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FISCAL IMPACT REPORT

ORIGINAL DATE 01/18/13
LAST UPDATED 03/12/13 **HB** CS/2,3,4,5 and 6/aSFC

SPONSOR HAFC

SHORT TITLE General Appropriation Act of 2013 **SB** _____

ANALYST Lucero

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$5,881,133.3	Recurring	General Fund
	\$14,041.9	Recurring	General Fund
	\$3,292,722.0	Recurring	Other State Funds
	\$914,914.7	Recurring	Internal Service/Inter-Agency Transfers
	\$6,125,702.5	Recurring	Federal Funds
\$84,698.5		Nonrecurring	General Fund
\$27,500.0		Nonrecurring	General Fund Appropriation Contingency Fund – Lock Box (Sec. 5)
\$4,600.0		Nonrecurring	Other State Funds Appropriation Contingency Fund – Lock Box (Sec. 5)
\$77,365.0		Nonrecurring	Other State Funds
\$15,370.5		Nonrecurring	Internal Service/Inter-Agency Transfers
\$2,300.0		Nonrecurring	Public Buildings Repair Fund
\$300.0		Nonrecurring	Public Elections Fund
\$250.0		Nonrecurring	Game Protection Fund
\$172.8		Nonrecurring	Public School Capital Outlay Fund
\$1,250.0		Nonrecurring	Insurance Operations Fund
\$400.0		Nonrecurring	Irrigation Works Construction Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY13	FY14	FY15		
(\$2,300.0)			Nonrecurring	Public Buildings Repair Fund
(\$300.0)			Nonrecurring	Public Elections Fund
(\$250.0)			Nonrecurring	Game Protection Fund
(\$172.8)			Nonrecurring	Public School Capital Outlay Fund
(\$1,250.0)			Nonrecurring	Insurance Operations Fund
(\$400.0)			Nonrecurring	Irrigation Works Construction Fund

(Parenthesis () Indicate Revenue Decreases)

House Bill 2 conflicts with House Bill 11 which represents the Legislative Finance Committee recommendation for funding operations of state government.

House Bill 11 relates to House Bill 1 (the “Feed Bill”) which funds the operations of most legislative agencies.

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of SFC Amendment

The Senate Finance Committee (SFC) amendments add \$6.5 million to FY14 recurring general fund appropriations in Section 4 including additional funding for higher education research and public service projects, agricultural stations and cooperative extension, nursing programs, at-risk student advisement, manufacturing extension, educational TV, and statewide outcomes; prison population growth; tourism marketing; more funding for state parks; and services for homeless people.

The SFC amendments also add \$3 million of special appropriations including \$500 thousand to replenish the irrigation works construction fund, \$500 thousand for MainStreet programs, \$300 thousand more for Local Economic Development Act (LEDA) projects, \$300 thousand for the Cumbres & Toltec railroad, and \$200 thousand for the Housing Trust Fund administered by the Mortgage Finance Authority.

To boost reserves to 10 percent, the SFC amendments strike \$20 million of funding for transportation projects.

The SFC amendments authorize a transfer (Section 11) of \$17 million from the operating reserve to the appropriation contingency fund to replenish this component of general fund reserves and allow the 2014 Legislature to consider appropriations to agencies affected by cuts in federal grants.

This bill plus House Bill 1 appropriate \$5.895 billion for FY14. This level is \$246 million, or 4.4 percent above FY13. The spending level is \$13 million less than projected revenue leaving little room for additional legislation. The HAFC substitute for HB2 et al. also incorporates the LFC and executive recommendations to reverse the 1.5 percent “retirement swap”; fund a 0.75 percent employer increase for the education retirement board; and the LFC’s recommendation to provide state employees, teachers, and support staff a 1 percent salary increase.

Synopsis of Original Bill

The House Appropriations and Finance Committee substitute for House Bills 2, 3, 4, 5 and 6 appropriates money from the general fund, other revenue, internal services funds/interagency transfers, and federal funds for the FY14 operation of state agencies, higher education and public schools and certain FY13 expenses.

Section 1, Short Title (page 1);

Section 2, Definitions (pages 1 - 3);

Section 3, General Provisions (pages 3 – 5)

Section 4, Fiscal Year 2014 Appropriations (pages 5 - 204);

Section 5 Special Appropriations (pages 204 - 213);

Section 6, Supplemental and Deficiency Appropriations (pages 213 - 215);

Section 7, Data Processing Appropriations (pages 215 - 220);

Section 8, Compensation Appropriations (pages 220 - 221);

Section 9, Additional Fiscal Year 2013 Budget Adjustment Authority (pages 221 – 225)

Section 10, Additional Fiscal Year 2014 Budget Adjustment Authority (pages 225 – 232)

Section 11, Transfer Authority (page 232)

Section 12, Severability (page 233).

FISCAL IMPLICATIONS

The appropriations contained in this bill can be summarized as follows:

	General Fund	Other State Funds	Internal Service Funds/ InterAgency		Total
			Trnsfrs	Federal Funds	
Legislative	\$ 4,020.2	\$ -	\$ -	\$ -	\$ 4,020.2
Judicial	\$ 207,642.6	\$ 23,708.6	\$ 8,691.6	\$ 2,369.4	\$ 242,412.2
General Control	\$ 168,368.2	\$ 827,747.5	\$ 530,614.8	\$ 13,946.1	\$ 1,540,676.6
Commerce and Industry	\$ 46,919.5	\$ 54,843.2	\$ 30,382.5	\$ 920.0	\$ 133,065.2
Agric., Enrgy & Ntrl Res	\$ 66,444.1	\$ 95,086.4	\$ 23,837.1	\$ 33,585.5	\$ 218,953.1
Health, Hospitals & Human Svcs	\$ 1,638,091.9	\$ 337,599.2	\$ 255,307.3	\$ 4,485,470.8	\$ 6,716,469.2
Public Safety	\$ 377,492.9	\$ 31,205.0	\$ 21,230.8	\$ 63,433.7	\$ 493,362.4
Transporation	\$ -	\$ 457,134.2	\$ -	\$ 407,425.6	\$ 864,559.8
Other Education	\$ 68,734.2	\$ 22,332.7	\$ 131.8	\$ 31,420.6	\$ 122,619.3
Higher Education	\$ 790,636.1	\$ 1,441,565.2	\$ 44,718.8	\$ 672,928.5	\$ 2,949,848.6
Public School Support	\$ 2,498,741.7	\$ 1,500.0	\$ -	\$ 414,202.3	\$ 2,914,444.0
Total Sec. 4 Recurring	\$ 5,867,091.4	\$ 3,292,722.0	\$ 914,914.7	\$ 6,125,702.5	\$ 16,200,430.6
Compensation Appropriations	\$ 14,041.9				\$ 14,041.9
Total Sec. 8 Recurring	\$ 14,041.9	\$ -	\$ -	\$ -	\$ 14,041.9
Total Recurring	\$ 5,881,133.3	\$ 3,292,722.0	\$ 914,914.7	\$ 6,125,702.5	\$ 16,214,472.5
Specials	\$ 84,698.5	\$ 48,547.0	\$ 14,234.7	\$ -	\$ 147,480.2
Specials - Education Lock Box	\$ 27,500.0	\$ 4,600.0	\$ -	\$ -	\$ 32,100.0
Supplemental & Deficiency	\$ 1,951.9	\$ 4,000.0	\$ -	\$ -	\$ 5,951.9
Data Processing	\$ -	\$ 24,818.0	\$ 1,135.8	\$ -	\$ 25,953.8
Total Nonrecurring	\$ 114,150.4	\$ 81,965.0	\$ 15,370.5	\$ -	\$ 211,485.9

Unless otherwise indicated in the bill, appropriations from the general fund revert to the general fund at the end of FY14, or unless otherwise indicated or provided by law. Exceptions include higher education institutions and public schools.

OTHER SUBSTANTIVE ISSUES

Section 8 compensation increase appropriations contained in this bill include state workers, higher education employees, and a special compensation increase for state police and motor transportation officers. Compensation increases for public employees represented under collective bargaining and unrepresented public employees and are appropriated separately under Section 8. Compensation increases for public school employees is contained in the state equalization guarantee appropriation in Section 4 of the bill.

Section 11 transfers \$17 million from the operating reserve to the appropriation contingency fund to address reduction in federal funding to New Mexico agencies resulting from the federal sequester.

Section 12 Transfer Authority – allows the governor with State Board of Finance approval to transfer up to \$120 million from the operating reserve if the governor determines that revenue and transfers are not sufficient to meet appropriations in FY13. This transfer is in addition to the \$55 million authorized in Laws 2012 Chapter 19, Section 11 for this same purpose.

If revenue and transfers are not sufficient to meet appropriations in FY14, the governor with State Board of Finance approval, may transfer up to \$60 million from the operating reserve to the appropriation account of the general fund to meet that fiscal year's obligations.

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