

SENATE BILL 9

52ND LEGISLATURE - STATE OF NEW MEXICO - SECOND SPECIAL SESSION, 2016

INTRODUCED BY

This document includes Representative Roch's House Floor Amendment, 204928.6, adopted in consideration of this measure. It is a tool to show the amendments in context and is not to be used for introduction, amendment or substitution.

John Arthur Smith and Steven P. Neville

AN ACT

RELATING TO STATE EXPENDITURES; REDUCING LEGISLATIVE APPROPRIATIONS IN LAWS 2016, CHAPTER 1; ENACTING A NEW SECTION OF THE GENERAL APPROPRIATION ACT OF 2016 TO REDUCE CERTAIN GENERAL FUND APPROPRIATIONS FOR FISCAL YEAR 2017; MAKING AN APPROPRIATION; DECLARING AN EMERGENCY.

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

SECTION 1. LEGISLATIVE BRANCH APPROPRIATION REDUCTIONS.--

The appropriations made from the general fund in Laws 2016, Chapter 1, Sections 3 through 8 are reduced by ~~two and one-half~~ **three** percent rounded to the nearest one hundred dollars (\$100). To meet the reductions required by this section and maintain government efficiency, the New Mexico legislative

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council shall determine the amount of reduction applied to each legislative agency and purpose and may transfer amounts from any of the appropriations in Laws 2016, Chapter 1 to any other legislative appropriation where they may be amended.

SECTION 2. A new section of the General Appropriation Act of 2016 is enacted to read:

"[NEW MATERIAL] APPROPRIATION REDUCTIONS.--

A. Except as provided in Subsections B through ~~I~~J of this section, all amounts set out under the general fund column in Section 4 of the General Appropriation Act of 2016 are reduced by five **and one-half** percent rounded to the nearest one hundred dollars (\$100).

B. **The general fund appropriations in Section 4 of the General Appropriation Act of 2016 for the university of New Mexico, New Mexico state university, New Mexico highlands university, western New Mexico university, eastern New Mexico university, New Mexico institute of mining and technology, northern New Mexico college, Santa Fe community college, central New Mexico community college, Luna community college, Mesalands community college, New Mexico junior college, San Juan college, Clovis community college, New Mexico military institute, New Mexico school for the blind and visually impaired and New Mexico school for the deaf are reduced by five percent rounded to the nearest one hundred dollars (\$100). The reductions provided for in this subsection shall be prioritized**

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to the non-instructional expenditures of the educational institutions.

~~B~~C. The general fund appropriations in Section 4 of the General Appropriation Act of 2016 to the supreme court law library, judicial standards commission, court of appeals, supreme court, administrative office of the courts, supreme court building commission, district courts, Bernalillo county metropolitan court, district attorneys, administrative office of the district attorneys and public defender department are reduced by three percent rounded to the nearest one hundred dollars (\$100).

~~E~~D. The general fund appropriations in Section 4 of the General Appropriation Act of 2016 to the following are reduced by two and one-half percent rounded to the nearest one hundred dollars (\$100):

- (1) legislative building services; and
- (2) for the human services department:
 - (a) program support;
 - (b) the child support enforcement program;
 - (c) the income support program; and
 - (d) the behavioral health services program; and.

~~(3) for the department of health;~~

~~(a) the public health program;~~

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- ~~_____ (b) the epidemiology and response program;~~
- ~~_____ (c) the laboratory services program;~~
- ~~_____ (d) the health certification, licensing and oversight program; and~~
- (e) the administration program.

~~D~~**E**. The general fund appropriations in Section 4 of the General Appropriation Act of 2016 to the following **programs of the corrections department** are reduced by one and one-half percent rounded to the nearest one hundred dollars (\$100):

- ~~_____ (1) for the cultural affairs department:~~
- ~~_____ (a) the museums and historic sites program;~~
- ~~_____ (b) the preservation program;~~
- ~~_____ (c) the library services program;~~
- ~~_____ (d) the arts program; and~~
- ~~_____ (e) program support;~~
- ~~_____ (2) for the children, youth and families department:~~
- ~~_____ (a) the juvenile justice facilities program;~~
- ~~_____ (b) the behavioral health services program; and~~
- ~~_____ (c) program support;~~

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- ~~(3) for the corrections department:~~
- ~~(a) the inmate management and control program;~~
- ~~(b) the community offender management program; and~~
- ~~(c) program support; and~~
- ~~(4) for the department of public safety:~~
- ~~(a) the law enforcement program;~~
- ~~(b) the statewide law enforcement support program; and~~
- ~~(c) program support.~~

- (1) the inmate management and control program;
- (2) the community offender management program; and
- (3) program support.

~~F~~^F. The general fund appropriations in Section 4 of the General Appropriation Act of 2016 to the following are not reduced:

- (1) for the human services department:
 - (a) the medical assistance program; and
 - (b) medicaid behavioral health program;
- (2) for the department of health:
 - (a) the facilities management program;

and

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(b) the developmental disabilities support program and;

(c) contracts for sexual assault services and prevention in the epidemiology and response program;

(3) the veterans' services department;

(4) ~~for~~ the children, youth and families department~~;~~;

~~(a) the protective services program; and~~

~~(b) the early childhood services program;~~

(5) the department of public safety;

(a) the protective services program; and
(b) the early childhood services program;

(56) for the legislative council service, the energy council dues; and

(67) for the public education department, the special appropriations made in Subparagraphs (e), (j) and (k).

~~F~~G. The general fund appropriations in Section 4 of the General Appropriation Act of 2016 to the following are reduced as follows:

(1) public education department special appropriations made in Subparagraphs (a) through (d), (f) through (i) and (l) through (t) are reduced by ~~twenty-five~~

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~~million dollars (\$25,000,000)~~ twenty-two million dollars
(\$22,000,000) in the aggregate;

(2) the state equalization guarantee distribution for public school support is reduced by thirty-seven million eight hundred thousand dollars (\$37,800,000); provided that the secretary of public education ~~may reset the unit value~~ shall set the final unit value one and one-half percent lower than the preliminary unit value by December 15, 2016 to account for the reduction provided for in this paragraph, and the reduction shall be prioritized to the non-instructional expenditures of the school districts and charter schools, and for fiscal year 2017, if the program cost made available is insufficient to meet the level of state support required by the special education maintenance of effort requirements of Part B of the federal Individuals with Disabilities Education Act, the public education department may reduce the state equalization guarantee distribution in an amount that equals the projected shortfall and distribute that amount to school districts and charter schools in the same manner and on the same basis as the state equalization guarantee distribution to meet the level of support required by Part B of the federal Individuals with Disabilities Education Act for fiscal year 2017; and

(3) the transportation distribution, supplemental distribution, instructional material fund, dual-

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credit instructional materials, Indian education fund and standards-based assessments are reduced by ~~thirty-three million dollars (\$33,000,000)~~ **thirty million (\$30,000,000)** in the aggregate.

GH. Notwithstanding the provisions of the Public School Finance Act and the Instructional Material Law, the use of cash balances derived from general fund appropriations for instructional materials and school transportation made in fiscal year 2016 and previous fiscal years shall not be restricted in fiscal year 2017 and may be transferred to the operational fund. The public education department shall provide the legislative finance committee and the legislative education study committee with a report on the amount spent and transferred from the cash balances.

HI. Notwithstanding the provisions of the Public School Capital Improvements Act and the Public School Buildings Act, property tax revenue generated from an election pursuant to these acts in fiscal year 2017 or previous fiscal years or cash balances derived from property taxes imposed pursuant to these acts in previous fiscal years may be used for any purpose; provided that, if a new purpose is designated that does not conform with the original resolution, a new resolution shall be submitted to the qualified electors prior to repurposing any property tax revenue imposed pursuant to the acts.

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~~H~~J. Notwithstanding the provisions of the Instructional Material Law, a school district or charter school may use up to one hundred percent of its 2017 instructional material allocation or cash balances derived from prior allocations for instructional materials and other classroom materials without restrictions on the use of funds established in Subsection C of Section 22-15-9 NMSA 1978; provided that the funds are used for instructional materials and other classroom materials as defined in Section 22-15-2 NMSA 1978."

SECTION 3. A new section of the General Appropriation Act of 2016 is enacted to read:

"[NEW MATERIAL] OPERATING BUDGETS AND ALLOTMENTS REDUCED TO COMPLY--DEPARTMENT OF FINANCE AND ADMINISTRATION.--The department of finance and administration and, for legislative branch reductions, the New Mexico legislative council shall reduce fiscal year 2017 operating budgets and adjust allotments to comply with the provisions of this 2016 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 2017 operating budgets. The legislative finance committee shall review the adjusted operating budgets in a timely manner."

SECTION 4. TEMPORARY PROVISION--REPORTS.--The department of finance and administration, the higher education department for public post-secondary educational institutions and special

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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' websites.

SECTION 5. TEMPORARY PROVISION--FISCAL YEAR 2017--BUDGET ADJUSTMENT REQUESTS--PUBLIC POST-SECONDARY EDUCATIONAL INSTITUTIONS.--

A. For fiscal year 2017, upon approval of the higher education department and review of the legislative finance committee, the state budget division of the department of finance and administration may approve a budget adjustment request to transfer money to the category of instruction and general purposes of up to twenty-five percent of the following appropriations made pursuant to the General Appropriation Act of 2016:

(1) from an appropriation to a university, community college, branch campus or other institution identified in Subsection C of this section, in the category of appropriations classified as other;

(2) from an appropriation to a university, community college, branch campus or other institution

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identified in Subsection C of this section, for research and public service projects or athletics;

(3) from an appropriation to a university identified in Paragraphs (1) through (5) of Subsection C of this section, for instructional television; and

(4) from an appropriation to a branch campus of a university identified in Paragraphs (1) through (4) of Subsection C of this section or to an institution identified in Paragraphs (6) through (13) of Subsection C of this section, for any purpose excluding instructional and general purposes.

B. The higher education department shall not approve a budget adjustment request to transfer money from an appropriation for a state agency or program administered by a university identified in Paragraphs (1) through (5) of Subsection C of this section.

C. The provisions of this section apply to the following post-secondary educational institutions:

(1) the university of New Mexico, including each of its branch campuses;

(2) New Mexico state university, including each of its branch campuses;

(3) New Mexico highlands university, including each of its branch campuses;

(4) eastern New Mexico university, including each of its branch campuses;

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(5) the New Mexico institute of mining and technology;

(6) northern New Mexico college;

(7) Santa Fe community college;

(8) central New Mexico community college;

(9) Luna community college;

(10) Mesalands community college;

(11) New Mexico junior college;

(12) San Juan college;

(13) Clovis community college; and

(14) the New Mexico military institute.

SECTION 56. APPROPRIATION.--One million dollars (\$1,000,000) is appropriated from the general fund to the department of finance and administration for expenditure in fiscal year 2017 for distribution with approval of the state board of finance to agencies experiencing hardships in fiscal year 2017 resulting from reductions made in this act. The department of finance and administration shall report to the legislative finance committee and the legislative education study committee on expenditures made from this appropriation. Any unexpended or unencumbered balance remaining at the end of fiscal year 2017 shall revert to the general fund.

SECTION 67. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.