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FISCAL IMPACT REPORT

ORIGINAL DATE 2/11/09

SPONSOR Barreras LAST UPDATED _____ HB 502

SHORT TITLE Periodic Executive Reorganization Evaluation SB _____

ANALYST Archuleta

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Unknown	Unknown	Unknown		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

State Personnel Office (SPO)

Energy Minerals and Natural Resources Department (EMNRD)

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 502 amends Section 9-1-1 and 9-1-9 NMSA 1978 requiring the Governor or an appropriate department secretary, with the approval of the Governor create an advisory committee to assess and make recommendations on whether additional executive reorganizations is needed. This first advisory committee with these duties must be created no later than 2012.

FISCAL IMPLICATIONS

According to EMNRD and PED, per diem and mileage costs associated with the advisory committee will be incurred in accordance with Subsection I of Section 9-1-9 NMSA 1978 allowing members of an advisory committee to receive compensation for travel and per diem expenses.

If an advisory committee is created, the Governor's Office or agency whose employees are part of the committee will need to pay members' per diem and other costs of conducting meetings.

SIGNIFICANT ISSUES

According to SPO, House Bill 502 assumes that the process for evaluating state government programs and services does not currently exist. Examples of recent executive reorganization initiatives include the Department of Information Technology, Workforce Solutions Department, and Spaceport Authority.

ADMINISTRATIVE IMPLICATIONS

The Governor’s Office and selected agencies will be required to allocate staff resources to support the work of the advisory committee.

TECHNICAL ISSUES

Subsection F of Section 9-1-9 allows an advisory committee to remain in existence for two years, unless extended by executive order of the Governor. House Bill 502 does not provide a specific timeframe for recommendations regarding executive reorganization.

If an incoming Governor conducts an executive organization review during the transition period and prior to taking office, it would be covered by this Act and would not satisfy the once every 10 years requirement.

OTHER SUBSTANTIVE ISSUES

According to EMNRD, most incoming Governor’s conduct some level of organizational review during the transition period or soon after taking office.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

An incumbent Governor can continue to study and make recommendations regarding executive reorganization on an as-needed basis without the required input of an advisory committee.

DA/mc