

**Laws 2016 Chapter 11
(HB2)
VETOES**

(in thousands of dollars)

Item #	Page	Code	Agency	General Fund	OSF/ISIA/FF	Language Only	Veto Description
1	Pages 3 & 4	Sec 3	General Provisions			X	Strikes language requiring the Department of Finance and Administration to regularly consult with the Legislative Finance Committee to compare fiscal year 2017 revenue collections with revenue estimates, and develop a plan to address any deficit
2	Page 9	218	Administrative Office of the Courts			X	Strikes language that designates local driving while intoxicated funds be used for magistrate court facility leases
3	Page 34	341	Department of Finance and Administration			X	Strikes language that designates local driving while intoxicated funds transferred to the Administrative Office of the Courts Magistrate Court program be used to pay facility leases
4	Page 34	341	Department of Finance and Administration		200.0		Strikes appropriation and language designating driving while intoxicated funds be spent in McKinley county on substance abuse detoxification at a treatment center and homeless shelter
5	Page 57	419	Economic Development Department			X	Strikes language designating at least one-third of the Job Training Incentive Program (JTIP) appropriation be spent in nonurban areas of the state
6	Page 58	419	Economic Development Department			X	Strikes language designating a portion of the general fund appropriation in the Film Program be spent in southern New Mexico
7	Page 110	662	Miners' Hospital of New Mexico		1,000.0		Strikes appropriation and language authorizing the transfer of other state funds to the Medical Assistance Program (Medicaid) of the Human Services Department.
8	Page 112	665	Department of Health	250.0			Strikes general fund appropriation and language designating funds be spent for health career training in southwest New Mexico
9	Page 127	770	Corrections Department			X	Strikes language designating the appropriation from the probation and parole fund and the community corrections fund for transitional living services as being an addition to funding already in the base budget
10	Page 139	924	Public Education Department			X	Strikes language designating the appropriation for teaching support for low-income students be allocated to a nonprofit organization that recruits recent college graduates and professionals who have demonstrated a record of achievement to teach in low-income urban and rural public schools
11	Page 139	924	Public Education Department			X	Strikes language designating the appropriation for teacher and school leader preparation be allocated to a turnaround leadership program
12	Page 141	950	Higher Education Department			X	Strikes language requiring the Department of Finance and Administration advise the Legislature when approval to increase budgets from other state funds has been granted
13	Page 143	952	University of New Mexico		100.0		Strikes an appropriation from the Indian education fund and language authorizing funds for planning, design, and program development of a master's degree and outreach program, including online courses, in Native American studies
14	Page 170	993	Public School Support			X	Strikes language designating the general fund appropriation to the state equalization guarantee includes sufficient funding for school districts and charter schools to implement a new formula-based program when calculating program units contingent on enactment of Senate Bill 165
15	Pages 172 & 173	993	Public School Support			X	Strikes language requiring the school transportation distribution be separated into a distribution for state-chartered charter schools and public school districts
16	Page 175	993	Public School Support			X	Strikes language designating the appropriation to the Indian education fund for teaching support in schools with a high proportion of Native American students be allocated to a nonprofit organization that recruits recent college graduates and professionals who have demonstrated a record of achievement to teaching in low-income urban and rural public schools
Section 4 Total				250.0	1,300.0		
17	Page 177	341	Department of Finance and Administration	100.0			Strikes appropriation for the Renewable Energy Transmission Authority (RETA)
18	Page 179	319	Economic Development Department		100.0		Strikes appropriation from the employment security department fund for performance excellence training, assessment services, and assistance to businesses using Baldrige criteria
19	Page 179	319	Economic Development Department			X	Strikes language designating at least one-third of the Job Training Incentive Program (JTIP) appropriation be spent in nonurban areas of the state
20	Page 180	521	Energy, Minerals and Natural Resources Department *	100.0		X	Strikes the general fund appropriation and language designating funds be transferred to the Carlsbad brine well remediation fund, contingent on the passage of House Bill 112 or Senate Bill 8 that would have established a Carlsbad Brine Well Remediation Authority and fund. The bills failed to pass.
21	Page 184 & 185	924	Public Education Department *	1,300.0	1,000.0		Strikes a contingent general fund and state support reserve fund appropriation for the hold harmless provision to protect school districts and charter schools that may have lost funding due to the formula changes proposed in Senate Bill 141. The bill failed to pass.
20	Page 185	950	Higher Education Department	300.0			Strikes general fund appropriation for emergency communication infrastructure
Section 5 Total				400.0	100.0		
21	Page 186		General Language			X	Strikes language requiring agencies to certify to the Legislative Finance Committee that no other funds are available for the purposes specified

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22	Page 188	605	Martin Luther King, Jr. Commission			X	Strikes language designating the appropriation for a projected shortfall is only for fiscal year 2016
Section 6 Total				-	-		
23	Page 188 & 189		General Language			X	Strikes language requiring the Information Technology Commission to certify information technology projects comply with Section 9-27-9 NMSA 1978 prior to the distribution of funds for executive agency projects
Section 7 Total				-	-		
24	Page 206 & 207	Sec 10	Fiscal Year 2016 Operating Budget and Allotment Adjustments			X	Strikes language requiring the governor to consult with the Legislative Finance Committee before reducing budgets and other non-essential language designating the reductions to agencies be applied to funds and programs
25	Page 207 & 208	Sec 12	Fiscal Year 2017 Operating Budget and Allotment Adjustments			X	Strikes section requiring the governor to reduce agency operating budgets by \$62 million in fiscal year 2017 if revenue forecasts indicate revenues are not sufficient to meet appropriation levels
Sections 10 - 12 Total							
Grand Total				650.0	1,400.0		

General Fund Financial Summary:
January 2016 Consensus Revenue Estimate with February Adjustments
(in millions of dollars)

March 1, 2016	Actual FY2015	Estimated FY2016	Estimated FY2017
APPROPRIATION ACCOUNT			
REVENUE			
Recurring Revenue			
December 2015 Consensus Revenue Update	\$ 6,194.7	\$ 6,165.0	\$ 6,466.3
January 2016 Consensus Revenue Update	\$ -	\$ (144.8)	\$ (201.7)
Total Recurring Revenue	\$ 6,194.7	\$ 6,020.2	\$ 6,264.6
Nonrecurring January 2016 Consensus Revenue Update	\$ 41.2	\$ 5.5	\$ -
2016 Revenue Legislation**		\$ -	\$ 75.0
February 2016 Revenue Outlook	\$ -	\$ (125.0)	\$ (125.0)
Total Nonrecurring Revenue	\$ 41.2	\$ (119.5)	\$ (50.0)
TOTAL REVENUE	\$ 6,235.9	\$ 5,900.7	\$ 6,214.6
APPROPRIATIONS			
Recurring Appropriations			
General Appropriation	\$ 6,151.6	\$ 6,234.7	\$ -
2016 Legislation & 2016 Feed Bill	\$ 10.1	\$ 6.2	\$ 6,228.3
Total Recurring Appropriations	\$ 6,161.7	\$ 6,240.9	\$ 6,228.3
Nonrecurring Appropriations			
Prior Year Appropriations	\$ 113.5	\$ 31.0	\$ -
2016 Legislation	\$ -	\$ 35.7	\$ 0.3
Total Nonrecurring Appropriations	\$ 113.5	\$ 66.7	\$ 0.3
TOTAL APPROPRIATIONS	\$ 6,275.2	\$ 6,307.6	\$ 6,228.6
Transfer to (from) Reserves	\$ (39.3)	\$ (406.9)	\$ (14.0)
GENERAL FUND RESERVES			
Beginning Balances	\$ 637.9	\$ 713.1	\$ 349.3
Transfers from (to) Appropriations Account	\$ (39.3)	\$ (406.9)	\$ (14.0)
Revenue and Reversions	\$ 164.9	\$ 121.5	\$ 63.3
Appropriations, Expenditures and Transfers Out	\$ (50.4)	\$ (78.5)	\$ (55.0)
Ending Balances	\$ 713.1	\$ 349.3	\$ 343.6
<i>Reserves as a Percent of Recurring Appropriations</i>	<i>11.6%</i>	<i>5.6%</i>	<i>5.5%</i>

Notes:

General Note: small adjustments (<± \$100,000) have been made in beginning balances of all subaccounts to conform the ending totals to the 2015 audit to the dollar. In prior years, beginning and ending balances had been rounded to the nearest \$100,000.

^A balance of \$101.7 million has been held in reserve for cash reconciliation purposes. The State Treasurer reported that the latest reconciliation efforts suggest nearly 100 percent of these restricted funds will be reversed and \$0 will be needed for SHARE remediation.

*\$36 million of restricted General Fund reserves to address potential Special Education Funding Maintenance of Effort noted in the FY14 audit have been swept in HB311.

**HB311 transfer from the Local Economic Development Act is contingent on FY16 reserves ending less than 5 percent and therefore not included in the projected revenue from HB311.

General Fund Financial Summary:
January 2016 Consensus Revenue Estimate with February Adjustments
RESERVE DETAIL
(in millions of dollars)

	Actual FY2015	Estimated FY2016	Estimated FY2017
OPERATING RESERVE			
Beginning Balance	\$ 274.6	\$ 319.8	\$ 79.0
BOF Emergency Appropriations/Reversions	\$ (0.5)	\$ (2.0)	\$ (2.0)
Transfers from/to Appropriation Account	\$ (39.3)	\$ (406.9)	\$ (14.0)
Transfer to ACF/Other Appropriations	\$ (15.0)	\$ (20.0)	\$ -
Reversal of Contingency for Unreconciled Accounts	\$ 100.0	\$ -	\$ -
2016 Revenue Legislation (HB 311)*	\$ -	\$ 40.6	\$ -
Transfer from Tax Stabilization Reserve	\$ -	\$ 147.5	\$ -
Ending Balance	\$ 319.8	\$ 79.0	\$ 63.1
APPROPRIATION CONTINGENCY FUND			
Beginning Balance	\$ 18.3	\$ 28.4	\$ 39.6
Disaster Allotments	\$ (12.5)	\$ (16.0)	\$ (16.0)
Other Appropriations	\$ (0.1)	\$ (0.5)	\$ -
Transfers In	\$ 15.0	\$ 20.0	\$ -
Revenue and Reversions	\$ 7.7	\$ 7.7	\$ 7.7
Ending Balance	\$ 28.4	\$ 39.6	\$ 31.3
Education Lock Box			
Beginning Balance	\$ 3.0	\$ -	\$ -
Appropriations	\$ (3.0)	\$ -	\$ -
Transfers In	\$ -	\$ -	\$ -
Ending Balance	\$ -	\$ -	\$ -
Total of Appropriation Contingency Fund	\$ 28.4	\$ 39.6	\$ 31.3
STATE SUPPORT FUND			
Beginning Balance	\$ 1.0	\$ 1.0	\$ 1.0
Revenues**	\$ -	\$ -	\$ 1.4
Appropriations	\$ -	\$ -	\$ -
Ending Balance	\$ 1.0	\$ 1.0	\$ 2.4
TOBACCO PERMANENT FUND			
Beginning Balance	\$ 193.5	\$ 216.4	\$ 229.6
Transfers In	\$ 35.0	\$ 37.0	\$ 37.0
Appropriation to Tobacco Settlement Program Fund	\$ (19.3)	\$ (18.5)	\$ (18.5)
Gains/Losses	\$ 7.2	\$ 16.2	\$ 17.2
Additional Transfers from TSPF	\$ -	\$ (21.5)	\$ (18.5)
Ending Balance	\$ 216.4	\$ 229.6	\$ 246.9
TAX STABILIZATION RESERVE			
Beginning Balance	\$ 147.5	\$ 147.5	\$ -
Transfers In	\$ -	\$ -	\$ -
Transfer Out to Operating Reserve (Contingent on Solvency Bill)	\$ -	\$ (147.5)	\$ -
Ending Balance	\$ 147.5	\$ -	\$ -
GENERAL FUND ENDING BALANCES	\$ 713.1	\$ 349.3	\$ 343.6
<i>Percent of Recurring Appropriations</i>	<i>11.6%</i>	<i>5.6%</i>	<i>5.5%</i>

Notes:

* HB 311 - \$22.2 m (\$12.3m fund sweeps and \$10m unrestriction of MOE).

** Pursuant to HB311 from Drivers License Fees.

*** State Support Approps - \$1.0m in FY16 - Contingent upon passage of SB 141 - Public Education - failed on 02/18/16.

Appropriation Account Detail: General Appropriation Act of 2016 and Other 2016 Legislation
(in millions of dollars)

	FY16		FY17		FY18		FY19		FY20	
	Recurring	Non-Recurring	Recurring	Non-Recurring	Recurring	Non-Recurring	Recurring	Non-Recurring	Recurring	Non-Recurring
REVENUE										
2016 Regular Session:										
Bill No.										
Revenue Legislation										
2016 Revenue Legislation		\$ 52.0								
SFC Amendments		\$ -		\$ 37.0						
(also includes \$40.6 million for FY16 Operating Reserve)										
LEDA, veto		\$ -		\$ (14.0)						
TOTAL REVENUE		\$ -		\$ 75.0						
APPROPRIATIONS										
2016 Regular Session:										
Bill No.										
Appropriations										
Feed Bill	\$ 6.2		\$ 15.6							
HB2 Sanding (Sec.11)			\$ (0.6)							
General Appropriation Act of 2016			\$ 6,300.5							
Section 4, General Appropriation										
Section 4, Vetoes		\$ (0.3)								
Section 4, SFC Amendments		\$ (20.8)								
Section 5 & 6, Specials, Deficiencies & Supplementals		\$ 89.5		\$ (87.2)						
Specials/Supplementals: CYFD				\$ 0.5						
Section 5, SB141 (failed contingency); PED & HB112 EMNRD		\$ (1.4)		\$ (0.3)						
Section 5, Vetoes		\$ (0.4)								
Section 10, FY16 OpBud Reduction		\$ (31.0)								
Subtotal--2016 Regular Session GAA	\$ 6.2	\$ 35.7	\$ 6,228.3	\$ 0.3						
TOTAL APPROPRIATIONS	\$ 6.2	\$ 35.7	\$ 6,228.3	\$ 0.3						

Notes: