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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/25/15  
 SPONSOR HAFC LAST UPDATED 3/17/15 HB 2 & 4/ HAFCS/aSFC  
 SHORT TITLE General Appropriation Act of 2015 SB \_\_\_\_\_  
 ANALYST Lucero

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		
	\$6,217,899.1	Recurring	General Fund
	\$3,998,862.0	Recurring	Other State Funds
	\$479,180.6	Recurring	Internal Service/Inter-Agency Transfers
	\$7,375,251.3	Recurring	Federal Funds
\$99,403.6		Nonrecurring	General Fund
\$3,100.0		Nonrecurring	Education Lock Box
\$47,607.1		Nonrecurring	Other State Funds
\$11,192.7		Nonrecurring	Federal Funds

(Parenthesis ( ) Indicate Expenditure Decreases)

House Bill 2 and 4/HAFCS/aSFC conflicts with House Bill 5 and Senate Bill 210 which represent the Legislative Finance Committee recommendation for funding operations of state government.

This bill 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 Amendments to HAFC HB2 Substitute

The Senate Finance Committee amendments to House Appropriations and Finance Committee Substitute for House Bills 2 and 4 appropriates money from the general fund, other revenue, internal services funds/interagency transfers, and federal funds for FY16 and FY15. Appropriations in the bill, except as otherwise specifically stated in the bill, fund the operations of state government including the Judiciary, Legislature, state agencies, higher education and public schools.

## House Bill 2 and 4/HAFCS/aSFC – Page 2

Recurring general fund appropriations, including House Bill 1 (“Feed Bill”) total \$6.234 billion, including House Bill 1 (the Feed Bill), an increase of nearly \$83 million, or 1.3 percent, over the previous year’s General Appropriation Act (GAA) and Feed Bill. Reserve funds are projected at 8 percent at the end of both FY15 and FY16. This bill appropriates \$6.217 billion of recurring revenue from the general fund.

Notable appropriation increases include education, early childhood initiatives, public health, workforce development and economic growth, public safety, and the protection of vulnerable citizens. Targeted increases included enrollment and utilization growth in the Medicaid program, at-risk student funding in public and higher education, healthcare workforce development, substance abuse, behavioral health, higher entry-level minimum teacher salaries, and job creation.

In summary, funding for public schools increased \$36.6 million, or 1.3 percent, including \$6.7 million for minimum salary increases for entry level teachers and \$5.9 million for initiatives targeting early childhood education, teacher quality, and school improvement. Funding for higher education increased nearly \$9.8 million, or 1.2 percent including \$6.1 million for instruction and general (I&G) formula funding; \$2.4 million for research and public service projects, special schools, athletics, and public television, and healthcare workforce expansion; and nearly \$1.1 million for student financial aid programs and adult basic education.

The bill increases funding for early childhood initiatives nearly \$15.1 million, a 6.4 percent increase over FY15 appropriations. Total funding for early childhood initiatives is \$251.1 million, including \$15 million for early literacy programs, \$23.7 million for the K-3 Plus extended school year program, \$51.1 million for prekindergarten, \$14.3 million for home visits to families with infants, and \$96.6 million for childcare assistance.

Targeted salary increases are provided for difficult to recruit and retain professions including nursing and uniformed state officers. Nurses and allied professions in the Department of Health received funding for an average 3 percent salary increase. Uniformed officers at the Department of Public Safety received funding for an average 5 percent salary increase.

The recommendation includes an additional \$20.8 million in tobacco settlement program funds for Medicaid (contingent on enactment of legislation authorizing the transfer), bringing the total tobacco appropriations to \$40.1 million including \$1.3 million for breast and cervical cancer treatment.

Nonrecurring general fund appropriations for special, supplemental, and deficiency items totaled \$102.5 million, including \$13.8 million for the computer systems enhancement fund and \$17.3 million for current and prior year budget shortfalls. Other notable appropriations include \$37.5 million for Local Economic Development Act (LEDA) projects to recruit new businesses to the state and assist existing businesses expand, \$5.5 million for the Job Training Incentive Program, \$4 million for the Office of the State Engineer and the Attorney General’s Office for water litigation, and \$5.5 million to increase endowments for faculty and researchers at New Mexico colleges and universities.

A new section “Contingent Appropriations,” makes contingent appropriations of \$5.2 million with expected general fund increases from the expected approval of new gaming compacts. The contingent general fund appropriations include \$3 million for behavioral health regional crisis

stabilization units, transitional and supportive housing, behavioral health investment zones, drug courts and assisted outpatient treatment; \$1.8 million to finish the Mora county courthouse complex; and \$400 thousand for supplemental nutrition assistance program (SNAP) participants to purchase fruits and vegetables at New Mexico farmers' markets.

Senate Finance Committee Amendment strikes:

Section 4, Fiscal Year 2016 Appropriations (pages 5 - 171);

Section 5, Special Appropriations (pages 171 - 180);

Section 6, Supplemental and Deficiency Appropriations (pages 180 – 182);

Section 7, Data Processing Appropriations (pages 182 – 186);

Section 8, Additional Fiscal Year 2015 Budget Adjustment Authority (pages 186 – 190);

Section 9, Fiscal Year 2016 Budget Adjustment Authority (pages 190 - 200);

Section 10, Appropriation Adjustments (page 200);

Section 11, Fund Transfers (page 200); and

Section 12, Transfer Authority (pages 200 – 201).

Senate Finance Committee Amendment Replaces with:

Section 4, Fiscal Year 2016 Appropriations;

Section 5, Special Appropriations;

Section 6, Supplemental and Deficiency Appropriations;

Section 7, Data Processing Appropriations;

Section 8, Additional Fiscal Year 2015 Budget Adjustment Authority;

Section 9, Fiscal Year 2016 Budget Adjustment Authority;

Section 10, Appropriation Adjustments;

Section 11, Fund Transfers;

Section 12, Transfer Authority; and

Section 14 Contingent Appropriations;

Sections 1, 2, 3 and 13 remain the same.

**FISCAL IMPLICATIONS**

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

	General Fund	Other State Funds	Internal Service Funds/ InterAgency Trnsfrs	Federal Funds	Total
Legislative	\$ 4,380.9	\$ -	\$ -	\$ -	\$ 4,380.9
Judicial	\$ 227,578.2	\$ 26,637.5	\$ 6,484.6	\$ 2,532.5	\$ 263,232.8
General Control	\$ 184,600.6	\$ 1,422,267.4	\$ 54,855.7	\$ 12,834.8	\$ 1,674,558.5
Commerce and Industry	\$ 53,887.0	\$ 75,588.3	\$ 21,059.9	\$ 2,624.5	\$ 153,159.7
Ag, Energy & Ntrl Res	\$ 71,981.6	\$ 101,745.6	\$ 21,847.8	\$ 34,999.4	\$ 230,574.4
Health, Hospitals & Human Svcs	\$ 1,658,541.3	\$ 331,247.6	\$ 315,913.2	\$ 5,735,134.0	\$ 8,040,836.1
Public Safety	\$ 418,760.8	\$ 40,404.9	\$ 13,206.1	\$ 71,372.9	\$ 543,744.7
Transportation	\$ -	\$ 456,511.5	\$ -	\$ 408,612.4	\$ 865,123.9
Other Education	\$ 112,991.9	\$ 29,473.4	\$ 3,536.0	\$ 33,074.0	\$ 179,075.3
Higher Education	\$ 848,455.6	\$ 1,509,310.4	\$ 42,277.3	\$ 659,864.5	\$ 3,059,907.8
Public School Support	\$ 2,639,121.2	\$ 5,675.4	\$ -	\$ 414,202.3	\$ 3,058,998.9
<b>Total Section 4</b>	<b>\$ 6,220,299.1</b>	<b>\$ 3,998,862.0</b>	<b>\$ 479,180.6</b>	<b>\$ 7,375,251.3</b>	<b>\$ 18,073,593.0</b>
Section 10 Appropriation Adjustment	\$ (2,400.0)	\$ -	\$ -	\$ -	\$ (2,400.0)
<b>Total Recurring</b>	<b>\$ 6,217,899.1</b>	<b>\$ 3,998,862.0</b>	<b>\$ 479,180.6</b>	<b>\$ 7,375,251.3</b>	<b>\$ 18,071,193.0</b>
Specials	\$ 85,157.8	\$ 24,350.0	\$ -	\$ 5,363.2	\$ 114,871.0
Supplemental & Deficiency	\$ 17,345.8	\$ 937.1	\$ -	\$ 249.5	\$ 18,532.4
Data Processing	\$ -	\$ 22,320.0	\$ -	\$ 5,580.0	\$ 27,900.0
<b>Total Nonrecurring</b>	<b>\$ 102,503.6</b>	<b>\$ 47,607.1</b>	<b>\$ -</b>	<b>\$ 11,192.7</b>	<b>\$ 161,303.4</b>

Unless otherwise indicated in the bill, appropriations from the general fund revert to the general fund at the end of FY16, or unless otherwise indicated or provided by law.

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