

HOUSE APPROPRIATIONS AND FINANCE COMMITTEE SUBSTITUTE FOR
HOUSE BILL 17

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

AN ACT

RELATING TO GENERAL APPROPRIATIONS; MANDATING REDUCTIONS IN
FISCAL YEAR 2010 APPROPRIATIONS; EMPOWERING CERTAIN STATE
OFFICIALS TO REDUCE APPROPRIATIONS AND THEIR DISTRIBUTION RATES
WITHIN STRICT GUIDELINES AND STANDARDS TO AVOID DEFICIT
FINANCING; GRANTING ADDITIONAL TRANSFER POWERS; MAKING
APPROPRIATIONS.

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

Section 1. FINDING.--Due to discrepancies between
anticipated revenues and actual revenues for fiscal year 2010,
the legislature finds that New Mexico must reduce expenditures
in fiscal year 2010.

Section 2. REDUCTION IN BUDGETS.--

A. In fiscal year 2010, if the projected balance of
the appropriation account of the general fund is negative, the
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1 governor shall by executive order:

2 (1) reduce the recurring general fund
3 appropriations contained in the General Appropriation Act of
4 2009 for each state agency under the direct control of any
5 elected state official other than the governor by four percent,
6 for an aggregate total of one million five hundred twenty-two
7 thousand eight hundred dollars (\$1,522,800);

8 (2) reduce the recurring general fund
9 appropriations contained in the General Appropriation Act of
10 2009 for each state agency under the direct control of the
11 governor by one hundred two million seven hundred sixty-three
12 thousand four hundred dollars (\$102,763,400), except that:

13 (a) the other financing uses category in
14 the developmental disabilities support program of the
15 department of health may be reduced only by two million dollars
16 (\$2,000,000), which will be offset by two million dollars
17 (\$2,000,000) from federal funds in the human services
18 department;

19 (b) the other category in the medical
20 assistance program of the human services department may be
21 reduced only by fourteen million dollars (\$14,000,000), which
22 will be offset by twelve million dollars (\$12,000,000) from
23 federal funds; and

24 (c) the public defender department shall
25 not be reduced by a percent greater than the average percent

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1 reduction for district attorneys;

2 (3) reduce the recurring general fund
3 appropriations contained in the General Appropriation Act of
4 2009 for each public post-secondary educational institution by
5 four percent in the instruction and general purposes category
6 and six and five-tenths percent in every other category,
7 including research and public service projects, with the
8 institution determining reductions in each item of the
9 category;

10 (4) reduce the recurring general fund
11 appropriations contained in the General Appropriation Act of
12 2009 for the New Mexico military institute, the New Mexico
13 school for the blind and visually impaired and the New Mexico
14 school for the deaf by four percent in the instruction and
15 general purposes category and six and five-tenths percent in
16 every other category, including research and public service
17 projects, with the school determining reductions in each item
18 of the category; and

19 (5) reduce the recurring general fund
20 appropriation contained in the General Appropriation Act of
21 2009 for public school support as follows:

22 (a) the state equalization guarantee
23 distribution by two percent; and

24 (b) the transportation distribution,
25 including operational, school-owned bus replacements and rental

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1 fees; the supplemental distribution, including out-of-state
2 tuition and emergency supplemental; the instructional material
3 fund; dual-credit instructional materials; the Indian education
4 fund; the educational technology fund; the schools in need of
5 improvement fund; and public education department special
6 appropriations by six and five-tenths percent.

7 B. In making reductions, the governor shall make
8 reductions in the recurring general fund appropriations of
9 state agencies contained in the General Appropriation Act of
10 2009 in such a way that the reduction will not prevent a state
11 agency from performing its statutory responsibilities and will
12 not place it in violation of a binding contract.

13 C. In making reductions pursuant to Paragraph (2)
14 of Subsection A of this section, the governor is encouraged to
15 first reduce personal services and employee benefits for sixty
16 vacant exempt positions.

17 Section 3. REDUCTION IN CERTAIN JUDICIAL BUDGETS.--

18 A. In fiscal year 2010, if the projected balance of
19 the appropriation account of the general fund is negative, the
20 governor shall notify the chief justice of the New Mexico
21 supreme court, who shall then exercise the same powers of
22 reduction of general fund appropriations over the judicial
23 branch of government as have been given to the governor in
24 Subsection A of Section 2 of this act, and the reductions shall
25 be as follows:

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1 (1) the aggregate reduction of five million
2 nine hundred seventy-five thousand six hundred dollars
3 (\$5,975,600) for the supreme court law library, the New Mexico
4 compilation commission, the judicial standards commission, the
5 court of appeals, the supreme court, the administrative office
6 of the courts, the supreme court building commission, all
7 judicial district courts and the Bernalillo county metropolitan
8 court; and

9 (2) the aggregate reduction of two million
10 four hundred thirty-six thousand one hundred dollars
11 (\$2,436,100) for district attorneys and the administrative
12 office of the district attorneys.

13 B. In making reductions, the chief justice shall
14 make reductions in the recurring general fund appropriations of
15 judicial agencies and district attorneys contained in the
16 General Appropriation Act of 2009 in such a way that the
17 reduction will not prevent a judicial agency or district
18 attorney from performing its statutory responsibilities and
19 will not place it in violation of a binding contract.

20 Section 4. REDUCTION IN CERTAIN LEGISLATIVE BUDGETS.--In
21 fiscal year 2010, if the projected balance of the appropriation
22 account of the general fund is negative, the governor shall
23 notify the New Mexico legislative council, which shall then
24 reduce legislative building services by one hundred sixty-four
25 thousand two hundred dollars (\$164,200).

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1 Section 5. ADDITIONAL REDUCTIONS FOR EDUCATIONAL
2 INSTITUTIONS AND PUBLIC SCHOOLS--AMERICAN RECOVERY AND
3 REINVESTMENT ACT APPROPRIATIONS.--

4 A. In addition to the general fund reductions in
5 Paragraph (3) of Subsection A of Section 2 of this act for
6 instruction and general purposes, the instruction and general
7 purposes category at each public post-secondary educational
8 institution shall be further reduced proportionally by thirteen
9 million four hundred thousand dollars (\$13,400,000).

10 B. In addition to the general fund reductions in
11 Subparagraph (a) of Paragraph (5) of Subsection A of Section 2
12 of this act, the state equalization guarantee distribution
13 shall be further reduced by forty-five million five hundred
14 thousand dollars (\$45,500,000).

15 C. For fiscal year 2010, of the ninety-three
16 million two hundred thousand dollars (\$93,200,000) remaining
17 from the federal American Recovery and Reinvestment Act of 2009
18 allocation to the state through the education fund of the state
19 fiscal stabilization fund, forty-five million five hundred
20 thousand dollars (\$45,500,000) shall be distributed to school
21 districts and charter schools through the state equalization
22 guarantee distribution, and thirteen million four hundred
23 thousand dollars (\$13,400,000) shall be distributed
24 proportionally to public post-secondary educational
25 institutions in the instruction and general purposes category.

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1 D. Of the amount remaining from the public safety
2 and other government services allocation from the federal
3 American Recovery and Reinvestment Act of 2009, twenty million
4 dollars (\$20,000,000) is allocated to the appropriation account
5 of the general fund for fiscal year 2010.

6 Section 6. APPROPRIATION REDUCTION--SECTION 5.--The
7 appropriation in Section 5 of the General Appropriation Act of
8 2009 to the department of information technology for the New
9 Mexico computing applications center is reduced by one million
10 five hundred thousand dollars (\$1,500,000).

11 Section 7. TOBACCO SETTLEMENT PROGRAM FUND--APPROPRIATION
12 TO MEDICAID.--Four million dollars (\$4,000,000) is appropriated
13 from the tobacco settlement program fund to the human services
14 department for expenditure in fiscal year 2010 for the medical
15 assistance program. Any unexpended or unencumbered balance
16 remaining at the end of fiscal year 2010 shall revert to the
17 tobacco settlement program fund.

18 Section 8. PUBLIC SCHOOLS--EMERGENCY SUPPLEMENTAL.--Three
19 million dollars (\$3,000,000) is appropriated from the general
20 fund to the emergency supplemental distribution of the public
21 school fund for expenditure in fiscal year 2010 by the public
22 education department to make emergency distributions to small
23 school districts and state-chartered charter schools in
24 financial need, but no money shall be distributed to any school
25 district or state-chartered charter school having cash and

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1 invested reserves, or other resources or any combination
2 thereof, equaling five percent or more of the school district's
3 or state-chartered charter school's operational budget. Any
4 unexpended or unencumbered balance remaining at the end of
5 fiscal year 2010 shall revert to the general fund.

6 Section 9. WORKFORCE SOLUTIONS DEPARTMENT

7 APPROPRIATION.--Two million dollars (\$2,000,000) is
8 appropriated from the federal American Recovery and
9 Reinvestment Act of 2009 unemployment insurance modernization
10 funding to the workforce solutions department for operating
11 expenditures in fiscal year 2010.

12 Section 10. OPERATING BUDGETS AND ALLOTMENTS REDUCED TO
13 COMPLY--OTHER REDUCTIONS TO CONFORM--OVER--ALLOTMENTS--
14 DEPARTMENT OF FINANCE AND ADMINISTRATION.--

15 A. The department of finance and administration
16 shall reduce fiscal year 2010 operating budgets and adjust
17 allotments to comply with the provisions of this act and may
18 reduce appropriations from other state funds, internal
19 service/interagency transfers and federal funds as necessary to
20 match the general fund reductions in the fiscal year 2010
21 operating budgets. The legislative finance committee shall
22 review the adjusted operating budgets in a timely manner.

23 B. If, in this act or any other act of the first
24 special session of the forty-ninth legislature, a general fund
25 appropriation or budget is reduced and funds in excess of the

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1 amount of the reduced appropriation or budget have already been
2 allotted to the state agency receiving the appropriation, the
3 department of finance and administration may reduce any other
4 general fund allotment to the state agency in order to recoup
5 the over-allotment of the reduced appropriation or budget. In
6 the case of an appropriation made to one state agency but
7 disbursed or transferred to another state agency, the
8 department of finance and administration may reduce any other
9 general fund allotment to the agency to which the appropriation
10 was disbursed or transferred in order to recoup the over-
11 allotment of the reduced appropriation or budget. The
12 authority provided in this section is additional to any other
13 power the department of finance and administration has to
14 remedy over-allotments, and the grant of authority in this
15 section shall not be deemed to be a legislative determination
16 that the department of finance and administration does not
17 otherwise have the authority provided in this section.

18 C. As used in this section, "state agency" means
19 any department, institution, board, bureau, commission,
20 district or committee of the government of the state and means
21 every office or officer of any of the above.

22 Section 11. FISCAL YEAR 2011 BUDGET RECOMMENDATIONS.--The
23 recurring general fund reductions provided for in this act
24 shall be carried forward in the fiscal year 2011 executive
25 budget recommendations presented to the legislature as provided

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1 by Section 6-3-21 NMSA 1978.

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