

# LEGISLATIVE FINANCE COMMITTEE

## Fiscal Review

May, 1997



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**1997 LEGISLATIVE SESSION**

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## Legislative Finance Committee

Representative Max Coll, Chairman	Senator Ben D. Altamirano Vice Chairman
Representative Richard T. "Dick" Knowles	Senator Manny M. Aragon
Representative Henry "Kiki" Saavedra	Senator Joseph A. Fidel
Representative Jerry W. Sandel *	Senator Mary Jane M. Garcia
Representative Sandra L. Townsend	Senator Stuart Ingle
Representative Luciano "Lucky" Varela	Senator Raymond L. Kysar
Representative Samuel F. Vigil	Senator Billy J. McKibben
Representative Jeannette Wallace	Senator Shannon Robinson

### **\*Permanent Designee for Sandel**

Representative Edward C. Sandoval

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### **Alternates**

Representative Frank Bird (R)	Senator Joseph J. Carraro (R)
Representative David M. Parsons (R)	Senator Patrick H. Lyons (R)
Representative Nick L. Salazar (D)	Sen William H. Payne (R)
Representative James G. Taylor (D)	Senator Richard M. Romero (D)
	Senator John Arthur Smith (D)
	Senator Leonard Tsosie (D)

Anna W. Lamberson, Director  
David A. Lepre, Deputy Director - Budgets  
Gary Carlson, Deputy Director/General Counsel - Revenue & Audits

Pamela R. Rodela, Office Administrator  
Sylvia V. Barela, Office Manager  
Joyce S. Pankey, Committee Services

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**Analysts**

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Dannette K. Burch	Antoinette Pacheco-Perez
Roy A. Burrola	Melinda K. Peterson
Ruby Ann M. Esquibel	Duffy E. Rodriguez
Cathy T. Fernandez	Jessica Schar
David Soherr-Hadwiger	Ronald M. Segura
Jolene M. Gonzales	

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**Economists**

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Reinhold F. Groepler	William S. Taylor
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**Support Staff**

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Ginger S. Maes	Rosemary M. Montoya
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**Performance Audit Staff**

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	Manu M. Patel	
G. Christine Chavez		Joe M. Salazar
George S. McGeorge		Aurora B. Sandoval

LEGISLATIVE FINANCE COMMITTEE Staff Assignment List					5/21/97
Health/Human Svcs/Corrections	Education	Resources & Infrastructure	General Control	Revenue Issues/Performance Audits	
<b>SEGURA, Ron M. - Principal Analyst</b> 630 Human Services Department 662 Miners' Hospital 690 Children, Youth and Families Dept HB2 Work Group  <b>ESQUIBEL, Ruby Ann M.</b> 604 Commen Deaf/Hard Hearing Persons 606 Commission for the Blind 624 State Agency on Aging 645 Gov's Committee Handicapped 647 Dev Disabilities Png Council 665 Department of Health 669 Health Policy Commission 670 Veterans' Service Commission  <b>BURROLA, Roy A.</b> 354 Criminal/Juvenile Justice Coord Cncl 749 Crime Stoppers Commission 755 Trans/Extradition of Prisoners 760 State Parole Board 765 Juvenile Parole Board 770 Corrections Department 780 Crime Victim's Reparation Comsn 790 Department of Public Safety	<b>LEPRE, David A. - Deputy Director</b> HB2 Work Group Budget Issues Budget Development Review LFC Document Review LFC Fiscal Review Coord Analytical Work/Perf Audits Biennial Report Critical Capital Outlay Supervise Support Staff  <b>PACHECO-PEREZ, Antoinette</b> 950 Commission on Higher Education 953 Higher Education NM School for Visually Handicapped NM School for the Deaf NM Military Institute Children's Psych/Carrie Tingley Hosp Univ Hospital/Medical School  <b>FERNANDEZ, Cathy T.</b> 644 Division of Vocational Rehab 924 State Department of Public Ed 925 Special Proj Apprenticeship Assistance 928 Adult Basic Education 930 Central Regional Cooperative 931 Regional High Plains Education Coop 932 Region IX Education Coop 993 Public School Support School Transportation Education Technology/Distance Ed Critical Capital Outlay  <b>RODELA, Pamela R.</b> Office Administration	<b>RODRIGUEZ, Duffy-Sr. Fiscal Analyst II</b> 417 Border Authority 418 Tourism Department 419 Economic Development Department 505 Office of Cultural Affairs 631 Department of Labor HB2 Work Group Biennial Report LFC Fiscal Review Capital Outlay  <b>SCHAR, Jessica</b> 516 Department of Game and Fish 521 Energy, Minerals & Nat Res Dept 539 Commissioner of Public Lands 550 State Engineer/551 Interst Stream Cmsn 667 Department of Environment 668 Natural Resources Trustee  <b>PETERSON, Melinda K.</b> 424 Corporation Commission 460 State Fair Commission 469 NM State Racing Commission 470 Apple Commission 480 Bicycle Racing Commission 508 NM Livestock Board 546 Peanut Commission 567 Public Utility Commission 569 Organic Commodity Commission 805 State Highway & Transportation Dept 810 State Transportation Authority	<b>BURCH, Dannette K. - Principal Analyst</b> 342 Public School Insurance Authority 343 Retiree Health Care Authority 352 Educational Retirement Association 366 Public Employees Retirement Assoc 379 Public Emp Labor Relations Board 632 Workers' Comp Administration HB2 Work Group GAA Records and Reports General Fund Financial Summaries LFC Fiscal Review  <b>GONZALES, Jolene M.</b> 305 Attorney General 308 State Auditor 333 Taxation and Revenue Dept 341 Dept of Finance and Administration 356 Governor 357 Office Informatin & Communicatn Mgmt 360 Lieutenant Governor 369 State Commission of Public Records 370 Secretary of State 378 Personnel Board 705 Department of Military Affairs Compensation Issues Election Issues  <b>VACANT</b> 350 General Services Department 404 Board of Examiners for Architects 420 Regulation and Licensing Department 446 NM Board of Medical Examiners 449 Board of Nursing 464 St Board Prof Engrs & Land Surv 479 Board of Veterinary Medicine 480 Bicycle Racing Commission 538 Inter-Tribal Indian Ceremonial Assoc* 601 Commission on the Status of Women 605 Martin Luther King, Jr., Commission 609 Office of Indian Affairs Sunrise/Sunset Review  *This agency is sunseting	<b>CARLSON, Gary-Deputy Dir/Gen Counsel</b> Supervise Economic Research Staff Coordinate: Perf Audits/Analytical Staff Draft Committee Legislation (w/LCS) LFC Review of Capital Outlay Cost/Benefit of Agency Litigation Liaison on Federal Gov't Issues HB2 Work Group  <b>GROEPLER, Reinhold - Economist</b> 337 Investment Council 385 NM Finance Authority 394 State Treasurer Mortgage Finance Authority Board of Finance Oversight State Investment Policies Revenue Estimates/Projections Revenue Models Lottery Authority	
<b>HADWIGER, David S.</b> 205 Supreme Court Law Library 208 NM Compilation Commission 210 Judicial Standards Commission 213 Judges Pro Tempore 215 Court of Appeals 216 Supreme Court 218 Administrative Office of the Courts 219 Supreme Court Building Commission 221 Jury and Witness Fee Fund 222 Court Appointed Attorney Fees Fund 231-243 District Courts 244 Bernalillo County Metropolitan Court 251-265 District Attorneys 264 Administrative Office of the DA 355 Public Defender Department	<b>PANKEY, Joyce S. - Committee Services</b> Minutes Scheduling Meeting Preparation All Legislative Items			<b>PERFORMANCE AUDITORS</b>  <b>PATEL, Manu M. - Perf Audit Mgr</b>  <b>CHAVEZ, G. Christine</b> <b>MCGEORGE, George S.</b> <b>SALAZAR, Joseph M.</b> <b>SANDOVAL, Aurora B.</b>	





# **1997 FISCAL REVIEW**

## **Executive Summary**

The Legislative Finance Committee (LFC) Fiscal Review is a report prepared annually by the staff of the LFC. The report serves as a summary of legislative action on the state budget and related issues. Along with staff summaries, this report contains material on the state's economy prepared by Dr. Brian McDonald, Director, Bureau of Business and Economic Research, at UNM. The goal of this report is to provide a review of the development of the state budget and summarize information on state government programs and services provided to New Mexicans as a result of that budget. Detailed information on the LFC budget can be found in the committee's two-volume Budget Analysis 1997-98. Detailed information on the interim work of the LFC can be found in the 1996 Interim Annual Report.

State lawmakers faced numerous difficult issues in constructing a budget this year. Revenues again grew at a slower pace than in previous years. Prison construction and prison financing issues remained unresolved. Medicaid expenditures continued to grow at a rate that put Medicaid funding in competition with funding for public schools. Welfare reform needed agreement between the Legislature and Executive to ensure that the state's plan adequately addressed the needs of children and families requiring aid under the state's Public Assistance Act. Funding for public education needed to be addressed to implement the recommendation of the state's Funding Formula Task Force.

It is also important to note that the way the budget process is currently structured in statute, the LFC receives the requests from executive agencies and others on September 1st; however, the Executive does not release the governor's approved budget until immediately prior to the opening day of the legislative session. Between September and December, the LFC dealt with agency-requested budgets totaling over \$3.2 billion, a 14 percent increase, when recurring revenues were projected to increase by only two percent. Further, the LFC was apprised in November of agency requests for deficiency, supplemental and special funding totaling more than \$218.0 million.

### **The General Appropriation Act**

The LFC budget, produced in compliance with Section 2-5-4 NMSA 1978, was introduced as House Bill 2, the general appropriation act for state government. As finalized and approved in December, 1996, that budget for FY98 was based upon the modest revenue growth of \$130 million "new" recurring general fund dollars and left approximately \$19.7 million recurring general fund dollars unappropriated.

The central focus of the LFC budget was to eliminate or reduce non-essential expenditures to meet the limited revenue available, while providing the same level of services to the New Mexico public. The committee's budget was structured to achieve the following:

- adequately fund Medicaid at a level that would not require a cut in services or eligibility;
- preserve the state's general assistance safety net for low-income citizens pursuant to the state's Public Assistance Act;

- replace lost child support federal matching funds (\$50 payments made to mothers and their children each month);
- preserve the summer lunch program for the state's low income children and ensure state-wide coverage;
- decrease incarceration costs and provide appropriate sanctions to offenders by expanding the state's drug court and community corrections programs;
- increase funding for prevention of juvenile crime and juvenile justice; and
- maintain an adequate level of services at the Los Lunas Medical Center to ensure that the needs of our state's severely disabled citizens would be met.

In order to balance a budget on recurring revenues projected to increase only two percent from FY97 to FY98, the committee held most agency budgets flat, increased road fund appropriations to the tourism department with a commensurate decrease in the general fund, reduced such spending items as out-of-state travel for agencies providing non-essential services, held salaries at their current levels, deleted long-standing vacant positions, and eliminated subsidization by the general fund for such programs as the state's aircraft pool that is used to shuttle state employees to meetings around the state.

The Legislature faced a special demand imposed by Wall Street bond rating agencies. The state's operating reserves had sunk to an extremely low level of \$21.6 million in FY96 due to revenue shortfalls. The prospects for FY97 were dim enough to prompt rating agencies to place the state on "credit watch" and issue a warning to the state to bring up reserve levels. Additionally, the demand for supplemental appropriations for FY97 was high, mainly driven by Medicaid. The LFC adopted a plan to build FY97 reserves by cutting operating budgets and transferring other state funds to the operating reserves. These actions would have left the operating reserve with over \$70 million in FY97 and \$124 million in FY98. See: Appendix 1 for comparisons of the LFC budget with final action on the general appropriation act.

During the legislative session, the House decided to separate the education appropriation from House Bill 2. Deliberations in the House Appropriations and Finance Committee (HAFC) resulted in some increases for the judicial branch, while funding for Medicaid, higher education and corrections was pared down. The most significant addition to House Bill 2 was the funding for pay increases for all state employees, including all of public and higher education, at \$33.8 million. The separate education appropriation act, House Bill 3, contained increases as well. The HAFC increases and the public education budget increases were financed in large part by the \$20 million in recurring revenues left unspent by the LFC, some budget reductions, and by taking credit for an additional \$8.3 million in revenue from the Short-Term Cash Management Act.

In the Senate, the Senate Finance Committee (SFC) significantly amended House Bill 2 to reflect \$56 million in new revenue from gaming and a \$99 million revenue enhancement from elimination of the 0.5 percent municipal credit for gross receipts taxes. The revenue enhancement was to be placed in a separate fund out of which appropriations for some agencies were made in total or additions to agencies' budgets were funded, thus freeing up the \$99 million in general

fund to be used for public education in Senate Bill 100, the Senate's version of the public education funding bill. When House Bill 2 was taken up on the floor of the Senate, final approval was given to a floor amendment that removed all of the SFC amendments and adopted the Executive's amendments that had been submitted to the SFC. This resulted in an additional \$52 million being added to House Bill 2 as it had passed the House. See: Appendix 2 for a listing of the Executive's amendments.

Departments that gained general fund from adoption of the Executive's amendments included General Services, Regulation and Licensing, Energy, Minerals and Natural Resources and Corrections. In addition, these amendments deleted \$15 million in cuts for FY97, and shifted \$7 million from the income support programs at the Human Services Department to the Children, Youth and Families Department.

The House-Senate Conference Committee struck the Executive's amendments that would have supplanted road fund appropriations with general fund appropriations in the Taxation and Revenue and Tourism Departments. In addition, the Conference Committee inserted contingency language on the budgets of both the Medicaid and income support programs to ensure proper administration of these programs by the Executive via legislative input into new statutory mandates to serve as the framework for these important service programs. The Medicaid language provided that the funding was contingent upon enactment into law of House Bill 1269, the Medicaid Managed Care Act. The income support programs language provided that the general fund appropriation was contingent upon enactment into law of House Bill 1337, the Legislature's Family Assistance and Individual Responsibility (FAIR) Act.

The Executive vetoed much of the key program-related language contained in House Bill 2. Most crucial were the vetoes of the Medicaid and income support programs contingency language, as well as language dedicating funds for construction of modular units at existing juvenile justice facilities. In addition, the Executive vetoed a \$14 million general fund appropriation for Medicaid, bringing Medicaid funding to a level substantially below that requested by the agency during LFC budget deliberations.

The two major public school funding bills, House Bill 3 and Senate Bill 100, passed their respective chambers and were sent to Conference Committee. Incorporating the public education pay raises provided for in House Bill 2, the House added \$52 million over the current funding level for public education, while reducing the FY97 appropriation by \$13.3 million (funding from undistributed units). The Senate education bill added \$130 million to public education. The conference committee agreed to provide an overall increase of \$95 million to public education for FY98 and return the \$13.3 million in undistributed units to the general fund, for a total increase of \$108 million (\$22 million of which had already been incorporated into House Bill 2 for public school employee pay raises). Between the two bills, pay raises for public school employees were set at a minimum of four percent for FY98.

The Executive vetoed all pay raises contained in House Bill 2 as well as the additional amount provided for public school employees in the education appropriations bill. As a result, public school employees lost \$42.9 million in pay raises. The final increase in public school funding was brought down to \$64.8 million through the Executive's actions.

During the final days of the session, a compensation plan proposed by the Executive was introduced and passed by both houses. The legislation provides for "merit" increases of up to 4.5 percent for classified employees governed by the Personnel Act. As amended, the legislation provides funding for an average anniversary date increase of 2.5 percent to state police officers and employees of the judicial and legislative branches. Additional legislation to reinstate pay raises for public school employees died in the Senate on the final day as a result of a filibuster.

The Senate filibuster caused several other critical pieces of legislation to die on adjournment. Prison financing and construction was the specific subject of the filibuster, and the session ended without adoption of a legislative plan for prison financing and construction. The State Fair bill was also on the Senate floor and was not heard. As a result, the State Fair, in serious financial condition, has no legislatively-approved budget for FY98. Severance tax bond proceeds were not appropriated and important state, public school and local community capital projects were not funded.

## **Revenues**

In addition to complicated appropriation decisions, legislators also faced important decisions about revenues. Prior to the session, at the time the LFC finalized its budget, recurring general fund revenue was expected to grow by approximately 2.2 percent from FY97 to FY98. Total general fund revenue, including nonrecurring sources, was expected to grow by less than one percent. This peculiar revenue growth pattern was the result of December revenue estimate revisions that added \$54.2 million to FY97 and \$31 million to FY98, largely due to increased oil and gas revenues. Nonrecurring revenues were estimated to be \$69 million in FY97 and only \$29.6 million in FY98, primarily due to passage of the quarterly estimated payments legislation enacted during the 1996 Legislature.

With the passage of various revenue bills, total FY98 revenues were increased by about \$65 million. The most significant FY98 revenue bills that were enacted during the session were the Governor's Gaming Act, projected to add \$56 million, and the Short-Term Cash Management Act, projected to add \$8.3 million. In addition, changes were made to the estimated tax payments provisions of the Income Tax Act that are expected to reduce nonrecurring revenue by \$5.4 million in FY97 and \$2.5 million in FY98.

In discussing the state's revenue picture, it is important to note that although \$56 million was the projection during the session of new revenue from the Governor's Gaming Act, the Executive has chosen not to show the revenue on its general fund financial summary. The stated reason for this is the uncertainty about the timing of implementation of the act. Legislators should take note of this decision, as well as the fact that if gaming revenues are excluded from the general fund financial summary recurring appropriations for FY98 will exceed recurring revenues by approximately \$7 million, and operating reserves will fall from \$138.8 million to \$82.8 million. See Appendix 3 for a comparison of general fund financial summaries with and without the gaming revenue.

Total general fund appropriations--recurring and nonrecurring--are projected to increase by only \$25.1 million from FY97 to FY98, or by less than one percent growth. This small growth can actually be viewed as a decrease since inflation is expected to decrease purchasing power by about

three percent over this time period. If recurring appropriations include supplemental appropriations made by the 1997 legislature (which they normally do), recurring FY97 appropriations will exceed FY97 recurring revenue by approximately \$18 million. The Executive has indicated that it will "book" supplemental appropriations for recurring programs as nonrecurring appropriations. By doing so, recurring FY97 revenue will cover FY97 appropriations. If the \$15 million in FY97 budget cuts proposed by the LFC had been adopted by the Legislature, the choice of booking these supplemental appropriations as recurring or nonrecurring would have less significant implications.

The state's budget problems continue. Prison construction and financing, as well as the more important issues of prison population growth and crime prevention, are problems that remain unaddressed. The Executive will attempt to control Medicaid expenditure growth through its own version of managed care, a public policy experiment that will determine service delivery and eligibility in the short and long term. Welfare reform may continue to be a source of conflict between the Executive and Legislative branches, and it may take the involvement of the judiciary to define the parameters for the state's welfare reform plan. Those involved in education in our state will continue to want what they see as their "fair share" of funding for capital outlay, employee salaries, reductions in classroom size, and additional goods and services to be provided to our school children. Finally, revenues may be disappointing if money from gaming does not flow to the state in a timely fashion. Without a revenue enhancement, the projections indicate another year of modest revenue growth that will once again place limitations on growth of the state budget and the services provided to New Mexicans through that budget.

## **ECONOMIC OVERVIEW**

### **New Mexico's Recent Economic Performance [excerpted from the FOR-UNM report]**

New Mexico economic growth definitely slowed in 1996. Nonagricultural employment growth was a mere 1.8 percent during the fourth quarter of 1996 and for the entire year as well. Personal income growth reached only 4.5 percent during the third quarter of 1996, while real disposable income growth was estimated to be only 1.7 percent for the same period.

The New Mexico seasonally adjusted unemployment rate was a very high 8.3 percent for the fourth quarter of 1996, and 8.1 percent for the entire year. [Note: The unemployment numbers for all of 1996 appear to be an anomaly. The 1995 unemployment rate was 6.3 percent, and the January 1997 rate was 6.6 percent. The New Mexico Department of Labor has mentioned the possibility that the 1996 rates may be as much as one percent too high.]

Among the employment sectors, government showed the largest gain (2.9 percent) during the fourth quarter of 1996, due entirely to a huge gain (8.1 percent) at the local level, which in turn is a result of a change in the reporting procedures used by the New Mexico Department of Labor. [All employees of Native American enterprises, such as casino employees, were formerly classified as private sector employees, but now all those employees are classified in the local government sector. This reclassification was done under orders of the U.S. Department of Labor.]

Both state government employment (down 0.5 percent) and federal government employment (down 4.4 percent) were very weak in the fourth quarter. Exhibiting relatively strong growth in the fourth quarter were services (up 2.5 percent) and finance, insurance, and real estate (up 2.7 percent). Within the services sector, health services employment was up 3.9 percent and lodging services employment was up 2.9 percent. Services employment was boosted by continued hiring by Citicorp and America Online.

Both retail and wholesale trade employment growth has slowed considerably. Combined, they grew at 3.7 percent in 1995, but slowed to 0.9 percent growth in 1996 and 0.8 percent growth in the fourth quarter of 1996. Employment growth in the construction sector has slowed even more, from 6.1 percent growth in 1995 to a 1.5 percent decrease in 1996, with fourth quarter employment down 1.1 percent from a year earlier. Housing unit authorizations were down 2.5 percent in the fourth quarter. Single family units gained 2.9 percent, but multi-family units were down 22.5 percent from a year ago. The dollar value of all construction contracts awarded during the fourth quarter was off 37.9 percent, a testimony to the slowing of construction activity in general. Residential awards were down 15.6 percent, non-residential building contracts were down 49.9 percent, and non-building contracts were down 25.3 percent.

In the mining sector, employment showed a 1.6 percent fourth quarter gain, slightly improving from earlier in the year. Metal mining, oil and gas, and coal/nonmetals employment each enjoyed gains in the 1.5 to 2 percent range. Among the remaining sectors, manufacturing employment was up 1.6 percent and transportation/communications/utilities employment rose 0.9 percent.

The U.S. Bureau of Economic Analysis recently released personal income data which shows a slowing of the economy. For the third quarter of 1996, New Mexico personal income rose only 4.5 percent, the smallest increase in almost a decade. Wage and salary disbursements rose 3.3 percent, dividend/interest/rent income gained 4.5 percent, transfer payments were up 6.45 percent, nonfarm proprietors' income advanced 5.5 percent, farm proprietors' income jumped 83.8 percent and other labor income edged up 0.4 percent.

The outlook for the New Mexico economy is for moderate income and employment growth through 1998, although employment growth may be higher in both 1997 and 1998 than it was in 1996, due to the completion of both the Intel expansion and the Cottonwood Mall in 1996.

### **General Fund Financial Summary--Expenditures and Revenues**

The rate of growth in the state's general fund revenue has been less than the growth in the state's economy. This, coupled with the fact that the state economy's rate of growth has slowed while demand for services has increased, made budget deliberations during the 1997 session more difficult than in past years.

Even with the addition of \$54 million to the FY97 revenue estimates and \$31 million for FY98 projections (largely oil and gas revenues), expenditure demands for Medicaid, corrections and public education outstripped potential revenue sources. The need to adequately replenish the state's operating reserves placed additional constraints on meeting the demonstrated need for services provided by all levels of government.

Total general fund revenue realized in FY96 was \$2.76 billion, with appropriations totaling \$2.77 billion, even with the budget reductions made in FY96. The ending balance for the operating reserve was \$21.6, a dangerously low level, that was augmented by the Legislature's action to create a "risk reserve" fund to add to the overall general fund reserve.

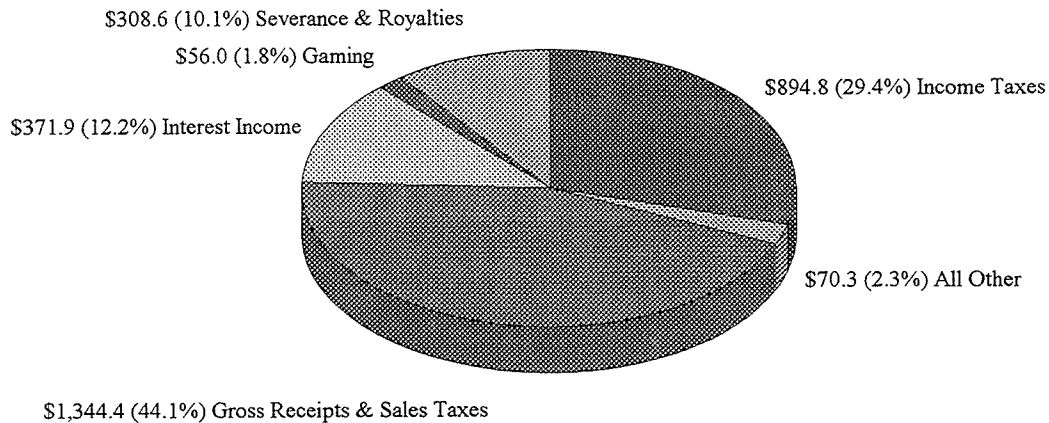
Growth rates for expenditures for fiscal years 92-95 averaged seven percent. As the bar charts in Appendix 4 indicate, there is little similarity between growth rates during those years and the past two fiscal years. FY96 had a growth rate of approximately 2.1 percent over FY95. With over \$86 million in deficiency, supplemental and special appropriations for state agencies for FY97 that had to be made this past session, FY97 growth is now at about seven percent. However, total growth reflected in appropriations made for FY98 indicate an approximate one percent growth for the upcoming fiscal year. In addition, the operating reserve will probably be at \$54.6 million at the end of FY97 and \$83 million or \$138.8 million in FY98, depending on how the revenues from the Governor's Gaming Act are "booked". The Executive Summary in this review already noted that the Executive is not "booking" those revenues in its general fund financial summary. This may be cause for concern when assessing the prospects for revenues for FY98 and, more importantly, for building the FY99 budget.

The charts on page 8 provide a quick overview of recurring general fund revenues and appropriations for FY98 by category. Looking at the chart on appropriations, it is easy to see that the Legislature's priorities for education were maintained, even though adoption of the governor's amendments enhanced funding for general government, reduced funding for health and human

# FY98 General Fund Revenues and Appropriations

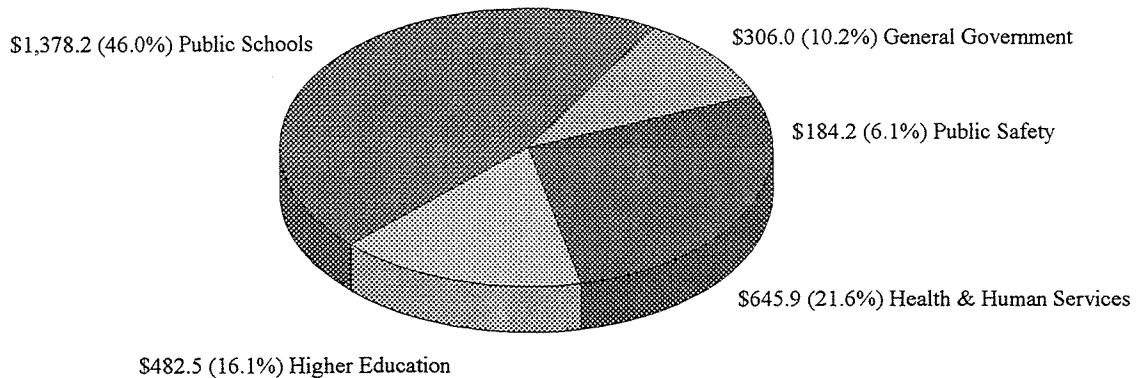
In Millions

## FY98 General Fund Recurring Revenues



Recurring Revenues: \$3,046.0  
(In Millions)

## FY98 General Fund Recurring Appropriations



Recurring Appropriations: \$2,996.9  
(In Millions)



services, and the Executive's use of the veto left public and higher education employees without salary increases.

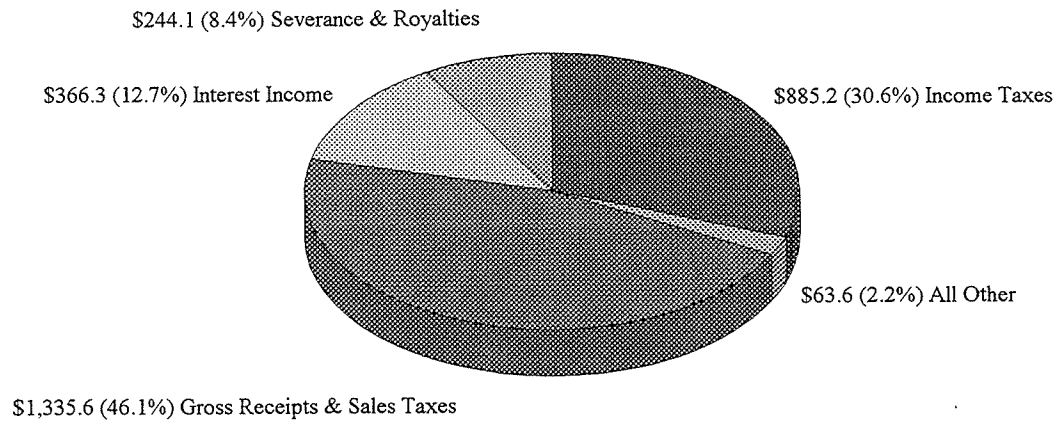
The charts on page 10 and 11 provide important comparisons of FY97 and FY98 revenues as well as a comparison of the "market share" of recurring general fund appropriations for FY97, for the FY98 LFC recommendation, and for the final FY98 adopted budget. As the revenue charts indicate, the percentages in recurring revenues for gross receipts and sales taxes, income taxes and interest income have declined. The only substantial percentage increase has occurred in severance and royalty income, a volatile revenue source for the state because of the fluctuations in prices for oil, gas and other energy resources.

The table on page 12 is the general fund financial summary, and the table on page 13 provides a summary of the 1997 legislative session general fund fiscal bills enacted into law.

# FY97 and FY98 Recurring General Fund Revenues

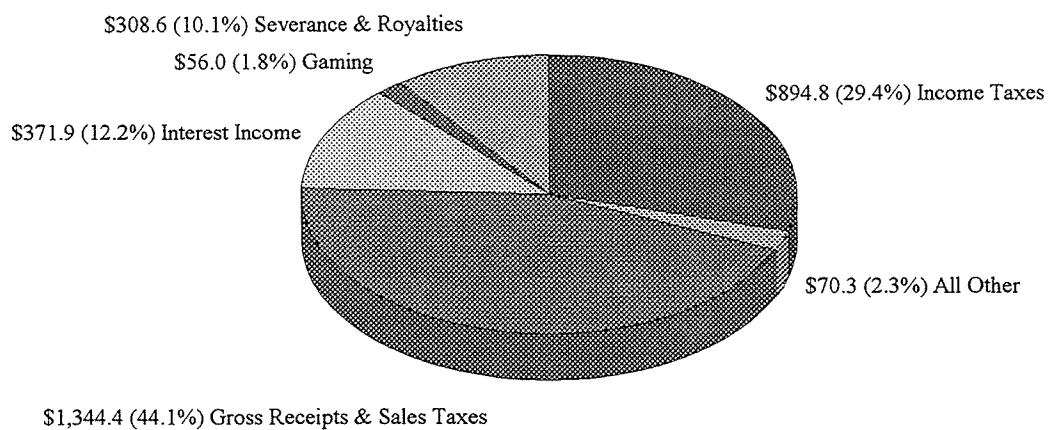
In Millions

## FY97 General Fund Recurring Revenues



Recurring Revenues: \$2,894.8  
(In Millions)

## FY98 General Fund Recurring Revenues

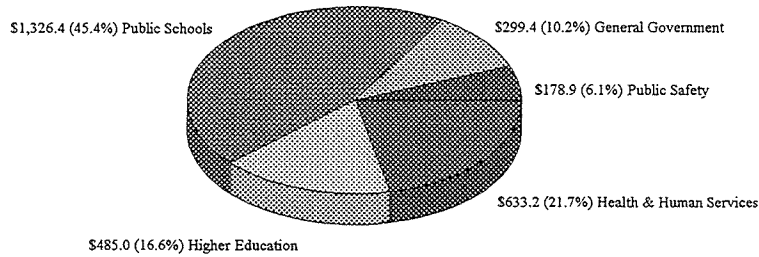


Recurring Revenues: \$3,046.0  
(In Millions)

# FY97 and FY98 General Fund Recurring Appropriations

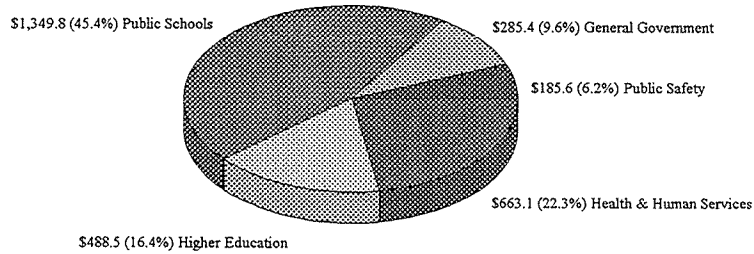
In Millions

## FY97 General Fund Recurring Appropriations



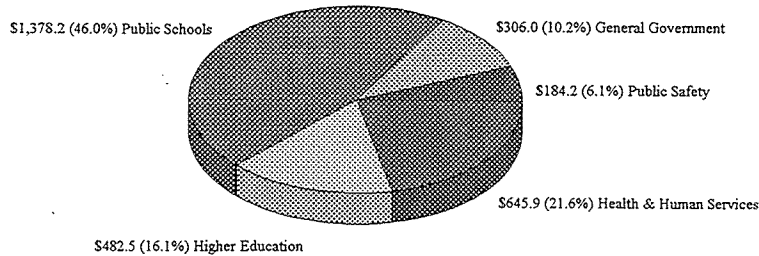
Recurring Appropriations: \$2,923.0  
(In Millions)

## FY98 LFC Recommendation



Recurring Appropriations: \$2,972.3  
(In Millions)

## FY98 Final Legislative Action



Recurring Appropriations: \$2,996.9  
(In Millions)

GENERAL FUND FINANCIAL SUMMARY  
(Millions of Dollars)

	Actual 1995-96	Estimated 1996-97	Estimated 1997-98
<b>Appropriation Account:</b>			
Recurring Revenue Adjusted for Legislation	2,748.9	2,894.6	2,992.0
Revisions to Estimates		32.1	
Recurring Revenue - 1997 Legislature		(0.6)	54.0
<b>Total Recurring Revenue</b>	<b>2,748.9</b>	<b>2,926.1</b>	<b>3,046.0</b>
Nonrecurring Revenue	8.0	68.8	29.6
Nonrecurring Revenue - 1997 Legislature		11.2	10.9
<b>Total Nonrecurring Revenue</b>	<b>8.0</b>	<b>80.0</b>	<b>40.5</b>
<b>Total Revenue</b>	<b>2,756.9</b>	<b>3,006.1</b>	<b>3,086.5</b>
Recurring Appropriations	2,772.6	2,862.3	2,996.9
Recurring Appropriations - 1997 Legislature		60.5	
Budget Reductions	(21.9)		
<b>Total Recurring Appropriations</b>	<b>2,750.7</b>	<b>2,922.8</b>	<b>2,996.9</b>
Nonrecurring Appropriations			4.0
Nonrecurring Appropriations - 1997 Legislature		0.5	
Specials and Supplementals		30.1	0.5
Nonrecurring - 1996 Session	21.9	21.0	
<b>Total Nonrecurring Appropriations</b>	<b>21.9</b>	<b>51.6</b>	<b>4.5</b>
<b>Total Appropriations</b>	<b>2,772.6</b>	<b>2,974.4</b>	<b>3,001.3</b>
<b>Transfer to / (from) Operating Reserve</b>	<b>(15.7)</b>	<b>31.7</b>	<b>85.2</b>
<b>Operating Reserve:</b>			
Beginning Balance	52.1	21.6	54.6
Appropriations	(11.0)	(2.7)	(1.0)
Transfer (to) / from Appropriation Account	(15.7)	31.7	85.2
Other Transfers	(3.8)		
<i>Fund Transfers - Proposed for 1997 Session</i>		17.1	
<i>Transfer to Appropriation Contingency Fund</i>		(13.0)	
<b>Ending Balance</b>	<b>21.6</b>	<b>54.6</b>	<b>138.8</b>
<b>State Support Reserve:</b>			
Beginning Balance	1.4	6.0	5.3
Appropriations			
Appropriated from Appropriation Account	4.6	1.3	
<i>Transfers to Operating Reserve</i>		(2.0)	
<b>Ending Balance</b>	<b>6.0</b>	<b>5.3</b>	<b>5.3</b>
<b>Appropriation Contingency Fund:</b>			
Beginning Balance	5.4	0.5	4.8
Reversions	0.5		
Disaster Allotments	(5.4)	(8.7)	(3.0)
<i>Transfers from Operating Reserve</i>		13.0	
<b>Ending Balance</b>	<b>0.5</b>	<b>4.8</b>	<b>1.8</b>
<b>Risk Reserve Fund:</b>			
Beginning Balance	0.0	115.9	122.2
Interest Income		6.3	6.0
<i>Transfers (to) / from Risk Management, GSD</i>	<i>115.9</i>		<i>(14.8)</i>
<b>Ending Balance</b>	<b>115.9</b>	<b>122.2</b>	<b>113.4</b>
<b>Total Balances</b>	<b>144.0</b>	<b>186.9</b>	<b>259.3</b>

# GENERAL FUND FISCAL BILLS

(Millions of Dollars)

Bill Number	Bill Title	Appropriation Account				Operating Reserve *
		FY97		FY98		
		Recurring	Nonrecurring	Recurring	Nonrecurring	
APPROPRIATIONS BILLS						
H 1	Feed Bill	5.9		7.7		
H 2	General Appropriation Act					
	Section 4 - Operating			1,600.8		1.0
	Section 5 - Specials	1.8	15.7	2.2	0.5	1.7
	Section 6 - Deficiencies & Supplementals	52.8	14.4			
	Section 9 - Budget Reductions					
	Section 10 - Compensation					
H 133	Desert Aire Water System			0.0		
H 146	Investment of Public Money			(0.8)		
H 277	Additional 2nd District Court			1.7		
H 512	Amend Development Training			6.0		
H 838	Legislative Interim Expenses			0.9		
H 1365	3rd District Special Election		0.5			
H 1392	Public Employee Salaries			5.8		
S 100	Education Appropriations			1,372.1	3.9	
S 677	Prepaid Tuition Study				0.1	
S 1115	Amend WICHE Program			0.4		
Total Appropriations		60.5	30.6	2,996.9	4.5	2.7
REVENUE BILLS						
H 12	State Treasurer Investments			0.4		
H 49	Investment Credit Act Extension				1.5	
H 103	Uniform Unclaimed Property Act				3.0	
H 128	Estimated Tax Payments	(0.6)	(4.8)	(0.6)	(1.9)	
H 273	Amend Construction Industries Act			(0.1)		
H 389	Domestic Violence Protection Orders			(0.0)		
H 399	Governor's Gaming Act			56.0		
H 623	Firefighters Retirement			(1.0)		
H 658	Amend Securities Act			(0.1)		
H 1391	Amend Railroad Car Company Tax Act			(0.5)		
S 223	Short-Term Cash Management Act				8.3	
S 267	Managed Care Fraud			0.0		
Total Revenues		(0.6)	(4.8)	54.0	10.9	0.0

\* State Board of Finance Emergency Fund Allotment - \$1.0 and Corrections Department Contingency - \$1.7

# **SUMMARY OF KEY FY98 BUDGET ITEMS**

## **PUBLIC SCHOOLS**

### **Funding Summary**

The FY98 general fund appropriation for public education is over \$1.38 billion, a 4.9 percent increase over the adjusted FY97 budgeted level. Included in this amount is over \$118 million in categorical distributions for public schools and \$17.9 million in other related education appropriations.

During the Forty-Third Legislature, first session, significant emphasis was placed on public education issues by the House and Senate, with both houses introducing an Education Appropriation Act. The FY98 outcome for public schools is an increase of \$64,756.4 over the adjusted FY97 budgeted level and \$51,475.3 over the FY97 appropriation for 1997-98. The State Department of Education and other related education appropriations are contained in the Education Appropriation Act, Laws 1997, Chapter 32. Appropriations for public education consisting of the state equalization guarantee, categorical distributions and other public school funding are described below.

### **State Equalization Guarantee**

**ENROLLMENT GROWTH AND FIXED COSTS** - Included in the total program cost is \$12,909.6 for enrollment growth, insurance, fixed costs, etc., to be distributed through the state equalization guarantee.

**FORMULA REVISIONS** - Also included in the state equalization guarantee is \$52,103.0 to implement the following changes to the public school funding formula: abolish the size adjustment factor for large school districts (density); enact a new formula factor for additional program units for students at-risk of academic failure; revise formula indices for special education and establish funding of special education ancillary services.

Laws 1997, Chapter 32 also includes language allowing the Superintendent of Public Instruction to fund additional increases from the Supplemental Emergency Fund as necessary, so that school districts do not receive less than their previous year's total program cost as a result of funding formula changes.

### **Categorical Distributions**

- The \$83.0 million appropriation for school transportation includes sufficient funds for operational costs, school owned bus replacements and rental fees for contractor owned buses.
- The instructional materials component is funded as requested at \$28.6 million, a \$6.0 million increase, for the adoption cycle in the area of language acquisition.

- The appropriation of \$4.4 million for educational technology is a \$1.4 million increase over FY97 and increases the current funding level to approximately \$13.05 per student.
- Also included as a categorical distribution is \$500.0 for the Incentives for School Improvement Act.

### **Other Public School Funding**

- The general fund appropriation to the State Department of Education (SDE) for operations is approximately \$8.0 million. The department will receive \$375.0 for an Accountability Data System, \$100.0 for School-to-Work initiatives and \$60.0 to implement the Educator Background Check Program.
- The Adult Basic Education (ABE) general fund appropriation of \$4.7 million includes a program expansion of \$1,600.0 to fully fund the new Adult Basic Education funding formula approved and adopted by the Commission on Higher Education (CHE) and the State Board of Education (SBE) in 1996. Senate Joint Memorial 22, requests the SDE, CHE, community colleges, administrative sites and other agencies to study the administrative structure, funding streams, program delivery and data collection methods of the Adult Basic Education Program.
- Special Projects is funded at \$3,914.0 in FY98. The State Department of Education will conduct an application and review process to determine the specific dollar amounts to be distributed to local school districts or individual projects.
- The Commission on Higher Education will receive \$150.0 for the expansion of the Advanced Placement Program.

### **Significant Legislation**

The 1997 legislative session addressed various areas of public education including changes to the funding formula, state and local administration of schools, and educational technology. The following are the major bills that were passed during the session and subsequently signed by the Governor that affect public education.

**House Bill 215** (Chapter 40), Funding Formula Program Units, amends the Public School Finance Act to abolish the size adjustment factor for large school districts (density); enact a new formula factor for additional program units for students at-risk of academic failure; revise formula indices for special education and establish funding of special education ancillary services. An appropriation of \$52,103.0 to implement the changes to the public school funding formula was included in the Education Appropriation Act of 1997.

**House Bill 224** (Chapter 138), Property Tax for School Improvements, amends the Public School Capital Improvements Act to increase the maximum amount of time a property tax may be imposed for capital improvements in a school district from three years to four years.

**House Bill 287** (Chapter 136), School Nurse Requirement, repeals a section of the Public School Code which currently requires school districts to employ a SDE-certified nurse for each 55 teachers employed by a school district or the equivalent part-time SDE-certified nurse for fewer than 55 teachers.

**House Bill 512** (Chapter 71), Amend Development Training, changes administration of the Industrial Development Training Program from the SDE to the Economic Development Department (EDD) and requires SDE to provide technical assistance to EDD. The bill also appropriates \$6,000.0 to the Development Training Fund to provide classroom and in-plant training to furnish qualified manpower resources for certain new or expanding industries and businesses in the state.

**House Bill 1304** (Chapter 193), Education Technology Equipment Act, creates the Education Technology Equipment Act and provides procedures for school districts interested in entering into lease-purchase agreements for educational technology equipment.

**Senate Bill 8** (Chapter 100), Instructional Material Funds, amends the Instructional Materials Law to allow the State Department of Public Education to distribute instructional material funds directly to local school districts, state institutions, and ABE centers. The bill also allows ABE centers to expend 100 percent of their instructional materials allocation for items not on the multiple list.

**Senate Bill 100** (Chapter 32), Education Appropriation Act, appropriates \$1,375,932.3 from the general fund for the operations of public schools and other related educational entities.

**Senate Bill 106** (Chapter 238), Public School Employees, enacts a new section of the Public School Code to require that applicants for initial certification submit to a background check. Local school boards may also require background checks of noncertified personnel who have been offered employment. An appropriation of \$60.0 was included in the Education Appropriation Act of 1997 (Chapter 32) for the State Department of Public Education to carry out the provisions of this legislation.

**Senate Bill 632** (Chapter 233), School Bus Advertisements, amends the Public School Code to authorize school districts to lease advertising space on the interior and exterior of school buses and creates the School Bus Advertising Fund. Ten percent of the funds raised from leasing advertising space on school buses shall be distributed to school bus-owner operators. The remaining balance will be distributed as follows: 60 percent school districts proportionate to the amount they contributed to the fund for expenditure on educational technology and 40 percent on a per student basis for middle and junior high schools for extracurricular activities.

**Senate Bill 997** (Chapter 261), Public School Accountability, amends the section of the Public School Code pertaining to the annual school district accountability report. This bill requires the SBE to establish the format of the reports and ensure that relevant data are provided; repeals sections of the accountability report; requires the SBE to establish different levels of accreditation by which schools will be measured and provides incentives for those schools with the highest accreditation levels; and requires the SBE to establish corrective actions and interventions for schools with low accreditation levels.



**Senate Bill 1155** (Chapter 236), Incentives For School Improvement, amends the Incentives for School Improvement Act to provide financial incentives to schools that perform higher than expected and requires the State Department of Education to develop a formula to measure school achievement in the area of academic performance with consideration of socioeconomic variables. An appropriation of \$500.0 was included in the Education Appropriation Act of 1997 (Chapter 32) for the Incentives for School Improvement Act.

The following are the major bills that were passed during the session and subsequently vetoed by the Governor that affect public education:

**House Bill 222** Work Force Education Act  
**House Bill 225** School District G.O. Bonds  
**House Bill 291** Education Employees Group Insurance  
**House Bill 862** Regional Education Cooperatives  
**Senate Bill 5** Professional Development Act  
**Senate Bill 472** Individual Education Programs Diploma  
**Senate Bill 715** Student Retention Oversight Task Force

## HIGHER EDUCATION

### Two-Year Funding Formula Revision

New Mexico's community colleges have experienced a 23 percent growth in enrollment over the last five years and now comprise 52 percent of the entire credit enrollment for higher education. This has created a tremendous strain on services at the two-year colleges, especially in the student services area, which supports functions such as testing, counseling, tutoring, placement, financial aid assistance, admissions and registration.

Supplemental funding received from Carl Perkins federal grants has been used to support student services functions. From year to year, this funding is at jeopardy at the federal level. New challenges are also being addressed by the community colleges in the areas of workforce training, special-needs student transition, welfare reform and skills assessment.

To respond to the certain impact of the extensive changes to the federal welfare reform statutes, the LFC recommendation for New Mexico's two-year public postsecondary institutions included full funding of the Two-Year Funding Equity Task Force revision to the funding formula. At 100 percent, fifteen institutions would benefit from the revision at a cost of \$4,448.3. Any increase resulting from the formula revision reduced non-formula adjustments, reflecting a 33 percent decrease or \$1,940.7 below current operating levels.

Through House Appropriations and Finance Committee action, the student services formula was adjusted to fund 80 percent of the formula revision. In addition to the total of \$3,558.7 in formula revisions, \$555.0 in non-formula adjustments were added to four institutions.

FY98 general fund appropriations for two-year and four-year institutions combined amounts to \$459,730.8, a decrease of 0.6 percent or \$2,812.8. General fund appropriations for the New Mexico Military Institute and New Mexico School for the Deaf total \$4,232.6 while the appropriations for the Commission on Higher Education agency budget and special projects total \$21,059.4, a decrease of \$65.3 or 0.3 percent. In total, two-year institutions, four-year institutions, special schools and the Commission on Higher Education are appropriated \$485,022.8, a decrease of \$2,546.5 or 0.5 percent.

Four-year institutions will experience a decrease in instruction and general (I&G) of \$2,993.7 or 1.2 percent while two-year I&G funding will increase by \$2,871.4 or 2.9 percent. Except for Senate Bill 81 which provides for approximately \$2 million in increases for six institutions, athletics is reduced by five percent from current operating levels, for a decrease of \$451.6. Extended services instruction increases by \$292.1 or 8.3 percent for FY98. Excluding Athletics, extended services instruction and Medical School I&G, research and public service projects experience a reduction of 4.6 percent or \$2,776.5 below current operating levels.

The following table shows the increases by higher education category contained in the general appropriation act of 1997. The dollar change and percentage change columns compare FY98 appropriations with those for FY97.

## HIGHER EDUCATION FUNDING

	HOUSE BILL 2 ACTION	DOLLAR CHANGE	PERCENT CHANGE
FOUR-YEAR I&G	254,174.5	(2,993.7)	(1.2%)
TWO-YEAR I&G	102,983.0	2,871.4	2.9%
MEDICAL SCHOOL	32,946.6	245.5	0.8%
FINANCIAL AID	17,112.7	.2	NA
RPSP & OTHER(1)	69,626.7	(3,196.6)	(4.0%)
CHE BUDGET	1,361.6	(42.1)	(3.0%)
CHE SPECIAL PROJECTS	2,585.1	(23.4)	(.9%)
SPECIAL SCHOOLS	4,232.6	592.2	16.3%
<b>TOTAL</b>	<b>485,022.8</b>	<b>(2,546.5)</b>	<b>(.5%)</b>

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(1) Category = research and special projects, athletics, extended services instruction and instructional centers

### Significant Legislation

**HB495** (Chapter 225) provides for changes in the investment policy of the New Mexico Military Institute's (NMMI) Legislative Scholarship Fund. The State Investment Council (SIC) shall invest the legislative scholarship fund in accordance with the policy used for market rate investments for the severance tax permanent fund. The SIC continues to have approval authority of the Institute's investment policy.

**HB544** (Chapter 185) expands the range of postsecondary institutions authorized to establish and operate facilities under the University Research Park Act, Sections 21-28-1 through 21-28-25 NMSA 1978. While constitutional institutions may establish research parks, this bill extends this authority to community colleges, technical-vocational institutes and area vocational schools.

**HB563** (Chapter 259), the Education Trust Act, creates a fund and board which administer a college investment and prepaid college tuition program for attendance at the state's public post-secondary institutions. Contributions for college investment agreements shall be limited to projected costs of attendance that should be calculated utilizing federal guidelines and factors. Prior to establishment of the prepaid college tuition program, the Board shall conduct a feasibility study, including an actuarial analysis of the underlying assumptions contained in the study, and report its findings and make recommendations on the establishment of the program to the appropriate interim committee of the legislature by November 1, 1997.

**HB1132** (Chapter 167) establishes guidelines relative to four-year institutions, branch campuses and postsecondary learning centers. This bill requires statutory authorization before any new four-year institution can be established. This bill also amends the Branch Community College Act to establish guidelines and procedures for the establishment of any type of branch campus, not just

those providing a two-year curriculum. This bill mandates that the CHE has authority to review and approve proposals to establish any form of new post-secondary educational institution or center. This bill adds a new section to Chapter 21, Article 1 NMSA 1978. Except as specifically authorized by law, effective July 1, 1997, no new public four-year institution may be created. This bill states that the Legislature finds that the proliferation of four-year institutions is not in the best interest of the state. A section is added allowing a constitutionally created four-year institution to initiate the establishment of a branch by contacting local school boards, ultimately complying with the procedures set forth in the Branch Community College Act. The CHE is directed to study the feasibility and benefit to the state of creating or establishing learning centers.

**SB81** (Chapter 102) authorizes resident tuition status for athletic scholarship recipients at the educational institutions set forth in Article 12, Section 11 of the Constitution of New Mexico. These are: University of New Mexico, New Mexico State University, New Mexico Highlands University, Western New Mexico University, Eastern New Mexico University, New Mexico Institute of Mining and Technology and New Mexico Military Institute.

**SB168** (Chapter 106) amends Section 6-24-23 NMSA 1978 appropriating available funds in the Lottery Tuition Fund to the CHE rather than appropriating the funds directly to New Mexico's public post-secondary educational institutions. The CHE will then distribute the funds among the institutions as appropriate.

## HEALTH AND HUMAN SERVICES

The percentage of funding to meet the health and human services needs of our state increased from 20.3 percent of the total budget in FY97 to 21.5 percent for FY98, due in large part to the increases needed to adequately fund Medicaid expenditures. Agencies funded within this block include small agencies such as the Commission for Deaf and Hard-of-Hearing Persons, Commission for the Blind, Governor's Committee on Concerns of the Handicapped, Developmental Disabilities Planning Council, Health Policy Commission, and Miners' Hospital as well as larger agencies such as State Agency on Aging, Children, Youth and Families Department, Department of Health and the Human Services Department. With the exception of the New Mexico Health Policy Commission, the smaller agencies within this block were authorized budgets, on average, at or a bit below FY97 funding levels. The FY98 appropriation to the **New Mexico Health Policy Commission** is \$1,463.4 in general fund, a 16.9 percent reduction from FY97. This appropriation reflects the Executive's recommendation to fund contractual services at a level sufficient for basic operations of the agency and does not provide additional funding for projects or studies. Funding for the larger agencies is summarized below.

For the **Department of Health**, the FY98 appropriation totals \$317,803.3, including \$184,991.5 in general fund and \$4,000.0 in cash balance (with \$2,000.0 contingent upon savings being realized from reduced plans of care for developmentally disabled Medicaid waiver clients). The department's total FY98 general fund appropriation represents a 1.56 percent increase over the general fund level for FY97.

While the LFC was committed to keeping the Los Lunas Medical Center funding at a level to fully operate and staff the center at a 75-bed level for FY98, final budget action provided no appropriation for this facility. The administration has decided to close the inpatient portion of the facility by the end of FY97. However, a total of 260 FTE was provided for the Los Lunas Community Waiver Program (an increase of 180 FTE) and includes \$9,000.3 for developmentally disabled client services, with an additional \$842.0 for Los Lunas campus plant maintenance. The general fund match for the disabled and elderly, medically fragile and AIDS Medicaid waivers is equal to FY97.

Other highlights for this agency's budget include: \$500.0 in cash balance to be transferred to the Human Services Department to match federal funds for a managed care quality assurance contract; an additional \$370.0 to the Division of Epidemiology, Evaluation and Planning to maintain existing programs previously supported with federal grants and other revenue that are no longer available; a reduction of \$650.0 in the Long-Term Care & Restorative Services Division due to the transfer of federal funds for traumatic brain injury programs to the Human Services Department; an increase of \$1,700.0--primarily in federal funds--for community contracts and drug services for the Public Health Division; a general fund increase of \$300.0 to fund substance abuse prevention programs for women and children; a general fund increase of \$400.0 to Mental Health--Community Programs to fund community mental health initiatives; a reduction of \$1,381.5 for the Las Vegas Medical Center in anticipation of the department's receipt of funding from other sources.

Finally, the agency was authorized to use cash balances for the following purposes: \$300.0 for developmental disabilities judicial referral services; \$300.0 in FY97 for developmental disabilities

tort liability; \$300.0 for a community provider payment system; and \$100.0 for a vital records re-engineering project.

The total FY98 operating budget for the **Children, Youth and Families Department** is \$215,236.1, including \$104,997.1 in general fund, \$1,388.2 in other state funds, \$12,510.6 in interagency transfers, and \$96,340.2 in federal funds. The increase in general fund represents a 14.4 percent increase over the current operating budget (\$13,200.0). The programs most affected by the increase are in the Protective Services and Juvenile Justice Divisions. Of the total general fund increase, \$7,100.0 represents adoption of the Executive's proposal to transfer this amount out of the Income Support Division program funding of the Human Services Department (budgeted by the LFC to enhance the state's matching funds under the new federal welfare reform block grant) to the Children, Youth and Families Department.

With respect to welfare reform, the new federal statutes provide a block grant for child care services and activities for welfare recipients and low-income persons. The Children, Youth and Families Department has been designated the agency responsible for managing these child care programs, and the new block grant combines four of the current child care programs under the one block grant (working family, transitional, income eligible and JOBS). Under the block grant, funding has increased by \$4,366.0 over FY97, with the total program funded at \$30,119.4 in FY98 (\$23,942.0 in federal funds; \$6,177.4 in general fund).

In the Protective Services Division, an additional \$2,351.2 and 61 new FTE are authorized to support child neglect and abuse programs. That funding will be phased in during the fiscal year, with program initiatives to lower caseloads, ensure that responses to referral are appropriate, and that those children in the program find permanent homes.

Once again, this year the Legislature focussed on issues relating to juvenile justice and overcrowding within the state's juvenile facilities. The FY98 budget includes \$2,810.8 in general fund for operating costs of a 10-bed special unit at YDDC and a 50-bed facility at Camp Sierra Blanca. An Executive proposal was adopted to provide a special appropriation of \$7,284.8 in general fund for FY97 and FY98 to pay for emergency costs related to the *Joseph A Consent Decree*, overcrowding in juvenile justice facilities and start-up costs for Camp Sierra Blanca. The Juvenile Justice Division also was provided a supplemental appropriation for this fiscal year of \$4,114.7 to fund security operations at the YDDC, New Mexico Boy's School and Camp Sierra Blanca and for expenditures relating to overcrowding at juvenile facilities.

Funding for programs relating to the state's older population is maintained at about the current level. The **State Agency on Aging** is authorized a general fund level of \$15,677.1, or a 0.49 percent increase over FY97, and primarily supports community programs at current operating levels. In addition, the FY98 general fund appropriation provides \$50.0 for volunteer programs in order to provide the required state match and additional funds necessary to continue operation of the foster grandparent program in the Los Lunas area. This foster grandparent program, previously sponsored by the Los Lunas Medical Center, is the largest of such programs in the state. Finally, the agency received an appropriation of \$130.0 in FY98 to implement its aging programs information system to comply with federal reporting standards.

As with last year's general appropriation act, crafting a budget for the **Human Services Department** was an extremely difficult task because of mounting Medicaid expenditures as well as the Executive's ever-changing sets of projections for such expenditures under the existing fee-for-service program vs. Medicaid managed care. The total appropriation for the Human Services Department is \$1,608,060.7, while the LFC recommendation was \$1,692,169.0--the majority of which related to increases in general fund for Medicaid.

HAFC reduced the Medicaid program general fund amount by \$6,700.0 from the LFC recommendation, and the Executive line-item vetoed the other financing uses category in the final bill that resulted in the elimination of an additional \$14,107.8 in general fund and \$37,912.2 in federal matching funds. In addition, the Executive vetoed legislation passed by both houses related to the issue of managed care contracts and implementation (House Bills 351, 352 and 353) and the major legislative Medicaid Managed Care Act (House Bill 1269) died on the Senate floor during the filibuster the last day of the session.

It should be noted that the LFC recommendation was based on the fee-for-service model for Medicaid, and the funding level was in agreement with the department's expenditure projections at the time the agency submitted its budget. The LFC realized the difficulty of providing managed care to populations in the state that have little or no experience with this type of delivery system and committee members raised serious concerns throughout the 1996 interim over the very fast track the department was promoting for implementation of a Medicaid managed care plan. The committee noted that when programs are put together quickly and without attention to the complexities involved, the special needs of the Medicaid population and the social issues associated with serving this population could face implementation difficulties. In addition, the federal Health Care Finance Administration raised questions about the time frames for implementation being overly ambitious, as well as the state's ability to achieve operational readiness to meet all federal requirements and ensure access to service and quality of care for AFDC and SSI beneficiaries to be enrolled under the program. While the Human Services Department did revise its implementation plan during the legislative session, legislators remained concerned about enrolling 79,000 recipients in 90-day intervals.

Further, the LFC disagreed with the various estimates put forth by both the Human Services Department and Department of Finance and Administration of savings from implementation of managed care. Savings were estimated at between 15-30 percent on the managed care portion of the budget, which the department stated was about \$800 million. The LFC had estimated that in the best of circumstances, the state could save approximately five percent. With data and program measures from other states that have implemented managed care programs, the committee provided the following suggestions to help increase the probability of success in restructuring Medicaid by way of managed care: invest in an effective enrollment process; emphasize education about the system for both enrollees and providers; build a well-developed oversight system to limit problems and monitor performance; build managed care strategies that are sensitive to the form of existing plans and providers and to the experience they have had in accepting risk for medical delivery systems; allow sufficient time for implementation and system development; invest in administrative structures and understand that they will cost, rather than save, money; and set implementation objectives that are realistic.

Given the fact that the federal government has now granted approval to the Executive's Medicaid managed care plan, it will be imperative that the Legislature track implementation of this plan, not just from an expenditure perspective but, more importantly, from the perspective of the health, safety and welfare of the citizens accessing key medical services under this plan.

Another major emphasis of the LFC budget for this agency was funding for welfare reform. The LFC wanted to ensure that the budget for the Income Support Division and Income Support Programs within the Human Services Department had sufficient funds to allow the state to access federal contingency funds as well as to provide some funding for child support pass-through payments to needy families, the children's summer food program and the state's general assistance program (the safety net for needy families who are not eligible for federal welfare funding). The LFC had hoped to maintain the general fund portion of the agency's income support programs budget at \$38,384.3; however, final action endorsing the Executive's proposal to transfer \$7,100.0 to the Children, Youth and Families Department lowered the funding to \$31,284.3. Of greater importance for welfare reform was the fact that the Legislature had worked hard on adoption of the Family Assistance and Individual Responsibility Act (FAIR) through two identical bills that passed both houses. This legislation provided the framework for a state welfare reform plan that met both the mandates of the federal statutes as well as the needs of New Mexico's poorer citizens. The Executive vetoed the legislation as well as the contingency language in the general appropriation act that tied the income support program general fund appropriation to enactment of FAIR.

As with Medicaid managed care, the Legislature must carefully track the Executive's welfare reform plan and regulations governing the state's program for assistance to needy children and their families. While reduction in the welfare rolls over the next five years is a goal of the federal statutes, the goal of any state program should be to enhance the lives of these citizens by affording them opportunities for education, training and work that provide meaningful, long-term self-sufficiency.



## COURTS, CORRECTIONS AND PUBLIC SAFETY

An increase of almost six percent, or \$5,049.0 in general fund was provided for the **Judiciary**, which includes the state courts, district courts, magistrate and metropolitan courts and district attorneys. In addition, the **Public Defender Department** will receive almost \$1,200.0 more for FY98 than its current operating budget. The increases are attributable to legislative support for several strategic program expansions to address a growing caseload in the courts and to support and upgrade new court, district attorney and public defender information collection and dissemination systems. In addition, a supplemental appropriation of \$1,300.0 for FY97 is included for the jury and witness fee fund, while the FY98 funding level for the fund represents a four-fold increase over the existing operating level. Funding supports a new pay schedule adopted by the district attorneys and allows for the opening of a public defender district office in San Juan county.

Perhaps the most important addition in funding relates to the legislative support for drug court. House Bill 277 will add a judgeship and support staff in the second district court and staff for the Second District Attorney and the Public Defender Department to operate the drug court. Drug court is seen as a viable option for providing appropriate treatment for drug offenders while decreasing the number of inmates incarcerated for non-violent, drug-related crimes. The bill also added a new civil judge in the first judicial district and a new juvenile judge in the second judicial district.

The budget for the **Corrections Department** was once again subject to intense scrutiny and debate, with much of the discussion focussing in on the issue of prison overcrowding within the state's adult correctional system relating to the lack of bed capacity for medium-security male inmates. As was the case during last year's budget process, the Corrections Department revised its budget request immediately prior to the start of the legislative session, after it had been submitted and presented to the LFC.

The revised budget from the Executive included the following: vacating the Corrections Corporation of America women's facility in Grants so it could be used for juveniles; transferring the female inmates from the CCA facility to the Western New Mexico Correctional Facility, also in Grants; moving the reception and diagnostic function currently handled at Western to Cibola county facilities; transferring 621 medium-security inmates to Texas or other states; and transferring minimum and minimum-restrict males at Western and Cibola county to either county jails or other state facilities. These Executive initiatives were contingent upon authorization from the federal judge presiding over the *Duran Consent Decree*.

The LFC recommendation for FY98 maintained a status quo budget, with the LFC supporting the status quo mission for existing facilities. The LFC determined that efforts to address overcrowding could best be addressed through special legislation considered by the entire Legislature. Both recommendations included the expansion of felony drug courts in Albuquerque and Santa Fe; however, the LFC recommendation was more ambitious in size and scope. With the additional resources of the LFC recommendation for the purpose of diversion through treatment and intervention, the numbers for "bed avoidance" were projected to be 388 versus 138 in the Executive's proposal.

Final action on the FY98 Corrections Department budget resulted in a general fund appropriation of \$132,020.4, an increase of about 2.4 percent. Funding for new correctional facilities was not included, since the initial budgetary impact will not occur in FY98. The Legislature also provided the department with a total supplemental appropriation of \$8.9 million for expenditure in the current fiscal year for costs associated with leasing bed space and the contract for medical services. A special appropriation totaling \$4.4 million for expenditure in FY97 and FY98, including \$1.7 million in contingency funding, was included for leasing additional bed space in order to relieve interim overcrowding, and \$700.0 was provided to address critical information system needs.

Aside from the budget, a considerable amount of time and resources were spent addressing the overcrowding issues and the need for constructing additional prison beds. The interim or short-term solution focussed on providing sufficient funding to cover the cost of transferring inmates out of state until sufficient beds are available. The long-term solution of prison construction included debate on the financing mechanisms, the size of the facilities and the location of the facilities. Legislation to establish the Corrections Population Control Commission and truth-in-sentencing provisions for violent offenders was an essential component of the long-term solution to prison overcrowding; however the Executive chose to veto such legislation.

Various bills were introduced to finance, construct and operate new prison facilities, ranging from preservation of the existing statutes authorizing the Hobbs/Lea county and Santa Rosa/Guadalupe county facilities to repeal of those same statutes. Financing mechanisms included a combination of tax increases, general fund, severance tax bonds, and county and private financing and operation proposals. A conference committee on the various proposals put forth a report to provide \$77.5 million in funding as followings: \$44 million in proceeds from the issuance of 10-year severance tax bonds; \$15 million in proceeds from the issuance of 20-year NMFA bonds; \$8.5 million in general fund; and \$10 million from Lea county. The state would acquire an 800-bed correctional facility in Lea county, expandable to 1,200 beds, for \$45 million and a 600-bed facility in Guadalupe county expandable to 900 beds for \$32.5 million. The Corrections Department would have been authorized to solicit proposals for the purpose of entering into a contract with a private detention facility to operate both a 250-bed adult female reintegration facility and a 400-bed substance abuse treatment facility for adult male inmates (to be privately financed, designed, constructed and operated by the contractor and located in the middle Rio Grande corridor). This legislation was the subject of a filibuster in the Senate the last day of the session. The Executive continues to pursue construction of the Hobbs and Santa Rosa prisons without state-issued debt.

Finally, legislation passed to appropriate \$2.0 million to the Corrections Department for the cost of leasing 400 expansion medium beds from Cibola county. The expansion would have been financed and operated by the Cibola county correctional facility and could have provided additional medium-bed capacity for the state; however, this legislation also was vetoed by the Executive.

For the **Department of Public Safety**, the general fund FY98 appropriation totals \$45,242.3, a 1.2 percent decrease in general fund from the FY97 operating budget. The appropriation reflects the "flat" general fund budget request submitted by the agency, with the overall general fund reduction due to decreasing workers' compensation premiums. In addition, a \$200.0 general fund appropriation for the purpose of enhancing the forensic interview program for alleged sexually-abused children was transferred to the Administrative Office of the District Attorneys during FY97 and is not included in the agency's budget for FY98.

## OTHER GOVERNMENT

### General Control

Some of the small agencies in the general control block include the State Investment Council, Office of the State Treasurer, New Mexico Finance Authority, Governor, Lieutenant Governor, and the operational budgets for the Educational Retirement Board, Retiree Health Care Authority, Public Employees Retirement Association and Public School Insurance Authority. The last four agencies referenced are budgeted entirely from other state funds (revenues generated within the various retirement and insurance funds managed by the agencies). Other somewhat small agencies include the State Personnel Board, State Auditor, Secretary of State, and Commission of Public Records, all funded primarily from the general fund. In addition, the Legislature provided funding from the general fund for the newly-created Office of Information and Communication Management (\$219.4 and three permanent FTE). Some of the larger agencies include the Department of Military Affairs, Attorney General, Regulation and Licensing Department, Department of Finance and Administration, Taxation and Revenue Department and General Services Department.

Most of the agencies within this block were funded at or below current operating levels in the LFC recommendation. Items not included in the LFC recommendation for general fund appropriation were vehicle purchases; subsidization of the state aircraft pool, and purchase of the state's mainframe computer. Final budgetary action adopting the Executive's amendments, however, increased the funding in this block, particularly for the larger agencies.

For the **Regulation and Licensing Department**, total general fund appropriations reflect an increase of almost 15 percent, from \$9,841.8 to \$11,284.9. Additions to the LFC budget include \$277.1 and five FTE for the Office of the Secretary's audit, information systems and planning functions; \$53.6 and 1 FTE for citation processing in the Alcohol and Gaming Division; \$17.8 to supplement examiners' training and travel budgets for the Financial Institutions Division; and \$270.0 for field inspector salary upgrades and \$860.0 for replacement vehicles for the Construction Industries Division.

The FY98 budget for the **Department of Finance and Administration** reflects the LFC recommendation with an additional \$100.0 in general fund within special appropriations for dues and membership fees for the Western Governors' Virtual University Program added through adoption of the Executive's amendments. The overall regular department budget is a two percent decrease from FY97.

The budget for the **Taxation and Revenue Department** is \$60,478.5, a 0.5 percent increase over FY97, and includes \$14,912.3 from the state road fund to support portions of the operations within the Office of the Secretary, Administrative Services Division, Motor Vehicle Division and Motor Transportation Division that relate to road fund collections. This budget essentially is the LFC recommendation with an additional \$395.9 in general fund spread throughout the agency as requested in the adopted Executive amendments. Funding increases for the Motor Vehicle Division over the FY97 operating level are a result of the agency's major reorganization in FY96 to implement satellite field offices in Albuquerque, an enhanced driver's license program and an interactive voice response system for the general public. This reorganization resulted in the transfer of 26 FTE from the Audit and Compliance, Revenue Processing and Motor Transportation

Divisions to provide 18 FTE for the commercial vehicle “credentialing” bureau and eight FTE for other staffing needs. The budget for the Motor Transportation Division supports a division goal of having the five interstate highway ports of entry that processes commercial vehicles to use intelligent transportation systems technology by December 31, 1997. The ONGARD service center budget includes funding to “out-source” the equivalent of four FTE to maintain the current level of system support services provided by Syntel, Inc.

As previously mentioned, the LFC recommendation did not provide any general fund appropriations to subsidize the state’s aircraft pool, to purchase vehicles for the state’s vehicle fleet, or to purchase the mainframe computer within the budget of the **General Services Budget**. The LFC general fund recommendation for the agency was flat, with the exception of an increase in funding for the Building Services Division to meet the maintenance needs of newly acquired state buildings in Santa Fe. However, adoption of the Executive’s amendments make the total general fund appropriation for this agency an increase of over 70 percent, from an operating budget level of \$8,638.9 to a FY98 funding level of \$14,737.1. Included in the total appropriation is \$3.3 million in general fund to purchase the main frame; \$2.0 million to purchase vehicles for state agencies; and \$280.0 to subsidize the state’s aircraft bureau.

## **Resources and Infrastructure**

The major agencies within the resources and infrastructure block derive a large percentage of their funding from sources other than the general fund--i.e., other state funds and federal funds. Some of the smaller agencies within this block have their own source of funding (fees, assessments) or have a combination of their own source of funding with general fund appropriations. These include the Organic Commodity Commission, New Mexico Livestock Board, Apple Commission and Peanut Commission. Some of the larger agencies include the State Fair Commission, Racing Commission, Public Utility Commission, State Corporation Commission, Department of Labor, Department of Environment, Economic Development Department, Tourism Department, Department of Game and Fish, Energy, Minerals and Natural Resources Department, Office of Cultural Affairs, Commissioner of Public Lands, Office of the State Engineer and State Highway and Transportation Department.

In many instances, this was another area where the LFC attempted to make some cut-backs in funding levels when direct services were not involved. While most of the smaller agencies were funded at or below current operating levels, as were many of the larger agencies such as the **Department of Labor, Public Utility Commission, and State Corporation Commission**, it is very important to note that the general appropriation act does not contain an appropriation for the **State Fair Commission**. A separate piece of legislation was introduced to address the fair’s budget as well as to provide additional financial assistance to the debt-ridden agency and to make provisions for having the agency be more accountable for its budget and expenditures. This legislation got caught in a filibuster in the Senate on the final day of the session. It is the position of the Executive that since the agency has budget adjustment request authority, the agency can build a budget for FY98 via that method, and the Executive has already submitted such a budget adjustment request.

Agencies with substantial portions of their budgets from general fund fared well with the adoption of the Executive’s amendments. The **Energy, Minerals and Natural Resources Department**

had a total general fund recommendation from the LFC of \$16,729.9, a \$2 million reduction from the FY97 operating level. However, the agency ended up with a FY98 general fund operating budget of \$17,742.7, plus a special appropriation of \$135.1 for pre-fire season start-up costs and a supplemental appropriation of \$303.2 for capital improvements at state parks. In addition, an appropriation of \$1,590.6 will permit the Forestry Division of the department to operate an inmate work program for the Corrections Department.

Recognizing the needs of the **State Engineer** and **Interstate Stream Commission** for additional funding to meet their responsibilities for the state's water resources, the Legislature provided funds for an additional attorney, an administrative hearing unit and an imaging system for an automated water rights database. The Legislature also provided \$1,041.0 for the water rights database system and \$600.0 for a water resource assessment in the middle Rio Grande basin, as well as funding for the hydrographic survey necessary for adjudication of water rights in the lower Rio Grande basin. The general fund appropriation for these agencies increased from \$10,810.1 for FY97 to \$11,636.6 for FY98.

For the **Department of Environment**, the total general fund operating budget provided in the general appropriation act of \$11,815.5 represents a slight decrease from the FY97 operating level. (With special appropriations, the agency's budget is \$12,246.9.) However, the FY98 funding maintains the department's permitting, inspection and enforcement programs, including administration of the Terrero and El Molino mine and mill tailings reclamation projects. The overall department budget includes appropriations of \$13,858.6 from the corrective action fund for contracts and responsible party reimbursements related to the clean-up of environmental damage associated with leaking underground storage tanks. Special appropriations made to the agency will pay the state's share of Ambrosia Lake cleanup costs and replacement of the Burton well in Albuquerque's South Valley.

The FY98 appropriation for the **Office of Cultural Affairs** represents a flat budget for that agency, a particularly difficult budget decision when this agency is trying to open two new museum facilities--Farm and Ranch Heritage Museum and Hispanic Cultural Center. The other divisions within the agency were held flat or have reduced budgets for FY98 in order to ensure adequate funding for the new facilities. Of concern is the funding for the Farm and Ranch Heritage Museum, set to open during FY98. The Hispanic Cultural Center is about one year behind the Farm and Ranch Heritage Museum for its opening, allowing funding for that center to be addressed during the 1998 session.

While the budgets for both the **Tourism and Economic Development Departments** had been allocated in a "lump-sum" manner for FY97, these agencies were funded in the standard, categorical fashion for FY98. The LFC recommendation for both agencies reduced the general fund appropriations. For **Tourism**, the LFC recommended a reduction in general fund to be supplanted by road fund appropriations since so much of tourist activity (about 70 percent) is attributable to vehicle and road use. For **Economic Development**, the LFC wanted to consolidate some small functions into a larger economic development division to get more "bang for the buck" and ensure appropriate general fund support for the State Housing Division's emergency shelter and weatherization programs. Final budget action provided the Tourism Department with essentially its overall budget request. Adoption of the Executive's amendments provided the Economic Development Department with its Executive recommendation, thereby eliminating

general fund support for the weatherization program. In addition, it should be noted that the State Housing Division has been eliminated through the use of a joint powers agreement with the Mortgage Finance Authority (MFA) and the MFA is now handling all of the division's programs except for the emergency shelter program.

Although the budget for the **State Highway and Transportation Department** does not include any general fund appropriations, the budget is worthy of summary here since the department's operations utilize over \$200 million from the state road fund. Once again, the Legislature attempted to ensure that the agency's budget had a restriction on any increases in road fund to those utilized by the Road Betterment Division to match federal funds. Once again, the Executive vetoed that restriction and the agency can increase its budget from the road fund in any division for any purpose.

The agency's overall budget has been increased from \$527,071.4 in FY97 to \$606,075.1 in FY98. Both budgets reflect the \$100 million WIPP bond issue in the Road Betterment Division. Of note is the fact that the FY98 budget includes \$11,705.1 in cash balance that was originally included by the agency in its FY98 budget request; however, the agency subsequently added this amount to the FY97 operating budget through the BAR process. The movement of this cash balance was not known by the LFC in time to alter its budget recommendation; further, the House Transportation Committee adopted the budgeting of the cash balance in its committee report, sending a message to the department that the committee wants the agency to draw down an additional \$11,705.1 in cash during FY98.

The Executive again pushed its policy for issuing bonds in excess of \$1 billion over the next seven fiscal years by trying to remove road fund appropriations made to other agencies (State Corporation Commission, Taxation and Revenue Department, Tourism Department) as well as to incrementally redirect revenues collected from the 3 percent motor vehicle excise tax (roughly \$80 million annually) from the general fund to the road fund. Neither proposal was adopted by the Legislature.

Finally, it should be noted that the **State Transportation Authority**, pursuant to a recommendation from the LFC, was abolished and its responsibilities and bonding authority transferred to the State Highway Commission.

### **Computer Systems and Data Processing Equipment**

Very little money was available for funding the huge requests for enhancements to existing major computer systems, new computer systems and other information technology requests. Those systems that were funded are included in the table in Appendix 5 that lists all deficiency, supplemental and special appropriations.

It should be noted that the legislature authorized the New Mexico Finance Authority to issue up to \$33.7 million in revenue bonds to fund the Taxation and Revenue Information Management System (TRIMS) for the Taxation and Revenue Department. According to the department, implementation of this system has a potential to enhance revenues by approximately \$314.8 million, over a ten-year period, of which the state general fund would receive \$274.3 million.

## **Compensation**

The Executive did not request salary increases for any government employees for FY98. However, as previously mentioned, both the general appropriation and education appropriation acts contained funding for salary increases for all government employees and the Executive chose to veto that funding in its entirety.

At the request of the Executive, House Bill 1392 was introduced to provide salary increases for classified personnel governed by the Personnel Act. The bill was amended to include salary increases for state police commissioned officers, judicial and legislative employees. Additional funding for public school employees was contained in a separate bill that died on the Senate floor during a filibuster.

As passed and signed into law, House Bill 1392 (Laws 1997, Chapter 175) provides \$5,805.1 for salary increases as follows: \$4,477.3 for classified employees governed by the Personnel Act to provide a two and one-half percent anniversary date salary increase in accordance with a variable pay for performance salary matrix as approved by the Personnel Board and negotiated with the New Mexico labor coalition; \$246.9 for state police officers to provide a two and one-half percent of range midpoint anniversary date salary increase; \$425.3 for district attorney permanent employees to provide a two and one-half percent of range midpoint anniversary date salary increase; \$519.2 for judicial permanent employees to provide a two and one-half percent of range midpoint anniversary date salary increase; and \$136.3 for permanent legislative employees, excluding certain management positions, to provide a two and one-half percent anniversary date salary increase.

## 1997 LEGISLATION SPONSORED BY THE LEGISLATIVE FINANCE COMMITTEE

1. HOUSE BILL 50 - AN ACT RELATING TO TRANSPORTATION SERVICES; REDUCING STATE MOTOR POOL; AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA 1978. Representative Varela (Analyst: Duffy Rodriguez) Died in House Committee.
2. HOUSE BILL 51 - AN ACT RELATING TO STATE AIRCRAFT; REPEALING THE STATE AIRCRAFT ACT; PROVIDING FOR THE TRANSFER OF AIRCRAFT AND FUNDS. Representative Varela (Analyst: Duffy Rodriguez) Died in House Committee.
3. **HOUSE BILL 74 - AN ACT RELATING TO PUBLIC MONEY; DEFINING EMERGENCY FOR THE PURPOSE OF EMERGENCY LOANS AND GRANTS MADE BY THE STATE BOARD OF FINANCE. Representative Knowles (Analyst: Gary Carlson) PASSED BOTH HOUSES. SIGNED March 10, 1997, CHAPTER 5.**
4. HOUSE BILL 129 - AN ACT RELATING TO THE STATE FAIR; CLARIFYING THAT THE STATE FAIR IS A STATE AGENCY FOR ALL PURPOSES; CREATING A FUND; AMENDING, REPEALING AND ENACTING CERTAIN SECTIONS OF THE NMSA 1978. Representative Saavedra (Analyst: Mindy Peterson) PASSED HOUSE AND SENATE. Died on Adjournment.
5. **HOUSE BILL 143 - AN ACT RELATING TO THE LAND GRANT PERMANENT FUNDS; CHANGING INVESTMENT RESTRICTIONS; AUTHORIZING AND LIMITING NON-UNITED STATES INVESTMENTS AND VENTURE CAPITAL INVESTMENTS; DECLARING AN EMERGENCY. Representative Coll (Analyst: Reinhold Groepler) PASSED BOTH HOUSES. SIGNED APRIL 10, 1997. CHAPTER 183.**
6. **HOUSE BILL 144 - AN ACT RELATING TO THE SEVERANCE TAX PERMANENT FUND; CHANGING INVESTMENT RESTRICTIONS; AUTHORIZING AND LIMITING NON-UNITED STATES INVESTMENTS AND VENTURE CAPITAL INVESTMENTS; DECLARING AN EMERGENCY. Representative Coll (Analyst: Reinhold Groepler) PASSED BOTH HOUSES. SIGNED APRIL 8, 1997, CHAPTER 45**
7. **HOUSE BILL 145 - AN ACT RELATING TO LICENSING BOARDS; EXTENDING THE SUNSET DATES ON CERTAIN BOARDS AND COMMISSIONS. Representative Wallace (Analyst: Mindy Peterson) PASSED BOTH HOUSES. SIGNED APRIL 8, 1997. CHAPTER 46**
8. **HOUSE BILL 146 - AN ACT RELATING TO THE INVESTMENT OF PUBLIC MONEY; PROVIDING FOR BUDGET AND PAYMENT OF ADMINISTRATIVE AND INVESTMENT EXPENSES OF THE INVESTMENT OFFICE FROM THE STATE PERMANENT FUNDS AND OTHER FUNDS MANAGED BY THE INVESTMENT OFFICE; AUTHORIZING THE INVESTMENT OFFICE TO USE INVESTMENT MANAGERS; AUTHORIZING THE STATE INVESTMENT OFFICER TO PROVIDE INVESTMENT SERVICES TO POLITICAL SUBDIVISIONS OF THE STATE AND THE NEW MEXICO FINANCE AUTHORITY; AMENDING SECTIONS OF THE NMSA 1978; DECLARING AN EMERGENCY. Representative Coll (Analyst: Reinhold Groepler) PASSED BOTH HOUSES. SIGNED APRIL 9, 1997. CHAPTER 135.**
9. HOUSE BILL 158 - AN ACT RELATING TO BICYCLE RACING; CREATING THE BICYCLE RACING FUND; PROVIDING FOR THE TERMINATION OF THE BICYCLE RACING COMMISSION AND THE REPEAL OF THE BICYCLE RACING ACT PURSUANT TO THE SUNSET ACT. Representative Wallace (Analyst: Mindy Peterson) PASSED HOUSE, Died in Senate committee.



10. HOUSE BILL 277 - AN ACT RELATING TO COURTS; ESTABLISHING A DRUG COURT IN THE SECOND JUDICIAL DISTRICT; PROVIDING FOR ONE ADDITIONAL JUDGE IN THE SECOND JUDICIAL DISTRICT; PROVIDING FOR ADDITIONAL ASSISTANT DISTRICT ATTORNEYS AND PUBLIC DEFENDERS; AMENDING A SECTION OF THE NMSA 1978; MAKING AN APPROPRIATION. Representative Saavedra (Analyst: David Hadwiger) **PASSED BOTH HOUSES. SIGNED APRIL 10, 1997. PARTIAL VETO. CHAPTER 180.**

11. HOUSE BILL 1331 - AN ACT RELATING TO BUDGETS; PROVIDING PROCEDURES FOR BUDGET ADJUSTMENTS. Representative Coll (Analyst: Dannette Burch) **Died in House Committee.**

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12. SENATE BILL 243 - AN ACT RELATING TO PUBLIC EMPLOYEES' RETIREMENT; AMENDING SECTION 10-11-130 NMSA 1978 (BEING LAWS 1987, CHAPTER 253, SECTION 130, AS AMENDED) TO CHANGE PROVISIONS FOR BOARD MEMBERSHIP. Senator Altamirano (Analyst: Dannette Burch) **Died in Senate Committee.**

13. SENATE BILL 326 - AN ACT RELATING TO TRANSPORTATION; ABOLISHING THE STATE TRANSPORTATION AUTHORITY; REPEALING THE RESOURCE TRANSPORTATION AND PASSENGER TRANSPORTATION DEVELOPMENT ACT; PROVIDING FOR THE ISSUANCE OF TRANSPORTATION BONDS IF SPECIFICALLY AUTHORIZED BY THE LEGISLATURE; AUTHORIZING THE STATE HIGHWAY COMMISSION TO ISSUE REFUNDING BONDS; PROVIDING THE STATE HIGHWAY COMMISSION WITH THE POWER OF EMINENT DOMAIN FOR CERTAIN TRANSPORTATION PURPOSES; REPEALING AND ENACTING SECTIONS OF THE NMSA 1978. Senator Altamirano (Analyst: Mindy Peterson) **PASSED BOTH HOUSES. SIGNED APRIL 8, 1997. CHAPTER 52**

14. SENATE BILL 327 - AN ACT RELATING TO PUBLIC EMPLOYEES; AUTHORIZING INCENTIVE AWARDS FOR EMPLOYEES WHOSE INVESTMENT EXPERTISE SIGNIFICANTLY CONTRIBUTES TO INCREASED EARNINGS FROM INVESTMENT OF PUBLIC FUNDS; REQUIRING A WRITTEN INCENTIVE AWARD POLICY; AMENDING A SECTION OF THE NMSA 1978. Senator Altamirano (Analyst: Gary Carlson) **Died in Senate Committee.**

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# **APPENDIX 1**



GENERAL FUND TRACKING SPREADSHEET  
FISCAL YEAR 1998 RECURRING AND NONRECURRING  
(JULY 1, 1997 THROUGH JUNE 30, 1998)

Cod	Agency	House Bill 1, House Bill 2 and Senate Bill 100			Other Legislation			Final All
		FY96 Actuals	FY97 Operating	Total LFC Recomm	Final Action	Compensation HB 1392	Other Legislation	
<b>HOUSE BILL 1</b>								
	LEGISLATIVE	7,579.0	7,453.9	8,561.7	7,674.9	105.6	895.2	8,675.7
<b>HOUSE BILL 2, SECTION 4:</b>								
	LEGISLATIVE	2,338.7	2,364.6	2,333.1	2,333.1	30.7	0.0	2,363.8
	JUDICIAL	80,300.0	86,200.1	86,682.4	90,072.2	944.6	1,176.8	92,193.6
	GENERAL CONTROL	106,708.7	111,249.1	111,713.0	118,110.9	644.4	(186.1)	118,569.2
	COMMERCE AND INDUSTRY	32,829.0	28,627.4	26,305.2	27,894.6	163.7	6,000.0	34,058.3
	AGRIC, ENERGY & NATRL RESOU	53,839.3	51,326.7	49,767.0	50,911.2	429.6	0.0	51,340.8
	HEALTH & HUMAN SERVICES	561,826.4	585,538.1	663,053.5	643,865.7	2,081.8	25.0	645,972.5
	PUBLIC SAFETY	176,610.8	180,231.3	185,581.4	182,943.1	1,281.2	0.0	184,224.3
	TRANSPORTATION	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	OTHER EDUCATION	1,541.6	1,951.1	2,211.7	2,211.7	89.8	0.0	2,301.5
	HIGHER EDUCATION	452,899.8	485,357.1	488,452.0	482,467.4	2.5	500.0	482,969.9
<b>TOTAL HOUSE BILL 2, SECTION 4</b>								
		1,468,894.3	1,532,845.5	1,616,099.3	1,600,809.9	5,668.3	7,515.7	1,613,993.9
<b>HOUSE BILL 2, SECTION 5:</b>								
	SPECIAL APPROPRIATIONS	0.0	0.0	0.0	2,675.7	0.0	0.0	2,675.7
<b>HOUSE BILL 1392, UNDISTRIBUTED COMPENSATION</b>								
	UNDISTRIBUTED COMPENSATION	0.0	0.0	0.0	0.0	31.2	0.0	31.2
<b>TOTAL HOUSE BILLS 2 AND 1392</b>								
		1,468,894.3	1,532,845.5	1,616,099.3	1,603,485.6	5,699.5	7,515.7	1,616,700.8
<b>HOUSE BILL 3/SENATE BILL 100:</b>								
	OTHER EDUCATION	10,975.5	14,584.4	13,117.8	17,856.8	0.0	0.0	17,856.8
	PUBLIC SCHOOL SUPPORT	1,278,080.8	1,309,872.8	1,334,492.4	1,358,075.5	0.0	0.0	1,358,075.5
<b>TOTAL HB3/SB 100</b>								
		1,289,056.3	1,324,457.2	1,347,610.2	1,375,932.3	0.0	0.0	1,375,932.3
<b>GRAND TOTAL</b>								
		2,765,529.6	2,864,756.6	2,972,271.2	2,987,092.8	5,805.1	8,410.9	3,001,308.8

GENERAL FUND TRACKING SPRERADSHEET  
FISCAL YEAR 1998 RECURRING AND NONRECURRING  
(JULY 1, 1997 THROUGH JUNE 30, 1998)

Cod	Agency	House Bill 1, House Bill 2 and Senate Bill 100			Other Legislation			Final All	
		FY96 Actuals	FY97 Operating	Total LFC Recomm	Final Action	Compensation HB 1392	Other Legislation		Bill Number
HOUSE BILL 1									
111	Legislative Council Service	3,226.5	3,226.5	3,529.7	3,529.7	52.0			3,581.7
112	Legislative Finance Cmte	2,272.6	2,272.6	2,509.3	2,509.3	37.5			2,546.8
117	Legislative Education Study Cmte	642.3	642.3	739.3	687.8	8.4			696.2
131	Legislature	1,437.6	1,312.5	1,783.4	948.1	7.7	895.2	HB 838	1,851.0
TOTAL HOUSE BILL 1		7,579.0	7,453.9	8,561.7	7,674.9	105.6	895.2		8,675.7 *
HOUSE BILL 2, SECTION 4:									
119	Legislative Maintenance Dept	2,303.7	2,329.7	2,298.1	2,298.1	30.7			2,328.8
	Energy Council Dues	35.0	34.9	35.0	35.0				35.0
	Interim Legislative Expenses				0.0				0.0
	Legislative Information System				0.0				0.0
	Health Care Task Force				0.0				0.0
	Public Utility Commission				0.0				0.0
LEGISLATIVE		2,338.7	2,364.6	2,333.1	2,333.1	30.7	0.0		2,363.8 *
205	Supreme Court Law Library	707.8	790.0	779.4	924.4	3.9			928.3
208	NM Compilation Cmsn	0.0	0.0	0.0	0.0				0.0
210	Judicial Standards Cmsn	149.5	148.9	190.2	213.5	1.6			215.1
213	Judges Pro Tempore	71.5	0.0	0.0	0.0				0.0
215	Court of Appeals	3,079.3	3,234.9	3,212.4	3,274.4	30.7			3,305.1
216	Supreme Court	1,574.7	1,720.2	1,678.4	1,698.4	15.9			1,714.3
218	Administrative Office of the Courts	12,970.7	13,381.2	13,101.9	13,821.9	116.3			13,938.2
219	Supreme Court Building Cmsn	461.4	454.1	481.2	513.2	3.3			516.5
221	Jury and Witness Fee Fund	1,158.3	406.6	2,337.1	2,104.4				2,104.4
222	Court-Appointed Attorney Fees Fund	1,544.4	2,164.5	1,900.0	1,900.0				1,900.0
231	1st Judicial District Court	2,178.9	2,336.6	2,288.3	2,413.3	23.2	297.6	HB 277	2,734.1
232	2nd Judicial District Court	9,381.7	10,146.2	10,027.0	10,401.6	104.1	490.9	HB 277	10,996.6
233	3rd Judicial District Court	1,703.3	1,902.0	1,908.7	2,052.0	19.0			2,071.0

GENERAL FUND TRACKING SPRERADSHEET  
FISCAL YEAR 1998 RECURRING AND NONRECURRING  
(JULY 1, 1997 THROUGH JUNE 30, 1998)

Cod	Agency	House Bill 1, House Bill 2 and Senate Bill 100				Other Legislation			Final All
		FY96 Actuals	FY97 Operating	Total LFC Recomm	Final Action	Compensation HB 1392	Other Legislation	Bill Number	
234	4th Judicial District Court	713.5	801.0	801.1	801.1	7.5			808.6
235	5th Judicial District Court	3,029.2	3,216.8	3,189.5	3,259.5	26.0			3,285.5
236	6th Judicial District Court	849.1	974.2	976.8	996.8	7.0			1,003.8
237	7th Judicial District Court	861.5	998.6	991.8	1,007.8	9.1			1,016.9
238	8th Judicial District Court	846.2	905.2	904.1	934.1	7.8			941.9
239	9th Judicial District Court	1,134.2	1,237.0	1,235.8	1,243.8	11.9			1,255.7
240	10th Judicial District Court	403.3	439.8	438.2	459.2	4.0			463.2
241	11th Judicial District Court	1,565.2	1,878.8	1,846.8	1,930.5	16.9			1,947.4
242	12th Judicial District Court	1,116.5	1,192.0	1,176.4	1,246.8	10.6			1,257.4
243	13th Judicial District Court	1,668.9	1,818.1	1,820.8	1,860.8	17.2			1,878.0
244	Bernalillo County Metro Court	8,558.2	9,194.2	8,854.9	9,286.2	83.2			9,369.4
251	1st Judicial District Attorney	1,902.5	2,183.2	2,137.1	2,307.1	31.0			2,338.1
252	2nd Judicial District Attorney	7,998.1	9,009.2	8,979.2	9,193.2	139.9	388.3	HB 277	9,721.4
253	3rd Judicial District Attorney	1,581.4	1,754.2	1,778.8	1,792.6	30.6			1,823.2
254	4th Judicial District Attorney	1,047.1	1,184.3	1,183.0	1,248.6	14.9			1,263.5
255	5th Judicial District Attorney	1,861.1	2,135.7	2,056.0	2,149.5	40.0			2,189.5
256	6th Judicial District Attorney	885.9	859.5	838.5	866.8	15.3			882.1
257	7th Judicial District Attorney	1,206.1	1,262.7	1,210.1	1,210.1	10.6			1,220.7
258	8th Judicial District Attorney	1,244.3	1,395.2	1,391.5	1,391.5	20.9			1,412.4
259	9th Judicial District Attorney	1,099.2	1,172.0	1,146.8	1,146.8	17.9			1,164.7
260	10th Judicial District Attorney	298.6	301.1	310.4	328.4	3.9			332.3
261	11th Judicial District Attorney - Fmgtn	1,274.4	1,395.7	1,378.0	1,513.4	25.9			1,539.3
262	12th Judicial District Attorney	1,170.8	1,381.9	1,373.3	1,384.6	27.7			1,412.3
263	13th Judicial District Attorney	1,507.2	1,700.7	1,639.5	1,775.5	23.8			1,799.3
264	Admin Office of the District Attorneys	681.7	263.3	261.0	511.0	7.2			518.2
265	11th Judicial District Attorney - Gallup	814.3	860.5	858.4	909.4	15.8			925.2
	JUDICIAL	80,300.0	86,200.1	86,682.4	90,072.2	944.6	1,176.8		92,193.6
305	Attorney General	9,434.2	10,015.0	10,183.3	9,994.1	12.2			10,006.3
308	State Auditor	1,440.8	1,502.2	1,510.9	1,510.9	9.6			1,520.5
333	Taxation & Revenue Dept	39,412.7	40,718.6	40,505.2	40,901.1	260.2			41,161.3

GENERAL FUND TRACKING SPREADSHEET  
FISCAL YEAR 1998 RECURRING AND NONRECURRING  
(JULY 1, 1997 THROUGH JUNE 30, 1998)

Cod	Agency	House Bill 1, House Bill 2 and Senate Bill 100			Other Legislation			Final All
		FY96 Actuals	FY97 Operating	Total LFC Recomm	Final Action	Compensation HB 1392	Other Legislation	Bill Number
337	State Investment Council	734.5	750.3	807.0	752.1		(752.1)	HB 146
341	Dept of Finance & Administration	9,264.4	9,481.4	9,261.0	9,261.0	72.7		
342	Public School Insurance Authority	0.0	0.0	0.0	0.0			
343	Retiree Health Care Authority	0.0	0.0	0.0	0.0			
344	Special Approps/Dues & Mem Fees	8,301.0	7,587.7	7,831.5	7,431.5			
350	General Services Dept	8,854.4	8,638.9	8,831.8	14,737.1	69.8		
352	Educational Retirement Board	0.0	0.0	0.0	0.0			
354	Crimnl/Juvinl Justc Coord Cncl	0.0	240.0	249.0	249.0			
355	Public Defender Dept	16,524.5	19,708.0	19,539.5	20,326.1	128.3	566.0	HB 277
356	Governor	2,162.1	1,979.0	2,048.2	2,016.6			
357	Office of Inform and Commun Mgt	105.0	0.0	219.4	219.4			
360	Lieutenant Governor	369.8	381.1	403.1	403.1			
366	Public Employees Retirement Assn	0.0	0.0	0.0	0.0			
369	State Cmsn of Public Records	1,372.7	1,469.1	1,469.3	1,469.3	17.3		
370	Secretary of State	2,074.9	2,054.5	2,096.6	2,096.6	12.1		
378	Personnel Board	3,675.3	3,603.2	3,522.2	3,508.0	32.0		
379	Public Empl Labor Relations Bd	262.2	273.2	224.0	224.0	1.0		
385	NM Finance Authority	0.0	0.0	0.0	0.0			
394	State Treasurer	2,720.2	2,846.9	3,011.0	3,011.0	29.2		
	GENERAL CONTROL	106,708.7	111,249.1	111,713.0	118,110.9	644.4	(186.1)	118,569.2
404	Board of Examiners for Architects	0.0	0.0	0.0	0.0			
417	Border Authority	244.6	256.2	174.9	180.1	0.9		
418	Tourism Department	4,636.2	4,111.1	1,821.1	1,837.2	8.9		
419	Economic Development Dept	10,590.4	6,127.6	6,207.6	6,305.8	33.8	6,000.0	HB 512
420	Regulation and Licensing Dept	9,498.0	9,841.8	9,806.4	11,284.9	79.9		
424	State Corporation Cmsn	6,258.0	6,745.7	6,691.7	6,691.7	37.2		
446	NM Board of Medical Examiners	0.0	0.0	0.0	0.0			
449	Board of Nursing	0.0	0.0	0.0	0.0			
460	State Fair Cmsn	0.0	0.0	0.0	0.0			
464	St Bd of Regis for Prof Eng & Surv	0.0	0.0	0.0	0.0			



GENERAL FUND TRACKING SPREADSHEET  
FISCAL YEAR 1998 RECURRING AND NONRECURRING  
(JULY 1, 1997 THROUGH JUNE 30, 1998)

Cod	Agency	House Bill 1, House Bill 2 and Senate Bill 100				Other Legislation			Final All
		FY96 Actuals	FY97 Operating	Total LFC Recomm	Final Action	Compensation HB 1392	Other Legislation	Bill Number	
469	NM Racing Cmsn	1,529.5	1,505.3	1,502.8	1,518.8	3.0			1,521.8
470	NM Apple Cmsn	72.3	39.6	66.5	41.9				41.9
479	Board of Veterinary Medicine	0.0	0.0	0.0	0.0				0.0
480	Bicycle Racing Cmsn	0.0	0.0	34.2	34.2				34.2
	COMMERCE AND INDUSTRY	32,829.0	28,627.4	26,305.2	27,894.6	163.7	6,000.0		34,058.3*
505	Office of Cultural Affairs	16,017.3	17,433.3	17,278.7	17,278.7	164.0			17,442.7
508	NM Livestock Board	401.7	233.7	194.7	415.6	3.4			419.0
516	Dept of Game & Fish	350.0	341.6	341.6	341.6	3.0			344.6
518	Share With Wildlife	0.0	0.0	0.0	0.0				0.0
519	Endangered Species Prgm	191.9	189.8	186.2	184.5				184.5
521	Energy, Minerals & Natural Res	22,383.8	18,614.2	16,729.9	17,742.7	141.7			17,884.4
539	Commissioner of Public Lands	0.0	350.0	250.0	0.0				0.0
546	NM Peanut Cmsn	0.0	0.0	0.0	0.0				0.0
550	State Engineer/Int Stream Cmsn	11,127.1	10,810.1	11,474.4	11,636.6	95.5			11,732.1
567	NM Public Utility Cmns	3,310.0	3,299.0	3,256.6	3,256.6	22.0			3,278.6
569	NM Organic Commodity Cmsn	57.5	55.0	54.9	54.9				54.9
	AGRIC, ENERGY & NATRL RESOU	53,839.3	51,326.7	49,767.0	50,911.2	429.6	0.0		51,340.8*
601	Cmsn on the Status of Women	362.6	359.6	408.9	382.7	2.2			384.9
604	Cmsn for the Deaf and Hard-of-Heari	338.2	342.6	333.8	333.8	2.7			336.5
605	Marlin Luther King, Jr. Cmsn	185.5	247.8	233.9	163.9				163.9
606	Cmsn for the Blind	1,455.9	1,513.5	1,467.4	1,467.4	6.5			1,473.9
609	NM Office of Indian Affairs	1,034.5	1,202.6	1,226.6	1,271.0	2.6			1,273.6
624	State Agency on Aging	14,272.7	15,600.0	15,677.1	15,677.1	14.6			15,691.7
630	Human Services Dept	256,597.5	269,956.3	340,981.6	312,997.2	391.1			313,388.3
631	Labor Dept	1,698.4	1,954.3	1,985.7	1,985.7	10.5			1,996.2
632	Workers' Compensation Adm	0.0	0.0	0.0	0.0				0.0
644	Division of Vocational Rehabilitation	4,071.8	4,091.3	4,087.6	4,087.6	14.7			4,102.3
645	Gov Cmte on the Concerns of the Ha	428.4	382.9	388.0	388.0	3.8			391.8

GENERAL FUND TRACKING SPREADSHEET  
FISCAL YEAR 1998 RECURRING AND NONRECURRING  
(JULY 1, 1997 THROUGH JUNE 30, 1998)

Cod	Agency	House Bill 1, House Bill 2 and Senate Bill 100				Other Legislation			Final All
		FY96 Actuals	FY97 Operating	Total LFC Recomm	Final Action	Compensation HB 1392	Other Legislation	Bill Number	
647	Developmental Disabilities Planning	244.8	296.0	296.6	296.6	2.2			298.8
662	Miners' Hospital	0.0	0.0	0.0	0.0				0.0
665	Department of Health	177,737.3	182,158.3	185,091.5	184,991.5	846.7			185,838.2
667	Dept of Environment	12,704.5	12,198.3	11,815.5	11,815.5	118.8	25.0	HB 133	11,959.3
668	Office of the Natural Resources Trust	206.1	312.1	149.2	149.2	1.8			151.0
669	NM Health Policy Cmsn	1,663.3	1,761.0	1,615.1	1,463.4	6.4			1,469.8
670	Veterans' Service Cmsn	1,315.4	1,402.2	1,398.0	1,398.0	10.6			1,408.6
690	Children, Youth and Families Dept	87,509.5	91,759.3	95,897.0	104,997.1	646.6			105,643.7
	HEALTH & HUMAN SERVICES	561,826.4	585,538.1	663,053.5	643,865.7	2,081.8	25.0		645,972.5
705	Dept of Military Affairs	2,531.0	2,617.1	3,011.6	3,011.6	12.8			3,024.4
749	Crime Stoppers Cmsn	71.1	123.0	122.8	122.8	0.8			123.6
755	Transp & Extradition of Prisoners	341.2	350.0	341.2	175.0				175.0
760	Parole Board	532.6	562.7	562.2	562.2	1.6			563.8
765	Juvenile Parole Board	275.1	294.5	295.2	295.2	2.9			298.1
770	Corrections Department	128,559.7	128,935.0	134,440.7	132,020.4	1,109.2			133,129.6
780	Crime Victims Reparation Cmsn	1,630.3	1,577.5	1,565.4	1,513.6	3.1			1,516.7
790	Department of Public Safety	42,669.8	45,771.5	45,242.3	45,242.3	150.8			45,393.1
	PUBLIC SAFETY	176,610.8	180,231.3	185,581.4	182,943.1	1,281.2	0.0		184,224.3
805	State Highway and Transport Dept	0.0	0.0	0.0	0.0				0.0
810	State Transportation Authority	0.0	0.0	0.0	0.0				0.0
	TRANSPORTATION	0.0	0.0	0.0	0.0	0.0	0.0		0.0
924	State Department of Public Education				0.0	89.8			89.8
926	NM School for the Visually Handicapp	0.0	0.0	0.0	0.0				0.0
927	NM School for the Deaf	1,541.6	1,951.1	2,211.7	2,211.7				2,211.7
	OTHER EDUCATION	1,541.6	1,951.1	2,211.7	2,211.7	89.8	0.0		2,301.5

GENERAL FUND TRACKING SPRERADSHEET  
FISCAL YEAR 1998 RECURRING AND NONRECURRING  
(JULY 1, 1997 THROUGH JUNE 30, 1998)

Cod	Agency	House Bill 1, House Bill 2 and Senate Bill 100			Other Legislation			Final All
		FY96 Actuals	FY97 Operating	Total LFC Recomm	Final Action	Compensation HB 1392	Other Legislation	Bill Number
950	Cmsn on Higher Education	21,596.7	21,124.7	21,612.3	21,059.3	2.5	100.0	SB 677
952	University of New Mexico	177,134.9	190,117.2	190,126.9	187,964.0		400.0	SE 1115
954	New Mexico State University	115,789.4	122,984.4	123,932.0	121,933.8			
956	New Mexico Highlands University	16,537.3	17,918.8	18,221.2	17,792.8			
958	Western New Mexico University	11,771.9	12,880.7	12,270.1	12,101.5			
960	Eastern New Mexico University	27,044.5	29,351.8	28,959.8	28,627.0			
962	New Mexico Institute of Mining & Tec	21,415.9	23,113.5	23,274.3	22,933.8			
964	Northern New Mexico Community Col	5,656.2	6,337.0	6,176.8	6,249.3			
966	Santa Fe Community College	5,397.3	5,755.2	6,047.3	6,147.6			
968	Technical-Vocational Institute	26,290.9	27,582.8	27,755.8	27,755.8			
970	Luna Vocational Technical Institute	5,162.8	5,343.7	5,193.8	5,157.9			
972	Mesa Technical College	1,808.3	1,887.7	1,836.6	1,906.6			
974	New Mexico Junior College	4,217.2	5,694.0	5,725.9	5,690.6			
976	San Juan College	5,783.1	6,884.9	8,274.0	8,167.8			
977	Clovis Community College	6,037.1	6,691.4	7,024.3	6,958.7			
978	New Mexico Military Institute	1,256.3	1,689.3	2,020.9	2,020.9			
	HIGHER EDUCATION	452,899.8	485,357.1	488,452.0	482,467.4	2.5	500.0	
	TOTAL SECTION 4	1,468,894.3	1,532,845.5	1,616,099.3	1,600,809.9	5,668.3	7,515.7	
	HOUSE BILL 2, SECTION 5 - SPECIALS:							
	Special Appropriations			0.0	2,675.7			2,675.7
	SPECIAL APPROPRIATIONS	0.0	0.0	0.0	2,675.7	0.0	0.0	2,675.7
	HOUSE BILL 1392, UNDISTRIBUTED COMPENSATION:							
	Undistributed Compensation			0.0	0.0	31.2		31.2
	UNDISTRIBUTED COMPENSATION	0.0	0.0	0.0	0.0	31.2	0.0	31.2

GENERAL FUND TRACKING SPRERADSHEET  
FISCAL YEAR 1998 RECURRING AND NONRECURRING  
(JULY 1, 1997 THROUGH JUNE 30, 1998)

Cod	Agency	House Bill 1, House Bill 2 and Senate Bill 100				Other Legislation			Final All
		FY96 Actuals	FY97 Operating	Total LFC Recomm	Final Action	Compensation HB 1392	Other Legislation	Bill Number	
TOTAL HOUSE BILL 2		1,468,894.3	1,532,845.5	1,616,099.3	1,603,485.6	5,699.5	7,515.7		1,616,700.8 *
HOUSE BILL 3/SENATE BILL 100 - EDUCATION APPROPRIATIONS:									
924	State Department of Public Education	7,975.5	8,009.4	7,957.8	7,957.8				7,957.8
925	Special Projects	0.0	3,475.0	2,060.0	5,199.0				5,199.0
928	Adult Basic Education	3,000.0	3,100.0	3,100.0	4,700.0				4,700.0
930	Central Rgnl Educ Co-op	0.0	0.0	0.0	0.0				0.0
931	High Plains Rgnl Educ Co-op	0.0	0.0	0.0	0.0				0.0
932	Region I Rgnl Educ Co-op	0.0	0.0	0.0	0.0				0.0
933	Northeast Rgnl Educ Co-op	0.0	0.0	0.0	0.0				0.0
935	Northwest Rgnl Educ Co-op	0.0	0.0	0.0	0.0				0.0
OTHER EDUCATION		10,975.5	14,584.4	13,117.8	17,856.8	0.0	0.0		17,856.8 *
993	Public School Support	1,278,080.8	1,309,872.8	1,334,492.4	1,358,075.5				1,358,075.5
PUBLIC SCHOOL SUPPORT		1,278,080.8	1,309,872.8	1,334,492.4	1,358,075.5	0.0	0.0		1,358,075.5 *
TOTAL HB 3/SB 100		1,289,056.3	1,324,457.2	1,347,610.2	1,375,932.3	0.0	0.0		1,375,932.3 *
TOTAL ALL		2,765,529.6	2,864,756.6	1,624,661.0	2,987,092.8	5,805.1	8,410.9		3,001,308.8 *

## **APPENDIX 2**



GOVERNOR'S PROPOSED AMENDMENTS TO HOUSE BILL 2  
SFC

Gov Amend No.	Dep t	Description	General Fund		Other State Funds	Intrnl Svc Funds/Inter- Agency Trns	Federal Funds	PROGRAM	FTE	
			Amount	Subtotal					Perm	Temp
1	112	Section 11 - BAR Authority	0.0	0.0	0.0	0.0	0.0	Division transfer authority		
2	112	Section 11 - BAR Authority		0.0				AODATRD/OICM/RLD/ENRD/SEN/SC Bar Auth		
3	112	Section 9 - Budget Reductions	15,066.0	15,066.0	0.0	0.0	0.0	Strike FY97 cuts language		
4	112	Section 10 - Compensation	0.0	0.0	0.0	0.0	0.0	Amend compensation language		
5	112	Section 11 - BAR Authority	0.0	0.0	0.0	0.0	0.0	Omit BAR division transfer limit		
6	112	Section 10 - Compensation	0.0	0.0	0.0	0.0	0.0	Delete district attorney comp language re:sec 4		
7	112	Section 1 - General Provisions	0.0	0.0	0.0	0.0	0.0	Amend definition unforeseen fed fd		
8	333	Taxation & Revenue Department	73.8		0.0	0.0	0.0	Revenue shortfall projection		
8	333	Taxation & Revenue Department	64.0		0.0	0.0	0.0	Revenue shortfall projection		
8	333	Taxation & Revenue Department	34.6		0.0	0.0	0.0	Revenue shortfall projection		
8	333	Taxation & Revenue Department	38.0		0.0	0.0	0.0	Revenue shortfall projection		
8	333	Taxation & Revenue Department	30.0		0.0	0.0	0.0	Revenue shortfall projection		
8	333	Taxation & Revenue Department	20.5		0.0	0.0	0.0	Revenue shortfall projection		
8	333	Taxation & Revenue Department	135.0	395.9	(135.0)	0.0	0.0	Handicap placard program		
9	341	Department of Finance and Administration	100.0	100.0	0.0	0.0	0.0	Western governors university		
10	350	General Services Department	280.2	280.2	0.0	0.0	0.0	General fund subsidy for aircraft		
11	350	General Services Department	3,300.0	3,300.0	0.0	0.0	0.0	Purchase mainframe		
12	350	General Services Department	2,000.0	2,000.0	0.0	0.0	0.0	Vehicles		
13	355	Public Defender Department	398.1	398.1	0.0	0.0	0.0	Contract attorneys		
14	355	Public Defender Department	388.5	388.5	0.0	0.0	0.0	Farmington field office	7.00	
15	369	Section 5 - Commission on Public Records	135.0	135.0	0.0	0.0	0.0	Moving costs		
16	419	Economic Development Department	29.2		0.0	0.0	0.0	Restore executive recommendation		1.00
16	419	Economic Development Department	139.2		0.0	0.0	0.0	Restore executive recommendation	1.00	1.00
16	419	Economic Development Department	15.8		0.0	0.0	0.0	Restore executive recommendation		1.00
16	419	Economic Development Department	137.6		0.0	0.0	0.0	Restore executive recommendation		1.00
16	419	Economic Development Department	(774.4)		0.0	0.0	0.0	Re-allocate weatherization appropriation		1.00
16	419	Economic Development Department	185.5		0.0	0.0	0.0	Restore executive recommendation	1.00	1.00
16	419	Economic Development Department	227.9		0.0	0.0	0.0	Restore executive recommendation		1.00
16	419	Economic Development Department	137.4	98.2	0.0	0.0	0.0	Increase of proposed amendments		1.00
17	420	Regulation & Licensing Department	860.0	860.0	0.0	0.0	0.0	Replacement vehicles		
18	420	Regulation & Licensing Department	53.6		0.0	0.0	0.0	Restore citation processing	1.00	
18	420	Regulation & Licensing Department	277.1		0.0	0.0	0.0	Restore audit, IS & planning functions	5.00	
18	420	Regulation & Licensing Department	17.8	348.5	0.0	0.0	0.0	Restore examiners training & travel		
19	420	Regulation & Licensing Department	270.0	270.0	0.0	0.0	0.0	Field inspectors salary upgrade		
20	521	Energy, Minerals and Natural Resources	12.0		0.0	0.0	0.0	Out-of-state travel		
20	521	Energy, Minerals and Natural Resources	60.0		0.0	0.0	0.0	Capital outlay		
20	521	Energy, Minerals and Natural Resources	96.0	168.0	0.0	0.0	0.0	Capital outlay & O/S travel		
21	521	Energy, Minerals and Natural Resources	250.0	250.0	0.0	0.0	0.0	Move natural gas marketing from SLO		
21	539	Commissioner on Public Lands	(250.0)	(250.0)	0.0	0.0	0.0	Move natural gas marketing to EMNRD		
22	521	Section 5 - Energy, Minerals & Natl Res	1,590.6	1,590.6	0.0	0.0	0.0	Inmate work camp	13.00	

GOVERNOR'S PROPOSED AMENDMENTS TO HOUSE BILL 2  
SFC

Gov Amend No.	Dep t	Description	General Fund		Other State Funds	Intrnl Svc Funds/Inter- Agency Trns	Federal Funds	PROGRAM	FTE	
			Amount	Subtotal					Perm	Temp
23	550	State Engineer	105.5		0.0	0.0	0.0	Add one FTE	1.00	
23	550	State Engineer	36.8		0.0	0.0	0.0	Add 1 FTE	1.00	
23	550	State Engineer	19.9	162.2	0.0	0.0	0.0	Add 2.5 FTE	2.50	
24	550	State Engineer	0.0	0.0	0.0	0.0	0.0	Community ditch association language		
25	624	Agency on Aging	0.0	0.0	0.0	0.0	0.0	Older Americans Act language		
26	630	Human Services Department	0.0	0.0	0.0	0.0	0.0	Delete TANF language		
27	630	Human Services Department	0.0	0.0	0.0	0.0	0.0	Delete TANF contingency language		
28	665	Health Department	0.0	(5,501.7)	(8,876.9)	0.0	0.0	Delete appropriation for Los Lunas Medical Center	(277.00)	(20.00)
28	665	Health Department	0.0	0.0	2,753.5	0.0	0.0	Increase Los Lunas community waiver program	30.00	
29	665	Health Department	2,000.0	2,000.0	0.0	0.0	0.0	DD waiver waiting list		
30	690	Section 5 - Children, Youth & Families	7,284.8	7,284.8	0.0	0.0	0.0	Joseph A consent decree and overcrowding	58.00	
31	690	Section 7 - Children, Youth & Families	437.9	437.9	437.9	0.0	0.0	Family Automated Client Tracking System		
32	630	Human Services Department	(7,100.0)		0.0	0.0	0.0	TANF grant general fund switch		
32	690	Children, Youth & Families Department	84.9		0.0	(84.9)	0.0	TANF grant general fund switch		
32	690	Children, Youth & Families Department	84.9		0.0	(84.9)	0.0	TANF grant general fund switch		
32	690	Children, Youth & Families Department	530.6		0.0	(530.6)	0.0	TANF grant general fund switch		
32	690	Children, Youth & Families Department	4,125.0		0.0	(4,125.7)	0.0	TANF grant general fund switch		
32	690	Children, Youth & Families Department	2,274.7	0.1	0.0	(2,274.7)	0.0	TANF grant general fund switch		
33	770	Section 5 - Corrections Department	4,400.0	4,400.0	0.0	0.0	0.0	Overcrowding - \$1,700.0 is contingency		
34	770	Corrections Department	0.0	0.0	0.0	0.0	0.0	Penitentiary closure language		
35	770	Corrections Department	0.0	0.0	(3,258.2)	0.0	0.0	Eliminate other state funds revenue		
36	333	Taxation & Revenue Department	584.1		0.0	(584.1)	0.0	Replace road fund revenue with general fund		
36	333	Taxation & Revenue Department	532.3		0.0	(532.3)	0.0	Replace road fund revenue with general fund		
36	333	Taxation & Revenue Department	789.8		0.0	(789.8)	0.0	Replace road fund revenue with general fund		
36	333	Taxation & Revenue Department	8,272.7		0.0	(8,272.7)	0.0	Replace road fund revenue with general fund		
36	418	Tourism Department	(62.2)		0.0	62.2	0.0	Increase road fund transfers		
36	418	Tourism Department	(268.5)		0.0	268.5	0.0	Increase rd fund transfers		
36	418	Tourism Department	2,507.2	12,355.4	0.0	(2,507.2)	0.0	Replace road fund revenue with general fund		
37	805	Highway & Transportation Department	0.0		256.3	0.0	0.0	Restore appropriation		
37	805	Highway & Transportation Department	0.0		12.9	0.0	0.0	Restore appropriation		
37	805	Highway & Transportation Department	0.0		28.5	0.0	0.0	Restore appropriation		
37	805	Highway & Transportation Department	0.0		10,933.8	0.0	0.0	Restore appropriation		
37	805	Highway & Transportation Department	0.0		0.7	0.0	0.0	Restore road fund transfers to executive recom		
37	805	Highway & Transportation Department	0.0		527.5	0.0	0.0	Restore road fund transfers to executive recom		
37	805	Highway & Transportation Department	0.0		119.9	0.0	0.0	Restore appropriation		
37	805	Highway & Transportation Department	0.0		(11,921.5)	0.0	0.0	Restore appropriation		
37	805	Highway & Transportation Department	0.0	0.0	41.9	0.0	0.0	Restore road fund transfers to executive recom		
38	810	State Transportation Authority	0.0	0.0	0.0	96.0	0.0	Increase road fund to restore executive recom	1.00	
			52,039.4	52,039.4	(5,703.5)	(28,237.1)	0.0		(155.50)	(20.00)
										8.00



# **APPENDIX 3**



# GENERAL FUND FINANCIAL SUMMARY

(Millions of Dollars)

	With Gaming 1997-98	Without Gaming 1997-98
<b>Appropriation Account:</b>		
Recurring Revenue Adjusted for Legislation	2,992.0	2,990.2
Revisions to Estimates		
Recurring Revenue - 1997 Legislature	54.0	
<b>Total Recurring Revenue</b>	<b>3,046.0</b>	<b>2,990.2</b>
Nonrecurring Revenue	29.6	40.5
Nonrecurring Revenue - 1997 Legislature	10.9	
<b>Total Nonrecurring Revenue</b>	<b>40.5</b>	<b>40.5</b>
<b>Total Revenue</b>	<b>3,086.5</b>	<b>3,030.6</b>
Recurring Appropriations	2,996.9	2,996.9
Recurring Appropriations - 1997 Legislature		
Budget Reductions		
<b>Total Recurring Appropriations</b>	<b>2,996.9</b>	<b>2,996.9</b>
Nonrecurring Appropriations	4.0	4.4
Nonrecurring Appropriations - 1997 Legislature		
Specials and Supplementals	0.5	
Nonrecurring - 1996 Session		
<b>Total Nonrecurring Appropriations</b>	<b>4.5</b>	<b>4.4</b>
<b>Total Appropriations</b>	<b>3,001.3</b>	<b>3,001.3</b>
<b>Transfer to / (from) Operating Reserve</b>	<b>85.2</b>	<b>29.3</b>
<b>Operating Reserve:</b>		
Beginning Balance	54.6	54.7
Appropriations	(1.0)	(1.0)
Transfer (to) / from Appropriation Account	85.2	29.3
Other Transfers		
<i>Fund Transfers - Proposed for 1997 Session</i>		
<i>Transfer to Appropriation Contingency Fund</i>		
<b>Ending Balance</b>	<b>138.8</b>	<b>83.0</b>
<b>State Support Reserve:</b>		
Beginning Balance	5.3	5.2
Appropriations		
Appropriated from Appropriation Account		
<i>Transfers to Operating Reserve</i>		
<b>Ending Balance</b>	<b>5.3</b>	<b>5.2</b>
<b>Appropriation Contingency Fund:</b>		
Beginning Balance	4.8	4.8
Reversions		
Disaster Allotments	(3.0)	(3.0)
<i>Transfers from Operating Reserve</i>		
<b>Ending Balance</b>	<b>1.8</b>	<b>1.8</b>
<b>Risk Reserve Fund:</b>		
Beginning Balance	122.2	122.2
Interest Income	6.0	6.0
<i>Transfers (to) / from Risk Management, GSD</i>	<i>(14.8)</i>	<i>(15.0)</i>
<b>Ending Balance</b>	<b>113.4</b>	<b>113.2</b>
<b>Total Balances</b>	<b>259.3</b>	<b>203.2</b>

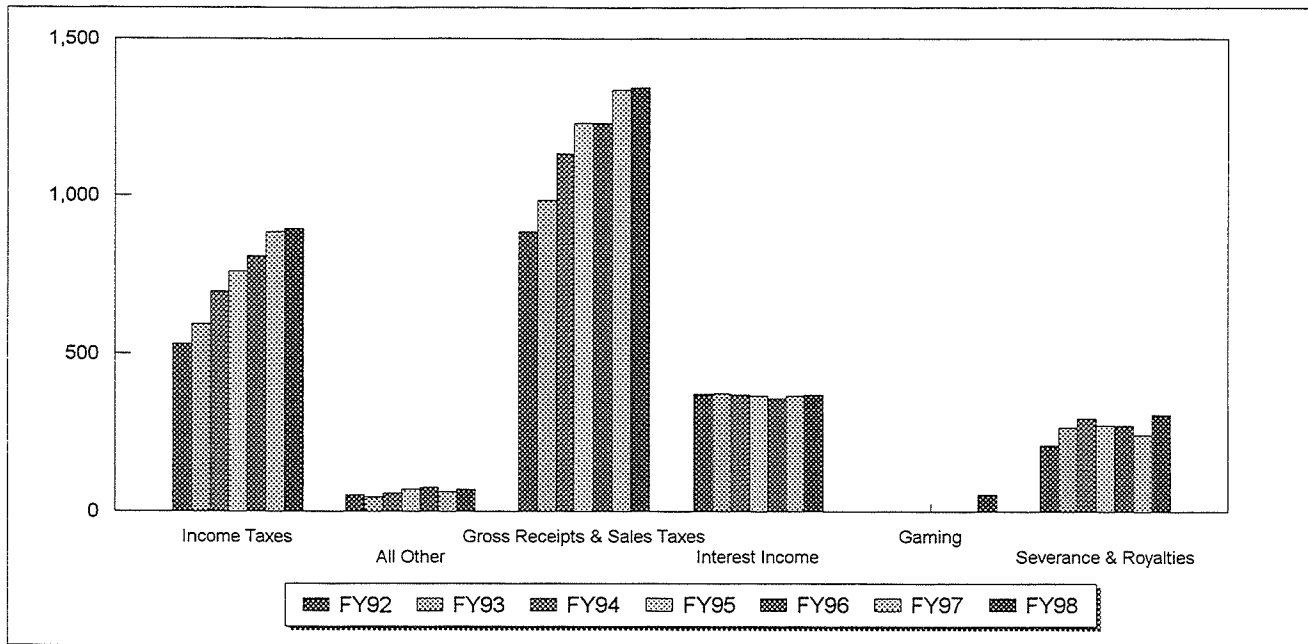


# **APPENDIX 4**



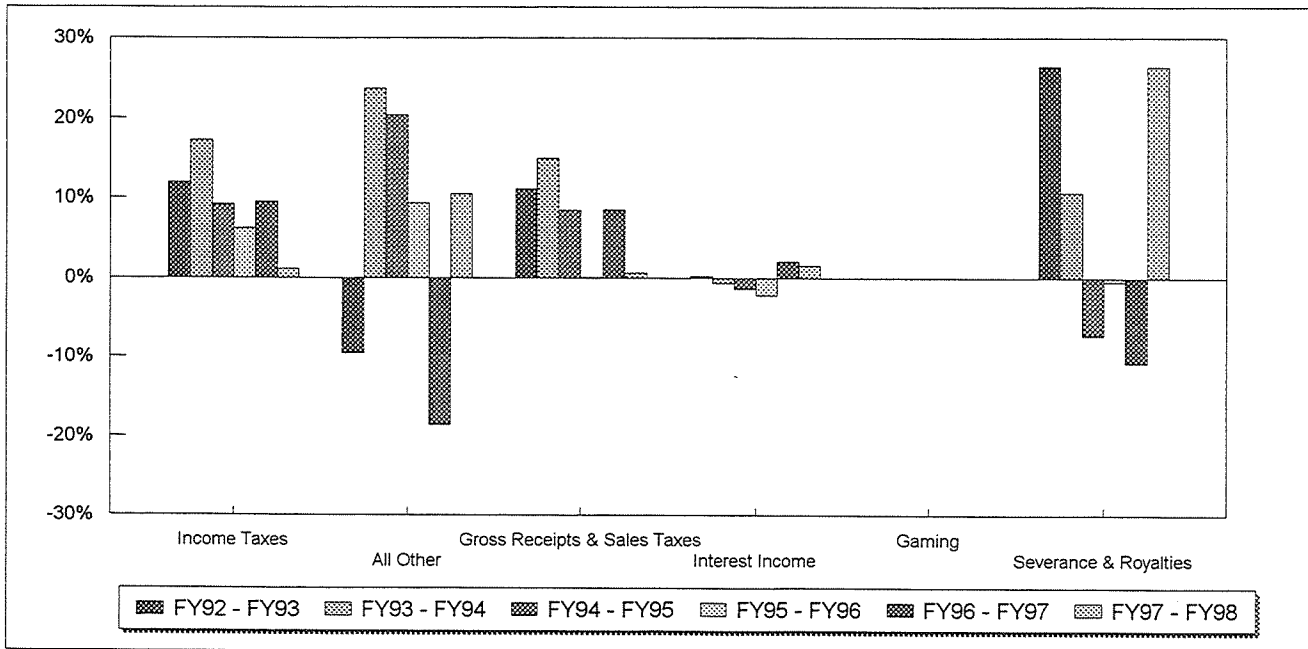
# FY92 thru FY98 General Fund Revenue

In Millions



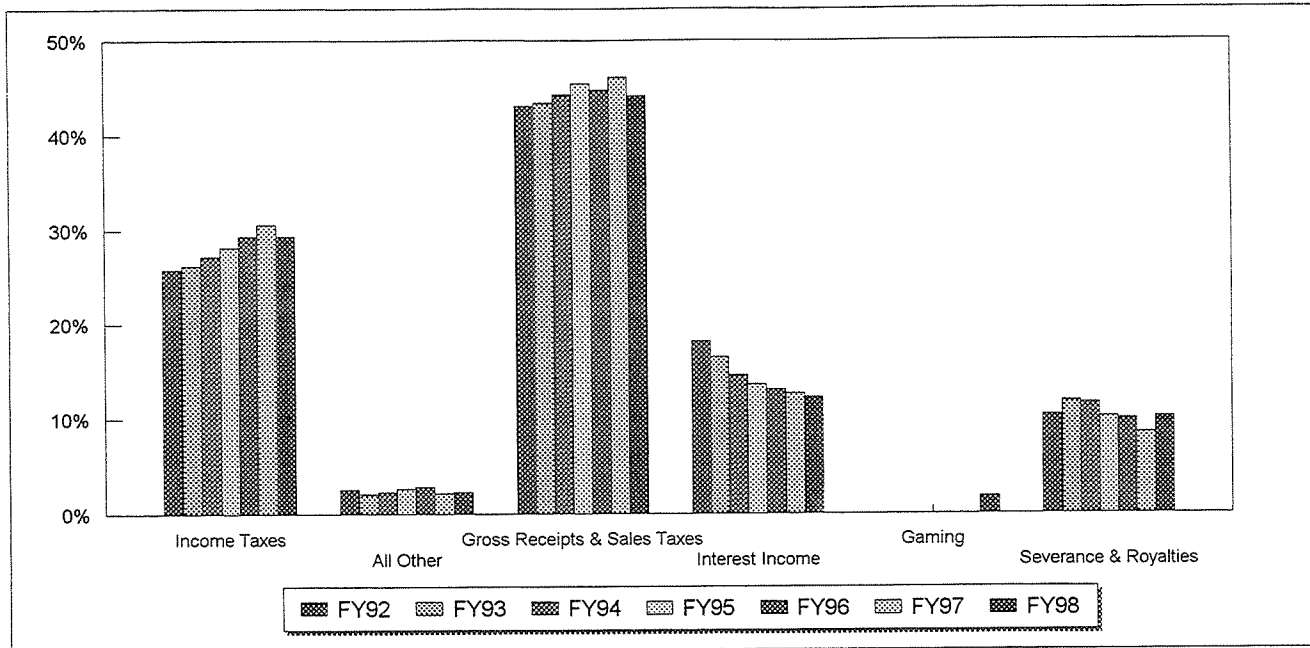
Revenue	FY92	FY93	FY94	FY95	FY96	FY97	FY98
Income Taxes	530.6	594.2	696.6	761.0	808.1	885.2	894.8
All Other	53.1	48.0	59.4	71.5	78.2	63.6	70.3
Gross Receipts & Sales Taxes	886.0	984.9	1,132.3	1,228.9	1,230.1	1,335.6	1,344.4
Interest Income	374.0	374.8	372.3	367.0	358.8	366.3	371.9
Gaming	0.0	0.0	0.0	0.0	0.0	0.0	56.0
Severance & Royalties	212.0	268.2	296.7	274.9	273.6	244.1	308.6
<b>TOTAL</b>	<b>2,055.7</b>	<b>2,270.1</b>	<b>2,557.3</b>	<b>2,703.3</b>	<b>2,748.8</b>	<b>2,894.8</b>	<b>3,046.0</b>

## FY92 thru FY98 General Fund Revenue Growth

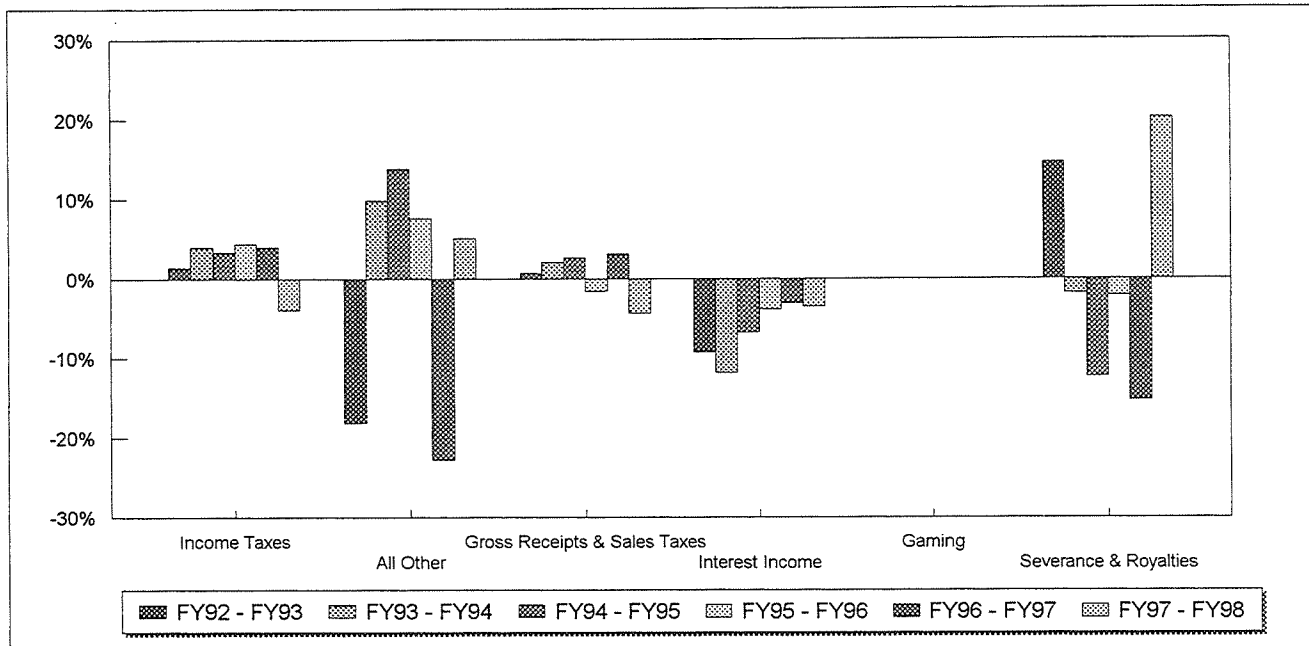


Revenue Growth	FY92 - FY93	FY93 - FY94	FY94 - FY95	FY95 - FY96	FY96 - FY97	FY97 - FY98
Income Taxes	12.00%	17.22%	9.24%	6.19%	9.55%	1.08%
All Other	-9.60%	23.75%	20.37%	9.37%	-18.67%	10.53%
Gross Receipts & Sales Taxes	11.16%	14.97%	8.53%	0.10%	8.58%	0.66%
Interest Income	0.21%	-0.67%	-1.42%	-2.23%	2.09%	1.53%
Gaming	N/A	N/A	N/A	N/A	N/A	N/A
Severance & Royalties	26.49%	10.64%	-7.35%	-0.47%	-10.78%	26.42%
<b>TOTAL</b>	<b>10.43%</b>	<b>12.65%</b>	<b>5.71%</b>	<b>1.68%</b>	<b>5.31%</b>	<b>5.22%</b>

## FY92 thru FY98 General Fund Revenue Share

[illegible]

## FY92 thru FY98 General Fund Revenue Share Growth

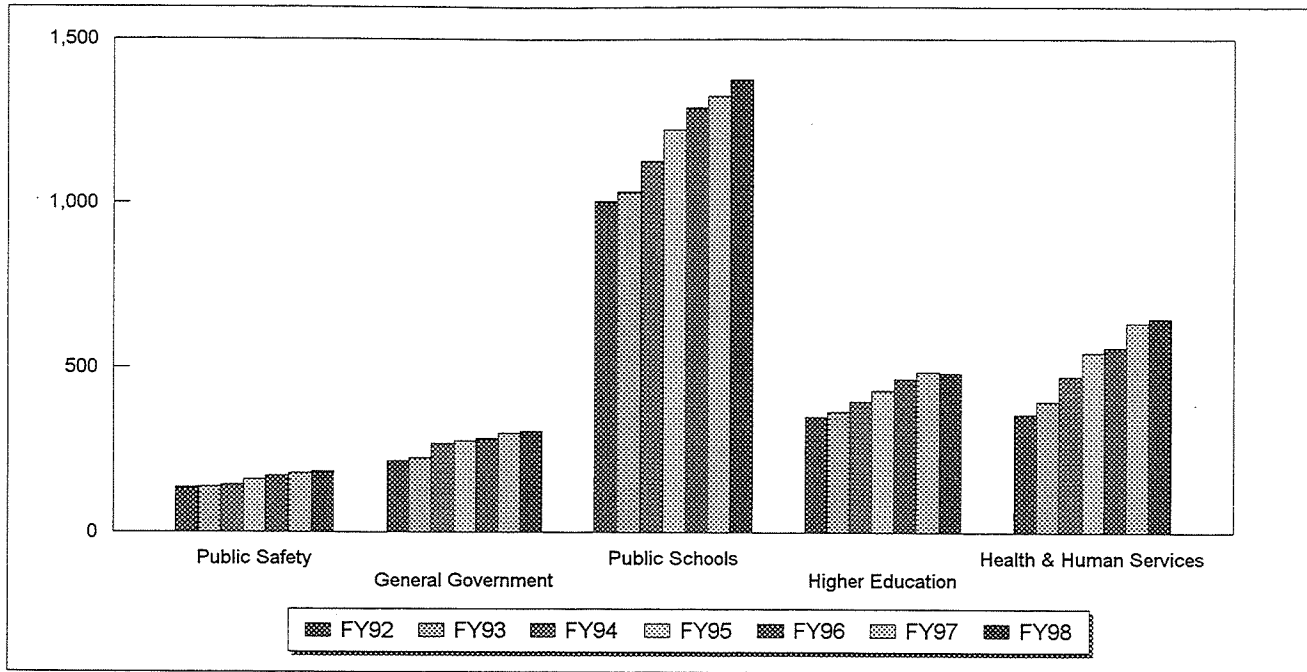


Revenue Share Growth	FY92 - FY93	FY93 - FY94	FY94 - FY95	FY95 - FY96	FY96 - FY97	FY97 - FY98
Income Taxes	1.42%	4.06%	3.34%	4.43%	4.02%	-3.94%
All Other	-18.14%	9.85%	13.87%	7.56%	-22.77%	5.05%
Gross Receipts & Sales Taxes	0.66%	2.06%	2.67%	-1.56%	3.10%	-4.34%
Interest Income	-9.25%	-11.82%	-6.75%	-3.85%	-3.06%	-3.51%
Gaming	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Severance & Royalties	14.55%	-1.79%	-12.35%	-2.12%	-15.28%	20.15%
TOTAL	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



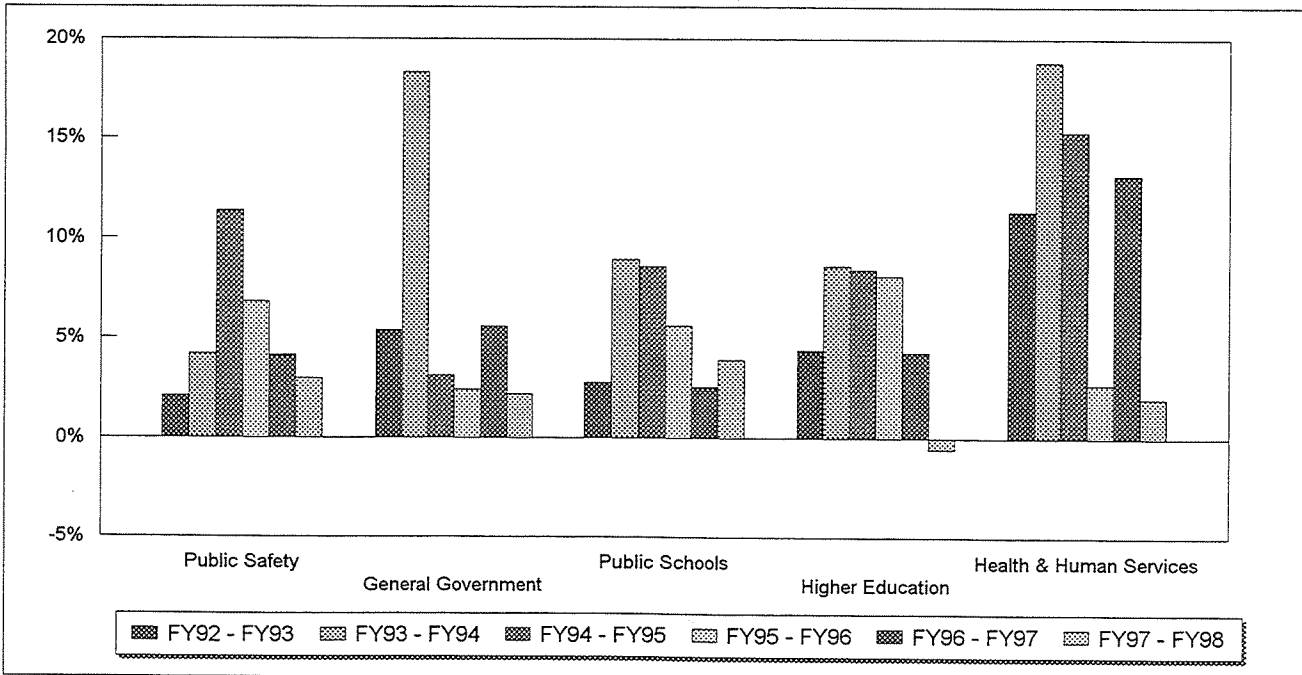
# FY92 thru FY98 General Fund Appropriations

In Millions



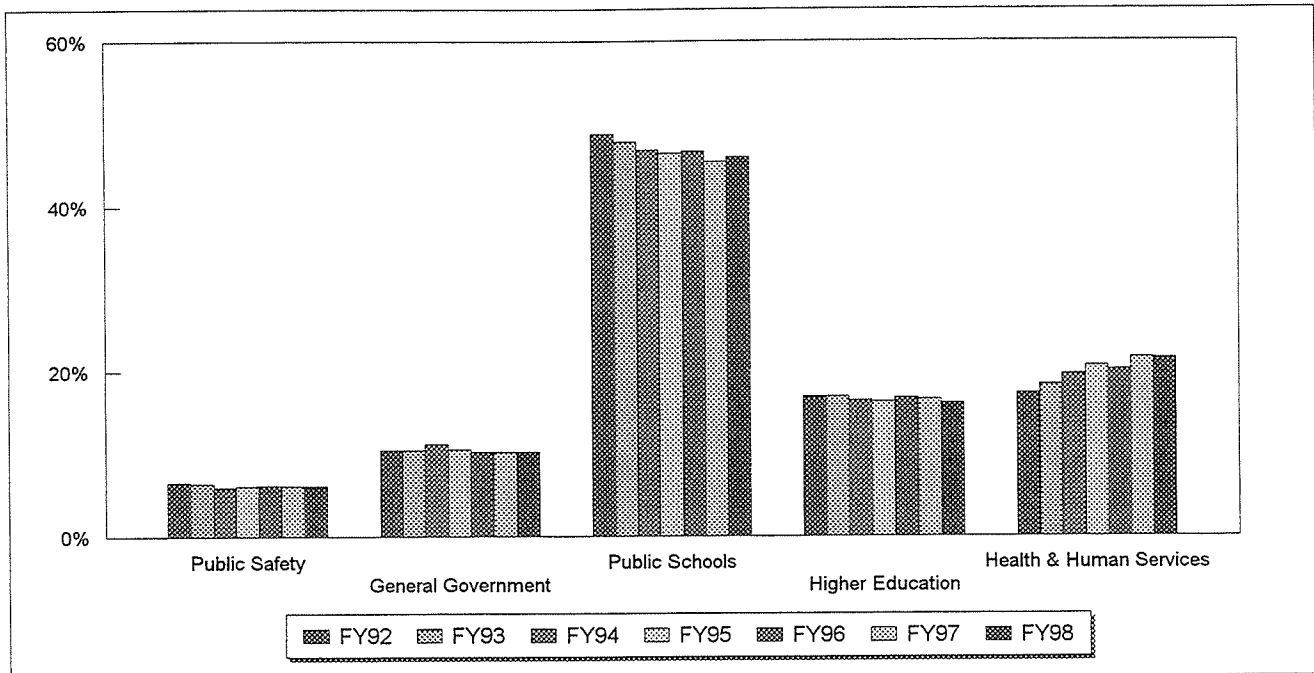
Appropriations	FY92	FY93	FY94	FY95	FY96	FY97	FY98
Public Safety	135.7	138.5	144.4	160.8	171.8	178.9	184.2
General Government	215.2	226.8	268.4	276.9	283.6	299.4	306.0
Public Schools	1,006.1	1,034.1	1,127.0	1,224.1	1,293.2	1,326.4	1,378.2
Higher Education	349.6	365.0	396.5	430.0	465.0	485.0	482.5
Health & Human Services	356.9	397.4	472.3	544.8	559.5	633.2	645.9
<b>TOTAL</b>	<b>2,063.5</b>	<b>2,161.9</b>	<b>2,408.6</b>	<b>2,636.5</b>	<b>2,773.0</b>	<b>2,923.0</b>	<b>2,996.9</b>

## FY92 thru FY98 General Fund Appropriations Growth

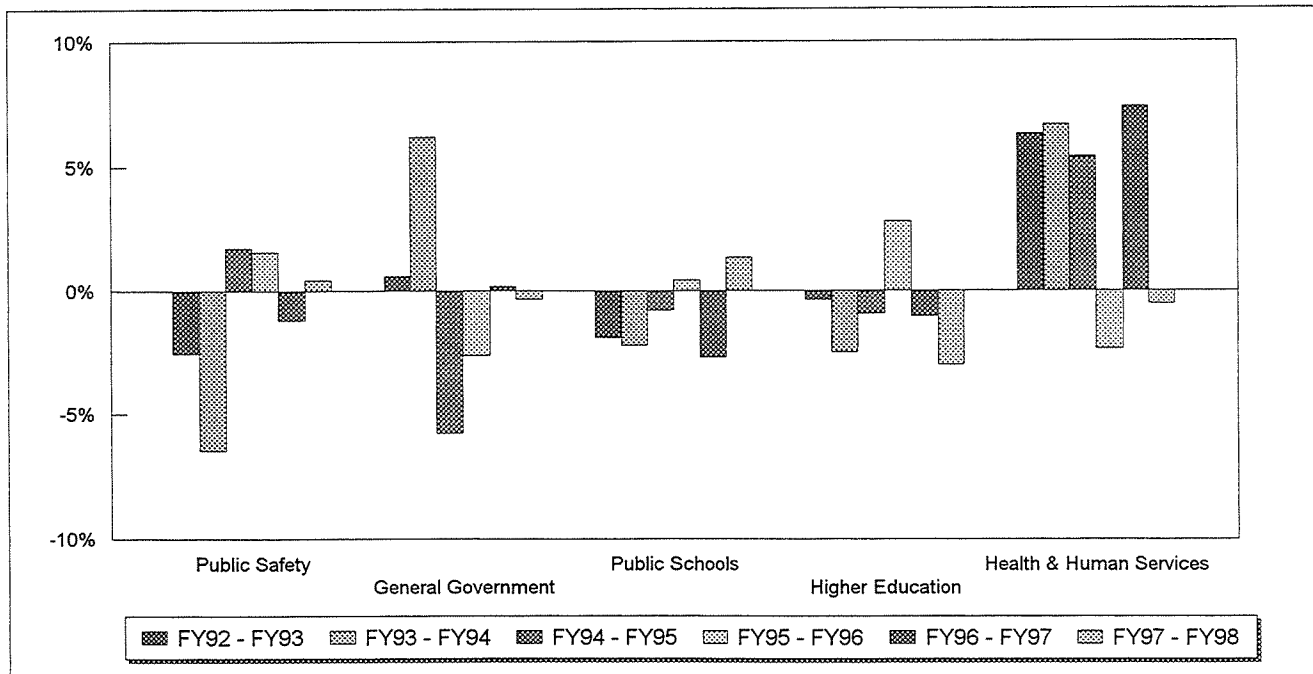


Appropriations Growth	FY92 - FY93	FY93 - FY94	FY94 - FY95	FY95 - FY96	FY96 - FY97	FY97 - FY98
Public Safety	2.11%	4.21%	11.36%	6.83%	4.15%	2.99%
General Government	5.40%	18.32%	3.15%	2.42%	5.60%	2.20%
Public Schools	2.79%	8.98%	8.62%	5.65%	2.57%	3.91%
Higher Education	4.41%	8.65%	8.44%	8.13%	4.32%	-0.53%
Health & Human Services	11.35%	18.83%	15.35%	2.70%	13.17%	2.01%
<b>TOTAL</b>	<b>4.77%</b>	<b>11.41%</b>	<b>9.46%</b>	<b>5.18%</b>	<b>5.41%</b>	<b>2.53%</b>

### FY92 thru FY98 General Fund Appropriations Share

[illegible]

## FY92 thru FY98 General Fund Appropriations Share Growth



Appropriations Share Growth	FY92 - FY93	FY93 - FY94	FY94 - FY95	FY95 - FY96	FY96 - FY97	FY97 - FY98
Public Safety	-2.54%	-6.46%	1.73%	1.58%	-1.19%	0.44%
General Government	0.60%	6.20%	-5.77%	-2.62%	0.18%	-0.32%
Public Schools	-1.89%	-2.18%	-0.77%	0.45%	-2.70%	1.34%
Higher Education	-0.35%	-2.47%	-0.93%	2.80%	-1.04%	-2.98%
Health & Human Services	6.28%	6.66%	5.38%	-2.36%	7.37%	-0.50%
TOTAL	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

# **APPENDIX 5**



SCHEDULE OF DEFICIENCY, SUPPLEMENTAL, AND SPECIAL APPROPRIATIONS  
FINAL ACTION

Code	Agency	FY	General Fund	Other State Funds	IS Funds IA Transfers	Federal Funds	Total	FTE	Description
<b>SECTION 5 - SPECIAL APPROPRIATIONS:</b>									
119	Legislative Council Service	97/98		101.5			101.5		Legislative retirement contributions
341	Finance and Administration	98	0.0				0.0		Approp re-authorization extending expenditure period for Tererro mine clean-up
337	State Investment Council	98		350.0			350.0		Investment manager fees - from severance tax permanent fund
337	State Investment Council	98		625.0			625.0		Investment manager fees - from land grant permanent funds
350	General Services/Risk Management	97/98			500.0		500.0		Plaintiff attorney fees re: "Jackson" - source is public liability fund
366	Public Employees Retirement Assn	98		396.0			396.0		Legal fees pertaining to litigation of retirement information system
369	Commission on Public Records	98	135.0				135.0		Moving costs
505	Office of Cultural Affairs	97/98	500.0				500.0		Farm and Ranch Heritage museum opening costs
505	Office of Cultural Affairs	97/98	150.0				150.0		Internet access program
521	Energy, Minerals and Natural Resources	97	100.0				100.0		Forestry & conservation - fire pre-suppression funds
521	Energy, Minerals and Natural Resources	98	35.1				35.1		Forestry & conservation - fire pre-suppression funds
521	Energy, Minerals and Natural Resources	98	1,590.6				1,590.6		Inmate work camp
539	Commission on Public Lands	97/98	832.8	416.4			1,249.2		ONGARD bond payment
550	State Engineer	98	600.0				600.0		Middle Rio Grande water resource assessment
665	Health Department	97/98		300.0			300.0		Developmental disabilities judicial referral services
667	Environment	98	315.0				315.0		Ambrosia Lake cleanup, state/DOE agreement
667	Environment	97	116.4				116.4		South Valley site superfund
690	Children, Youth and Families	97/98	7,284.8				7,284.8	58.00	Joseph A consent decree costs; overcrowding; and Camp Sierra Blanca start-up
770	Corrections Department	97/98	2,700.0				2,700.0		Overcrowding
770	Corrections Department	97/98	1,700.0				1,700.0		From the GF operating reserve for overcrowding - contingency
	NMSU/Department of Agriculture	97	250.0				250.0		Adjudication of acequia and community ditch association programs
	Computer Systems Enhancement Fund		5,628.3				5,628.3		Information systems
	<b>Total Special</b>		<b>21,936.9</b>	<b>2,188.9</b>	<b>600.0</b>	<b>0.0</b>	<b>24,625.9</b>	<b>58.00</b>	
<b>SECTION 6 - DEFICIENCY AND SUPPLEMENTAL APPROPRIATIONS:</b>									
221	Jury and Witness Fee Fund	97	1,300.0				1,300.0		Jury and witness fees
341	Finance and Administration	97	572.1				572.1		Judicial retirement fund (contributions owed \$329,120/interest \$242,922)
354	Criminal & Juvenile Justice Coord Council	97	25.0				25.0		Member meetings/research funds
366	Public Employees Retirement Association	97		250.0			250.0		PERIS litigation
370	Secretary of State	97	150.0				150.0		For expensed of election in the 3rd Congressional district
521	Energy, Minerals and Natural Resources	97	303.2				303.2		State Park and Recreation capital improvements
630	Human Services	97	51,738.7		5,512.0	157,719.7	214,970.4		Medicaid - \$13,362.7 GF for FY96 and \$38,376.0 GF for FY97
665	Health Department	97		300.0			300.0		Developmental disabilities tort liability
690	Children, Youth and Families (see note)	97	4,114.7				4,114.7		Overcrowding
705	Military Affairs	97	130.0				130.0		For utilities
770	Corrections	97	7,573.0				7,573.0		Lease beds: counties, Texas, CCA
770	Corrections	97	1,287.2				1,287.2		CMS contract
924	State Department of Public Education	97	0.0				0.0		Budget increase authority language
	<b>Total Deficiency and Supplemental</b>		<b>67,193.9</b>	<b>550.0</b>	<b>5,512.0</b>	<b>157,719.7</b>	<b>230,975.6</b>	<b>0.00</b>	
<b>SECTION 7 - SPECIAL COMPUTER APPROPRIATIONS:</b>									
216	Supreme Court	97/98		5.0			5.0		CSEF - Replacement and upgrade of equipment
219	Supreme Court Building Commission	97/98		5.0			5.0		CSEF - Personal computer and printer
341	Department of Finance & Administration	97/98		571.4			571.4		CSEF - CARL and AIMS
355	Public Defender Department	97/98		267.6			267.6		CSEF - Information systems infrastructure
369	Commission of Public Records	97/98		65.0			65.0		CSEF - Records and archives information network (RAIN)

SCHEDULE OF DEFICIENCY, SUPPLEMENTAL, AND SPECIAL APPROPRIATIONS  
FINAL ACTION

Code	Agency	FY	General Fund	Other State Funds	IS Funds IA Transfers	Federal Funds	Total	FTE	Description
366	Public Employees Retirement Association	97/98		168.8			168.8		Public Employees Retirement Fund - Enhancement of imaging system
394	State Treasurer	97/98		51.3			51.3		CSEF - Office network
394	State Treasurer	97/98		89.2			89.2		CSEF - Investment accounting system
424	State Corporation Commission	97/98		319.0			319.0		Subsequent Injury Fund - Hardware and software upgrades
505	Office of Cultural Affairs	97/98		227.8			227.8		CSEF - Farm and Ranch Heritage information system
505	Office of Cultural Affairs	97/98		315.0			315.0		CSEF - Equip new library building
539	Commissioner of Public Lands	97/98		230.7			230.7		Land Maintenance Fund - Wide area network
550	State Engineer	97/98		1,401.0			1,401.0		CSEF - Water rights data base
624	Agency on Aging	97/98		130.0			130.0		CSEF - Aging programs information system
632	Workers' Compensation Administration	97/98		134.1			134.1		WCA Administration Fund - Replacement of mini-mainframe
665	Health Department	97/98		300.0			300.0		Cash Balance - Community provider payment system
665	Health Department	97/98		100.0			100.0		Cash Balance - Vital records re-engineering
690	Children, Youth and Families Department	97/98		1,800.0			1,800.0		CSEF - Family automated client tracking system
770	Corrections Department	97/98		700.0			700.0		CSEF - Criminal information system and migration from current Wang system
805	State Highway and Transportation Department	97/98		1,600.0			1,600.0		State Road Fund - Replacement of VAX CADD system
				0.0			0.0		
	<b>Total Special Computer Systems</b>		<b>0.0</b>	<b>8,480.9</b>	<b>0.0</b>	<b>0.0</b>	<b>8,480.9</b>	<b>0.00</b>	
			<b>89,131.9</b>	<b>11,219.8</b>	<b>6,012.0</b>	<b>157,719.7</b>	<b>264,083.4</b>	<b>58.00</b>	
	<b>Total All</b>								