

HOUSE JOINT MEMORIAL 19

53RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2017

INTRODUCED BY

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A JOINT MEMORIAL

REQUESTING THE LEGISLATIVE FINANCE COMMITTEE TO NAME A
SUBCOMMITTEE TO STUDY THE PROLIFERATION OF EARMARKED FUNDS AND
STATUTORY AND AGENCY-CREATED ADMINISTRATIVE FUNDS.

WHEREAS, earmarked funds are those funds that direct
revenue to specific state agencies or government programs while
circumventing the merit-based or competitive funds allocation
process of the general appropriation act; and

WHEREAS, earmarks in the corporate world are a reasonable
way of organizing and allocating money, but they are not a
reasonable way of allocating government funding; and

WHEREAS, starting from the basic premise that it is the
legislature's sole power and duty to make public policy,
including funding, earmarking takes away future legislative
discretion to determine the relative needs of all state

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1 agencies and programs by granting a source of funding for some
2 agencies or programs outside the general fund; and

3 WHEREAS, particularly when the state is facing a fiscal
4 crisis, earmarking is a limiting stranglehold on legislative
5 authority and, at the very least, the legislature should
6 undertake a study of the efficacy of continuing the earmarked
7 funds that exist in the state treasury; and

8 WHEREAS, in the same vein, the allocation of
9 administrative and other fees, with or without statutory
10 authority, to state agencies for their own uses is a short-
11 sighted measure that takes money from the general fund and
12 funding decisions away from the legislature; and

13 WHEREAS, some accountants and fiscal analysts believe it
14 is more efficient to have "enterprise agencies" or "self-
15 appropriating agencies", but such a belief does not take into
16 account the function of government, the importance of
17 separation of powers and the need to protect the legislature's
18 appropriating power and its duty to provide as equitably as
19 possible for the needs of all state government; and

20 WHEREAS, all money collected by the state is state money;
21 there is no such thing as "agency money" if it was raised from
22 state taxpayers;

23 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
24 STATE OF NEW MEXICO that the legislative finance committee be
25 requested to name a subcommittee to study the issues of

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1 earmarked funds, administrative fees kept by state agencies and
2 other matters pertaining to state money received from the
3 public and accounted for separately from the general fund; and

4 BE IT FURTHER RESOLVED that the subcommittee:

5 A. consider whether earmarked or other special
6 funds should retain the income from investment of funds or the
7 money should go to the general fund;

8 B. study the revenue sources, management and
9 efficiency of earmarked funds;

10 C. assess the costs and benefits of these separate
11 funds, including whether the need for an earmarked fund still
12 exists;

13 D. study statutory fees and state agency-created
14 administrative fees, how they are accounted for, their uses and
15 whether they are subject to appropriation by the legislature;

16 E. assess the practice of allowing state agencies
17 to keep and budget fees rather than depositing them in the
18 general fund; and

19 F. consider any other matter concerning earmarked
20 funds, administrative fees and public money; and

21 BE IT FURTHER RESOLVED that the subcommittee report to the
22 full legislative finance committee by November 1, 2017,
23 including recommendations for legislative action; and

24 BE IT FURTHER RESOLVED that copies of this memorial be
25 transmitted to the chair of the legislative finance committee,

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1 the state treasurer and the secretary of finance and
2 administration.

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