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**F I S C A L   I M P A C T   R E P O R T**



SPONSOR: Coll                      DATE TYPED: 01/18/02    HB 2

SHORT TITLE: General Appropriation Act of 2002                      SB \_\_\_\_\_

ANALYST: Burch

**APPROPRIATION**

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
47,548.4	3,885,210.1			Recurring	General Fund
	1,670,326.8			Recurring	Other State Funds
	768,423.4			Recurring	Internal Service Funds/Interagency Transfers
91,500.0	3,297,375.1			Recurring	Federal Funds
38,735.7				Nonrecurring	General Fund
16,761.5				Nonrecurring	Other State Funds
27,911.8				Nonrecurring	Federal Funds

(Parenthesis ( ) Indicate Expenditure Decreases)\_\_\_

Duplicates Senate Bill 1

**SOURCES OF INFORMATION**

LFC files

**SUMMARY**

Synopsis of Bill

House Bill 2 represents the Legislative Finance Committee recommendation for the operation of state government for FY03. It appropriates general fund, other state funds, internal service funds/interagency transfers and federal funds for the operation of state agencies, higher education and public school support. The bill includes funding for 21,106.71 permanent, 2,577.5 term and

176.4 temporary employees for a total of 23,860.68 employees. See **Attachment 1** for general fund appropriations by agency. See the fiscal implications section of this report for the breakout of appropriations between recurring and nonrecurring and funding sources.

1. Section 4, Fiscal Year 2003 Appropriations (pages 5 through 176). This section provides funding for state agencies, higher education and public school support.
2. Section 5 Special Appropriations (pages 176 through 179); Section 7, Supplemental and Deficiency Appropriations (pages 179 through 181); and Data Processing Appropriations (pages 181 through 185).
  - Section 5 appropriates money for expenditure in FY02 and FY03 for various special purposes and to fund the computer systems enhancement fund.
  - Section 6 appropriates money for expenditure in FY02 to make up shortfalls in FY01 and projected shortfalls in FY02.
  - Section 7 appropriates money from the computer systems enhancement fund and other funds for expenditures in FY02 and FY03 for major information technology projects. Please see **Attachment 2** for specifics.

Significant Issues

General fund operating appropriations for most legislative agencies are contained in House Bill 1, the Feed Bill.

Supplement budget adjustment authority for FY02 or budget adjustment authority for FY03, usually included in the General Appropriation Act, is not included in this introduced version. It is expected that such authority will be included in future substitutes or amendments of this bill.

**PERFORMANCE IMPLICATIONS**

Effective July 1, 2002, nearly every executive agency will convert to performance-based budgeting. The agencies scheduled to implement performance-based budgeting in the final year of implementation include all legislative agencies, the judiciary and the remainder of public school and higher education.

**FISCAL IMPLICATIONS**

Appropriations in the bill are summarized as follows:

Section	Fiscal Year 2002					Fiscal Year 2003				
	GF	OSF	ISF/IAT	FF	Total	GF	OSF	ISF/IAT	FF	Total
<b>Recurring:</b>										
4. FY03 Appropriations					-	3,885,210.1	1,670,326.8	768,423.4	3,297,375.1	9,621,335.4

Section	Fiscal Year 2002					Fiscal Year 2003				
	GF	OSF	ISF/IAT	FF	Total	GF	OSF	ISF/IAT	FF	Total
5. Special	7,395.6				7,395.6					-
6. Supp/Def	40,152.8			91,500.0	131,652.8					-
<b>Total Recurring</b>	<b>47,548.4</b>	<b>-</b>	<b>-</b>	<b>91,500.0</b>	<b>139,048.4</b>	<b>3,885,210.1</b>	<b>1,670,326.8</b>	<b>768,423.4</b>	<b>3,297,375.1</b>	<b>9,621,335.4</b>
<b>Nonrecurring:</b>										
5. Special	28,289.8			898.2	29,188.0					-
6. Supp/Def	10,445.9			2,640.0	13,085.9					-
7. Data Processing		16,761.5		24,373.6	41,135.1					-
<b>Total Nonrecurring</b>	<b>38,735.7</b>	<b>16,761.5</b>	<b>-</b>	<b>27,911.8</b>	<b>83,409.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Unless otherwise indicated, appropriations from the general fund revert to the general fund at the end of FY03. Exceptions included higher education institutions and the State Department of Public Education.

Finally, the bill includes the LFC recommendation for use of the Tobacco Settlement Program Fund. The recommendation assumes that revenue now directed to the Tobacco Settlement Permanent Fund is redirected to the Tobacco Settlement Program Fund for a period of two years.

<b>TOBACCO SETTLEMENT REVENUE APPROPRIATIONS</b> (Dollars in Thousands)	
<b>Department of Health:</b>	
Tobacco cessation and prevention	5,000.0
Diabetes prevention and control	1,000.0
HIV/AIDS services	470.0
Operating support of primary care clinics	350.0
Supplanting of programs	25,127.5
<b>Total Department of Health</b>	<b>31,947.5</b>
<b>Veterans Service Commission:</b>	
Assisted living program for veterans with lung disease	600.0
<b>Corrections Department:</b>	
Supplanting of substance abuse programs	2,000.0
<b>University of New Mexico:</b>	
Health Sciences Center programs	4,400.0
<b>GRAND TOTAL</b>	<b>38,947.5</b>

DKB/ar

Attachments