



NEW MEXICO
LEGISLATIVE
FINANCE
COMMITTEE

Agency FIR Training
January 9 and 10, 2025



Purpose

- Provide nonpartisan information and analysis to legislators and the public before a bill becomes law
- Objectively describe the impact of a bill on the finances of the state government so the Legislature can make decisions on 1) costs, 2) savings and 3) revenue
- Allow for tracking legislation that may impact the General Appropriation Act (the budget bill)
- Help legislators make decisions

LFC is the official repository for all fiscal impact reports



Review of Key Steps

- ▶ On LFC website, information for state agencies (form and instructions)
https://www.nmlegis.gov/Entity/LFC/Information_For_State_Agencies
- ▶ Please use form on website
 - ▶ LFC agency bill analysis template
 - ▶ Times New Roman 12
- ▶ Please respond within 24 hours. Bills can be heard quickly!
 - ▶ UPLOAD AS PDF TO:
AGENCYANALYSIS.NMLEGIS.GOV. Any attachments should be part of a single PDF.
 - ▶ Responses are filed by bill number and become a record of agency responses
 - ▶ All agency analysis is publicly available on the Legislature's website



Review of Key Steps

- ▶ FIRS are prepared for all legislation except memorials honoring persons, places, or things.
- ▶ Sessions normally start slow and speed up mid session when bills may be heard quickly.
- ▶ Expectations to provide timely analysis are the same.



Agency Analysis Form

LFC Requester:

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION
WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

(Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill)

Date Prepared: _____ Check all that apply:
 Bill Number: _____ Original ___ Correction ___
 Amendment ___ Substitute ___

Sponsor: _____ Agency Name and Code Number: _____
 Short Person Writing _____
 Title: _____ Phone: _____ Email _____

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY25	FY26	FY27		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

FISCAL IMPLICATIONS

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS



Completing the Analysis

- ▶ Use bill locator
 - ▶ Sponsor
 - ▶ Title
 - ▶ Bill number
- ▶ ORIGINAL
- ▶ CORRECTION – use if making any correction
- ▶ SUBSTITUTE – use if bill was substituted
- ▶ AMENDMENT – use to indicate an amendment
- ▶ DATE
 - ▶ Current date
- ▶ The document will become public. Do not include any personal information you do not want to be public.



Completing the Analysis

TABLES ARE CRITICAL

- ▶ Lawmakers often use only the table to determine if a committee will take action or table a bill.
 - Fiscal analysis is the most important function of analysis but is often the weakest link. A dollar amount is always the goal. Explain how the number was derived in the narrative.
 - Keep it simple but accurate.
- ▶ ALL ANALYSIS MUST HAVE AT LEAST ONE TABLE; often this is the additional impact table and sometimes the impact is “no fiscal impact.”
- ▶ Appropriation Table – Use ONLY when the bill contains an appropriation.



Completing the Analysis

APPROPRIATION EXAMPLE:

- ▶ SECTION 1. APPROPRIATION.--Three hundred seventy-two thousand dollars (\$372,000) is appropriated from the general fund to the board of regents of the university of New Mexico for expenditure in fiscal year 2026 to conduct a study of homelessness. Any unexpended or unencumbered balance remaining at the end of fiscal year 2026 shall revert to the general fund.

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
	\$372.0	Nonrecurring	General Fund

(Parenthesis () indicate expenditure decreases)



Completing the Analysis

Some general rules for recurring and nonrecurring:

Nonrecurring:

- Studies
- Capital projects
- Computers
- Other equipment
- Buildings
- Land

Recurring:

- Salaries and benefits
- Maintenance
- Everything not listed in nonrecurring



Completing the Analysis

Revenue Table

- ▶ Use ONLY when the bill results in an increase or decrease to a revenue source.
- ▶ Please NOTE: Use parenthesis () to indicate a revenue decrease or loss, for example if a bill will result in a loss of revenue in the amount of \$500,000, show in the table as (\$500.0).
- ▶ If passage of a bill results in an increase of revenue of \$500.0, show in the table as \$500.0

Estimated Additional Operating Budget Impact Table

- ▶ Use this table in addition to the other two tables if relevant or whenever there is not a direct appropriation or an impact on a revenue source. If there is an impact, fill out the table. If no impact, write “No fiscal impact.”
- ▶ Use this table if the proposal would create additional responsibilities for an agency or have an impact on an agency operating budget in other ways. If an agency later asks for additional funds related to legislation, LFC analysts will sometimes check the agency analysis so be accurate.
- ▶ Use this table if there is an appropriation but costs to implement the bill exceed the appropriation. List only the additional costs in this table.
- ▶ Explain methodology in Fiscal Implications section.



Impact

- ▶ SIGNIFICANT CONSEQUENCES OF OUR ACTIONS
 - ▶ In 2015, bill passed that eliminated the practice of law enforcement agencies to auction items obtained through arrest and use monies to finance operations.
 - ▶ Table said, “Indeterminate but substantial.”
 - ▶ Resulted in a subsequent request for \$2.5 million from the general fund to compensate for lost revenues.
 - ▶ Impact was significant but a estimated revenue loss should have been used rather than text

LESSON LEARNED: MAKE YOUR BEST EFFORT TO USE A RANGE OR A LARGE NUMBER RATHER THAN TEXT, PAY CLOSE ATTENTION TO IMPACTS ON THE GENERAL FUND!



Completing the Analysis

▶ BILL SUMMARY

- ▶ Provide a brief synopsis of what the bill does
- ▶ Remember - only assess the impact of the change or underlined material or “new” material; not the complete section or chapter
- ▶ New statute – analysis must cover entire bill

▶ FISCAL IMPLICATIONS

- ▶ Methodology used to determine fiscal impact
- ▶ Discuss outyear costs
- ▶ Make sure amounts in narrative agree with the amounts in tables



Completing the Analysis

▶ SIGNIFICANT ISSUES

- ▶ Briefly describe significant public policy issues
- ▶ Discuss implementation of bill, expected results, anticipated problems, etc.
- ▶ Are there unintended consequences related to the bill?

▶ Remaining sections are optional.

▶ PERFORMANCE IMPLICATIONS

- ▶ Accountability
- ▶ How will implementation be evaluated
- ▶ Impact on the agency's performance?

▶ CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

- ▶ Are there other bills related to this one?

▶ Goal is to avoid conflicts



Additional Information

▶ Effective Dates

- ▶ EMERGENCY CLAUSE – bill becomes effective immediately upon Governor's signature
- ▶ FOLLOWING ADJOURNMENT – Governor has 20 days to act (bills passed last three days of session)
- ▶ SPECIFIED – A bill may specify the effective date, e.g., July 1
- ▶ ALL OTHER BILLS – Become effective 90 days following adjournment of the Legislature



YOU ARE INVALUABLE!

- ▶ You are the experts on how the legislation will affect your budget and services, as well as the public that uses your services. Your analysis is critical.
- ▶ LFC analysts will summarize inputs. You can increase the value of your input with
 - ▶ Participation
 - ▶ Timeliness
 - ▶ Accuracy
- ▶ IF YOU FEEL AGENCY INPUT IS INACCURATE OR MISREPRESENTED, CALL ANALYST IMMEDIATELY!



THANK YOU!

- ▶ Questions? Comments? Gentle Criticism?
- ▶ LFC Contacts – 986-4550
 - ▶ LFC Analyst
 - ▶ Helen Gaussoin
 - ▶ Sam Lesemann
 - ▶ Jeannae Leger

