

LEGISLATIVE FINANCE COMMITTEE

BACKGROUND

The Legislative Finance Committee (LFC) was first established as a fiscal and management arm of the New Mexico Legislature in 1957. Since its inception the committee's role in the state budget process has grown as the complexity and size of the budget has increased. The committee makes budgetary recommendations to the whole legislature for the funding of state government, higher education and public schools. The committee also prepares legislation addressing financial and management issues of state government.

New Mexico is fairly unique in that both the governor and an agency of the legislature — the LFC — propose comprehensive state budget to the full legislature. The New Mexico budget currently amounts to about \$4.36 billion in general fund appropriations and about \$11.09 billion in total funds. About half of the general fund is allocated to public schools; one-third to state government; and one-sixth to higher education.

The LFC conducts public hearings, usually about once a month, to consider budget

recommendations and to pursue issues pertinent to the finance and management of New Mexico state government. Public attendance and participation is welcome.

LFC MEMBERSHIP

The LFC is comprised of eight senators and eight representatives. Political parties are represented in proportion to membership in each house of the legislature. Three legislators — those appointed to chair the House Appropriations and Finance, House Taxation and Revenue and Senate Finance Committees — are automatically members by law. Remaining members are appointed by the leadership of their respective houses. The chairmanship of the committee rotates between the House and Senate every two years.

LFC STAFF

The LFC maintains a permanent staff of fiscal analysts who examine budgets and review the management and operations of state agencies, higher education institutions and public schools



and participate in the state's revenue estimating process. The committee also employs professional performance auditors to perform detailed reviews of the finances and effectiveness of state-funded programs. During the legislative sessions, the LFC staff assists the legislature's finance committees in enacting the state budget and revenue measures.

LFC Phone Number: (505) 986-4550
LFC FAX Number: (505) 986-4545

KEY DATES IN NEW MEXICO'S PROCESS

July 1 - June 30. State Fiscal Year

June - August. Budget requests are prepared by the various agencies and institutions. An initial consensus revenue estimate for the next fiscal year is done in August.

September. LFC begins budget hearings and analysis of budget requests of state agencies, higher education institutions and public schools.

December. A consensus General Fund revenue estimate for the ensuing fiscal year is developed by economists from the Department of Finance and Administration, Taxation and Revenue Department and the LFC.

The LFC formulates its final budget recommendations. The committee's recommendations are published in detail for presentation to the legislature and the public on the first day of the legislative session.

January. The regular session of the legislature begins on the third Tuesday in January. The legislative session lasts 60 calendar days in odd-numbered years and 30 days in even-numbered years.

**Legislative Finance Committee
325 Don Gaspar, Suite 101
Santa Fe, New Mexico 87501**



LEGISLATIVE FINANCE COMMITTEE

**Representative Luciano “Lucky” Varela, Chair
Senator Joseph Fidel, Vice-Chair**

**Senator Sue Wilson Beffort
Senator Pete Campos
Representative Rhonda S. King
Senator Joseph J. Carraro
Senator Phil A. Griego
Senator Timothy Jennings
Representative Brian K. Moore
Senator Leonard Lee Rawson
Representative Henry “Kiki” Saavedra
Representative Nick L. Salazar
Senator John Arthur Smith
Representative Sandra L. Townsend
Representative Jeannette O. Wallace
Representative Donald L. Whitaker**

For Fiscal Year 2005—2006