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## **LFC Recommends \$7.36 Billion Budget**

*Editors: Volumes I, II and III of the LFC budget recommendation are posted on the committee’s website, [nmlegis.gov/Entity/LFC/Default](http://nmlegis.gov/Entity/LFC/Default), on the home page and under Session Publications.*

The Legislative Finance Committee today released a budget recommendation for the 2021-2022 fiscal year that calls for spending \$7.36 billion from the state’s general fund, a 4 percent increase, or \$298.4 million, from FY21 spending levels.

“The New Mexico economy is struggling, but the state is not in as bad as shape as we anticipated nine months ago,” Committee Chairman Senator Roberto “Bobby” Gonzales, D-Ranchos de Taos, said. “Legislative efforts to build up strong financial reserves and federal stimulus spending have substantially softened the blow of the financial downturn.”

Vice Chairwoman Patty Lundstrom, D-Gallup, added that the committee’s spending plan is a cautious approach that takes the uncertainty of the economy into consideration.

“The economic picture remains murky. News from the oil industry is still mixed and, while the release of a Covid-19 vaccine was certainly a relief, distribution has been slow. In addition, we simply can’t predict if Congress will do more to help the states,” she said.

The Legislative Finance Committee recommendation provides flat budget for most state agencies with selective and moderate cuts for certain programs. It supports modest growth for education and healthcare, expands early childhood services by relying on the new trust fund instead of the general fund, more effectively uses state dollars to leverage federal matching funds, and shifts savings from declining workload in the foster care program and prison system to evidence-based community interventions that use state money more effectively. It also restores the general fund appropriations for programs temporarily supported with the one-time use of federal money after the budget was adjusted in June to survive the fiscal crisis.

The spending plan funds agencies at a slightly higher level than agencies requested and leaves general fund reserves at a prudent 22 percent of planned spending.

The committee’s recommendation for general fund appropriations for public education totals \$3.32 billion, a 3.3 percent increase from FY20 levels. The recommendation also includes \$185 million in nonrecurring, education-related appropriations, including \$153 million from the public education reform fund to address issues highlighted in the *Martinez-Yazzie* education sufficiency lawsuit. The spending plan provides sufficient funding for all schools to participate in Extended Learning Time Programs and restores FY20 spending levels for the K-5 Plus extended school year program, with the anticipation that schools will use the programs to make up for learning lost to pandemic-related school closures.

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### LFC Budget Recommendation

For higher education, the LFC recommendation restores \$20 million in general fund revenues swapped with federal funds as a solvency measure during the first special legislative session, reprioritizes spending to increase general support to higher education institutions, and increases general support for the University of New Mexico Health Sciences Center by 2 percent. Overall, the FY22 recommendation is a 2.6 percent increase from FY21 spending levels for higher education approved after solvency measures.

In early childhood services, the committee recommends using \$20 million from the new early childhood care and education fund to expand prekindergarten, home visiting services to new families, workforce supports, and technology upgrades.

The recommendation would increase general fund support for the Human Services Department by 10 percent and for the Health Department by 3.6 percent. The recommendation restores general fund support for programs supplemented with federal funds in FY21 and provides additional general fund support for Medicaid enrollment growth and maintenance of hospital and Medicaid provider rates. In addition, the recommendation includes significant increases for the behavioral health services across the Human Services, Health and Children, Youth and Families departments.

The committee's recommendation for judiciary agencies is essentially flat with FY21 spending, and public safety agencies would see a slight decrease.

Finally, the committee includes \$60 million for pay increases for state, public school, and higher education employees, enough for average increases of 1.5 percent, and \$3 million for increases targeted at essential health and social service frontline employees. Funding is also included in the base budgets of the Department of Public Safety and Corrections Department for pay hikes for state police and correctional officers.

The 60-day legislative session starts January 19.

# Recommendations and Highlights

On the heels of multiyear double digit general fund revenue growth, the state faced a global pandemic unlike any in over 100 years and another devastating crash in oil markets in 2020. Strong reserve levels, quick action by the Legislature to pare back planned FY21 spending increases, and federal aid to backfill general fund revenue before the fiscal year started provided a stronger than predicted fiscal backdrop to build a budget for FY22. The Legislative Finance Committee recommendation avoids damaging cuts to agency budgets, prioritizes modest funding increases to stabilize public schools and Medicaid, replaces the use of one-time federal aid in education and health care, and continues to expand investments in early childhood services using the proceeds of a new trust fund.

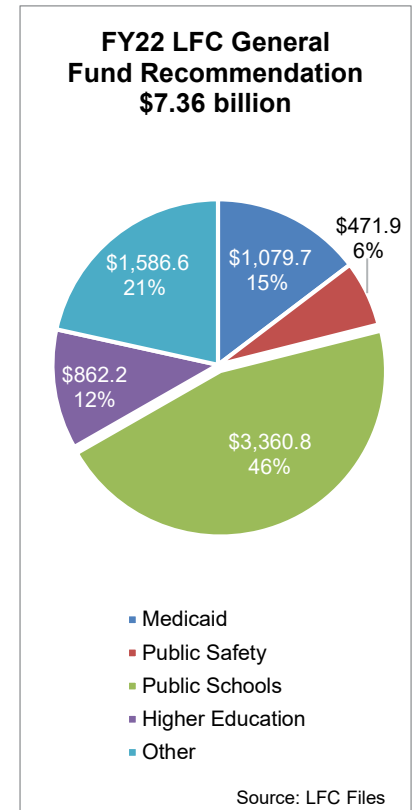
While revenues crashed, they did not plummet as deeply as anticipated during 2020, in part due to resiliency in oil production and massive federal aid flowing to individuals, businesses, and governments. As a result, the state's finances allow for mostly flat recurring spending levels and strategic use of healthy general fund reserves to make postpandemic recovery investments in roads, education, and economic development. Considerable fiscal uncertainty remains, including over additional federal aid, the pandemic, and oil market volatility. The state's fiscal stress testing suggests that because the state is in a down cycle, high reserves are somewhat less necessary. The LFC recommendation leaves projected general fund reserves at 22 percent.

## Budget Development and Priorities

### Budget Development

The December 2020 consensus revenue estimate showed estimated recurring revenues for FY21 at \$7.002 billion, a decline of \$857.1 million, or 10.9 percent, from FY20. Some of the decline is in income tax and gross receipts tax (GRT) collections caused by pandemic-induced restrictions on business activity and associated layoffs. However, most of the decline in FY21 is due to the pandemic's severe effects on the oil market, with low prices causing sharp drops in gross receipts tax collections on drilling activity and in production-related revenues.

"New money," defined as projected recurring revenues for the following fiscal year less current year recurring appropriations, is estimated at \$169 million for FY22, or 2.3 percent growth from the FY21 recurring budget. Prior to the June 2020 special session, the recurring budget was \$7.6 billion; with current FY22 revenues projected at \$7.4 billion, had the Legislature not acted in the June special session, the new money would have been negative \$243 million, requiring spending adjustments or a draw from reserves.



## Priorities

The LFC appropriation recommendation for FY22 prioritizes modest growth for education and healthcare, expands early childhood services using the new trust fund rather than general fund revenue, replaces one-time use of federal funds and provides generally for flat agency budgets. The recommendation reallocates savings from expensive services due to declining workload, such as foster care and prisons, and reallocates funding to evidence-based community interventions to get better outcomes and lower costs. The recommendation also supports agencies' increased leveraging of federal funding, creating further savings to the general fund.

## Recommendation

Agencies requested \$7.18 billion from the general fund; Medicaid projections updated after requests were submitted brought the total general fund need to \$7.33 billion. The LFC recommendation is a little more than requested at \$7.36 billion, up \$298.4 million, or 4 percent, from FY21 spending levels.

## Early Childhood

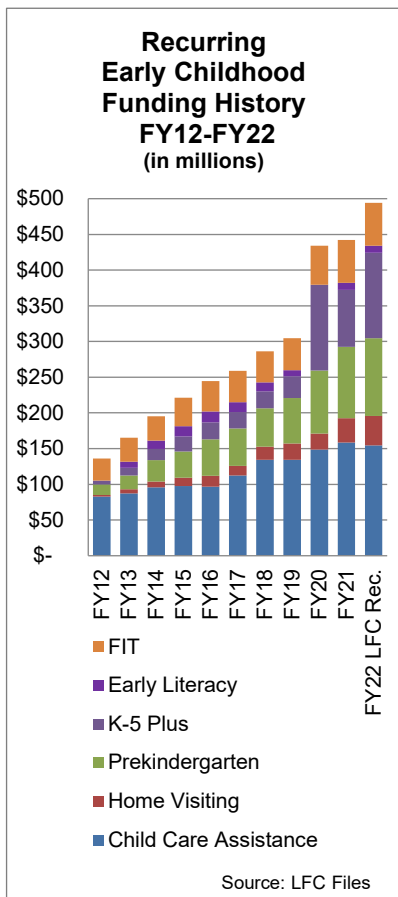
The Early Childhood Education and Care Department (ECECD) requested a \$10 million general fund revenue reduction for prekindergarten, or 5 percent below the department's FY21 operating budget. The committee recommendation for general fund revenues for ECECD includes a slight reduction of \$2 million, or 1 percent, for prekindergarten and replaces the reduction with fund balances. Of the \$20 million in new revenue from the early childhood care and education fund, the LFC recommendation allocates \$3 million for home-visiting services to new families, \$3 million for workforce supports, \$1.8 million for prekindergarten to replace general fund revenues, \$9.2 million for expanding prekindergarten, \$1 million for Families First case management home visiting service, and \$2 million for department information technology. In total, the FY22 recommendation for ECECD is \$416.4 million, of which \$191.6 million is from the general fund.

## Education

**Public Education.** The committee's recommendation for recurring general fund appropriations for public education totals \$3.32 billion, a \$105 million, or 3.3 percent, increase from FY20 levels. The recommendation further includes \$185 million in nonrecurring, education-related appropriations, including \$153 million from the public education reform fund to address issues highlighted in the *Martinez* and *Yazzie* education sufficiency lawsuit.

The vast majority of the public education funding recommendation is attributable to the formula-based state equalization guarantee (SEG) distribution to school districts and charter schools, which totals \$3.16 billion, a \$115 million, or 3.8 percent, increase from FY21 funding levels. Contingent on enactment of legislation, the committee recommendation for SEG includes \$83 million to remove federal and local revenue credits from the funding formula. In addition to removing credits, the committee recommendation for SEG also provides \$44.7 million to backfill a credit for federal CARES Act funding taken during FY21.

The recommendation includes sufficient funding for all schools and students to participate in Extended Learning Time Programs (ELTP) and restores K-5 Plus



extended school year program funding to FY20 levels with appropriations from the public education reform fund. With significant projected learning loss due to school closures and remote learning in FY20 and FY21, the state must provide additional instruction both to help students catch up and address deficiencies highlighted by the *Martinez-Yazzie* lawsuit.

**Higher Education.** Prior to the Covid-19 pandemic, higher education was slated to receive its highest level of state support over the past decade. During the special legislative session, however, the Legislature reduced state support for FY21 by reducing instruction and general purpose (I&G) funding by 4 percent, reducing research and public service projects (RPSP) funding by 6 percent, reducing the opportunity scholarship from \$12 million to \$5 million, and using \$20 million in federal CARES Act funds to support I&G costs. With the adjustments, the FY21 operating budget settled at \$840.6 million, a 3 percent reduction from FY20 actual expenditures.

For FY22, the LFC recommendation restores the \$20 million in general fund revenues swapped with federal funds as a solvency measure during the first special legislative session, reprioritizes spending to increase I&G to higher education institutions by 0.5 percent, and increases the University of New Mexico (UNM) Health Sciences Center (HSC) I&G by 2 percent. The overall recommendation increases expenditures by 0.2 percent to \$862.2 million.

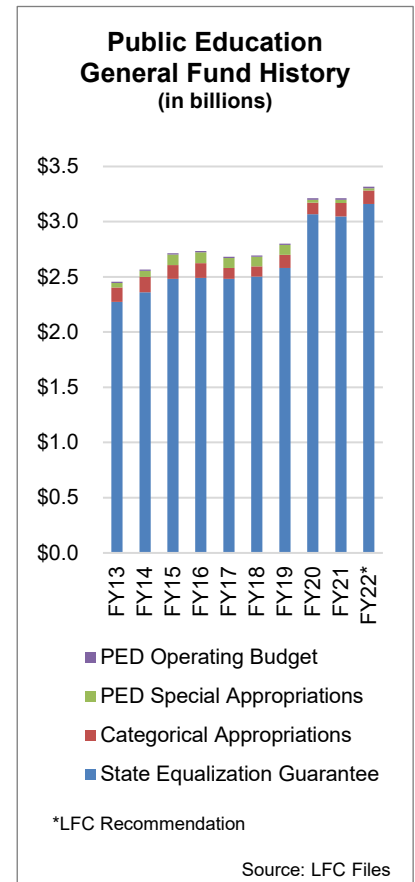
## Human Services

The LFC recommendation for the Human Services Department (HSD) is \$8.19 billion from all revenue sources, a \$626.5 million, or 8.3 percent, increase over the FY21 operating budget, and includes an additional \$110.1 million from the general fund, an increase of 10 percent.

The LFC recommendation includes a \$112.2 million increase in general fund support for the state’s Medicaid program in FY22, an increase of 11.8 percent over the FY21 operating budget. The recommendation replaces the general fund dollars swapped for \$75 million in federal funds appropriated during the 2020 first special legislative session to shore up the state budget. LFC also recommends additional general fund support for enrollment growth, maintenance of hospital and Medicaid provider rates, and general fund supports to offset declines in tobacco settlement funds and county-supported Medicaid funds.

The LFC recommendation for the Children, Youth and Families Department (CYFD) includes \$210.2 million from the general fund. The recommendation includes a 4.5 percent increase for the Children’s Behavioral Health Services program. The expansion of community and evidence-based behavioral health programs and services is essential to address the committee’s priorities to expand access to evidence-based behavioral health services and maximize federal funding. The LFC recommendation for the Protective Services Program reinvests savings from foster care to fund evidence-based child maltreatment prevention and family support services. CYFD will be able to leverage this funding to draw down additional federal funding under the federal Family First Prevention Services Act.

**Behavioral Health.** For FY22, HSD requested and the committee recommends \$31 million more general fund revenue than in FY21 for the Medicaid Behavioral



Health Program. The recommendation represents a 28 percent increase from the FY21 operating budget.

The LFC recommendation for the Behavioral Health Services Program supports an overall budget for FY22 of \$68.2 million, including maintaining general fund revenue at the same level as FY21. The operating budget included expansion of high-quality, evidence-based behavioral health services, and the committee supports the continuation of these efforts.

### Health

The \$313.1 million general fund recommendation for the Department of Health (DOH) is 3.6 percent over the FY21 operating budget. The recommendation supports the department's request to increase some federal revenues in Public Health and Epidemiology and Response initiatives and increases in other revenues and federal revenues in the Facilities Management Program, primarily from leveraging additional Medicare and private-pay at state facilities. The LFC recommendation increases general fund revenues for the Public Health and Developmental Disabilities programs resulting in an overall DOH general fund increase of \$10.8 million, or 3.6 percent, above FY21. The recommendation replaces \$7 million in general fund revenue that was reduced in FY21 due to a higher federal match rate for the developmental disabilities Medicaid waiver in place during the Covid-19 pandemic. The total recommendation is \$618.9 million.

### Judiciary

LFC recommends \$307.5 million for all judicial entities in New Mexico, nearly flat with the FY21 operating budget. The recommendation decreases general fund revenue to the Administrative Office of the Courts to prioritize small general fund increases to district courts for new judgeships approved during the 2020 regular legislative session and drug-court and pretrial services. The recommendation slightly decreases general fund revenue to district attorney offices by 0.3 percent due to sizable funded vacancies, and increases other transfers and fund balances to district attorneys by 8.4 percent and 70 percent, respectively, to offset the general fund reduction. The general fund revenue recommendation for the Public Defender Department remained flat with FY21.

### Public Safety

The committee recommends \$359.9 million in total revenue for the Corrections Department (NMCD), a decrease of \$3.8 million, or 1 percent, compared with its FY21 operating budget. The \$326.2 million general fund recommendation for NMCD is \$3.6 million, or 1.1 percent, lower than FY21. The recommendation identifies significant savings the department is likely to realize as a result of declining inmate population and could realize if it renegotiates an overpriced and underperforming medical contract. The committee recommends reallocating those savings toward long-term legislative priorities, including directing an additional \$2.6 million to evidence-based programming for recidivism reduction and \$3 million to facility maintenance and repair. The recommendation also supports 6 percent salary increases for correctional officers and 3 percent rate increases for private prisons.

The Department of Public Safety (DPS) recommendation is \$159.2 million, a \$1 million, or 0.7 percent, increase compared with its FY21 operating budget, and





the committee's recommendation for general fund revenue for DPS is flat with FY21, at \$128.8 million. The recommendation directs the agency's significant, long-term vacancy savings to maintain 6 percent pay raises for state police officers and implement additional raises for other key positions the department has struggled to fill, including dispatchers, transportation inspectors, and forensic scientists and technicians. The recommendation also provides \$2 million to fund ongoing vehicle replacement and \$1.2 million to allow the state police to conduct two recruit schools in FY22.

***Criminal Justice Reform.*** The committee's recommendations for NMCD and DPS support initiatives aimed at achieving criminal justice reform through recidivism reduction and police officer training and accountability. The NMCD recommendation includes funding for evidence-based recidivism reduction programs both inside and outside correctional facilities, as well as \$1.3 million for the agency's Recidivism Reduction Division. Within DPS, the committee recommends an additional \$500 thousand for de-escalation training for state police officers and other law enforcement officers and \$350 thousand to fund the Law Enforcement Academy Board, the entity responsible for state oversight of law enforcement officers. Policy changes, such as reducing incarceration for nonviolent crimes and limiting the circumstances under which an offender's parole may be revoked, could significantly reduce recidivism as well as costs.

### **Compensation**

LFC analysis shows the compensation package offered by the state is heavily reliant on benefits, reducing take-home pay and competitiveness. For FY22, the LFC recommendation includes \$60 million for compensation increases for state, public school, and higher education employees. The funding is sufficient to provide an average 1.5 percent across-the-board salary increase and an additional \$3 million to provide targeted increases to essential health and social service frontline employees. Additionally, funding is included in the base budgets of the Department of Public Safety and the Corrections Department to provide increases to state police and correctional officers.

### **Deficiency, Special, and Supplemental Appropriations**

The LFC recommendation for special, supplemental, and deficiency appropriations totals \$123.3 million, of which \$85.4 million is from the general fund and \$37.9 million is from other state funds. The recommendation includes \$20.9 million in supplemental appropriations to the Public Education Department for potential impact aid liabilities, \$12.5 million to the Economic Development Department, of which \$7.5 million is for projects in compliance with the Local Economic Development Act (with an additional \$7.5 million in capital funding) and \$5 million is for the Job Training Initiative Program; \$10 million in special appropriations to the Department of Information Technology for broadband expansion, with an additional \$10 million in capital outlay funding for the same purpose; and \$2.6 million in special appropriations to the Department of Public Safety to move former motor transportation officers from the Public Employees Retirement Association's state general plan to the state police and correctional officer plan.

Criteria used in building the LFC recommendation for special, supplemental, and deficiency appropriations included, recommending requests for one-time expenses or pilots, not recommending requests for recurring costs, and funding

items that would improve agency outcomes. For requests to extend prior-year appropriations, staff notes how much of the original appropriation is unspent. The committee recommendation prioritizes spending prior appropriations over new special requests.

**Fund Transfers.** General fund reserves for FY20 and FY21 were propped up to levels much higher than anticipated in the June 2020 special session, and well above the FY21 target of 25 percent due to stronger than anticipated revenue collections during the Covid-19 pandemic. The LFC recommendation includes \$700 million in fund transfers as part of a post-pandemic recovery strategy that invests in transportation, education and economic development. The recommendation would allocate \$250 million for state and local road projects, including \$5 million for essential air services, contingent on enactment of a bill establishing the program. NMDOT has identified over \$145 million in shovel ready projects that could quickly improve the movement of goods and people on highways. Local governments would receive \$100 million in state aid for heavy road maintenance in addition to \$40 million in new motor vehicle excise tax revenue.

The recommendation would pre-fund key education programs as part of the state's school reforms in response to the school sufficiency court ruling, including boosting the size and quality of the teacher workforce and expanded learning opportunities for students. The fund transfers include \$5 million for teacher loan repayments, \$20 million teacher college affordability scholarships, \$5 million to help teachers earn national certification, \$10 million to start up new community schools, \$20 million to prefund early childhood services, and \$15 million for the college affordability trust fund.

To avoid the need for larger potential tax increases on employers coming out of the pandemic, the recommendation would transfer \$300 million to the unemployment trust fund to repay or offset the need to draw down federal loans for the program, contingent on whether a federal grant, rather than loan, is available. The program ran out of funding early in the Covid-19 pandemic. The recommendation also sets aside \$75 million for economic recovery and income support initiatives, including for essential services and workers, should the federal government fail to act on another round of fiscal stimulus.

### **Capital Outlay and Infrastructure**

Priority capital outlay requests from state agencies, higher education institutions, tribal schools, special schools, and local entities totaled \$1.7 billion. Requests exceeded the estimated \$433.4 million in total severance tax bond capacity.

The LFC capital outlay framework for consideration by the full Legislature includes approximately \$200 million authorized from severance tax bonds and \$19.5 million from other state funds.

Major projects in the framework include \$20 million for broadband expansion and public safety radio communications, \$12 million for critical infrastructure needs in correctional facilities, \$12 million for health facilities to address patient safety, \$6 million to address the most critical needs to preserve and restore state-owned facilities, and \$4 million for the preservation and maintenance of museums and monuments. The framework includes \$47 million for higher education institutions, tribal schools, and special schools.



Nearly \$1.2 billion requested by eligible local entities for the top three priorities are for water, transportation, quality of life (libraries, parks, senior centers, community and cultural centers, etc.), environment (utilities, landfills, clean energy, solid waste, etc.), and public safety. The current capacity reserves \$233.4 million for policymakers to potentially address local needs statewide.

**Transportation.** The Department of Transportation (NMDOT), mainly funded with state road fund (SRF) revenues for highway maintenance and federal funds for road constructions, projected a revenue reduction of \$32 million, or 3.2 percent for FY22. The revenue shortfall, driven by loss of fuel tax revenue related to the Covid-19 pandemic, exacerbates the continually declining purchasing power of the SRF; because construction price inflation increased faster than SRF revenue, the purchasing power of the fund has fallen by 32 percent since the year 2000. In response, the Legislature increased the motor vehicle excise tax and directed a larger proportion of the revenue raised to state and local governments and NMDOT for infrastructure improvements. Additionally, the FY22 LFC recommendation includes nonrecurring revenue of \$250 million for transportation projects to be allocated for state and local projects.

**Information Technology.** The LFC recommendation for IT funding totals \$53.3 million from all funding sources for 18 projects. The recommendation includes \$17.6 million from general fund revenues, \$6 million from other state funds, and \$32.9 million in federal funds. Included in the recommendation is \$1.2 million in general fund revenues for the Human Services Department to continue the replacement of its Medicaid management information system and \$3.5 million for the Children, Youth and Families Department to continue the modernization of its child welfare information system. The recommendation prioritizes projects critical to agency missions, as well as projects that are ongoing, have previously been funded, leverage federal funds, or have potential cost savings.

**Evidence- and Research-Based Funding Requests Act.** In 2019, Chapter 23, (Senate Bill 58) amended the Government Accountability Act to formally bring more information on funding of programs with rigorous evidence of effectiveness into the state's performance-based budgeting process. The legislation also provided consistent definition of evidence-based, research-based, and promising programs. For the FY22 budget process, LFC and DFA did not designate any agencies to inventory programs due to the pandemic. LFC nonetheless identified \$62.3 million in expansion funds primarily through reallocation of resources directed toward evidence-based and promising interventions in the following agencies: Early Childhood Care and Education, Administrative Office of the Courts, Corrections, and Children, Youth and Families. This includes an additional \$8.9 million for prekindergarten, \$3.7 million in prevention services for CYFD's Protective Services, and \$1.5 million in the community offender management program under Corrections Department. Additionally, some of these agencies have long been allocating funding toward evidence-based programming. The LFC recommendation includes continued funding of hundreds of millions of dollars for evidenced-based and promising programs to improve outcomes for New Mexicans, including home-visiting services for new parents, prekindergarten, expanded learning and early literacy programs in schools, community-based health and behavioral health services, and public safety interventions.

# Table 1: General Fund Agency Recommendation Summary

## GENERAL FUND AGENCY RECOMMENDATION SUMMARY

TABLE 1

Business Unit	Description	FY21 Operating Budget	FY22 Agency Request	FY22 Recomm.	\$ Over FY21 Oper.	Percent Change
<b>Legislative</b>						
111	LEGISLATIVE COUNCIL SERVICE	6,200.9	6,045.9	6,200.9	0.0	0.0%
112	LEGISLATIVE FINANCE COMMITTEE	4,432.8	4,315.0	4,432.8	0.0	0.0%
114	SENATE CHIEF CLERK	1,542.8	1,504.3	1,542.8	0.0	0.0%
115	HOUSE CHIEF CLERK	1,493.5	1,456.1	1,493.5	0.0	0.0%
117	LEGISLATIVE EDUCATION STUDY COMMITTEE	1,394.1	1,364.1	1,394.1	0.0	0.0%
119	LEGISLATIVE BUILDING SERVICES	4,315.8	4,186.3	4,315.8	0.0	0.0%
131	LEGISLATURE	1,843.2	1,850.6	1,843.2	0.0	0.0%
<b>Total Legislative</b>		21,223.1	20,722.3	21,223.1	0.0	0.0%
<b>Judicial</b>						
205	SUPREME COURT LAW LIBRARY	0.0	0.0	0.0	0.0	0.0%
208	NEW MEXICO COMPILATION COMMISSION	529.9	504.0	504.0	-25.9	-4.9%
210	JUDICIAL STANDARDS COMMISSION	879.2	835.2	857.6	-21.6	-2.5%
215	COURT OF APPEALS	6,569.6	6,753.2	6,569.6	0.0	0.0%
216	SUPREME COURT	6,267.7	6,481.8	6,267.7	0.0	0.0%
218	ADMINISTRATIVE OFFICE OF THE COURTS	38,456.5	39,548.9	36,821.9	-1,634.6	-4.3%
219	SUPREME COURT BUILDING COMMISSION	0.0	0.0	0.0	0.0	0.0%
231	FIRST JUDICIAL DISTRICT COURT	10,310.6	10,602.6	10,586.6	276.0	2.7%
232	SECOND JUDICIAL DISTRICT COURT	25,826.3	26,788.7	26,304.3	478.0	1.9%
233	THIRD JUDICIAL DISTRICT COURT	9,942.3	10,223.2	10,164.3	222.0	2.2%
234	FOURTH JUDICIAL DISTRICT COURT	3,839.7	3,970.6	3,889.7	50.0	1.3%
235	FIFTH JUDICIAL DISTRICT COURT	10,428.0	10,715.9	10,528.0	100.0	1.0%
236	SIXTH JUDICIAL DISTRICT COURT	5,397.6	5,574.3	5,457.6	60.0	1.1%
237	SEVENTH JUDICIAL DISTRICT COURT	4,007.2	4,139.1	4,042.1	34.9	0.9%
238	EIGHTH JUDICIAL DISTRICT COURT	4,585.2	4,728.0	4,675.2	90.0	2.0%
239	NINTH JUDICIAL DISTRICT COURT	5,010.6	5,169.3	5,070.6	60.0	1.2%
240	TENTH JUDICIAL DISTRICT COURT	1,783.9	1,835.9	1,833.9	50.0	2.8%
241	ELEVENTH JUDICIAL DISTRICT COURT	10,417.7	10,746.3	10,532.7	115.0	1.1%
242	TWELFTH JUDICIAL DISTRICT COURT	5,120.6	5,297.7	5,242.5	121.9	2.4%
243	THIRTEENTH JUDICIAL DISTRICT COURT	10,667.5	11,042.1	10,797.2	129.7	1.2%
244	BERNALILLO COUNTY METROPOLITAN COURT	24,965.6	25,872.5	25,115.0	149.4	0.6%
249	JUDGESHIPS	0.0	0.0	0.0	0.0	0.0%
251	FIRST JUDICIAL DISTRICT ATTORNEY	6,085.7	6,318.4	6,075.7	-10.0	-0.2%
252	SECOND JUDICIAL DISTRICT ATTORNEY	24,499.9	25,440.6	24,609.9	110.0	0.4%
253	THIRD JUDICIAL DISTRICT ATTORNEY	5,411.8	5,620.3	5,381.8	-30.0	-0.6%
254	FOURTH JUDICIAL DISTRICT ATTORNEY	3,577.0	3,715.1	3,547.0	-30.0	-0.8%
255	FIFTH JUDICIAL DISTRICT ATTORNEY	6,023.7	6,256.7	5,993.6	-30.1	-0.5%
256	SIXTH JUDICIAL DISTRICT ATTORNEY	3,276.4	3,401.3	3,256.4	-20.0	-0.6%
257	SEVENTH JUDICIAL DISTRICT ATTORNEY	2,871.1	2,981.7	2,861.0	-10.1	-0.4%
258	EIGHTH JUDICIAL DISTRICT ATTORNEY	3,222.2	3,346.2	3,182.2	-40.0	-1.2%
259	NINTH JUDICIAL DISTRICT ATTORNEY	3,549.3	3,685.6	3,524.4	-24.9	-0.7%
260	TENTH JUDICIAL DISTRICT ATTORNEY	1,569.9	1,630.4	1,554.9	-15.0	-1.0%
261	ELEVENTH JUDICIAL DISTRICT ATTORNEY, DIVISION I	5,044.5	5,239.1	5,009.5	-35.0	-0.7%
262	TWELFTH JUDICIAL DISTRICT ATTORNEY	3,736.4	3,879.3	3,731.3	-5.1	-0.1%
263	THIRTEENTH JUDICIAL DISTRICT ATTORNEY	5,913.6	6,140.4	5,853.3	-60.3	-1.0%
264	ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS	2,443.9	2,541.1	2,393.9	-50.0	-2.0%
265	ELEVENTH JUDICIAL DISTRICT ATTORNEY, DIVISION II	2,831.2	2,940.0	2,811.2	-20.0	-0.7%
280	LAW OFFICES OF THE PUBLIC DEFENDER	56,191.4	58,439.2	56,191.4	0.0	0.0%

**Table 1: General Fund Agency Recommendation Summary**

**GENERAL FUND AGENCY RECOMMENDATION SUMMARY**

**TABLE 1**

Business Unit	Description	FY21 Operating Budget	FY22 Agency Request	FY22 Recomm.	\$ Over FY21 Oper.	Percent Change
<b>Total Judicial</b>		321,253.7	332,404.7	321,238.0	-15.7	0.0%
<b>General Control</b>						
305	ATTORNEY GENERAL	14,655.4	14,104.6	13,962.6	-692.8	-4.7%
308	STATE AUDITOR	3,220.8	3,059.2	3,149.7	-71.1	-2.2%
333	TAXATION AND REVENUE DEPARTMENT	64,065.5	62,827.0	64,665.5	600.0	0.9%
337	STATE INVESTMENT COUNCIL	0.0	0.0	0.0	0.0	0.0%
340	ADMINISTRATIVE HEARINGS OFFICE	1,817.1	1,726.6	1,726.6	-90.5	-5.0%
341	DEPARTMENT OF FINANCE AND ADMINISTRATION	21,625.6	20,544.4	21,189.5	-436.1	-2.0%
342	PUBLIC SCHOOL INSURANCE AUTHORITY	0.0	0.0	0.0	0.0	0.0%
343	RETIREE HEALTH CARE AUTHORITY	0.0	0.0	0.0	0.0	0.0%
350	GENERAL SERVICES DEPARTMENT	16,601.4	16,411.0	16,614.3	12.9	0.1%
352	EDUCATIONAL RETIREMENT BOARD	0.0	0.0	0.0	0.0	0.0%
354	NEW MEXICO SENTENCING COMMISSION	1,188.6	1,129.2	1,129.2	-59.4	-5.0%
356	GOVERNOR	4,411.7	4,191.1	4,280.0	-131.7	-3.0%
360	LIEUTENANT GOVERNOR	578.7	549.8	549.8	-28.9	-5.0%
361	DEPARTMENT OF INFORMATION TECHNOLOGY	835.9	794.1	794.1	-41.8	-5.0%
366	PUBLIC EMPLOYEES RETIREMENT ASSOCIATION	52.8	48.9	48.9	-3.9	-7.4%
369	STATE COMMISSION OF PUBLIC RECORDS	2,553.9	2,415.1	2,415.1	-138.8	-5.4%
370	SECRETARY OF STATE	10,650.6	19,002.0	16,089.8	5,439.2	51.1%
378	PERSONNEL BOARD	3,885.4	3,700.1	3,700.1	-185.3	-4.8%
379	PUBLIC EMPLOYEE LABOR RELATIONS BOARD	243.7	231.5	243.0	-0.7	-0.3%
394	STATE TREASURER	3,696.3	3,999.8	3,696.3	0.0	0.0%
<b>Total General Control</b>		150,083.4	154,734.4	154,254.5	4,171.1	2.8%
<b>Commerce and Industry</b>						
404	BOARD OF EXAMINERS FOR ARCHITECTS	0.0	0.0	0.0	0.0	0.0%
410	ETHICS COMMISSION	947.7	900.3	900.3	-47.4	-5.0%
417	BORDER AUTHORITY	433.4	410.5	410.5	-22.9	-5.3%
418	TOURISM DEPARTMENT	17,146.2	16,288.9	16,588.9	-557.3	-3.3%
419	ECONOMIC DEVELOPMENT DEPARTMENT	13,802.4	13,112.3	13,462.3	-340.1	-2.5%
420	REGULATION AND LICENSING DEPARTMENT	13,364.0	12,677.5	12,961.5	-402.5	-3.0%
430	PUBLIC REGULATION COMMISSION	8,753.8	9,668.1	9,468.1	714.3	8.2%
440	OFFICE OF THE SUPERINTENDENT OF INSURANCE	0.0	0.0	0.0	0.0	0.0%
446	MEDICAL BOARD	0.0	0.0	0.0	0.0	0.0%
449	BOARD OF NURSING	0.0	0.0	0.0	0.0	0.0%
460	NEW MEXICO STATE FAIR	0.0	200.0	75.0	75.0	0.0%
464	STATE BOARD OF LICENSURE FOR ENGINEERS & LAND SU	0.0	0.0	0.0	0.0	0.0%
465	GAMING CONTROL BOARD	5,479.6	5,205.7	5,205.7	-273.9	-5.0%
469	STATE RACING COMMISSION	2,403.3	2,283.1	2,343.4	-59.9	-2.5%
479	BOARD OF VETERINARY MEDICINE	0.0	0.0	0.0	0.0	0.0%
490	CUMBRES AND TOLTEC SCENIC RAILROAD COMMISSION	251.3	238.7	238.7	-12.6	-5.0%
491	OFFICE OF MILITARY BASE PLANNING AND SUPPORT	247.3	234.9	234.9	-12.4	-5.0%
495	SPACEPORT AUTHORITY	1,920.5	1,824.5	1,824.5	-96.0	-5.0%
<b>Total Commerce and Industry</b>		64,749.5	63,044.5	63,713.8	-1,035.7	-1.6%
<b>Agriculture, Energy and Natural Resources</b>						
505	CULTURAL AFFAIRS DEPARTMENT	33,197.5	31,537.6	32,257.6	-939.9	-2.8%
508	NEW MEXICO LIVESTOCK BOARD	680.1	646.1	646.1	-34.0	-5.0%

**Table 1: General Fund Agency Recommendation Summary**

**GENERAL FUND AGENCY RECOMMENDATION SUMMARY**

**TABLE 1**

Business Unit	Description	FY21 Operating Budget	FY22 Agency Request	FY22 Recomm.	\$ Over FY21 Oper.	Percent Change
516	DEPARTMENT OF GAME AND FISH	0.0	0.0	0.0	0.0	0.0%
521	ENERGY, MINERALS AND NATURAL RESOURCES DEPARTM	23,154.7	22,471.9	22,818.9	-335.8	-1.5%
522	YOUTH CONSERVATION CORPS	0.0	0.0	0.0	0.0	0.0%
538	INTERTRIBAL CEREMONIAL OFFICE	168.0	159.6	159.6	-8.4	-5.0%
539	COMMISSIONER OF PUBLIC LANDS	0.0	0.0	0.0	0.0	0.0%
550	STATE ENGINEER	20,276.9	19,265.3	20,276.9	0.0	0.0%
<b>Total Agriculture, Energy and Natural Resources</b>		77,477.2	74,080.5	76,159.1	-1,318.1	-1.7%
<b>Health, Hospitals and Human Services</b>						
603	OFFICE OF AFRICAN AMERICAN AFFAIRS	1,031.4	1,000.4	1,000.4	-31.0	-3.0%
604	COMMISSION FOR DEAF AND HARD-OF-HEARING PERSONS	480.4	456.4	690.8	210.4	43.8%
605	MARTIN LUTHER KING, JR. COMMISSION	343.1	366.6	325.5	-17.6	-5.1%
606	COMMISSION FOR THE BLIND	2,310.5	2,195.0	2,263.9	-46.6	-2.0%
609	INDIAN AFFAIRS DEPARTMENT	2,621.3	2,490.2	2,490.2	-131.1	-5.0%
611	EARLY CHILDHOOD EDUCATION AND CARE DEPARTMENT	193,588.2	183,588.1	191,588.2	-2,000.0	-1.0%
624	AGING AND LONG-TERM SERVICES DEPARTMENT	48,628.9	46,197.5	47,149.9	-1,479.0	-3.0%
630	HUMAN SERVICES DEPARTMENT	1,092,489.7	1,129,659.9	1,202,589.1	110,099.4	10.1%
631	WORKFORCE SOLUTIONS DEPARTMENT	9,879.4	9,385.4	9,385.4	-494.0	-5.0%
632	WORKERS' COMPENSATION ADMINISTRATION	0.0	0.0	0.0	0.0	0.0%
644	DIVISION OF VOCATIONAL REHABILITATION	6,407.6	6,373.8	6,281.4	-126.2	-2.0%
645	GOVERNOR'S COMMISSION ON DISABILITY	1,359.4	1,291.5	1,289.8	-69.6	-5.1%
647	DEVELOPMENTAL DISABILITIES PLANNING COUNCIL	5,233.8	4,972.1	5,483.8	250.0	4.8%
662	MINERS' HOSPITAL OF NEW MEXICO	0.0	0.0	0.0	0.0	0.0%
665	DEPARTMENT OF HEALTH	302,271.3	293,203.1	313,098.1	10,826.8	3.6%
667	DEPARTMENT OF ENVIRONMENT	13,146.2	12,488.8	13,146.2	0.0	0.0%
668	OFFICE OF THE NATURAL RESOURCES TRUSTEE	446.3	424.0	424.0	-22.3	-5.0%
670	VETERANS' SERVICES DEPARTMENT	5,227.0	4,965.6	5,165.6	-61.4	-1.2%
690	CHILDREN, YOUTH AND FAMILIES DEPARTMENT	213,570.7	202,892.2	210,224.9	-3,345.8	-1.6%
<b>Total Health, Hospitals and Human Services</b>		1,899,035.2	1,901,950.6	2,012,597.2	113,562.0	6.0%
<b>Public Safety</b>						
705	DEPARTMENT OF MILITARY AFFAIRS	7,209.2	6,848.7	6,848.7	-360.5	-5.0%
760	PAROLE BOARD	593.2	563.5	563.5	-29.7	-5.0%
765	JUVENILE PUBLIC SAFETY ADVISORY BOARD	8.0	7.6	7.6	-0.4	-5.0%
770	CORRECTIONS DEPARTMENT	329,837.9	316,005.1	326,241.1	-3,596.8	-1.1%
780	CRIME VICTIMS REPARATION COMMISSION	6,657.5	6,419.9	6,411.2	-246.3	-3.7%
790	DEPARTMENT OF PUBLIC SAFETY	128,750.5	122,313.0	128,750.5	0.0	0.0%
795	HOMELAND SECURITY AND EMERGENCY MANAGEMENT	3,348.2	3,115.6	3,115.6	-232.6	-6.9%
<b>Total Public Safety</b>		476,404.5	455,273.4	471,938.2	-4,466.3	-0.9%
<b>Transportation</b>						
805	DEPARTMENT OF TRANSPORTATION	0.0	0.0	0.0	0.0	0.0%
<b>Total Transportation</b>		0.0	0.0	0.0	0.0	0.0%
<b>Other Education</b>						
924	PUBLIC EDUCATION DEPARTMENT	14,364.5	13,648.4	14,364.5	0.0	0.0%
925	PUBLIC EDUCATION DEPARTMENT-SPECIAL APPROPRIATI	26,946.1	26,712.1	18,181.0	-8,765.1	-32.5%
930	REGIONAL EDUCATION COOPERATIVES	0.0	1,034.0	1,034.0	1,034.0	0.0%

**Table 1: General Fund Agency Recommendation Summary**

**GENERAL FUND AGENCY RECOMMENDATION SUMMARY**

**TABLE 1**

<b>Business Unit</b>	<b>Description</b>	<b>FY21 Operating Budget</b>	<b>FY22 Agency Request</b>	<b>FY22 Recomm.</b>	<b>\$ Over FY21 Oper.</b>	<b>Percent Change</b>
940	PUBLIC SCHOOL FACILITIES AUTHORITY	0.0	0.0	0.0	0.0	0.0%
949	EDUCATION TRUST BOARD	0.0	0.0	0.0	0.0	0.0%
<b>Total Other Education</b>		41,310.6	41,394.5	33,579.5	-7,731.1	-18.7%
<b>Higher Education</b>						
950	HIGHER EDUCATION DEPARTMENT	40,049.7	36,740.5	38,112.7	-1,937.0	-4.8%
952	UNIVERSITY OF NEW MEXICO	316,503.7	316,799.8	325,533.4	9,029.7	2.9%
954	NEW MEXICO STATE UNIVERSITY	202,935.2	202,330.8	207,235.5	4,300.3	2.1%
956	NEW MEXICO HIGHLANDS UNIVERSITY	31,558.6	31,405.5	32,269.6	711.0	2.3%
958	WESTERN NEW MEXICO UNIVERSITY	21,739.3	21,734.6	22,403.7	664.4	3.1%
960	EASTERN NEW MEXICO UNIVERSITY	47,325.6	47,227.9	48,549.7	1,224.1	2.6%
962	NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY	37,833.5	38,361.5	39,335.0	1,501.5	4.0%
964	NORTHERN NEW MEXICO COLLEGE	11,013.4	11,113.9	11,329.8	316.4	2.9%
966	SANTA FE COMMUNITY COLLEGE	14,526.8	14,543.6	14,858.4	331.6	2.3%
968	CENTRAL NEW MEXICO COMMUNITY COLLEGE	56,558.8	58,475.8	60,284.9	3,726.1	6.6%
970	LUNA COMMUNITY COLLEGE	7,884.5	7,833.6	7,902.9	18.4	0.2%
972	MESALANDS COMMUNITY COLLEGE	4,356.3	4,328.0	4,400.6	44.3	1.0%
974	NEW MEXICO JUNIOR COLLEGE	6,282.7	6,504.5	6,651.3	368.6	5.9%
976	SAN JUAN COLLEGE	23,848.3	24,256.1	24,761.2	912.9	3.8%
977	CLOVIS COMMUNITY COLLEGE	9,672.4	9,755.0	9,976.7	304.3	3.1%
978	NEW MEXICO MILITARY INSTITUTE	2,907.2	2,950.8	2,994.5	87.3	3.0%
979	NEW MEXICO SCHOOL FOR THE BLIND AND VISUALLY IMP	1,474.1	1,435.7	1,460.8	-13.3	-0.9%
980	NEW MEXICO SCHOOL FOR THE DEAF	4,208.1	4,119.5	4,201.4	-6.7	-0.2%
<b>Total Higher Education</b>		840,678.2	839,917.1	862,262.1	21,583.9	2.6%
<b>Public School Support</b>						
993	PUBLIC SCHOOL SUPPORT	3,170,640.0	3,298,434.6	3,283,724.1	113,084.1	3.6%
<b>Total Public School Support</b>		3,170,640.0	3,298,434.6	3,283,724.1	113,084.1	3.6%
<b>Other</b>						
991	COMPENSATION	0.0	0.0	60,000.0	60,000.0	0.0%
992	JUDGES COMPENSATION	0.0	0.0	600.0	600.0	0.0%
<b>Total Other</b>		0.0	0.0	60,600.0	60,600.0	0.0%
<b>Grand Total</b>		7,062,855.4	7,181,956.6	7,361,289.6	298,434.2	4.2%

## Table 4: General Fund Financial Summary

### General Fund Financial Summary: December 2020 Consensus Revenue Estimate and LFC Budget Recommendation (millions of dollars)

December 9, 2020 5:36 PM	Prelim. FY2020	Estimate FY2021	Estimate FY2022
<b>APPROPRIATION ACCOUNT</b>			
<b>REVENUE</b>			
Recurring Revenue			
December 2020 Consensus Revenue Forecast	\$ 7,859.3	\$ 7,002.5	\$ 7,378.5
Total Recurring Revenue	\$ 7,859.3	\$ 7,002.5	\$ 7,378.5
<i>Percent Change in Recurring Revenue</i>	<i>-1.9%</i>	<i>-10.9%</i>	<i>5.4%</i>
Nonrecurring Revenue			
June 2020 Special Session Legislation (SB5 Sweeps) <sup>2</sup>	\$ 28.8	\$ -	
June 2020 Special Session Legislation (SB5 Road Swaps) <sup>2</sup>	\$ 75.0		
December 2020 Preliminary Update	\$ 37.0	\$ 17.0	
Enhanced FMAP/Medicaid Reversion	\$ 135.4		
Transfers/offsets from Coronavirus Relief Fund	\$ 46.2		
Federal Stimulus Funds	\$ -	\$ 750.0	\$ -
Total Nonrecurring Revenue	\$ 322.3	\$ 767.0	\$ -
<b>TOTAL REVENUE</b>	<b>\$ 8,181.6</b>	<b>\$ 7,769.5</b>	<b>\$ 7,378.5</b>
<b>APPROPRIATIONS</b>			
Recurring Appropriations			
2019 Session Legislation & Feed Bill	\$ 7,085.3	\$ -	\$ -
2020 Regular Session Legislation & Feed Bill	\$ 6.8	\$ 7,621.4	
2020 Special Session Solvency Savings <sup>1</sup>	\$ -	\$ (411.9)	
2021 Regular Session Legislation & Feed Bill Scenario		\$ 11.6	\$ 7,361.2
Total Recurring Appropriations	\$ 7,092.1	\$ 7,221.1	\$ 7,361.2
2020 Special Session Federal Funds Swaps	\$ -	\$ (146.6)	
Total Operating Budget	\$ 7,092.1	\$ 7,074.5	\$ 7,361.2
Nonrecurring Appropriations			
2019 Session Nonrecurring Appropriations	\$ 431.9	\$ -	
2020 Session Nonrecurring Appropriations & Legislation	\$ 506.3	\$ 320.0	
2020 First Special Session Solvency Savings <sup>1</sup>	\$ (104.8)	\$ (20.0)	
2020 Second Special Session Appropriations		\$ 329.2	
2021 Session Nonrecurring Appropriations - Scenario		\$ 805.4	\$ -
Total Nonrecurring Appropriations	\$ 833.4	\$ 1,434.6	\$ -
Subtotal Recurring and Nonrecurring Appropriations	\$ 7,925.5	\$ 8,509.1	\$ 7,361.2
<b>Audit Adjustments</b>			
2020 GAA Undistributed Nonrecurring Appropriations <sup>2</sup>	\$ (259.5)	\$ 259.5	
2019 GAA Undistributed Nonrecurring Appropriations <sup>3</sup>	\$ (2.1)		
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 7,663.9</b>	<b>\$ 8,768.6</b>	<b>\$ 7,361.2</b>
Transfer to (from) Reserves	\$ 517.7	\$ (999.1)	\$ 17.3
<b>GENERAL FUND RESERVES</b>			
Beginning Balances	\$ 1,834.1	\$ 2,513.5	\$ 1,590.6
Transfers from (to) Appropriations Account	\$ 517.7	\$ (999.1)	\$ 17.3
Revenue and Reversions	\$ 240.5	\$ 190.7	\$ 130.1
Appropriations, Expenditures and Transfers Out	\$ (78.9)	\$ (104.6)	\$ (30.0)
<b>Ending Balances</b>	<b>\$ 2,513.5</b>	<b>\$ 1,590.6</b>	<b>\$ 1,708.0</b>
<i>Reserves as a Percent of Recurring Appropriations</i>	<i>35.4%</i>	<i>22.0%</i>	<i>23.2%</i>

#### Notes:

1) Laws 2020 First Special Session, Chapter 3 and Chapter 5

2) Many nonrecurring appropriations, including specials and supplementals in the 2020 GAA, had authorization to spend in FY20 or FY21 - amounts that were not allotted in FY20 become encumbrances for FY21

3) Includes special appropriations of the 2019 GAA that had authorization to spend in FY19 or FY20 but were never requested for allotment by the agency - includes \$350K State Engineer, \$500K Office of Military Base Planning and Support, and \$1.2M Department of Finance and Administration

\* Note: totals may not foot due to rounding