New Mexico
Department of Finance
and Administration

Budget Boot Camp
Module 1:
The State Budget Process

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Course Overview

This training is targeted for new budget analysts, managers, and CFOs, but everyone wishing to increase their knowledge of state budgeting in New Mexico is welcome.

1. State Budget Process – Intro to SBD, the state budget cycle, structure of the budget, the GAA, statutes, and the AGA
2. Budget Past, Present and Future - How has public budgeting changed over time in the US and NM, how does budgeting differ across states, how is NM saving for the future and what potential challenges lie ahead?
3. Budget Management Documents– Authority and types of budget adjustments, nonrecurring appropriations, demonstrations of how to submit, budget projections
4. The SHARE System and BFM – Explanation and demonstrations of creating budget journals and running useful reports, and applications for these, overview of BFM navigation

SBD holds separate trainings for budget request and operating budget submission – won't get into many details here. Please type your questions in chat – we have plenty of time. Please make sure video and mic are off.

Good idea to write out acronyms first time you see them – also see list of provided acronyms

Introduction to the State Budget Division

SBD is the Governor's/Executive Budget Office, part of the Department of Finance and Administration (DFA)
Only the SBD Director is appointed, all other staff are classified.

Provide budget and policy information, analysis, and recommendations to Executive Branch leadership (i.e. DFA management, Governor's Office, agency heads)

- Executive budget recommendation
- Testify at budget hearings
- Fiscal impact reports and policy recommendations for legislation

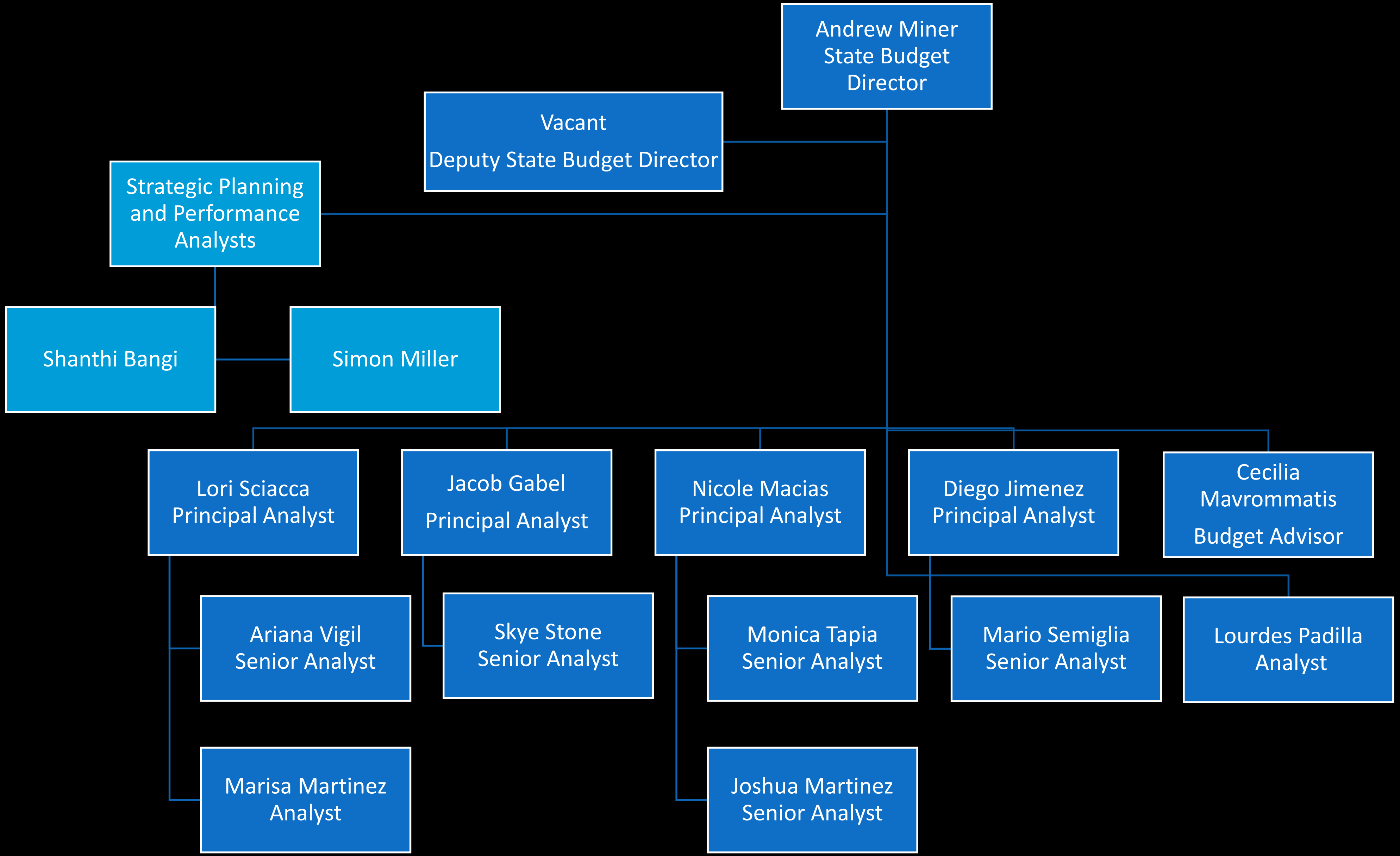
Manage state budget activities throughout the fiscal year

- Approve Operating Budget submissions
- Process Budget Adjustment Requests and other documents
- Review proposed HR actions and contracts for budget soundness

Promote efficiency in government operations and effective use of taxpayer dollars

- Direct performance management process in collaboration with Legislative Finance Committee

State Budget Division – July 2026



Analyst Assignments

Wayne Propst
Cabinet Secretary

New Mexico Department *of* Finance and Administration

State Budget Division

Education Team:

Lori Sciacca, Principal Analyst (505) 690-6929
342 Public School Insurance Authority
924 Public Education Department
925 PED Special Projects
940 Public Schools Facility Authority
930-932 Regional Education Cooperatives
993 Public Schools Support

Nicole Macias, Principal Analyst (505) 699-0065
341 Department of Finance and Administration
609 Indian Affairs Department
950 Higher Education Department
949 Education Trust Board
952-977 Higher Education Institutions
978 New Mexico Military Institute
979 School for the Blind
980 School for the Deaf
New Mexico Lottery
BFM Admin

Economic and Natural Resources Team:

Monica Tapia, Senior Analyst (505) 670-4279
516 Department of Game and Fish
539 State Land Office
550 Office of the State Engineer
667 Environment Department
668 Natural Resources Trustee
479 Board of Veterinary Medicine
508 Livestock Board
521 Energy, Minerals and Natural Resources Department
522 Youth Conservation Corps

Joshua Martinez, Senior Analyst (505) 231-7039
460 State Fair / EXPO NM
465 Gaming Control Board
469 Racing Commission
419 Economic Development Department
417 Border Authority
491 Office of Military Base Planning
418 Tourism
490 Cumbres and Toltec Scenic Railroad
495 Spaceport Authority

Effective 6/8/2026

Public Safety and Justice Team:
Diego Jimenez, Principal Analyst (505) 690-7162
630 Health Care Authority
705 Department of Military Affairs
770 Corrections Department
780 Crime Victims Reparations Commission
790 Department of Public Safety
795 Department of Homeland Security & Emergency Management
805 Department of Transportation
354 Sentencing Commission
760 Adult Parole Board
Executive Orders
BFM Admin

Mario Semiglia, Senior Analyst (505) 795-1999
111-131 Legislature
205-244 NM Courts
208 Administrative Office of the Courts
251-265 NM District Attorneys
280 Law Office of the Public Defender
305 Attorney General

Health and Human Services Team:

Vacant, Deputy Director

Marisa Martinez, Executive Analyst (June 22)
624 Aging and Long-Term Services Department
601 Commission on Status of Women
603 Office of African American Affairs
604 Deaf & Hard of Hearing Commission
606 Commission for Blind
605 Martin Luther King Jr. Commission
644 Division of Vocational Rehabilitation
645 Governors' Commission on Disability

Skye Stone, Senior Analyst (505) 487-3460
665 Department of Health
449 Board of Medical Examiners
446 Board of Nursing
647 Developmental Disabilities Council
680 Office of Family Representation and Advocacy
631 Department of Workforce Solutions
662 Miners' Colfax Hospital

Andrew Miner, Budget Director (505) 819-1772
356 Governor's Office
360 Lt. Governor's Office
505 Department of Cultural Affairs
BFM Design

General Government Team:
Lourdes Padilla, Executive Analyst (505) 670-4485
670 Veterans Services Department
340 Administrative Hearings Office
369 Commission on Public Records
308 State Auditor
370 Secretary of State
394 State Treasurer
378 State Personnel Office
379 Public Employees Labor Relations Board

Jacob Gabel, Principal Analyst (505) 699-0419
611 Early Childhood Education and Care Department
337 State Investment Council
350 General Services Department
361 Department of Information Technology
343 Retiree Health Care Authority
352 Educational Retirement Board
366 Public Employees Retirement Association
420 Regulation and Licensing Dept
GSD/DoIT Rate Structure

Ariana Vigil, Senior Analyst (505) 690-5740
333 Taxation and Revenue Dept
430 Public Regulation Commission
404 Board of Examiners for Architects
464 Board of Engineers and Land Surveyors
385 New Mexico Finance Authority
440 Office of the Superintendent of Insurance
410 Ethics Commission
632 Workers Compensation Administration

Cecilia Mavrommatis, Mobile Budget Advisor (505) 690-5470
690 Children, Youth and Families Department
Statewide Budget Council
Training

Strategic Planning and Performance Analysis: (505) 479-2963
Simon Miller
Compensation (505) 394-5286
Shanthi Bangi

Other State Budget Actors

DFA Financial Control Division

- Process general fund allotments
- Work with SBD and agencies to resolve budget and accounting issues

Governor's Office and Cabinet Directors

- Work with SBD and agencies to address Executive budget priorities

Legislative Finance Committee

- Legislature's budget office – also produce a budget recommendation
- Review agency budget activities (including BARs) and performance

Other Legislative Committees

- House Appropriations and Finance (HAFC), Senate Finance (SFC), Legislative Education Study Committee (LESC)

Consensus Revenue Estimation Group (CREG)

- DFA, LFC, TRD, and DOT economists

Outside of State Government

- Advocacy groups, schools, local governments, etc.

The Budget Cycle

July/August

- Appropriation request preparation by agencies (due Sept. 1 by statute)
  - SBD and Governor’s Office may meet with agencies to discuss budget needs and executive priorities
  - SBD and LFC may issue budget guidelines to agencies
  - SBD provides training and instructions, facilitates BFM system use, troubleshoots technical problems and otherwise assists as needed

September – December

- SBD and LFC prepare budget recommendations
  - LFC holds fall budget hearings for all agencies, discuss their requests
  - Review submissions for technical accuracy, request more info from agencies, meet as needed
  - Finalize and publish recommendations according to executive (SBD) and legislative (LFC) priorities in early January
  - New Mexico is one of only a few states where the executive and legislative branches release concurrent budget recommendations

October

- Agencies request supplemental and deficiency appropriations, Section 4 special language, and budget adjustment authority language for incorporation into executive and LFC recommendations

The Budget Cycle

January – March

- Legislative session, passage of the General Appropriations Act (GAA)
  - Alternate 60-day (odd years) and 30-day (even years) sessions
  - Budget hearings at House Appropriations and Finance Committee (HAFC) – Committee adopts LFC or executive recommendation or requests reconciliation
    - Concurrently – SFC holds informational budget hearings with selected agencies
  - House passes budget bill (usually HB2) and moves to Senate
  - Executive agencies work with SBD to submit Senate amendment requests, non-Executive branch agencies may request amendments independently
  - Once budget passes Senate and concurred in House, SBD and Governor's Office work together to draft line-item vetoes. Generally, governor may veto appropriations or language, but may not change appropriations or create new language through deletion

April

- Agencies prepare operating budget (due May 1 by statute)
  - SBD issues guidelines based on enacted budget and provides training, assists as needed
  - May begin to budget nonrecurring appropriations as authorized in budget bill

May/June

- SBD reviews operating budget submissions for accuracy, prepares and posts budget journals in SHARE by July 1 for use in new FY

Drawing Lines (i.e. vetoes)

Structure of the State Budget: Organization Hierarchy

Business Unit (BU) – state agency

- 5-digit code in SHARE, often shortened to first 3 digits
- First number refers to functional group of agencies
- Agency budgets are listed in ascending BU order in Section 4 of the GAA

1 Legislative Agencies	2 Judicial Agencies	3 General Control
4 Commerce and Industry	5 Natural Resources	6 Health and Human Services
7 Public Safety	8 Transportation	9 Education

Structure of the State Budget: Organization Hierarchy

Program code (P-code) – highest division of agency

- Small agencies only have one P-code, but must have one
- Budget is appropriated by the legislature at P-code level
- 4-digit code in SHARE (Pxxx), found in Department field
- Usually correspond to Divisions in an agency, but some exceptions

34100 DFA P-CODES

- P541 - Policy Development, Fiscal Oversight and Budget
- P542 - Program Support
- P543 - Community Development/ Local Government Assistance (LGD)
- P544 - Fiscal Management and Oversight (FCD)
- P545 - Special Appropriations
- P556 – Infrastructure Planning and Development Division

Structure of the State Budget: Organization Hierarchy

Fund
• Accounts within agencies that receive revenues and register expenditures • Every agency has at least one unique fund, some agencies have many • Funds can have budget in multiple P-codes, revenue and expenditure categories • Some funds are established in statute and have strictly defined revenues and expenditures • Legislature does not (usually) directly appropriate by fund, but agencies must establish budget in funds, which should roll up to their total appropriated budget • 5-digit code in SHARE (Fund field), generally first 3 digits denote a high-level fund, with last 2 digits (if not zeroes) denoting a lower-level sub-fund

Some Environment Dept Funds

- 06400 – General Operating Fund
- 33700 – Rural Infrastructure Revolving Loan Fund
- 33900 – Hazardous Waste Fund
- 99000 – Corrective Action Fund

Structure of the State Budget: Organization Hierarchy

Additional Information

- **10-digit department code (1200000000)**
  - Optional: Used by larger agencies to budget by subdivisions of P-codes such as bureaus, units, offices
  - SBD does not control – but department-level budgets must roll up to P-code
- **Z-code (ZE5011)**
  - Used to budget nonrecurring (one-time) appropriations
  - Created every year after passage of budget bill
  - Also found in department field in SHARE
- **A-code (A020074)**
  - Used to budget capital projects, regulated by DFA's Infrastructure Planning and Development Division
  - Also found in department field
- Larger agencies may further divide their budgets through such fields as subaccounts or reporting categories as needed

Structure of the State Budget: Revenue Categories

General Fund (GF). Revenue code 499105

- State income collected from various sales and income taxes.
- Most strictly controlled and appropriated by legislature. Cannot increase during the fiscal year.
- Distributed to agencies by FCD generally in 1/12 allotments
- "New money": Projected GF revenue for next year minus current year's recurring appropriations plus allotment for nonrecurring spending, estimated by CREG. How to spend it is the subject of intense debate during budget formulation in the legislative session.

Other State Funds (OSF)

- Recurring revenue agencies receive from permits, fees, leases, interest income, etc.
- Agencies have limited authority to increase budget during FY through BARs
- Many different revenue codes such as Interest on Investments (441201) or Land – Rental or Lease (442103)

Fund Balance

- Nonrecurring OSF revenue (amounts sitting in agency special revenue funds)
- Appropriated as part of OSF total in the budget bill, but budgeted separately in SHARE
- Budgeted with equity codes such as 325900 (restricted fund balance) or 328900 (unassigned fund balance)

Structure of the State Budget: Revenue Categories

Transfer Revenue

- Transfers received from various sources – another state agency, another program in same agency, or outside entity
- Reciprocal transfers
  - Money received to perform a service, generally established through an MOU, grant, etc. Expended as 300 or 400 expense
  - 451909: transfer revenue code if money was originally federal
  - 425909: transfer revenue code for all other original funding sources
- Nonreciprocal transfers
  - Money received with “no strings attached,” directed transfers by legislature or within agency, often from a segregated special revenue fund to an operating fund
  - 499905: revenue received from another state agency
  - 499906: revenue received from within the same agency
  - Nonreciprocal transfer revenue must balance to a 500 category transfer expenditure (eliminates double accounting)
- Limited authority to increase during FY, similar to OSF

Federal Funds – most common revenue code 451903 (direct grant)

- Money received from the federal government through grants or other funding distributions
- Amounts are listed in the budget bill but those within agencies’ operating budgets are technically not appropriated by the legislature
- Broad authority to increase during FY if agency can show new funds have been awarded

$

Structure of the State Budget: Expenditure Categories

Appropriated and budgeted by 3-digit category total; agencies spend by 6-digit line items within each category

- Budget actuals and requested amounts are reported with 6-digit codes to aid in budget planning and recommendations

Personal Services and Employee Benefits (PSEB – 200s)

- Costs associated with salaries, employer share of benefits such as insurance and retirement contributions, and costs such as unemployment and workers' compensation
- 520300: Permanent Full-Time Salaries
- 521100: Employer Group Insurance Costs

Contracts (300s)

- Contract expenses for services performed by various entities – private firms, nonprofits, other agencies
- 535200: Professional Services Contracts
- 535400: Agency Audit Contract (dictated by schedule)

Structure of the State Budget: Expenditure Categories

Examples of 400 Category Line Items

542200	Instate Meals and Lodging	545710	DoIT HCM Assessment Fee
542800	Transportation - Pool	546320	Utilities – Electricity
544100	Office Supplies	547450	Grants to Other Agencies

Other Costs (400s)

- Basically, everything else – travel, utilities, supplies, grants, maintenance, etc.
- Some are fixed costs determined by rate schedules issued by GSD and DoIT

Other Financing Uses (500s)

- Nonreciprocal transfers to other agencies, within agency, or to a component unit
- 555100: Transfer to another agency
- 555106: Transfer within the same agency (to another fund / P-code)
- 555200: Transfer to a component unit of the state (not budgeted in SHARE – universities)
- Recipient should recognize as transfer revenue

Structure of the State Budget: FTE and Personnel Costs (200s)

- **Types of Full-Time Equivalent (FTE) Positions**
    - **Permanent (salary line 520300 for full-time, 520400 for part-time):** Funding source is stable, not going away, such as general fund or permanent special revenue funds
    - **Term (salary line 520200):** funded by other sources that may go away from year to year such as federal grants, need to be reauthorized every year based on available budget
    - **Temporary (salary line 520500):** Positions for fixed period of time (6 months – 1 year), are generally not eligible for all benefits
    - **Exempt (salary line 520100):** Appointed or elected positions not part of the classified civil service. Do receive benefits, generally grouped with perm positions for FTE counts
- FTE totals are no longer listed in the budget bill, but agencies do report them and should request addition of new positions (except temporary) through budget process

Structure of the State Budget: FTE and Personnel Costs (200s)

- Certain line-item costs are formula-driven and determined by salary costs
  - 521200: Retirement (employer pension contributions)
  - 521300: FICA
  - 521700: Retiree Healthcare
- 521100: Employer insurance costs. Determined by employee insurance plans (single, family, etc.) and salary levels (employees with higher salaries pay a higher percentage of insurance costs)
- Vacancy rates
  - Most agencies should not budget full cost of personnel and benefits for all FTE due to number of vacant positions and turnover
  - Apply a reasonable vacancy rate based on past and current trends to more accurately reflect personnel costs. Apply to salary and related benefit lines.
  - Apply 10% vacancy rate = budget 90% of total projected personnel costs

The General Appropriations Act (GAA)

- Good idea to have 3 GAAs always available: last year, current year, and next year (once passed)
- Sections 1-3: Standard front material, definitions, general provisions, BAR authority for federal increases and other grants
- Section 4
  - Every agency's recurring operating budget by program, broken out by funding source and expenditure category. Dollars truncated to thousands with one decimal point (75.9 = $75,900)

Item	General Fund	Other State Funds	Intrnl Svc Funds/Inter-Agency Trnsf	Federal Funds	Total/Target
GAMING CONTROL BOARD:					
(1) Gaming control:					
The purpose of the gaming control board is to provide strictly regulated gaming activities and to promote responsible gaming to the citizens of New Mexico so they can attain a strong level of confidence in the board's administration of gambling laws and assurance the state has competitive gaming free from criminal and corruptive elements and influences.					
Appropriations:					
(a) Personal services and employee benefits	3,914.0				3,914.0
(b) Contractual services	75.9				75.9
(c) Other	1,702.1				1,702.1
Subtotal					5,692.0

The General Appropriations Act (GAA)

- Section 4, continued
  - Language may be included to identify source of transferred funds, earmark specific funding, or otherwise stipulate use of funds or powers of the agency

The general fund appropriations to the museums and historic sites program of the cultural affairs department include forty thousand dollars ($40,000) for educational, historical and cultural programs ~~in Santa Fe, San Miguel, Mora, Colfax and Union counties~~ to commemorate the two hundredth anniversary of the opening of trade along the Santa Fe trail.

  - Subset of agency/program's performance measures and approved targets

Performance measures:

(a) Output:	Number of inspections of oil and gas wells and associated facilities	31,000
(b) Outcome:	Number of abandoned oil and gas wells properly plugged	51

The General Appropriations Act (GAA)

- Nonrecurring budget sections (one-time funding)
  - Section 5: Special appropriations generally valid during remainder of current FY and all of next FY. Language details specific purpose, funding in appropriate column.

Item	General Fund	Other State Funds	Intrnl Svc Funds/Inter-Agency Trnsf	Federal Funds	Total/Target
(120) PUBLIC EDUCATION DEPARTMENT		9,000.0			9,000.0

To develop culturally and linguistically appropriate instructional materials and curricula. The other state funds appropriation is from the public education reform fund.

  - Section 6: Supplemental and deficiency appropriations generally valid during remainder of current FY (deficiencies fix holes in previous FYs)

(7) GENERAL SERVICES DEPARTMENT	2,044.5	2,044.5

For prior year shortfalls in the other category of the employee group health benefits program. This appropriation is contingent on convening of the risk management advisory board and monthly reporting to the department of finance and administration and the legislative finance committee on risk and benefit program funds.

The General Appropriations Act (GAA)

- Nonrecurring budget sections, continued
  - Section 7: IT project appropriations generally valid for remainder of current FY and 2 more years. Usually funded by computer systems enhancement fund (revenue from GF). Funds can't be budgeted/expended until released by Project Certification Committee (PCC)

Item	General Fund	Other State Funds	Intrnl Svc Funds/Inter-Agency Trnsf	Federal Funds	Total/Target
(3) PUBLIC DEFENDER DEPARTMENT		2,140.0			2,140.0

To implement an integrated document management system and a redundant storage system for digital archives.

- Appropriations from these sections may be reauthorized through language if not all funding has been spent in allotted period.

(70) STATE ENGINEER

The period of time for expending the three hundred fifty thousand dollars ($350,000) appropriated from the general fund in Subsection 71 of Section 5 of Chapter 273 of Laws 2019 for salt basin project development matching funds, contingent on matching federal funds secured by the United States bureau of reclamation, is extended through fiscal year 2021.

  - Agencies are generally free to budget these appropriations across expenditure categories at their discretion to accomplish the purpose of the appropriation.

The General Appropriations Act (GAA)

- Compensation Section (when included - often Section 8). (SB 151 in FY27)
  - Contains different appropriations of general fund to provide salary and/or benefit increases to state employees
  - May stipulate different percent raises for different groups of employees
  - Agencies may increase other funding sources to pay for increased costs as well
  - Usually appropriated to DFA, agencies budget as transfers first year, rolled into base budget in future years

A. Sixty-three million eighty-five thousand one hundred dollars ($63,085,100) is appropriated from the general fund to the department of finance and administration for expenditure in fiscal year 2021 to provide salary increases to employees in budgeted positions who have completed their probationary period subject to satisfactory job performance. Police officers of the department of public safety shall be exempt from the requirement to complete their probationary period. The salary increases shall be effective the first full pay period after July 1, 2020 and distributed as follows:

(1) five hundred twenty-three thousand five hundred dollars ($523,500) to provide permanent legislative employees, including permanent employees of the legislative council service, legislative finance committee, legislative education study committee, legislative building services, the house and senate, house and senate chief clerks' offices and house and senate leadership with an ~~average salary~~ increase of four percent;

The General Appropriations Act (GAA)

- Budget Adjustment Request (BAR) Language Sections (generally follow all appropriations)
  - 1st section: additional BAR authority specific to certain agencies for remainder of current FY
  - 2nd section: general BAR authority for all agencies and agency-specific authority for next FY
  - Will be detailed further in Module 3

C. the seventh judicial district court may request budget increases up to seven thousand five hundred dollars ($7,500) from internal service funds/interagency transfers from the administrative office of the courts for court-appointed special advocate operating expenses;

- Transfers Section
  - General fund transfers to certain agencies and/or funds, generally not viewed as appropriations to expend the money

(3) CULTURAL AFFAIRS DEPARTMENT 2,000.0
To the rural libraries endowment fund in fiscal year 2020.

Item	General Fund	Other State Funds	Intrnl Svc Funds/Inter-Agency Trnsf	Federal Funds	Total/Target
(120) PUBLIC EDUCATION DEPARTMENT		9,000.0			9,000.0

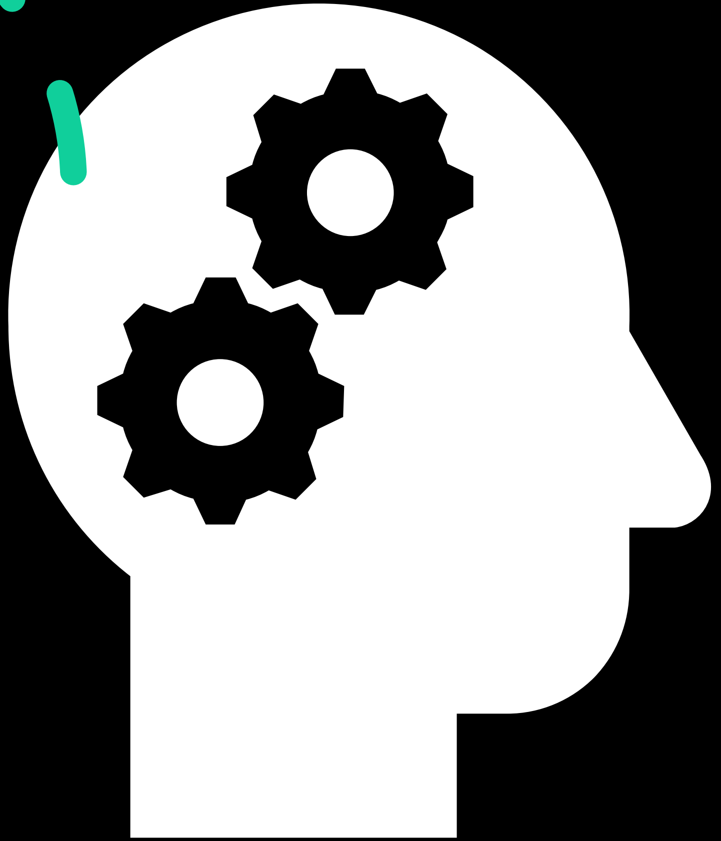
To develop culturally and linguistically appropriate instructional materials and curricula. The other state funds appropriation is from the public education reform fund.

How to Cite the GAA and Other Legislation

- Laws 2020, 2nd Session, Chapter 83, Section 5, Item 120
  - Session is by election cycles, not year. Odd year = 1st session, even year = 2nd session
  - "Session" implies regular session, otherwise "1st Special Session"
  - Every bill receives a chapter number after signed, use this instead of bill number
  - Appropriations may be created in bills other than HB2 (usually one-time), use correct chapter number from corresponding bill when budgeting that appropriation
    - Note that there was no "junior bill" in the 2026 session; these appropriations were instead included in Section 9(D) of HB2
    - Also a few FY27 appropriations in SB273 and SB151
  - Language may be identified by subsection in parentheses, such as Section 3 (I)
- FY27 GAA: Laws 2026, 2nd Session, Chapter 67

Interpreting Language in the GAA

- At times, the GAA can include language that can be difficult for agencies to interpret, especially regarding how certain funding should be used
  - Section 4 appropriation language or language directing how nonrecurring appropriations should be used
- Who should agencies contact if they need assistance in this regard?
  - It is the State Budget Division’s job to implement the GAA and they should be agencies’ first point of contact.   SBD will have info on executive initiatives in the GAA.
  - LFC can provide information on legislative initiatives in the GAA. Please coordinate w/ SBD.
  - FCD can provide guidance on accounting-related language.



New Mexico Statutes

NM OneSource Statute Lookup: https://nmonesource.com/nmos/en/nav.do

- Enter search terms (citation or keyword) and click result from dropdown

State Budget Statutes: 6-3-1 through 6-3-25 NMSA 1978

Special Revenue Fund Statutes

- Important to know statutes detailing sources, eligible uses, and managerial authority (ability to increase budget) associated with each of your agency's special revenue funds

77-2-32. Horse shelter rescue fund; created.

A. The "horse shelter rescue fund" is created as a nonreverting fund in the state treasury. The fund consists of appropriations, gifts, grants, donations and amounts designated pursuant to Section 2 [7-2-30.7 NMSA 1978] of this 2013 act. The board shall administer the fund, and money in the fund is appropriated to the board to carry out the intent of aiding horse rescues and homeless horses in the state.

B. The board shall establish by rule the distribution of funds from the horse shelter rescue fund to horse rescue and retirement facilities registered by the board pursuant to Section 77-2-30 NMSA 1978, taking into consideration the number of horses being cared for in each facility and the need of each facility.

Capital Budgeting Overview

2026 Session Capital Bills:

- HB 248 (Ch. 65) – General Obligation Bonds
- HB 332 (Ch. 68) – appropriation reauthorizations
- SB 240 (Ch. 71) – Capital Outlay Projects
- HB 247 (Ch. 59) – Capital Outlay Changes

- What is capital outlay?
  - Equipment with a useful life of 10 years or more
  - New building construction; plan and design
  - Major renovations or repairs, non-structural land improvements
  - Construction of roadways, fences, ditches and sewers
- DFA's Infrastructure Planning and Development Division (IPDD) coordinates the funding and administration of capital appropriations and projects
  - Works with SBD, Local Government Division, and Governor's Office on the Executive Capital Budget – from request to vetoes.
  - Receives and reviews agency ICIPs – Infrastructure Capital Improvement Plans – due on July 1st
  - Oversees implementation and adjustments to capital budgets, including CAPBUDs, CBRFs and CBARs for every capital appropriation (over a thousand each year)
  - Executive Order Compliance: EO 2013-006 requires local governments to have a complete audit to receive capital outlay funding from the state, among other requirements
  - Assist with questionnaire process for projects funded by general fund and severance tax bonds
  - Maintains the state Capital Project Monitoring System (CPMS), create reports and update dashboards
  - Provide training, assistance and oversight to state and local agencies on management of capital projects and funds
- SBD's capital budget analysts were transferred to IPDD in July 2025 to more fully integrate with the capital budgeting process. The State Budget Director maintains statutory responsibility for approving capital budgets and general fund allotments.

Capital Outlay Reform – 2026 HB 247

- Capital outlay equal to $100k or more must be on an ICIP
- Capital appropriations can only be reauthorized one time and cannot be extended more than 2 years. Project must have at least 10% encumbrance in the year the reauthorization is being requested
- Reauths only allowed for technical changes – cannot change original purpose but can expand
- Failure to encumber anything by January 1 of expiration year – funds will be frozen by DFA and made available to Legislature for redistribution
- General fund capital appropriation balances will now revert to the Capital Development Reserve Fund
- If you have questions, please reach out to DFA's Infrastructure, Planning and Development Division

The Accountability in Government Act (AGA): 6-3A-1 through 6-3A-10 NMSA 1978

- Establishes performance measure process for each agency in order to connect budget with agency performance
- Each performance measure has a type (output, explanatory, etc.) and a target, with numerical data that can be consistently measured and tracked from year to year
- Data is used by LFC to create agency report cards for public and legislative use (frequently used during legislative session hearings)
- AGA establishes process to revise measures, set targets, and report data each year
- Some agencies have separate performance staff, others have budget staff perform this role – consult your management team

The Performance Measure Cycle

June 15: SBD issues guidelines to agencies to request changes to their measures for the next budget cycle year (June 2019: changes for FY21)

July 15: Agencies submit requested changes to SBD and LFC

- "Key" agencies must also identify which measures they will report on quarterly in the current FY

July/August: Agencies, SBD and LFC meet as needed to collaborate on requested changes and strive to come to consensus

August 15: SBD issues final approved measures to agencies, incorporates changes into performance measure system

Sept. 1: Agencies include requested targets for approved measures as part of their budget request.

Legislative session: SBD and LFC analysts meet to discuss their target recommendations and strive to come to consensus

- Select measures and targets included in GAA

Useful websites

- State Budget Division: http://www.nmdfa.state.nm.us/Budget_Division.aspx
  - Executive Budget Recommendations (incl. BiB)
  - Agency Budget Requests
  - Post-Session Budget Summary
  - Appropriation Request Instructions and Forms
  - Operating Budget Submission Instructions and Forms
  - Budget Adjustment Request Instructions and Forms
  - Performance Based Budgeting Instructions and Forms
- Legislative Finance Committee: https://nmlegis.gov/Entity/LFC/Default
  - Session Publications: Appropriation Recommendations, Policy and Performance Analysis
  - Evaluation Unit Publications (performance and program reviews)
  - Finance Facts and other reference material
- Legislature: https://nmlegis.gov/
  - Bill Finder
  - Committee Schedules and Agendas
  - Webcasts

Module 1 Complete