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
.183896.1
Leasing Act;

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

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

E. "internal service funds" means:

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

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

F. "other state funds" means:

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

(2) all revenue available to agencies from sources other than the general fund, internal service funds,
interagency transfers and federal funds; and

   (3) all revenue, the use of which is

restricted by statute or agreement; and

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

SECTION 3. GENERAL PROVISIONS.--

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

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

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

such sources is not meeting projections.

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

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

F. For the purpose of administering the General Appropriation Act of 2011, the state of New Mexico shall follow the modified accrual basis of accounting for governmental funds in accordance with the manual of model accounting practices.
issued by the department of finance and administration.

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

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

SECTION 4. FISCAL YEAR 2012 APPROPRIATIONS.--

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

B. JUDICIAL.--One hundred ninety-one million five hundred twenty-nine thousand five hundred dollars ($191,529,500) from the general fund, twenty-two million seven hundred thousand one hundred dollars ($22,700,100) from other state funds, eight million four hundred seventy-eight thousand nine hundred dollars ($8,478,900) from internal service funds/interagency transfers and two million three hundred
fifty-four thousand two hundred dollars ($2,354,200) from federal funds is appropriated to the administrative office of the courts for allocation to judicial agencies in fiscal year 2012.

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

D. COMMERCE AND INDUSTRY.--Forty-six million five hundred fifty-nine thousand two hundred dollars ($46,559,200) from the general fund, forty-seven million eight hundred thirty-seven thousand two hundred dollars ($47,837,200) from other state funds, eighteen million eight hundred fifty-one thousand dollars ($18,851,000) from internal service funds/interagency transfers and six hundred fifty-four thousand seven hundred dollars ($654,700) from federal funds is appropriated to the department of finance and administration
for allocation to commerce and industry agencies in fiscal year 2012.

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

F. HEALTH, HOSPITALS AND HUMAN SERVICES.--One billion five hundred forty-five million six hundred ninety-two thousand seven hundred dollars ($1,545,692,700) from the general fund, three hundred twenty million eight hundred seventy-six thousand three hundred dollars ($320,876,300) from other state funds, two hundred fifty-one million nine hundred thirty thousand seven hundred dollars ($251,930,700) from internal service funds/interagency transfers and three billion eight hundred sixty-four million seven hundred eighty-one thousand dollars ($3,864,781,000) from federal funds is appropriated to the department of finance and administration.
for allocation to health, hospitals and human services agencies in fiscal year 2012.

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

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

I. OTHER EDUCATION.--Twenty-six million nine hundred three thousand dollars ($26,903,000) from the general fund, seven million eight hundred eighty-nine thousand six hundred dollars ($7,889,600) from other state funds, thirty-eight thousand dollars ($38,000) from internal service funds/interagency transfers and six hundred sixty-six thousand seven hundred eighty-four dollars ($666,784) from federal funds is appropriated to the department of finance and administration for allocation to other education agencies in fiscal year 2012.
funds/interagency transfers and twenty-seven million forty-eight thousand three hundred dollars ($27,048,300) from federal funds is appropriated to the department of finance and administration for allocation to other education agencies in fiscal year 2012.

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

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

SECTION 5. APPROPRIATION REDUCTIONS.--
A. The general fund appropriations in the affected budget categories in Section 4 of the General Appropriation Act of 2010 are reduced as follows:

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

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

(3) to agencies affected by reduced premiums, a total of four million three hundred thousand dollars ($4,300,000) to reflect reduced unemployment compensation premiums, contingent on enactment of legislation passed by the first session of the fiftieth legislature to require former state employees to file for unemployment through their most recent employer;
(4) to agencies affected by the elimination of exempt positions, a total of six million dollars ($6,000,000) to reflect savings from the elimination of exempt positions;

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

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

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

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

(9) to agencies affected by reduced employer contributions, to the state equalization guarantee distribution and to the transportation distribution, a total of eighteen million seven hundred eleven thousand dollars ($18,711,000),
contingent on enactment of legislation passed by the first
session of the fiftieth legislature that delays the statutory
increase in employer contributions under the Educational
Retirement Act for fiscal year 2012; and

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

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

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

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

C. In order to effectuate the reductions made in
Subsection A of this section, the state budget division of the
department of finance and administration shall reduce the
operating budget of each agency affected by the reduction.

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

"Section 14. AUTHORITY TO REDUCE ALLOTMENTS.--

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

(1) the aggregate of all the reductions in allotments shall equal the amount of the projected deficit;

(2) the reductions shall apply proportionately to all agencies, funds, programs and other recipients, and to all programs and categories within agencies, that receive a
general fund appropriation in Section 4 of the General Appropriation Act of 2010, except that no reductions shall be made in the allotments for the medicaid programs or the developmental disabilities support program;

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

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

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

(6) if a subsequent general fund consensus revenue forecast is released during fiscal year 2011 before
allotments are reduced pursuant to this subsection based upon the previous general fund consensus revenue forecast, allotments shall not be reduced based upon the previous forecast; and

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

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

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