

March 15, 2001

**SENATE EXECUTIVE MESSAGE NO. 14**

The Honorable Richard Romero and  
Members of the Senate  
Executive-Legislative Building  
Santa Fe, New Mexico 87503

Honorable President and Members of the Senate:

I have this day VETOED and am returning SENATE BILL 190, enacted by the Forty-Fifth Legislature, First Session, 2001.

This bill would permit the issuance of additional supplemental severance tax short-term debt in years when severance tax bonding fund revenue has increased. The proceeds of supplemental severance debt have been authorized for building improvements at public schools and higher education institutions. The additional debt would result in reduced transfers to the severance tax permanent fund. Reduced balances in the permanent fund would in turn mean lower revenue to the state general fund in future years. Thus, the proposal would trade off future general fund revenue for additional spending on public schools and higher education institutions.

In the last two years, the state has made a substantial down payment on improving facilities at public schools and higher education institutions around the state. An additional \$74 million was provided for these purposes this year. That number will increase to over \$150 million in the coming year.

While I have supported these increases to meet critical infrastructure problems around our state, I am also concerned that the increased spending has come at the expense of transfers to the severance tax permanent fund. This fund is one of the two permanent funds that provide an important contribution to annual general fund revenue. This contribution will exceed \$400 million in the coming fiscal year.

My principal concern with Senate Bill 190 is that it would further reduce the permanent fund and therefore future general fund revenue. By depositing money in the permanent fund now, we help

insure future funding for our schools. We must preserve that funding and fulfill our commitment to future generations.

Sincerely,

Gary E. Johnson  
Governor

RECEIVED FROM THE OFFICE OF THE GOVERNOR:

Time: \_\_\_\_\_

By: \_\_\_\_\_

Secretary of State

Date \_\_\_\_\_

Time: \_\_\_\_\_

By: \_\_\_\_\_

Chief Clerk of the Senate

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