The following is the prepared text of the State of the State Address delivered by Governor Susana Martinez from the chamber of the New Mexico House of Representatives on January 17, 2017.

**Governor Susana Martinez: 2017 State of the State Speech**

Lieutenant Governor; Senate President Pro Tempore; our new House Speaker; Democratic and Republican leaders; esteemed members of the New Mexico Legislature; honorable members of the judiciary; former New Mexico governors; tribal governors; distinguished guests; the State’s first gentleman, my husband, Chuck Franco; my beautiful sister, Lettie and, my fellow New Mexicans.

It is an honor to join you for the State of the State Address and open this legislative session.

Over the last six years, Republicans and Democrats have chosen to make tough decisions. We’ve resisted taking the easy way out. We resisted pursuing the false promise of quick fixes and feel-good gimmicks.

Instead, we have chosen to take on the status quo to challenge those who say New Mexico just can’t compete.

We’ve bet on New Mexico’s future. And that’s why we’ve pursued reforms that we know are best in the long-run even though we may take political hits short-term.

We’re seeing tens of thousands of new private sector jobs. Companies like Facebook and FedEx are choosing New Mexico, and our graduation rate is now at a record high.

We’ve done this in a bipartisan manner. And we’ve done it all in the face of extraordinary challenges: the largest structural deficit in state history, a federal government shutdown, federal budget cuts and sequestration that hit New Mexico harder than other states.

And now we face the steepest drop in oil and gas prices ever.

While these challenges are outside our control, we can control how we respond. Some want to use these challenges as an excuse to take the easy way out, or to devolve into partisan fighting.

But we’re better than that. We’ve met challenges before in a bipartisan manner.

And we can do it again.

But it will take courage.
One year ago, I warned about the impacts of lost oil and gas revenue.

And today, we’re feeling the effects. Which is why last year, I ordered executive agencies to reduce spending and called lawmakers into a special session.

Unfortunately, during that special session, we didn’t go far enough.

We know we can all do better than that, because we have in the past: pension reform, tax reform, unemployment insurance reform and Centennial Care to protect health care for the most vulnerable.

These weren’t wins for the Governor or the legislature – for just Republicans or just Democrats – these were big wins for New Mexicans. And we can do it again.

We face another challenge, and we must once again make the tough decisions.

We all know the cause of the crisis. We’ve been at the mercy of the federal government and an unpredictable oil and gas market.

We are very proud of our labs, bases and our energy production, but we have been among the top five most dependent states on the federal government.

Oil and gas revenues make up a third of our budget. It’s been this way for decades upon decades and we won’t change it overnight. But we must continue diversifying our economy and restraining the size of government.

When sequestration hit, we got an up-close look at what can happen when we are too reliant on federal government spending, and now we’re seeing it with oil and gas. In just a year and a half, oil prices dropped 71 percent.

That hit us hard.

In our highest energy-producing counties, Gross Receipts Tax revenue plummeted. At the same time, GRT rose in every other county.

We lost over 11,000 oil and gas jobs. Despite those losses, we added over 30,000 private sector jobs. That’s a direct result of choosing reforms: jobs in manufacturing, high tech, finance and tourism.

Make no mistake about it.

We are diversifying our economy and laying a strong foundation for private-sector growth.
And we are weathering the storm far better than other oil and gas states. That’s because we built strong, responsible budgets that did not grow government. And we held reserves over 10 percent.

When we fall on hard times, government should not expect a taxpayer-funded bailout.

Instead, it’s on us to work together and find solutions. Let’s make New Mexicans proud, just as we’ve done before, in how we spend their hard-earned money.

When we put political parties aside, we get a lot done.

Like our tax reforms, which closed loopholes and lowered the tax rates.

We came together for a comprehensive jobs package.

And we created the state’s first real closing fund to help local businesses grow and bring businesses to New Mexico.

We had a huge disagreement over the Unemployment Insurance System, but we came together and made sweeping reforms, to give businesses more transparency and predictability.

We passed pension reform, protected retirement for state employees, and resolved a $12 billion shortfall.

We funded bold education reform; passed stricter penalties on repeat DWI offenders; expanded Katie’s law to collect DNA from felons; passed Jaydon’s Law to give judges the entire criminal history of offenders; protected victims of sexual assault with Rachael’s Law; and ended the dangerous practice of giving drivers’ licenses to illegal immigrants.

We can address challenges while protecting the progress we’ve made.

Let’s not take the easy way out.

There is a way forward without raising taxes on hard-working New Mexicans.

In my proposal, we’ve identified funds in idle accounts that can be swept. We can modernize the tax code, eliminate loopholes and make government smaller and more efficient.

And it takes us back to responsible reserve levels of 5 percent.

If we don’t take the easy way out now, it will pay off for decades.
We’re rebuilding the foundation for economic growth, and it’s working.

We’ve trained over 8,000 workers through the Job Training Incentive Program, also known as JTIP.

Through LEDA, we have added over 7,000 jobs and brought billions in investment with nearly 40 percent of those projects in rural New Mexico. For every $1 million of LEDA we spend, private businesses invest $16 million. And, when you take into account the construction, wages, taxes and other economic activity around new businesses, every LEDA dollar we spend brings back 20 and 30 times that.

Now is not the time to gut those reforms; not at a time when we are diversifying our economy.

We are seeing home-grown companies expand, like Wildflower, Ideum and Skorpios

We are also bringing in amazing new companies too: like Safelite, Keter, PCM and yes, Facebook.

Facebook was a year in the making. It started with a trip to California to tell New Mexico’s story and ended with a massive data center that will bring thousands of construction jobs, 50 high-paying jobs and $1.5 billion in private investment - with the potential for multiple phases creating more jobs and more investment.

This project will generate billions in economic activity for our state.

And we have some more to announce very shortly – stay tuned.

I am so proud to be joined today by executives from companies that call New Mexico home.

Like Barbara Baldwin of Dean Baldwin Aircraft Painting. Barbara and her husband Larry took over the Miami company in 1978. Larry ran the paint crews. Barbara did the books. In 1999, they expanded to Roswell where they now employ 130 people. Just last week, I joined them to celebrate an expansion of 70 new employees. LEDA is paying off for Roswell and helping Barbara grow her business.

Thank you, Barbara.

Clay Bush from Valley Cold Storage, who’s moving to Santa Teresa where development is booming. Businesses are taking advantage of our border, where our state’s investment has resulted in one of the country’s largest inland ports. Valley Cold Storage recently broke ground on a massive facility - a $14 million investment.

Clay, thank you for your investment in New Mexico.
Zach Daigle is the president of Pre-Check. This was a company that moved to New Mexico from Texas. They found two things when they got here: a great workforce and programs that helped them grow from seven employees to 188. Their annual payroll grew from $0 to $5.2 million. They have invested $9.7 million into New Mexico.

LEDA, JTIP and our tax reforms. These programs are why Pre-Check is still here.

You see, whether companies are expanding or relocating here, the word is out: New Mexico is open for business.

I talk to CEOs choosing New Mexico. They tell me they could have gone anywhere in the country, but they chose New Mexico.

Great people, fair tax environment and a state willing to put its money where its mouth is.

They see a state bursting with opportunity.

That’s why we must solve our budget challenges in a responsible way.

You see, we have two choices. Do what politicians have done for decades; grow government and raise taxes when times are tough.

Or we can be leaders: protect taxpayers, reduce the size of government and continue to build the foundation of a lasting, vibrant economy.

Right-sizing government means reducing the size of government and developing efficiencies.

Five years ago, I urged this body to act on its own recommendation to consolidate six executive agencies into three. Those measures failed.

But I am urging you: take another look. We have nearly twice as many agencies as the federal government. What’s wrong with that picture?

If we consolidate, we’ll save tens of millions of dollars every year.

It just makes sense.

Let’s also take another look at our tax system. Close loopholes. Make it work better for New Mexicans. Get rid of regulations that get in the way of growth.

If we solve our budget with an eye to the future, we can avoid mass layoffs, furloughs and tax hikes.
Making government more efficient isn’t just about cutting. It’s making it more accountable.

Through transparency, better decisions are made.

New Mexicans want to be engaged. They want to know what is going on here.

That’s why it’s time for all legislative committees to webcast and archive their meetings for all New Mexicans to see.

And legislators should disclose their clients. New Mexicans deserve to know if elected officials are making decisions on behalf of voters, or on behalf of undisclosed clients.

And let’s bring greater transparency and efficiency to the capital outlay process.

Stop buying things like wrestling mats, picture frames and drinking fountains for pets.

Let’s invest in big projects like water infrastructure or our roads and highways.

In San Juan County for example, lawmakers pooled their capital funds and made critical improvements to their wastewater system.

And in Bernalillo and Sandoval Counties, legislators invested in transportation infrastructure.

These projects will benefit the communities for decades, create jobs and lay a foundation for economic growth.

And while we invest in infrastructure, modernize our tax and regulatory environments and manage state funds, we cannot ignore the fact that education, the economy and fighting crime are all interconnected.

If we ignore one, we ignore them all.

It starts by protecting our children.

It takes families, neighbors, friends, teachers and coaches. It takes governments, non-profits and businesses. It takes all of us.

Last year, CYFD launched a new initiative called Pull Together, an effort to make New Mexico the best place to be a kid.

I am so proud of the program and the work they’ve done.
Partners like Nusenda Credit Union and the Salvation Army have held school supply drives. Ski New Mexico provided free trips for foster families. And it’s not just companies lending a hand. Everyday, ordinary people are helping, too.

Like Ashley Gabaldon of Rio Rancho High School, who is here with me today. She is rallying fellow students from across the state to fill overnight bags for foster kids, children who may not have anything in the world, but now they have teddy bears, blankets and journals. Comforts that every little child should have.

Now these kids know that an entire state is behind them.

Ashley, you are a leader and an example we should all follow to open our hearts and to help one another.

Through Pull Together, we established 16 hubs around the state run by community leaders to connect families in their neighborhoods with services.

CYFD services, Medicaid, local, state and federal services - we’re connecting more families than ever before to the help they need.

This isn’t just about one agency; it’s about an entire community coming together.

Let’s make New Mexico the best place to be a kid!

But CYFD’s job doesn’t end there. They are constantly working around the clock to keep our kids safe.

We increased protective services funding by $25 million.

Since 2010, we increased early childhood spending by $55.5 million. 25,000 more kids are being served annually.

We’re investing more into home visiting, increasing it from $2.2 million to $18.7 million since 2011.

Five times the number of families are being served since 2011.

But we have to do more.

We as leaders need to stand together with one message: We will not tolerate the abuse and murder of children.

The hardest days as governor are when a child is tragically killed.

Children like Jayden, Lilly, Victoria and Ashlynn.
We all remember their beautiful, innocent faces, and as we take up the business of the state, let’s not forget them.

We must crack down on crime.

Pass a meaningful three-strikes bill that keeps violent repeat offenders off our streets.

And if you kill a child, a law enforcement officer or a corrections officer, you deserve the death penalty.

If you intentionally abuse a child and that child dies, regardless of that child’s age, you should never get out of prison.

We must increase penalties against those who prey on our children.

These are serious issues and they deserve serious consideration.

It should be a felony to assault a CYFD field worker. The people on the front lines deserve at least the same protection that is currently given to soccer referees.

We should expand Katie’s Law and allow the collection of DNA evidence for people convicted of misdemeanors. This law not only helps track down the guilty, it also helps exonerate the innocent.

New Mexico should be the place where we can raise a family and feel safe.

When we get in our cars, we shouldn’t have to fear that the driver next to us is drunk. It’s time to end DWI and it starts with tougher laws.

The last few years we’ve had the lowest DWI death rates in decades. But that’s not enough.

We have to keep fighting.

I am joined this year by Jake and Dolly Salazar. They are here today because they will not stop fighting. Their son Jacob was 19 years old - and killed by a drunk driver. A bright, handsome young man with his whole life in front of him. As Dolly puts it, his life was “lost senselessly.”

How much longer will we let this go on before we get tough on DWI?

How many more families will have to endure this pain?

The time is now.
We must act.

Dolly, Jake: thank you for fighting to make our state better so that no family has to feel the pain that you do.

We must keep moving toward making our streets and neighborhoods safe.

Let’s send a message that we will not tolerate this in our state.

I am asking once again for this body to crack down on DWI with common-sense laws.

No more excuses; let’s hold drunk drivers accountable.

Let’s give police officers the ability to conduct on-site blood tests.

Let’s allow past DWI offenses to be factored into sentencing habitual offenders.

And if you knowingly lend your car to someone who had their license suspended for a DWI, you too should be prosecuted.

Let’s increase the mandatory minimum and maximum sentences for individuals convicted of fourth and subsequent DWI offenses.

If we make New Mexico a safer place to live and raise a family, we can create a better future for our children.

We help our children grow by continuing with education reform.

All it takes is believing in a child: that they can learn; that they can succeed no matter a child’s gender, ethnicity, economic circumstances or where they come from. We know they can learn.

We are rolling back the failed policies of the past - when we had low expectations. Now, we are unlocking the brilliant potential of our children. I am asking you to challenge our kids.

I guarantee you; they will amaze you.

When you raise standards and challenge them, they respond.

That’s why we implemented higher standards; to prepare our students for the real world.

Just this year, an additional 12,000 kids reached grade level for reading and math. In every subject, more of our kids are achieving at grade level.
We raised the bar for graduation so that a diploma is more than just a piece of paper - it is a guarantee that our kids are ready.

And yesterday, I was proud to announce that our graduation rates are up by 8 percentage points since 2011. The graduation rate is now the highest this state has ever seen - and that is after we raised graduation standards.

You see, when we raise the bar, our kids rise to our expectations every time. We cannot be afraid to challenge them.

That’s why we’ve invested more than ever before in Advanced Placement courses - to prepare our kids for college.

We’ve doubled the number of AP courses offered. Now more students than ever are participating, passing AP exams and earning college credit.

We are ranked second in the nation in growth for students taking AP exams.

And we rank fourth in the nation in providing low-income students access to AP courses.

We are saving families money and we are preparing kids better for college.

I want to introduce an impressive young man: Ethan Sena.

Ethan will graduate this year from Cleveland High School in Rio Rancho, where he has taken “only” seven AP courses. He says that without the AP investments we have made, he would not have been able to take the courses and would not have been able to pay for the tests.

Ethan is the first student from his school to intern at Sandia Labs, and he hopes to attend Stanford next year.

It’s because of students like Ethan that we need to continue expanding bold reforms to give all of our kids an opportunity to succeed.

And let’s not forget about our teachers, who are some of the most influential figures in a young person’s life.

Today, I am joined by two members of the Teacher Dream Team. A group of teachers who assist their peers to improve lesson plans, techniques and strategies to help kids learn and develop. For teachers, by teachers.

Andrea Infantino is a fourth grade teacher at Cielo Azul Elementary in Rio Rancho. Sarah Lee teaches kindergarten at Cloudcroft Elementary.
These are teachers who are leaders in their field driving change. They know it is about the students and opening the doors of opportunity.

They say that they joined the Dream Team to improve their ability to engage their students and help them succeed - to make our schools the best they can be.

Andrea and Sarah, thank you for all that you do.

It is about empowering teachers. The number of highly effective or exemplary teachers has grown by one-third since we launched bold reforms to help teachers, the most we have ever had in New Mexico.

We started a school accountability program to challenge our schools and grade them just like our kids. They have taken on the challenge. Since 2012, the number of "A" and "B" schools has increased by one-third. 30,000 more kids are attending "A" or "B" schools.

The old approach cannot prevail here - where we used to dole out cash with no measures of success or incentives to expand opportunities for children.

We must prioritize our spending on proven, successful programs; ones that bring real results to districts that embrace them.

Cutting classroom dollars would be irresponsible.

We have invested in and prioritized early childhood education and literacy.

We raised the bar for how our youngest students are learning.

We’ve doubled enrollment in pre-k and tripled enrollment in K-3 plus to the highest levels in history.

We are preparing kids better than ever before. But we have to encourage them.

A child who can read at grade level early on is more likely to go to high school, graduate, go to college and be able to provide for their families.

Yet, too many kids aren’t reading at grade-level.

And what do we do?

Pass them onto the next grade.

In fact, at least 96 percent of third graders who cannot read are being passed onto the next grade.
That is unacceptable.

Even more troubling: less than 5 percent of those parents were informed in writing that their child could not read, even though state law requires schools to do so.

Now that’s a problem.

It’s time to empower parents and teachers to give kids the support they deserve to read and succeed.

Opposing social promotion is not just a Republican policy. Bill and Hillary Clinton strongly opposed social promotion, as did President Obama. President Obama said, and I quote, “It is a disservice to students...a disservice to parents.”

President Clinton said, “Ending social promotion does not put children down. It gives us a chance to lift all children up.”

If it helps, and to demonstrate my commitment to bipartisanship, I am willing to change the name of our reading reform bill to the “The Obama-Clinton Reading Bill.”

In seriousness, let’s come together and believe in our kids. Make sure they are prepared for the next step.

We can come together and be champions for our children.

It is not just about third grade. It is about home visits, early childhood learning, first grade, second grade and third grade; all the way up through learning a trade or through college.

We are making improvements throughout the entire system. We are rewarding our most effective teachers, mentoring them and providing support at all grade levels for struggling students.

We are providing principals with a transformational opportunity to become better leaders through the Principals Pursuing Excellence program.

When teachers, principals and superintendents embrace the reforms, they work.

More than 70 percent of the schools that take advantage of Principals Pursuing Excellence see their school grades improve at least one letter grade.

I am joined today by Principal Nate Pierantoni from Heights Middle School in Farmington. In 2014, Principal Pierantoni began the Principals Pursuing Excellence program. He brought his school from a D to an A in just two years. Principal Pierantoni,
thank you for your hard work. In challenging yourself to succeed, you showed tremendous leadership. It is paying off for your students.

Truancy and Dropout Prevention Coaches are working and keeping more kids in school.

Belen School District cut the number of habitually truant students by 50 percent. Cuba reduced truancy by 23 percent; Loving by 42 percent. When we embrace reforms, it pays off.

But we must demand more of ourselves.

Allow districts to hire adjunct teachers, particularly in math and science.

And help keep more of our high schoolers in class by revoking or denying drivers' licenses for habitually truant students.

If we do these things to continue our progress, we will better prepare our kids for the future.

We can make that future even brighter if we continue improving our higher education system.

I was proud to announce late last year the Route to 66 initiative. With this goal, we are aiming to have 66 percent of working age New Mexicans holding a certificate, degree or some higher education credential by 2030.

Today we are 31st in the nation, with 43.6 percent of working-age New Mexicans holding some sort of higher education credential. 66 percent is an ambitious goal, but we must cast off the low expectations of the past.

Through coordination and collaboration with our colleges and universities, we are providing students with a higher quality education that equips them with the skills employers need.

Getting a degree is not just a dream in New Mexico. It’s becoming a reality.

Since 2010, we have increased the number of degrees awarded to students by 21.5 percent.

We are making the institutions more efficient, mapping degrees so that students can graduate after 120 credit hours.

Just a year ago, 32 percent of our degree programs were attainable within 120 credit hours. Today, that number is 63 percent. We can build on that success.
More institutions than ever before are incentivizing graduation in four years. They offer tuition guarantees or tuition breaks if students finish in four years. We want to contain costs and not leave students with outrageous debt.

I am urging the legislature to codify into law the articulation and transfer of credits between schools, the common course numbering system and meta-majors.

We have certainly made great strides on education, economic development and fighting crime. And we have done it not as Republicans and not as Democrats, but as New Mexicans.

We are preparing students better in early childhood and elementary school to succeed in high school.

We are graduating more students.

More are ready for college and careers.

Fewer kids are dropping out.

We are making higher education more attainable and less costly.

We are bringing more diverse companies into New Mexico every day so our graduates have jobs.

Six years ago, I stood here and said, “Times are tough, but while the challenges are daunting, the opportunities are real.”

I urged this body to put aside partisan differences and put our financial house in order.

We did that.

We are seizing on those opportunities.

We positioned our state to endure this current budget crisis without raising taxes; without stopping our progress on economic development, education and fighting crime.

New Mexico is rebuilding a lasting economic foundation, not just until the next oil and gas downturn or the next time Washington fails us.

We are shunning the status quo in how we educate our children.

We have faced down tough challenges. We’ve done it the right way - in a bipartisan manner. And we’re turning the corner.
Our best days are ahead of us.

How we address our current budget crisis today will define our progress for generations.

It is simple. Let’s prioritize our spending.

Continue our investments in our children’s education, safety and jobs.

Let’s keep violent offenders off our streets and give law enforcement and the court system the tools they need to keep us safe.

We can do more with less because we have allowed government to do less with more for far too long.

Through smart legislation, we can continue the transformation of our economic foundation.

We have seen progress. But we cannot stop now.

Democrats and Republicans; let’s make New Mexicans proud.

Thank you.

God Bless you and God Bless this great state.