

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}

Check all that apply:
Original **Amendment**
Correction **Substitute**

Date Prepared 2/18/2025
Bill Number: HOUSE BILL 181

Sponsor: Rep. Small
Short Title: STATE TRUST PROGRAM
ACCOUNTABILITY PLAN

Agency Name and Code DFA-341
Number: _____
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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 Expenditure 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:

HB 181 amends the Accountability in Government Act (AGA) to require the State Budget Division (SBD) and Legislative Finance Committee (LFC) to develop accountability and evaluation plans for each project or program funded through the Government Results and Opportunity (GRO) expendable trust. Plans must include goals, objectives, and expected outcomes; how performance will be evaluated; and a timeline for releasing results to SBD, LFC, and the public. Plans must be submitted to SBD and LFC by July 1 of the year the appropriation is made, and SBD and LFC may require the plan to be revised by September 1. On or before July 15 of the final year of the appropriation, SBD and LFC shall consider the evaluations performed on the project thus far and make recommendations regarding the inclusion of the project in the agency’s budget for the following fiscal year.

FISCAL IMPLICATIONS

While it seems to be generally assumed that GRO project appropriations will be funded at a sufficient level for agencies to either conduct or contract for the evaluations required by HB 181, this is not guaranteed in HB 181 or otherwise in statute, and if agencies lack sufficient resources to conduct the evaluations required, either the evaluations or the projects themselves may suffer due to diversion of resources. It may be preferable to statutorily establish a long-term funding source for these evaluations to ensure projects are evaluated fairly and accurately.

SIGNIFICANT ISSUES

While high-quality evaluations of significant investments of state resources made through the GRO fund are warranted, it is important to keep in mind the eventual scope of this endeavor. If the legislature appropriates dozens of multi-year GRO projects each year, now potentially to be supplemented by education projects funded by the public education reform fund as well, there will likely be between 50 and 100 active GRO projects requiring thorough evaluations at any given time. If not funded and supported adequately, this could become a serious drain on agency time and resources, perhaps impacting performance not just on the GRO projects but on core agency functions.

The language added to the AGA by HB 181 diverges from established AGA language by making SBD and LFC jointly responsible for developing instructions and reviewing plans. Previous AGA language regarding the adoption of agency performance measures and program changes

direct SBD to perform these duties “in consultation with” LFC; in practice, this has been inconsistently followed.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

These projects are technically funded by/appropriated from the GRO program fund, not the expendable trust itself; to be accurate, this language in Section 1 should be changed.

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS