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SENATE BILL 9

**52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2016**

INTRODUCED BY

Sander Rue and Gail Chasey

AN ACT

RELATING TO STATE BUDGETS; PROVIDING THAT AN AGENCY SHALL IDENTIFY AND PRIORITIZE EVIDENCE-BASED, RESEARCH-BASED AND PROMISING SUB-PROGRAMS WITHIN ITS PERFORMANCE-BASED BUDGET REQUEST; PROVIDING THAT A BUDGET RECOMMENDATION SHALL IDENTIFY THE AMOUNT OF FUNDING THAT IS INTENDED FOR EVIDENCE-BASED, RESEARCH-BASED AND PROMISING SUB-PROGRAMS; ESTABLISHING A PROGRAM INVENTORY PROCEDURE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 6-3A-1 NMSA 1978 (being Laws 1999, Chapter 5, Section 1 and Laws 1999, Chapter 15, Section 1) is amended to read:

"6-3A-1. SHORT TITLE.--~~[Sections 1 through 8 of this act]~~  
Chapter 6, Article 3A NMSA 1978 may be cited as the  
"Accountability in Government Act"."

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1           SECTION 2. Section 6-3A-3 NMSA 1978 (being Laws 1999,  
2 Chapter 5, Section 3 and Laws 1999, Chapter 15, Section 3, as  
3 amended) is amended to read:

4           "6-3A-3. DEFINITIONS.--As used in the Accountability in  
5 Government Act:

6           A. "agency" means a branch, department,  
7 institution, board, bureau, commission, district or committee  
8 of the state;

9           B. "approved program" means a program included in  
10 an approved list of programs issued by the division pursuant to  
11 Section 6-3A-4 NMSA 1978;

12           C. "baseline data" means the current level of a  
13 program's performance measures established pursuant to  
14 guidelines established by the division in consultation with the  
15 committee;

16           D. "committee" means the legislative finance  
17 committee;

18           E. "cost beneficial" means that the cost savings  
19 and benefits realized over a reasonable period of time are  
20 greater than the costs of implementation;

21           ~~E.~~ F. "division" means the state budget division  
22 of the department of finance and administration;

23           G. "evidence-based" means that a program or  
24 practice:

25                       (1) incorporates methods demonstrated to be

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1 effective for the intended population through scientifically  
2 based research, including statistically controlled evaluations  
3 or randomized trials;

4 (2) can be implemented with a set of  
5 procedures to allow successful replication in New Mexico; and

6 (3) when possible, has been determined to be  
7 cost beneficial;

8 ~~[F.]~~ H. "outcome" means the measurement of the  
9 actual impact or public benefit of a program;

10 ~~[G.]~~ I. "output" means the measure of the volume of  
11 work completed or the level of actual services or products  
12 delivered by a program;

13 ~~[H.]~~ J. "performance-based program budget" means a  
14 budget that identifies a total allowed expenditure for a  
15 program and includes performance measures, performance  
16 standards and program evaluations;

17 ~~[I.]~~ K. "performance measure" means a quantitative  
18 or qualitative indicator used to assess the output or outcome  
19 of an approved program;

20 ~~[J.]~~ L. "performance target" means the expected  
21 level of performance of a program's performance measures; ~~and~~

22 ~~[K.]~~ M. "program" means a set of activities  
23 undertaken in accordance with a plan of action organized to  
24 realize identifiable goals and objectives based on legislative  
25 authorization;

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1           N. "promising" means that a program or practice,  
2 based on statistical analyses or preliminary research, presents  
3 potential for becoming research-based or evidence-based;

4           O. "research-based" means that a program or  
5 practice has some research demonstrating effectiveness, but  
6 does not yet meet the standard of evidence-based; and

7           P. "sub-program" means a set of discrete uniquely  
8 identifiable activities undertaken in accordance with a plan of  
9 action organized to realize identifiable goals within an  
10 approved program."

11           SECTION 3. Section 6-3A-7 NMSA 1978 (being Laws 1999,  
12 Chapter 5, Section 7 and Laws 1999, Chapter 15, Section 7, as  
13 amended) is amended to read:

14           "6-3A-7. PERFORMANCE-BASED PROGRAM BUDGET REQUESTS.--

15           A. The division, in consultation with the  
16 committee, shall develop instructions for those agencies  
17 required to submit performance-based program budget requests.  
18 The instructions shall be sent to the agencies on or before  
19 June 15 of each year and shall be in addition to any other  
20 forms required by Section 6-3-18 NMSA 1978. The instructions  
21 shall require that performance-based program budget requests  
22 contain the following:

23                   (1) a summary of each approved program,  
24 including a justification for the program;

25                   (2) for each approved program, an evaluation

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1 of the agency's progress in meeting the performance targets.  
2 The evaluation shall be developed as prescribed in the budget  
3 instructions;

4 (3) for each approved program, the outputs,  
5 outcomes, baseline data, performance measures and historic and  
6 proposed performance targets;

7 (4) if a performance audit has been conducted  
8 on an approved program during either the present or any of the  
9 immediately preceding two fiscal years, any responses that the  
10 agency may have to the audit and any actions that the agency  
11 has taken as a result of the audit; [~~and~~]

12 (5) the results of the program inventory  
13 pursuant to Section 5 of this 2016 act and a summary of how the  
14 agency has prioritized evidence-based, research-based or  
15 promising sub-programs within its performance-based program  
16 budget request; and

17 [~~(5)~~] (6) any other information that the  
18 division believes may be useful to the division or the  
19 legislature in developing a budget for the agency.

20 B. On or before September 1 of each year, each  
21 agency shall submit a performance-based program budget request  
22 to the division and the committee in the form and manner  
23 prescribed in the budget instructions. Budget requests  
24 submitted pursuant to this section shall be in lieu of those  
25 required by Section 6-3-19 NMSA 1978."

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1           SECTION 4. Section 6-3A-8 NMSA 1978 (being Laws 1999,  
2 Chapter 5, Section 8 and Laws 1999, Chapter 15, Section 8, as  
3 amended) is amended to read:

4           "6-3A-8. PERFORMANCE-BASED PROGRAM BUDGETS.--

5           A. For each agency, the governor's proposed budget  
6 submitted pursuant to Section 6-3-21 NMSA 1978 and the  
7 committee's budget recommendation pursuant to Section 2-5-4  
8 NMSA 1978 shall contain:

9                       (1) a budget recommendation for each approved  
10 program;

11                      (2) a summary, including the outputs and  
12 outcomes, of each approved program;

13                      (3) performance measures and performance  
14 targets for each approved program;

15                      (4) an evaluation of the performance of each  
16 approved program; [~~and~~]

17                      (5) the amount of the budget recommendation  
18 that is intended for evidence-based, research-based and  
19 promising sub-programs; and

20                      [~~(5)~~] (6) any other criteria deemed relevant  
21 by the governor or the committee.

22           B. For each agency, the governor's proposed budget  
23 submitted pursuant to Section 6-3-21 NMSA 1978 and the  
24 committee's budget recommendation pursuant to Section 2-5-4  
25 NMSA 1978 may contain recommendations regarding incentives or

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1       disincentives for agency performance and implementation of  
2       evidence-based, research-based or promising sub-programs.

3       Incentives or disincentives may apply to all or part of an  
4       agency and may apply to any or all of an agency's approved  
5       programs.

6               C. Pursuant to Section 6-3-7 NMSA 1978, the  
7       division shall prescribe forms and approve operating budgets  
8       for agencies funded by performance-based program budgets;  
9       however, the division shall not take any action that hinders an  
10      agency from operating under a performance-based appropriation  
11      or that is otherwise inconsistent with the purposes of the  
12      Accountability in Government Act. Notwithstanding the  
13      provisions of Sections 6-3-23 through 6-3-25 NMSA 1978, and  
14      absent specific authorization in the general appropriation act  
15      or other act of the legislature, no funds may be transferred  
16      either into or out of a performance-based program budget.

17              D. Each agency shall develop, in consultation with  
18      the division, a plan for monitoring and reviewing the agency's  
19      programs to ensure that performance data are maintained and  
20      supported by agency records."

21              SECTION 5. A new section of the Accountability in  
22      Government Act is enacted to read:

23              "[NEW MATERIAL] PROGRAM INVENTORY.--The division and the  
24      committee shall approve a list of programs to inventory on or  
25      before June 15 of each year. The division shall send to each

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1 agency required to submit a performance-based program budget  
2 request a notification identifying the programs that have been  
3 selected for the inventory. The notification shall set forth  
4 the process for completing and submitting the program inventory  
5 and shall direct each agency to:

6 A. identify each sub-program as evidence-based,  
7 research-based, promising or lacking evidence of effectiveness;  
8 and

9 B. compile an inventory that includes for each sub-  
10 program:

11 (1) the goals and objectives of the sub-  
12 program;

13 (2) current and historical budget and spending  
14 data;

15 (3) the target population to be served;

16 (4) the number of persons served annually;

17 (5) any outcome data that demonstrate  
18 efficiency and effectiveness;

19 (6) any data demonstrating that the sub-  
20 program has proven cost beneficial in New Mexico or that the  
21 sub-program is likely to be cost beneficial in New Mexico; and

22 (7) the results of any evaluations or audits  
23 of the sub-program."