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FISCAL IMPACT REPORT

ORIGINAL DATE 1/18/16
LAST UPDATED _____

SPONSOR Rue **HB** _____

SHORT TITLE State Budget Request Sub-Programs **SB** 9

ANALYST Malone

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Minimal	Minimal	Minimal	Minimal	Recurring	Various

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)
 NM Department of Transportation (NMDOT)

Response Not Received From

Department of Finance & Administration

SUMMARY

Synopsis of Bill

Senate Bill 9 amends the requirements for state agency performance-based program budget requests under the Accountability in Government Act to prioritize and promote 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 list of programs to require a program inventory of each year. Each agency that is required to submit a performance-based program budget is notified of the programs selected for inventory. Affected agencies are required to identify sub-programs within each program based on criteria defined in the bill and to compile an inventory for each sub-program that includes the sub-program's goals and objectives, current and historical budget, target population to be served, 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. Encouraging more cost-effective governance could have a positive fiscal impact.

SIGNIFICANT ISSUES

SB 9 emphasizes the prioritization of evidence-based, research-based or promising sub-programs 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 of SB 9 may increase performance in diverse program areas across agencies.

ADMINISTRATIVE IMPLICATIONS

Enacting the bill 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 more new duties as they are encouraged by this process to upgrade or change current practices to be evidence-based.

CM/jle/jo/al