

**STATE OF NEW MEXICO**  
**LEGISLATIVE EDUCATION STUDY COMMITTEE**

**REPRESENTATIVES**

Rick Miera, Vice Chair  
Roberto "Bobby" J. Gonzales  
Jimmie C. Hall  
Dennis J. Roch  
Mimi Stewart  
Jack E. Thomas

State Capitol North, 325 Don Gaspar, Suite 200  
Santa Fe, New Mexico 87501  
Phone: (505) 986-4591 Fax: (505) 986-4338  
<http://lescnmlegis.gov>

**SENATORS**

Cynthia Nava, Chair  
Mary Jane M. García  
Gay G. Kernan  
Lynda M. Lovejoy

**ADVISORY**

Andrew J. Barreras  
Ray Begaye  
Eleanor Chávez  
Nathan P. Cote  
Nora Espinoza  
Mary Helen Garcia  
Karen E. Giannini  
John A. Heaton  
Sheryl M. Williams Stapleton  
Shirley A. Tyler



**ADVISORY**

Vernon D. Asbill  
Stephen H. Fischmann  
Howie C. Morales  
John Pinto  
Sander Rue  
William E. Sharer

Frances Ramírez-Maestas, Director  
David Harrell, PhD, Deputy Director

November 8, 2010

**MEMORANDUM**

**TO:** Legislative Education Study Committee

**FR:** Frances Ramírez-Maestas and Eilani Gerstner

**RE: STAFF REPORT: PUBLIC EDUCATION DEPARTMENT (PED) BUDGET  
REQUEST FOR FY 12**

---

Current statute requires state agencies to submit their budget requests for the following fiscal year to the State Budget Division of the Department of Finance and Administration no later than September 1 of the current fiscal year.

Each year, the State Budget Division issues written directives that state agencies must follow in preparing their budget requests for the succeeding fiscal year. For FY 12, the division's directives require state agencies to submit a flat request unless the agency:

- is proposing to expand an existing program or adopt a new program that is "directly and convincingly tied to Governor Richardson's core agenda";
- intends to continue a recurring program previously funded from nonrecurring revenue sources;
- is experiencing significant increases in General Services Department group health or risk insurance costs or in the Department of Information Technology rates for information systems, radio communications, or telecommunication costs;

- is annualizing the effect of new or expanded programs approved by the Governor and Legislature for FY 11;
- is funded through a funding formula that is predicting an increase in cost;
- or provides Medicaid or correctional services and is forecasting significant caseload and/or population increases.

**Public Education Department (PED) Budget Request for FY 12**

Table 1, below, outlines PED’s total FY 12 budget request in Column F, including:

- total budgeted revenue in line 7;
- total budgeted uses/expenditures in line 12; and
- total full-time-equivalent (FTE) in line 17.

TABLE 1

	A	B	C	D	E	F
	FY 11	FY 11	FY 11	FY 12	FY 12	FY 12
	Appropriated Revenue	Operating Budget	Operating Budget Reduced 3.244%	Base Request	Expansion Request	Total Request
1 <b>Revenue</b>						
2 General Fund	\$14,800.0	\$14,423.3	\$13,955.4	\$14,331.7	\$0.0	\$14,331.7
3 Other Transfers	\$90.6	\$90.6	\$90.6	\$38.0	\$0.0	\$38.0
4 Other State Funds	\$1,542.3	\$1,542.3	\$1,542.3	\$2,028.1	\$0.0	\$2,028.1
5 Federal Funds	\$28,956.0	\$56,639.5	\$56,639.5	\$27,048.3	\$0.0	\$27,048.3
6 Fund Balance	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
7 <b>TOTAL REVENUE</b>	<b>\$45,388.9</b>	<b>\$72,695.7</b>	<b>\$72,227.8</b>	<b>\$43,446.1</b>	<b>\$0.0</b>	<b>\$43,446.1</b>
8 <b>Uses/Expenditures</b>						
9 Personal Services & Employee Benefits	\$20,660.3	\$20,374.8	\$19,987.1	\$20,178.2	\$0.0	\$20,178.2
10 Contractual Services	\$18,865.3	\$35,394.9	\$35,350.0	\$18,495.6	\$0.0	\$18,495.6
11 Other	\$5,863.3	\$16,926.0	\$16,890.7	\$4,772.3	\$0.0	\$4,772.3
12 <b>TOTAL USES/EXPENDITURES</b>	<b>\$45,388.9</b>	<b>\$72,695.7</b>	<b>\$72,227.8</b>	<b>\$43,446.1</b>	<b>\$0.0</b>	<b>\$43,446.1</b>
13 <b>FTE Positions</b>						
14 Permanent	208.2	208.2	208.2	208.2	0.0	208.2
15 Term	102.0	102.0	102.0	98.0	0.0	98.0
16 Temporary	4.6	4.6	4.6	4.6	0.0	4.6
17 <b>TOTAL FTE POSITIONS</b>	<b>314.8</b>	<b>314.8</b>	<b>314.8</b>	<b>310.8</b>	<b>0.0</b>	<b>310.8</b>

<sup>1</sup> PED reports that the FY 11 operating budget (Column B) reflects a sanding of 0.544% and other General Fund reductions pursuant to Section 10 of the *General Appropriation Act of 2010*.

<sup>2</sup> From the Human Services Department (HSD) Medicaid funds: PED reports that the department is sharing a Medicaid coordinator with HSD.

<sup>3</sup> Educator certification license fees (\$1,558,800) and 2% of Charter School Program Cost - PED Administrative Fee (\$469,300).

SOURCE: Finance & Operations, PED

LESC: 11/8/2010

For comparison with the amounts requested for FY 12, Table 1 includes FY 11 budgeted information, including appropriated revenue (column A), the initial operating budget (column B), and the adjusted operating budget that reflects a 3.244 percent reduction (column C).

Significant changes in the FY 12 budget request, as compared to the FY 11 operating budget include:

- a nearly \$29.6 million decrease in federal funds (line 5) which according to PED is attributable to a carryover of federal dollars in FY 11 from previous fiscal years that are not available in FY 12; and
- a decrease of approximately \$16.8 million in contractual services in FY 12 from FY 11.

Regarding budgeted positions, the FY 12 PED budget request shows a decrease of four term positions.

**Presenter**

Mr. Steve Burrell, Interim Deputy Secretary for Finance & Operations, PED, will review PED's FY 12 budget request.