
70	Unser Museum	Purchase, plan, design, construct, equip, and furnish racing museum and discovery center in Los Ranchos de Albuquerque.	1,500,000
71	Home Equity with Required Occupation	Construct infrastructure related to the HERO program. To be administered by the New Mexico Mortgage Finance Authority.	2,000,000
72	Housing Trust Fund	For infrastructure projects statewide pursuant to the Affordable Housing Act, to be conducted by the New Mexico Mortgage Finance Authority.	1,000,000
73	Rodeo Initiative	Provide contracts for college scholarships, state collegiate rodeo finals, 4-H clinics and rodeo productions and other contracts as requested by Rodeo Council.	4,000,000

**Table 2. 2008 Capital Budget Recommendations - STB/GF/Other Funds Package**

	<b>Project Title</b>	<b>Project Description</b>	<b>Recommendation</b>
74	Colonias Infrastructure Improvements	Plan, design, and construct infrastructure improvements for colonias statewide.	5,000,000
75	Film and Media Initiative	Promote film/media related economic development activities.	5,000,000
76	Economic Development in Lovington	Provide economic development activities to support dairy facilities.	1,000,000
77	Mainstreet Capital Outlay Grant Fund	Provide financial assistance to owners for restoration and repair of properties that meet eligibility criteria.	1,500,000
78	Economic Development Revolving Fund/Smart Money	Provide financing opportunities to businesses to stimulate economic development. Distributed by EDD using predetermined criteria.	3,000,000
79	Economic Development Project in Bernalillo County	Economic development project to attract high-wage jobs.	4,500,000
80	Economic Development Project in Santa Fe County	Economic development project to attract high-wage jobs.	5,000,000
81	Economic Development Project in Bernalillo County	Economic development project to attract high-wage jobs.	5,000,000
82	Economic Development Capital Fund	Provide grants for infrastructure needs related to economic development statewide. Distributed by EDD using predetermined criteria.	10,000,000
83	Economic Development Project	Economic development project for training and education facility.	6,000,000
84	Technology Development Authority	Support late-stage technology development to effectively transition technologies into commercial sector.	7,000,000
85	Economic Development Solar Project	Economic development project to attract high-wage jobs.	8,000,000
86	Economic Development Project	Economic development project to attract high-wage jobs.	8,000,000
87	Tribal Infrastructure Fund	Fund basic tribal infrastructure including water/wastewater, roads, and electrical systems. Administered by Tribal Infrastructure Board.	5,000,000
88	Spaceport Roads	Construct new roads to Spaceport America in Sierra and Dona Ana Counties.	10,000,000
89	State Fair Facilities Total Across Priority Projects	Construct new facilities and renovate aging and deteriorating facilities on the fair grounds.	14,465,888
90	<b>Courts</b>		<b>\$2,560,000</b>

**Table 2. 2008 Capital Budget Recommendations - STB/GF/Other Funds Package**

	<b>Project Title</b>	<b>Project Description</b>	<b>Recommendation</b>
91	Supreme Court Building - Fire Suppression	Install fire suppression system. Loss Control Bureau has identified Supreme Court Building as severely exposed to fire hazard. LFC in GAA.	560,000
92	NM Court of Appeals UNM Annex	Complete construction of 3-story, 33,000 sf court building with chambers, public seating, offices, support spaces, and parking.	2,000,000
93	<b>State Services</b>		<b>\$17,360,000</b>
94	Van of Enchantment, Purch & Equip	Purchase more reliable vehicle to provide traveling exhibits to underserved areas of state. Current vehicle has reached 120,000 New Mexicans.	300,000
95	DCA NHCC Construct, Equip, Furn and Landscape Ed Building	Complete construction, furnish, and equip 25,000 sf Pete V. Domenici Education Building at NHCC.	435,000
96	DCA Construct to Improve Girard Wing	Renovate wing of Museum of International Folk Art. When complete, less than half of cost will have been funded through state funds.	700,000
97	DCA Frnsh and Equip NM History Museum	Install new furnishings and equipment for 96,000 sf History Museum for installation of exhibits in time for Spring 2009 opening.	750,000
98	DCA Statewide Repairs/ADA/Upgrades	Upgrade facilities to protect collections and bring museums to ADA and security standards.	2,000,000
99	DCA Construct Archeo Cllectns and Rsrch Facility Phase 2	Complete construction of common areas, offices, and laboratories of the Office of Archaeology Studies at the Center for New Mexico Archaeology.	1,500,000
100	Workforce Solutions Statewide Building Integrity Roofs/HVAC/ADA	Replace roofs and HVAC at facilities statewide and update buildings to comply with ADA.	700,000
101	TIWA-Health/Safety and Building Design Projects	Upgrade TIWA Building to comply with fire codes. Replace passenger elevators. Realign 40-50 office spaces. Install backup system for data center.	1,000,000
102	GSD Statewide Rep, Emerg, Cost Overruns, Infrast and Decom	Address emergency infrastructure repairs in state buildings and protection of vacant buildings.	3,000,000
103	Replace Aging Aircraft/Engine Overhaul - GSD	Replace 1976 turbo prop plane with more than 12,000 hours of air time. Engine has been overhauled at least 4 times in past 30 years, and replacement is now recommended.	4,000,000

Table 2. 2008 Capital Budget Recommendations - STB/GF/Other Funds Package

	Project Title	Project Description	Recommendation
104	MCMC Anesthesia Machine	Replace 13-year-old machine, for which parts and service are no longer available.	80,000
105	MCMC IDEXA - Bone Density Scanner	Gold standard for measuring bone mineral densitometry. Provides ability to predict likelihood of fracture.	120,000
106	MCMC LTC Paving South Parking Lot	Pave unpaved lot that is a safety concern in inclement weather.	175,000
107	MCMC Stucco LTC	Re-stucco and paint nursing home building, last renovated in 1994. Stucco is 15 years old.	225,000
108	New PERA Office Building	Complete construction of 34,400 sf PERA building.	1,000,000
109	PRC - Plan Design Construction SFMO Evidence Processing/Storage	Construct facility for processing and storage of fire scene evidence. Includes office, storage space, small lab, and data equipment.	175,000
110	PRC - Educational Facility with Classrooms and Offices	Construct facility for fire fighter classroom training in Socorro.	300,000
111	Security Upgrade at Lujan Building - TRD	Upgrade security equipment including badge identification system and infrastructure for security guard.	450,000
112	Imaging Equipment - TRD	Replace scanners used to image and process long form tax documents.	450,000
113	<b>Transportation</b>		<b>\$50,600,000</b>
114	Salt Domes (Statewide)	Comply with NMED mandate for salt domes statewide.	600,000
115	Transportation	For GRIP I projects.	50,000,000
116	<b>Community Projects</b>		<b>\$50,000,000</b>