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SENATE BILL 22

49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010

INTRODUCED BY

Timothy M. Keller

AN ACT

RELATING TO STATE BUDGETS; PROVIDING FOR A BIENNIAL BUDGET;
LIMITING EVEN-NUMBERED-YEAR STATE AGENCY BUDGET APPROPRIATIONS
TO SUPPLEMENTALS AND DEFICIENCIES.

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

Section 1. Section 2-5-4 NMSA 1978 (being Laws 1967,
Chapter 267, Section 1) is amended to read:

"2-5-4. LEGISLATIVE FINANCE COMMITTEE--ADDITIONAL
DUTIES.--

A. The legislative finance committee, in addition
to all other duties prescribed by law, shall [~~annually~~] review
biennial and supplemental budgets and appropriations requests
and the operation and management of selected state agencies,
departments and institutions and shall make recommendations
with respect thereto to the legislature.

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1 B. To carry out the purposes of this section, the
2 legislative finance committee shall establish a budget analysis
3 division staffed with persons knowledgeable and proficient in
4 budget analysis and budget preparation.

5 C. Each state agency, department and institution
6 shall furnish to the legislative finance committee a copy of
7 its appropriation request made to the department of finance and
8 administration at the same time [~~such~~] the request is made [~~to~~
9 ~~such department~~]. Each state agency, department or institution
10 shall also furnish to the legislative finance committee and its
11 staff any other supporting information or data deemed necessary
12 to carry out the purposes of this section.

13 D. The legislative finance committee or, when it
14 deems necessary, its staff may hold such hearings and require
15 such testimony from officers and employees of each state
16 agency, department or institution as is necessary to carry out
17 the purposes of this section.

18 E. Not later than the first week of [~~any~~] the
19 regular legislative session in an odd-numbered year, the
20 legislative finance committee shall furnish a document
21 containing its budget recommendations for each fiscal year of
22 the next biennium to each member of the senate finance
23 committee and the house appropriations and finance committee
24 and to those other members of the legislature [~~which~~] who may
25 request it. A copy shall also be furnished to the governor and

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1 to the department of finance and administration."

2 Section 2. Section 6-3-7 NMSA 1978 (being Laws 1957,
3 Chapter 253, Section 8, as amended) is amended to read:

4 "6-3-7. ~~[ANNUAL]~~ BIENNIAL OPERATING BUDGETS--SUPERVISION
5 AND CONTROL--SUBMISSION OF PROPOSED BUDGETS--APPROVAL--REVIEW
6 BY GOVERNOR.--Each state agency shall ~~[annually]~~, on or before
7 May 1 of each odd-numbered year, submit to the state budget
8 division of the department of finance and administration a
9 budget for the ensuing two fiscal ~~[year]~~ years in ~~[such]~~ the
10 form ~~[as may be]~~ prescribed by the division and containing
11 ~~[such]~~ information concerning the anticipated receipts,
12 expenditures and balances on hand as may be prescribed by law
13 or by the state budget division. ~~[Such]~~ The budget shall be
14 subject to the approval of the state budget division, and no
15 expenditures shall be made by any state agency for the ~~[fiscal~~
16 year] biennium covered by ~~[said]~~ the budget until the budget
17 ~~[shall have]~~ has been approved by the state budget division;
18 provided that any action by the division ~~[shall be]~~ is subject
19 to review and modification by the governor."

20 Section 3. Section 6-3-10 NMSA 1978 (being Laws 1955,
21 Chapter 114, Section 2, as amended) is amended to read:

22 "6-3-10. BUDGET DEFINED.--~~[The]~~ "Budget" means a complete
23 statement as to the financial operation of all state agencies
24 for the ~~[fiscal year]~~ biennium last completed, the current
25 ~~[fiscal year]~~ biennium and a financial plan by fiscal year for

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1 the operation of all state agencies for the succeeding [~~fiscal~~
2 ~~year~~] biennium. The budget for the succeeding [~~fiscal year~~]
3 biennium shall set forth in detail the following by fiscal
4 year:

5 A. all proposed expenditures for the
6 administration, operation and maintenance of all state
7 agencies;

8 B. all interest and debt redemption charges;

9 C. all expenditures for capital projects to be
10 undertaken and executed;

11 D. all anticipated revenues; and

12 E. means of financing proposed expenditures."

13 Section 4. Section 6-3-11 NMSA 1978 (being Laws 1955,
14 Chapter 114, Section 3, as amended) is amended to read:

15 "6-3-11. PARTS OF THE BUDGET.--The budget shall contain
16 the following parts:

17 A. the governor's budget message;

18 B. summary statements showing the following:

19 (1) financial condition of the state
20 government at the beginning and at the end of the [~~fiscal year~~]
21 biennium last completed;

22 (2) financial condition of the state
23 government at the beginning of the current [~~fiscal year~~]
24 biennium and condition anticipated at the end of the current
25 [~~fiscal year~~] biennium;

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1 (3) anticipated financial condition of the
2 state government at the beginning and end of the succeeding
3 ~~[fiscal year]~~ biennium;

4 (4) condition of all funds for the ~~[fiscal~~
5 ~~year]~~ biennium last completed, the current ~~[fiscal year]~~
6 biennium and the succeeding ~~[fiscal year]~~ biennium, as follows:

7 (a) balance or anticipated balance at
8 the beginning of the ~~[fiscal year]~~ biennium;

9 (b) balance or anticipated balance at
10 the end of the ~~[fiscal year]~~ biennium;

11 (c) revenue or anticipated revenue
12 during the ~~[fiscal year]~~ biennium;

13 (d) source of revenue or anticipated
14 revenue during the ~~[fiscal year]~~ biennium; and

15 (e) expenditures or anticipated
16 expenditures during ~~[the]~~ each fiscal year of the biennium;

17 (5) the bonded indebtedness, debts authorized,
18 debts redeemed, interest requirements and the condition of
19 sinking funds;

20 (6) appropriations recommended by the governor
21 compared with appropriations for ~~[the]~~ each fiscal year of the
22 biennium last completed and the current ~~[fiscal year]~~ biennium.
23 Any increase or decrease in the recommended appropriation shall
24 be explained;

25 (7) anticipated revenue for the succeeding

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1 [fiscal year] biennium, classified according to source of
2 revenue and compared with revenues for the [fiscal year]
3 biennium last completed and anticipated revenue for the current
4 [fiscal year] biennium;

5 (8) other information necessary to make known
6 in practicable detail the financial operation of the state
7 government; and

8 (9) if anticipated revenue is less than the
9 total of all appropriations recommended in any fiscal year of a
10 biennium, recommendations as to how the deficit shall be met;

11 C. a summary statement of requested appropriations
12 by state agencies and recommendations of the state budget
13 division of the department of finance and administration
14 concerning [~~such~~] the requested appropriations; and

15 D. an appropriation bill recommended by the
16 governor. [~~Such~~] The bill shall follow budget classification
17 and shall be stated in lump sums according to function or
18 purpose of each agency."

19 Section 5. Section 6-3-18 NMSA 1978 (being Laws 1955,
20 Chapter 114, Section 9, as amended by Laws 1999, Chapter 5,
21 Section 10 and also by Laws 1999, Chapter 15, Section 10) is
22 amended to read:

23 "6-3-18. BUDGET FORMS.--

24 A. On or before June 15 of each even-numbered year,
25 the state budget division of the department of finance and

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1 administration shall send to each state agency forms that
2 provide for the following information:

3 ~~[A.]~~ (1) revenue or anticipated revenue from
4 all sources for the ~~[fiscal year]~~ biennium last completed, the
5 current ~~[fiscal year]~~ biennium and ~~[for]~~ the succeeding ~~[fiscal~~
6 ~~year]~~ biennium, including ~~[among other things]~~:

7 ~~[(1)]~~ (a) grants from the federal
8 government;

9 ~~[(2)]~~ (b) gifts and grants from private
10 sources;

11 ~~[(3)]~~ (c) income from investments;

12 ~~[(4)]~~ (d) proceeds from sale of bonds or
13 other instruments of indebtedness;

14 ~~[(5)]~~ (e) income from sale of land;

15 ~~[(6)]~~ (f) income from sale of personal
16 property;

17 ~~[(7)]~~ (g) income from lease of land or
18 lease of personal property;

19 ~~[(8)]~~ (h) income from services;

20 ~~[(9)]~~ (i) income from fees, licenses,
21 fines, penalties, tuition, royalties and other charges;

22 ~~[(10)]~~ (j) income from athletic
23 activities and related enterprises; and

24 ~~[(11)]~~ (k) income from each tax
25 collected;

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1 [B.] (2) expenditures or anticipated
2 expenditures for the current [~~fiscal year~~] biennium and for the
3 two [~~succeeding~~] fiscal years of the succeeding biennium,
4 including [~~among other things~~]:

5 [(1)] (a) capital expenditures
6 consisting of: [(a)] 1) additions to plant or office; [(b)] 2)
7 repairs and replacements; [(c)] 3) permanent equipment; and
8 [(d)] 4) other; and

9 [(2)] (b) operational expenditures
10 consisting of: [(a)] 1) operation and maintenance of
11 institution, office or building; [(b)] 2) supplies and
12 equipment; [(c)] 3) personal services; [(d)] 4) travel; and
13 [(e)] 5) other;

14 [C. ~~appropriation~~] (3) appropriations
15 requested for each fiscal year of the succeeding [~~fiscal year~~]
16 biennium, with a statement as to the functions and activities
17 of each agency, division and bureau;

18 [D.] (4) if increased appropriations are
19 requested, the reason [~~therefor~~] for the request; and

20 [E.] (5) citation of statutory authority for
21 functions and activities of the agency, a summary statement as
22 to the workload of the agency and such other information as is
23 specified by the state budget division.

24 B. On or before June 15 of each odd-numbered year,
25 the state budget division shall send to each state agency

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1 supplemental budget forms to be submitted by state agencies
2 that plan to request a supplemental appropriation or a
3 deficiency appropriation for the remainder of the biennium.
4 The state budget division shall prescribe the information
5 required for each supplemental or deficiency appropriation
6 request."

7 Section 6. Section 6-3-19 NMSA 1978 (being Laws 1955,
8 Chapter 114, Section 10, as amended by Laws 1999, Chapter 5,
9 Section 11 and also by Laws 1999, Chapter 15, Section 11) is
10 amended to read:

11 "6-3-19. AGENCIES TO COMPLETE BUDGET FORMS.--Each state
12 agency shall fill out the budget forms provided for in Section
13 6-3-18 or 6-3A-7 NMSA 1978 in the manner prescribed by the
14 state budget division [~~Each state agency, in completing the~~
15 ~~budget forms, shall include information for all divisions,~~
16 ~~subdivisions and offices of the agency. Related agencies, upon~~
17 ~~approval of the state budget division, may join in submitting~~
18 ~~one set of budget forms. Completed budget forms shall be~~
19 ~~returned to the state budget division not later than September~~
20 ~~1 in each year] of the department of finance and
21 administration."~~

22 Section 7. Section 6-3-21 NMSA 1978 (being Laws 1955,
23 Chapter 114, Section 12, as amended) is amended to read:

24 "6-3-21. PREPARATION OF THE BUDGET.--

25 A. The governor shall prepare the biennial budget

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1 and submit it to the legislative finance committee and each
2 member of the legislature not later than [~~January 5 in even-~~
3 ~~numbered years and not later than~~] January 10 in odd-numbered
4 years. A supplemental budget may be submitted not later than
5 January 5 in even-numbered years. In the preparation of the
6 budget, the governor may:

7 (1) change the tentative budget by adding new
8 items or increasing [~~or~~], decreasing or eliminating items;

9 (2) obtain advice and assistance from any
10 state agency; and

11 (3) hold hearings on the budget.

12 B. Any budget hearings conducted by the governor
13 shall be open to the public. The governor may require the
14 attendance of any head of an agency, whether elective or
15 appointive. At the hearings, any officer or agency may protest
16 budget items."

17 Section 8. Section 6-3A-1 NMSA 1978 (being Laws 1999,
18 Chapter 5, Section 1 and Laws 1999, Chapter 15, Section 1) is
19 amended to read:

20 "6-3A-1. SHORT TITLE.--~~[Sections 1 through 8 of this act]~~
21 Chapter 6, Article 3A NMSA 1978 may be cited as the
22 "Accountability in Government Act"."

23 Section 9. Section 6-3A-4 NMSA 1978 (being Laws 1999,
24 Chapter 5, Section 4 and Laws 1999, Chapter 15, Section 4, as
25 amended) is amended to read:

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1 "6-3A-4. PROGRAM IDENTIFICATION.--

2 A. Prior to July 15 of each even-numbered year,
3 each agency shall submit to the division and the committee
4 proposed changes to its current program structure for the
5 subsequent biennium. The division, in consultation with the
6 committee and the agency, shall review the requested changes,
7 make any necessary revisions and issue approval or disapproval
8 within thirty days of receipt. The division shall send a copy
9 of its approval or disapproval to the committee.

10 B. The program list submitted by the agency shall
11 be accompanied by:

12 (1) the constitutional or statutory direction
13 and authority for each program;

14 (2) identification of the users of each
15 program;

16 (3) the purpose of each program or the benefit
17 derived by the users of the program; and

18 (4) other financial information as required by
19 the division in consultation with the committee."

20 Section 10. Section 6-3A-6 NMSA 1978 (being Laws 1999,
21 Chapter 5, Section 6 and Laws 1999, Chapter 15, Section 6, as
22 amended) is amended to read:

23 "6-3A-6. SCHEDULE FOR SUBMISSION OF PERFORMANCE-BASED
24 PROGRAM BUDGET REQUESTS.--

25 A. No later than September 1 of each even-numbered

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1 year, agencies shall submit performance-based program budget
2 requests for the [~~subsequent fiscal year~~] two fiscal years of
3 the succeeding biennium to the division and to the committee.

4 B. No later than September 1 of each odd-numbered
5 year, agencies may submit requests for supplemental and
6 deficiency appropriations."

7 Section 11. Section 6-3A-7 NMSA 1978 (being Laws 1999,
8 Chapter 5, Section 7 and Laws 1999, Chapter 15, Section 7, as
9 amended) is amended to read:

10 "6-3A-7. PERFORMANCE-BASED PROGRAM BUDGET REQUESTS.--

11 A. The division, in consultation with the
12 committee, shall develop instructions for those agencies
13 required to submit performance-based program budget requests.
14 The instructions shall be sent to the agencies on or before
15 June 15 of each even-numbered year and shall be in addition to
16 any other forms required by Section 6-3-18 NMSA 1978. The
17 instructions shall require that performance-based program
18 budget requests contain the following:

19 (1) a summary of each approved program,
20 including a justification for the program;
21 (2) for each approved program, an evaluation
22 of the agency's progress in meeting the performance targets.
23 The evaluation shall be developed as prescribed in the budget
24 instructions;

25 (3) for each approved program, the outputs,

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1 outcomes, baseline data, performance measures and historic and
2 proposed performance targets;

3 (4) if a performance audit has been conducted
4 on an approved program during either the present or any of the
5 immediately preceding two fiscal years, any responses that the
6 agency may have to the audit and any actions that the agency
7 has taken as a result of the audit; and

8 (5) any other information that the division
9 believes may be useful to the division or the legislature in
10 developing a budget for the agency.

11 B. On or before September 1 of each even-numbered
12 year, each agency shall submit a performance-based program
13 budget request for the two fiscal years of the subsequent
14 biennium to the division and the committee in the form and
15 manner prescribed in the budget instructions. [~~Budget requests~~
16 ~~submitted pursuant to this section shall be in lieu of those~~
17 ~~required by Section 6-3-19 NMSA 1978.~~]"

18 Section 12. Section 6-5-10 NMSA 1978 (being Laws 1994,
19 Chapter 11, Section 1, as amended) is amended to read:

20 "6-5-10. STATE AGENCY REVERSIONS--DIRECTOR POWERS--
21 COMPLIANCE WITH FEDERAL RULES.--

22 A. Except as provided in [~~Subsections B and C~~]
23 Subsection B of this section, all unreserved undesignated fund
24 balances in reverting funds and accounts as reflected in the
25 central financial reporting and accounting system as of June 30

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1 of the second fiscal year of a biennium shall revert by
2 September 30 to the general fund. The division may adjust the
3 reversion within forty-five days of release of the audit report
4 for that [~~fiscal year~~] biennium.

5 B. The director of the division may modify a
6 reversion required pursuant to Subsection A of this section if
7 the reversion would violate federal law or rules pertaining to
8 supplanting of state funds with federal funds or other
9 applicable federal provisions."

10 Section 13. Section 6-10-1 NMSA 1978 (being Laws 1903,
11 Chapter 108, Section 7, as amended) is amended to read:

12 "6-10-1. FISCAL YEAR AND BIENNIA DESIGNATED.--

13 A. The fiscal year for the state and [~~for the~~
14 ~~counties, cities, towns, villages and school districts thereof~~]
15 its political subdivisions begins on July 1 and ends on June
16 30. The year beginning on July 1, 1925 shall be known as the
17 fourteenth fiscal year.

18 B. Beginning July 1, 1994, the fiscal year shall be
19 cited by citing the calendar year in which the fiscal year
20 ends. The fiscal year beginning July 1, 1994 shall be fiscal
21 year 1995.

22 C. Beginning July 1, 2011, the state budget shall
23 be appropriated biennially, which shall be cited by citing the
24 two fiscal years of the biennium. The biennium beginning July
25 1, 2011 shall be the 2012-2013 biennium."

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