

AN ACT

MAKING GENERAL APPROPRIATIONS AND AUTHORIZING EXPENDITURES BY STATE AGENCIES REQUIRED BY LAW. BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE.--This act may be cited as the "General Appropriation Act of 2022".

Section 2. DEFINITIONS.--As used in the General Appropriation Act of 2022:

- A. "agency" means an office, department, agency, institution, board, bureau, commission, court, district attorney, council or committee of state government;
- B. "efficiency" means the measure of the degree to which services are efficient and productive and is often expressed in terms of dollars or time per unit of output;
- C. "explanatory" means information that can help users to understand reported performance measures and to evaluate the significance of underlying factors that may have affected the reported information;
- D. "federal funds" means any payments by the United States government to state government or agencies except those payments made in accordance with the federal Mineral Leasing Act;

## The House Democratic Caucus' Budget Plan for FY 2023 if NM's Oil and Gas Revenues Are Eliminated as Progressives Demand

	FY 2022 (current appropriations)	FY 2023 (appropriations with no oil and gas revenues)	Amount of Spending Reduction
K-12 Public School Funding (Public School Support)	\$3.354 billion	\$2.180 billion	\$1.174 billion
Higher Education (funding to universities, colleges)	\$829.5 million	\$539.2 million	\$290.3 million
Opportunity Scholarships	\$7 million	\$4.5 million	\$2.5 million
Medicaid (Program, Administrative, Behav. Health)	\$1.032 billion	\$670.8 million	\$361.2 million

	FY 2022 (current appropriations)	FY 2023 (appropriations with no oil and gas revenues)	Amount of Spending Reduction
Public Education Department	\$14.9 million	\$9.7 million	\$5.2 million
Higher Education Department (except Opportunity Scholarships)	\$33.7 million	\$21.9 million	\$11.8 million
TANF and Income Support Funding (HSD)	\$87.1 million	\$56.6 million	\$30.5 million
Courts, DAs, and Public Defender	\$324.2 million	\$210.7 million	\$113.5 million
Early Childhood Education and Care Department	\$191.6 million	\$124.5 million	\$67.1 million
Children, Youth, and Families Department	\$210.9 million	\$137.1 million	\$73.8 million
Department of Health	\$313.7 million	\$203.9 million	\$109.8 million
Department of Public Safety	\$128.7 million	\$83.7 million	\$45.0 million
Corrections Department	\$327.9 million	\$213.1 million	\$114.8 million
Legislative Branch	\$21.7 million	\$14.1 million	\$7.6 million
Taxation and Revenue Department	\$64.7 million	\$42.1 million	\$22.6 million
Environment Department	\$15.4 million	\$10.0 million	\$5.4 million
Governor's Office	\$4.6 million	\$3.0 million	\$1.6 million
Attorney General	\$14.2 million	\$9.2 million	\$5.0 million
Secretary of State	\$16.6 million	\$10.8 million	\$5.8 million

	FY 2022 (current appropriations)	FY 2023 (appropriations with no oil and gas revenues)	Amount of Spending Reduction
Tourism Department	\$16.7 million	\$10.9 million	\$5.8 million
Economic Development Department	\$13.8 million	\$9.0 million	\$4.8 million
Cultural Affairs Department	\$33.2 million	\$21.6 million	\$11.6 million
Energy, Minerals, and Nat. Res. Dept.	\$23.8 million	\$15.5 million	\$8.3 million

Notes:

1. The most recent Consensus Revenue Estimate (prepared in August 2021) is projecting that Fiscal Year 2023 General Fund revenues will be \$8.84 billion. In addition, LFC has a chart within the Consensus Revenue Estimate showing the percentage of General Fund revenues derived from the oil and gas industry will be 45 percent in FY 2023. If NM's oil and gas industry would suddenly no longer be operating in the state, as progressives ultimately want to achieve, in Fiscal Year 2023, the projected \$8.84 billion in General Fund revenues would fall to \$4.86 billion --- a 45 percent reduction. In turn, the Legislature would only have \$4.86 billion to spend on recurring spending in Fiscal Year 2023 and compared to the Fiscal Year 2022 recurring spending amount of \$7.45 billion, the amount of spending reductions required in Fiscal Year 2023 would be about \$2.6 billion in order to match recurring revenues with recurring expenditures.

Therefore, this required \$2.6 billion in spending reduction in Fiscal Year 2023 would result in a 35 percent across-the-board spending reduction in all state agencies and programs. In other words, eliminating NM's oil and gas industry and the resulting 35 percent cut in state spending would be devastating to NM's families that depend on public education, higher education, and Medicaid.

2. The last time the General Fund state budget was below \$5 billion was in Fiscal Year 2006 when the state's operating budget was \$4.68 billion.
3. If such a 35 percent across-the-board reduction would be necessary, the across-the-board spending reduction approach contained in this document would actually be the "best case scenario" for most of the state budget because Medicaid spending would likely have to be kept at current Fiscal Year 2022 levels in order to receive the full amount of federal matching dollars. Therefore, an additional \$361.2 million in deeper spending cuts would be needed from other state agencies to keep Medicaid whole.