

FORTY- SEVENTH LEGISLATURE
FIRST SESSION, 2005

HB 404/a

March 8, 2005

Madam President:

Your PUBLIC AFFAIRS COMMITTEE, to whom has been referred

HOUSE BILL 404

has had it under consideration and reports same with recommendation that it DO PASS, amended as follows:

1. On page 1, line 11, strike the second semicolon and insert in lieu thereof "PILOT PROJECT TO DETERMINE THE EFFICACY OF BIENNIAL BUDGETING. ".

2. On page 1, strike lines 12 and 13 in their entirety.

3. On pages 1 through page 15, strike Sections 1 through 15 in their entirety and insert in lieu thereof:

"Section 1. BIENNIAL BUDGET PILOT PROJECT--EVALUATIONS.--

A. The "biennial budget pilot project" is created as a four-biennia study to determine whether biennial budgeting is in the best interest of state government. The pilot project shall begin with the proposed budget prepared by certain state agencies for the consideration of the forty-eighth legislature, first session. The premise of the study is that biennial budgeting will improve the state budget process by reducing time devoted to preparing agency budgets and, therefore, increasing the time available for consideration of policy and performance aspects of agencies and that biennial budgeting will give the state budget division of the department of finance and administration and the legislative finance committee more time to oversee how well agencies implement state law and how efficiently and effectively they deliver state services.

B. To ensure impartiality of the study, the pilot project shall be administered by the governor's office in consultation with the biennial budget pilot project oversight subcommittee of the New Mexico legislative council.

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C. The governor's office shall determine baseline data from the last five years for each of the participating agencies, including:

(1) their success in meeting performance measures, outputs and outcomes required in annual appropriation acts;

(2) the number of budget analysts employed by the agency, the job titles of other agency personnel who devote time to preparing annual budget proposals and the number of hours spent by each in its preparation;

(3) the estimated cost of supplies and materials used in preparing annual budget proposals;

(4) the cost to the agency of overtime salary or compensatory time for annual budget preparation;

(5) the estimated savings by each agency in full-time equivalents, overtime salary and compensatory time, equipment and supplies and other costs associated with annual budgeting that will accrue because of biennial budgeting; and

(6) the number, types and amounts of budget adjustment requests required by each budget program.

D. The state budget division and the legislative finance committee shall provide similar baseline data for their operations pertaining to their work in approving and recommending proposed budgets over the past five years and projected savings for the division and the committee through the pilot project and if the state adopts biennial budgeting for all agencies.

E. The governor's office and the biennial budget pilot project oversight subcommittee shall determine the evaluation criteria for the pilot project, including:

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(1) how well pilot project agencies met their performance measures, outputs and outcomes required in the general appropriation acts; and

(2) the number and amount of supplemental and deficiency appropriations the pilot project agencies requested during the off-years of each biennium and the reasons for those requests.

F. The following executive agencies shall participate in the pilot project:

(1) the department of finance and administration;

(2) the regulation and licensing department;

(3) the economic development department;

(4) the department of health; and

(5) up to thirty-five executive agencies with budgets under five million dollars (\$5,000,000), selected by the governor's office in coordination with the biennial budget pilot project oversight subcommittee and the legislative finance committee.

G. The New Mexico legislative council shall appoint a six-member "biennial budget pilot project oversight subcommittee" of the legislative council to oversee the implementation of the pilot project and to study constitutional, statutory, organizational and technical issues of biennial budgeting. The subcommittee shall be staffed by the legislative council service and the legislative finance committee staff. The biennial budget pilot project oversight subcommittee shall seek the advice of the national conference of state legislatures and other states that have contemplated, changed to or changed from biennial budgeting. The biennial budget pilot project oversight subcommittee shall provide interim reports and a final report, with findings and

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recommen dations, to the legislative council and the legislative
finance commi ttee by the end of the fifty-first legislature, second
sessi on. ". ,

and thence referred to the FINANCE COMMI TTEE.

Respectfully submi tted,

Dede Fel dman, Chair man

Adopted _____ Not Adopted _____
(Chi ef Clerk) (Chi ef Clerk)

Date _____

The roll call vote was 7 For 0 Against

Yes: 7

No: 0

Excused: Komadi na, Papen

Absent: None

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