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FISCAL IMPACT REPORT

SPONSOR: HAFC DATE TYPED: 03/13/01 HB 2/HAFCS/aSFC/aCC

SHORT TITLE: General Appropriation Act of 2001 SB _____

ANALYST: Burch

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
\$ 52,098.0	\$ 3,860,289.0			Recurring	GF
\$ 479.0	\$ 1,602,259.3			Recurring	OSF
	\$ 732,633.0			Recurring	ISF/IAT
\$ 4,716.7	\$ 3,003,502.7			Recurring	FF
\$ 98,518.5				Nonrecurring	GF
\$ 46,017.0				Nonrecurring	OSF
\$ 500.0				Nonrecurring	ISF/IAT
\$ 29,419.5				Nonrecurring	FF

(Parenthesis () Indicate Expenditure Decreases)

NOTE: GF=General Fund; OSF=Other State Funds; ISF/IAT=Internal Services Funds/Interagency Transfers; and FF=Federal Funds

Conflicts with/Duplicates/Companion to House Bills 1, 3, 4, 5, 6, 7 and 8 and Senate Bill 98; HAFCS/H972 is a companion bill.

SOURCES OF INFORMATION

LFC files.

SUMMARY

Synopsis of Conference Committee Amendment to House Appropriations and Finance Committee Substitute for House Bills 2, 4, 5, 6, 7 & 8 and House Education Committee Substitute for House Bill 3, as Amended by the Senate Finance Committee

The amendment to the substitute bill appropriates general fund, other state funds, internal service funds/interagency transfers and federal funds for the operation of state agencies, higher education and

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public school support. The bill includes funding for 21,045.85 permanent, 2,345.70 term and 297.60 temporary employees for a total of 23,689.15 employees. See **Attachment** for general fund appropriations by agency. See the fiscal implications section of this report for the breakout of appropriations between recurring and nonrecurring and funding sources.

1. Section 4, Fiscal Year 2002 Appropriations (pages 1 through 44). This section provides funding for state agencies, higher education and public school support that have not yet transitioned into performance-based budgeting.

2. Section 5, Fiscal Year 2002 Performance-Based Budgeting Appropriations (pages 44 through 114). Section 5 provides performance-based funding to agencies included in the first- and second-year implementation of the Accountability in Government Act enacted by the Legislature in 1999. The section provides funding for the following 22 agencies and six higher education special projects selected to transition to performance-based budgeting for FY02:

- (218) Administrative Office of the Courts, except magistrate courts
- (333) Taxation and Revenue Department
- (341) Department of Finance and Administration, except special DFA appropriations
- (350) General Services Department
- (418) Tourism Department
- (419) Economic Development Department
- (420) Regulation and Licensing Department
- (505) Office of Cultural Affairs
- (521) Energy, Minerals and Natural Resources Department
- (550) State Engineer
- (624) State Agency on Aging
- (630) Human Services Department
- (631) Labor Department
- (644) Division of Vocational Rehabilitation
- (665) Department of Health
- (667) Department of Environment
- (690) Children, Youth and Families Department
- (770) Corrections Department
- (790) Department of Public Safety
- (805) State Highway and Transportation Department
- (924) State Department of Public Education
- (950) Commission on Higher Education
- (952) University of New Mexico Cancer Center
- (952) University of New Mexico Morrissey Hall Research
- (954) New Mexico State University Alliance for Under-represented Students
- (956) New Mexico Highlands University Visiting Scientist
- (960) Eastern New Mexico University Educational Television
- (962) New Mexico Institute of Mining and Technology geophysical Research Center

Please see **Attachment** for a detail of the general fund appropriations by agency.

3. Section 6, Special Appropriations (pages 114 through 123); Section 7, Supplemental and Deficiency Appropriations (pages 123 through 127); and Section 8, Data Processing Appropriations (pages 127 through 132).

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Section 6 appropriates money for expenditure in FY01 and FY02 for various special purposes and to fund the computer systems enhancement fund.

Section 7 appropriates money for expenditure in FY01 to make up shortfalls in FY00 and projected shortfalls in FY02.

Section 8 appropriates money from the computer systems enhancement and other funds for expenditure in FY01 and FY02 for major information technology projects. Please see **Attachment** for specifics.

4. Section 9, Compensation Appropriations (pages 132 through 135). Section 9 appropriates money for expenditure in FY02 for salary increases for state and higher education employees. Compensation increases for public school employees are included in the state equalization guarantee and transportation appropriations of Public School Support in Section 4 of the bill as follows. Please see **Attachment** for funding specifics.

5. Section 10, Additional Fiscal Year 2001 Budget Adjustment Authority (pages 135 through 139). Section 10 provides FY01 budget adjustment authority in addition to that already authorized in the General Appropriation Act of 2000.

6. Section 11, Certain Fiscal Year 2002 Budget Adjustments Authorized (pages 139 through 143). Section 11 provides agencies with budget adjustment authority for FY02.

7. New Section 12, Fund Transfers and Appropriation Contingency Fund Appropriations (page 143). The new Section 12 transfers \$163 million to the appropriation contingency fund, appropriates \$53 million from that fund for a medicaid supplemental for FY01 (\$26.9 of this appropriation is for FY00 and prior year's deficiencies), and appropriates \$5 million for medicaid expenditures for FY02.

Significant Issues

General operating appropriations for most legislative agencies are contained in House Bill 1, the Feed Bill.

PERFORMANCE IMPLICATIONS

Section 5 (pages 44 - 114) contains performance measures for every agency implementing performance-based budgeting in FY02. In addition, House Appropriations and Finance Committee Substitute for House Bill 972 includes additional measures.

FISCAL IMPLICATIONS

Appropriations are summarized as follows:

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Section	Fiscal Year 2001				Fiscal Year 2002			
	GF	OSF	ISF/IA T	FF	GF	OSF	ISF/IAT	FF
Recurring:								
4.FY02 Approps	0.0	0.0	0.0	0.0	2,562,437.6	1,077,475.8	230,369.7	693,185.5
5.FY02 PBB	0.0	0.0	0.0	0.0	1,242,917.3	524,783.5	502,263.3	2,310,317.2
6.Special	19,843.0	479.0	0.0	0.0	0.0	0.0	0.0	0.0
7.Supp/Def	32,255.0	3,500.0	0.0	4,679.4	0.0	0.0	0.0	0.0
9.Compensation	0.0	0.0	0.0	0.0	54,934.1	0.0	0.0	0.0
Total Recurring	52,098.0	479.0	0.0	4,716.7	3,860,289.0	1,602,259.3	732,633.0	3,003,502.7
Non-recurring:								
6.Special	90,804.0	1,563.7	0.0	9,261.1	0.0	0.0	0.0	0.0
7.Supp/Def	7,714.5	8,660.1	500.0	1,720.9	0.0	0.0	0.0	0.0
8.Data Process	0.0	35,793.2	0.0	18,437.5	0.0	0.0	0.0	0.0
Total Non-recurring	98,518.5	46,017.0	500.0	29,419.5	0.0	0.0	0.0	0.0

Finally the amended substitute bill appropriates money from the tobacco settlement program fund as follows:

Agency	Program	Amount
Human Services Department	Early childhood development home visits	475.0
Human Services Department	Medicaid smoking cessation	450.0
Human Services Department	SCHIP for working poor parents	5,322.6
Human Services Department	Medicaid base	2,300.0
Human Services Department	Breast and cervical cancer treatment	300.0
Department of Health	Tobacco prevention and cessation programs	5,000.0
Department of Health	HIV services and medicine	470.0
Department of Health	Diabetes programs	1,000.0
Department of Health	Memorial Medical Center for mobile prenatal and neonatal medical services in rural areas of Dona Ana county	350.0
NM Veterans' Service Commission	Assistance to veterans with lung disease	600.0
University of New Mexico	Various	4,400.0

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Agency	Program	Amount
State Department of Public Education	Media literacy project	275.0
Total		20,942.6

CONFLICT/DUPLICATION/RELATIONSHIP

House Bill 2: (1) relates to House Bill 1, the Feed Bill, since it includes appropriations for the operation of the Legislature; and (2) duplicates appropriations for purposes contained in House Bills 3, 4, 5, 6, 7 and 8 and Senate Bill 98. House Appropriations and Finance Committee Substitute for House Bill 972 includes additional performance measures for agencies that are in performance-based budgeting for FY02

DKB/ar/njw
Attachments