

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}

Date Prepared: 2/24/2025

Check all that apply:

Bill Number: S496-341

Original Correction

Amendment Substitute

Sponsor:

Sen. Tobiassen
Sen. Muñoz
Sen. Campos

Short

IDENTIFY AGENCIES

Title:

FAILING TO MEET

Agency Name

and Code

DFA-341

Number:

Person Writing

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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 revenue 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:

SB 496 requires the Legislative Finance Committee (LFC) to recommend budget reductions for agencies that have failed to meet performance measurement targets in the previous year.

FISCAL IMPLICATIONS

SIGNIFICANT ISSUES

- Performance management and evaluation is a complex field of discipline with no easy or straight answers.
- There is no clear guidance about how agency budgets are or should be connected to performance, but rather this requires careful examination of each case to arrive at an appropriate solution.
- While at times it may be appropriate to reduce or eliminate funding for programs that are proven to not be working, in other times struggling programs may have worthwhile objectives that need increased funding to succeed.
- To statutorily mandate that struggling agencies are recommended to have their budgets reduced not only undermines the entire purpose of performance management and analysis, but it also impedes on the authority of the broader Legislature to address problems as it sees fit.
- The Legislature already has the authority to do this if it so chooses.

PERFORMANCE IMPLICATIONS

- If SB 496 were enacted, agencies would be incentivized to have as low of performance targets as possible.
- The annual performance measure process would likely become much more contentious, undermining the spirit and goals of the Accountability in Government Act.

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS