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## FISCAL IMPACT REPORT

SPONSOR: Hurt DATE TYPED: 3/11/03 HB \_\_\_\_\_

SHORT TITLE: Legislative Session Times & Subjects, CA SB SJR 10/aSF1#1

ANALYST: Chavez

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
			\$32.0	Non-Recurring	General Fund
			See Narrative		

(Parenthesis ( ) Indicate Expenditure Decreases)

Conflicts with SJR 4

### SOURCES OF INFORMATION

Attorney General's Office (AG)  
 New Mexico Commission on Higher Education (NMCHE)  
 LFC Files

### SUMMARY

#### Synopsis of SF Amendment #1

The Senate Floor Amendment strikes the language pertaining to: a) providing for biennial budgets, b) for limiting the subject matter that can be considered in regular sessions held in odd-numbered years and 3) the consideration of general appropriation bills for the succeeding two fiscal years that would have been considered during legislative sessions in even-numbered years.

Thus, the remaining portion of the bill limits each regular session of the legislature to 45 days. If passed, this would decrease expenses for salaries and per diem by \$1.5 to \$2.0 million in odd numbered years when a 60-day session would have been held. Expenses would increase by approximately \$1.5 to \$2.0 million in those years when a 30-day session would have been held.

#### Synopsis of Original Bill

Senate Joint Resolution 10 proposes to submit to the voters an amendment to Article 4, Section 5 of the Constitution of New Mexico pertaining to time, length, and items considered during legis-

lative sessions.

### Significant Issues

#### ***Current law***

Every regular session of the legislature convening during an odd-numbered year shall remain in session not to exceed sixty days, and every regular session of the legislature convening during an even-numbered year shall remain in session not to exceed thirty days.

Every regular session of the legislature convening during an *even numbered* year shall consider only the following:

1. budgets, appropriations and revenue bills;
2. bills drawn pursuant to special messages of the governor;
3. bills of the last previous session vetoed by the governor.

Regular legislative sessions in *odd numbered* years can consider any bill.

#### ***Changes proposed by this amendment:***

1. Limits each regular legislative session to 45 days.
2. Adds the following measure that may be considered during legislative sessions in even-numbered years
  - General appropriation bills for the succeeding two fiscal years.
3. Limits subjects considered during odd-numbered legislative sessions to the following:
  - Bills drawn pursuant to special messages of the governor which contains appropriations necessary to supplement general appropriations bills and
  - Any other matter except appropriations.

Senate Joint Resolution 10 would change the state's appropriation mechanism by making it biennial. Thus budgets of agencies would be established and approved every two years as opposed to every year. The resolution would allow for less legislative oversight due to the biennial nature of the budgets. The resolution would specifically disallow consideration of the general appropriation act during odd numbered years, except for appropriations that are supplemental in nature. During these odd numbered years, the legislature may be able to focus on other important issues impacting the state.

### **FISCAL IMPLICATIONS**

No appropriation is contained in this bill. However, a \$32.0 non-recurring impact to the general fund will likely occur in FY 05 (the next general election is in November 04) for advertising and printing costs incurred by the Secretary of State for this measure. The impact to the general fund will occur in the preceding fiscal year if a special election is called prior to November 04.

### **ADMINISTRATIVE IMPLICATIONS**

The NMCHE states that biennial budgeting may have fiscal advantages for New Mexico as several other states are using this method successfully. However, with respect to the NMCHE, it

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would require fundamental changes in procedures used to determine funding recommendations. The formula used by NMCHE for calculating a comprehensive funding recommendation is based on annual student enrollment data, cost factors and other considerations.

By implementing biennial budgets, it may be difficult for some agencies to budget for two fiscal years. However, in the long run it may provide for better long term planning since agencies would have knowledge of their budgets for two fiscal years. Preparation of biennial budgets would also save on administrative resources.

The resolution would impact the Accountability in Government Act, which relies on annual evaluations to develop performance measures and related funding recommendations.

### **CONFLICT**

Senate Joint Resolution 10 conflicts with Senate Joint Resolution 4. Senate Joint Resolution 4 proposes to amend Article IV, Section 5 of the Constitution of New Mexico to allow regular sessions of the legislature to be extended for up to seven days upon joint certification to the governor by the speaker of the house and the president pro tempore of the senate.

**FC/njw:yr**