

2016 Legislative Session – Briefing: February 12, 2016

The 2016 legislative session, similar to the 2015 legislative session, commenced with falling oil prices and diminishing state revenues. The Consensus Revenue Estimate predicted \$293 million of “new money” in August, and \$232 million of “new money” in December. The Consensus Revenue group released a new estimate that reduced the “new money” to \$30 million. The two committees harvested \$221 million to backfill agencies budgets’ and offset mandatory spending increases from entitlement programs. The Severance Tax Bonds are estimated at \$165 million, and the General Obligation Bond is estimated at \$187 million. The following summarizes how UNM fared in the DFA and LFC budget recommendations for FY 17:

➤ DFA – Department of Finance and Administration – Executive

- I&G budget recommendation starts from the FY 16 operating base:
 - Main Campus, \$192,919,000, a \$1,872,300 increase or 0.98%
 - Medical School, \$62,331,600, no increase recommended
 - Branch Campuses
 - Gallup, \$9,337,800, a \$15,500 increase or 0.2%
 - Los Alamos, \$1,889,100, a \$3,100 increase or 0.2%
 - Taos, \$3,614,600, a \$69,700 increase or 2.0%
 - Valencia, \$5,623,400, a \$27,500 increase or 0.5%
- Research and Public Service Projects
 - Main Campus, \$9,816,000, a decrease of 0.2%
 - Health Science Center, \$33,875,000, a \$250,000 increase or 0.7%
 - Branch Campuses, no reductions

➤ LFC – Legislative Finance Committee

- I&G budget recommendation starts from the FY 16 operating base:
 - Main Campus, \$193,136,300, a \$2,106,600 increase or 1.1%
 - Medical School, \$62,136,300, no increase recommended
 - Branch Campuses
 - Gallup, \$9,356,400, a \$34,100 increase or 0.4%
 - Los Alamos, \$1,894,100, a \$8,100 increase or 0.4%
 - Taos, \$3,616,500 a \$71,200 increase or 2.0%
 - Valencia, \$5,636,300 a \$40,400 increase or 0.7%
- Research and Public Service Projects
 - Main Campus, \$9,729,500, a -1.1% decrease
 - Health Sciences Center, \$34,487,600, a 2.7% increase
 - Branch Campuses, no reduction

➤ HAFC – House Appropriations and Finance Committee

- I&G budget recommendation starts from the FY 16 operating base:
 - Main Campus, \$190,639,100, a -\$624,900 decrease or -0.33%
 - Medical School, \$62,079,600, a -\$252,000 decrease or -0.4%
 - Branch Campuses
 - Gallup, \$9,204,800, a -\$117,500 decrease or -1.26%
 - Los Alamos, \$1,866,000, a -\$20,000 decrease or -1.06%
 - Taos, \$3,542,000 a -\$2,900 decrease or -0.8%
 - Valencia, \$5,570,900 a -\$25,000 decrease or 0.45%

- Research and Public Service Projects
 - Main Campus, \$9,623,240, a -0.4% decrease
 - Health Sciences Center, \$33,489,100, a -0.4% decrease
 - Branch Campuses, \$620,400, a -0.4% decrease

➤ **SFC – Senate Finance Committee**

- I&G budget recommendation starts from the FY 16 operating base:
 - Main Campus, \$186,759,600, a -\$4,504,400 decrease or -2.36%
 - Medical School, \$60,816,400, a -\$1,515,200 decrease or -2.43%
 - Branch Campuses
 - Gallup, \$9,017,600, a -\$304,700 decrease or -3.27%
 - Los Alamos, \$1,828,100, a -\$57,900 decrease or -3.07%
 - Taos, \$3,469,900 a -\$75,000 decrease or -2.12%
 - Valencia, \$5,457,500 a -\$138,400 decrease or 2.47%
- Research and Public Service Projects
 - Main Campus, \$9,282,500, a -3.54% decrease
 - Health Sciences Center, \$32,494,800, a -1.63% decrease
 - Branch Campuses, \$607,900, a -2.06% decrease

➤ **Lottery Scholarship:**

- SB180, *Commits All Net Revenue from Lottery to Lottery Tuition Fund*, Senator Smith. Directs New Mexico Lottery Authority to transmit all net revenues (which equals gross revenues less prizes and administrative costs) from lottery games to the lottery tuition fund. Estimated net revenues are to be transmitted monthly with a final adjustment for the prior fiscal made and transmitted by August 1. Currently 30 percent of the gross revenue is transmitted to the fund. An amendment to the bill requires that, in each fiscal year, the Lottery Authority guarantee new revenue transmittals of no less than \$41,000,000.
- SB212, *Extends Distribution to Lottery Tuition Fund*, Senator M. Sanchez. Extends until June 30, 2019 (from June 30, 2017) the temporary distribution of 39 percent of the liquor excise tax revenues to the Lottery Tuition Fund.
- SB230, *Phases Out Liquor Excise Tax Distribution to Lottery Tuition Fund*, Senator Smith. Phases out the existing but temporary (through June 30, 2017) distribution of 39 percent of liquor excise tax revenues to the lottery tuition fund in four steps: 33 percent from July 1, 2017 through June 30, 2018; 22 percent from July 1, 2018 through June 30, 2019; 11 percent from July 1, 2019 through June 30, 2020; July 1, 2020 and thereafter, zero.

➤ **Compensation**

- Across the board compensation increases are not included in House Bill 2, *General Appropriations Act*, which was approved by the House of Representatives on February 6, 2016.

➤ **SB 122, General Obligations Bonds, Senator Carlos Cisneros:**

UNM – Physics and Astronomy Interdisciplinary Science Building	\$27,000,000
UNM GALLUP – Physical Plant	\$ 1,500,000
UNM LOS ALAMOS – Infrastructure	\$ 500,000
UNM TAOS – Career Technical Center	\$ 4,000,000
UNM VALENCIA – Infrastructure	\$ 1,500,000
UNIVERSITY OF NEW MEXICO TOTAL	\$34,500,000

➤ **HB 219, Severance Tax Bonds, Jason Harper:**

UNM – Charlie Morrissey Research Hall	\$ 85,000
UNM – Health Professionals Pipeline Purchase	\$ 70,500
UNM – LGBTQ Resource Center	\$ 100,000
UNM – Linguistics Lab	\$ 135,000
UNM – Manufacturing Engineering Program	\$ 88,000
UNM – North Golf Course Open Space Improvements	\$ 320,000
UNM – Popejoy Hall Improvements	\$ 405,400
UNM – School of Law Improve	\$ 120,000
UNM – Safety Lighting	\$ 135,000
UNM – Harwood Museum	\$ 95,000
UNN – Innovate Abq	\$ 210,000
UNM – Athletic Training Room	\$ 100,000
UNM – Baseball Facility Improve	\$ 175,000
UNM – Basketball Facility Improve	\$ 531,000
UNM – Craig Robertson Soccer Complex Equipment	\$ 100,000
UNM – Stadium Lights	\$ 385,000
UNM – Rugby Equipment	\$ 40,000
UNM – Stadium Sound System	\$ 160,000
UNIVERSITY OF NEW MEXICO TOTAL	\$ 3,254,900

➤ **Proposed Legislation of Interest.**

- Please visit the Office of Government Relations website at <http://govrel.unm.edu/>, and click on 2016 Legislative Session for a list of all bills that impact UNM. For daily legislative updates. Please sign up to join our listserv for updates.
- UNM Related:

<u>HB38</u>	CRITERIA FOR DISPOSITION OF PUBLIC PROPERTY	Representative Conrad James	AN ACT RELATING TO PUBLIC PROPERTY DISPOSITION; ADJUSTING AND CLARIFYING THE CRITERIA FOR THE DISPOSITION OF OBSOLETE, WORN-OUT OR UNUSABLE TANGIBLE PERSONAL PROPERTY.
<u>SB6</u>	BRANCH COMMUNITY COLLEGE SCHOOL DISTRICTS	Senator Carroll H. Leavell	AN ACT RELATING TO HIGHER EDUCATION; PROVIDING FOR THE ADDITION OF SCHOOL DISTRICTS TO BRANCH COMMUNITY COLLEGE DISTRICTS; ADDING A DEFINITION SECTION TO CHAPTER 21, ARTICLE 14 NMSA 1978; MAKING TECHNICAL CORRECTIONS
<u>SB180</u>	LOTTERY AUTHORITY PROCUREMENT & REVENUE	Senator John Arthur Smith	AN ACT RELATING TO PUBLIC FINANCES; PROVIDING FOR THE NEW MEXICO LOTTERY AUTHORITY'S PROCUREMENT OF CERTAIN SYSTEMS FOR UP TO TEN YEARS; CHANGING THE MANNER OF DETERMINING MONTHLY REVENUE TRANSMITTALS TO THE LOTTERY TUITION FUND.
<u>SB212</u>	EXTEND LIQUOR FUND TO LOTTERY FUND DATE	Senator Michael S. Sanchez	AN ACT RELATING TO TAXATION; EXTENDING THE DATE FOR DISTRIBUTION OF LIQUOR EXCISE TAX REVENUE TO THE LOTTERY TUITION FUND.
<u>SB230</u>	LIQUOR TAX DISTRIBUTION TO LOTTERY	Senator John Arthur Smith	AN ACT RELATING TO TAXATION; DELAYING THE SUNSET OF LIQUOR EXCISE TAX DISTRIBUTIONS TO THE LOTTERY TUITION FUND; PHASING DOWN THE PERCENTAGE DISTRIBUTION OF LIQUOR EXCISE TAX TO THE LOTTERY TUITION FUND.

- Health Sciences Center Related:

HB122	COUNTY HOSPITAL PROPERTY TAXES & TRANSFERS	Representative William "Bill" R. Rehm	AN ACT RELATING TO TAXATION; REDUCING AUTHORIZED PROPERTY TAX RATES FOR CLASS A COUNTY HOSPITAL FUNDING AND FOR TRANSFERS TO THE COUNTY-SUPPORTED MEDICAID FUND.
SB42	UNM PAIN MANAGEMENT CENTER	Senator Michael Padilla	AN ACT MAKING AN APPROPRIATION TO THE BOARD OF REGENTS OF THE UNIVERSITY OF NEW MEXICO TO SUPPORT THE PAIN MANAGEMENT CENTER AT THE UNIVERSITY OF NEW MEXICO.
SB61	EXPAND UNM PROJECT ECHO PROGRAM	Senator Nancy Rodriguez	AN ACT MAKING AN APPROPRIATION TO THE UNIVERSITY OF NEW MEXICO SCHOOL OF MEDICINE TO MAINTAIN AND EXPAND THE PROJECT ECHO PROGRAM TO IMPROVE HEALTH OUTCOMES FOR RURAL AND UNDERSERVED NEW MEXICANS.

- Budget and Capital Outlay Related:

HB2	GENERAL APPROPRIATION ACT OF 2016	Representative Larry A. Larranaga	AN ACT MAKING GENERAL APPROPRIATIONS AND AUTHORIZING EXPENDITURES BY STATE AGENCIES REQUIRED BY LAW.
HB219	SEVERANCE TAX BOND PROJECTS	Representative Jason C. Harper	AN ACT RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS; AUTHORIZING EXPENDITURES FROM CERTAIN FUNDS AND BALANCES; CLARIFYING CONDITIONS FOR THE ISSUANCE OF BONDS; ESTABLISHING CONDITIONS FOR THE EXPENDITURE OF SEVERANCE T
SB122	GENERAL OBLIGATION BOND PROJECTS	Senator Carlos R. Cisneros	AN ACT AUTHORIZING THE ISSUANCE AND SALE OF CAPITAL PROJECTS GENERAL OBLIGATION BONDS TO MAKE CAPITAL EXPENDITURES FOR SENIOR CITIZEN FACILITY IMPROVEMENTS AND ACQUISITIONS, FOR LIBRARY ACQUISITIONS, FOR PRE-KINDERGARTEN CLASSROOM CAPITAL IMPROVEMENTS