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HOUSE BILL 2

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

Henry 'Kiki' Saavedra

AN ACT

MAKING GENERAL APPROPRIATIONS AND AUTHORIZING EXPENDITURES BY
STATE AGENCIES REQUIRED BY LAW; AMENDING THE GENERAL
APPROPRIATION ACT OF 2010.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. SHORT TITLE.--This act may be cited as the
"General Appropriation Act of 2011".

SECTION 2. DEFINITIONS.--As used in the General
Appropriation Act of 2011:

A. "agency" means an office, department, agency,
institution, board, bureau, commission, court, district
attorney, council or committee of state government;

B. "federal funds" means any payments by the United
States government to state government or agencies except those
payments made in accordance with the federal Mineral Lands

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1 Leasing Act;

2 C. "general fund" means that fund created by
3 Section 6-4-2 NMSA 1978 and includes federal Mineral Lands
4 Leasing Act receipts and those payments made in accordance with
5 federal block grants and the federal Workforce Investment Act
6 of 1998, but excludes the general fund operating reserve, the
7 appropriation contingency fund, the tax stabilization reserve
8 and any other fund, reserve or account from which general
9 appropriations are restricted by law;

10 D. "interagency transfers" means revenue, other
11 than internal service funds, legally transferred from one
12 agency to another;

13 E. "internal service funds" means:

14 (1) revenue transferred to an agency for the
15 financing of goods or services to another agency on a
16 cost-reimbursement basis; and

17 (2) unreserved undesignated fund balances in
18 agency internal service fund accounts appropriated by the
19 General Appropriation Act of 2011;

20 F. "other state funds" means:

21 (1) unreserved undesignated balances in agency
22 accounts, other than in internal service fund accounts,
23 appropriated by the General Appropriation Act of 2011;

24 (2) all revenue available to agencies from
25 sources other than the general fund, internal service funds,

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1 interagency transfers and federal funds; and

2 (3) all revenue, the use of which is
3 restricted by statute or agreement; and

4 G. "revenue" means all money received by an agency
5 from sources external to that agency, net of refunds and other
6 correcting transactions, other than from issue of debt,
7 liquidation of investments or as agent or trustee for other
8 governmental entities or private persons.

9 SECTION 3. GENERAL PROVISIONS.--

10 A. For fiscal year 2012, appropriations are made as
11 set out in Section 4 of the General Appropriation Act of 2011
12 from the general fund, internal service funds and interagency
13 transfers or other state funds as indicated to state agencies
14 named or for the purposes expressed, or so much thereof as may
15 be necessary, within available revenue and unreserved
16 undesignated fund balances.

17 B. Unreserved undesignated fund balances in agency
18 accounts remaining at the end of fiscal year 2012 shall revert
19 to the general fund by September 30, 2012 unless otherwise
20 indicated in the General Appropriation Act of 2011 or otherwise
21 provided by law.

22 C. The state budget division of the department of
23 finance and administration shall monitor revenue received by
24 agencies from sources other than the general fund and shall
25 reduce the operating budget of any agency whose revenue from

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1 such sources is not meeting projections.

2 D. Except as otherwise specifically stated in the
3 General Appropriation Act of 2011, appropriations are made in
4 that act for the expenditures of agencies and for other
5 purposes as required by existing law for fiscal year 2012. If
6 any other act of the first session of the fiftieth legislature
7 changes existing law with regard to the name or
8 responsibilities of an agency or the name or purpose of a fund
9 or distribution, the appropriation made in the General
10 Appropriation Act of 2011 shall be transferred from the agency,
11 fund or distribution to which an appropriation has been made as
12 required by existing law to the appropriate agency, fund or
13 distribution provided by the new law.

14 E. Pursuant to Sections 6-3-23 through 6-3-25 NMSA
15 1978, the state budget division may approve increases in
16 budgets for state agencies whose revenues from other state
17 funds, internal service funds and interagency transfers exceed
18 amounts specified in the General Appropriation Act of 2011. If
19 approved by the state budget division, such increases in other
20 state funds, internal service funds and interagency transfers
21 are hereby appropriated.

22 F. For the purpose of administering the General
23 Appropriation Act of 2011, the state of New Mexico shall follow
24 the modified accrual basis of accounting for governmental funds
25 in accordance with the manual of model accounting practices

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1 issued by the department of finance and administration.

2 G. When approving budgets based on appropriations
3 in the General Appropriation Act of 2011, the state budget
4 division is specifically authorized to approve budgets in
5 accordance with generally accepted accounting principles, and
6 the authority to extend the availability period of an
7 appropriation through the use of an encumbrance shall follow
8 the modified accrual basis of accounting for governmental funds
9 in accordance with the manual of model accounting practices
10 issued by the department of finance and administration.

11 H. Laws 2010, Second Special Session, Chapter 6,
12 Section 4 is repealed effective July 1, 2011.

13 SECTION 4. FISCAL YEAR 2012 APPROPRIATIONS.--

14 A. LEGISLATIVE.--Sixteen million five hundred
15 seventy-eight thousand eight hundred dollars (\$16,578,800) is
16 appropriated from the general fund to the legislative council
17 service for allocation to legislative agencies in fiscal year
18 2012.

19 B. JUDICIAL.--One hundred ninety-one million five
20 hundred twenty-nine thousand five hundred dollars
21 (\$191,529,500) from the general fund, twenty-two million seven
22 hundred thousand one hundred dollars (\$22,700,100) from other
23 state funds, eight million four hundred seventy-eight thousand
24 nine hundred dollars (\$8,478,900) from internal service
25 funds/interagency transfers and two million three hundred

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1 fifty-four thousand two hundred dollars (\$2,354,200) from
2 federal funds is appropriated to the administrative office of
3 the courts for allocation to judicial agencies in fiscal year
4 2012.

5 C. GENERAL CONTROL.--One hundred sixty-nine million
6 five hundred seventy-five thousand seven hundred dollars
7 (\$169,575,700) from the general fund, one billion two hundred
8 fifty-four million one hundred seventy-eight thousand two
9 hundred dollars (\$1,254,178,200) from other state funds,
10 twenty-three million one hundred sixty-eight thousand six
11 hundred dollars (\$23,168,600) from internal service
12 funds/interagency transfers and seventeen million eight hundred
13 thirty-five thousand three hundred dollars (\$17,835,300) from
14 federal funds is appropriated to the department of finance and
15 administration for allocation to general control agencies in
16 fiscal year 2012.

17 D. COMMERCE AND INDUSTRY.--Forty-six million five
18 hundred fifty-nine thousand two hundred dollars (\$46,559,200)
19 from the general fund, forty-seven million eight hundred
20 thirty-seven thousand two hundred dollars (\$47,837,200) from
21 other state funds, eighteen million eight hundred fifty-one
22 thousand dollars (\$18,851,000) from internal service
23 funds/interagency transfers and six hundred fifty-four thousand
24 seven hundred dollars (\$654,700) from federal funds is
25 appropriated to the department of finance and administration

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1 for allocation to commerce and industry agencies in fiscal year
2 2012.

3 E. AGRICULTURE, ENERGY AND NATURAL

4 RESOURCES.--Sixty-four million three hundred sixty-seven
5 thousand five hundred dollars (\$64,367,500) from the general
6 fund, ninety-three million five hundred seventy-nine thousand
7 seven hundred dollars (\$93,579,700) from other state funds,
8 twenty-five million two hundred thirty-six thousand six hundred
9 dollars (\$25,236,600) from internal service funds/interagency
10 transfers and thirty-one million seven hundred fifty-five
11 thousand five hundred dollars (\$31,755,500) from federal funds
12 is appropriated to the department of finance and administration
13 for allocation to agriculture, energy and natural resources
14 agencies in fiscal year 2012.

15 F. HEALTH, HOSPITALS AND HUMAN SERVICES.--One

16 billion five hundred forty-five million six hundred ninety-two
17 thousand seven hundred dollars (\$1,545,692,700) from the
18 general fund, three hundred twenty million eight hundred
19 seventy-six thousand three hundred dollars (\$320,876,300) from
20 other state funds, two hundred fifty-one million nine hundred
21 thirty thousand seven hundred dollars (\$251,930,700) from
22 internal service funds/interagency transfers and three billion
23 eight hundred sixty-four million seven hundred eighty-one
24 thousand dollars (\$3,864,781,000) from federal funds is
25 appropriated to the department of finance and administration

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1 for allocation to health, hospitals and human services agencies
2 in fiscal year 2012.

3 G. PUBLIC SAFETY.--Three hundred sixty-one million
4 seven hundred ninety-two thousand one hundred dollars
5 (\$361,792,100) from the general fund, thirty-one million one
6 hundred seventeen thousand three hundred dollars (\$31,117,300)
7 from other state funds, fourteen million four hundred
8 ninety-one thousand nine hundred dollars (\$14,491,900) from
9 internal service funds/interagency transfers and sixty-two
10 million eight hundred ninety-five thousand dollars
11 (\$62,895,000) from federal funds is appropriated to the
12 department of finance and administration for allocation to
13 public safety agencies in fiscal year 2012.

14 H. TRANSPORTATION.--Four hundred seven million two
15 hundred twenty-seven thousand five hundred dollars
16 (\$407,227,500) from other state funds and four hundred million
17 four hundred eleven thousand two hundred dollars (\$400,411,200)
18 from federal funds is appropriated to the department of finance
19 and administration for allocation to transportation agencies in
20 fiscal year 2012.

21 I. OTHER EDUCATION.--Twenty-six million nine
22 hundred three thousand dollars (\$26,903,000) from the general
23 fund, seven million eight hundred eighty-nine thousand six
24 hundred dollars (\$7,889,600) from other state funds,
25 thirty-eight thousand dollars (\$38,000) from internal service

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1 funds/interagency transfers and twenty-seven million
2 forty-eight thousand three hundred dollars (\$27,048,300) from
3 federal funds is appropriated to the department of finance and
4 administration for allocation to other education agencies in
5 fiscal year 2012.

6 J. HIGHER EDUCATION.--Seven hundred forty-two
7 million six hundred fourteen thousand three hundred dollars
8 (\$742,614,300) from the general fund, one billion three hundred
9 seventy-nine million eight hundred nine thousand three hundred
10 dollars (\$1,379,809,300) from other state funds, forty-six
11 million two hundred twenty-nine thousand dollars (\$46,229,000)
12 from internal service funds/interagency transfers and six
13 hundred fifty-two million three hundred nineteen thousand nine
14 hundred dollars (\$652,319,900) from federal funds is
15 appropriated to the higher education department for expenditure
16 or allocation to higher education agencies in fiscal year 2012.

17 K. PUBLIC SCHOOL SUPPORT.--Two billion four hundred
18 three million four hundred eighty-one thousand one hundred
19 dollars (\$2,403,481,100) from the general fund, eight hundred
20 fifty thousand dollars (\$850,000) from other state funds and
21 five hundred twelve million two hundred eighty-two thousand
22 dollars (\$512,282,000) from federal funds is appropriated to
23 the public education department for expenditure or allocation
24 to public school districts in fiscal year 2012.

25 SECTION 5. APPROPRIATION REDUCTIONS.--

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1 A. The general fund appropriations in the affected
2 budget categories in Section 4 of the General Appropriation Act
3 of 2010 are reduced as follows:

4 (1) to agencies affected by government
5 restructuring legislation, a total of seven million nine
6 hundred thousand dollars (\$7,900,000), contingent on enactment
7 of government restructuring legislation passed by the first
8 session of the fiftieth legislature. Each agency shall
9 determine how to allocate its share of the reduction among
10 budget categories;

11 (2) to agencies affected by reduced
12 contributions, a total of three million seven hundred thousand
13 dollars (\$3,700,000) to reflect reduced employer contributions
14 to the retiree health care fund, contingent on enactment of
15 legislation passed by the first session of the fiftieth
16 legislature that maintains at fiscal year 2011 levels the
17 required contributions to the retiree health care fund of
18 participating employers;

19 (3) to agencies affected by reduced premiums,
20 a total of four million three hundred thousand dollars
21 (\$4,300,000) to reflect reduced unemployment compensation
22 premiums, contingent on enactment of legislation passed by the
23 first session of the fiftieth legislature to require former
24 state employees to file for unemployment through their most
25 recent employer;

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1 (4) to agencies affected by the elimination of
2 exempt positions, a total of six million dollars (\$6,000,000)
3 to reflect savings from the elimination of exempt positions;

4 (5) to agencies affected by reduced premiums,
5 a total of three million dollars (\$3,000,000) to reflect
6 reduced general services department risk management division
7 workers' compensation and public property insurance premiums;

8 (6) to agencies affected by reduced premiums,
9 a total of five million two hundred eighty-three thousand six
10 hundred dollars (\$5,283,600) to reflect reduced group health
11 insurance premiums;

12 (7) to agencies affected by reduced rates, a
13 total of two million nine hundred thousand dollars (\$2,900,000)
14 to reflect reduced general services department vehicle lease
15 rates;

16 (8) to the human services department, the
17 department of health, the children, youth and families
18 department and the workforce solutions department, a total of
19 four million dollars (\$4,000,000) to reflect savings from
20 administrative efficiencies. Each agency shall determine how
21 to allocate its share of the reduction among budget categories;

22 (9) to agencies affected by reduced employer
23 contributions, to the state equalization guarantee distribution
24 and to the transportation distribution, a total of eighteen
25 million seven hundred eleven thousand dollars (\$18,711,000),

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1 contingent on enactment of legislation passed by the first
2 session of the fiftieth legislature that delays the statutory
3 increase in employer contributions under the Educational
4 Retirement Act for fiscal year 2012; and

5 (10) to agencies affected by reduced employer
6 contributions, to the state equalization guarantee distribution
7 and to the transportation distribution, a total of eighty-one
8 million five hundred eighty-four thousand nine hundred dollars
9 (\$81,584,900), contingent on enactment of legislation passed by
10 the first session of the fiftieth legislature that shifts in
11 fiscal year 2012:

12 (a) one and five-tenths percent of
13 required retirement contributions under the Educational
14 Retirement Act from the employer to public school teachers,
15 instructional assistants and special education assistants; and

16 (b) for all other employees, three and
17 five-tenths percent of required retirement contributions under
18 the Public Employees Retirement Act, the Magistrate Retirement
19 Act and the Judicial Retirement Act from the employer to the
20 employee.

21 B. The reductions in Subsection A of this section
22 are cumulative.

23 C. In order to effectuate the reductions made in
24 Subsection A of this section, the state budget division of the
25 department of finance and administration shall reduce the

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1 operating budget of each agency affected by the reduction.

2 SECTION 6. Section 14 of the General Appropriation Act of
3 2010 (being Laws 2010 (2nd S.S.), Chapter 6, Section 14) is
4 amended to read:

5 "Section 14. AUTHORITY TO REDUCE ALLOTMENTS.--

6 A. During fiscal year 2011, the department of
7 finance and administration shall regularly consult with the
8 legislative finance committee staff to compare revenue
9 collections with the revenue estimate. If a general fund
10 consensus revenue forecast projects that revenues and transfers
11 to the general fund, including all transfers authorized
12 pursuant to Section 15 of the General Appropriation Act of
13 2010, will be insufficient to meet general fund appropriations
14 for fiscal year 2011, the governor, with the approval of the
15 state board of finance and after review and an opportunity to
16 comment by the legislative finance committee, shall reduce
17 general fund allotments to all agencies, funds, programs and
18 other recipients that receive a general fund appropriation in
19 Section 4 of the General Appropriation Act of 2010, pursuant to
20 the following guidelines:

- 21 (1) the aggregate of all the reductions in
- 22 allotments shall equal the amount of the projected deficit;
- 23 (2) the reductions shall apply proportionately
- 24 to all agencies, funds, programs and other recipients, and to
- 25 all programs and categories within agencies, that receive a

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1 general fund appropriation in Section 4 of the General
2 Appropriation Act of 2010, except that no reductions shall be
3 made in the allotments for the medicaid programs or the
4 developmental disabilities support program;

5 (3) if a reduction in an allotment for
6 personal services and employee benefits necessitates a
7 reduction in salaries, the agency is authorized to temporarily
8 reduce salaries in the amount of the reduction;

9 (4) if [~~a subsequent general fund consensus~~
10 ~~revenue forecast released during fiscal year 2011 projects~~
11 ~~revenues to increase above the previous forecast, the~~
12 ~~allotments shall be increased to reflect the new forecast, up~~
13 ~~to the amount of the original appropriations]~~ allotments are
14 reduced pursuant to this subsection, they shall not thereafter
15 be increased;

16 (5) except as otherwise provided in Paragraph
17 (6) of this subsection, if allotments are reduced pursuant to
18 this subsection and a subsequent general fund consensus revenue
19 forecast released during fiscal year 2011 projects revenues to
20 decrease further from the [previous] forecast upon which
21 allotments are based at the time the subsequent forecast is
22 released, allotments shall be further reduced pursuant to this
23 subsection; [and]

24 (6) if a subsequent general fund consensus
25 revenue forecast is released during fiscal year 2011 before

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1 allotments are reduced pursuant to this subsection based upon
2 the previous general fund consensus revenue forecast,
3 allotments shall not be reduced based upon the previous
4 forecast; and

5 (7) expenditures of the appropriations made to
6 legislative agencies in Laws 2010, Chapter 1, Subsection A of
7 Section 3 and 4, 5, 7 and 8 shall also be reduced in accordance
8 with the provisions of this subsection.

9 B. As used in this section, "general fund consensus
10 revenue forecast" means the revenue estimates prepared by the
11 career economists of the department of finance and
12 administration, taxation and revenue department, department of
13 transportation and legislative finance committee."

14 SECTION 7. SEVERABILITY.--If any part or application of
15 this act is held invalid, the remainder or its application to
16 other situations or persons shall not be affected.