

HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE FOR
HOUSE BILLS 17 & 33

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SPECIAL SESSION, 2009

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; 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:

"[NEW MATERIAL] 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:

"[NEW MATERIAL] APPROPRIATION REDUCTIONS.--

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

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

5 (2) in Subsection B of that section, judicial
6 agencies, district courts, the Bernalillo county metropolitan
7 court, the district attorneys and the administrative office of
8 the district attorneys are each reduced by two percent;

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

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

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

18 (b) the other financing uses category in
19 the developmental disabilities support program of the
20 department of health is reduced by two million dollars
21 (\$2,000,000), which will be offset by two million dollars
22 (\$2,000,000) from federal funds in the human services
23 department; and

24 (c) the other category in the medical
25 assistance program of the human services department is reduced

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1 by sixteen million dollars (\$16,000,000), which will be offset
 2 by twelve million dollars (\$12,000,000) from federal funds;

3 (5) each public post-secondary educational
 4 institution is reduced by four percent in the instruction and
 5 general purposes category and six and five-tenths percent in
 6 every other category, including research and public service
 7 projects, with the institution determining reductions in each
 8 item of the category and between categories;

9 (6) the New Mexico military institute, the New
 10 Mexico school for the blind and visually impaired and the New
 11 Mexico school for the deaf are each reduced by two percent in
 12 the instruction and general purposes category and six and five-
 13 tenths percent in every other category, including research and
 14 public service projects, with the school determining reductions
 15 in each item of the category and between categories; and

16 (7) public school support is reduced as
 17 follows:

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

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

23 (c) the supplemental distribution,
 24 including out-of-state tuition and emergency supplemental; the
 25 instructional material fund; dual-credit instructional

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1 materials; the educational technology fund; the schools in need
2 of improvement fund; public education department special
3 appropriations; apprenticeship assistance; and regional
4 education cooperatives by six and five-tenths percent.

5 B. In reducing budgets pursuant to the
6 appropriation reductions pursuant to Paragraph (4) of
7 Subsection A of this section, the governor shall first reduce
8 personal services and employee benefits for eighty exempt
9 positions in state agencies under the control of the governor."

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

12 "[NEW MATERIAL] ADDITIONAL REDUCTIONS FOR EDUCATIONAL
13 INSTITUTIONS AND PUBLIC SCHOOLS--AMERICAN RECOVERY AND
14 REINVESTMENT ACT APPROPRIATIONS.--

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

20 B. For fiscal year 2010, of the ninety-three
21 million two hundred thousand dollars (\$93,200,000) remaining
22 from the federal American Recovery and Reinvestment Act of 2009
23 allocation to the state through the education fund of the state
24 fiscal stabilization fund, forty-five million five hundred
25 thousand dollars (\$45,500,000) shall be distributed to school

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1 districts and charter schools through the state equalization
 2 guarantee distribution, and thirteen million four hundred
 3 thousand dollars (\$13,400,000) shall be distributed
 4 proportionally to public post-secondary educational
 5 institutions in the instruction and general purposes category.

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

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

13 "[NEW MATERIAL] APPROPRIATION REDUCTION--SECTION 5.--The
 14 appropriation in Section 5 of the General Appropriation Act of
 15 2009 to the department of information technology for the New
 16 Mexico computing applications center is reduced by one million
 17 five hundred thousand dollars (\$1,500,000)."

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

20 "[NEW MATERIAL] TOBACCO SETTLEMENT PROGRAM FUND--
 21 APPROPRIATION TO MEDICAID.--Four million dollars (\$4,000,000)
 22 is appropriated from the tobacco settlement program fund to the
 23 human services department for expenditure in fiscal year 2010
 24 for the medical assistance program. Any unexpended or
 25 unencumbered balance remaining at the end of fiscal year 2010

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1 shall revert to the tobacco settlement program fund."

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

4 "[NEW MATERIAL] PUBLIC SCHOOLS--EMERGENCY SUPPLEMENTAL.--
5 Three million dollars (\$3,000,000) is appropriated from the
6 general fund to the emergency supplemental distribution of the
7 public school fund for expenditure in fiscal year 2010 by the
8 public education department to make emergency distributions to
9 small rural school districts with a total membership of fewer
10 than six hundred in their elementary, middle and high schools
11 in financial need, but no money shall be distributed to any
12 school district having cash and invested reserves, or other
13 resources or any combination thereof, equaling five percent or
14 more of the school district's operational budget. Any
15 unexpended or unencumbered balance remaining at the end of
16 fiscal year 2010 shall revert to the general fund."

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

19 "[NEW MATERIAL] APPROPRIATION--PUBLIC SCHOOL CAPITAL
20 OUTLAY FUND FOR INSURANCE COVERAGE.--Notwithstanding the
21 provisions of the Public School Capital Outlay Act, twenty-nine
22 million dollars (\$29,000,000) is appropriated from the public
23 school capital outlay fund to the public school insurance
24 authority for expenditure in fiscal year 2010 for the purpose
25 of reimbursing or paying property insurance premiums on behalf

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1 of school districts and charter schools. Of the appropriation,
 2 the amount necessary to reimburse or pay up to seven million
 3 dollars (\$7,000,000) for property insurance coverage in fiscal
 4 year 2010 for the Albuquerque public school district shall be
 5 distributed by the public school insurance authority to the
 6 Albuquerque public school district. Any unexpended or
 7 unencumbered balance remaining at the end of fiscal year 2010
 8 shall revert to the public school capital outlay fund."

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

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

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

19 "[NEW MATERIAL] OPERATING BUDGETS AND ALLOTMENTS REDUCED
 20 TO COMPLY--OTHER REDUCTIONS TO CONFORM--OVER-ALLOTMENTS--
 21 DEPARTMENT OF FINANCE AND ADMINISTRATION.--

22 A. The department of finance and administration
 23 shall reduce fiscal year 2010 operating budgets and adjust
 24 allotments to comply with the provisions of this 2009 special
 25 session act and may reduce appropriations from other state

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1 funds, internal service/interagency transfers and federal funds
2 as necessary to match the general fund reductions in the fiscal
3 year 2010 operating budgets. The legislative finance committee
4 shall review the adjusted operating budgets in a timely manner.

5 B. If, in this act or any other act of the first
6 special session of the forty-ninth legislature, a general fund
7 appropriation or budget is reduced and funds in excess of the
8 amount of the reduced appropriation or budget have already been
9 allotted to the state agency receiving the appropriation, the
10 department of finance and administration may reduce any other
11 general fund allotment to the state agency in order to recoup
12 the over-allotment of the reduced appropriation or budget. In
13 the case of an appropriation made to one state agency but
14 disbursed or transferred to another state agency, the
15 department of finance and administration may reduce any other
16 general fund allotment to the agency to which the appropriation
17 was disbursed or transferred in order to recoup the over-
18 allotment of the reduced appropriation or budget. The
19 authority provided in this section is additional to any other
20 power the department of finance and administration has to
21 remedy over-allotments, and the grant of authority in this
22 section shall not be deemed to be a legislative determination
23 that the department of finance and administration does not
24 otherwise have the authority provided in this section.

25 C. As used in this section, "state agency" means

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1 any department, institution, board, bureau, commission,
 2 district or committee of the government of the state and means
 3 every office or officer of any of the above."

4 Section 10. TEMPORARY PROVISION--REPORTS.--The department
 5 of finance and administration, the higher education department
 6 for public post-secondary educational institutions and special
 7 schools and the public education department for public schools
 8 shall report the new operating budgets, including allotment
 9 adjustments, to the New Mexico legislative council, the
 10 legislative finance committee and the legislative education
 11 study committee on the implementation of this act for state
 12 government, public post-secondary educational institutions and
 13 public schools. Reports, including new operating budgets,
 14 shall be published on the departments' web sites.

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