

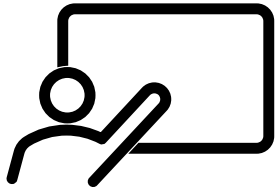
**New Mexico**  
**Department of Finance  
and Administration**

# Introduction to the State Budget Division

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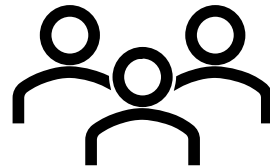
# Introduction to the State Budget Division

*SBD is the Governor's or Executive Budget Office. Every state has an office or division similar to ours and at the federal level our equivalent is the Office of Management and Budget (OMB).*



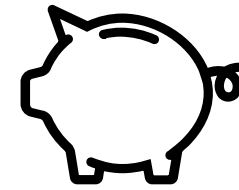
Provide budget and policy information, analysis, and recommendations to Executive Branch leadership (i.e. DFA management, Governor's Office, agency heads)

- 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 – Organization

- Management – Director and Deputy Director
- Three Levels of Executive Budget and Policy Analysts
  - Principal, Senior, and Entry
  - Each analyst works with an assigned group of state agencies and their budgets
- Executive Program and Performance Analysts
  - Work with agencies on performance measure process and improving the performance and effectiveness of agency activities
- Capital Budget Analysts
  - Oversee budgeting of capital appropriations and work with Infrastructure Division on broader process
- Office Manager

# Who does SBD work with?

## DFA Financial Control Division

- SBD sends FCD general fund allotments
- We work together to resolve various budget and accounting issues

## Governor's Office and Cabinet Directors

- Work with Governor's office staff and agencies to address Executive budget priorities – inclusion in recommendation and support during session

## All State Agencies

- Leadership to address budget priorities
- Financial/budget staff to work through budget issues

## Legislative Finance Committee

- Legislature's budget office – also produce a budget recommendation
- Budget recs are compared during session

## DFA Local Government and Infrastructure Divisions

- Ensure all capital and other related appropriations are budgeted appropriately and timely
- Assist with capital bills and other legislation as needed

## Consensus Revenue Estimation Group (CREG)

- DFA, LFC, TRD, and DOT economists
- Produce annual general fund revenue estimates that form the basis of budget recommendations

# 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



# The Budget Cycle

## January – March

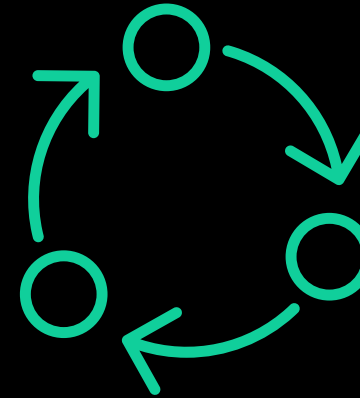
- Legislative session, passage of the General Appropriations Act (GAA)
  - Alternate 60-day (odd years) and 30-day (even years) sessions
- Budget hearings at House Appropriations and Finance Committee (HAFC)
  - Committee adopts LFC or executive recommendation or requests reconciliation
- House passes budget bill (usually HB2) and moves to Senate
- Executive agencies work with SBD to recommend changes to Senate Finance Committee
- Once budget passes Senate and concurred in House, SBD and Governor's Office work together to draft line-item vetoes.

## 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



# SBD in Action



# SBD's Goals for the Future

- Improve budget reporting tools. Active participation in discussions on the future of SHARE.
- Continue to improve Executive recommendation documents with more information and analysis
- Improve public-facing budget narratives to improve access and transparency
- Develop a pipeline for agencies to recruit skilled budget managers
- Work toward increased visibility in budget and policy space