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FISCAL IMPACT REPORT

ORIGINAL DATE 1/30/18
LAST UPDATED 2/14/18

SPONSOR HAFC **HB** 2&3/HAFC/aSFC/aCC
SHORT TITLE General Appropriation Act of 2018 **SB** _____
ANALYST Courtney/Sallee

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
	\$6,228,758.2	Recurring	General Fund- Section 4
	\$4,029,641.5	Recurring	Other State Funds- Section 4
	\$558,604.8	Recurring	Internal Service/Inter- Agency Transfers Section 4
	\$7,560,502.1	Recurring	Federal Funds Section 4
	\$89,221.8	Recurring	General Fund- Compensation Section 8
\$170,909.4		Nonrecurring	General Fund Sections 5, 6, & 7
\$66,478.3		Nonrecurring	Other State Funds Sections 5, 6, & 7
\$6,715.7		Nonrecurring	Internal Service/Inter- Agency Transfers Sections 5, 6, & 7
\$61,355.1		Nonrecurring	Federal Funds Sections 5, 6, & 7

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
(\$4,000.0)		Nonrecurring	General Fund
(\$1,000.0)		Nonrecurring	Other State Funds
\$1,510.8		Nonrecurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

Relates to House Bill 1 (the “Feed Bill”)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of CC Amendments

The Conference Committee adopted the following changes to HB 2 and 3 from the Senate Finance Committee amended version.

In Section 4, \$86 thousand was added to Northern New Mexico College to match adjustments for other comprehensive universities athletics increases provided in the Senate Finance Committee.

In Section 5:

- Added \$1 million for broadband and related infrastructure for tribes and pueblos.
- Restored \$900 thousand for Roswell hanger and removed earmark of LEDA;
- Restored \$10 million for state roads bringing funding to \$44 million;
- Reduced funding for Department of Transportation rest areas from \$10 million to \$6 million;
- The restoration of public school cash balances was reduced from \$10 million to \$5 million. Language authorizing \$10 million from an additional unit value increase for schools remains for FY18.

In Section 8, the Conference Committee added language expressing intent for raises for non-instructional school personnel to equal the average raise for teachers.

Added authority for transferring \$65 million from general fund reserves if revenues fall short.

Senate Finance Committee Amendments to HAFS Substitute for House Bills 2 and 3

SFC amendments have a net increase of Section 4 FY19 recurring general fund appropriations of \$9.3 million. Reductions include swapping \$1 million general fund for TANF for child care swapping \$1 million general fund for supplemental severance tax bonds for school instructional materials, and technical adjustments for targeted compensation. General fund increases include \$5.6 million for a 1 percent increase in the higher education instruction and general formula, \$2 million for the 2nd District Attorney, \$700 thousand for an additional 1 percent Medicaid rate increase for nursing homes and \$600 thousand for the Cultural Affairs Department.

SFC amendments to Sections 5 and 6 have a net reduction of \$700 thousand. Changes include reducing funding for road maintenance from \$60 million to \$34 million but adding \$10 million for repair of transportation rest areas; \$10 million to restore approximately a quarter of school district cash balances; and authorizing an additional increase in the school unit value to distribute up to \$10 million.

SFC amendments add two percent to targeted compensation increases for judges, correctional officers and state police.

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Contingent on enactment of SB 226 earmarking a share of the motor vehicle excise tax to the road fund, a set of amendments provide \$30 million from the road fund and a mix of local revenue and other funds totaling \$45 million to address the brine well crisis.

SFC amendments include a new section authorizing nonrecurring transfers from various New Mexico Finance Authority accounts to the general fund.

- Section 1, Short Title
- Section 2, Definitions
- Section 3, General Provisions
- Section 4, Fiscal Year 2018 Appropriations
- Section 5 Special Appropriations
- Section 6, Supplemental and Deficiency Appropriations
- Section 7. Data Processing Appropriations
- Section 8. Compensation Appropriation
- Section 9. Additional Fiscal Year 2018 Budget Adjustment Authority
- Section 10. Certain Fiscal Year 2019 Budget Adjustments Authorized
- Section 11. Fund Transfers
- Section 12. Transfer Authority
- Section 13. Severability

	General Fund	Other State Funds	Internal Service Funds / InterAgency Transfers	Federal Funds	HB2 Total
Legislative (Section 4)	\$ 4,117.7				\$ 4,117.7
Judicial (Section 4)	\$ 285,403.3	\$ 21,120.3	\$ 10,824.5	\$ 2,955.0	\$ 320,303.1
General Control (Section 4)	\$ 126,779.1	\$ 1,503,195.6	\$ 51,780.1	\$ 14,648.7	\$ 1,696,403.5
Commerce and Industry (Section 4)	\$ 52,702.2	\$ 62,165.5	\$ 87,569.9	\$ 1,611.0	\$ 204,048.6
Ag, Energy & Ntrl Res (Section 4)	\$ 68,855.1	\$ 78,867.1	\$ 19,508.8	\$ 39,855.2	\$ 207,086.2
Health, Hospitals & Human Svcs (Section 4)	\$ 1,707,189.1	\$ 287,970.1	\$ 330,471.4	\$ 5,970,424.2	\$ 8,296,054.8
Public Safety (Section 4)	\$ 436,545.7	\$ 41,342.2	\$ 8,767.0	\$ 60,245.1	\$ 546,900.0
Transportation (Section 4)		\$ 479,246.4	\$ 3,519.4	\$ 401,252.0	\$ 884,017.8
Other Education (Section 4)	\$ 101,965.3	\$ 29,502.7	\$ 3,878.0	\$ 41,615.1	\$ 176,961.1
Higher Education (Section 4)	\$ 792,777.0	\$ 1,513,556.2	\$ 42,285.7	\$ 584,416.6	\$ 2,933,035.5
Public School Support (Section 4)	\$ 2,652,423.7	\$ 12,675.4		\$ 443,479.2	\$ 3,108,578.3
Compensation (Section 8)	\$ 89,221.8				\$ 89,221.8
Total Recurring	\$ 6,317,980.0	\$ 4,029,641.5	\$ 558,604.8	\$ 7,560,502.1	\$ 18,466,728.4
Specials (Section 5)	\$ 156,324.0	\$ 36,395.0	\$ 1,500.0		\$ 194,219.0
Supplemental & Deficiency (Section 6)	\$ 14,585.4	\$ 180.0	\$ 4,315.7		\$ 19,081.1
Data Processing (Section 7)		\$ 29,903.3	\$ 900.0	\$ 61,355.1	\$ 92,158.4
Total Nonrecurring	\$ 170,909.4	\$ 66,478.3	\$ 6,715.7	\$ 61,355.1	\$ 305,458.5

Unless otherwise indicated in the bill, appropriations from the general fund revert to the general fund at the end of FY19, or unless otherwise indicated or provided by law.