

Written Testimony Of
Susana Martinez
Governor of New Mexico

Before the
United States House of Representatives
Committee on Oversight and Government Reform and
Speaker's Task Force on Intergovernmental Affairs

“FEDERALISM IMPLICATIONS OF TREATING STATES AS STAKEHOLDERS”

February 27, 2018

Chairman Gowdy, Ranking Member Cummings, Task Force Chairman Bishop, and members of the Committee and Task Force, I am very grateful for this opportunity to speak with you today about the balance of power between the states and our federal government.

As federal legislators, you all face an incredible challenge in finding solutions that work for a nation of 320 million people in urban, rural, and frontier areas spread out over 3.8 million square miles.

In fact, our nation's incredible geographic and human diversity makes finding a cookie cutter solution next to impossible.

What works in South Carolina may not work in Maryland. And what works in New Mexico may not work even for our neighbors in Utah, which is precisely why it is imperative the federal government recognize the sovereignty of states, work with us, and allow us to lead and innovate. When you do, great things will happen.

The New Mexico Human Services Department implemented our state's Medicaid managed care program, Centennial Care, in 2014 under a demonstration waiver granted by the Centers for Medicare and Medicaid Services.

Through this innovative program, managed care organizations administer a full array of services to New Mexicans through an integrated care model.

Care coordinators across the state help to ensure members receive the right services at the right time, New Mexico is a leader in providing home- and community-based services, and we are actually *decreasing* per-person health care costs.

This innovation and resulting success is possible because the federal government allowed New Mexico to design and implement a Medicaid program that works for our state and our people.

When we do not receive that flexibility, inefficient federal processes tend to have dire consequences that reverberate across my state.

It takes our state Energy, Minerals and Natural Resources Department just 10 days to review new oil and gas permits, but it takes the Bureau of Land Management in New Mexico an average of 250 days.

This delay has led to a BLM backlog of more than 800 applications for permits to drill in Mexico, at a cost of approximately \$1.9 million to New Mexico and \$3.4 million to the federal government PER DAY.

Annually, this amounts to \$710 million for New Mexico and \$1.2 billion for the federal government in lost and delayed revenue.

If the BLM were to delegate its oil and gas review process to New Mexico and other western states with these resources on federal lands – states like Montana and Utah – it would result in billions of dollars of additional state and federal revenue.

Billions of dollars just by allowing state authorities to carry out their permitting process in accordance with federal requirements.

During my time as New Mexico's governor, I've seen two different sides of the state-federal partnership. At times, regulations and edicts from Washington have brought rigid and formulaic programs to New Mexico that do not allow us adapt them to our unique state.

That tide seems to be turning as federal agencies like the Department of Interior and Department of Transportation are engaging with us to face common challenges.

As elected officials, we all strive to deliver the best possible results for those we represent. We do that best when we work together constructively and collaboratively as true partners.

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Susana Martinez - Governor of the State of New Mexico



In 2010, Susana Martinez was elected governor of the State of New Mexico. She became New Mexico's first female governor and the first Hispanic female elected governor in the history of the United States.

She was named by TIME Magazine as one of the 100 Most Influential People in the world in 2013, one of only two governors who made the list. In April 2011, Hispanic Business Magazine named Martinez "Woman of the Year" for her efforts to reduce the tax burden on New Mexicans, get the state's fiscal house in order, and promote a friendlier business environment allowing employers to create jobs and hire New Mexico workers. National Review wrote, "She is principled and pragmatic. She has a sure sense of philosophy but is also keen on the details ...She both advocates and exemplifies the American Dream. Yes, you can forgive people their excitement over Susana Martinez."

As governor, Susana Martinez turned the largest structural deficit in state history into a surplus, all while protecting key priorities like classroom spending and basic health care for those most in need. All of this was accomplished without raising taxes. Governor Martinez has also worked in a bipartisan manner with a Democratic legislature to pass landmark reforms in core areas, including the economy and education.

In 2013, Governor Martinez signed into law the New Mexico Jobs Package, which reduced the tax rate on businesses from 7.6 to 5.9 percent. The legislation was described as, "the closest thing we've had since I have been here to true, total tax reform," by the Democratic Senate Finance Committee chair. Going further, Governor Martinez worked to amend New Mexico's tax code, ensuring manufacturers are no longer penalized for exporting their goods. The Governor's policies have had an immediate and significant impact, with New Mexico moving from 38th in the nation in export growth to first.

The Governor has also placed great emphasis on improving New Mexico's educational system, working with students, parents, teachers, administrators, and professionals to enact an agenda that delivers consequential reforms. The Martinez Administration won approval of a law that establishes an A-F grading system for schools, making it simpler and easier for students and parents to understand the performance level of their educational institution. In addition, the Public Education Department has put in place badly-needed teacher evaluations which ensure teachers in need of assistance receive it, while teachers excelling in the classroom are recognized. In states across the country, evaluations of education professionals in the classroom have served as a critical step in improving the quality of education students receive.

Governor Martinez's agenda has also focused on supporting critical, job-creating industries in New Mexico, including the energy sector. Her administration repealed and replaced portions of the 'pit rule', helping to manage waste from oil and gas drilling in a common-sense, environmentally-sound manner. The Governor has also focused on easing unnecessary and overly-burdensome regulations on various sectors of the New Mexico economy allowing employers to operate with greater efficiency and effectiveness, while maintaining the necessary oversight by appropriate state agencies.

The Governor has never forgotten the charge to clean up corruption and malfeasance in state government, which ran rampant under her predecessor. Upon her election and inauguration, Martinez has reformed the way business is done in Santa Fe both by her approach to governing, and the policies she has pursued. She sold the state jet, which was a symbol of waste, fraud and abuse, while also signing a bill that allows judges to strip those convicted of public corruption charges of their public pensions.

Governor Martinez is also focused on the long-term challenges confronting New Mexico, a state which is heavily dependent on federal spending and therefore has been hit hard by the national recession, government shutdown, and federal budget cuts. To protect New Mexicans from dysfunction in the nation's capital, the governor's bipartisan economic reforms help diversify New Mexico's economy, allowing the state to compete with its surrounding neighbors, making it more attractive to job creators who hire New Mexicans.

Prior to being elected governor, Martinez was a prosecutor for 25 years. She was the elected District Attorney for the Third Judicial District in Doña Ana County in Southern New Mexico, a position she held for 14 years. Martinez was first elected to that office in 1996 and was re-elected three times, running unopposed for the office in 2008. In addition to managing the second largest District Attorney's office in the state, Martinez personally tried some of the toughest cases, including child physical and sexual abuse and child homicide. In 2008, *Heart Magazine* named Martinez "Woman of the Year" for her dedication to children's advocacy and her efforts to keep children safe. She has also twice been named New Mexico's "Prosecutor of the Year."

As district attorney, Martinez successfully prosecuted and convicted the killer of 22-year-old college student Katie Sepich, after whom "Katie's Law" is named. Martinez fought hard to pass the legislation, which requires a DNA sample to be taken from anyone arrested for a violent felony in New Mexico. After taking office as governor, she made it a top priority to expand "Katie's Law" to require a DNA sample for all felony arrests. The expansion passed through the legislature with large bipartisan support and was signed into law by Governor Martinez in April 2011. Governor Martinez filed an amicus brief with the United States Supreme Court when "Katie's Law" was challenged. The Court agreed with Governor Martinez and upheld the law, ruling that "Katie's Law" is consistent with the 4th Amendment of the United States Constitution, likening the DNA collections upon arrest as a 21st century version of fingerprinting.

Martinez comes from a hard-working, middle class family. Her father and mother started a security guard business with very little in their pockets, building their business with Susana's mother doing paperwork in the family kitchen and Susana working as a security guard while attending college during the day. Martinez was born and raised in the Rio Grande Valley and has made Las Cruces her home since the 1980s. She earned her bachelor's degree from the University of Texas at El Paso and later earned her law degree from the University of Oklahoma School of Law.

Her husband, Chuck Franco, concluded his three-decade career in law enforcement serving as the Doña Ana County undersheriff. Her stepson Carlo is a veteran of the United States Navy's special operations and is currently a student at the University of New Mexico and working with the city of Albuquerque. Martinez is also caretaker to her older sister Lettie, who has cerebral palsy and is developmentally disabled.