

February 29, 2016

HOUSE EXECUTIVE MESSAGE NO. 136

The Honorable Don L. Tripp, Speaker of the House and
Members of the House of Representatives
State Capitol Building
Santa Fe, New Mexico 87501

Honorable Speaker Tripp and Members of the House:

I have this day SIGNED HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE FOR HOUSE BILLS 2 AND 4, as amended, with certificate of correction (the “General Appropriation Act of 2016”), enacted by the Fifty-Second Legislature, Second Session, 2016, except the following part or parts, item or items, which I have vetoed pursuant to Article IV, Section 22 of the Constitution of the State of New Mexico:

On page 3, I have vetoed all of line 25.

On page 4, I have vetoed all of lines 1 through 4. The Administration has always been transparent and accountable with regard to reporting of revenue trends, making the mandate that the Department of Finance and Administration regularly consult with Legislative Finance Committee staff concerning revenue collections unnecessary. Further, the Executive and Legislative branches must work together to revise the budget if needed to address a major revenue shortfall; the vetoed part would have put the burden on the Executive to unilaterally develop a plan to discharge this joint responsibility.

On page 9, line 4, I have vetoed the words “for facility leases”.

On page 34, line 3, I have vetoed the words “and magistrate court leases”. The fund sweep for the courts from the Local DWI fund should go toward the drug court program entirely and not be siphoned off to pay for notoriously high lease costs; furthermore, there is supplemental funding for magistrate court leases elsewhere in the budget.

On page 34, I have vetoed all of lines 9 through 13. This is a special earmark that was slipped into the budget bill that would circumvent the Local DWI Council’s competitive process for funding substance abuse programs throughout the state. I

HOUSE EXECUTIVE MESSAGE NO. 136

The Honorable Don L. Tripp

February 29, 2016

Page 2

am a strong advocate for substance abuse prevention, and as a critical investment zone, this particular region of the state will continue to receive a substantial amount of behavioral health and substance abuse treatment funding on my watch (including through this particular fund).

On page 57, line 19, I have vetoed beginning with the first instance of a “,” through the second instance of a “,”.

On page 58, line 15, I have vetoed the word “southern”.

On page 110, I have vetoed all of lines 18 through 21.

On page 112, I have vetoed all of lines 3 through 5.

On page 127, line 15, I have vetoed the words “an additional”.

On page 139, line 4, I have vetoed beginning with the word “that” through the remainder of the line, and on line 5, I have vetoed from the beginning of the line through the word “schools”.

On page 139, line 11, I have vetoed the word “turnaround”.

On page 141, line 7, I have vetoed beginning with the word “In” through the remainder of the line, and all of lines 8 and 9.

On page 143, I have vetoed all of lines 17 through 21. There is a well-established process for creating new degree programs at higher education institutions; creating them through earmarks in the budget is not the proper approach – especially at a time when higher education budgets are being trimmed and enrollment is decreasing.

On page 170, I have vetoed all of line 24.

On page 172, line 16, I have vetoed the words “State-chartered charter”.

On page 172, line 19, I have vetoed the word “district”.

On page 172, I have vetoed all of lines 22 through 25.

On page 173, I have vetoed all of lines 1 through 10.

On page 175, line 3, I have vetoed beginning with the word “that” through the remainder of the line, all of line 4 and on line 5 from the beginning of the line through the first instance of the word “schools”.

On page 177, I have vetoed all of lines 13 through 17.

On page 179, I have vetoed all of lines 12 through 15.

HOUSE EXECUTIVE MESSAGE NO. 136

The Honorable Don L. Tripp

February 29, 2016

Page 3

On page 179, line 22, I have vetoed beginning with the word “At” through the remainder of the line and all of line 23.

On page 180, I have vetoed all of lines 20 through 24.

On page 184, I have vetoed all of lines 24 and 25.

On page 185, I have vetoed all of lines 1 and 2.

On page 185, I have vetoed all of lines 15 through 17.

On page 186, line 6, I have vetoed from the second instance of the word “and” through the word “committee”.

On page 188, line 3, I have vetoed beginning with the word “in” through “2016”.

On page 188, line 23, I have vetoed beginning with the word “For” through the remainder of the line and all of lines 24 and 25.

On page 189, line 1, I have vetoed from the beginning of the line through the “.”.

On page 206, line 13, I have vetoed beginning with the first instance of the word “and” through the remainder of the line, and on line 14 I have vetoed from the beginning of the line through the word “committee”. And on line 15, I have vetoed from the first instance of a “,” through the remainder of the line, and on line 16, I have vetoed the word “programs”.

On page 206, line 18, I have vetoed from the first instance of a “,” through the end of the line, and on line 19, I have vetoed the first instance of the word “programs” and from the second instance of the word “and” through the word “agencies”.

On page 206, line 25, I have vetoed beginning with the first instance of a “,” through the word “program” and from the third instance of a “,” through the remainder of the line.

On page 207, line 1, I have vetoed the word “program’s”.

On page 207, line 9, starting with the comma, I have vetoed the words, “, funds, programs”.

On page 207, I have vetoed all of lines 15 through 25.

On page 208, I have vetoed all of lines 1 through 21.

Despite a very difficult revenue climate, the budget I am signing today (in concert with its companion legislation, HB311) does an admirable job of making targeted investments in key public safety efforts – like improving our ability to recruit and retain correctional

HOUSE EXECUTIVE MESSAGE NO. 136

The Honorable Don L. Tripp

February 29, 2016

Page 4

officers and police officers, establishing a clearinghouse of criminal background information that judges can use when making sentencing and bail decisions, and clearing the backlog of sexual assault kits that exists in police departments throughout New Mexico.

Additionally, this budget largely preserves funding for critical education reform initiatives, and it invests in economic development efforts like the Rapid Workforce Development Fund and the new “Students Work” internship portal.

In response to persistently low oil and gas prices, which continue to have an impact on our state revenue outlook, this budget appropriately reduces spending in the current fiscal year across most agencies of state government and reduces agency base budgets for fiscal year 2017 as well. These are responsible steps, and as we move forward, our agencies will work diligently to cut costs – curbing hiring, examining contracts, reducing travel, and taking a number of other steps that can help bring down spending in the months to come.

It is important to note that the Legislature appropriately provided additional flexibility for agencies to transfer funding between programs so that spending reductions can be made in the most efficient and responsible manner possible. In the budget, the Legislature also directs the Human Services Department to make numerous adjustments to the State’s Medicaid program in order to reduce spending and curb further substantial increases in Medicaid spending in the coming year.

This budget is not perfect, of course. For example, it cuts funding to the Job Training Incentive Program, and tries to put strings on the availability of our closing fund dollars. Overall, however, I have used my line-item veto authority very sparingly in this legislation.

As I have each year, I vetoed several earmarks – which are special appropriations or special carve-outs of other appropriations – that circumvent competitive funding processes or seek to direct statewide money to one particular locale over all others. I have also vetoed language that seeks to diminish and financially harm charter schools in New Mexico, as well as funding for an entity that was supposed to be self-sustaining several years ago. Additionally, I have vetoed provisions that were contingent on individual pieces of legislation that did not ultimately pass the Legislature.

And, near the end of the budget, I have vetoed language that would trigger indiscriminate across-the-board spending cuts in fiscal year 2017 if the revenue we take in plus all allowable transfers from reserves is below the appropriations contained in this budget. In the event our fiscal picture takes such a starkly negative turn, across-the-board cuts would be both unwise and likely insufficient, and I believe the more responsible approach would be for the Legislature and Executive to work together on a more targeted plan to reduce

HOUSE EXECUTIVE MESSAGE NO. 136

The Honorable Don L. Tripp

February 29, 2016

Page 5

spending – in some cases, substantially – where it makes the most sense and has the least amount of harm to public health and public safety. Limited resources should cause us to prioritize our spending where it is most needed, and should encourage us to think outside the box about more efficient ways to meet the most important needs of the people of New Mexico.

Also, I remain concerned that the budget language contains many performance measures that have not been agreed to by agencies. In some cases, these performance measures set a low bar for performance, others make little sense as worthwhile measures of success, and others set unrealistically high bars without clear or consistent justification for doing so. I strongly urge the Legislature to work with state agencies to derive appropriate consensus measures that truly target the most important goals for appropriations.

In the months ahead, we will continue to monitor our revenue outlook and economic indicators. The oil and gas price challenge we face is a serious issue, and given the instability in the world right now, there is very little consensus about when energy prices might stabilize and rise again. As we weather this storm together, however, I am encouraged because we have overcome several fiscal challenges in the past five years. And, I strongly believe that our insistence on restraining government growth and building up a strong reserve has placed us in a better position to tackle the revenue challenge currently before us.

Respectfully yours,

Susana Martinez
Governor

RECEIVED FROM THE OFFICE OF THE GOVERNOR

Time: _____ a.m. p.m.

Date: _____, 2016

By _____
Secretary of State

Time: _____ a.m. p.m.

Date: _____, 2016

By _____
Chief Clerk of the House