

Fiscal Highlights of 2018 Legislative Session

Summary of General Appropriation Act. The mid-session consensus revenue review raised FY19 general fund revenue by \$93 million to \$6.37 billion. HB2 sub and HB1 have FY19 general fund appropriations of \$6.33 billion, up \$259 million or 4.3 percent from FY18 after accounting for line item vetoes. Excluding compensation, the general fund increase is 2.8 percent.

The bill replaces \$75 million of the nonrecurring revenues used to balance the FY18 and prior year budgets when revenues were tight, including \$18 million of supplemental severance tax funding in public school transportation and instructional materials, \$18 million of tobacco settlement revenue used to support Medicaid, and \$6 million of state road fund revenue for Motor Vehicle Department operations.

Public Education. The bill appropriates \$2.75 billion of general fund, an increase of \$61 million, or 2.3 percent for public school support and related expenditures from the FY18 operating level. The appropriations include \$17 million to boost minimum teacher salary levels, \$23 million to increase the at-risk student funding formula factor, \$15 million to increase pre-kindergarten and K-3 Plus programming, and \$18 million to increase appropriations and replace use of supplemental severance tax bonds for school transportation and instructional materials. Additionally, line item vetoes of the HB2 sub eliminated language addressing funding formula loopholes, new provisions for school spending efficiency and accountability, and modified appropriations for transportation, effectively merging appropriations for school districts and charter schools that were separate.

Higher Education. HB2 has \$792 million for higher education, an increase of almost \$13 million, mostly for instruction and general. The bill adds \$500 thousand for the office of the medical investigator in Section 5, and \$250 thousand for agricultural research to help farmers deal with crop-killing pests. Line item vetoes include \$185 thousand for minority student services and Chicana/Chicano studies student pilot program, \$200 thousand for small business development, and \$250 thousand for biosciences authority.

Health and Human Services. The state benefited from a new Medicaid forecast showing rate reductions for new managed care contracts, lower enrollment, federal funding for the Children's Health Insurance Program, and a one year waiver of a federal tax on MCOs. The Medicaid total is \$934 million, up \$18 million from FY18. The HB2 sub includes \$4.2 million more for Medicaid provider rate increases for nursing homes, behavioral health and primary care, and \$5.4 million more for the Health Department to address rising costs and the waiting list for the developmentally disabled Medicaid waiver program. The HB2 sub has an additional \$28.4 million, an 11.4 percent increase for the Children, Youth, and Families Department including \$22 million for childcare assistance, \$1.5 million for home visiting, and \$2.5 million for early prekindergarten. The bill increased Temporary Assistance for Needy Families (TANF) funding for childcare assistance by \$3 million. The CYFD Protective Services program received an additional \$2.6 million to reduce vacancies, \$2.6 million for the care and support of children in care of the agency, and \$500 thousand to increase domestic violence services and training statewide.

Economic Development and Tourism. HB2 sub increases the FY19 appropriation for the JTIP training program by \$2 million and tourism marketing by \$1 million. HB2 also has \$10 million non-recurring appropriations for JTIP and LEDA.

Judiciary. The HB2 sub increases the FY19 general fund appropriation for the judiciary, including 2.6 percent more for the courts, 3.8 percent more for the public defender, and 7.8 percent more for the district attorneys. In the courts, the HB2 sub replaces exhausted fund balances in the operating budget, reduces vacancy rates, and provides funding for special projects to improve court efficiencies. For the public defender, the substitute reduces the vacancy rate and fully funds rate increases. For the district attorneys,

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the appropriations support the hiring of additional staff to reduce workload burdens. For the 2nd district attorney, the HB2 sub increases the operating budget \$3.2 million, or 16.5 percent, and adds \$2.5 million of special appropriations to establish a crime strategies unit, reduce the office's case back log, and prosecute violent crimes against children.

Public Safety. The HB2 sub increases public safety agency general fund appropriations an average 1.9 percent compared with FY18. The Department of Public Safety increased \$1.3 million, or 1 percent, and includes funding for an additional forensic scientist and a second officer recruit school. The New Mexico Corrections Department increased \$2.9 million, reflecting additional funding for radio communication fees and private prison guard salary increases. Notably, the Crime Victims Reparation Commission budget more than doubled due to a reallocation of \$2.3 million from DOH to the commission for sexual assault service providers and an additional \$1 million for services to sexual assault victims.

Transportation. The HB2 sub has \$884 million, or 0.9 percent more than FY18, for the Department of Transportation. The bill increased the use of fund balance by \$12 million to reflect the recent revenue forecast and includes \$10 million for 100 percent state-funded roads. An additional \$2 million in weight distance permit ID revenue was added to the budget to support operations at port-of-entry facilities statewide. Finally, \$44 million in nonrecurring general fund is included for road projects statewide, along with \$4 million for rest areas and an additional \$20 million from the general fund for local projects to be distributed through the local government road fund.

Compensation. HB2 sub includes almost \$90 million for compensation. This includes a 2 percent increase for all employees. Further, state police, prison guards and parole officers, would receive an additional 6.5 percent; judges and district attorney staff would receive an additional 4.5 percent; court personnel, social workers, and nurses would receive an additional 2.5 percent; and classroom teachers would receive an additional 0.5 percent. These critical occupations have high vacancy rates and turnover.

Special and Supplemental Appropriations. Other than road fund projects key items include \$10 million for a hangar at the spaceport which may be critical for recruitment of a key aerospace firm, \$5 million to the Attorney General and State Engineer for interstate water litigation; \$5 million for exemplary teacher awards, \$4 million for lottery scholarships, \$3 million for shortfalls for the secretary of state, \$22 million for information technology, and \$43 million from state and local sources to remediate the Carlsbad brine well. Line item vetoes totaled \$10.8 million, including \$5 million for restoring public school cash balances, \$400 thousand for cash flow purposes for the Aging Network, \$500 thousand to support local government's COPS program, and \$500 thousand for expanding law enforcement assistance diversion programs among others.

Information Technology. HB2 substitute includes \$92 million from all sources, including \$22 million from the general fund, for 24 projects. Key projects include \$68 million to the Human Services Department's to continue the replacement of its Medicaid management information system; \$5 million to the State Land Office to replace the ONGARD system; \$3 million to the Department of Health for a vital records imaging plan and system upgrade; \$2 million to the Corrections Department to continue the replacement of the offender management system; and \$1 million to the Department of Information Technology for enterprise cybersecurity upgrade. In addition, the bill reauthorizes and extends previous appropriations for nine projects.

Revenue Measures. The Legislature passed a half dozen revenue measures that reduced general fund revenue approximately \$15 million. These include SB266 earmarking 4.5% of motor vehicle excise tax revenue to the road fund and SB79 reinstating a solar tax credit among others, however SB79 was not signed.

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General Fund Reserves. Preliminary FY19 estimated reserves after final action are \$636.2 million or about 10.0% of recurring general fund appropriations.

Capital Outlay. Three capital outlay bills passed with overwhelming support during the 2018 Session. HTRC/House Bill 306 authorizes \$179.8 million for capital projects statewide, \$142.4 from severance tax bonds, approximately \$37.4 million from other state funds, including \$1.1 million from nonrecurring general fund. The bill authorizes \$108.6 million for executive agencies to address critical needs at hospitals, adult and juvenile facilities, museums, public safety facilities, and other state-owned assets. In addition, the bill includes \$71.2 million to address local projects such as roads, water systems, health and public safety facilities, cultural facilities, and parks and recreation facilities.

SFCS/Senate Bill 94 authorizes the issuance of general obligation bonds totaling \$165.3 million. The bill proposes four bond issues requiring ratification by the voters at the general election. The bonds include \$10.7 million for senior citizen centers statewide, \$12.75 million for academic, public school, public and tribal libraries statewide, \$6 million to replace public school buses, and \$135.9 million for higher education, special schools, and tribal schools infrastructure improvements statewide.

SFC/Senate Bill 245 reauthorizes 143 projects funded in previous years, including 117 local projects and 26 state-owned projects. The reauthorizations range from changing the administering agency or the original purpose of the projects, extending the reversion date, or expanding the purpose of the original project.

The governor vetoed four general obligation bond projects from SB94, including \$800 thousand for Luna Community College, \$1.3 million for Northern New Mexico College, \$750 thousand for UNM-Los Alamos, and \$5 million for UNM-Gallup. Governor Martinez also vetoed 118 local severance tax bond projects totaling nearly \$8.2 million. Finally, the governor also vetoed contingency language included in appropriations to the Department of Game and Fish. Pursuant to the Legislative Council's letter to the Energy, Minerals and Natural Resources Department in the fall of 2017, the language aimed to prevent the transfer of Mesilla Valley Bosque State Park without legislative authorization.

General Appropriation Act Vetoes

(thousands of dollars)

Item #	Page	Code	Agency	General Fund	OSF/ISIA/FF	Language Only	Veto Description
1	Page 3 & 4	Sec 3	General Provisions			X	Strikes language requiring DFA to consult with LFC on revenue collections.
2	Page 13	251	1st Judicial District Attorney			X	Strikes language designating performance measures on attorney caseload and number of cases referred for screening
3	Page 14	252	2nd Judicial District Attorney		300.0	X	Strikes other state funds appropriation transfer from the Department of Transportation for DWI prosecution and strikes language designating performance measures on attorney caseload and number of cases referred for screening
4	Page 14	253	3rd Judicial District Attorney			X	Strikes language designating performance measures on attorney caseload and number of cases referred for screening
5	Page 15	254	4th Judicial District Attorney			X	Strikes language designating performance measures on attorney caseload and number of cases referred for screening
6	Page 15	255	5th Judicial District Attorney			X	Strikes language designating performance measures on attorney caseload and number of cases referred for screening
7	Page 16	256	6th Judicial District Attorney			X	Strikes language designating performance measures on attorney caseload and number of cases referred for screening
8	Page 16	257	7th Judicial District Attorney			X	Strikes language designating performance measures on attorney caseload and number of cases referred for screening
9	Page 17	258	8th Judicial District Attorney			X	Strikes language designating performance measures on attorney caseload and number of cases referred for screening
10	Page 17	259	9th Judicial District Attorney			X	Strikes language designating performance measures on attorney caseload and number of cases referred for screening
11	Page 18	260	10th Judicial District Attorney			X	Strikes language designating performance measures on attorney caseload and number of cases referred for screening
12	Page 18	261	11th Judicial District Attorney Division I			X	Strikes language designating performance measures on attorney caseload and number of cases referred for screening
13	Page 19	265	11th Judicial District Attorney Division II			X	Strikes language designating performance measures on attorney caseload and number of cases referred for screening
14	Page 19	262	12th Judicial District Attorney			X	Strikes language designating performance measures on attorney caseload and number of cases referred for screening
15	Page 200	263	13th Judicial District Attorney			X	Strikes language designating performance measures on attorney caseload and number of cases referred for screening
16	Page 22	305	Attorney General	100.0			Strikes general fund appropriation for treaty of Guadalupe Hidalgo land grant division
17	Page 23	308	State Auditor			X	Strikes language designating performance measure on audit reports reviewed within ten days
18	Page 24	333	Taxation and Revenue Department			X	Strikes language designating performance measures number of personal income tax returns flagged as questionable, percent of credit requests denied of out of total requests received, number of personal income tax returns processed, number of questionable income tax returns stopped, and collections as a percent of collectible outstanding balances aged less than twenty-four months
19	Page 25	333	Taxation and Revenue Department			X	Strikes language designating performance measure on the number of delinquent property tax sales held
20	Page 26	333	Taxation and Revenue Department			X	Strikes language designating performance measure on the turnover rate of tax fraud investigators
21	Page 27	333	Taxation and Revenue Department			X	Strikes language designating performance measure on the amount of general fund revenue pending from unresolved tax protest cases
22	Page 29 & 30	341	Department of Finance and Administration	100.0		X	Strikes general fund appropriation and language designating \$100 thousand of additional general fund is for civil legal services
23	Page 46	378	Personnel Board			X	Strikes language designating performance measures on the average number of days to fill a position from the date of posting, the statewide classified service vacancy rate, and average state classified employee compa ratio
24	Page 51	419	Economic Development Department			X	Strikes language designating one-third of the JTIP appropriation is for nonurban areas of the state and \$200 thousand of Mainstreet grants are for frontier counties
25	Page 61	460	New Mexico State Fair			X	Strikes language identifying expenditure amounts for General Services Department fees
26	Page 78	550	State Engineer			X	Strikes language requiring the state engineer to consult with the New Mexico acequia Commission prior to implementing engineering services for acquis or community ditch projects
27	Page 89	630	Human Services Department			X	Strikes language designating the Temporary Assistance for Needy Families is for a "pilot" supportive housing project
28	Page 90	630	Human Services Department		1,000.0		Strikes Temporary Assistance for Needy Families appropriation for employment retention and advancement bonus incentive program
29	Page 92	630	Human Services Department			X	Strikes language identifying a general fund appropriation for contract maintenance and operations of the automated system program and eligibility network information technology system is contingent on providing data analysis reports to the Legislative Finance Committee
30	Page 101	647	Developmental Disabilities Planning Council			X	Strikes language designating a performance measure on the number of guardianship compliance site visits conducted and number of guardianship investigations completed

Item #	Page	Code	Agency	General Fund	OSF/ISIA/FF	Language Only	Veto Description
31	Page 102	662	Miners Hospital		1,040.0	X	Strikes other state funds appropriation from patient revenue for transfer to the Medicaid program of the Human Services Department for the state share of medical expenditures
32	Page 105	665	Department of Health			X	Strikes language designating a performance measure on the percent of operational beds occupied in the Facilities Management program
33	Page 118	770	Corrections Department			X	Strikes language prohibiting the department from applying penalties against private prisons for staffing violations
34	Page 128	924	Public Education Department			X	Strikes language designating the contingent general fund appropriation to the Four Corners Regional Education Cooperative is for a regional education cooperative in San Juan county
35	Page 132	950 - 980	Higher Education			X	Strikes language requiring the director of the State Budget Division to advise the Legislature when approving budget increases for Higher Education Institutions the justification for the approval
36	Page 132	950	Higher Education Department			X	Strikes language requiring the secretary to advise the Legislature of the status of allotments withheld under the enhanced fiscal oversight program
37	Page 139	952	University of New Mexico			X	Strikes language identifying an appropriation for workforce development is for the Gallup branch of the university
38	Page 139	952	University of New Mexico	185.0			Strikes appropriations for black student union services, Native American student services, engaging Latino communities for education program, and for the Chicana and Chicano Studies Department to establish a pathway to college pilot project
39	Page 140 & 141	952	University of New Mexico	250.0		X	Strikes general fund appropriation for the Bioscience Authority
40	Page 148	954	New Mexico State University	200.0		X	Strikes general fund appropriation for the Small Business Development Center
41	Page 164	993	Public School Support			X	Strikes language restricting size adjustments for vocational, alternative education, early college high, credit recovery, and magnet schools.
42	Page 164	993	Public School Support			X	Strikes language requiring the Public Education Department to reduce excess elementary physical education program units above actual enrollment at eligible schools.
43	Page 164	993	Public School Support			X	Strikes language identifying cost differential factor of the at-risk index increases from 0.106 to 0.13 and reporting of at-risk program units to the Legislative Education Study Committee and Legislative Finance Committee
44	Page 165	993	Public School Support			X	Strikes language requiring comparably-sized school districts and charter schools to justify below average spending on instruction and instructional support services. Budgets below the average need to demonstrate the amount is sufficient to provide a free and appropriate public education to students that is uniform with other students in the state.
45	Page 165 & 166	993	Public School Support			X	Strikes language requiring the Public Education Department to process and pay each request for reimbursement submitted to the department by a school district or charter school.
46	Page 166	993	Public School Support			X	Strikes language allowing the Department of Finance and Administration to adjust a school district's or charter school's monthly state equalization guarantee progress payment to meet cash flow needs.
47	Page 167 & 168	993	Public School Support			X	Strikes language separating the transportation distribution into two categories: one for school districts and the other for state-chartered charter schools.
48			Section 4 Total	835.0	2,340.0		
49	Page 170	111	Legislative Council Service	200.0			Strikes appropriation for the Capitol Buildings Planning Commission to conduct a statewide inventory of state property and buildings for master planning.
50	Page 171	218	Administrative Office of the Courts	50.0			Strikes appropriation for an armed security guard and security equipment at the San Miguel county magistrate court
51	Page 171	218	Administrative Office of the Courts	260.0			Strikes appropriation to purchase recording equipment for magistrate courts. The appropriation was contingent on House Bill 74 being enacted, which was not.
52	Page 171	218	Administrative Office of the Courts	50.0			Strikes appropriation for a study of security needs statewide in appellate, district, metropolitan, and magistrate courts
53	Page 171	234	Fourth Judicial District Court	25.0			Strikes appropriation for case mediation.
54	Page 173	305	Attorney General			X	Strikes language identifying the appropriation is for fraud prosecution
55	Page 173	341	Department of Finance and Administration	280.0			Strikes appropriation for affordable housing activities pursuant to the provisions of the New Mexico Housing Trust Fund Act
56	Page 174	341	Department of Finance and Administration	50.0			Strikes appropriation for civil legal services
57	Page 174	341	Department of Finance and Administration	200.0			Strikes appropriation for disbursement to the New Mexico Mortgage Finance Authority for regional housing oversight
58	Page 174	341	Department of Finance and Administration	100.0	120.0		Strikes appropriation for disbursement to the Renewable Energy Transmission Authority for FY19 operating costs
59	Page 174	341	Department of Finance and Administration	400.0			Strikes appropriation for law-enforcement-assisted diversion programs in Santa Fe, Bernalillo, and Dona Ana counties
60	Page 175	341	Department of Finance and Administration	70.0			Strikes appropriation to purchase and equip two vehicles for the sheriff's office in San Miguel county
61	Page 175	341	Department of Finance and Administration	90.0			Strikes appropriation to purchase and equip vehicles for the sheriff's office in Torrance county

Item #	Page	Code	Agency	General Fund	OSF/ISIA/FF	Language Only	Veto Description
62	Page 175	341	Department of Finance and Administration	800.0			Strikes appropriation for a state match for a federal allocation to enhance broadband deployment efforts
63	Page 175	341	Department of Finance and Administration	200.0			Strikes appropriation for emergency communications tower on the Jicarilla Apache nation to provide coverage for unincorporated areas to improve communications for emergency management for Northern Sandoval county, Northwestern Rio Arriba county, and Eastern San Juan county
64	Page 176	418	Tourism Department			X	Strikes language identifying the appropriation for special Olympics is for sports training
65	Page 177	505	Cultural Affairs Department	100.0			Strikes appropriation for schools to participate in the national history day program
66	Page 179	550	State Engineer	185.0			Strikes appropriation for the weather modification program in Lea and Roosevelt counties
67	Page 180	609	Indian Affairs Department	196.0			Strikes appropriation for a back up generator for the Zuni water wall
68	Page 180	609	Indian Affairs Department	100.0			Strikes appropriation for a self-help housing program in Jemez Pueblo
69	Page 180	609	Indian Affairs Department	100.0			Strikes appropriation for a study on the general fund impact of members of federally recognized tribes receiving health care from state and other facilities other than the United States Indian health services facilities and tribes
70	Page 180	609	Indian Affairs Department	100.0			Strikes appropriation to design and construct a storm and surface water control system in Ohkay Owingeh in Rio Arriba county
71	Page 180	624	Aging and Long Term Services Department	400.0			Strikes appropriation to establish an emergency reserve in the Aging Network Program
72	Page 180	624	Aging and Long Term Services Department			X	Strikes language identifying the appropriation to enhance and expand foster grandparent and senior companion programs is for Rio Arriba, San Miguel, and Guadalupe counties
73	Page 180	630	Human Services Department			X	Strikes language identifying the appropriation for a demonstration project providing evidence-based residential substance use treatment is for Rio Arriba and Taos counties
74	Page 182	665	Department of Health	4.0			Strikes appropriation to survey the Los Lunas Medical Center fenced cemetery in preparation for potential transfer to another entity
75	Page 183	790	Department of Public Safety	500.0			Strikes appropriation to provide the local government share of federal community-oriented policing service grants
76	Page 184	805	Department of Transportation			X	Strikes language identifying road improvement appropriation is for expenditure in districts one through six
77	Page 185	924	Public Education Department			X	Strikes language restricting exemplary teacher awards to teachers in school district or charter schools with an established collective bargaining unit
78	Page 185	924	Public Education Department			X	Strikes language identifying \$1.2 million appropriation for Martinez v. State of New Mexico legal fees are for expenditure in FY19
79	Page 185	924	Public Education Department	50.0			Strikes appropriation for the ready to learn early childhood program
80	Page 185	924	Public Education Department	5,000.0			Strikes appropriation to restore operational cash balances swept in FY17
81	Page 186	950	Higher Education Department	50.0			Strikes appropriation for New Mexico mathematics, engineering, science achievement program
82	Page 186	952	University of New Mexico	200.0			Strikes appropriation for indigenous design and planning institute
83	Page 186	952	University of New Mexico	100.0			Strikes appropriation for New Mexico high school mock trial program
84	Page 186	952	University of New Mexico			X	Strikes language identifying the appropriation for the Office of Medical Investigator is for loan payments to purchase a magnetic resonance imaging scanner
85	Page 186	952	University of New Mexico	200.0			Strikes appropriation for the New Mexico Bureau of Business and Economic Research to study uranium clean up training programs on the Navajo Nation
86	Page 186	952	University of New Mexico	61.0			Strikes appropriation for the Wildlife Law Education Program
87	Page 187	954	New Mexico State University	50.0			Strikes appropriation for the college assistance migrant program
88	Page 187	956	New Mexico Highlands University	100.0			Strikes appropriation for the Native American Social Workers Institute School of Social Work curriculum development, training, and recruitment
89	Page 187	960	Eastern New Mexico University	400.0			Strikes appropriation for state chartered career and technical student organizations that enhance an accelerate career technical education
90	Page 187	960	Eastern New Mexico University	100.0			Strikes appropriation to purchase equipment for the public broadcasting service station
91			Section 5 Total	10,771.0	120.0		
92	Page 189	305	Attorney General			X	Strikes language identifying the appropriation is for fraud prosecution
93	Page 190	770	Corrections Department		1,713.3		Strikes appropriation from the equipment replacement fund for radio communication costs due to the Department of Information Technology for fiscal year 2018
94	Page 190	770	Corrections Department		2,602.4		Strikes appropriation from the equipment replacement fund for radio communication costs due to the Department of Information Technology for fiscal years 2016 and 2017
95			Section 6 Total	-	4,315.7		

Item #	Page	Code	Agency	General Fund	OSF/ISIA/FF	Language Only	Veto Description
96	Page 198	Sec 8	Public School Support			X	Strikes language identifying separate increases for school district and state-chartered charter schools in the transportation distribution compensation increase
97	Page 199	Sec 8	Corrections Department			X	Strikes the words "on average" in language identifying 6.5 percent salary increases for public correction and probation officers
98	Page 200	Sec 8	Elected Officials	67.4			Strikes appropriation for a compensation increase for statewide elected officials
99			Sections 8, 9, & 10 Total	67.4	-		
100							
101			Grand Total	11,673.4	6,775.7		

General Fund Financial Summary:
2018 Regular Session General Appropriation Act, Feed Bill, Revenue Bills, and Vetoes
(millions of dollars)

March 8, 2018

<u>APPROPRIATION ACCOUNT</u>	<u>Prelim.</u> <u>FY2017</u>	<u>Estimate</u> <u>FY2018</u>	<u>Estimate</u> <u>FY2019</u>
REVENUE			
Recurring Revenue			
December 2017 Consensus Revenue Forecast	\$ 5,885.4	\$ 6,090.7	\$ 6,281.3
2018 Mid-Session Update - Recurring Revenue	\$ -	\$ 157.9	\$ 93.3
2018 Regular Session Revenue Legislation	\$ -	\$ -	\$ (9.5)
<u>Total Recurring Revenue</u>	<u>\$ 5,885.4</u>	<u>\$ 6,248.6</u>	<u>\$ 6,365.1</u>
Nonrecurring Revenue			
2016 & 2017 Regular & Special Sessions Nonrecurring Revenue Legislation ^{1,2}	\$ 566.2	\$ 18.7	
2018 Mid-Session Update - Nonrecurring Revenue		\$ 31.0	
2018 Regular Session Nonrecurring Revenue Legislation		\$ (2.8)	\$ -
Other Nonrecurring Revenue	\$ 9.5	\$ 18.5	
<u>Total Nonrecurring Revenue</u>	<u>\$ 575.7</u>	<u>\$ 65.5</u>	<u>\$ -</u>
TOTAL REVENUE	\$ 6,461.1	\$ 6,314.1	\$ 6,365.1
APPROPRIATIONS			
Recurring Appropriations			
2016 Legislation and Feed Bill	\$ 6,228.1		
2016 Special Session Recurring Appropriation Reductions ⁵	\$ (133.9)		
2017 Regular & Special Session Legislation & Feed Bill ⁴	\$ 9.5	\$ 6,073.3	
2018 Session Legislation & Feed Bill	\$ -	\$ 5.6	\$ 6,332.3
<u>Total Recurring Appropriations</u>	<u>\$ 6,103.6</u>	<u>\$ 6,078.8</u>	<u>\$ 6,332.3</u>
Nonrecurring Appropriations			
2016 Legislation & Prior Year Appropriations ⁶	\$ 0.3		
2016 Special Session Nonrecurring Appropriations ^{3,5}	\$ 2.5		
2017 Regular & Special Session Nonrecurring Appropriations ⁴	\$ 23.2	\$ 9.0	
2018 Session Nonrecurring Appropriations	\$ -	\$ 113.1	\$ 47.8
<u>Total Nonrecurring Appropriations</u>	<u>\$ 26.0</u>	<u>\$ 122.1</u>	<u>\$ 47.8</u>
TOTAL APPROPRIATIONS	\$ 6,129.6	\$ 6,200.9	\$ 6,380.1
Transfer to (from) Reserves	\$ 331.5	\$ 113.1	\$ (15.1)
GENERAL FUND RESERVES			
Beginning Balances	\$ 147.8	\$ 505.1	\$ 617.8
Transfers from (to) Appropriations Account	\$ 331.5	\$ 113.1	\$ (15.1)
Revenue and Reversions	\$ 78.0	\$ 56.5	\$ 69.7
Appropriations, Expenditures and Transfers Out	\$ (52.2)	\$ (57.0)	\$ (36.0)
Ending Balances	\$ 505.1	\$ 617.8	\$ 636.4
<i>Reserves as a Percent of Recurring Appropriations</i>	<i>8.3%</i>	<i>10.2%</i>	<i>10.0%</i>

Notes:

1) FY17 reflects actual amounts received from solvency legislation per LFC/DFA sweeps tracking - includes Laws 2016, Chapter 12 (HB311, \$75 million fund sweeps); Laws 2016, Second Special Session, Chapter 4 (SB2, \$93 million general fund sweeps and transfers), Chapter 5 (SB8, \$103.2 million capital outlay sweeps), and Chapter 6 (SB9, \$27.9 million PED appropriation reductions); Laws 2017, Chapter 1 (HB4, \$89 million adjusted reversion date for fire protection fund and law enforcement protection fund), Chapter 2 (SB113, \$55.2 million general fund sweeps), and Chapter 3 (SB114, \$40.8 million school cash balances); Laws 2017, First Special Session, Chapter 1 (SB1, \$82.1 million public school capital outlay swap and general fund sweeps)

2) FY18 reflects remaining solvency transfers per Laws 2017, Chapter 1 (HB4, \$10.7 million fire protection fund adjusted reversion) and Laws 2017, First Special Session, Chapter 1 (SB1, \$8 million from NMFA public project revolving fund)

3) Laws 2016, Second Special Session, Chapter 3 (SB6) - revenue package

4) \$9 million was moved from FY18 recurring appropriations to nonrecurring appropriations to reflect DFA accounting for \$7 million LEDA special and \$2 million NMCD special

5) Laws 2016, Second Special Session, Chapter 6 (SB9) - appropriation reductions, not including the \$22 million vetoed from the reduction to PED's special appropriations, not including \$20 million of the \$30 million reduced appropriation for PED for transportation and instructional materials that DFA booked as nonrecurring revenue/reversion

6) Prior-year nonrecurring appropriation, adjusted for FY16 audit

General Fund Financial Summary:
2018 Regular Session General Appropriation Act, Feed Bill, Revenue Bills, and Vetoes
RESERVE DETAIL
(millions of dollars)

March 8, 2018	<u>Prelim.</u> <u>FY2017</u>	<u>Estimate</u> <u>FY2018</u>	<u>Estimate</u> <u>FY2019</u>
OPERATING RESERVE			
Beginning Balance	\$ 2.0	\$ 331.5	\$ 442.7
BOF Emergency Appropriations/Reversions	\$ (2.0)	\$ (2.0)	\$ (2.0)
Transfers from/to Appropriation Account	\$ 331.5	\$ 113.1	\$ (15.1)
Transfer from (to) ACF/Other Appropriations	\$ -	\$ -	\$ -
Transfer from Tax Stabilization Reserve	\$ -	\$ -	\$ -
Ending Balance	\$ 331.5	\$ 442.7	\$ 425.6
APPROPRIATION CONTINGENCY FUND			
Beginning Balance	\$ 34.4	\$ 25.7	\$ 17.7
Disaster Allotments	\$ (13.0)	\$ (16.0)	\$ (16.0)
Other Appropriations	\$ (0.3)	\$ -	\$ -
Transfers In	\$ -	\$ -	\$ -
Revenue and Reversions	\$ 4.6	\$ 8.0	\$ 8.0
Ending Balance	\$ 25.7	\$ 17.7	\$ 9.7
STATE SUPPORT FUND			
Beginning Balance	\$ 1.0	\$ 1.0	\$ 1.0
Revenues	\$ -	\$ -	\$ -
Appropriations	\$ -	\$ -	\$ -
Ending Balance	\$ 1.0	\$ 1.0	\$ 1.0
TOBACCO PERMANENT FUND			
Beginning Balance	\$ 110.4	\$ 146.8	\$ 156.4
Transfers In	\$ 54.3	\$ 39.0	\$ 36.0
Appropriation to Tobacco Settlement Program Fund	\$ (18.5)	\$ (19.5)	\$ (18.0)
Gains/Losses	\$ 19.2	\$ 9.5	\$ 10.2
Additional Transfers from TSPF	\$ (18.5)	\$ (19.5)	\$ -
Transfer to General Fund Appropriation Account	\$ -	\$ -	\$ -
Ending Balance	\$ 146.8	\$ 156.4	\$ 184.5
TAX STABILIZATION RESERVE			
Beginning Balance	\$ -	\$ -	\$ -
Transfers In ¹	\$ -	\$ -	\$ 15.5
Transfer Out to Operating Reserve	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ 15.5
GENERAL FUND ENDING BALANCES	\$ 505.1	\$ 617.8	\$ 636.4
<i>Percent of Recurring Appropriations</i>	<i>8.3%</i>	<i>10.2%</i>	<i>10.0%</i>

Notes:

1) Estimated transfer to tax stabilization reserve from excess oil and gas emergency school tax above the five-year average

Appropriation Account Detail: General Appropriation Act of 2018 and Other 2018 Legislation
(in millions of dollars)

	FY18		FY19		FY20		FY21		FY22	
	Recurring	Non-Recurring	Recurring	Non-Recurring	Recurring	Non-Recurring	Recurring	Non-Recurring	Recurring	Non-Recurring
REVENUE										
<u>2018 Regular Session:</u>										
January Consensus Revenue Revision	\$ 157.9	\$ 31.0	\$ 93.3		\$ 82.4		\$ 163.4		\$ 184.0	
Bill No. Revenue Legislation										
Ch. 73 IT Approp. from Land Office Maintenance Fund (HB2)		\$ (4.3)								
Ch. 73 Transfer from NMFA (HB2)		\$ 1.5								
Ch. 3 Transfer MVX to road fund (SB226)			\$ (6.4)		\$ (6.6)		\$ (6.7)		\$ (6.8)	
Ch. 62 Aircraft Training Construction Gross Receipts (SB99)			\$ (0.2)		\$ (0.2)		\$ (0.2)		\$ (0.2)	
Ch. 36 Foster Youth Employment Tax Credits (SB231)			\$ (0.2)		\$ (0.2)		\$ (0.2)		\$ (0.2)	
Ch. 48 Liquor Excise Tax Distributions (HB35)			\$ (1.1)		\$ (3.7)		\$ (3.7)		\$ (3.7)	
Ch. 46 Thanksgiving Saturday Gross Receipts (HB79)			\$ (1.7)		\$ (1.8)		\$ -		\$ -	
SB79 <i>Solar Market Development Tax Credit</i>			\$ (5.0)		\$ (5.0)		\$ (5.0)		\$ (5.0)	
TOTAL REVENUE FROM LEGISLATION	\$ -	\$ (2.8)	\$ (9.5)	\$ -	\$ (12.4)	\$ -	\$ (10.7)	\$ -	\$ (10.8)	\$ -
APPROPRIATIONS										
<u>2018 Regular Session:</u>										
Bill No.										
Ch. 2 Feed Bill & General Appropriation Act (HB1) ¹	\$ 5.6		\$ 15.2							
Ch. 73 General Appropriation Act of 2018 (HB2)										
H AFC Section 4, General Appropriation ²			\$ 6,219.4							
H AFC Section 5 & 6, Specials, Supplementals & Deficiencies		\$ 171.7								
H AFC Section 8, Compensation			\$ 88.7							
SFC Section 4, General Appropriation			\$ 9.3							
SFC Section 5 & 6, Specials, Supplementals & Deficiencies		\$ (0.7)								
SFC Section 8, Compensation			\$ 0.5							
SFC FY19 Specials: state roads, rest areas, and school balances		\$ (54.0)		\$ 54.0						
Conf. Comm Section 4, General Appropriation			\$ 0.1							
Conf. Comm Section 5 & 6, Specials, Supplementals & Deficiencies		\$ (0.1)								
Section 4, 5 & 6 Governor Vetoes & Failed Contingencies ³		\$ (4.9)	\$ (0.8)	\$ (6.2)						
Ch. 80 Capital Outlay General Fund Appropriations (HB306)		\$ 1.1								
TOTAL APPROPRIATIONS	\$ 5.6	\$ 113.1	\$ 6,332.3	\$ 47.8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Notes:

1) Includes \$873.4 thousand for LIS

2) Includes \$53.1 million for compensation increases

3) Failed Contingency: AOC (\$260K) appropriation for magistrate courts recording equipment contingent upon HB74; Vetoes: SB176 salary increases for elected officials (\$67.4K), HB2 section 4 (\$835K), and HB2 section 5 (\$10.8M)