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FISCAL IMPACT REPORT

SPONSOR:	SFC	DATE TYPED:	02/15/00	HB	
SHORT TITLE:	General Appropriation Act of 2000			SB	CS/2
				ANALYST:	Burch

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected*
FY00	FY01	FY00	FY01		
\$ 1,000.0	\$ 13,500.0			Non-Rec	GFOR
\$ 25,937.7	\$ 3,457,251.0			Recurring	GF
\$ 29,437.1	\$ 1,551,370.8			Recurring	OSF
\$ 355.2	\$ 674,146.0			Recurring	ISF/IAT
\$ 54,129.3	\$ 2,681,352.9			Recurring	FF
\$ 17,554.5				Non-Rec	GF
\$ 25,218.1				Non-Rec	OSF
\$ 565.0				Non-Rec	ISF/IAT
\$ 6,451.0				Non-Rec	FF

(Parenthesis () Indicate Expenditure Decreases)

*GF=General Fund; GFOR=General Fund Operating Reserve; OF=Other State Funds; ISF/IAT=Internal Service Funds/Interagency Transfers; FF=Federal Funds

Companion to HB1, HB2, B3, HB4, HB5, HB6, HB7, HB9, HB23 and SB34

SOURCES OF INFORMATION

LFC files

SUMMARY

Synopsis of SFC Substitute

The substitute bill is the same as the vetoed House Bill 2, with the following adjustments:

- \$5.9 million less in public schools to: revise pay raises for school employees and funded part of the performance budget system from cash balances; salaries increases for schools are now 6.25 percent for teachers, including .25 percent merit, 5 percent for other instructional personnel and 4 percent for other staff; the bill retains the SFC amendments to House Bill 2 for the \$11 million for early childhood and literacy programs; transfers some funding for categorical programs to program cost; and extending school year by 2 days and requiring a minimum 7 hours per day in the classroom.
- Reduces the \$23 million new funding for higher education with some increases in special projects and decreases in staff and faculty compensation by ¼ percent to 3 percent and restores the state student incentive grant by \$1 million.
- Adds \$6.4 million to agencies, including: \$300.0 to Gaming Control Board, \$200.0 to Office of Cultural Affairs, \$1 million to Department of Health facilities, \$185.0 to Department of Environment, \$1.5 million to Children, Youth and Families Department, and \$800.0 to Department of Public Safety.
- Adds approximately \$500.0 to special and supplemental appropriations, including \$420.0 to the Cumbres and Toltec Scenic Railroad Commission for operations, \$250.0 for magistrate court leases, \$150.0 to the Taxation and Revenue Department Motor Vehicle Division, bringing the total to \$500.0, \$100.0 to Regulation and Licensing Department, \$300.0 to Gaming Control Board, \$1 million for Corrections Department and \$100.0 for Department of Public Safety; reductions in various areas were made to accommodate the increases.
- Revises the spending areas from the tobacco settlement program fund (see fiscal implications section of this report).

Other general highlights of the substitute bill are:

1. FY01 Operating Budget Appropriations - Sections 4, 5, 6 and 11.

Section 4 (pages 5 - 156) provides funding for the operation of state agencies, higher education and public school support. Funding for the General Appropriation Act of 2000 comes from the general fund, other state funds, internal service funds/interagency transfers and federal funds. The bill includes funding for 18,844 permanent, 2,064 term and 310 temporary employees for a total of 21,218 employees. See **Attachment A** for general fund appropriations by agency.

Section 5 (pages 145 - 178) provides performance-based budgeting funding to agencies included in the first-year implementation of the Accountability in Government Act enacted by the Legislature in 1999. See **Attachment B** for specifics. The section provides funding for the following seven of 12 agencies selected for performance budgeting in FY01:

- certain programs of the Administrative Office of the Courts,
- motor vehicle program at the Taxation and Revenue Department,
- Economic Development Division of the Economic Development Department,
- Division of Vocational Rehabilitation,
- Department of Public Safety,
- traffic safety program of the State Highway and Transportation Department, and
- Commission on Higher Education.

For four of the five remaining agencies, the appropriations are contained in Section 4, but performance standards are established for the TANF and child support enforcement programs of the Human Services Department, the Public Health Division of the Department of Health, the Corrections Department and certain programs of the State Department of Public Education. Performance standards for the remaining agency, the Children, Youth and Families Department, were not established.

Section 6 (pages 178 - 182) identifies agencies having oversight responsibilities to provide plans on achieving certain goals.

Section 11 (pages 202 - 204) provides funding for compensation increases for state agencies, higher education institutions and public schools as follows:

- 1.75 percent structural adjustment, effective the first full pay period after July 1, and a 1.25 percent anniversary date increase for executive classified employees;
- 3 percent salary increase, effective the first full pay period after July 1, for judicial and district attorney classified, state police commissioned officers and legislative exempt employees;
- 2 percent salary increase, effective the first full pay period after July 1, for executive exempt;
- 5 percent salary increase, effective the first full pay period after July 1, judges and district attorneys;
- 3 percent salary increase for all higher education employees; and
- implementation of the information technology series salary range changes approved by the Personnel Board are recommended at 25 percent of compa-ratio.

Section 4 of the bill includes a 6.24 percent salary increase for public school teachers and 5 percent salary increase for other instructional staff and 4 percent salary increase for all other public school employees. See **Attachment C** for specifics.

2. FY00/01 Special, Supplemental and Deficiency, and Data Processing Appropriations - Sections 7, 8, 9 and 10.

The bill makes special appropriations (Section 7, pages 182 - 190), supplemental and deficiency appropriations (Section 8, pages 190 - 195), data processing appropriations (Section 9, pages 195 - 200) and data processing equipment, software and other costs appropriations (Section 10, pages 200 - 202).

The bill also includes an appropriation from the general fund operating reserve to fund the final 40 police officers should the Department of Public Safety reach an expected FTE level in recruiting new police officers. See **Attachment D** for specifics.

3. Budget Adjustment Authority - Section 12 and 13

The bill also provides additional budget adjustment authority for the current fiscal year (Section 12, pages 202 - 211 and nearly identical budget adjustment authority in FY01 (Section 13, pages 211 - 217).

Significant Issues

General operating appropriations for most legislative agencies are contained in HB1 and HB380.

FISCAL IMPLICATIONS

Appropriations are summarized as follows:

Section	Fiscal Year 2000				Fiscal Year 2001			
	GF	OSF	ISF/IAT	FF	GF	OSF	ISF/IAT	FF
Recurring:								
4. FY01 Appropriations	0.0	0.0	0.0	0.0	3,331,247.6	1,526,750.1	664,003.4	2,637,531.2
5. FY01 PBB Appropriations	0.0	0.0	0.0	0.0	99,536.7	24,620.7	10,142.6	43,821.7
6. Special	6,245.0	4,050.0	0.0	14,882.5	40.0	0.0	0.0	0.0
7. Supplemental/Deficiency	19,692.7	25,387.1	355.2	39,246.8	0.0	0.0	0.0	0.0
10. Compensation	0.0	0.0	0.0	0.0	26,426.7	0.0	0.0	0.0
Total Recurring	25,937.7	29,437.1	355.2	54,129.3	3,457,251.0	1,551,370.8	674,146.0	2,681,352.9
Non-Recurring:								
6. Special	15,721.5	3,370.5	565.0	0.0	0.0	0.0	0.0	0.0
7. Supplemental/Deficiency	1,443.0	987.6	0.0	3,830.5	0.0	0.0	0.0	0.0
8. Data Processing	0.0	20,055.0	0.0	2,620.5	0.0	0.0	0.0	0.0
9. DP Equipment/Software	390.0	805.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Non-Recurring	17,554.5	25,218.1	565.0	6,451.0	0.0	0.0	0.0	0.0

The amended substitute bill makes contingent appropriations from the general fund operating reserve as follows:

<u>Purpose</u>	<u>CS HB2</u>	<u>HB2/aSFC</u>	<u>CS SB2</u>
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>
Board of Finance Emergency Fund	500.0	500.0	500.0
Board of Finance Emergency Fund	500.0*	500.0	500.0
HSD Medicaid Program	9,000.0	9,000.0	9,000.0
HSD Senior Prescriptives		1,000.0	1,000.0
Correction Department (FY00)		2,000.0	1,000.0
DPS police officers, vehicles, maintenance and overtime	2,500.0	2,500.0	2,500.0

Total	12,500.0	15,500.0	14,500.0
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* For critical emergency fire prevention measures.

Finally, the amended substitute bill appropriates money from the tobacco settlement income fund as follows:

<u>Program</u>	<u>CS HB2</u> <u>Amount</u>	<u>CS HB2/aSFC</u> <u>Amount</u>	<u>CS SB2</u> <u>Amount</u>
HSD Medicaid Buy-in for the Disabled		500.0	1,400.0
HSD Medicaid for the Working Poor		4,000.0	4,000.0
HSD Medicaid		10,100.0	6,225.0
DOH Home Visits for At-Risk Infants & Children	1,000.0	0.0	0.0
DOH Early Childhood Development Home Visits		1,500.0	2,000.0
DOH HIV Services	500.0	500.0	750.0
DOH Tobacco Cessation Programs	500.0	500.0	1,775.0
DOH Diabetes/Juvenile Diabetes		1,000.0	1,000.0
CYFD Domestic Violence	900.0	1,000.0	1,000.0
CYFD Life Skills for At-Risk Youth			500.0
Next Generation Fund		2,000.0	1,500.0
New Mexico Media Literacy Project		275.0	0.0
UNM AHEC Rural Student Support	204.5	50.0	50.0
UNM Telemedicine	150.0	0.0	150.0
UNM Los Pasos Program	200.0	50.0	50.0
UNM Pediatric Oncology Program & Special Physicians	321.3	400.0	800.0
UNM Pediatric Specialty Physicians		400.0	0.0
UNM Poison & Drug Information Center	149.6	149.6	150.0
UNM Trauma Critical & Emergency Care	500.0	400.0	400.0
UNM Endowed Chair for Tobacco Research	1,500.0	0.0	0.0
UNM Research/Clinical Care Program		1,500.0	2,500.0
Total	5,925.4	24,324.6	24,250.0

DUPLICATION/RELATIONSHIP

The bill: 1) relates to House Bill 1, the Feed Bill, since it includes appropriations for the operation of the Legislature; 2) is an amended version of HAFC Committee Substitute for House Bill 2 etal; 3) relates to House Bills 3, 4, 5, 6, 7, 9, and SB34 since they each contain appropriations for operations of state government agencies and educational institutions already included in House Bill 2; and 4) relates to House Bill 23, the Executive's proposal for operation of state government.

DKB/gm