

AN ACT

RELATING TO GENERAL APPROPRIATIONS; REDUCING FISCAL YEAR 2010 APPROPRIATIONS; PROVIDING AUTHORITY TO THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO ADJUST BUDGETS AND ALLOTMENTS TO COMPLY WITH THE PROVISIONS OF THIS ACT; REQUIRING CREATION OF A LIST OF VOIDABLE CAPITAL OUTLAY; MAKING APPROPRIATIONS.

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

Section 1. A new section of the General Appropriation Act of 2009 is enacted to read:

"FINDING.--Due to discrepancies between anticipated revenues and appropriations for fiscal year 2010, the legislature finds that New Mexico must reduce expenditures in fiscal year 2010."

Section 2. A new section of the General Appropriation Act of 2009 is enacted to read:

"APPROPRIATION REDUCTIONS.--

A. The general fund appropriations in Section 4 of the General Appropriation Act of 2009 are reduced as follows:

(1) in Subsection A of that section, legislative building services is reduced by four percent;

(2) in Subsection B of that section, judicial agencies, district courts, the Bernalillo county metropolitan court, the district attorneys and the administrative office of the district attorneys are each

reduced by two percent;

(3) state agencies under the control of all elected executive officials other than the governor are each reduced by four percent, except that the attorney general is reduced by two percent;

~~(4) state agencies under the control of the governor are reduced by an aggregate of seven and six-tenths percent, except that:~~

~~(a) the public defender department is reduced by two percent;~~

~~(b) the other financing uses category in the developmental disabilities support program of the department of health is reduced by two million dollars (\$2,000,000), which will be offset by two million dollars (\$2,000,000) from federal funds in the human services department;~~

~~(c) the law enforcement program of the department of public safety is reduced by not more than two percent; and~~

~~(d) the other category in the medical assistance program of the human services department is reduced by sixteen million dollars (\$16,000,000), which will be offset by twelve million dollars (\$12,000,000) from federal funds;~~

(5) each public post-secondary educational institution is reduced by four percent in the instruction and

general purposes category and six and five-tenths percent in every other category, including research and public service projects, with the institution determining reductions in each item of the category and between categories;

(6) the New Mexico military institute is reduced by two percent in the instruction and general purposes category and six and five-tenths percent in every other category, including research and public service projects, with the school determining reductions in each item of the category and between categories; and

(7) public school support is reduced as follows:

(a) the state equalization guarantee distribution by two percent;

(b) the transportation distribution, including operational, school-owned bus replacements and rental fees, is reduced by four percent; and

(c) the supplemental distribution, including out-of-state tuition and emergency supplemental; the instructional material fund; dual-credit instructional materials; the educational technology fund; the schools in need of improvement fund; public education department special appropriations; apprenticeship assistance; and regional education cooperatives by six and five-tenths percent.

~~B. In reducing budgets pursuant to the~~

~~appropriation reductions pursuant to Paragraph (4) of Subsection A of this section, the governor shall first reduce personal services and employee benefits for one hundred two exempt positions in state agencies under the control of the governor."~~

Section 3. A new section of the General Appropriation Act of 2009 is enacted to read:

~~"ADDITIONAL REDUCTIONS FOR EDUCATIONAL INSTITUTIONS AND PUBLIC SCHOOLS--AMERICAN RECOVERY AND REINVESTMENT ACT APPROPRIATIONS.--~~

A. In addition to the general fund reductions in Subparagraph (a) of Paragraph (7) of Subsection A of Section 2 of this 2009 special session act, the state equalization guarantee distribution shall be further reduced by forty-five million five hundred thousand dollars (\$45,500,000).

~~B. For fiscal year 2010, of the ninety-three million two hundred thousand dollars (\$93,200,000) remaining from the federal American Recovery and Reinvestment Act of 2009 allocation to the state through the education fund of the state fiscal stabilization fund, forty-five million five hundred thousand dollars (\$45,500,000) shall be distributed to school districts and charter schools through the state equalization guarantee distribution, and thirteen million four hundred thousand dollars (\$13,400,000) shall be distributed proportionally to public post-secondary educational~~

~~institutions in the instruction and general purposes category.~~

~~C. Of the amount remaining from the public safety and other government services allocation from the federal American Recovery and Reinvestment Act of 2009, twenty million dollars (\$20,000,000) is allocated to the appropriation account of the general fund for fiscal year 2010."~~

~~Section 4. A new section of the General Appropriation Act of 2009 is enacted to read:~~

~~"APPROPRIATION REDUCTION--SECTION 5.--The appropriation in Section 5 of the General Appropriation Act of 2009 to the department of information technology for the New Mexico computing applications center is reduced by one million five hundred thousand dollars (\$1,500,000)."~~

~~Section 5. A new section of the General Appropriation Act of 2009 is enacted to read:~~

~~"TOBACCO SETTLEMENT PROGRAM FUND--APPROPRIATION TO MEDICAID.--Four million dollars (\$4,000,000) is appropriated from the tobacco settlement program fund to the human services department for expenditure in fiscal year 2010 for the medical assistance program. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the tobacco settlement program fund."~~

~~Section 6. A new section of the General Appropriation Act of 2009 is enacted to read:~~

~~"PUBLIC SCHOOLS--EMERGENCY SUPPLEMENTAL.--Three million~~

dollars (\$3,000,000) is appropriated from the general fund to the emergency supplemental distribution of the public school fund for expenditure in fiscal year 2010 by the public education department to make emergency distributions to ~~small rural~~ school districts ~~with a total membership of fewer than six hundred in their elementary, middle and high schools~~ in financial need, but no money shall be distributed to any school district having cash and invested reserves, or other resources or any combination thereof, equaling five percent or more of the school district's operational budget. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the general fund."

Section 7. A new section of the General Appropriation Act of 2009 is enacted to read:

"APPROPRIATION--PUBLIC SCHOOL CAPITAL OUTLAY FUND FOR INSURANCE COVERAGE.--Notwithstanding the provisions of the Public School Capital Outlay Act, twenty-nine million dollars (\$29,000,000) is appropriated from the public school capital outlay fund to the public school insurance authority for expenditure in fiscal year 2010 for the purpose of reimbursing or paying property insurance premiums on behalf of school districts and charter schools. Of the appropriation, the amount necessary to reimburse or pay up to seven million dollars (\$7,000,000) for property insurance coverage in fiscal year 2010 for the Albuquerque public school district shall be

distributed by the public school insurance authority to the Albuquerque public school district. Any unexpended or unencumbered balance remaining at the end of fiscal year 2010 shall revert to the public school capital outlay fund."

Section 8. A new section of the General Appropriation Act of 2009 is enacted to read:

"WORKFORCE SOLUTIONS DEPARTMENT APPROPRIATION.--Two million dollars (\$2,000,000) is appropriated from the federal American Recovery and Reinvestment Act of 2009 unemployment insurance modernization funding to the workforce solutions department for operating expenditures in fiscal year 2010."

Section 9. A new section of the General Appropriation Act of 2009 is enacted to read:

"OPERATING BUDGETS AND ALLOTMENTS REDUCED TO COMPLY-- OTHER REDUCTIONS TO CONFORM--OVER-ALLOTMENTS--DEPARTMENT OF FINANCE AND ADMINISTRATION.--

A. The department of finance and administration shall reduce fiscal year 2010 operating budgets and adjust allotments to comply with the provisions of this 2009 special session act and may reduce appropriations from other state funds, internal service/interagency transfers and federal funds as necessary to match the general fund reductions in the fiscal year 2010 operating budgets. The legislative finance committee shall review the adjusted operating budgets in a timely manner.

B. If, in this act or any other act of the first special session of the forty-ninth legislature, a general fund appropriation or budget is reduced and funds in excess of the amount of the reduced appropriation or budget have already been allotted to the state agency receiving the appropriation, the department of finance and administration may reduce any other general fund allotment to the state agency in order to recoup the over-allotment of the reduced appropriation or budget. In the case of an appropriation made to one state agency but disbursed or transferred to another state agency, the department of finance and administration may reduce any other general fund allotment to the agency to which the appropriation was disbursed or transferred in order to recoup the over-allotment of the reduced appropriation or budget. The authority provided in this section is additional to any other power the department of finance and administration has to remedy over-allotments, and the grant of authority in this section shall not be deemed to be a legislative determination that the department of finance and administration does not otherwise have the authority provided in this section.

C. As used in this section, "state agency" means any department, institution, board, bureau, commission, district or committee of the government of the state and means every office or officer of any of the above."

~~department of finance and administration, the higher education department for public post-secondary educational institutions and special schools and the public education department for public schools shall report the new operating budgets, including allotment adjustments, to the New Mexico legislative council, the legislative finance committee and the legislative education study committee on the implementation of this act for state government, public post-secondary educational institutions and public schools. Reports, including new operating budgets, shall be published on the departments' web sites.~~

~~Section 11. TEMPORARY PROVISION--FISCAL YEAR 2011 BUDGET RECOMMENDATIONS.--The recurring general fund reductions provided for in this act shall be carried forward in the fiscal year 2011 executive budget recommendations presented to the legislature as provided by Section 6-3-21 NMSA 1978.~~

Section 12. TEMPORARY PROVISION--CAPITAL OUTLAY LIST OF VOIDABLE PROJECTS.--The legislative council service, the legislative finance committee and the department of finance and administration shall review all unexpended capital outlay projects funded by general fund appropriations and identify one hundred fifty million dollars (\$150,000,000) of voidable capital outlay projects by the effective date of this special session act. A minimum of one hundred fifty million dollars (\$150,000,000) in unexpended general fund capital outlay

projects that have been determined by the legislative council service, the legislative finance committee and the department of finance and administration to be voidable shall be submitted as a bill for legislative consideration and action in the second session of the forty-ninth legislature. _____