

New Mexico on the move: Gov. Lujan Grisham delivers first State of the State address of her second term, announces legislative agenda for the 2023 session

SANTA FE – Gov. Michelle Lujan Grisham on Tuesday issued her fifth State of the State address, the first of her second term as governor, laying out her legislative priorities for the 2023 legislative session. The full text of the governor’s address as prepared can be found below.

Continuing strategic and meaningful investments in the FY24 Executive Budget Recommendation, the governor’s legislative priorities encompass initiatives in housing and homelessness, health care and behavioral health, education and child wellbeing, public safety, economic development and relief, infrastructure, and tax reform.

Gov. Lujan Grisham’s legislative agenda for the 2023 session of the New Mexico Legislature includes:

Health Care & Behavioral Health

- **Expanding and improving rural health care delivery:** Establishing the Rural Health Care Delivery Fund, created with a \$200 million investment, to provide support for rural health care delivery in parts of New Mexico often underserved by available health care options by providing funds for the establishment of new or expanded services.
- **Protecting abortion access for New Mexicans:** Codifying abortion rights protections in state statute to ensure access to reproductive health services is safeguarded.
- **Expanding access to reproductive health services:** Investing \$10 million in capital outlay funding for a full-spectrum reproductive health clinic in southern New Mexico.
- **Improving access to affordable, high-quality health care:** Creating the New Mexico Health Care Authority, a comprehensive entity that will expand access to affordable health care and streamline the government’s efforts to support families and their health care needs while more effectively holding insurers accountable.
- **Providing transparency for prescription drug pricing:** Requiring licensed drug wholesalers to disclose prices and require Pharmacy Benefit Managers to disclose any increases of more than 40% over a five-year period, or more than 10% in the prior year, as well as the reasons for the increase.

Education & Child Wellbeing

- **Extending in-classroom learning time:** Requiring and providing the resources needed for increased educational hours during the school year.

- **Supporting special education:** Providing extended learning time for students with disabilities, ensuring special education services are data-driven and effective, and increasing supports for special education educators.
- **Ensuring teachers keep more of their salaries in their pockets:** Covering the individual cost share for health care premium costs for school personnel, a first-of-its-kind initiative for New Mexico.
- **Kids Kitchens – Establishing healthy universal free meals for students:** Eliminating school meal costs for every New Mexico child. An additional \$20 million capital outlay investment will fund school kitchen infrastructure improvements to enable schools to provide healthy and fresh foods for students.
- **Attendance interventions:** Requiring data-informed school attendance interventions aligned with student needs and expanding drop-out prevention and recovery efforts.

Public Safety

- **Keeping repeat violent offenders off New Mexico streets:** Establishing a “rebuttable presumption” to ensure that those accused of murder, gun crimes, rape or other sex crimes do not pose a danger to the community before being released pending trial.
- **Addressing the scourge of gun violence:** Keeping New Mexico families, communities and businesses safer through a robust tranche of gun legislation, including a ban on the sale of assault weapons, an end to the state loophole on straw purchases of guns, safe storage reforms, and a law allowing victims of gun violence to bring civil suits against firearm manufacturers.
- **Tackling organized retail crime:** Targeting offenders who fund organized crime through retail theft by creating the crime of organized retail crime in state statute, amending statutory language on robbery and shoplifting to encompass aggregated crimes of theft, and better enabling prosecution of commercial theft.
- **Getting more police officers on the streets:** Investing an additional \$100 million in the Law Enforcement Recruitment Fund to continue supporting the hiring of law enforcement officers to forces across the state.
- **Establishing parity in survivors benefits for first responders:** Establishing a state fund for survivors benefits for the families of firefighters killed in the line of duty.
- **Supporting public safety and government staffing:** Amending PERA regulations to 1) allow for PERA retirees to return to work for no more than three additional years after having been retired for a minimum of one year and 2) raise the pension salary maximum to 100% in order to retain qualified personnel.
- **Preventing wildfires caused by fireworks:** Providing the executive with the authority to ban the sale and use of fireworks during drought emergencies.

Economic Development & Tax Reform

- **Putting more money in New Mexicans’ pockets:** Delivering economic relief through one-time rebates of \$750 to each individual taxpayer or \$1,500 to couples filing jointly.

- **Reforming the state tax code:** Supporting New Mexico working families and businesses by enacting tax policy reform, including reducing the gross receipts tax rate by an additional quarter of a percent, implementing anti-pyramiding for professional services in the gross receipts tax rate, and delivering personal income tax progression for middle class New Mexicans.
- **Continuing to support New Mexico's booming film industry:** Updating the New Mexico Film Tax Credit to further incentivize the hiring of more New Mexico residents, promote New Mexico's diverse locations and cultures, expand productions to additional rural communities, and sustain robust investments in workforce development and job training.
- **Protecting and preserving lands for generations to come:** Establishing the Land of Enchantment Legacy Fund to create sustained funding for state programs that protect and preserve our environment. Programs that will be supported over the next three to five years through this funding include the River Stewardship Program, Healthy Soils Program and Outdoor Equity Fund.

The governor will also seek \$100 million for communities affected by the Hermit's Peak/Calf Canyon Fire to begin rebuilding their lives and livelihoods.

The full text of Gov. Lujan Grisham's 2023 State of the State address as prepared is as follows:

Good afternoon. Thank you Mr. Lieutenant Governor, Mr. Speaker, Madam Senate Pro Tem, distinguished senators and representatives. It is a privilege to be with you today. I also want to recognize United States Secretary of the Interior Deb Haaland—a proud daughter of New Mexico and an outstanding steward of our nation's public lands and natural beauty—as well as Congresswoman Teresa Leger Fernandez, Congresswoman Melanie Stansbury, and all of the sovereign leaders here today. Thank you so much for joining us.

It is a pleasure to be among so many dedicated public officials, devoted community leaders, and good friends. And it is an honor to address my fellow New Mexicans.

Just over four years ago, I began my governorship with a simple idea: that we had the power to decide what we would become. That our past didn't have to dictate our future. That with hard work and big dreams and good faith, we could build our state together, and reach for a New Mexico that would allow us to achieve our God-given potential. That we could have prosperous aspirations and turn them into a prosperous reality. Over the course of these last four years, that vision of New Mexico—a land of opportunity where anything is possible—has been our North Star.

Setting out to make that vision real has meant addressing injustices and inequities—in our economy and our education system; in public safety and public health; in the sustainability of our environment and the opportunities in our future. We did this by stepping beyond old fights and rising above predictable conflicts that had defined our state for decades, and by looking for new and creative ways to achieve our shared goals. We engaged with each other not as adversaries but as allies, and recognized the common spirit that burns brightly within us all.

Over the last four years, we have made once-unimaginable strides—and today, New Mexico is on stronger footing than ever.

Let me tell you where we are.

In New Mexico today, we have a more robust economy than we have seen in decades. In four years, we've made government-offered healthcare more affordable and education more accessible than any other state. We're building a smarter and more effective public safety approach that reverses prior administrations' years of neglect and under funding. And our focus on clean energy, sustainability and protecting our environment is a model for the entire nation. That is the miracle of New Mexico. That is the magic of New Mexico—manifested and made real not only by the people in this room but by tens of thousands of New Mexicans across the Land of Enchantment who stood up and spoke out; who lifted their sights and stiffened their spines; who believed in something better and set out to make it real.

The state of our state today is an extraordinary accomplishment—by New Mexicans, for New Mexicans. We should all be proud of the work we have done and the impacts of our efforts. I want to recognize and to thank each and every one of you—from legislators and staff to the sovereign nations, community leaders and residents who have made all of our successes possible. Our achievements belong to us all.

Today is a great day to be a New Mexican. But the truth is, the state of our state isn't just about today. It's about tomorrow. It's about what we're creating for the future—for the next legislative session, the next year, the next decade, and for generations of New Mexicans who will live in the world we construct. And I'm telling you right now: We have more to do.

We have more to do in order to stand up for our kids and our parents, our friends and our neighbors, by developing the tools and the resources that can help them continue to move forward.

We have more to do in order to protect our land and our institutions, and to make New Mexico the best place in the world to live, to grow, to raise a family or build a business.

We have more to do in order to deliver for New Mexicans who want nothing more than to realize their own vision of a better, brighter state—a state where there is no limit to what they can achieve.

That's why I am laying out priorities that will double down on the progress we have made; that will provide more help to our communities; and that will unleash the spirit of opportunity and innovation that is our state's greatest asset.

Let's begin with the economic well-being of our state. Over the last four years, we have transformed our economy. We have unleashed the potential of our entrepreneurs and our job creators and enhanced the power of the working people who drive them forward. We created 30,000 new jobs in the last year alone, unemployment is at a 14-year low, we just saw a record

\$7 billion in annual visitor spending and we've enacted \$400 million in permanent tax cuts. Our message is clear: New Mexico is moving forward.

Now, we are investing further in a dynamic, growing economy. In my budget priorities, I am asking for \$1 billion in economic relief—including rebates of \$750 to each individual taxpayer or \$1,500 to couples filing jointly—to help more New Mexicans afford the things they need right now. I am proposing a tax reform package intended to support New Mexico's working families and businesses—cutting our gross receipts tax rate again to help consumers save money; implementing common sense anti-pyramiding measures to make goods and services more affordable; and delivering personal income tax cuts for middle class New Mexicans by making our system more progressive—so that every taxpayer gets a fair shot and a fair shake. Everybody should be asked to pay their share, but nobody should face a burden they cannot afford.

That same principle applies at a time when New Mexicans across the state are working hard to rent or purchase homes that are too often out of reach. Whether we're talking about the over 2,000 New Mexicans who are currently homeless, or the many more who are at risk of being homeless; or renters who are struggling to keep their heads above water; or individuals who have spent years saving to become homeowners and see rising home costs outstripping their dreams—my administration is taking action. I am requesting over \$100 million for housing programs, including mobile homelessness response teams that serve unhoused residents; eviction protection that keeps families in place; down payment assistance that helps people start a new chapter and begin to build equity; and investments in the Mortgage Finance Authority, which are matched exponentially by federal funding. We need thousands more homes – so let's build them.

The benefits of these programs are real and concrete. Investments like these support people like Cheryle Anderson, from Gallup. Growing up, Cheryle's family was always moving, and her mother dreamed of having a "forever" home. Shortly after Cheryle turned 18, her mom passed away—but not before she made Cheryle promise that she would one day purchase a home of her own. Today, with the help of New Mexico's down payment assistance program, Cheryle has made that dream a reality—and kept her promise to her mom. Now Cheryle and her own young children have a place to call their forever home.

Housing is critically important, but so, too, is the infrastructure that brings jobs and opportunity to the people of our state. That's why I'm also calling for \$128 million in water infrastructure improvements, \$146 million in statewide broadband expansion, and updates to the New Mexico Film Tax Credit so we can attract even more businesses to communities in every corner of our state and redouble our investments in critical workforce development and job training programs. New Mexicans are the best workers in the country—and we are creating the conditions that bring them lifelong careers.

Of course, in order to fill new jobs, we have to help our students develop the in-demand skills they need—and that means providing a good education at every age. That has been my priority since the first day of my administration, which is why, over the last four years, we have supercharged our education system, designing and delivering cradle-to-career support that gives

New Mexicans the tools they need to thrive. Our investments in childcare and early education are bringing quality pre-k to three- and four-year-olds across the state. Our commitment to making education accessible and affordable is lifting families out of poverty for the first time in decades and putting them on the path to success. After years of being chronically undervalued and criminally underpaid, public school teachers in New Mexico now earn the highest salaries in the Southwest. The Opportunity Scholarship is providing free higher education for New Mexicans of every age, every background and every walk of life, so that every person in our state has a chance to achieve their full potential. Since we created tuition-free college, New Mexico college enrollment has increased for the first time in over a decade, and the number of first-time, full-time students has grown by nearly 10 percent—the second-highest college enrollment gain of any state in the country. In some cases, grandparents, parents and their kids are all going to college at the same time—generating new possibilities and a new sense of promise for what we can achieve together.

Our cradle-to-career approach has been life-changing. Will Schwettmann is a veteran of the U.S. Marines who served in Operation Enduring Freedom, and the father of a beautiful two-year-old daughter, Charlie, who will be turning three in just a couple of weeks. He and his wife needed access to high-quality childcare during the hours when they were both at work, and they were accepted into a daycare center nearby—but the tuition was almost as high as their mortgage, and Will was worried that the cost would be impossible to afford. With the help of our Child Care Assistance Program's expanded income eligibility and waived parent copays, Will was able to get most of cost taken care of—and a few months later, Charlie was accepted into a new state-run daycare in Santa Fe that had a top-notch staff and followed his work schedule. Through our programs, Will has been able to stop living paycheck-to-paycheck; to start saving for Charlie's future; and to give his daughter the best possible environment to help her learn and grow.

I am proud of what we have accomplished over the last four years, but today, I am announcing that we will do even more—starting from the beginning, so to speak, with universal child care. As our highly successful Early Childhood Trust Fund grows—and with our new nation-leading constitutional right to early childhood education—we will provide child care and early education for each and every one of our families by investing more than half a billion dollars in targeted funding. We will also extend learning time in our K-12 classrooms and provide the resources our teachers and administrators require. Right now, too many kids are forced to learn on an empty stomach, which is why I'm calling for healthy, universal and free meals for every student in New Mexico—along with an additional \$20 million investment in school kitchens so they can offer the fresh and nutritious foods our kids need to thrive. We're calling the program Kids' Kitchens—and wherever kids are, there ought to be a kitchen working to keep them healthy, strong, and ready to learn. With this program, New Mexico is literally providing food for thought. I'm also proposing that we revamp special education with extended learning time, data-driven services and extra support for special ed teachers—because every student deserves a world-class education.

I think we need to do more in order to show our appreciation for the amazing people who work in our schools. I am proposing that New Mexico cover all healthcare premiums for school personnel—and that we give them an additional four percent raise. Our public school staff

should be able to focus on our kids' learning without worrying about their salaries being drained by healthcare costs.

In all these ways, we are making our education system smarter, more effective, more comprehensive, and more fair—to support every student, every day, in every classroom across the state.

Now, as many of you know, my dad was a dentist—one of the first dentists to bring public health services to many parts of New Mexico that had no healthcare services at all. Growing up,

I saw firsthand how many communities struggled to access the care they needed. That's why we've spent the last four years investing in rural and underserved communities. We created a Health Care Affordability Fund that saves New Mexicans money. We increased Medicaid reimbursement rates, capped monthly insulin copayments, and are rebuilding our behavioral health system after nearly a decade of neglect and eliminated copays for behavioral health services.

Here's what I propose to build on that progress:

We invest 200 million to establish a Rural Health Care Delivery Fund.

We mandate transparency in drug pricing.

We expand Medicaid Assisted Treatment.

We open additional School-based Health Centers for 25,000 more students

We invest \$10 million in full-service reproductive healthcare center in southern New Mexico

We codify abortion rights in state statute to make it the law of the land throughout the state.

And we will create the New Mexico Health Care Authority—an innovative initiative that puts all our healthcare services under one roof and brings us a step closer to universal health care in New Mexico. Right now, New Mexico is the only state where more than half the population is on Medicaid, including 80% of children. Expanding Medicaid coverage offers us a chance to revolutionize care and become a universal healthcare state. And that's exactly what we intend to do, building a healthier, longer living, more prosperous New Mexico where we can live for our dreams and decrease the fear and hardship of untreated chronic conditions in the process.

I want to make clear: Achieving that distinction isn't only an exciting opportunity. It's also a moral obligation. If we believe in equality, like we say we do; if we believe in justice, like we say we do; we ought to make sure that every New Mexican of every background and circumstance can access high-quality care. We ought to be using every tool at our disposal, including the billions of dollars that come from the federal government, to provide better benefits and care for

every single New Mexican. Let's declare, right now, today, that that is where we are headed, and that we will get there, together.

All of these investments and efforts are for naught if New Mexicans are not safe in their homes, communities and businesses. You and your family can't thrive when you're worried about the safety of your child in school, your spouse at work, your own safety as you fill up at the gas station. It's not lost on anyone in this room that to get into this room, you have to go through a metal detector. There are elected officials in this room today whose homes and families were shot at in despicable acts of political violence and I want to thank the law enforcement community, including Albuquerque Police Chief Harold Medina, Bernalillo County Sheriff John Allen and State Police who are here today, for working quickly and tirelessly to apprehend every single suspect in these heinous attacks.

I am proud of the strides we have made in partnership with law enforcement over the last four years – we have supported law enforcement from day one to get 1,000 additional officers into New Mexico communities and make our state a safer place to live. Those efforts are bearing fruit, and I am proud to say that the New Mexico Law Enforcement Academy trained more than 400 officers last year – the most in recent memory. We are also preparing to train the largest class of cadets in history—a 44% increase over the previous class. This is what it looks like when we provide law enforcement with the tools they need to get the job done.

These are necessary steps forward—but everyone here knows we have to do more, because lives and livelihoods are at stake. During the next 60 days, we will redouble our efforts, fighting tooth and nail to keep our communities safe and secure. To the lawmakers in this room: This isn't me asking you. This is me, on behalf of the people of New Mexico, challenging you to do much, much more to ease the burden of crime being placed on far too many of us. We will not relent from our commitment to establish a “rebuttable presumption” to make sure that high-risk violent offenders stay behind bars before trial. We'll tackle organized crime and the criminals who fund it through retail and commercial theft, smashing the syndicates that are terrorizing our business community. And we will continue to expand our police force to make sure our law enforcement has the personnel, training and tools to serve our neighborhoods effectively —and I am calling for an additional \$100 million investment in the Law Enforcement Recruitment Fund to continue supporting the hiring and training of 1,000 law enforcement officers across the state.

This fight also requires that we step up what we're doing to address the sickening scourge of gun violence that has infected our nation. Over 1,000 guns are stolen every year in Albuquerque alone. We all know that we cannot keep our people safe if weapons of war continue to flood our neighborhoods.

That is why I am calling for a ban on assault weapons. I am calling for an end to the state loophole on straw purchases of guns, because people with a history of violence should not be able to exploit the system to get a firearm. I am calling for safe storage reforms that impose penalties on anyone who fails to secure an unattended firearm and leaves it accessible to an unsupervised minor. And I am calling for legislation that would allow victims of gun violence to

bring civil suits against firearm manufacturers. If we are bold and clear in our knowledge that now is the time to do the right thing, we can save lives and protect futures. I am determined to succeed, and I will not let up until New Mexico is the safest state in the nation.

These efforts keep everyone safe, including the first responders who put their lives on the line every day to protect and serve. And frankly, we've seen too many lost lives and too many fallen heroes. I'd like to recognize Anita Beers, who is with us today. Anita's husband, Bernalillo County Sheriff's Department Lieutenant Fred Beers, lost his life in a helicopter accident alongside three others—Undersheriff Larry Koren, Deputy Michael Levinson, and Bernalillo County Fire Department Lieutenant Matthew King—while assisting with firefighting efforts in San Miguel County. There are no words I can offer to ease your loss or your pain, but I want you to know that you and your husband are in our hearts and our prayers. And I am proud to say that our budget contains \$500,000 for the Lieutenant Fred Beers Honor Guard Memorial Fund to help New Mexico's departments purchase clothing, flags and other honor guard supplies so that our fallen heroes can be buried with dignity and respect. I also recognize that police officers are not the only public safety officials who are asked to risk their lives for others—which is why we'll be establishing parity in survivor benefits for first responders, including by creating a state fund for the families of firefighters killed in the line of duty.

We have a sacred obligation to heroes like Fred who put themselves in harm's way and to the loved ones who can only hope for their safe return. I want to say to all our first responders and their families: We are profoundly grateful for your service, and we will always stand by your side.

The danger to our first responders and the communities they serve was brought into sharp relief recently by the wildfires that raged in our state. These devastating fires impacted more than 30,000 people in San Miguel and Mora Counties directly, and thousands of others indirectly—destroying lives and livelihoods, homes and livestock, security and stability—and our responders' bravery was matched only by the incredible heroism and resiliency of our residents. New Mexico has already led by making sure this horrific event does not occur in other states, and my administration is committed to using our full strength to make New Mexicans whole. We will be delivering \$100 million for communities affected by the Hermit's Peak/Calf Canyon fire to begin rebuilding their infrastructure without waiting for the federal government's investments to be distributed—but make no mistake, we will not rest until the Federal Emergency Management Agency—FEMA—does right by us, and we will not stop until there is a program in place to administer the \$2.5 billion fund for victims and their families that Congress approved and that our residents and their families deserve.

We know that these fires were intensified by extreme weather brought on by climate change, and since the beginning of my administration, we have taken that threat seriously—embracing science in order to mitigate climate change's devastating impact, protect our environment and ramp up clean energy production. Through our 30x30 initiative, we are guarding New Mexico's natural resources, increasing access for outdoor recreation and building climate change resilience. We've more than doubled our wind energy capacity and authorized community solar projects—creating exciting clean energy opportunities and jobs that are powering our state.

In the days to come, we will redouble our commitment by launching a \$75 million Land of Enchantment Legacy Fund to create sustained funding for state programs that protect our environment, combat issues like drought and water scarcity, and address the roots of climate change. This fund will bolster initiatives like the River Stewardship Program, which safeguards our waterways so New Mexicans can continue to hunt, fish and access clean water—offering economic benefits for this generation and those to follow while strengthening our fragile ecosystems. It will support work like the Healthy Soils Program, which promotes resilient farming, ranching and other agricultural management so that the fruits of our land can continue to feed our people. It will provide resources to endeavors like the Outdoor Equity Fund, which allows young people from every background and community to take advantage of the great outdoors. Already, the Fund has supported 130 organizations that are introducing 37,000 young people to transformational recreational experiences and has become a model for other states and for the nation. Every New Mexican should be able to enjoy and benefit from the unmatched natural resources our state has to offer—not just now, but always.

We will also take another step in our sustainability efforts by codifying our zero-emissions goal in state statute—because there should be no question that New Mexico is committed to a cleaner, healthier future. In the coming months and years, we intend to design and implement a range of projects and initiatives to achieve that objective. We will take on this challenge the same way we have approached all others: with creativity, with tenacity, and with the bold and innovative spirit that has always driven us forward.

In all these areas, in all these ways, New Mexico is on the move. In our economy and our education, New Mexico is on the move. In our public health and public safety, New Mexico is on the move. In our approach to energy and the environment, New Mexico is on the move—not rushing to catch up, but ready to lead the way. We are moving towards a horizon of limitless opportunity, of extraordinary prospects, of indescribable beauty and unrivaled prosperity.

Of course, I have no illusions that our path will be straight or simple. There will be challenges to face and obstacles to overcome. But I also have no doubt that, if we meet this moment and seize this momentum, we can create the New Mexico we know—and have proven—is possible.

We can build an economy and an education system that works for everyone. We can design a community of care that protects our health and well-being. We can deliver a place of safety and security, of natural beauty and abundance. A legacy of possibility for all New Mexicans.

Ultimately, that's what this work is about. That's who this work is for. It's for the mom in Albuquerque who knows her child can succeed if they can get a little extra attention and a little extra time. It's for the small business owner in Artesia who sees great things ahead if they can get a little support, a little momentum, to push them forward. It's for young people, like my grandkids and yours, who will look out at our horizons and picture their own exciting future right here in New Mexico. It's for the new arrivals who envision the Land of Enchantment as a land of boundless possibility—a place to build a life for themselves and their families. It's for

New Mexicans who carry this land deep in their bones—who are driven by its history and animated by its potential and filled with love for what it can and should be.

Like all of us, these New Mexicans aren't just thinking about today. They're thinking about tomorrow.

And to all of them—to you—I want to say this: Tomorrow, when the sun rises over the Land of Enchantment, it will rise over a place where each new day is an opportunity for progress, for greatness, for big dreams to be made real. A place of wide-open spaces where the situation you come from doesn't dictate how far you can go. Where your dignity is inherent, and your destiny is not preordained. A place where anything is possible so long as we are willing to dream it, and design it, and work for it and deliver it.

Tomorrow, the sun will rise over this Land of Enchantment—and from Silver City to Santa Rosa, from Las Cruces to Santa Fe, all of us across this state will rise to meet it together, ready to take the next steps in the journey we have begun.

Thank you, and God bless New Mexico.