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HOUSE BILL 196

**56TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2024**

INTRODUCED BY

Nathan P. Small

FOR THE LEGISLATIVE FINANCE COMMITTEE

AN ACT

RELATING TO PUBLIC FINANCE; CREATING THE GOVERNMENT  
ACCOUNTABILITY EXPENDABLE TRUST AND THE GOVERNMENT  
ACCOUNTABILITY PROGRAM FUND; PROVIDING FOR DISTRIBUTIONS FROM  
THE GOVERNMENT ACCOUNTABILITY EXPENDABLE TRUST TO THE  
GOVERNMENT ACCOUNTABILITY PROGRAM FUND TO FUND PILOT PROJECTS  
THAT WILL BE EVALUATED BY THE LEGISLATIVE FINANCE COMMITTEE IN  
CONSULTATION WITH THE STATE BUDGET DIVISION OF THE DEPARTMENT  
OF FINANCE AND ADMINISTRATION AND THE STATE AGENCY  
ADMINISTERING THE PILOT PROJECT; CHANGING A PROVISION OF LAW  
THAT CURRENTLY TRANSFERS CERTAIN EXCESS REVENUE TO THE TAX  
STABILIZATION RESERVE TO INSTEAD TRANSFER THE EXCESS REVENUE TO  
THE GOVERNMENT ACCOUNTABILITY EXPENDABLE TRUST.

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

**SECTION 1.** A new section of the Accountability in

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1 Government Act is enacted to read:

2 "[NEW MATERIAL] EVALUATING PILOT PROJECTS FUNDED BY THE  
3 GOVERNMENT ACCOUNTABILITY PROGRAM FUND--APPROPRIATIONS FOR  
4 PILOT PROJECTS TO INCLUDE ADMINISTRATIVE COSTS.--

5 A. An agency that proposes to conduct a pilot  
6 project shall, by September 1 of the year prior to the  
7 legislative session in which a request for an appropriation  
8 from the government accountability program fund for the pilot  
9 project is expected to be made, include the following  
10 information to the committee:

11 (1) a description of project premise,  
12 including the purpose of the pilot project, a working  
13 hypothesis or a theory of change and a description of how the  
14 pilot project will help to achieve specific agency goals or  
15 objectives;

16 (2) a justification of need describing the  
17 extent of the problem to be addressed and the locations and  
18 population the pilot project will serve;

19 (3) a description of the pilot project,  
20 including a list of specific activities to achieve expected  
21 outcomes and cost per unit for the proposal and an estimate of  
22 the cost to evaluate the pilot project;

23 (4) a current categorization of the pilot  
24 project as being evidence-based, promising or research-based or  
25 in need of additional research;

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1 (5) an implementation or action plan for the  
2 pilot project that shall include a time line for implementation  
3 of activities, milestones and a target date for full  
4 implementation;

5 (6) a fidelity plan, including specific  
6 process metrics to be used to ensure the pilot project is  
7 implemented as intended; and

8 (7) a measurement and evaluation plan,  
9 including specific activities, evaluation requirements and  
10 outcome measures to be used to test the working hypothesis or  
11 theory of change, as well as dates for when these data will be  
12 made available.

13 B. The committee, in consultation with the division  
14 and the agency administering a pilot project, shall develop  
15 performance measures for the agency to evaluate the pilot  
16 project. For each year the pilot project is in effect, a  
17 notification of the evaluation shall be sent to the agency on  
18 or before June 15, and the evaluation shall be completed and  
19 submitted by the agency to the committee on or before July 15.  
20 The notification shall include the performance measures to be  
21 evaluated and:

22 (1) a summary of the information and  
23 requirements provided in Paragraphs (1) through (7) of  
24 Subsection A of this section since the commencement of the  
25 pilot project;

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1 (2) the outputs produced by, the outcomes  
2 resulting from and baseline data associated with each  
3 performance measure;

4 (3) whether the information provided pursuant  
5 to Paragraph (2) of this subsection demonstrates that the pilot  
6 project has proven that the hypothesis of the pilot project is  
7 likely to be beneficial in New Mexico;

8 (4) if the pilot project is evidence-based,  
9 research-based, promising or lacking evidence of effectiveness;

10 (5) spending data to date; and

11 (6) results of evaluations or audits of the  
12 pilot project.

13 C. The committee, in consultation with the division  
14 and the agency, shall review a pilot project's evaluation  
15 submitted for an agency and issue its approval or disapproval  
16 on or before September 1 following receipt of the evaluation."

17 SECTION 2. A new section of Chapter 6, Article 4 NMSA  
18 1978 is enacted to read:

19 "[NEW MATERIAL] GOVERNMENT ACCOUNTABILITY EXPENDABLE  
20 TRUST.--

21 A. The "government accountability expendable trust"  
22 is created as a nonreverting fund in the state treasury. The  
23 trust shall consist of distributions, appropriations, gifts,  
24 grants and donations. Income from investment of the trust  
25 shall be credited to the trust. Money in the trust shall be

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1 expended only as provided in this section.

2 B. On July 1 of each year, a distribution shall be  
3 made from the government accountability expendable trust to the  
4 government accountability program fund in an amount equal to  
5 twenty-five percent of the balance of the trust or three  
6 hundred million dollars (\$300,000,000), whichever is greater;  
7 provided that if the balance of the trust is less than three  
8 hundred million dollars (\$300,000,000), the balance of the  
9 trust shall be distributed.

10 C. In addition to the distribution pursuant to  
11 Subsection B of this section, money in the government  
12 accountability expendable trust may be expended in the event  
13 that general fund balances, including all authorized revenues  
14 and transfers to the general fund and balances in the general  
15 fund operating reserve, will not meet the level of  
16 appropriations authorized from the general fund for a fiscal  
17 year. In that event, the legislature may appropriate from the  
18 government accountability expendable trust to the general fund  
19 only in the amount necessary to meet general fund  
20 appropriations for that fiscal year and only if the legislature  
21 has authorized a transfer from the general fund operating  
22 reserve that exhausts that fund balance."

23 SECTION 3. A new section of Chapter 6, Article 4 NMSA  
24 1978 is enacted to read:

25 "[NEW MATERIAL] GOVERNMENT ACCOUNTABILITY PROGRAM

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1 FUND.--The "government accountability program fund" is created  
2 as a nonreverting fund in the state treasury. The fund  
3 consists of distributions, appropriations, gifts, grants,  
4 donations and income from investment of the fund. The  
5 department of finance and administration shall administer the  
6 fund. Money in the fund is subject to appropriation by the  
7 legislature to fund pilot projects to be evaluated pursuant to  
8 Section 1 of this 2024 act; provided that money appropriated to  
9 fund a pilot project shall be provided in equal amounts for  
10 each year the pilot project is funded by the appropriation.  
11 Expenditures from the fund shall be by warrant of the secretary  
12 of finance and administration pursuant to vouchers signed by  
13 the secretary of finance and administration or the secretary's  
14 authorized representative."

15 SECTION 4. Section 6-4-4 NMSA 1978 (being Laws 1987,  
16 Chapter 347, Section 4, as amended) is amended to read:

17 "6-4-4. [~~TRANSFERS BETWEEN GENERAL FUND RESERVES~~]  
18 TRANSFER FROM THE GENERAL FUND TO THE GOVERNMENT ACCOUNTABILITY  
19 EXPENDABLE TRUST--TRANSFER FROM THE TAX STABILIZATION RESERVE  
20 TO THE GENERAL FUND OPERATING RESERVE.--

21 A. [~~For the seventy-seventh and subsequent fiscal~~  
22 ~~years~~] If the revenues of the general fund exceed the total of  
23 appropriations from the general fund, the excess revenue shall  
24 be transferred to the general fund operating reserve; provided  
25 that if the sum of the excess revenue plus the balance in the

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1 general fund operating reserve prior to the transfer is greater  
2 than eight percent of the aggregate recurring appropriations  
3 from the general fund for the previous fiscal year, then an  
4 amount equal to the smaller of either the amount of the excess  
5 revenue or the difference between the sum and eight percent of  
6 the aggregate recurring appropriations from the general fund  
7 for the previous fiscal year shall be transferred to the [~~tax~~  
8 ~~stabilization reserve~~] government accountability expendable  
9 trust.

10 B. If the balance in the general fund operating  
11 reserve as of the end of a fiscal year is less than one percent  
12 of aggregate general fund appropriations for that fiscal year,  
13 as determined by the department of finance and administration,  
14 then an amount equal to the smaller of either one percent of  
15 aggregate general fund appropriations for that fiscal year or  
16 the amount necessary to bring the balance of the general fund  
17 operating reserve to one percent of aggregate general fund  
18 appropriations for that fiscal year shall be transferred from  
19 the tax stabilization reserve to the general fund operating  
20 reserve."