

**VETO MESSAGES OF SENATE BILLS
FORTY-FIFTH LEGISLATURE
SECOND SESSION**

CS/S 1 GENERAL APPROPRIATION ACT OF 2002

March 6, 2002

SENATE EXECUTIVE MESSAGE NO. 94

I have this day VETOED and am returning SENATE FINANCE COMMITTEE SUBSTITUTE FOR SENATE BILL 1, enacted by the Forty-Fifth Legislature, Second Session, 2002.

Any General Appropriations Act passed by the Legislature must be fiscally sound and balanced.

As I have previously stated, I will not leave the state in a financial position that will ensure future tax increases. This budget I am vetoing does just that. I made a promise to the citizens of New Mexico to take a stand against fiscal irresponsibility. Citizens may or may not remember this promise -- but I do.

The proposed budget is fiscally irresponsible. It, together with other legislation I have already acted upon, would overspend by nearly \$80 million. Specifically, the budget contains the following fundamental flaws:

1. It proposes recurring spending of \$54 million in excess of available recurring revenues;
2. It underfunds necessary and critical state agencies such as the Department of Public Safety, the Department of Health and the Department of Corrections by nearly \$26 million;
3. It offers no solutions to our current Medicaid crisis, a crisis which if not managed quickly and appropriately will continue to monopolize our state budget; and
4. It jeopardizes our state's reserves in the future. As stated by the Albuquerque Chamber of Commerce Board, spending the state's "reserve funds on recurring expenses is no different than a family faced with a budget shortfall that continues to spend at previous levels while using its IRA to pay fixed budget costs such as the mortgage or car payment."

In recent days when this second veto appeared imminent, I have been asked, "Will you call the legislature into a special session?" My response has been and continues to be "no." The frustration with which I vetoed the first budget is compounded with the veto of this second

General Appropriations Act of 2002.

My frustration stems from the lack of legislative reaction to my clearly expressed concerns as articulated throughout the session and most importantly in my veto message for the first General Appropriations Act of 2002. I have set forth reasonable parameters allowing for the development of a budget that would adequately fund all of government. Those parameters are based on our current financial position, our future position set forth by the state's revenue estimators, our consistent historical need for supplemental funding to fix prior year's underfunding, and my position that I would not spend non-recurring money on recurring expenses.

I have repeatedly asked that one simple condition be met: a flat budget that allows for adequate reserves for our future. Republicans heard my request and offered a budget during the session that fully funded Medicaid growth and cut the rest of government to do so. However, this proposal was summarily killed on the floor of the House of Representatives in less than two hours.

In light of this legislative reaction (or lack of reaction) to my clearly articulated concerns, my question remains: Why bring back a legislature that wants to burden our citizens with a tax increase? Rest assured, government will continue. I will not be held hostage for a tax increase with threats of a government shutdown. We will keep the doors open and insure that the laws on the books are carried out.

In closing, I will reiterate what I have already stated in my prior veto message of the first General Appropriations Act: this is more than a veto of next year's budget; it's also a veto to insure a balanced budget the year after next and the year after that. A government that usually budgets only for today must also show it can budget for tomorrow. The great uncertainties caused by recent events, volatile energy prices and a national recession demand caution, balance and foresight. New Mexico's future will be bright only if we look, plan and budget for it.

New Mexicans expect their elected officials to both face the hard truths of difficult economic times and make tough responsible budgetary choices. This proposed budget I am vetoing once again does neither.

S 92 ENROLLMENT GROWTH PROGRAM UNITS CALCULATION

March 5, 2002

SENATE EXECUTIVE MESSAGE NO. 90

I have this day VETOED and am returning SENATE BILL 92, as amended, enacted by the Forty-Fifth Legislature, Second Session, 2002.