

## CS/S 308 et al. PUBLIC SCHOOL REFORMS

April 5, 2001

### SENATE EXECUTIVE MESSAGE NO. 69

I have this day VETOED and am returning SENATE EDUCATION COMMITTEE SUBSTITUTE FOR SENATE BILLS 308, 373 AND 485, as amended, with emergency clause, enacted by the Forty-Fifth Legislature, First Session, 2001.

This legislation is vetoed on both fiscal and policy grounds. Fiscally, this legislation is unaffordable, both now and in the future. While I have been presented arguments suggesting that I sign this legislation without the appropriation, it would not be responsible to burden future legislatures and our citizens with an unpaid obligation. Furthermore, from a policy perspective, this reform package, while containing some good ideas also has faults which should be avoided in future reform measures. New Mexico students deserve reforms that work; parents deserve reforms that help; and taxpayers deserve reforms they can afford.

#### Fiscal Issues

Among its numerous provisions, this bill commits the state to more than \$305 million in additional appropriations in FY 02 through FY 05, according to Education Initiatives and Accountability Task Force estimates. The estimated reform increases, along with modest estimates of 4 percent growth in all other public school funding, would push the expected additions for public schools (FY 02 through FY 05) to \$577 million--more than 70 percent of the total state revenue increases for that same period. The bill's Senate sponsors call it a "down payment", clearly implying many more costs to come. This smacks of reform at any cost. I have already signed legislation appropriating approximately \$180 million "new dollars" for public education this year. In addition, an equal sum will be spent on school construction.

Not only are the costs of the package high and uncertain, but also questions about how to pay for it have gone unanswered. When challenged, the bills proponents take a "sign now, pay later" approach. Using consensus revenue estimates and realistic government-wide expenditures 2001-2005, the administration argues again that this reform package is without question unrealistic and unaffordable. One is left with the unspoken assumption and inescapable conclusion that this reform package will require future tax increases, an invasion of the states permanent fund or both. That's unacceptable.

#### Policy Issues

While claiming to be the "next leap forward" in education reform, the 126-page package offers up small improvements in school accountability, makes minor changes in school governance and only pilot tests a teacher merit pay plan. This reform plan is silent on increasing school choice,

offers little hope to the approximately 69,000 students trapped in our 166 failing schools and fails to fundamentally alter the bureaucratic nature of our public school system. Rather than push relentlessly for academic results, this legislation focuses on a new regulatory/licensing strategy for teachers. Rather than concentrate on helping low income students in failing schools, this legislation establishes assessment councils, regional service centers and mandates school advisory councils. Instead of demanding a result-oriented approach from top to bottom, this legislation continues down the path of regulating education inputs and processes--more curriculum mandates, more testing formats and more money for much higher salaries.

Our schools need to improve. We will accomplish this goal by setting high standards, relentlessly measuring results and by expanding school choice all in a fiscally prudent fashion. I look forward to enacting such education reform legislation in the 2002 legislative session.

### **S 342 HEALTHCARE FINANCE ACT**

April 5, 2001

#### **SENATE EXECUTIVE MESSAGE NO. 49**

I have this day VETOED and am returning SENATE BILL 342, with emergency clause, enacted by the Forty-Fifth Legislature, First Session, 2001.

This bill expands the purposes of the current Hospital Equipment Loan Act. I have signed into law House Bill 171, which irreconcilably conflicts with the provisions of Senate Bill 342. Therefore, I am vetoing this bill.

### **S 354 FLORAL PRODUCTS GROSS RECEIPTS EXEMPTION**

April 5, 2001

#### **SENATE EXECUTIVE MESSAGE NO. 45**

I have this day VETOED and am returning SENATE BILL 354, enacted by the Forty-Fifth Legislature, First Session, 2001.

This bill addresses a concern of florists on how the gross receipts tax applies to their interstate wire order business.