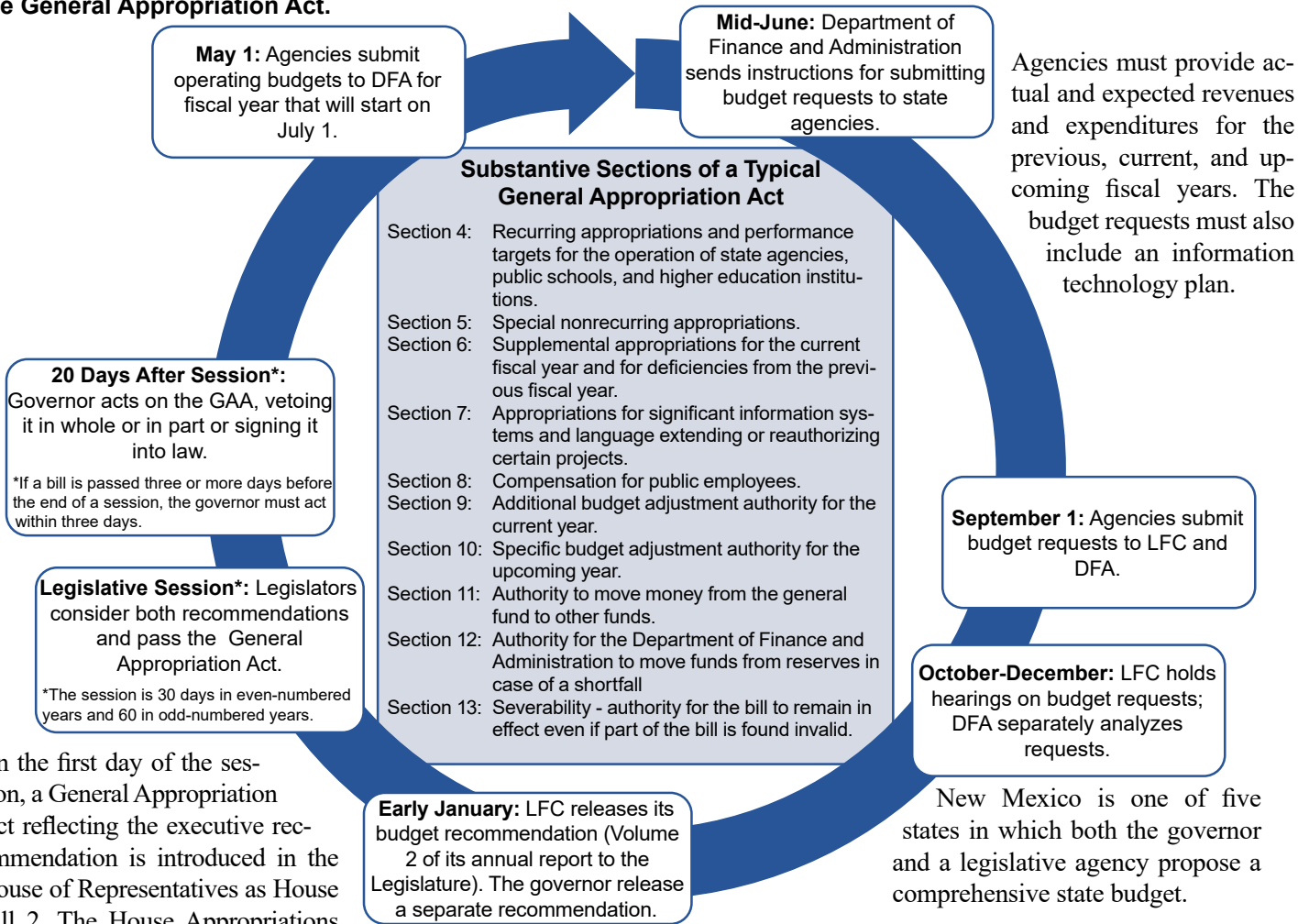




# General Appropriation Act

New Mexico is constitutionally required to produce a balanced budget for each fiscal year, July 1 to June 30. To accomplish this, the Legislative Finance Committee works with the executive to develop a consensus revenue estimate, and LFC and executive budget staff work within these constraints to create separate budget recommendations. The recommendations are considered by the Legislature and, with the governor's signature, enacted as the General Appropriation Act.



### Substantive Sections of a Typical General Appropriation Act

- Section 4: Recurring appropriations and performance targets for the operation of state agencies, public schools, and higher education institutions.
- Section 5: Special nonrecurring appropriations.
- Section 6: Supplemental appropriations for the current fiscal year and for deficiencies from the previous fiscal year.
- Section 7: Appropriations for significant information systems and language extending or reauthorizing certain projects.
- Section 8: Compensation for public employees.
- Section 9: Additional budget adjustment authority for the current year.
- Section 10: Specific budget adjustment authority for the upcoming year.
- Section 11: Authority to move money from the general fund to other funds.
- Section 12: Authority for the Department of Finance and Administration to move funds from reserves in case of a shortfall
- Section 13: Severability - authority for the bill to remain in effect even if part of the bill is found invalid.

Agencies must provide actual and expected revenues and expenditures for the previous, current, and upcoming fiscal years. The budget requests must also include an information technology plan.

New Mexico is one of five states in which both the governor and a legislative agency propose a comprehensive state budget.

On the first day of the session, a General Appropriation Act reflecting the executive recommendation is introduced in the House of Representatives as House Bill 2. The House Appropriations and Finance Committee, where consideration traditionally starts, compares the legislative and executive proposals and alters the bill to reflect legislative priorities. The transportation section, and sometimes other sections, starts as separate legislation and is then rolled into a committee substitute bill for consideration by the full House. (The “feed bill” funding the Legis-

lature is passed separately, usually early in the session.)

Generally, following passage in the House, the Senate Finance Committee amends the House bill and submits it to the full Senate, and it then goes back to the House for approval of the amendments. If necessary, a bicameral conference committee negotiates the dif-

ferences, creates a new substitute bill, and submits it to both chambers for final approval.

#### For More Information:

- The constitutional provisions related to the development of the state budget include Sections 16 and 22 of Article IV and Section 7 of Article IX.
- The LFC budget recommendation is available online: [https://www.nmlegis.gov/Entity/LFC/Session\\_Publications](https://www.nmlegis.gov/Entity/LFC/Session_Publications)
- The General Appropriation Act and related legislation through the legislative bill finder: [https://www.nmlegis.gov/Legislation/Bill\\_Finder](https://www.nmlegis.gov/Legislation/Bill_Finder)