

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website ([www.nmlegis.gov](http://www.nmlegis.gov)). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

ORIGINAL DATE 1/21/2019  
 SPONSOR Rue LAST UPDATED 1/22/2019 HB \_\_\_\_\_  
 SHORT TITLE Evidence and Research Based Funding Requests SB 58  
 ANALYST Hawker

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	Indeterminate but Minimal					

Parenthesis ( ) indicate expenditure decreases

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Children Youth & Families Department (CYFD)

Human Services Department (HSD)

#### Response Not Received From

Department of Finance and Administration (DFA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 58 amends the requirements for state agency performance-based program budget requests under the Accountability in Government Act to prioritize and promote the use of evidence-based, research-based, and promising sub-programs. It amends Section 6-3A-8 NMSA 1978 to require the State Budget Division of DFA and the Legislative Finance Committee to include in their respective budget recommendations the amount of the budget recommendation that is intended for evidence-based, research-based, and promising sub-programs.

The bill introduces new material to require that the State Budget Division and LFC produce a program inventory list each year. All agencies required to submit a performance-based program budget are to be notified of the programs selected to provide subprogram inventories. Identified agencies are required to identify sub-programs as evidenced-based, research-based, promising, or lacking evidence of effectiveness. Each sub-program is to have an inventory compiled that includes the sub-program's goals and objectives, current and historical budget, target population

to be served, number of persons served annually, and other factors intended to demonstrate whether the sub-program is cost beneficial to New Mexico, effective and efficient.

Agencies must include the results of the program inventory in their performance-based program budget requests. The bill adds language to define the terms costs-beneficial, evidence-based, promising, research-based, and sub-program.

### **FISCAL IMPLICATIONS**

There are likely some small fiscal implications for agencies to prepare program inventories, however, encouraging more cost-effective governance could have a positive fiscal impact.

HSD asserts the requirements of SB 58 can be incorporated into the budget process with some impact to staff. The agency does not expect there will be a significant additional cost.

CYFD notes that additional resources would be needed to inventory programs. However, several agencies including CYFD, DOH, HSD, and NMCD have accomplished this task in partnership with LFC using technical assistance from the Pew MacArthur Results First initiative without hiring additional staff.

### **SIGNIFICANT ISSUES**

SB 58 emphasizes the prioritization of evidence-based, research-based or promising subprograms within agencies by linking performance-based budgeting to the incorporation of such practices. This will encourage agencies to use methods of best-practice, which, in turn, should produce better outcomes that are more cost-effective than current practices in many areas.

### **PERFORMANCE IMPLICATIONS**

The provisions within SB 58 may increase performance in diverse program areas across agencies.

### **ADMINISTRATIVE IMPLICATIONS**

Enacting SB 58 would create minimal new responsibilities for the State Budget Division and the LFC to administer the new program inventory section of the bill. Agencies will have some minimal new responsibilities when submitting their performance based program budget requests for programs requiring an inventory in a given year. However, programs will likely have new duties as they are encouraged by this process to upgrade or change current practices to be evidence-based.

VKH/sb