



New Mexico
Department *of* Finance
and Administration

Fiscal Year 2027
Executive Recommendation Budget in Brief
State Budget Division

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FISCAL YEAR 2027 EXECUTIVE BUDGET RECOMMENDATION:

OVERVIEW

The fiscal year 2027 Executive Budget Recommendation totals \$11.329 billion in recurring general fund appropriations, an increase of \$502.8 million, or 4.6%, over the fiscal year 2026 operating budget. This increase supports the Governor's initiative to fund universal childcare, addresses needed capacity at the Health Care Authority due to changes implemented by federal HR1 in 2025, and funds modest increases in operating costs for all state agencies chiefly related to employee health insurance and rates charged by the General Services Department and Department of Information Technology, while maintaining projected general fund reserves at high levels.

The Recommendation also includes approximately \$1.7 billion in nonrecurring general fund appropriations for fiscal year 2027, including a \$200 million transfer to the Federal Reimbursement Revolving Fund to support natural disaster recovery throughout the state. Further, the Recommendation proposes a total general fund capital package of \$525 million and a \$300 million tax package. Total FY27 revenues, as projected by the Consensus Revenue Estimating Group in December 2025, exceed the recommended recurring and nonrecurring appropriations in the Executive budget by \$79.2 million. The Executive Recommendation leaves estimated general fund reserves at 30.8% at the end of fiscal year 2026 and 30% at the end of fiscal year 2027.

General fund comprises approximately 33.4% of the FY27 Executive Budget Recommendation, roughly consistent with recent years. The remainder of the budget recommendation comes from federal funds and other state funds, with the total recurring recommendation amounting to \$33.96 billion from all funds. For a list of all state agency recommended budgets, see Table 1 (general fund) and Table 2 (total funds) in the Executive Recommendation document. The Recommendation builds upon budget increases appropriated to agencies over the past several years, and the agency overviews in this document detail how these increases have allowed agencies to meet their missions of serving New Mexicans.

Nonrecurring Appropriations

The Executive Recommendation utilizes the significant availability of one-time general fund revenue to continue major investments in selected state programs. The Recommendation supports a total of \$1.7 billion in nonrecurring general fund appropriations, including \$1.6 billion in special appropriations, \$36 million in supplemental and deficiency appropriations, and \$47.1 million in special information technology appropriations. The most significant nonrecurring appropriations in the Executive Recommendation include:

- ✚ \$200 million transfer to the Federal Reimbursement Revolving Fund
- ✚ \$100 million for a new State Fair site selection, property acquisition, and construction
- ✚ \$100 million for State Fairground revitalization projects
- ✚ \$100 million for statewide road construction and maintenance

- ✚ \$65 million for affordable and attainable housing initiatives statewide
- ✚ \$65 million to the Strategic Water Supply Fund
- ✚ \$60 million to the New Mexico Match Fund
- ✚ \$49.3 million for the quantum benchmarking initiative
- ✚ \$45 million for homelessness initiatives statewide
- ✚ \$38.5 million for career technical education
- ✚ \$35 million for Indian water rights settlements
- ✚ \$30 million for a reading intervention program
- ✚ \$25 million for health professional loan repayment
- ✚ \$22.5 million for depletion reductions and increasing the water supply in the lower Rio Grande, and for implementing the settlement resolving interstate litigation
- ✚ \$22 million for aquifer monitoring and characterization and integration of state water data
- ✚ \$21 million for statewide cybersecurity initiatives
- ✚ \$20 million for the Research, Development and Deployment Fund

For a complete list of Executive recommended nonrecurring appropriations, please refer to Table 4 in the FY27 Executive Budget Recommendation. Table 5 lists prior nonrecurring appropriations recommended for reauthorization through future fiscal years.

Government Results and Opportunity (GRO) Program Fund Appropriations

In 2024 the Legislature passed and the Governor signed HB 196, which created the Government Results Expendable Trust and the Government Results and Opportunity Program Fund. The bill mandates that, beginning in FY26, an amount equal to \$100 million or 25% percent of the fund balance, whichever is greater, will be transferred from the Trust to the Program Fund. DFA economists estimate that the amount transferred to the Program Fund in FY27 will be \$166.7 million. This amount is available for nonrecurring appropriations for promising pilot projects at various agencies that will in the future be evaluated and considered for permanent inclusion into agencies' operating budgets.

The Executive Recommendation for GRO Program Fund appropriations in FY27 includes the following appropriations:

- ✚ \$57 million to implement the wage scale and career lattice framework in the childcare, early intervention, home visiting and prekindergarten workforce
- ✚ \$46.7 million to the Protective Services Division of the Children, Youth and Families Department (CYFD) for personnel, contractual support, and implementing foster care plus rate increases
- ✚ \$16.5 million to the Juvenile Justice Services Division of CYFD for costs associated with the increasing population in facilities
- ✚ \$6.9 million to the Behavioral Health Services Division of CYFD for new and expanded programs for adolescent substance use and operational needs
- ✚ \$4.5 million to the Program Support Division of CYFD for personnel and operational expenditures
- ✚ \$6 million to continue operations for service programs in New Mexico, particularly AmeriCorps programs, and provide a stable state resource to support Service to Career pathways
- ✚ \$6 million to continue Office of Housing operations at the Department of Workforce Solutions

- ✚ \$6 million for drinking water system support and resilience initiatives to improve the sustainability, compliance, and resilience of public water systems statewide
- ✚ \$3 million to continue to implement and evaluate youth pre-apprenticeship programs
- ✚ \$2.25 million for intensive outreach for statewide out-of-school and at-risk youth
- ✚ \$4.36 million to fund the Second Judicial District Court's Assisted Outpatient Treatment Program
- ✚ \$2.25 million to administer the Community Solar Program

HB 196 stipulated that the balance of the Trust would be included in the calculation of state general fund reserves in FY25. It was again included in this calculation in FY26, and the Executive Recommendation assumes that this practice will continue in FY27.

Fiscal Year 2025 General Fund Reversion and Budget Adjustment Request Summary

As agency general fund budgets have grown in recent years, increased scrutiny has been applied to their general fund reversions--in other words, the amount of their general fund budget agencies did not expend during the fiscal year. This is an important and prudent tool of budget analysis; however, careful attention must be paid when examining these reversions to understand their funding sources and context. For example, some amounts included in “total” reversions may be leftover balances from special appropriations and not recurring operating budgets (as appropriated in Section 4 of the General Appropriations Act). Reversions could also be revenue generated by the agency for the general fund. In FY24, total general fund reversions were \$310.5 million, but operating budget reversions were \$69.1 million, or 1.6% of total recurring FY24 general fund agency budgets.

Total fiscal year 2025 general fund reversions decreased substantially to \$152.3 million in FY25. Of this, \$45.1 million was from agency operating budgets, which amounts to just 1% of total recurring general fund agency budgets. Significant sources of general fund reversions in FY25 included:

- ✚ \$8.3 million in capital outlay appropriation balances
- ✚ \$49.9 million in special appropriation balances
- ✚ \$15 million from the Department of Homeland Security and Emergency Management from Fire Protection Fund revenue

For complete details on agency reversions, please refer to the tables in Appendix D of the Executive Budget Recommendation. SB1 from the 2025 Legislative Session directs general fund reversions in excess of \$110 million to be deposited into the Medicaid Trust Fund. Under this mechanism, approximately \$42 million of FY25 reversions are expected to be transferred to this Fund.

Another frequent subject of budget scrutiny is the amount of budget authority agencies move out of the Personal Services and Employee Benefits (PSEB) category through budget adjustment requests (BARs). It is important to place these transfers within the context of the entire budget. Per authority granted in the General Appropriations Act, agencies can transfer budget authority among the PSEB, Contracts, and Other Costs budget categories from all funding sources by submitting BARs to the Department of Finance and Administration (DFA) and the Legislative Finance Committee (LFC). Every transfer is examined by both DFA

and LFC before approval to ensure the proposed action is consistent with the agency's mission as well as statutory and GAA authority.

Of the more than 600 BARs submitted to DFA in FY25, 98 transferred budget authority out of the PSEB category. The total amount transferred was \$26.9 million, or about 1% of the total PSEB budget for all agencies. This represents a 19% reduction in the amount transferred out of PSEB from FY24, continuing a downward trend observed in the past few years. Of this amount, \$14 million was general fund, or about 0.1% of the total general fund budget (\$10.2 billion). The agencies with the largest transfers out of PSEB included:

- ✚ Department of Health - \$6 million (\$2 million general fund)
- ✚ Office of Family Representation and Advocacy - \$3.1 million (\$1.6 million general fund, due to contract attorney needs)
- ✚ All District Attorneys - \$2.3 million (\$2.1 million general fund)
- ✚ Department of Workforce Solutions - \$2.2 million (\$456 thousand general fund)
- ✚ Department of Homeland Security and Emergency Management - \$1.9 million (no general fund)

Coincidentally, the amount of budget authority transferred into the PSEB category from other categories was also \$26.9 million, \$20.3 million of which was general fund.

Fiscal Year 2027 Funded FTE Recommendation Methodology

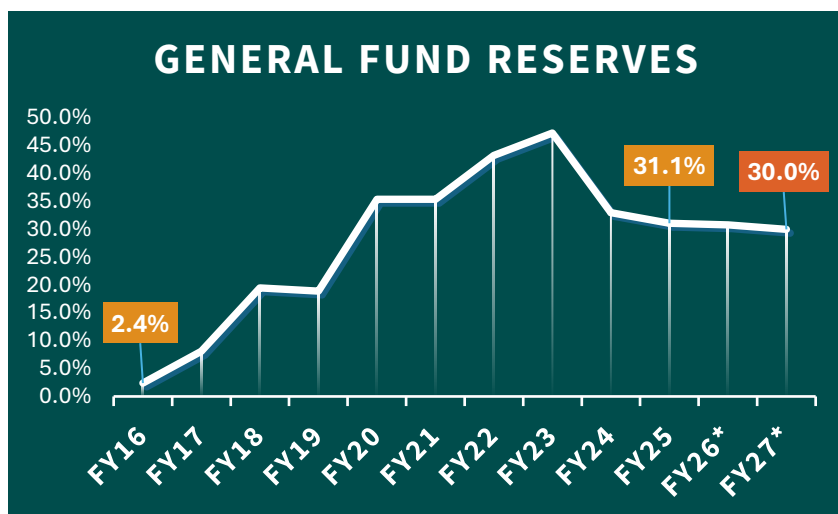
An agency's personal services and employee benefits (PSEB) budget as well as the number of FTE (full-time equivalent) positions it can support are an important focus of budget discussions every year. Frequently, the use of terms like "authorized FTE" and "funded vs. unfunded vacancy rates" can lead to confusion and obfuscation of the core question – how many positions can the agency support now and how many does the budget recommendation support? Therefore, the FY27 Executive Recommendation employs a methodology that utilizes PSEB operating budgets and recommendations and average FTE costs within each agency to identify the change in number of FTE funded for FY27 compared to FY26. For FY26, the Legislature appropriated a nonrecurring funding source, the Health Care Affordability Fund, for recurring personnel expenses; therefore, DFA included these allocations in its analysis of the number of FTE funded in the current year. To see this FY26 and FY27 data for every state agency, please refer to the table at the end of this document.

General Fund Reserve Summary

General Fund Reserves

The New Mexico Constitution requires a balanced budget, so state government maintains general fund reserves to cover any shortfalls if revenues are unexpectedly low or expenses are unpredictably high. The general fund reserves are measured as a percentage of the state's recurring general fund operating budget. They are made up of several distinct accounts: the Operating Reserve, Tax Stabilization Reserve, Appropriation Contingency Fund, and State Support Reserve Fund.

A reserve of almost 17% in 2006 proved inadequate for New Mexico to weather the worst of the Great Recession, and a reserve of 12% in FY14 was not sufficient to mitigate the effects of the forthcoming oil bust. Therefore, in recent years, state officials have targeted reserve levels of 25% or more when crafting the budget to withstand a possible recession or a substantial downturn in the oil industry.



- ◆ **Projected Ending Reserves FY26: \$3.3 billion**
- ◆ **Projected Ending Reserves FY27: \$3.4 billion**

LONG-TERM INVESTMENTS TO BOLSTER FINANCIAL STABILITY:

In addition to the large projected general fund reserve levels, several pieces of 2023 legislation (HB2, SB26, and SB378) directed \$7.7 billion over the following four fiscal years to the Severance Tax Permanent Fund (STPF), significantly decreasing the volatility of the general fund and the state's future budgetary reliance on the oil and gas industry. In the long run, this infusion into the STPF is estimated to offset the losses to the general fund from declining oil and gas revenues in the future as STPF distributions from investment earnings grow faster than the reductions in oil and gas revenue. The STPF balance is expected to grow from \$10.5 billion in 2024 to \$42.7 billion in 2035.

2024 HB 196 directed that the Government Results Expendable Trust would count towards general fund reserves in FY25; this practice continued in FY26 and the Executive Recommendation assumes it will in FY27 as well.

Issue Focus

New Trust Funds Created in 2025: Behavioral Health Trust Fund and Medicaid Trust Fund

In the 2025 Session the Legislature passed, and the Governor signed legislation creating two new trust funds designed to set aside current revenue to generate income streams for important programs in the future. First, SB1 created the Behavioral Health Trust Fund, to be used for programs at various state agencies to address issues such as mental health, substance abuse, the delivery of behavioral health services and programs, and matching funds for federal, local and state funds. The Trust is invested and annually distributes 5 percent of a three-year average of its balance to a program fund for appropriations. The Trust is included in general fund reserves in FY26 and FY27. In 2025 HB2 appropriated \$100 million general fund into the Behavioral Health Trust Fund in FY26, and the Trust Fund receives an annual income of excess revenue from oil and gas taxes. The Fund is projected to have a balance of \$217.8 million at the end of calendar year 2027.

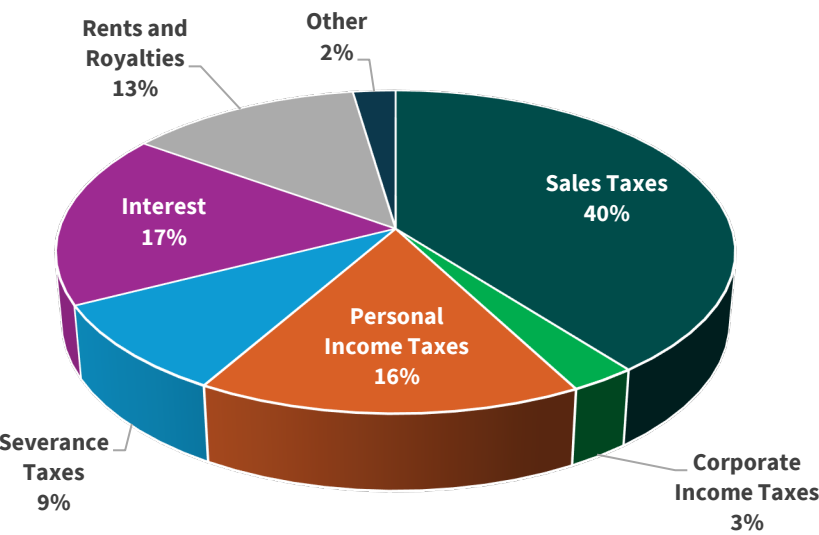
Second, SB88 created the Medicaid Trust Fund, designed to supplement future state funding needs for the Medicaid program, which in FY26 has a general fund budget over \$1.5 billion. Money in the Trust is invested and, beginning in FY29 if the balance of the Fund exceeds \$500 million, there will be an annual distribution from the Trust Fund to the State Supported Medicaid Fund equal to 5 percent of a three-year average of the Trust's balance.

There were no direct appropriations to the Medicaid Trust Fund in the 2025 Session. However, SB88 directs that annual general fund reversions over \$110 million shall be directed to the Medicaid Trust Fund until the balance of the Fund reaches \$2 billion. FY25 reversions will result in a transfer of approximately \$42 million to the Trust From this provision. Further, 2025 Second Special Session HB1 directed that any amounts from appropriations reverted from the Health Care Authority to fund federal shortfalls in the SNAP program in FY26 that remain unspent and leave the amount in the general fund operating reserve with a balance over \$137 million, that excess balance shall be transferred to the Medicaid Trust Fund.

General Fund Revenue Summary

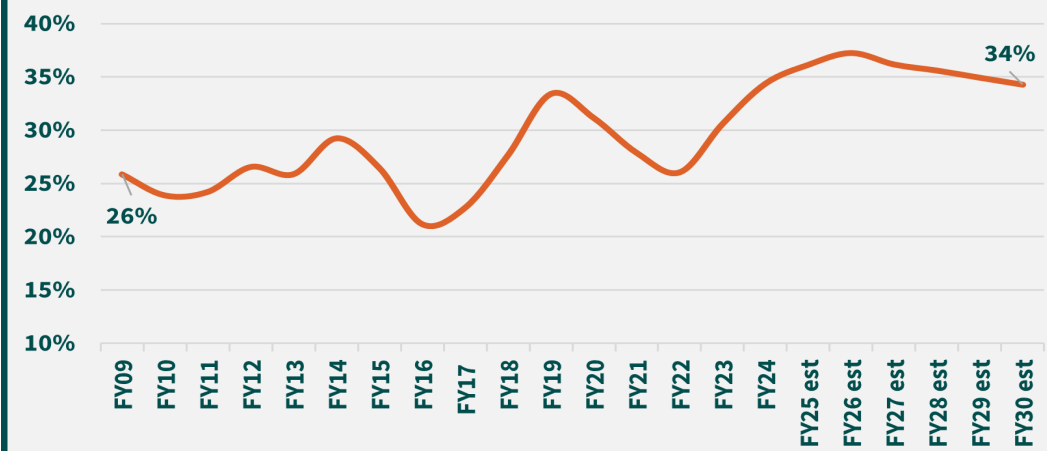
Where the Money Comes From

FY27 GENERAL FUND REVENUE ESTIMATE



REVENUE SOURCE	AMOUNT (rounded)
Sales Taxes	\$5.5 B
Corporate Income Taxes	\$384 M
Personal Income Taxes	\$2.2 B
Severance Taxes	\$1.3 B
Interest	\$2.4 B
Rents and Royalties	\$1.8 B
Other	\$324 M
TOTAL	\$13.91 billion

PERCENT OF RECURRING GENERAL FUND REVENUES FROM OIL AND NATURAL GAS



The State of New Mexico relies on oil and gas revenues to finance a large share of state operations.

The graph to the left displays oil and gas related revenues as a percentage of total general fund revenues.

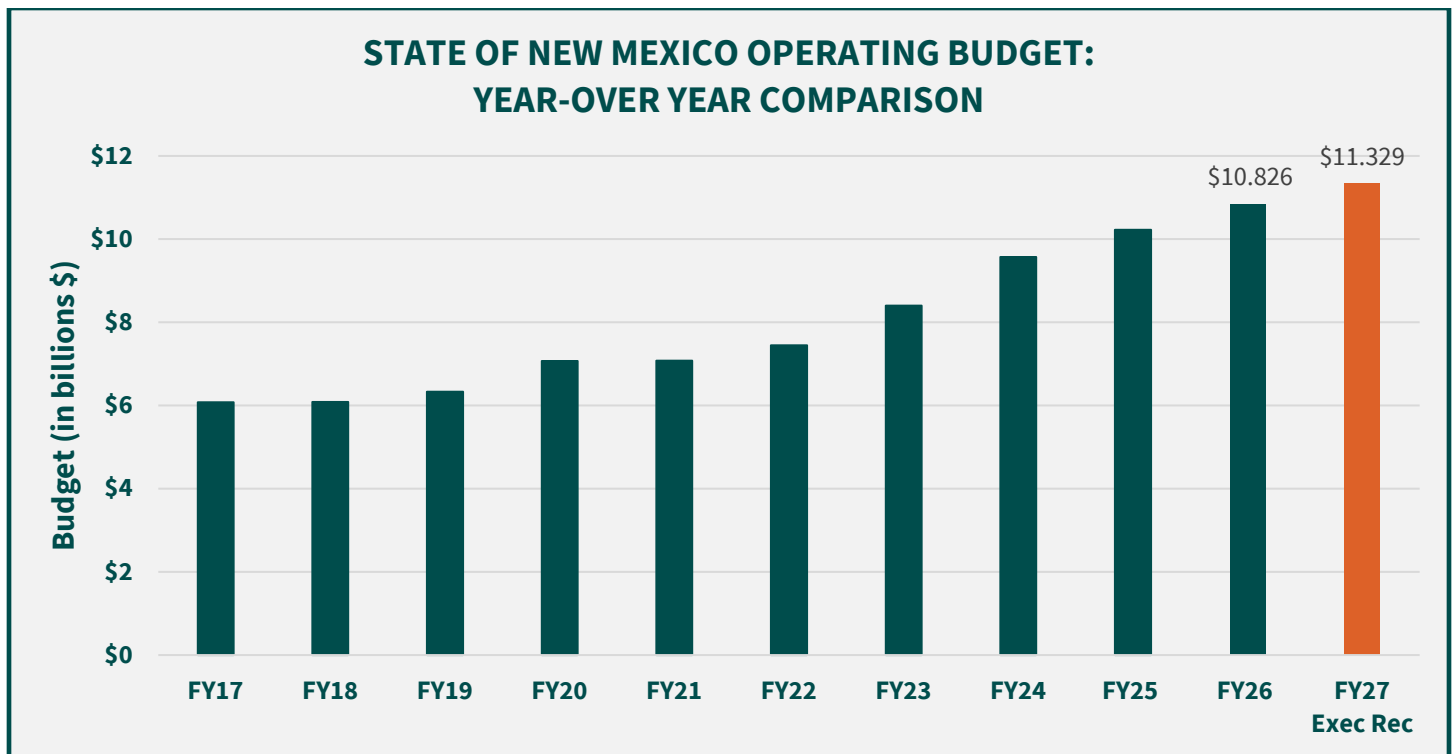
Increases in investment income chiefly account for the modest decline in this percentage forecast in future years.

Source: CREG, DFA

General Fund Expenditure Summary

Where the Money Goes

The FY27 Executive Budget Recommendation proposes recurring general fund appropriations totaling \$11.329 billion, an increase of \$502.8 million, or 4.6%, above the FY26 operating budget.



Agency	FY27 Recommendation (in millions)	Percent of Total	Percent Increase Over FY26
Public Education	\$4,796.4	42.5%	0.6%
Health Care Authority	\$2,128.5	18.9%	3.0%
Higher Education	\$1,481.0	13.1%	2.7%
Early Childhood Education and Care Department	\$465.1	4.1%	54.1%
Department of Corrections	\$368.0	3.3%	4.1%
Children, Youth and Families Department	\$299.2	2.6%	11.2%
Courts	\$284.2	2.5%	3.6%
Department of Health	\$228.1	2.0%	3.8%
Department of Public Safety	\$213.7	1.9%	6.9%
District Attorneys	\$125.1	1.1%	4.5%
Taxation and Revenue Department	\$92.9	0.8%	4.3%
Public Defender	\$85.8	0.8%	4.5%
Aging and Long-Term Services Department	\$84.3	0.7%	12.3%
Cultural Affairs Department	\$49.7	0.4%	4.1%
Energy, Minerals and Natural Resources Department	\$47.1	0.4%	4.7%
Office of the State Engineer	\$40.3	0.4%	4.8%
Department of Finance and Administration	\$40.4	0.3%	2.9%
Environment Department	\$36.5	0.3%	4.4%
Economic Development Department	\$28.8	0.2%	1.9%
Tourism Department	\$26.6	0.2%	1.3%
General Services Department	\$23.7	0.2%	3.9%
Workforce Solutions Department	\$17.3	0.2%	17.4%
All Other Agencies	\$290.2	2.5%	-
Compensation	\$76.2	0.7%	-
TOTAL	\$11,329.1		4.6%

New Mexico Judiciary (208-280)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$496.9 million in recurring general fund for the agencies that constitute the New Mexico Judiciary, an increase of \$19.2 million, or 4.0%, over the current year.

Agencies 208-280	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$442,542.2	\$477,731.1	\$496,913.1	\$19,182.0	4.0%
Total Funds	\$499,085.7	\$528,339.7	\$549,844.4	\$21,504.7	4.1%

New Mexico's judicial system is made up of the courts, District Attorneys, and the Law Offices of the Public Defender (LOPD), each with distinct but connected roles. The court system interprets and applies the law, with trial courts handling cases and appellate courts reviewing decisions to ensure fairness and consistency. District Attorneys represent the State of New Mexico in criminal cases, prosecuting offenses on behalf of the public and working to uphold public safety. LOPD provides legal defense to individuals who cannot afford an attorney, ensuring the constitutional right to counsel. Together, these institutions balance prosecution, defense, and judicial oversight to administer justice across the state.

The FY27 Executive Recommendation includes \$496.9 million in recurring general fund for the judicial agencies, an increase of \$19.2 million, or 4%. The recommendation funds two new district court judges, plus associated staff, in the 1st and 2nd Judicial Districts (Albuquerque and Santa Fe areas), alleviating heavy judicial caseloads in two of the busiest districts in the state and ensuring quicker access to justice for the accused. The Executive also supports funding for up to 11 new prosecuting attorneys to be housed at District Attorney offices across the state, which will similarly alleviate attorney caseloads and improve public safety outcomes. Additionally, a recurring increase of over \$1.6 million is allocated to LOPD for contractual legal services, helping the agency fulfill the constitutional mandate of effective defense counsel for indigent residents in both rural and suburban parts of the state.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$12.2 million from the general fund to support 17 nonrecurring items, or 'special appropriations,' for the New Mexico Judiciary, to include:

- ◆ \$5 million in security updates for New Mexico's courts, responding to growing threats and safety concerns
- ◆ \$566 thousand for information technology upgrades for New Mexico's courts
- ◆ \$2.5 million for the Organized Crime Commission housed in the 2nd Judicial District Attorney's office
- ◆ \$3 million for felony warrant enforcement in the 2nd Judicial District
- ◆ \$429 thousand for information technology upgrades for New Mexico's District Attorney offices

Long-Term Budget History and Impact

Since fiscal year 2020, the recurring general fund budget for the New Mexico judiciary has grown by \$170.3 million, or 55.4%.

Since the beginning of the administration, the Executive Recommendations have been keenly focused on ensuring each pillar of the New Mexico judicial system - the state district and magistrate courts, the state's prosecuting offices, and our public defenders - have ample new funding to ensure access to justice, hold criminals responsible, and assure that every accused New Mexican receives the constitutional right to legal representation. The administration has supported higher pay for judges, prosecuting attorneys, and public defenders and has backed large increases in contractual spending to address staffing shortages. Through wise investments in additional staffing, contractual funding capabilities and tested programs that improve public safety outcomes for all of New Mexico's communities, the administration and legislature have put this crucial, independent third branch of state government on a sustainable track to fulfill its vital mission.

Taxation and Revenue Department (333)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$92.9 million in recurring general fund for the Taxation and Revenue Department, an increase of \$3.8 million, or 4.3%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$83,613.6	\$89,105.7	\$92,902.8	\$3,797.1	4.3%
Total Funds	\$132,238.8	\$143,587.3	\$143,354.0	(\$233.3)	-0.2%

The Taxation and Revenue Department (TRD) is responsible for the administration and implementation of laws and oversight functions related to taxation, revenue collection, and vehicles.

The FY27 Executive Recommendation includes a \$3.8 million (4.3%) increase in recurring general fund appropriations for TRD. The general fund increase in the personnel category totals \$2.6 million to support GSD risk insurance assessment increases and provide a recurring funding source for the implementation of SB376 of 2025, which increased the employer health insurance contribution rate to 80%. The general fund increase in the contractual services category totals \$958.3 thousand for licensing of the Fast Collection Services (FCS) software and the Fast Identity Verification Services (FIVS) software - programs that improve tax collection efficiency and mitigate tax fraud. The general fund increase in the other costs category totals \$653.8 thousand primarily for postage for constituent correspondence and DoIT rate increases.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$15.2 million from the general fund to support 5 nonrecurring items for the Taxation and Revenue Department, to include:

- ◆ \$5 million to implement potential tax and motor vehicle code changes mandated in legislation or required due to federal actions
- ◆ \$300 thousand for the purchase and installation of a production inserter to replace end-of-life equipment for processing taxpayer and motor vehicle mailings
- ◆ \$4.1 million to implement system changes to ensure compliance with required driver and vehicle interface mandates
- ◆ \$2.8 million to continue the replacement of the legacy GENKFI tax processing software

Long-Term Budget History and Impact

Since fiscal year 2020, the recurring general fund budget for the Taxation and Revenue Department has grown by \$25.5 million, or 40.1%.

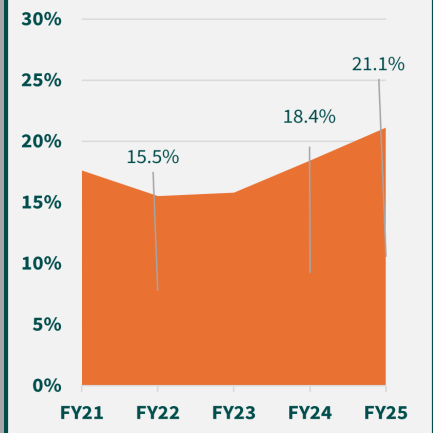
From 2019 through 2025, the New Mexico Taxation and Revenue Department guided the state through a period of major tax reform, pandemic-era economic relief, modernization of services, and increased transparency. Throughout these years, TRD strengthened the fairness and efficiency of tax administration while helping families, businesses, and local governments navigate rapid economic changes.

Beginning in 2020, TRD played a central role in delivering direct economic relief during the COVID-19 crisis. The Department administered multiple rounds of statewide rebates in 2022 and 2023, issuing hundreds of thousands of payments—many through direct deposit—to return dollars to New Mexicans at a time of high inflation and financial strain. These rebates, combined with ongoing taxpayer assistance and simplified filing options, provided immediate and widespread support.

At the same time, TRD supported the state's broader shift toward a more modern, progressive, and growth-oriented tax structure. Between 2019 and 2025, New Mexico enacted more than \$900 million in recurring tax cuts, much of which TRD was responsible for

Data Dive

TAX COLLECTIONS AS A PERCENT OF OUTSTANDING BALANCES OWED FROM THE END OF THE PRIOR FISCAL YEAR



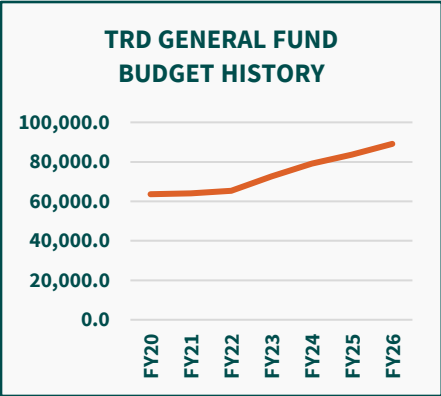
OF THE \$1.2 BILLION IN OUTSTANDING TAX COLLECTIONS OWED TO THE STATE TO END FY24, THE TAX ADMINISTRATION PROGRAM COLLECTED \$252.1 MILLION IN FY25, 21% OF THE OUTSTANDING BALANCE

implementing and administering. A comprehensive tax package signed in 2024 lowered personal income taxes, updated tax brackets, and expanded credits for families, clean vehicle purchases, and advanced manufacturing. TRD also oversaw the administration of a continually expanding child tax credit, healthcare-related deductions, and incentives aimed at clean energy and small businesses. By 2025, these tax expenditures totaled more than \$1 billion annually in resident-focused benefits, reflecting the state’s commitment to using the tax code to support economic mobility and reduce cost-of-living pressures.

Throughout these reforms, TRD maintained strong stewardship of state revenue. The Department continued to administer dozens of separate tax programs, ensuring accurate and timely distribution of funds to state, county, municipal, and tribal governments. Distributions grew from \$9.6 billion in 2019 to \$17.6 billion in 2025, or 83.4%. The Department also strengthened compliance and enforcement efforts to ensure fairness and maintain a level playing field for taxpayers, even as the tax code evolved.

TRD modernized its operations as well. By expanding online services, improving electronic filing tools, and increasing access to forms and educational materials, the Department made it easier for individuals and businesses to meet their obligations. Public reporting, through tax-expenditure data, performance scorecards, and revenue summaries, became more transparent and detailed, giving policymakers and residents clearer insight into the impact of tax policy.

The Department’s Motor Vehicle Division also continued to provide essential public services, including vehicle registration, titling, and driver licensing. Improvements in digital access and customer service reduced wait times and increased reliability for millions of transactions annually.



Department of Finance and Administration (341)

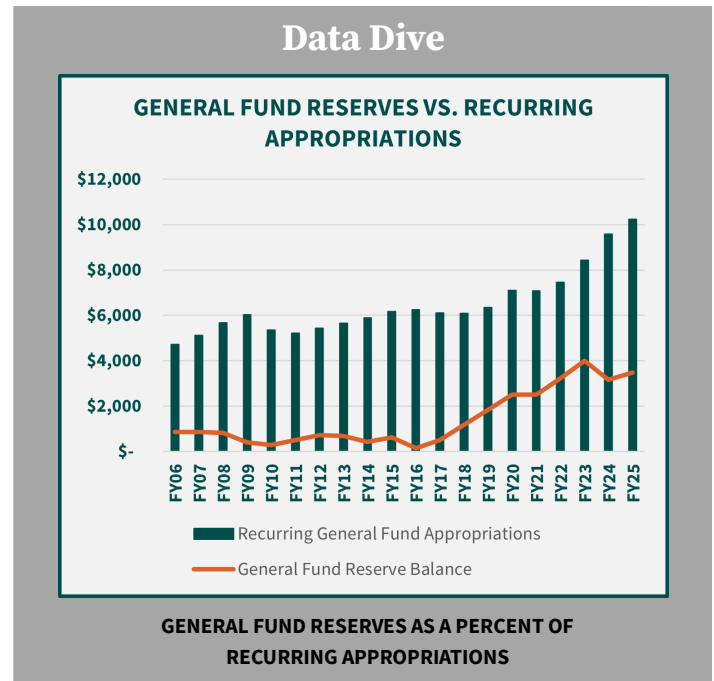
Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$40.4 million in recurring general fund for the Department of Finance and Administration (DFA), an increase of \$1.1 million, or 2.9%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$35,490.2	\$39,286.1	\$40,434.5	\$1,148.4	2.9%
Total Funds	\$227,169.1	\$226,984.6	\$232,480.1	\$5,495.5	2.4%

The New Mexico Department of Finance and Administration (DFA) oversees budgeting, accounting, capital outlay, and financial controls for state government, supports local governments with fiscal compliance and funding, administers grants and statewide financial systems, and ensures that public resources are allocated, tracked, and managed in accordance with state law and policy. It serves as a central hub for financial planning and fiscal oversight across New Mexico.

The FY27 Executive Recommendation includes the transfer of four capital outlay positions to the Infrastructure Planning and Development Division (IPDD) to better align staffing with the Division's infrastructure mission, an increase of \$44.8 thousand to the Administrative Services Division to cover audit costs and DoIT increases, and the strategic alignment of Community Development Block Grant (CDBG) funding with IPDD, including the transfer of the associated positions to IPDD. The Recommendation also provides funding in the personal services and employee benefits category to support increases to GSD risk insurance assessments and to provide a recurring funding source for the implementation of SB376 of 2025, which increased the employer health insurance contribution rate to 80%.



Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$279.9 million from the general fund to support 11 nonrecurring items for the Department of Finance and Administration, to include:

- ◆ \$60 million for the New Mexico Match Fund
- ◆ \$100 million for State Fairgrounds revitalization projects
- ◆ \$100 million for a new State Fair site selection, property acquisition, and construction
- ◆ \$11.6 million for the Opioid Crisis Recovery Fund
- ◆ \$5.5 million for educational television and public radio
- ◆ \$2 million to provide technical assistance to local entities to support infrastructure projects
- ◆ \$200 thousand for the New Mexico Infrastructure Conference
- ◆ \$300 thousand for ongoing support for the agency's databases
- ◆ \$150 thousand for transition costs of the new administration in FY27
- ◆ \$50 thousand for statewide teen court
- ◆ \$10 thousand for computers and equipment for the New Mexico Acequia Commission

The Executive Recommendation also includes a \$200 million general fund transfer to the Federal Reimbursement Revolving Fund for natural disaster relief.

Long-Term Budget History and Impact

Since fiscal year 2020, the recurring general fund budget for the Department of Finance and Administration has grown by \$18 million or 84.7%.

From fiscal year 2020 through fiscal year 2026, the Department of Finance and Administration experienced an 84.7% increase in recurring general fund appropriations. Over this period, the agency expanded by 18 positions, with targeted growth in areas critical to statewide operations, including rural and frontier ombudsman, federal grants management, food initiative support, infrastructure oversight, budget, legal counsel, and the newly established Infrastructure Planning and Development Division. Additionally, the technical SHARE team from the Department of Information Technology merged with the financial SHARE team at DFA to expand the Financial Control Division by 16 positions.

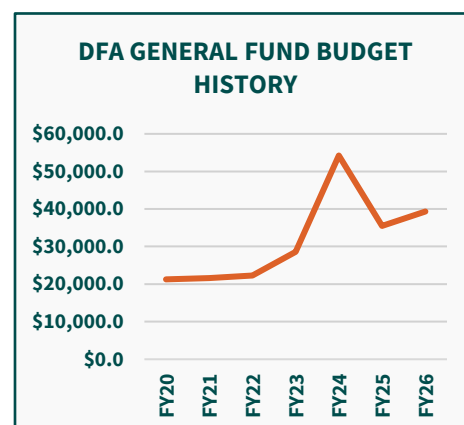
These additional positions are essential for managing increasing workloads and providing oversight of the growing number of special appropriations administered by DFA, particularly within local government. Increased base funding has also allowed the Department to address internal compensation disparities through an alignment conducted in early 2023. This effort was designed to retain talent, mitigate post-pandemic attrition, and ensure competitive compensation as the state's oversight agency for other public entities.

DFA has transformed into a central financial and programmatic hub for both state and local governments. In response to New Mexico's evolving fiscal and operational challenges, the agency has strengthened its ability to support statewide operations through a broad range of responsibilities, including reviewing and processing contracts, establishing state accounting standards, providing technical guidance to local government finance leaders, and operating the state payroll system, which serves more than 20,000 employees every two weeks.

Consistent general fund support has allowed DFA to support and implement priorities in the current administration. In fiscal year 2023, the agency received an additional \$23.6 million for the Governor's Food Initiative, which was distributed to seven agencies to support nutrition and food programs for New Mexico constituents. These funds supported the Healthy Universal School Meals Program and provided staffing for food initiatives within the Aging and Long-Term Services Department, Department of Health, Health Care Authority, Economic Development Department, Department of Agriculture, and the Public Education Department. This funding was transferred to the receiving agency in fiscal year 2024, accounting for the slight revenue reduction.

Overall, DFA has been responsible for overseeing an estimated \$2.5 billion in one-time funding appropriated to the agency from fiscal years 2019 through 2025. A majority of this funding was appropriated during the 2021 Legislative Session to offset revenue losses resulting from the 2019 pandemic public health emergency. To provide perspective on the growth in one-time funding, in 2016 the agency administered two special appropriations totaling approximately \$1 million, compared to \$451.9 million in 2024, which supported 179 individual projects. As appropriations grew, DFA strategically adapted its internal processes to ensure that these funds were administered effectively and efficiently, demonstrating the agency's capacity to respond to increasing fiscal responsibility and operational complexity while maintaining accountability and oversight.

Through strategic staffing growth, expanded programmatic capacity, and consistent funding, DFA has positioned itself to deliver critical financial oversight, programmatic support, and technical assistance across state and local government operations. These efforts ensure that the Department can continue to meet New Mexico's evolving needs while providing accountable, transparent, and efficient management of public resources.



General Services Department (350)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$23.7 million in recurring general fund appropriations for the General Services Department, an increase of \$898.7 thousand, or 3.9%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$21,326.5	\$22,838.9	\$23,737.7	\$898.8	3.9%
Total Funds	\$169,092.8	\$206,151.2	\$238,154.0	\$32,002.8	15.5%

The General Services Department (GSD) provides risk insurance for state and local governmental entities, manages capital projects and state-owned and leased office space on behalf of state government agencies, oversees public contracting for goods and services, and provides transportation services for governmental operations.

The FY27 Executive Recommendation includes an overall general fund increase of \$898.8 thousand, or 3.9%, across the agency. A general fund increase of \$539 thousand is for the Aviation Services Bureau largely for aircraft maintenance and fuel as well as to reduce reliance upon fees for service for Bureau operations, as the Aviation Services Fund is approaching depletion. An increase of \$622.4 thousand is provided for the Facilities Management Division (FMD) for security, maintenance, custodial services, and utilities at state owned buildings to accommodate the growing square footage under FMD operation. The Recommendation reduces general fund appropriations across several programs where other funding sources were available.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$7.8 million from the general fund to support 3 nonrecurring items, or ‘special appropriations,’ for the General Services Department, to include:

- ◆ \$2 million to the Public Buildings Repair Fund
- ◆ \$845 thousand to modernize the risk management and claims system
- ◆ \$5 million to obtain vehicles for the state motor pool fleet and related infrastructure

Long-Term Budget History and Impact

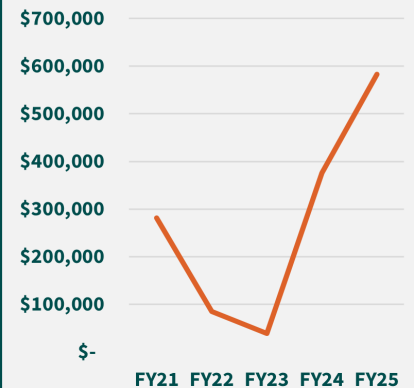
Since fiscal year 2020, the recurring general fund budget for the General Services Department has grown by \$7.1 million, or 45.6%.

From 2019 to the present, the New Mexico General Services Department has carried out a broad set of modernization, infrastructure, and operational initiatives that have strengthened statewide support services for executive agencies. As the central service agency for procurement, facilities management, risk management, transportation, printing, and surplus property, GSD’s work during this period has focused on improving systems, increasing efficiency, and supporting the daily operations of state government.

One of the Department’s most significant initiatives has been the modernization of statewide procurement systems and practices. During this period, GSD launched a statewide eProcurement system that introduced electronic bid submission, expanded online access for vendors, and standardized key purchasing processes. These changes were designed to improve consistency and transparency in state purchasing while reducing administrative burden and strengthening compliance.

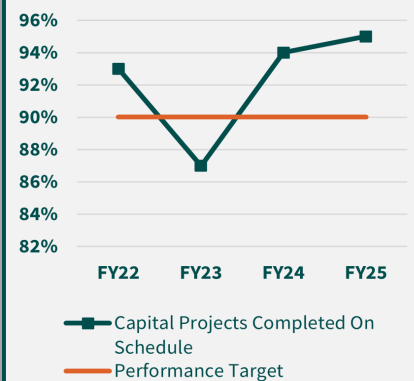
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UTILITY SAVINGS FROM GREEN ENERGY INITIATIVES



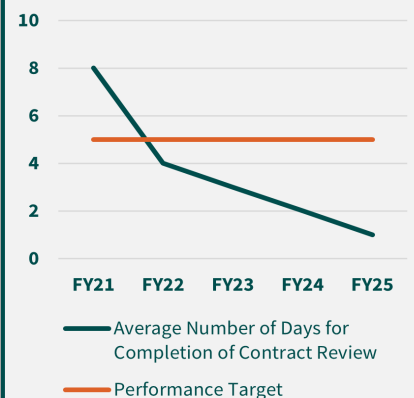
UTILITY SAVINGS AT STATE OWNED BUILDINGS AS A RESULT OF GREEN ENERGY INITIATIVES

CAPITAL PROJECTS COMPLETED ON SCHEDULE



PERCENT OF CAPITAL PROJECTS COMPLETED ON SCHEDULE

CONTRACT REVIEW TIMELINESS



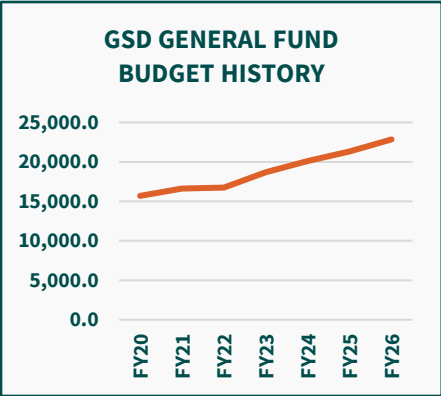
AVERAGE NUMBER OF DAYS FOR COMPLETION OF CONTRACT REVIEW

GSD has overseen substantial facilities improvements and sustainability projects, including the State Buildings Green Energy Project initiated in 2019. This initiative upgraded energy systems across a large portfolio of state buildings in Santa Fe, adding rooftop solar, solar carports, modernized HVAC equipment, updated lighting, and water efficiency measures. The project has contributed to reduced utility consumption and long-term operational savings. In addition to energy initiatives, GSD has managed facility repairs, safety upgrades, and preservation work, including restoration activities in historic spaces such as the Bataan Memorial Building. Building safety programming also expanded through events and training overseen by the Facilities Management Division.

The Department’s Risk Management Division continued to administer statewide insurance programs covering property, liability, workers’ compensation, and other risk areas for state agencies and local governmental entities. During this period, the Division carried out loss prevention training and claims management while also working with policymakers on budget measures to stabilize insurance funds.

In the area of asset management and digital operations, GSD upgraded systems used to track state property and facilities, including the implementation of the SHARE Asset Management Module. The Department also expanded public-facing tools that support transparency, such as online lease reporting and digital submission portals for required agency data. These updates improved the reliability of statewide asset information and supported more consistent reporting.

GSD’s transportation, printing, and surplus property services have continued to provide operational support to government agencies. The Transportation Services Division maintained statewide motor pool and aviation resources for agency travel needs and greatly increased the supply of low-emissions vehicles in the motor pool fleet in support of state sustainability goals. Printing and graphic services continued to offer centralized production and design support, expanding digital printing capabilities and introducing new technologies to better meet customer needs.



Department of Information Technology (361)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$16.2 million in recurring general fund for the Department of Information Technology (DoIT), an increase of \$6 million, or 59.3%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$9,283.2	\$10,193.7	\$16,239.4	\$6,045.7	59.3%
Total Funds	\$92,355.5	\$99,786.8	\$113,179.4	\$13,392.6	13.4%

The Department of Information Technology (DoIT) is the state agency responsible for managing and coordinating information technology services across New Mexico state government. DoIT provides leadership, guidance, and support for IT infrastructure, cybersecurity, data management, telecommunications, digital services, and broadband expansion. The Department works to improve efficiency, enhance digital access, and ensure secure, reliable, and cost-effective technology solutions for state agencies, employees, and the public.

The FY27 Executive Recommendation includes a general fund increase of \$6 million, or 59.3%, \$5.8 million of which is directed to the Office of Cybersecurity. These funds support several priorities: providing state matching funds for FEMA's State and Local Cybersecurity Grant Program, expanding staffing, conducting statewide risk assessments and investing in the Governance, Risk, and Compliance platform and Attack Surface Management Program; securing an incident response retainer to ensure immediate access to expert forensics and recovery services during a cyberattack; and implementing a web application firewall, which is essential for protecting public-facing digital services.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$35 million from the general fund to support 5 nonrecurring items, or 'special appropriations,' for the Department of Information Technology, to include:

- ◆ \$21 million for cybersecurity initiatives across executive branch agencies, public education institutions, institutions of higher education, municipalities, counties, and other public entities
- ◆ \$5 million for digital trunk radio systems for emergency responders statewide
- ◆ \$5 million to replace and refresh aging data center infrastructure
- ◆ \$2 million for optimal IT performance statewide
- ◆ \$2 million to develop, test and implement emerging information technology solutions for enterprise services

Long-Term Budget History and Impact

Since fiscal year 2020, the recurring general fund budget for the Department of Information Technology has grown by \$9.3 million or 1,074%.

Between 2019 and 2025, the New Mexico Department of Information Technology made significant progress in strengthening the state's digital infrastructure, expanding broadband access, modernizing statewide technology systems, and enhancing cybersecurity. During this period, DoIT's role broadened from a traditional enterprise IT service provider into a central driver of statewide digital connectivity and security, reflecting New Mexico's increasing reliance on technology to deliver public services.

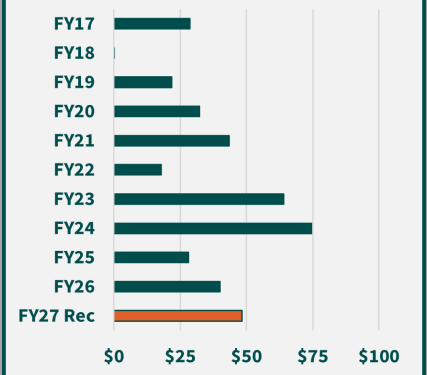
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INFORMATION TECHNOLOGY PROJECTS (C2)

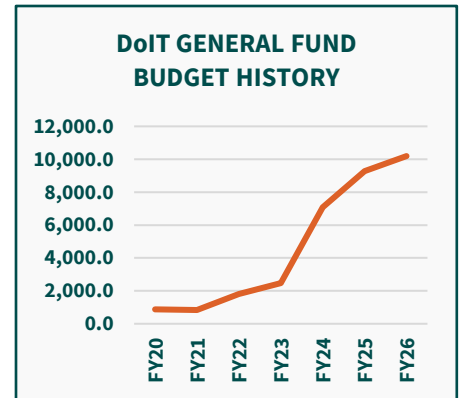
Section 7 of the General Appropriations Act includes nonrecurring funding for key state agency information technology projects, also known as C2 projects. This funding supports both the implementation of brand-new systems as well as modernization of existing systems. Over the last few years, the state has increased C2 funding considerably to support a wide range of state agency projects, such as upgrading state benefits eligibility platforms and establishing an all-payer claims database to promote healthcare quality and affordability through cost and service transparency. C2 appropriations are active for roughly two and a half years to allow for sufficient time for project completion.

The FY27 C2 Executive Recommendation includes \$47.1 million from the general fund and \$59.4 million from all funding sources to support 21 projects.

SECTION 7 (C2) GENERAL FUND APPROPRIATIONS, IN MILLIONS



One of the most notable developments was the expansion of DoIT's organizational responsibilities. The Department, originally created in 2007 to consolidate and standardize information technology across state government, took on two major statewide initiatives during this period. In 2021, the Legislature established the Office of Broadband Access and Expansion (OBAE) and administratively attached it to DoIT. OBAE leads the state's efforts to increase access to affordable, high-speed internet. This addition positions DoIT to support OBAE in closing New Mexico's digital divide. In 2023, the state created the Office of Cybersecurity, also administratively attached to DoIT, formalizing the Department's role in supporting critical work to safeguard the state's digital assets and ensuring cybersecurity standards across agencies.



OBAE's broadband work became one of the most substantial infrastructure efforts in the state. Through the Connect New Mexico Fund and related programs, OBAE began working with internet service providers, cooperatives, and tribal and local partners to build out broadband in underserved communities. These investments support fiber deployment, middle mile expansions, and last mile connections in rural areas where service has been historically limited. This period laid the foundation for long-term improvements in statewide connectivity, supporting education, healthcare, economic development, and access to online state services. In addition, over the past three years OBAE has built a new program in accordance with federal requirements to leverage up to \$675 million in federal funds to connect unserved and underserved households and businesses.

Cybersecurity also emerged as a core area of progress. Beginning in 2019, DoIT expanded enterprise security monitoring and scanning services to cover a wider range of executive branch agencies. The Department received targeted funding to improve cybersecurity capabilities and launched statewide vulnerability scanning pilots at no cost to partner agencies. With the creation of the Office of Cybersecurity in 2023, these efforts became more structured, leading to clearer statewide standards, improved oversight, and more consistent monitoring of cyber risks across government systems.

DoIT continued to strengthen statewide IT infrastructure during this period. The Enterprise Services Division maintained critical systems including data centers, email, hosting, statewide applications, and the 24/7 service desk that supports agencies throughout New Mexico. The Department worked to streamline and consolidate redundant systems within state government, helping agencies move toward standardized platforms and shared services. This approach improved efficiency and reduced costs while supporting interoperability between departments.

The Department's compliance and project management functions played a key role in improving how state agencies planned and executed technology projects. By providing project oversight, technical reviews, strategic planning, and geospatial support, DoIT helped ensure that large IT initiatives adhered to statewide standards for compatibility, security, and performance. This guidance helped reduce project delays and contributed to more consistent implementation across agencies.

DoIT also supported state government through its administrative operations, which oversee budgeting, contracting, personnel, and cost recovery models for IT services. These functions helped the Department manage large, multi-year technology initiatives and respond to increasing demands for digital service capacity. As agencies expanded their online services, particularly following the COVID-19 pandemic, the Department's ability to sustain core infrastructure became increasingly important.

Throughout 2019–2025, DoIT's work, in collaboration with OBAE and the Office of Cybersecurity, contributed to a broader effort to modernize New Mexico's digital foundation. The expansion of broadband access improved statewide connectivity, particularly in rural and tribal communities. The strengthening of cybersecurity standards helped protect state data and systems from evolving threats. The maintenance and modernization of enterprise IT services ensured that state agencies could operate more efficiently and deliver services reliably. The Department's structural changes positioned it to meet emerging challenges in digital government, from cybersecurity risk to network capacity.

Tourism Department (418)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$26.6 million in recurring general fund for the Tourism Department, an increase of \$335.1 thousand, or 1.3%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$25,612.7	\$26,235.3	\$26,570.4	\$335.1	1.3%
Total Funds	\$30,429.7	\$31,101.8	\$31,391.8	\$290.0	0.9%

The New Mexico Tourism Department (NMTD) is the state agency responsible for promoting New Mexico as a travel destination, supporting the tourism industry, and strengthening the state's economic development through marketing, branding, and visitor engagement. The Department manages statewide advertising campaigns such as *New Mexico True*, conducts market research, provides grants and technical assistance to local communities, oversees visitor services, and works with businesses and regional partners to grow tourism-related revenue and employment across the state.

The FY27 Executive Recommendation includes a total general fund increase of \$335.1 thousand, or 1.3%. Included in this amount, \$111.1 thousand supports a new program coordinator position within the Tourism Development Division, \$189.9 thousand provides a recurring funding source for the implementation of SB376 of 2025, which increased the employer health insurance contribution rate to 80%, and \$24.6 thousand supports increased DoIT rates.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$22.2 million from the general fund to support 4 nonrecurring items for the Tourism Department, to include:

- ◆ \$18 million for national and international marketing and advertising campaigns
- ◆ \$1.9 million for grants to tribal and local governments for tourism-related infrastructure projects through the Destination Forward Program
- ◆ \$2 million for the Marketing Excellence Bureau to support and enhance the marketing efforts of other state agencies to include consultation, technical assistance, creative support, and direct media placements pursuant to Section 9-15-12
- ◆ \$300 thousand to promote athletic competitions for people with disabilities

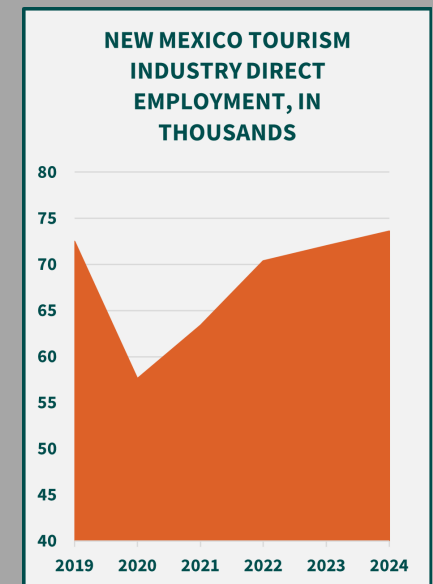
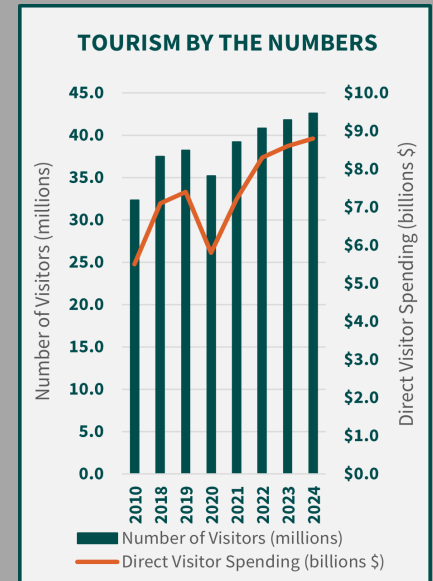
Long-Term Budget History and Impact

Since fiscal year 2020, the recurring general fund budget for the Tourism Department has grown by \$9.5 million, or 56.4%.

From 2019 through 2025, the New Mexico Tourism Department played a central role in driving the state's economic recovery and growth by promoting New Mexico as a premier destination and supporting tourism-related businesses statewide. Through strategic marketing, industry partnerships, and grant programs, the Department helped attract millions of visitors, generate billions in economic activity, and create tens of thousands of jobs.

After the challenges of the COVID-19 pandemic, NMTD's efforts contributed to a record 39 million visitors in 2021, generating approximately \$7.2 billion in direct visitor spending, of which \$7 billion came from domestic travelers. By 2022, visitor spending

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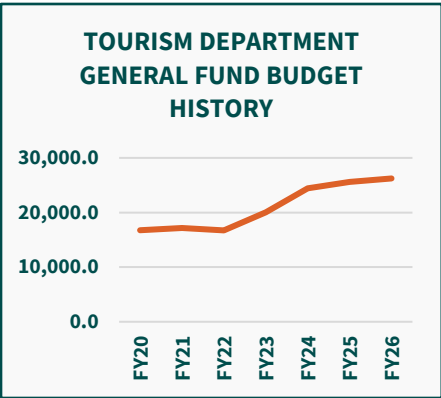
increased to \$8.3 billion, producing a total economic impact of \$11.2 billion. That year, travelers made 40.8 million trips, including 16.7 million overnight stays, while spending \$2.7 billion on lodging and \$1.9 billion on food and beverage.

In 2023, thanks in part to NMTD’s targeted marketing campaigns and partnership programs, New Mexico saw 41.8 million trips generating \$8.6 billion in direct visitor spending, including 680,000 international visitors, a 34% increase over 2022. Tourism directly supported approximately 72,000 jobs and contributed \$811 million in state and local tax revenue.

The Department’s continued promotion of the state in 2024 helped reach new milestones: total visitor spending rose to \$8.8 billion, total economic impact reached \$12 billion, and annual visits exceeded 42 million, including 750,000 international trips. Average spending per visitor was \$194 for domestic travelers and \$925 for international visitors, with expenditures concentrated in lodging (\$2.8 billion), food and beverage (\$2.1 billion), retail (\$1.4 billion), and recreation and entertainment (\$1.1 billion). Direct employment supported by visitor activity grew to approximately 73,600 jobs, 6.2% of total state employment.

The Department has also prioritized rural and Indigenous communities. Through its Cooperative Marketing Grant Program, NMTD awarded \$3.8 million in grants to 45 entities in fiscal year 2026, with 69% of recipients located in rural areas, helping communities promote tourism, enhance visitor experiences, and strengthen local economies.

Overall, between 2019 and 2025, the New Mexico Tourism Department played a pivotal role in both recovering from pandemic disruptions and fostering record-setting growth in visitation, spending, and employment. By combining strategic marketing, community grants, and industry partnerships, NMTD ensured that tourism benefits reached urban centers, rural communities, and Indigenous nations across the state, strengthening New Mexico’s position as a top travel destination.



Economic Development Department (419)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$28.8 million in recurring general fund for the Economic Development Department (EDD), an increase of \$540.7 thousand, or 1.9%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$26,282.0	\$28,300.1	\$28,840.8	\$540.7	1.9%
Total Funds	\$31,116.5	\$33,241.4	\$32,185.9	(\$1,055.5)	-3.2%

EDD leads a coordinated effort to promote economic development and diversification in New Mexico and serves as a comprehensive source of information and assistance for business recruitment, expansion, and retention. In FY25, EDD programs directly generated the creation of 3,499 jobs with an average annual salary per job created of \$87.8 thousand. The Local Economic Development Act (LEDA) program is the largest of EDD's programs, accounting for two-thirds of the Department's FY25 job creation efforts. Other EDD programs include, but are not limited to, the Job Training Incentive Program (JTIP), the New Mexico MainStreet Program, the Outdoor Equity Grant Program, the Healthy Food Financing Program, the Business Incubator Certification Program, and the Science and Technology Business Startup Grant Program.

The FY27 Executive Recommendation includes a recurring general fund increase of \$540.7 thousand, or 1.9%, primarily to support increases to GSD risk insurance assessments and DoIT rates, and to provide a recurring funding source for the implementation of SB376 of 2025, which increased the employer health insurance contribution rate to 80%. The Recommendation also supports several cost-neutral budget reallocations between categories.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$101.5 million from the general fund to support 10 nonrecurring items for the Economic Development Department, to include:

- ◆ \$49.3 million for a quantum benchmarking initiative to match funds from the federal Defense Advanced Research Projects Agency (DARPA)
- ◆ \$20 million to the Research, Development and Deployment Fund
- ◆ \$10 million for the Local Economic Development Act Fund (LEDA)
- ◆ \$5 million for an Indigenous film festival
- ◆ \$5 million for the Job Training Incentive Program (JTIP)
- ◆ \$5 million for the quantum venture studio
- ◆ \$3 million for the technology innovation prize
- ◆ \$2 million for the Healthy Food Financing Program (HFFP)
- ◆ \$2 million for New Mexico Partnership
- ◆ \$215 thousand for IT hardware and software

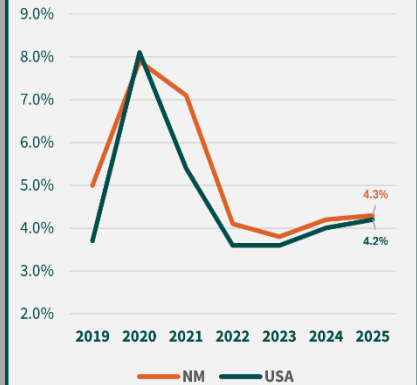
Long-Term Budget History and Impact

Since fiscal year 2020, the recurring general fund budget for the Economic Development Department has grown by \$14.0 million, or 97.5%.

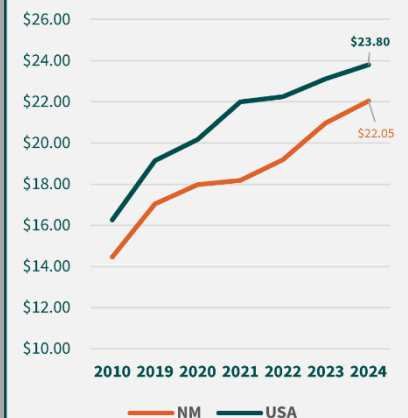
From 2019 through 2025, the New Mexico Economic Development Department carried out a broad set of initiatives aimed at job creation, business expansion, economic diversification, and regional equity. During this

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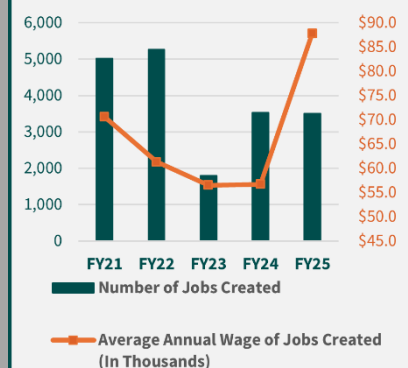
AVERAGE MONTHLY UNEMPLOYMENT RATE



MEDIAN HOURLY WAGE

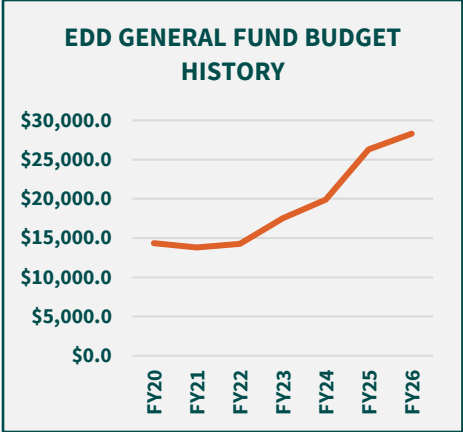


NUMBER OF JOBS AND AVERAGE ANNUAL WAGE OF JOBS CREATED THROUGH EDD PROGRAMS



period, the Department used its primary tools — the Local Economic Development Act and the Job Training Incentive Program — to attract new employers, support existing companies, and raise the overall skill level of the state’s workforce. These programs supported thousands of new jobs and generated significant private-sector investment.

A major theme during these years was the growth of advanced manufacturing and clean energy industries. New Mexico secured several large-scale renewable energy projects, including Pacific Fusion and XGS Geothermal. These projects represented some of the largest clean energy commitments in the state’s history and contributed to the development of a clean energy economy within the United States. Economic diversification also extended into next generation computing, dual-use technology, aerospace, digital media, healthcare, and film, broadening the state’s industrial base and contributing to job growth in sectors outside the traditional energy economy.



Film and television production experienced substantial growth during this period, supported by statewide incentives and expanded production infrastructure. Direct spending by film and media productions reached record levels, including more than \$850 million in FY22, and the industry saw significant increases in employment and wages. Investments from major companies such as Netflix and Cinelease expanded studio capacity in Albuquerque and supported continued development of the state’s film and digital media ecosystem.

At the same time, EDD advanced two additional sectors that became increasingly important in the state’s diversification strategy: outdoor recreation and creative industries. EDD’s Outdoor Recreation Division, established shortly before this period, expanded programs supporting trail development, outdoor-based business creation, and infrastructure improvements intended to attract both visitors and entrepreneurs. Grants distributed through the Outdoor Recreation Trails+ Program funded projects across the state, supporting both economic and community development in rural areas. Similarly, EDD’s Creative Industries Division assisted arts, culture, design, and media organizations. This work helped support small creative businesses, improve local cultural infrastructure, and strengthen New Mexico’s long-standing creative economy, which includes traditional arts, contemporary arts, and digital media.

Throughout this period, EDD played a role in statewide efforts to support a sustainable economic transition, particularly in communities historically dependent on fossil fuel revenues. The Department participated in long-range planning, community assistance, and clean energy economic initiatives designed to help these regions adjust to changing energy markets and develop new sources of employment.

The Department also emphasized rural and tribal economic development. LEDA and JTIP investments were distributed across numerous rural counties, and the state advanced partnerships with tribal governments, including one of the first LEDA-supported tribal projects. This broadened the geographic reach of state economic development programs and provided support to areas with limited access to traditional economic development resources.

In 2025, the establishment of the Technology and Innovation Office marked a new structural component of the Department. Backed by a major state investment, the office was created to support technology commercialization, research partnerships, startup development, and emerging industries such as advanced manufacturing and applied technology fields.

Taken together, the period from 2019 to 2025 was characterized by expanded job creation efforts, clean energy and manufacturing investments, broader sectoral diversification, increased attention to rural and tribal communities, and new institutional support for innovation-driven economic development.

Regulation and Licensing Department (420)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$27.2 million in recurring general fund for the Regulation and Licensing Department, an increase of \$6.2 million, or 29.5%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$19,779.7	\$20,981.7	\$27,167.9	\$6,186.2	29.5%
Total Funds	\$61,023.9	\$61,265.2	\$63,421.1	\$2,155.9	3.5%

The Regulation and Licensing Department (RLD) administers and enforces the laws, rules, regulations, and codes for construction, manufactured housing, financial institutions, securities, alcohol, and cannabis. The Department also licenses and regulates more than thirty-five different professions and specialized trades.

The FY27 Executive Recommendation supports a general fund increase of \$6.2 million, or 29.5%. The Recommendation includes \$1.9 million to cover increases to GSD risk insurance assessments and DoIT rates, and to provide a recurring funding source for the implementation of SB376 of 2025, which increased the employer health insurance contribution rate to 80%.

The Recommendation also includes a \$3.1 million general fund increase for Program Support for salaries previously funded by transfers from dozens of special revenue funds, several of which have been depleted, such as the Mortgage Regulatory Fund. In addition, the recommendation supports general fund increases of \$597.4 thousand for the Manufactured Housing Division (MHD), \$100 thousand for the Financial Institutions Division (FID), and \$200 thousand for the Construction Industries Division (CID) for operating expenses previously funded by the Mortgage Regulatory Fund.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$628.6 thousand from the general fund to support 1 special appropriation for the Regulation and Licensing Department, to include:

- ◆ \$628.6 thousand to purchase hybrid vehicles for the Construction Industries Division

Long-Term Budget History and Impact

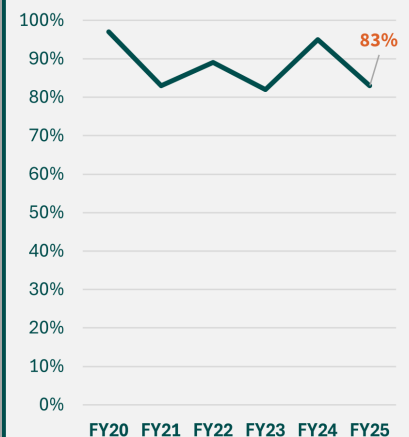
Since fiscal year 2020, the recurring general fund budget for Regulation and Licensing Department has grown by \$7.4 million, or 54.7%.

From 2019 through 2025, the New Mexico Regulation and Licensing Department oversaw significant modernization of its licensing systems, strengthened regulatory enforcement, and guided the launch and oversight of new industries, all while continuing to regulate more than 400,000 licensees across dozens of professions, trades, and businesses statewide. During this period, the Department focused on expanding access to licensing services, improving public safety, and ensuring fair and transparent regulatory practices.

A major focus of these years was the Department's transition to more efficient, technology-based licensing processes. RLD implemented the NM-PLUS online licensing platform, replacing a patchwork of paper applications and legacy systems with a centralized digital system for applications, renewals, and verifications. This modernization particularly affected high-volume sectors such as real estate and professional boards and commissions, where RLD's shift to mandatory online services streamlined processing and improved

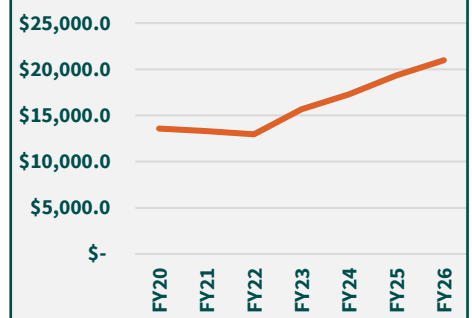
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LICENSURE TIMELINESS



PERCENT OF LICENSURE APPLICATIONS AND RENEWALS PROCESSED WITHIN 3 DAYS OF RECEIPT OF COMPLETED APPLICATION

RLD GENERAL FUND BUDGET HISTORY



transparency for licensees and the public. These updates helped reduce administrative delays and made it easier for professionals—especially those in rural areas—to maintain licensure without navigating paper-based or in-person processes.

During this same period, RLD took on one of the most significant new regulatory responsibilities in the state's recent history: the launch and oversight of the legal cannabis industry. Through the Cannabis Control Division (CCD), established within RLD, the Department built the regulatory framework for adult-use cannabis. The agency developed licensing systems, compliance protocols, and product safety standards needed to support an industry that grew rapidly after legalization. As the sector expanded, RLD identified the need for stronger enforcement capacity, so the Department pursued and obtained additional legislative authority and funding to hire certified peace officers and compliance personnel to address illicit market activity and strengthen oversight. These efforts underscored the Department's work to balance economic opportunity with public safety and consumer protection.

Throughout 2019–2025, RLD continued to provide regulatory oversight through its long-established divisions, including Construction Industries, Manufactured Housing, Financial Institutions, Alcohol and Beverage Control, Securities, and Boards and Commissions. These Divisions carried out inspections, investigations, licensing, and enforcement actions to ensure that regulated professionals met competency and safety standards. The Department also maintained public-facing tools for license verification and complaints, supporting consumer confidence in the services delivered across the state's regulated industries.

Taken together, the years 2019–2025 marked a period of modernization, expansion, and institutional adaptation for the Regulation and Licensing Department. The Department improved the accessibility and reliability of its licensing systems, established the regulatory infrastructure for a new statewide industry, and continued to protect public health and safety across more than 35 regulated sectors. Through these efforts, RLD strengthened the foundations of professional regulation in New Mexico and positioned the agency to manage both emerging industries and long-standing regulatory responsibilities with greater efficiency and public accountability.

Department of Cultural Affairs (505)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$49.7 million in recurring general fund for the Department of Cultural Affairs, an increase of \$2 million, or 4.1%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$44,374.2	\$47,712.6	\$49,684.4	\$1,971.8	4.1%
Total Funds	\$58,593.6	\$64,403.3	\$62,845.8	(\$1,557.5)	-2.4%

The New Mexico Department of Cultural Affairs (DCA) is the state agency responsible for preserving, promoting, and supporting New Mexico's cultural heritage. It oversees a network of museums, historic sites, libraries, arts programs, and cultural institutions across the state. Through these entities, the Department provides public access to arts, history, science, and cultural resources, supports creative and cultural industries, and helps steward the state's diverse cultural traditions.

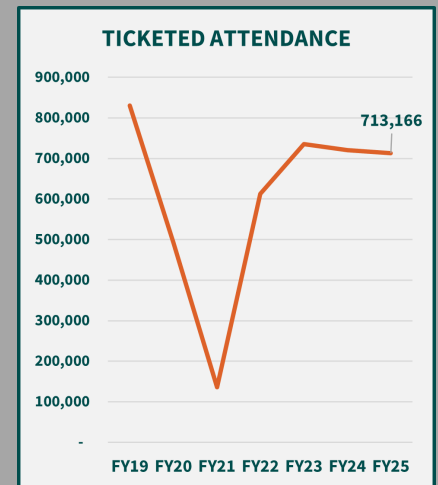
The FY27 Executive Recommendation includes a general fund increase of \$2 million, or 4.1%. Most of the increase (\$1.43 million) provides a recurring funding source for the implementation of SB376 of 2025, which increased the employer health insurance contribution rate to 80%. The recommendation also includes a \$540 thousand general fund increase for GSD risk insurance assessments and DoIT rates. As the Museum and Historic Sites Program is by far the agency's largest, \$1.4 million of the total general fund increase is directed to it. The overall recommended budget for DCA is a decrease of 2.4% from FY26, primarily due to a projected \$976 thousand decline in earned revenue from Museums and Historic Sites caused by a slow post-pandemic recovery in museum attendance and an anticipated \$1.8 million decline in federal revenues for the Preservation Program.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

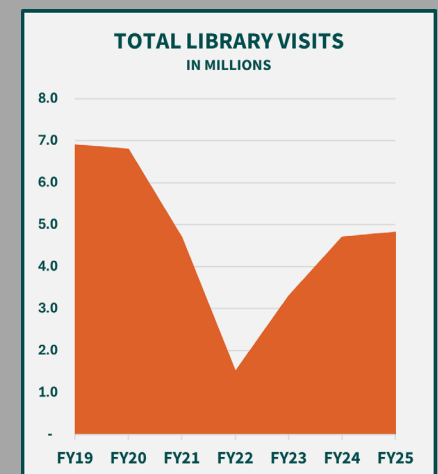
The fiscal year 2027 Executive Recommendation includes \$9.2 million from the general fund to support 9 nonrecurring items, or 'special appropriations,' for the Department of Cultural Affairs, to include:

- ◆ \$5 million for the Rural Libraries Endowment Fund
- ◆ \$1.5 million for continued Native American Graves Protection and Repatriation Act compliance
- ◆ \$600 thousand for moving expenses for San Juan basin fossils
- ◆ \$500 thousand for the 25th anniversary of the National Hispanic Cultural Center
- ◆ \$500 thousand for an archaeological field school
- ◆ \$431 thousand for the New Mexico Women's Historical Marker Program
- ◆ \$250 thousand for a comprehensive master plan for Fort Stanton Historic Site
- ◆ \$250 thousand to develop the nomination of the New Mexico portion of El Camino Real de Terra Adentro as part of the existing UNESCO World Heritage designation
- ◆ \$200 thousand for cultural planning, cohort convenings, and a public art task force to support rural communities

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TICKETED ATTENDANCE TO MUSEUM AND HISTORIC SITE EXHIBITIONS, PERFORMANCES, AND OTHER PRESENTING PROGRAMS

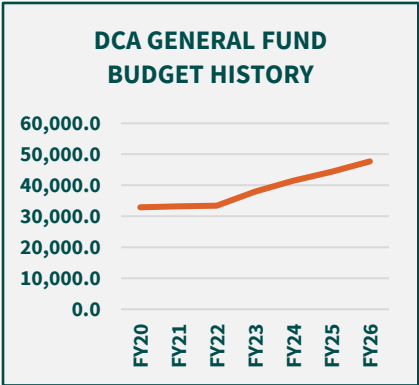


ANNUAL NUMBER OF VISITS TO NEW MEXICO PUBLIC AND TRIBAL LIBRARIES

Long-Term Budget History and Impact

Since fiscal year 2020, the recurring general fund budget for the Department of Cultural Affairs has grown by \$14.8 million or 45.0%.

From 2019 through 2025, the New Mexico Department of Cultural Affairs advanced its mission to preserve and share the state’s cultural, historical, and artistic resources while expanding access to museums, historic sites, libraries, and arts programming. During this period, the Department emphasized statewide equity, preservation of cultural heritage, support for the creative economy, and improvements to public access and infrastructure. Throughout these years, DCA managed one of the nation’s most extensive state cultural systems, serving hundreds of thousands of residents and visitors annually and providing programs reaching rural, tribal, and urban communities.



Historic preservation remained a major area of activity. After many years without dedicated grantmaking in this area, DCA renewed preservation funding through the Cultural Properties Restoration Fund. In 2025, the Department awarded nearly \$1.2 million for restoration projects at historic buildings, archaeological sites, and cultural landmarks. These investments supported the stabilization of historic structures, preservation assessments, and heritage-focused improvements across the state, reinforcing DCA’s role in safeguarding New Mexico’s built and archaeological heritage.

DCA also supported the creative economy through its arts funding programs. New Mexico Arts distributed grant funding to cultural organizations, artists, and community programs across the state. An economic impact study from 2023 showed that New Mexico’s nonprofit arts and culture sector generated more than \$740 million in economic activity and \$106.1 million in tax revenue in 2022 and supported more than 9,000 jobs—highlighting the economic significance of cultural institutions and programming supported or administered through DCA.

Over the past few years, DCA has expanded its statewide footprint. In September 2023, DCA opened the Vladem Contemporary Annex under the New Mexico Museum of Art (NMMOA). This new venue, located in Santa Fe’s Railyard District, created a dedicated space for contemporary and post-war art, including modern galleries, a classroom/studio for artists-in-residence, expanded collection storage, and a flexible exhibition infrastructure. Additionally, in November 2025, DCA opened the Taylor-Mesilla Historic Site in Mesilla, adding the state’s eighth official historic site. The property comprises two historic storefronts and a residence once home to longtime New Mexico legislators and collectors. Its opening provides public access to a significant folk art collection and a preserved example of borderlands and adobe architecture.

During the COVID-19 pandemic, museums and historic sites within the Department’s system continued to present exhibitions, educational programs, and public events. DCA expanded virtual programming to maintain access to cultural resources, including online exhibitions, digital educational materials, and remote learning options for families and schools. Periods of reduced visitation also allowed for facility improvements and exhibit renovations at several museum properties, ensuring that buildings and programs were strengthened for reopening.

The Department’s work in library and information services also continued, with the State Library providing resources, technical assistance, and support to public and tribal libraries. The Rural Library Endowment Fund has grown to a corpus of \$34.8 million, providing grants to 59 rural and 17 tribal libraries annually. These statewide services helped maintain access to educational materials, reference resources, and literacy programs, particularly in rural and underserved areas.

Overall, from 2019 through 2025, the New Mexico Department of Cultural Affairs carried out preservation, education, arts funding, and public access initiatives that supported the state’s cultural institutions and communities. The Department’s work across museums, historic sites, arts programs, libraries, and preservation efforts contributed to maintaining New Mexico’s cultural heritage and expanding its availability to residents and visitors throughout the state.

Energy, Minerals and Natural Resources Department (521)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$47.1 million in recurring general fund for the Energy, Minerals and Natural Resources Department, an increase of \$2.1 million, or 4.7%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$40,680.7	\$44,956.9	\$47,051.4	\$2,094.5	4.7%
Total Funds	\$189,895.6	\$244,058.6	\$254,880.8	\$10,822.2	4.4%

The New Mexico Energy, Minerals and Natural Resources Department (EMNRD) is responsible for managing New Mexico's energy resources, regulating mining and oil and gas activities, protecting forests and state parks, and promoting renewable energy and resource conservation. The Department oversees divisions focused on energy policy, minerals regulation, forestry, state parks, and conservation to support the responsible development and stewardship of the state's natural resources.

The FY27 Executive Recommendation supports a general fund increase of \$2.1 million, or 4.7%. Of this amount, \$1.1 million covers higher GSD risk insurance assessments and DoIT rates and provides recurring funding for the employer health insurance contribution, which was increased to 80% in 2025. The remaining \$1 million supports implementation of legislation enacted during the 2025 session. This includes an \$800 thousand increase for responsibilities assigned under the 2025 Wildfire Prepared Act, which directs the Department to help ensure structures and properties across New Mexico are wildfire-prepared. An additional \$200 thousand is provided for operational costs associated with the 2025 Timber Grading Act, requiring the Department to develop a statewide structural timber grading system and certification program to train sawmill owners and employees in timber grading and labeling.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$7.3 million from the general fund to support 3 nonrecurring appropriations for the Energy, Minerals and Natural Resources Department, to include:

- ◆ \$5 million for grants to political subdivisions of the state to establish community-based programs to conduct assessments and provide certification and make changes to structures and properties to make them wildfire prepared
- ◆ \$2 million to support the development of an AI-enabled wildfire early detection camera network statewide
- ◆ \$250 thousand for litigation expenses

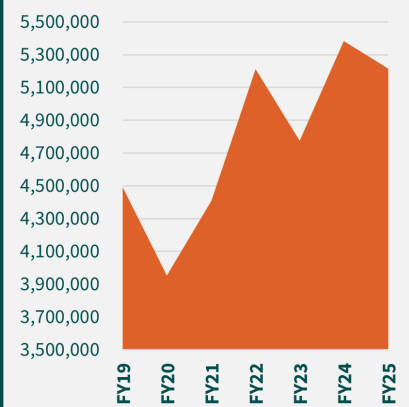
Long-Term Budget History and Impact

Since fiscal year 2020, the recurring general fund budget for the Energy, Minerals and Natural Resources Department has grown by \$22.1 million, or 97.1%.

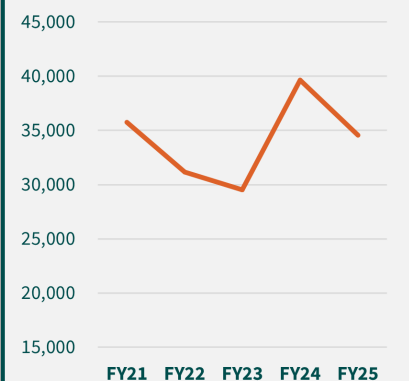
Between 2019 and 2025, the Energy, Minerals and Natural Resources Department carried out a broad range of initiatives in climate policy, energy development, natural resource management, wildfire response, mine reclamation, and state parks operations. Over this six-year period, the Department implemented major legislative and executive directives, expanded regulatory frameworks, secured significant federal funding, strengthened internal capacity, and supported communities across New Mexico through both planned initiatives and emergency response.

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NUMBER OF VISITORS TO STATE PARKS

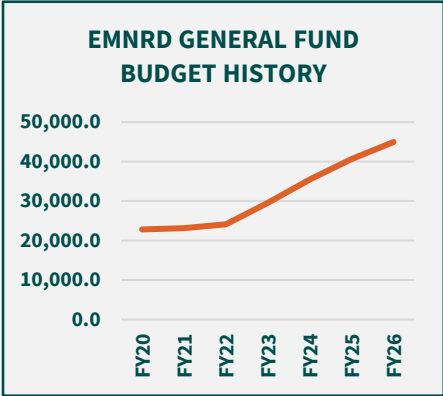


OIL AND GAS WELL INSPECTIONS



NUMBER OF INSPECTIONS OF OIL AND GAS WELLS AND ASSOCIATED FACILITIES

Following the inauguration of Governor Michelle Lujan Grisham in 2019, EMNRD began implementing the administration’s climate and energy agenda under Executive Order 2019-003. The Department helped establish the Climate Change Interagency Task Force and contributed to statewide greenhouse gas reduction planning, including methane-reduction rulemaking, clean vehicle and building code updates, and broader emissions-tracking efforts. The Energy Transition Act, enacted that same year, set long-term renewable and zero carbon electricity requirements and created transition funds for communities affected by coal plant closures. EMNRD also focused on rebuilding internal capacity after years of budget constraints, strengthened tribal consultation policies, and expanded public engagement through statewide meetings, site visits, and stakeholder consultations.



In 2020, the Department sustained these efforts while adapting to the COVID-19 pandemic. EMNRD transitioned to remote operations while maintaining inspections, permitting, and state parks functions. The Oil Conservation Division advanced methane waste rules after more than a year of public outreach, and the Energy Conservation and Management Division supported adoption of the 2018 International Energy Conservation Code. Legislative achievements included reinstatement of the solar tax credit and initiation of a grid modernization roadmap. The Department also updated its climate strategy report to track progress under the executive order.

In 2021, EMNRD finalized the statewide natural gas waste rules, establishing methane capture requirements, strengthened emissions reporting, and implemented a comprehensive regulatory framework applying to both upstream and midstream operators. The Department supported passage of the Prescribed Burning Act and the Mining Act Forfeiture Fund and continued work on mine reclamation, rare plant protection, and state parks operations. New Mexico’s policy work was presented at the United Nations Climate Conference (COP26), where the state’s Energy Transition Act and methane reduction rules were highlighted.

The year 2022 was dominated by the largest wildfires in New Mexico’s history, which required extensive engagement by EMNRD’s Forestry Division in firefighting, stabilization, and recovery. The Department continued advancing climate strategy planning, including development of a five-year plan to help close the gap toward the state’s 2030 emissions-reduction target. Federal laws such as the Infrastructure Investment and Jobs Act and Inflation Reduction Act created new funding opportunities, including an initial \$25 million grant for orphan well cleanup that allowed EMNRD to expand plugging activities. The Mining and Minerals Division gained a dedicated uranium reclamation coordinator and received national recognition for hardrock reclamation work. State Parks again recorded more than 5 million visitors.

In 2023, EMNRD helped establish the Land of Enchantment Legacy Fund, New Mexico’s first dedicated source of long-term support for conservation programs, launched with a \$100 million appropriation. The Forestry Division formed the state’s first two Hotshot crews to increase wildfire response and forest treatment capacity. EMNRD supported communities and Tribes in securing major federal awards for clean energy, transmission, grid modernization, and climate resilience projects. The Oil Conservation Division continued deploying orphan well funds and introduced methane monitoring before and after well plugging. The Energy Conservation and Management Division launched a Climate Policy Bureau and received a \$14 million U.S. Department of Energy grant for grid modernization. The Mining and Minerals Division earned a national award for reclamation work near Raton, and State Parks marked its 90th anniversary with high visitation and infrastructure improvements.

In 2024, EMNRD’s newly formed Hotshot crews demonstrated operational capability during major fires in southern New Mexico and later assisted with incidents in the Pacific Northwest. The Abandoned Mine Land Program continued reclaiming hazardous sites, received federal recognition for additional work near Raton, and extinguished underground coal fires threatening water supply infrastructure near Gallup. The Energy Conservation and Management Division secured substantial new federal funding, including an \$87 million grant for home energy efficiency improvements and a \$156 million grant to expand low-income solar access. The Oil Conservation Division continued enforcing methane waste rules and plugged nearly 150 orphan wells over two years. State Parks continued investing in facilities and supported strong visits across its 35 sites.

In 2025, EMNRD launched the state’s first Comprehensive Energy Transition Strategy (CETS), which aims to build a data-driven roadmap for clean energy deployment, renewable resource assessment, and policy guidance to ensure energy reliability, affordability, and emissions reductions. EMNRD also established the \$5.3 million Energy Efficiency Revolving Loan Fund, providing low-interest loans to nonprofits and public-serving institutions for energy efficiency upgrades, including HVAC, insulation, lighting, and solar installations. Complementing these efforts, the Department announced a \$70 million Grid Modernization Grant Program through the Community Benefit Fund to help municipalities, tribal governments, schools, and state agencies upgrade electricity infrastructure, integrate renewable energy, and increase long-term resilience to demand growth and climate impacts.

Office of the State Engineer (550)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$40.3 million in recurring general fund for the Office of the State Engineer, an increase of \$1.8 million, or 4.8%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$34,149.5	\$38,441.4	\$40,272.0	\$1,830.6	4.8%
Total Funds	\$51,058.0	\$55,752.3	\$57,623.6	\$1,871.3	3.4%

The New Mexico Office of the State Engineer (OSE) is the state agency responsible for administering, allocating, and protecting New Mexico's water resources. It oversees water rights, regulates the use of surface and groundwater, and ensures water is managed in accordance with state law. The OSE also works closely with local, tribal, and federal partners to support water planning, conservation, and settlement implementation across the state.

The FY27 Executive Recommendation for OSE includes a \$1.8 million general fund increase, or 4.8%. Of this amount, \$1.2 million covers GSD risk insurance assessments and DoIT rates and provides recurring funding to implement SB376 (2025), which raised the employer health insurance contribution rate to 80%. An additional \$485 thousand is allocated to support four new positions dedicated to Indian Water Rights and middle Rio Grande settlement compliance, administration, and enforcement. Finally, \$150 thousand is recommended to address rising district office lease costs and to expand office space in Albuquerque and Las Cruces.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$94.5 million from the general fund to support 9 nonrecurring items, or 'special appropriations,' for the Office of the State Engineer, to include:

- ◆ \$22.5 million for depletion reductions and increasing water supply in the lower Rio Grande, and for implementing the settlement resolving interstate litigation on the lower Rio Grande
- ◆ \$35 million for Indian water rights settlements
- ◆ \$10 million to the Strategic Water Reserve Fund
- ◆ \$5 million for implementation of the Water Security Planning Act, 50-Year Water Action Plan and modernization of agency online information and engagement tools
- ◆ \$6 million for river conveyance and improvement projects along the main stem of the Rio Grande and its tributaries
- ◆ \$10 million to the Irrigation Works Construction Fund
- ◆ \$2 million to fund acequia projects statewide
- ◆ \$2 million for activities that protect New Mexico's interests in the Colorado River basin
- ◆ \$2 million for weather modification

Long-Term Budget History and Impact

Since fiscal year 2020, the recurring general fund budget for the Office of the State Engineer has grown by \$19.2 million, or 99.8%.

From 2019 through 2025, the New Mexico Office of the State Engineer undertook a series of initiatives to improve water rights administration, advance adjudications and settlements, update water management tools, and strengthen coordination with tribal,

Issue Focus

50-YEAR WATER ACTION PLAN

Water is a precious resource in New Mexico and preserving it is essential for the long-term protection of the state's environment and communities. With that in mind, the Governor called on state agencies and experts to develop a 50-Year Water Action Plan, grounded in a comprehensive report on the impacts of climate change on the state's water resources over the next 50 years that the Interstate Stream Commission launched in 2021.

To read more about the 50-Year Water Action Plan issued in January 2024, visit <https://www.nm.gov/water-security-in-new-mexico/>

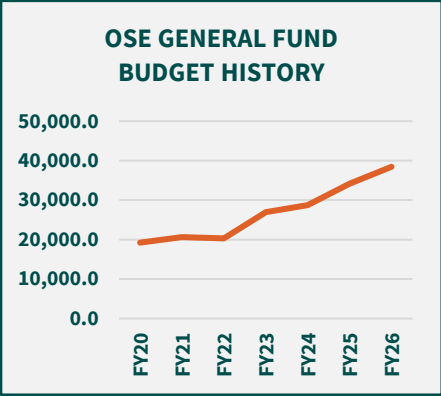
The Executive Recommendation allocates \$232 million of nonrecurring general fund appropriations through a cross-agency approach to implement the Plan. In addition to the nonrecurring items listed to the left for OSE, the recommendation includes.

- ◆ \$22 million to New Mexico Tech for aquifer monitoring and mapping
- ◆ \$5 million to New Mexico State University for grants to support water-saving practices in the agricultural sector
- ◆ \$65 million to the Strategic Water Supply Fund
- ◆ \$45.8 million to programs and funds managed by the Environment Department, including the River Stewardship Program, Rural Infrastructure Revolving Loan Fund, Uranium Mining Reclamation Revolving Fund, Neglected and Contaminated Sites Fund, and Clean Water Revolving Loan Fund Projects

local, and federal partners. This period included ongoing drought, increased groundwater use, and heightened demand for accurate data and regulatory clarity, all of which shaped the agency’s work.

Water Rights Administration and Data Modernization

OSE continued to process a high volume of water rights transactions each year, including new domestic well applications, changes of ownership, and amendments to existing rights. The agency expanded and improved the New Mexico Water Rights Reporting System, increasing public access to digital water rights files, maps, and diversion data. OSE also broadened its real time measurement network, incorporating additional telemetry sites that track groundwater levels and surface water flows. These updates improved the availability of timely information for water administration and planning.



Progress on Tribal and Pueblo Water Rights Settlements

Between 2019 and 2025, OSE advanced several Tribal and Pueblo water rights settlements and adjudications. A notable development was the 2023 Ohkay Owingeh Rio Chama settlement, which established agreed-upon terms for quantifying and administering the Ohkay Owingeh Pueblo’s water rights. The agency also continued work on other settlement and adjudication processes statewide, coordinating with tribal governments, federal agencies, and local water users. These efforts supported clearer definitions of water rights and provided frameworks for long-term administration.

Adjudications, Enforcement, and Compliance Activities

OSE maintained its role in conducting hydrographic surveys, technical evaluations, and legal proceedings for stream system adjudications. The agency also continued enforcement activities related to water law compliance, addressing unauthorized diversions, illegal water sales, and unpermitted groundwater use. In August 2025, for example, OSE issued noncompliance warnings to the owners of 20 water wells in the Carlsbad and Capitan Basins after field investigations revealed water may have been diverted for commercial sales without a valid water right permit. These actions reinforced statutory requirements and supported accurate accounting of water use.

Planning, Management, and Water Supply Initiatives

During this period, OSE contributed to statewide water planning and management efforts, including implementation of Active Water Resource Management in priority basins. In 2025, the Strategic Water Supply Program was established to develop brackish water treatment projects across the state. The agency also supported development of the state’s 50-Year Water Action Plan, which was issued in January 2024 and establishes a long-term strategic framework outlining anticipated water supply challenges, projected climate impacts, and targeted actions for water conservation, new water supplies, and water and watershed protection.

Indian Affairs Department (BU 609)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$5 million in recurring general fund for the Indian Affairs Department, an increase of \$75.5 thousand, or 1.5%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$4,772.6	\$4,875.1	\$4,950.6	\$75.5	1.5%
Total Funds	\$5,021.9	\$5,124.4	\$5,199.9	\$75.5	1.5%

The New Mexico Indian Affairs Department (IAD) leads and coordinates relations between the State of New Mexico and its 23 sovereign Nations, Tribes, and Pueblos. Its mission is to advocate for tribal interests, support access to resources, funding, and technical assistance, and strengthen intergovernmental collaboration to improve the quality of life in Indigenous communities across the state.

The FY27 Executive recommendation includes a general fund increase of \$75.5 thousand, or 1.5%. The proposed budget funds 22 of the agency’s 25 positions and supports funding increases to cover GSD, DoIT, and audit rate adjustments as well as providing a recurring funding source for the implementation of SB376 (2025), which increased the employer health insurance contribution to 80%.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$429.6 thousand from the general fund to support one nonrecurring item for the Indian Affairs Department, to include:

- ◆ \$429.6 thousand for public television and radio for expenditure through fiscal year 2028

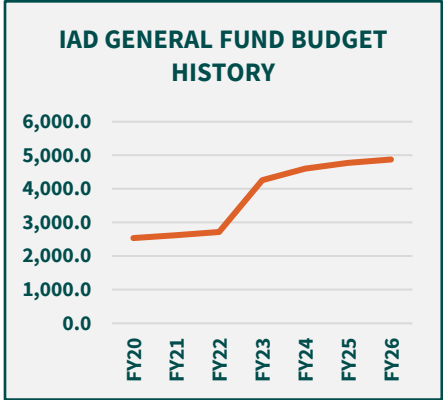
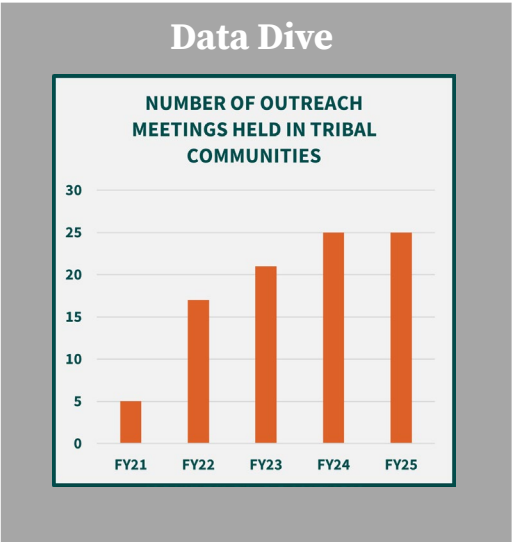
Long-Term Budget History and Impact

Since fiscal year 2020, the recurring general fund budget for the Indian Affairs Department has grown by \$2.3 million or 92.1%.

From fiscal year 2020 through fiscal year 2026, the New Mexico Indian Affairs Department (NMIAD) received a 92.1% increase in general fund appropriations, providing the agency funding to adequately support collaborative initiatives with the state’s Nations, Pueblos, Tribes, Native American citizens and cabinet agencies. Since fiscal year 2020, the agency has grown from 15 to 25 positions, strengthening its administrative capacity in finance, programs and policy, and infrastructure/capital outlay oversight. This expansion has enhanced the agency’s ability to assist Nations, Pueblos, Tribes and all grantees to efficiently manage and expend awarded project funding. The Department continues to administer millions of dollars in infrastructure projects and special project funding that directly benefit tribal citizens and communities throughout all of New Mexico.

Since the 2019 Legislative Session, there have been 57 nonrecurring appropriations supported by the general fund appropriated to NMIAD, which totaled \$43.2 million. These appropriations have impacted the areas of capital outlay, behavioral health, economic development, native language revitalization, suicide prevention, youth councils, health and wellness, wildfire response and missing and murdered Indigenous peoples.

The agency has also provided administrative oversight of capital outlay and Tribal Infrastructure Fund project funding. From fiscal year 2020 through fiscal year 2026, IAD has administered 734 tribal capital outlay projects totaling approximately \$373.9 million. The Tribal Infrastructure Fund (TIF) has also experienced substantial growth over this period. From fiscal year 2020 through fiscal year 2026, the TIF Board has awarded more than 138 projects totaling approximately \$309.1 million. In fiscal year 2024 alone, the TIF Board awarded \$67.5 million to 34 tribal projects. Funding is prioritized through a competitive application process for essential tribal infrastructure, including water, housing, broadband, and other related priorities.



Agency personnel collaborate closely with other state agencies on a broad range of policy areas, including environmental protection, water policy, economic development, healthcare, public safety, land and resource management, education, and youth engagement. With additional funding for personnel, the agency has expanded its program areas to include initiatives addressing missing and murdered Indigenous peoples and behavioral health and has the capacity to effectively lead or serve on thirty-one boards, commissions, and task forces.

Overall, the agency's growth in staffing, administrative capacity, and programmatic reach has strengthened its ability to support tribal citizens and communities, efficiently manage significant state funding, and expand policy leadership across multiple critical areas.

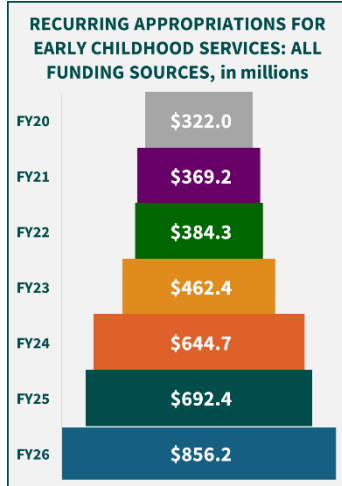
Early Childhood Education and Care Department (611)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$465.1 million in recurring general fund for the Early Childhood Education and Care Department (ECECD), an increase of \$163.2 million, or 54.1%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$348,074.2	\$301,887.9	\$465,137.7	\$163,249.8	54.1%
Total Funds	\$785,169.5	\$987,494.8	\$1,177,110.4	\$189,615.6	19.2%

Authorized by Senate Bill 22 from the 2019 Legislative Session, the Early Childhood Education and Care Department (ECECD) began coordinating and providing early childhood services across the state on July 1, 2020. The agency oversees multiple statewide programs supporting the education and care of children, including childcare assistance, prekindergarten (school-based and community-based), early interventions such as home visiting, and screening for the risks of developmental delays through the Family, Infant, Toddler Program. ECECD also provides support and guidance for early childhood educators and professionals through classroom quality supports and educator feedback in the classroom. In addition to general fund appropriations, ECECD is also supported through numerous federal grants, earned revenues, and federal Temporary Assistance for Needy Families funding for childcare. Per statute, ECECD is also able to access funds from the Early Childhood Trust Fund (ECTF), established in the 2020 Legislative Session. Additionally, ECECD is a recipient of the Permanent School Fund distributions because of an amendment to the New Mexico Constitution, passed by seventy percent of voters in the 2022 general election.



The FY27 Executive Recommendation increases general fund appropriations to ECECD by \$163.2 million, or 54.1%, over FY26. The personal services and employee benefits category increases by \$4.3 million (11.7%) to cover GSD risk-insurance assessments, provide recurring funding for the implementation of SB376 (2025)—which raises the employer health insurance contribution rate to 80 percent—and support approximately 18 new positions. The contractual services category decreases by \$4.4 million (3.6%), primarily due to the expiration of the federal Preschool Development Grant and includes \$4 million from the Land Grant Permanent Fund (LGPF) to support expansion of home visiting to a universal model. The recommendation increases the other costs category by \$188.8 million (24.4%). This is primarily attributable to the expansion of universal childcare in the Early Childhood Education and Nutrition

Division, increasing the agency's budget by \$151.3 million in general fund and \$9.3 million from the Early Childhood Trust Fund for this purpose. The Executive also supports an additional \$3 million from the LGPF in the prekindergarten program, which, along with other funding sources, would add 500 additional slots in early prekindergarten (3-year-olds), and \$3 million for a 7% rate increase for providers in the Family, Infant, Toddler Program (FIT).

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

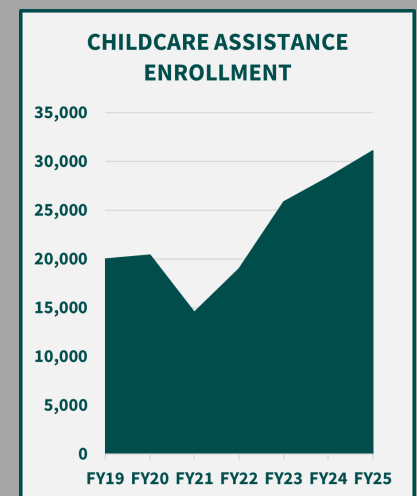
The fiscal year 2027 Executive Recommendation includes \$23.2 million from the general fund and \$60 million from non-general fund sources to support 5 nonrecurring items for ECECD, to include:

- ◆ \$20 million from the general fund to the New Mexico Finance Authority for the Childcare Revolving Loan Fund
- ◆ \$3 million from the general fund for professional development and implementation support for the FIT workforce
- ◆ \$400 thousand from the general fund for the statewide convening to advance Native American early childhood education and care

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STATE PREKINDERGARTEN ENROLLMENT



CHILDCARE ASSISTANCE ENROLLMENT, MONTHLY AVERAGE

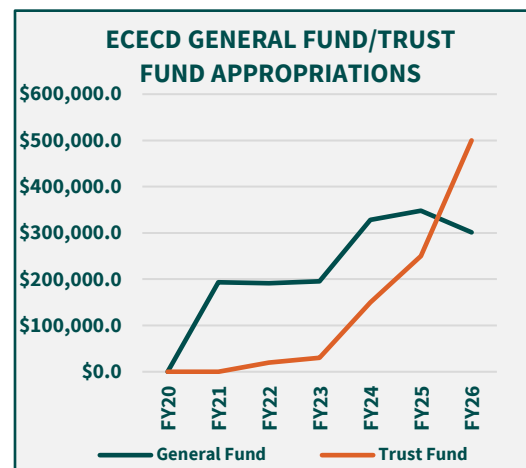
- ◆ \$57 million from the Government Results and Opportunity (GRO) fund over three years to continue implementation of the wage scale and career lattice framework
- ◆ \$3 million from the GRO fund over three years for early childhood coalitions

Long-Term Budget History and Impact

Since fiscal year 2021, the first year of agency operations, the recurring general fund budget for the Early Childhood Education and Care Department has grown by \$108.2 million or 56%. The agency's largest funding source, distributions from the Early Childhood Trust Fund, increased from \$20 million in FY22 (the first year of distribution) to \$500 million in FY26.

Agency Creation and Funding

In 2019, ECECD was created as the fourth cabinet agency in the United States to focus exclusively on coordination of services and programs for children from prenatal through age 5. The agency was created by merging the Early Childhood Services Division from the Children, Youth and Families Department, public prekindergarten programming from the Public Education Department, and early intervention and home visiting programs from the Department of Health. Fiscal year 2020 acted as a transition and startup year for the agency, with FY21 as its first year of programmatic operations. From 2019 through 2025, the Department expanded access to high-quality early learning, strengthened the childcare workforce, improved affordability, and developed a comprehensive system of services that includes prekindergarten, home visiting, nutrition, and family supports.



In 2020, the Early Childhood Trust Fund was established as a nonreverting trust fund with \$300 million in seed money, with identified funding inputs of federal mineral leasing and excess school gas tax revenues. Between calendar years 2022 and 2024, the fund received over \$8 billion in deposits, with a current balance of ten billion. Statutory distributions from the fund to the agency increased from \$20 million in FY22, the first year of distributions, to \$500 million annually beginning in FY26. The ECTF has rapidly grown to be ECECD's largest recurring revenue source. In 2023, the Legislature passed Senate Joint Resolution 6, which solidified the Trust Fund as a permanent funding source by adding it to the New Mexico Constitution and increasing the Land Grant Permanent Fund distribution to include early childhood programs and services. In the 2024 general election, 70% of New Mexico voters ratified the amendment, ensuring permanent state support for early childhood services.

Childcare

In FY20, the year before ECECD launched services, funding for child care was \$148.5 million, serving 21,071 children per month over the course of the year. For FY26, the budget has grown over \$297 million to \$445.8 million, an increase of 200%, and the Department expects to serve 45,736 children per month by the end of the fiscal year, reaching an additional 24,665 infants, toddlers and children across the state monthly. A portion of the increase in children served is due to the Department adjusting assistance guidelines in 2021, raising the qualifying income level from 200% to 400% of the federal poverty level. The pilot was originally funded with additional federal childcare development block grant funding provided to states during COVID and is now supported with trust fund revenue.

Additional policy changes also allowed for additional slots across the state. Between 2019 and 2025, ECECD also focused on expanding licensed child care capacity and improving affordability. Between 2020 and 2025, the number of 5-star FOCUS child care centers and licensed homes increased from 568 to 820, an increase of 44.4%. The total number of all child care providers, including licensed homes and child care centers, increased from 1,908 to 2,148, or 12.6%. Through wage-support programs such as the Competitive Pay for Professionals (CPP) grant, over 7,000 child care workers received increases of \$3 per hour, raising minimum pay to \$15/hour for all onsite child care employees, including support staff, cooks, bus drivers and maintenance and custodial staff.

Prekindergarten

ECECD oversees two prekindergarten programs for both three- and four-year-olds—one through public schools, and one through community-based providers—and has successfully increased access to the program over the past five years. By 2023, New Mexico PreK grew to 14,440 funded slots, nearly doubling capacity since 2018; the next year, total enrollment topped 16,000. A significant expansion that year added over 3,000 new PreK seats statewide, including more than 550 slots for Tribes, Nations and Pueblos. These expansions were accompanied by increased instructional hours and per-child funding, which enabled starting wages of up to \$50,000 for PreK teachers in select programs, supporting recruitment and retention of qualified educators. By 2024, state

spending per child reached \$13,227, an increase of over \$5,000 over the previous year, with 256 school-based and 307 community-based sites operating across the state. As of fiscal year 2025, there were available slots for 82% of four-year-olds and 35% of four-year-olds; school-based programs had enrolled 82% of total capacity and community-based programs reached 87%, and the total number of children served exceeded 18,000.

Home Visiting and Early Intervention Programs

In addition to PreK and child care services, ECECD strengthened early intervention and family support programs. Home visiting, early intervention services, and the federal Child and Adult Care Food Program reached thousands of children, delivering both developmental and nutritional support. The Department also funded 18 local early childhood coalitions across 14 counties to coordinate community services and improve outreach.

Home Visiting. Part of the continuum of care are the state's home visiting programs, which are free, regardless of income, to families who are expecting a baby or who have children under age 5. Home visitors follow the curriculum of one of the state's approved models, and provide advice, support, guidance and referrals to other services, all in the family's home. In FY20, home visiting received \$22.8 million in funding and served 5,227 families. By fiscal year 2024, the Department allocated funding for 5,399 family slots (year round), which served 6,914 families and 7,775 children.

FIT. The Family, Infant, Toddler Program (FIT) provides free evaluations for families, in which experts in the field assess a child who may be experiencing developmental disabilities or delays, or who may be at risk in the future. As an entitlement program under the federal Individuals with Disabilities Education Act (IDEA) Part C, all qualifying children are entitled to services. The program provides access to service coordination and therapies to help children participate in and experience life to the fullest. In fiscal year 2024, 3,776 children exited the FIT program, increasing the chances of successful progression towards meeting developmental benchmarks on time.

Families FIRST. Families FIRST is an early intervention program providing case management supports for pregnant women and children up to age three who qualify for Medicaid. Nurses working with families in the program educate families on pregnancy, nutrition, birth and postpartum-related topics, and connect families to needed services and supports as well as referrals to services. In FY24, the program assisted 1,285 clients, increasing the odds that expecting mothers receive prenatal care in the first trimester of pregnancy and access postpartum care after delivery. Also in 2024, the New Mexico Center for Nursing Excellence honored ECECD's Families FIRST nurses with an Excellence in Nursing award, given for their exceptional service delivery to New Mexican families.

Aging and Long-Term Services Department (624)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$84.3 million in recurring general fund for the Aging and Long-Term Services Department, an increase of \$9.2 million, or 12.3%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$71,467.1	\$75,048.6	\$84,253.2	\$9,204.6	12.3%
Total Funds	\$94,414.1	\$97,995.6	\$109,697.7	\$11,702.1	11.9%

The Aging and Long-Term Services Department (ALTSD) provides a wide range of services to older adults and adults with disabilities to assist them in maintaining their independence, dignity, autonomy, health, safety, and economic well-being. The recommendation establishes the Long-Term Care Division which will administer home- and community-based long-term care programs housed throughout ALTSD, including caregiver-based programming and support not otherwise provided or administered by the Health Care Authority.

The FY27 Executive Recommendation for the Aging and Long-Term Services Department focuses on the New Mexicare program, providing an additional \$6.2 million to increase program participation to 1,000 individuals. The Executive Recommendation also includes an increase in the use of the Kiki Saavedra Senior Dignity fund in the amount of \$2.4 million. The Kiki Saavedra Senior Dignity Fund was established through House Bill 225 during the 2020 Legislative Session and provides high-priority services addressing matters including transportation, food insecurity, physical and mental health, and caregiving with an increased focus on providing veterans and individuals with disabilities access to specialty vehicles and services.

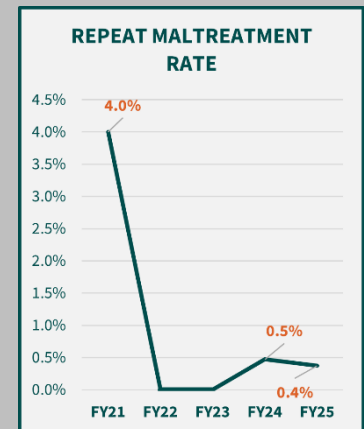
Furthermore, the Executive Recommendation supports the Area Agencies on Aging (AAAs) and the Indian Area on Aging (IAAA), which are directly responsible for providing community-based services and support for New Mexican seniors. The Executive Recommendation includes an increase of \$1.6 million for the AAAs and IAAA for operational and supply costs associated with providing transportation and meals to seniors across the state. Additionally, the FY27 Executive Recommendation provides \$632.6 thousand to fully fund the agency's filled positions, \$531.2 thousand to the agency to cover the provisions of Senate Bill 376, which shifted a larger portion of health insurance costs over to state agencies, and \$350.3 thousand for increased GSD risk insurance rates.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

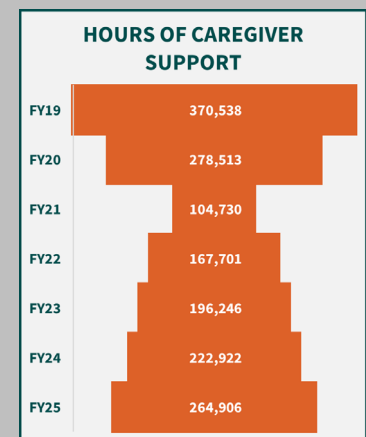
The fiscal year 2027 Executive Recommendation includes \$12.1 million from the general fund to support 4 nonrecurring items for the Aging and Long-Term Services Department, to include:

- ◆ \$10 million to the Kiki Saavedra Senior Dignity fund
- ◆ \$1 million for the Conference on Aging
- ◆ \$600 thousand for emergencies and disaster preparedness for seniors and adults with disabilities
- ◆ \$500 thousand for marketing and educational outreach to connect seniors and their caregivers to available resources

Data Dive



PERCENT OF REPEAT ABUSE, NEGLECT OR EXPLOITATION CASES WITHIN SIX MONTHS OF A SUBSTANTIATED ALLEGATION

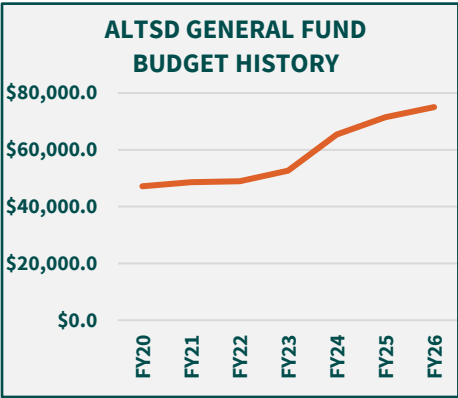


NUMBER OF HOURS OF CAREGIVER SUPPORT PROVIDED THROUGH THE AGING NETWORK

Long-Term Budget History and Impact

Since fiscal year 2020, the recurring general fund budget for the Aging and Long-Term Services Department has grown by \$27.9 million or 59.1%.

The Aging and Long-Term Services Department has seen considerable growth since fiscal year 2020, which has directly translated into more services in a more efficient manner to the aging population of New Mexico. The agency manages the Aging and Disability Resource Center, housed within its Consumer and Elder Rights Division, which aids individuals via a call center. The call volume has increased by approximately sixty percent over the past two years alone. The increase in general fund support has enabled the agency to update call center technology and provide live operators resulting in a total of seventy-five percent of callers getting immediate assistance from a live person by the end of FY25. These increases have also enabled the agency’s Ombudsman Program to visit 100% of the state’s facilities and resolve 99% of complaints in a timely manner.



The agency’s Adult Protective Services Division receives over 15,000 reports on over 20,000 allegations of abuse and neglect annually. The Division has been able to provide over 60,500 hours of home care and 203 hours of chore service, and support more than 270 seniors through home and adult daycare programs. In fiscal year 2025, the Division successfully assisted roughly 2,600 seniors with emergency placements, guardianships, and in-home services, preventing additional harm and enabling them to remain in their homes. These interventions have shown an 89% success rate over a six-month period following the intervention.

The Aging Network Division delivers vital services to seniors across the state, ensuring high visibility in the state’s more rural, frontier, and tribal communities through the Area Agencies on Aging and the Indian Area Agency on Aging. Services provided include nutrition programs, assistance with daily living, caregiver support and transportation. With the increases in general fund, the Aging Network increased its serving capacity by approximately ten percent. In fiscal year 2025 alone, the Division provided over 4.2 million meals (home-delivered and congregate combined) and 286,500 rides to seniors.

In fiscal year 2025, the agency reactivated the Long-Term Care Division. This Division focuses on supporting caregivers and seniors needing assistance with daily activities due to age, ailment, or disability. The programs under this Division further support the agency’s goal to allow New Mexican seniors to age in place and remain in their communities, such as New Mexicare. This program has assisted 348 New Mexicans and provided over 142 thousand caregiver hours, and reduced caregiver stress from providing care by almost fifty percent.

Health Care Authority (630)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$2.13 billion in recurring general fund for the Health Care Authority, an increase of \$61.6 million, or 3.0%, over the current year.

	FY24	FY25	FY26 Rec	\$ Change YOY	% Change YOY
General Fund	\$1,992,879.7	\$2,066,923.3	\$2,128,547.5	\$61,624.2	3.0%
Total Funds	\$12,186,293.7	\$15,069,374.9	\$14,903,748.9	(\$165,626.0)	-1.1%

On July 1, 2024, fulfilling the statutory requirements in Senate Bill 16 from the 2023 legislative session, the Human Services Department (HSD) officially transformed to become the New Mexico Health Care Authority (HCA). This reimagined agency contains all the previous programs and services delivered by HSD, including income supports, Medicaid, child support enforcement and behavioral health services; with the addition of the Developmental Disabilities Supports Division and the Division of Health Improvement from the Department of Health, the Health Care Affordability Fund from the Office of the Superintendent of Insurance and the State Health Benefits Program from the General Services Department, HCA has begun fulfilling its role by using increased centralized purchasing power to oversee, coordinate and purchase health insurance for much of the state.

The FY27 Executive Recommendation for the Health Care Authority increases the recurring general fund by \$61.6 million, or 3.0%, while decreasing overall revenues by \$165.6 million, or 1.1%. The overall decrease is primarily attributable to reduced federal funding. The personal services and employee benefits category increases by 10.1%, contractual services increases by 13.1%, the other category decreases by 1.9%, and other financing uses increases by 11.2%.

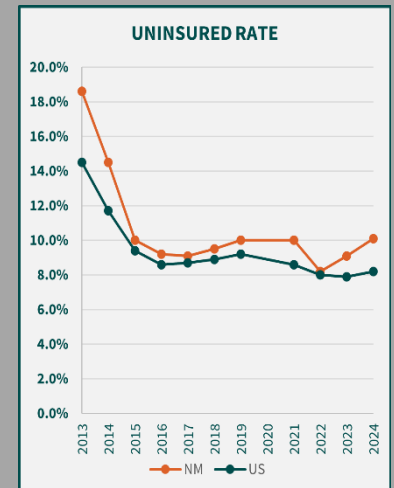
Medicaid

In Medicaid and Medicaid Behavioral Health, the Executive recommends replacing general fund with certain nonrecurring revenues, including \$64 million in drug rebate current year and fund balance revenue to support necessary expenditures. In programmatic expenditures, the Executive recommends \$58 million for increased per member per month managed care organization (MCO) capitation costs, \$9 million for the second phase of nursing facility rebasing, \$15 million to replace revenue due to decreased federal medical assistance percentage (FMAP) rates and \$11 million for changes in Medicare. The recommendation also includes a \$20 million decrease due to an anticipated loss of approximately 100,000 Medicaid expansion enrollees starting in January 2027. The recommendation includes \$852.8 thousand to support 42 employees needed to ensure continued operations due to federal changes, including twice-yearly redeterminations and the introduction of community engagement requirements from House Resolution 1 (HR1). In Medicaid Behavioral Health, the recommendation also supports \$2.7 million for plans of safe care navigators in the Comprehensive Addiction and Recovery Act (CARA) Program as well as a care coordination portal to address requirements directed in Senate Bill 42 from the 2025 Legislative Session.

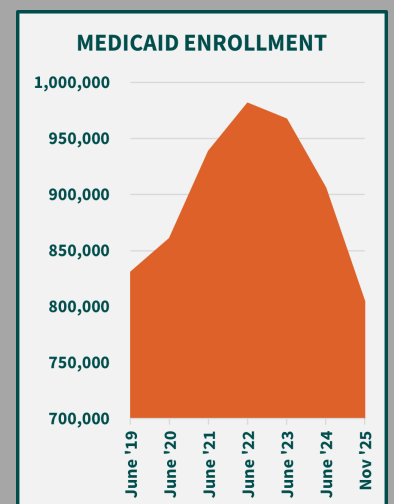
Income Support/SNAP

The Executive also supports multiple priorities in the Income Support Division (ISD) related to implementing changes from HR1 in the Supplemental Nutrition Assistance Program (SNAP). This includes \$24 million in ISD and \$13 million in Program Support due to the decreased admin percentage contributed by the federal government from 50% to 25%. The increase also includes \$4 million to support 150 additional FTE needed to implement and administer changes to the SNAP program, \$750 thousand for SNAP employment and training, \$6.6 million to bring SNAP households with

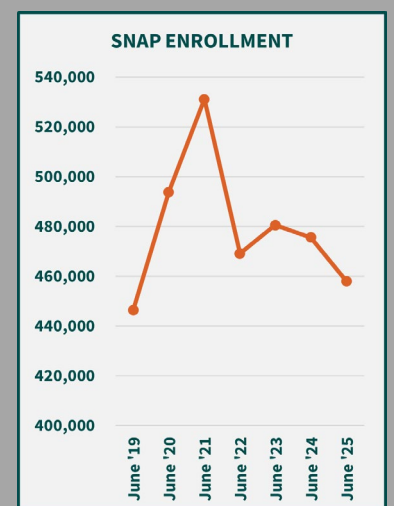
Data Dive



PERCENT OF NEW MEXICANS WITHOUT HEALTH INSURANCE



NUMBER OF NEW MEXICANS ENROLLED IN MEDICAID



NUMBER OF NEW MEXICANS ENROLLED IN THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

disabled or elderly residents up to a \$100 monthly supplemental payment and \$86.3 thousand for short-term food assistance to families impacted by natural disasters. The Information Technology Division, part of Program Support, also contains \$1.9 million to support technology enhancements required by HR1.

Additional Agency Initiatives

Funding for multiple additional initiatives in other divisions is included in the Executive Recommendation. In the Developmental Disabilities Supports Division, the Executive Recommendation includes \$7.2 million to replace gross receipts taxes previously paid by Mia Via providers, \$25 million for enrollment and increased utilization and \$10 million to increase provider rates based on the 2025 rate study. The Executive Recommendation for the Division of Health Improvement, which oversees licensing of and compliance in health facilities statewide, includes an additional \$1.1 million transferred from the Children, Youth and Families Department for the Division to oversee the licensing of children's health facilities. The Behavioral Health Services Division recommendation includes \$4.5 million to continue operations of the 988 crisis line and \$350 thousand for additional FTE in the Certified Community Behavioral Health Clinic Program. In the Health Care Affordability Fund Program, supported entirely by revenues from the Health Care Affordability Fund (HCAF), the Executive recommends \$235.3 million to administer various programs to assist with health insurance premiums and costs for individuals and small businesses. The State Health Benefits Division, supported by revenues from state agencies, local public bodies and employees, includes \$38.5 million for contracts and \$621.7 million to increase the budget for anticipated claims and enrollment increases.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$66.3 million from the general fund and \$154.3 million from other funding sources to support 19 nonrecurring items for the Health Care Authority, to include:

- ◆ \$23.3 million to compensate for significant managed care increases in fiscal year 2026
- ◆ \$92.9 million from the Health Care Affordability Fund for maintaining coverage for lawfully present individuals losing Medicaid coverage in October 2026
- ◆ \$38.1 million to reduce health care premiums on the New Mexico health insurance exchange
- ◆ \$9.8 million for certified community behavioral health clinician services
- ◆ \$9.7 million for information technology improvements and enhancements to the eligibility system to minimize the impact of federal changes on customers and caseworkers
- ◆ \$8.9 million for support system improvements, staff training, process enhancements to reduce SNAP payment errors
- ◆ \$7 million for development, delivery and support for a new training infrastructure for statewide screening, brief intervention and referral to treatment as mandated by the 2025 New Mexico Comprehensive Addiction and Recovery Act
- ◆ \$5.4 million to enhance EBT card security
- ◆ \$5 million for the Linkages Supportive Housing Program
- ◆ \$2.3 million for enhancements to the Summer EBT Program eligibility system
- ◆ \$2 million for costs associated with competency to stand trial

Long-Term Budget History and Impact

Since fiscal year 2020, the recurring general fund budget for the Health Care Authority has grown by \$921.6 million, or 80.5%.

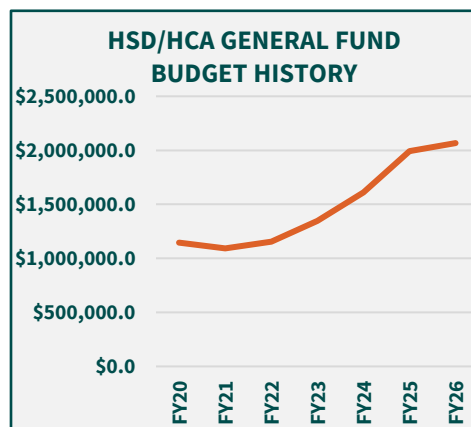
While much of HCA's growth is attributable to new initiatives over the past six years, approximately \$400 million of the increase is due to the agency transforming from the Human Services Department to the Health Care Authority on July 1, 2024. That year, HCA assumed responsibility for the Developmental Disabilities Supports Division and the Division of Health Improvement, both previously at the Department of Health, as well as two non-general fund programs: State Health Benefits, transferred from the General Services Department, and the Health Care Affordability Fund programs, which had been at the Office of the Superintendent of Insurance. This transformation increased HCA's oversight and administrative responsibilities to a total of nine areas of responsibility, touching virtually everyone across the state.

Facility and Provider Support/Access to Care

Rural Healthcare. Since 2020, the Legislature has invested heavily in programs to support hospitals, facilities and clinics statewide, as well as providing rate increases to providers and facilities, with the anticipated outcome of increasing access to healthcare for all New Mexicans. In 2024, the Rural Healthcare Delivery Act was enacted, providing a mechanism for the agency to support rural providers and facilities offering primary care services through a grant award process. Between FY24 and FY26, HCA awarded \$80 million in funding to fifty entities across the state, and for FY25-FY27 has to date supported an additional 29 facilities and providers.

HDAA. That same year, the Legislature passed the Health Care Delivery and Access Act (HDAA), legislation intended to provide increased funding to hospitals across the state providing Medicaid services. The statute requires hospitals to make assessments in two ways: quarterly access assessments, based on inpatient days and outpatient net revenues, and a yearly quality payment, based on identified performance metrics. HDAA replaced HCA's previous hospital access program directed payments and hospital value-based programs. Under the HDAA, the assessments match with federal Medicaid funding, and require the state-contracted Medicaid managed care organizations to send quarterly payments as well as the yearly quality payments to participating hospitals.

Provider Rate Increases. The state has also invested significantly in increasing reimbursement rates to Medicaid providers. Prior to the increases, many services provided were reimbursed at lower amounts than 100% of Medicare, the benchmark for rate comparisons. In FY24, HCA received funding to increase rates for providers, facilities, nursing homes and rural healthcare to 100% of Medicare, while primary care, behavioral health and maternal and child health providers saw rate increases to 120% of Medicare. The following year, for fiscal year 2025, HCA received additional funding and raised the reimbursement rates for primary care, behavioral health and maternal/child health providers to 150% of Medicare.



Medicaid

Enhancements – 1115 Waiver Renewal. Between 2020 and 2025, HCA implemented multiple federally approved initiatives to redesign Medicaid delivery and expand covered services, including awarding new, more accountable Medicaid managed care organization (MCO) contracts and launching Turquoise Care, the state's new Medicaid managed care program. The federal 1115 demonstration waiver renewal, completed in 2024, included covered services for justice-involved individuals, including transitional services for those leaving incarceration, as well as funding to build capacity for homeless services providers and incarcerating individuals transitioning back into the community. HCA also focused on food as medicine, including for pregnant individuals with diabetes, medical respite for unhoused individuals recovering from illness, traditional healing benefits for Native American members, and extending postpartum health care for one year after delivery.

COVID. HCA also played a significant role in the state's response to the COVID pandemic, assisting over one million New Mexicans enrolled in Medicaid at the peak, before the public health emergency ended and unwinding efforts began. The Department also strengthened safety nets, supporting a higher volume of residents enrolling in other public assistance programs.

State Health Benefits

In 2025, HCA transformed the employee State Health Benefits Program to ensure financial sustainability while keeping costs low and services available for State of New Mexico and local public body employees. Before legislation was successfully passed, the state operated under an outdated statute requiring employee group health contributions to be determined by salary tier. This legislatively mandated structure meant that employees would see significant premium increases as no mechanism existed to lower employee costs, especially while increasing revenues overall. Additionally, without requirements to raise premium rates to actuarially sound levels, the Health Benefits Fund experienced shortfalls. Senate Bill 376, enacted in 2025, adjusted how state health benefits are procured and provided. Before the legislation was passed, on average the State Health Benefits Program paid hospitals three times the Medicare payment amount. HCA can now implement Medicare reference-based pricing, which keeps services more affordable for the insured. The bill also eliminated the salary tiers, instead requiring agencies to contribute 80% of costs for all employees. The legislation also now requires that rates be actuarially sound, ensuring that revenues collected will cover anticipated claims. Additional assistance is now also provided through the State Employee Premium Assistance Program, which subsidizes employee contribution amounts for those making less than \$50,000 per year, and to allow eligible members of the New Mexico National Guard to receive insurance through TRICARE. Provisions in this legislation reduced health insurance premiums for covered members by an average of 46%, or a savings of \$2,559 per year.

Health Care Affordability

HCA implemented several new programs when the agency absorbed the Health Care Affordability Fund in FY25. The agency provides several options to assist individuals, small businesses, and uninsured residents to reduce premiums and out-of-pocket costs on the state exchange, including focusing on marketplace affordability, small business premium relief, coverage protections and state employee premium assistance. The fund is supported by an increased surtax of 3.75% on insurance companies.

Income Support

With support from the Legislature, HCA has implemented several policy changes in the SNAP program, many starting towards the end of calendar year 2024. The income limit to receive SNAP benefits increased from 165% to 200% of the federal poverty level and benefits to elderly/disabled recipients increased from \$32 to \$100 per month. ISD also partnered with the Public Education Department to launch the SUN bucks program, which provided 273,000 New Mexican children with \$120 to reduce food insecurity. In March 2020, pre-pandemic, HCA ensured 18,910,469 meals were served to SNAP recipients. By September 2025, this number increased to 25,592,876, an increase of 35.3%. During the same time frame, the average SNAP benefit payment increased from \$118.12 to \$176.91, an increase of 50%. More people who qualify are receiving assistance across the state, and the amount provided has increased substantially to assist with the rising costs of food.

Behavioral Health

CCBHCs. On January 1, 2025, as one of ten states approved through the Medicaid demonstration waiver process, New Mexico began providing behavioral health, substance use disorder and primary care services through Certified Community Behavioral Health Clinics (CCBHCs). The program launched with five clinics covering seven counties and is approved for four years.

988/Suicide and Crisis Now Lifeline. To further address behavioral health needs in New Mexico, in 2022 the agency implemented the 988 lifeline, often a first step in the behavioral health services continuum of care. The 988 lifeline has been supported in the HCA budget in some capacity starting in FY23, with an initial investment of \$1.5 million. The additional funding has contributed to more New Mexicans reaching out for help through the lifeline, up from 1,609 calls answered in state in October 2022 to 4,227 in October 2025, an increase of 2,618, or 163%. In October 2025, New Mexico's 988 line was answered within an average of 21.0 seconds of being routed to a 988 crisis center, lower than the national average of 35.0 seconds.

Behavioral Health Reform and Investment Act. In the 2025 Legislative Session, the Behavioral Health Reform and Investment Act was passed and signed by the Governor, with HCA playing a significant role. The legislation transforms the behavioral health landscape in New Mexico by establishing five behavioral health priorities over four years, administered regionally. HCA will award up to \$26 million to the behavioral health regions in December 2025 to address critical access shortages. In the same session, a Behavioral Health Trust Fund was created as a sustainable funding source for behavioral health needs, with \$100 million in seed money appropriated. For the next three years, the fund will receive approximately one-quarter of the annual distributions to the Early Childhood Trust Fund to build up the corpus and allow for increased distributions for spending at the state level.

Department of Workforce Solutions (631)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$17.3 million in recurring general fund for the Department of Workforce Solutions, an increase of \$2.6 million, or 17.4%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$13,297.0	\$14,734.6	\$17,299.5	\$2,564.9	17.4%
Total Funds	\$124,319.3	\$139,355.4	\$131,549.0	(\$7,806.4)	-5.6%

The Department of Workforce Solutions (DWS) was created to establish a single, unified department to administer all laws and exercise all functions related to workforce development and labor regulation. DWS activities include administering the state's Unemployment Insurance Program and Temporary Assistance for Needy Families (TANF) Program, monitoring and enforcing employer compliance with labor laws and regulations, such as the Minimum Wage Act, Employment of Children Act, Human Rights Act, and the Healthy Workplaces Act, connecting employers and jobseekers, and providing access to job training and other educational opportunities to advance long-term career prospects and improve the alignment between the skillset of the New Mexico workforce and industry needs. As of April 2025, DWS also manages the New Mexico Office of Housing, which addresses the housing shortage and homelessness in New Mexico.

The FY27 Executive Recommendation supports a general fund increase of \$2.6 million, or 17.4%. Of this total, \$1.6 million is designated for information technology staffing and system operations that were previously funded through time-limited federal modernization grants. An additional \$750 thousand is included to replace the annual transfer to the Department of Workforce Solutions from the Workers' Compensation Administration fund. The Recommendation also provides \$191.8 thousand to cover increases in GSD risk insurance assessments and DoIT rates, as well as to establish a recurring funding source for the implementation of SB376 (2025), which raised the employer health insurance premium contribution rate to 80%.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$115.1 million from the general fund and \$17.3 million from the Government Results and Opportunity (GRO) fund to support 9 nonrecurring items for the Department of Workforce Solutions, to include:

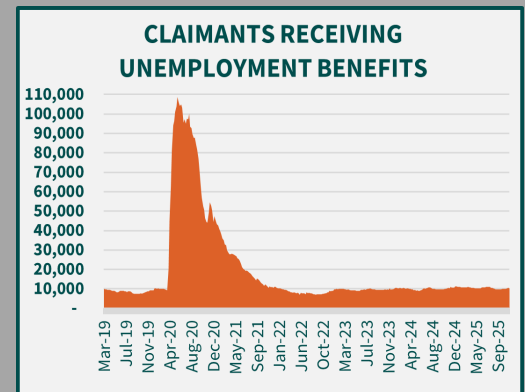
- ◆ \$65 million to continue funding affordable and attainable housing
- ◆ \$45 million to continue funding homelessness initiatives
- ◆ \$3 million for workforce development efforts for adults, youth, and dislocated workers
- ◆ \$6 million for Office of Housing operations through FY29 (GRO fund)
- ◆ \$6 million for service programs in New Mexico, particularly AmeriCorps programs, and to provide a stable state resource to support service-to-career pathways through FY29 (GRO fund)
- ◆ \$3 million for youth pre-apprenticeship programs through FY29 (GRO fund)

Long-Term Budget History and Impact

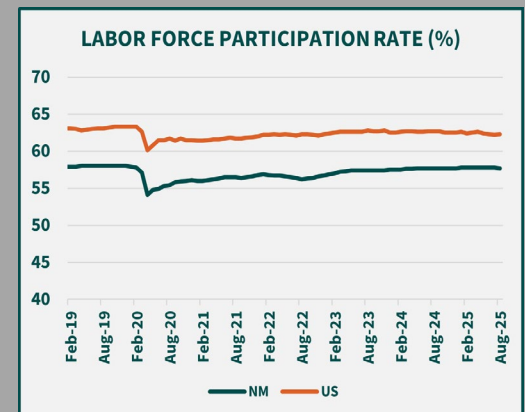
Since fiscal year 2020, the recurring general fund budget for the Department of Workforce Solutions has grown by \$4.6 million, or 45.7%.

Since 2019, the New Mexico Department of Workforce Solutions has implemented a wide range of initiatives to support workers, employers, and communities across the state. These efforts have included responding to economic challenges during the COVID-19 pandemic, advancing workforce development strategies, expanding registered apprenticeship and career pathway opportunities, improving service delivery systems, and aligning workforce programs with emerging industry needs.

Data Dive



NUMBER OF NEW MEXICANS RECEIVING UNEMPLOYMENT BENEFITS

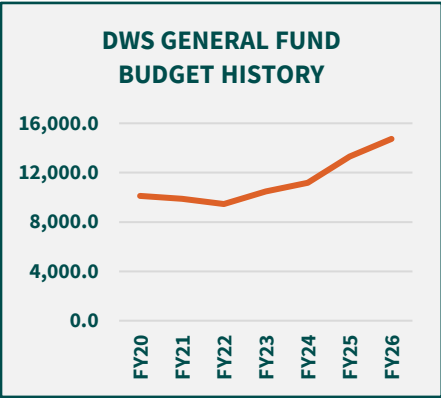


PERCENT OF THE WORKING AGED POPULATION EMPLOYED OR ACTIVELY SEEKING EMPLOYMENT

The COVID-19 pandemic created unprecedented demand for unemployment insurance (UI) services. At peak levels, weekly UI claims increased by several multiples over pre-pandemic volumes. From March 2020 through January 2021, the Department processed over \$3 billion in state and federal unemployment insurance benefits to eligible New Mexico workers. To manage demand, the Department expanded staffing, increased call center capacity, implemented technology enhancements, and added remote and automated service options. These changes improved claims intake and benefit delivery while allowing continued operation under emergency conditions.

As unemployment declined and the economy recovered, NMDWS increased emphasis on reemployment services and workforce development. The Department strengthened partnerships with employers, training providers, educational institutions, and state agencies to connect job seekers with in-demand occupations. The percent of unemployed individuals employed after receiving employment services in an America's Job Center location (previously Workforce Connection Office) grew from 56% in FY19 to 68% for FY25. The Department also expanded apprenticeship programs considerably, with the number of apprentices increasing by 86% from 2019 through 2025 statewide.

In April 2025 the New Mexico Office of Housing became part of the Department of Workforce Solutions. The office is responsible for developing strategies to address housing shortages and homelessness in the state. The 2025 Housing New Mexico Needs Analysis study found that only 13.5% of the state's population can afford to purchase a median-priced home of \$345,000, assuming a 6.45% interest rate and 5% down payment. Currently, the office is overseeing the allocation of \$140 million in appropriations to tackle these critical issues and make housing more affordable. \$80 million of this amount is targeted toward various projects in Albuquerque and Bernalillo County, with \$11 million directed to Dona Ana County. For example, \$6 million was awarded to Tierra Linda in southwest Albuquerque to construct 240 homes for low-income individuals and families, while \$4.3 million to Peachtree Canyon Apartments in Las Cruces will add 144 new multifamily rental housing units for low- and moderate-income households. DWS notes that future funding opportunities will focus on site readiness and housing innovations.



Department of Health (665)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$228.1 million in recurring general fund for the Department of Health, an increase of \$8.3 million, or 3.8%, from the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$201,111.6	\$219,820.8	\$228,101.8	\$8,281.0	3.8%
Total Funds	\$542,179.2	\$596,499.8	\$695,351.5	\$98,851.7	16.6%

The New Mexico Department of Health (NMDOH) is the state's primary public health agency, responsible for safeguarding and improving the health and well-being of residents across all communities. Its work includes infectious disease surveillance and control, health promotion and disease prevention programs, emergency preparedness and response, environmental health oversight, and management of vital records such as birth and death certificates. NMDOH also licenses and regulates a wide range of healthcare and community facilities and operates several state-run medical, behavioral health, long-term care, and developmental disability facilities. Through partnerships with local, tribal, and federal organizations, the Department works to address health disparities, support vulnerable populations, and ensure access to essential public health services statewide.

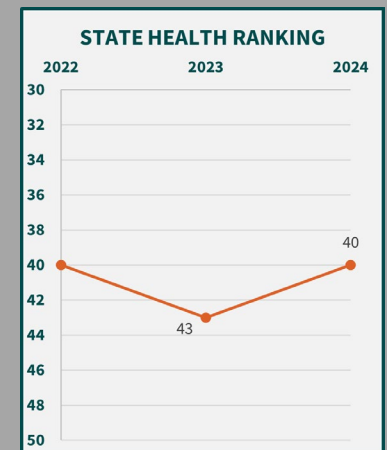
The FY27 Executive Recommendation proposes a recurring general fund increase of \$8.3 million, or 3.8%. Of this amount, approximately \$4.3 million covers increases to GSD risk insurance assessment and DoIT rates and provides a stable funding source for implementing SB 376 (2025), which raised the employer health insurance premium contribution rate to 80 percent. The Recommendation also allocates \$850 thousand for additional staffing, testing supplies, and materials for the forensic toxicology bureau to handle increased caseloads associated in part with HB 8 (2025), which modified the probable cause threshold required to obtain a blood draw search warrant in DWI cases. In addition, \$2 million in new general fund support is included for staffing at the New Mexico Veterans' Home to address gaps in RN, LPN, and CNA coverage, maintain required nurse-to-resident ratios, ensure continuity of care, and reduce staff burnout. The Recommendation further provides \$960 thousand to replace federal funding reductions for the NMDOH Helpline and \$250 thousand for ongoing IT maintenance and hosting services for the vital records and health statistics virtual vault.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

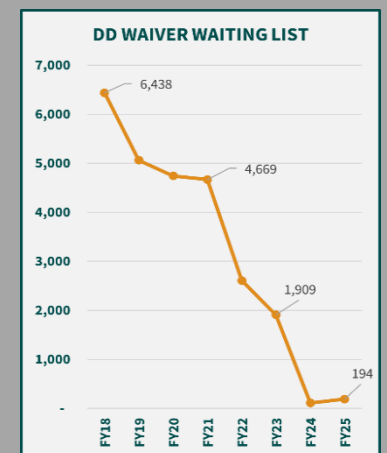
The fiscal year 2027 Executive Recommendation includes \$8.2 million from the general fund to support 6 nonrecurring items, or 'special appropriations,' for the Department of Health, to include:

- ◆ \$2.2 million for instruments and equipment for the toxicology bureau
- ◆ \$2 million for facilities operation and maintenance
- ◆ \$1.5 million for a vaccine marketing campaign
- ◆ \$1.2 million for a statewide dance program to be provided in public schools for low-income at-risk youth through fiscal year 2028
- ◆ \$1 million to expand WIC and Senior Farmers' Market Nutrition Program benefits for over 23,000 income eligible participants
- ◆ \$250 thousand for long-acting reversible contraceptives

Data Dive

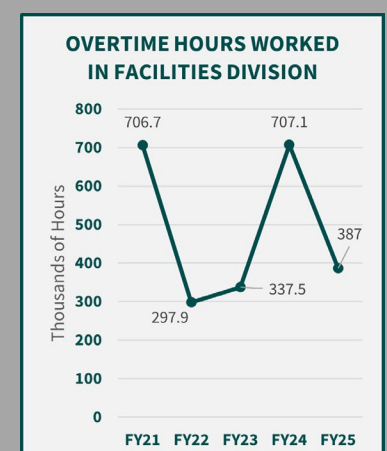


The United Health Foundation establishes an annual comprehensive state health ranking. Their methodology includes 83 measures related to healthcare access and health outcomes, but also considers numerous social, economic, and environmental indicators to reflect the growing understanding of the impact of social determinants on health.



DEVELOPMENTAL DISABILITIES WAIVER WAITING LIST

The DD Waiver Waiting List has been nearly reduced to zero. This chart displays the progress DOH made in eliminating this barrier to healthcare prior to the transfer of the division to HCA in July 2024.

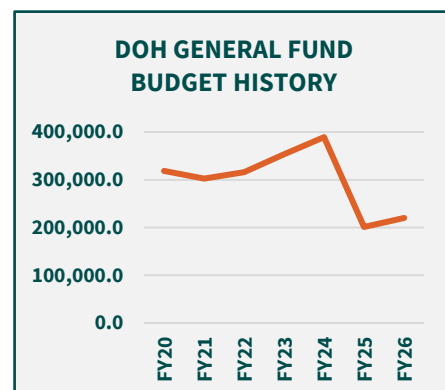


Long-Term Budget History and Impact

Since fiscal year 2020, the recurring general fund budget for the Department of Health has decreased by \$98.8 million, or 31.0%, largely due to the transfer of several programs out of the Department of Health to the Health Care Authority in 2024.

From 2019 through 2025, the New Mexico Department of Health (NMDOH) carried out major work across public health infrastructure, emergency response, disease prevention, environmental health, and system reorganization. These years included the COVID-19 pandemic and subsequent recovery, along with broader efforts to strengthen and modernize the state's health systems.

Strengthening Public Health Infrastructure: During this period, NMDOH advanced several initiatives to modernize its core public health functions. The Department expanded epidemiologic capacity, upgraded state laboratory equipment and processes, and implemented enhanced disease surveillance systems, including molecular and genomic technologies. Investments through federal programs supported improved detection of infectious diseases, antimicrobial resistance patterns, and outbreak sources.



In 2024, NMDOH earned a five-year reaccreditation from the Public Health Accreditation Board. This reaccreditation confirmed that the Department continued to meet national public health standards, including performance management, community health assessment, strategic planning, and quality improvement. The designation also reflected sustained work despite the operational pressures of the pandemic.

COVID-19 Pandemic Response: The COVID-19 pandemic dominated much of the Department's operational focus between 2020 and 2022. NMDOH coordinated statewide testing capacity, developed reporting systems, and disseminated public health information and guidance. The Department operated a large-scale vaccine distribution effort beginning in late 2020, during which New Mexico consistently achieved high vaccination rates relative to most U.S. states. NMDOH partnered closely with local governments, tribal entities, healthcare providers, and community organizations to reach diverse populations and maintain equitable access to vaccines.

By 2021 the state had administered more than one million doses of the vaccine, and vaccination coverage continued to climb in subsequent years. NMDOH published ongoing demographic and geographic analyses of vaccine uptake and continued offering updated COVID-19 vaccines into 2025 as part of routine immunization efforts.

Environmental and Preventive Health Initiatives: Alongside pandemic operations, NMDOH continued work in environmental health and chronic disease prevention. The Department expanded public guidance and tracking related to wildfire smoke, air quality, and other environmental exposures. Tools such as visibility-based smoke safety methods were shared to help residents respond to wildfire-related conditions, which have become an ongoing concern in the state.

NMDOH also maintained and strengthened the New Mexico Childhood Lead Poisoning Prevention Program. Efforts included statewide blood lead surveillance, case management for children with elevated levels, identification of exposure sources, and updated clinical guidance to standardize screening and follow-up.

Access to Care, Facility Oversight, and Support for Vulnerable Populations: Throughout these years, NMDOH addressed longstanding needs in healthcare access and service delivery for vulnerable populations. This included implementing modernization reforms at state-operated health facilities that provide safety net behavioral health, rehabilitation, and long-term care services, improving oversight of long-term care providers and boarding homes, reducing wait times for developmental disability services, improving record keeping systems, enhancing clinical oversight, and stabilizing staffing levels within state facilities.

System Reorganization and Health Care Authority Creation: In 2024, significant structural changes occurred as part of statewide health system reform. Two NMDOH divisions, the Developmental Disabilities Supports Division and the Division of Health Improvement, were integrated into the newly established New Mexico Health Care Authority (HCA). The HCA was designed to consolidate health purchasing, improve coordination across programs, and expand affordable health coverage options. The reorganization shifted certain service delivery and regulatory responsibilities from NMDOH to the HCA, allowing NMDOH to focus more closely on its core public health functions while maintaining collaboration across agencies.

Environment Department (667)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$36.5 million in recurring general fund for the Environment Department, an increase of \$1.5 million, or 4.4%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$33,275.0	\$35,010.8	\$36,541.8	\$1,531.0	4.4%
Total Funds	\$247,094.4	\$233,371.4	\$223,795.2	(\$9,576.2)	-4.1%

The Environment Department (NMED) is the state agency responsible for the administration of federal and state laws and regulations related to air quality, surface and groundwater quality, solid waste disposal, underground storage tanks, radioactive materials, radiologic technology, occupational safety, and food safety.

The FY27 Executive Recommendation includes a general fund increase of \$1.5 million, or 4.4%. The recommended increase covers GSD risk insurance assessment increases, provides a recurring funding source for the implementation of SB376 (2025), which increased the employer health insurance contribution rate to 80%, and provides for a modest increase in staffing across multiple programs.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$118.8 million to support 8 nonrecurring items, or ‘special appropriations,’ for the Environment Department, to include:

- ◆ \$65 million for the Strategic Water Supply fund
- ◆ \$10 million to the Neglected and Contaminated Sites Fund
- ◆ \$10 million to the Uranium Mining Reclamation Revolving Fund
- ◆ \$10 million to the Rural Infrastructure Revolving Loan Fund
- ◆ \$10 million to the Water Quality Management Fund
- ◆ \$5.8 million to the Water Facility Construction Loan Fund
- ◆ \$5 million for capacity building in environmental and public health regulatory services for restaurants, manufactured foods, onsite liquid waste, and public pools and spas
- ◆ \$2 million for economic development initiatives, including circular economy development

Long-Term Budget History and Impact

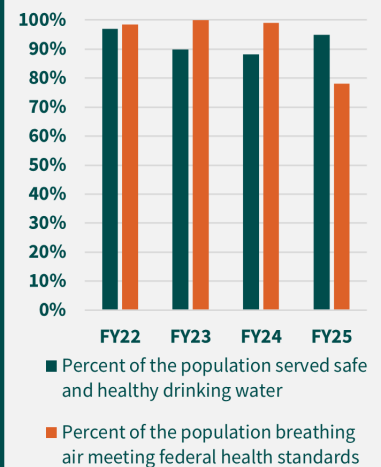
Since fiscal year 2020, the recurring general fund budget for the Environment Department has grown by \$22.7 million, or 185.1%.

From 2019 through 2025, the New Mexico Environment Department undertook a range of initiatives to address air and water quality, environmental cleanup, climate planning, and regulatory compliance across the state. During this period, the Department implemented new programs, expanded enforcement capacity, and updated major environmental policies.

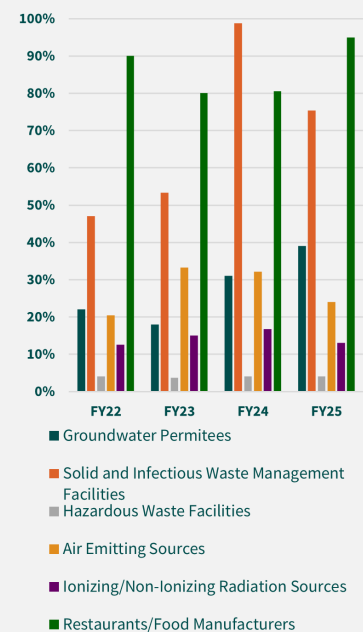
A key area of activity involved drinking water safety and water infrastructure support. NMED participated in the implementation of the state’s 50-Year Water Action Plan, including the Strategic Water Supply Program, which promotes the use of non-freshwater sources for industrial uses to conserve potable supplies. In 2024, the Department launched Hydro Delta, a statewide leak detection initiative using satellite data and analytics to help utilities identify water loss. Additionally, the Department funded hundreds of

Data Dive

NEW MEXICO AIR AND WATER QUALITY



NMED INSPECTION RATES



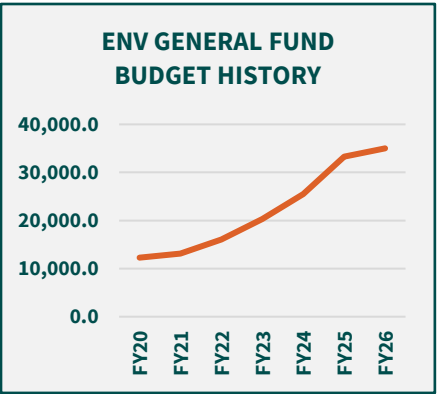
water infrastructure projects across the state to improve the quality of drinking water and protect public health. By 2025, NMED reported that 95% of New Mexicans receive water that meets health standards, up from 90% a few years prior.

NMED also advanced pollution cleanup and redevelopment efforts. The brownfields program remediated hundreds of acres of contaminated land in 2023 and supported communities in preparing formerly contaminated sites for potential new uses. The Department also expanded oversight of hazardous waste, illegal dumping, and solid waste management, including the creation of an Environmental Crimes Task Force to address complex pollution and waste-handling violations.

Air quality and climate policy were major areas of work from 2019 through 2025. NMED completed updated greenhouse gas inventories, implemented new regulations to limit methane emissions from oil and gas operations, and secured federal funding to support statewide climate action planning. This work included development of priority climate strategies submitted in 2024 and continued progress toward a statewide Climate Action Plan scheduled for completion in 2025. The Department also pursued a Clean Transportation Fuel Program designed to reduce the carbon intensity of transportation fuels over the coming decades.

Regulatory oversight and enforcement continued across multiple environmental programs. NMED conducted thousands of compliance inspections annually and issued administrative penalties for violations, including major enforcement actions in the oil and gas sector. The Department also negotiated an updated Consent Order with the U.S. Department of Energy to address legacy waste at Los Alamos National Laboratory and renewed the state permit for the Waste Isolation Pilot Plant with updated oversight provisions.

This period is also marked by growth in operational capacity. From fiscal year 2020 to fiscal year 2026, the Department’s budget grew from \$120 million to \$233 million from state, federal, and fee-based sources. Similarly, the Department’s workforce increased by 23%, expanding capacity for technical assistance and regulatory oversight of drinking water, wastewater, air quality, climate and emissions, hazardous waste, and food safety.



Department of Veterans' Services (670)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$10.2 million in recurring general fund for the Department of Veterans' Services, an increase of \$1.3 million, or 15.6%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$8,391.1	\$8,853.9	\$10,231.0	\$1,377.1	15.6%
Total Funds	\$9,802.7	\$10,686.9	\$12,138.4	\$1,451.5	13.6%

The Veterans' Services Department is responsible for providing information and assistance to veterans and their eligible dependents to obtain the benefits to which they are entitled to improve their quality of life.

The FY27 Executive Recommendation includes a total recurring general fund increase of \$1.4 million, or 15.6%, directed entirely to the personnel category. The recommended budget increase supports GSD risk insurance assessment increases and provides a recurring funding source for the implementation of SB376 of 2025, which raised the employer health insurance contribution rate to 80%. The Recommendation also provides funding for four positions at the Taos State Cemetery, which moved under the Department's oversight as of fiscal year 2026. Additionally, the Recommendation covers the full cost of the FY25 reclassification of the agency's Veteran Service Officers (VSOs) in response to retention challenges of this crucial role. VSOs are veterans' first and main point of contact with the agency and are responsible for assisting veterans in applying for and obtaining benefits both at the state and federal levels.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$2.4 million from the general fund to support 7 nonrecurring items for the Department of Veterans' Services, to include:

- ◆ \$1.3 million for information technology and cybersecurity upgrades
- ◆ \$500 thousand for outreach services
- ◆ \$250 thousand for the operations of the Taos Cemetery
- ◆ \$200 thousand for suicide prevention
- ◆ \$150 thousand for transportation and homelessness, \$75 thousand for each initiative

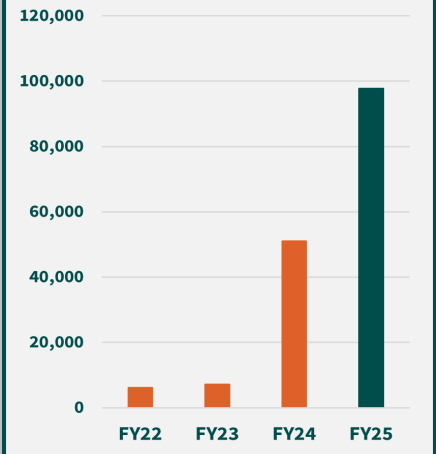
Long-Term Budget History and Impact

Since fiscal year 2020, the recurring general fund budget for the Department of Veterans' Services has grown by \$3.9 million, or 77.8%.

From fiscal year 2020 through fiscal year 2026, the New Mexico Department of Veterans' Services received a 77.8% increase in recurring general fund appropriations, enabling the agency to expand, enhance, and sustain vital services for New Mexico's veterans. NMDVS was able to supplement the Highly Rural Transportation federal grant to provide transportation services statewide, ensuring every county has coverage, providing over 4,000 round-trip transports to the U.S. Department of Veteran Affairs (VA) and VA-approved healthcare appointments, and ensuring veterans in remote areas gained consistent access to preventive and specialty care. Additionally, NMDVS has expanded its processing capacity and outreach by 30% to assist over 47,000 veterans in obtaining New Mexico-specific benefits such as property tax exemptions, veteran license plates, tuition-free scholarships, and state park passes. Along with assisting veterans with New Mexico-specific benefits, the general fund increases to the agency have enabled the agency to hire and train additional VSOs, increasing access and reducing wait times for federal claims assistance. This has resulted in over 29,000 federal claims filed, generating more than \$4.4 billion in earned benefits and providing financial independence to New Mexico veterans.

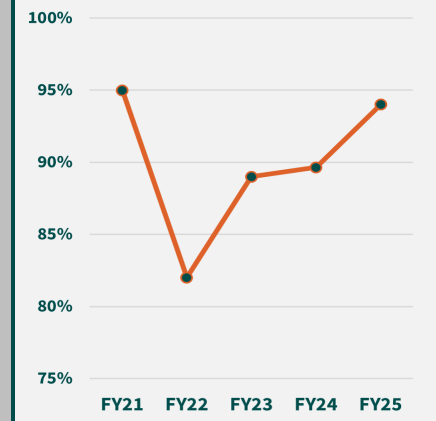
Data Dive

VETERANS SERVED



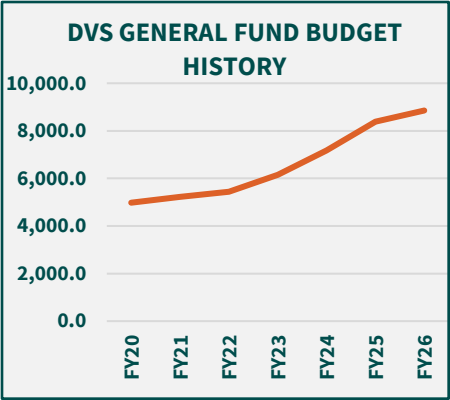
NUMBER OF VETERANS AND FAMILIES OF VETERANS SERVED BY VETERANS' SERVICES DEPARTMENT FIELD OFFICES

CUSTOMER SATISFACTION RATE



PERCENT OF VETERANS SURVEYED WHO RATE THE SERVICES PROVIDED BY THE AGENCY AS SATISFACTORY OR ABOVE

The general fund increases have also provided the agency the ability to assist homeless and housing-insecure veterans with emergency aid, rental assistance, and housing placement through coordination with the VA and local partners for strengthened wraparound support. Similarly, NMDVS has been able to assist veterans struggling with mental health through suicide awareness campaigns, crisis intervention training, and mental health referrals. The increases to the agency’s general fund have allowed NMDVS to honor New Mexico’s veterans with dignity and respect during their final ceremonies, having provided over 2,800 military burial honors between fiscal years 2020 and 2025. These honors are delivered regardless of geography or family resources, ensuring all veterans receive proper military funeral honors.



Children, Youth and Families Department (690)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$299.2 million in recurring general fund for the Children, Youth and Families Department (CYFD), an increase of \$30.2 million or 11.2% over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$260,969.0	\$226,996.3	\$299,241.4	\$30,215.9	11.2%
Total Funds	\$389,157.3	\$397,237.6	\$404,096.6	\$6,857.0	1.7%

The New Mexico Children, Youth and Families Department (CYFD) oversees and administers multiple programs serving children and their families and caregivers. The core function of Juvenile Justice Services (JJS) is to keep New Mexico's children safe and prepare them to be contributing members of society by providing treatment and rehabilitative services tailored to their and their family's needs. The Protective Services Division (PSD) serves as a public safety entity by providing prevention and intervention services to at-risk families to provide protection and mitigate safety threats for children while enhancing families' capacities to safely care for their members. Additionally, CYFD's Behavioral Health Services Division (BHS) is the behavioral health authority for all children in New Mexico and the lead on children's behavioral health policy, in collaboration with other health-focused state agencies. BHS staff provide technical assistance and consultation with providers and other CYFD colleagues serving children and youth in a variety of situations: those who are at-risk of CYFD custody involvement, are involved with CYFD, in post-CYFD involvement and who have never been involved with the agency.

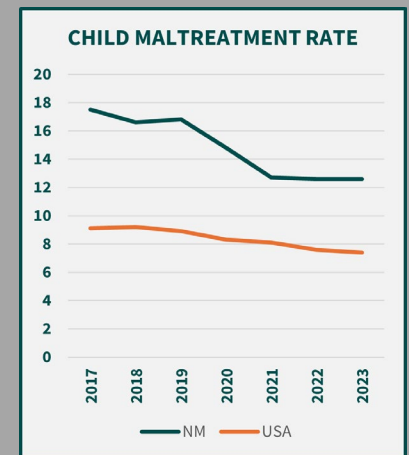
The FY27 Executive Recommendation for CYFD includes an increase of \$30.2 million in general fund and reflects an overall increase of \$6.9 million. The Executive supports replacing \$13 million in unrealized federal Title IV-E funds with general fund in the Protective Services Division and recommends backfilling several expiring federal grants at FY25 expenditure levels. The Recommendation also includes a \$7.7 million general fund increase in the personal services and employee benefits category to cover GSD risk insurance assessments, provide a recurring funding source for the implementation of SB376 (2025), which increased the employer health insurance premium contribution, and to properly align funding with filled FTE.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$500 thousand from the general fund and \$74.6 million from the Government Results and Opportunity fund (GRO) to support 5 nonrecurring items for CYFD over three years, to include:

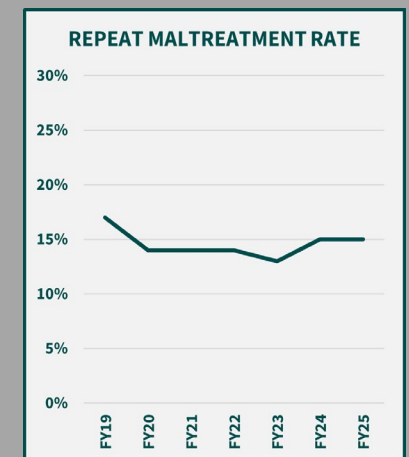
- ◆ \$500 thousand for activities, events, training and travel related to the Indian Child Welfare Act
- ◆ In Protective Services, recommended funding amounts will allow the agency to successfully meet deliverables from the Kevin S settlement agreement, including \$10 million per year for pay equity and additional staffing to hire up to 70 FTE per year, \$3.5 million per year for multi-service homes for children without a placement, and \$2.1 million per year for shelter placements, emergency office stays, and maintenance payments and travel
- ◆ In Program Support, the Executive recommends \$3.5 million over three years for additional staffing and \$1 million for additional contract support for the Kevin S settlement

Data Dive

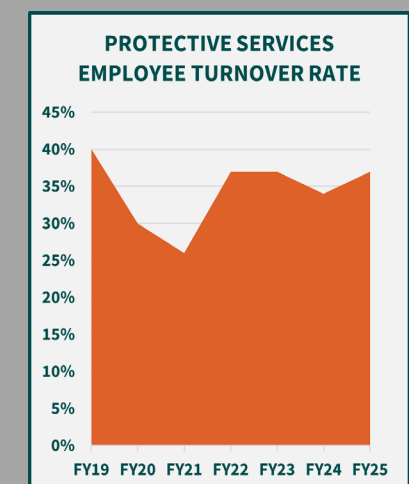


CHILD MALTREATMENT RATE PER 1,000 CHILDREN

*Data from the U.S Administration for Children and Families only available through 2023



PERCENT OF CHILDREN WHO EXPERIENCED REPEAT MALTREATMENT WITHIN TWELVE MONTHS OF AN INITIAL SUBSTANTIATED MALTREATMENT INCIDENT



ANNUAL TURNOVER RATE FOR PROTECTIVE SERVICES WORKERS

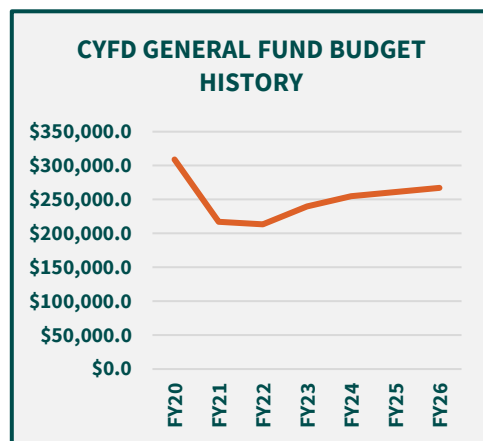
- ◆ In Juvenile Justice, the Recommendation includes \$2.5 million per year for additional staffing, \$1.5 million per year for medical contracts, and \$1.5 million per year for client meals and medical direct pays
- ◆ In Behavioral Health Services, the Executive recommends \$500 thousand per year for additional staffing, \$1.5 million per year to implement and administer new behavioral health programs statewide as directed in 2025 Senate Bill 3, and \$300 thousand per year for travel, training and supplies

Long-Term Budget History and Impact

Since fiscal year 2020, the recurring general fund budget for CYFD has decreased by 14.2%, due to the transfer in FY21 of the Early Childhood Services division to the newly created Early Childhood Education and Care Department (approximately \$103 million in general fund).

Between FY21 and FY26, the agency's budget grew 23.1%, or just over \$50 million dollars. Of this increase, \$30.1 million (61.2%) is attributable to legislatively mandated compensation increases, with the remainder supporting a variety of targeted initiatives.

In FY23, CYFD received significant increases in the Protective Services Division (8%) and Behavioral Health Services Division (almost 21%). Behavioral Health Services received \$3 million for domestic violence services, \$2 million for intensive case management services and \$2.8 million for functional family therapy, wraparound services, services for children with developmental disabilities and data validation related to the Kevin S settlement. Protective Services received \$6.3 million to bolster the workforce and fill vacant positions, including 60 front-line caseworker positions. The agency also received \$3 million for extended foster care services, providing support for young adults through age 21, as well as \$1.2 million for supportive housing for young adults transitioning out of foster care. In FY24, the agency received \$15.9 million of Temporary Assistance for Needy Families revenue (TANF) in lieu of general fund to support a variety of evidence-based practices in adoptions, foster care, supportive housing and multilevel response. That year, CYFD also received \$4.3 million to support children in state custody needing behavioral health supports.



In FY25, CYFD began receiving appropriations through the GRO fund, holding its general fund base relatively flat through FY26. That year, the agency received \$24 million total in nonrecurring appropriations, with \$18.6 million over three years coming from the new GRO fund, to support a variety of initiatives including community-based prevention and intervention services, multi-level response, masters-level social worker recruitment and recruitment, training and supports for resource families. In FY26, CYFD again received targeted increases in nonrecurring appropriations totaling over \$65 million. Available for expenditure in fiscal years 2026 through 2028, these appropriations provided funding for caseworkers, case aides, a child welfare academy, an on-call emergency response team and foster care maintenance payment increases. Also in FY26, with the passage and signing of Senate Bill 42, services and programming related to the Comprehensive Addiction and Recovery Act (CARA) were transferred from CYFD oversight to the Health Care Authority.

While CYFD still faces challenges, the agency is making strides to improve outcomes. The rate of repeat maltreatment within twelve months of an initial substantiated maltreatment incident decreased from 17% in FY19 to 15% in FY25. Although still higher than the national average, the child maltreatment rate in New Mexico decreased from 16.8% in FY19 to 12.6% in FY23. Protective Services also experienced significant progress with families participating in in-home or family support services who did not have a subsequent substantiated report within the previous twelve months increasing from 74% in FY24 to 82% in FY25. Juvenile Justice has also seen improvement, with 34% of youth discharged from a secure facility recidivating within two years in fiscal year 2024, down to 28% the following year. Rate of physical assaults decreased in the same time period, from 5.5 to 5.07. Notably, the percent of youth seventeen and older when discharged from a secure facility who obtained a high school diploma or GED increased from 66% in FY24 to 74% in FY25. Regarding access to care, CYFD has made notable improvements; juvenile justice-involved youth who received consultation from a behavioral health clinician increased from 63% in FY24 to 72% the following year, while consultations for protective services-involved youth increased from 15% in FY24 to 48% in FY25.

Department of Military Affairs (705)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$11.9 million in recurring general fund for the Department of Military Affairs, an increase of \$1.6 million, or 15.5%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$9,679.3	\$10,334.4	\$11,937.8	\$1,603.4	15.5%
Total Funds	\$34,471.8	\$36,388.0	\$38,077.1	\$1,689.1	4.6%

The primary role of the Department of Military Affairs (DMA) is to provide administrative and coordinated support to the New Mexico National Guard to maintain a high degree of readiness to respond to state and federal missions. The Department also hosts the Governor’s Summer Challenge, Job Challenge, and Youth Challenge Academy programs which provide education, leadership, character development, and life coping skills to New Mexico’s youth so they may become productive citizens.

The FY27 Executive Recommendation includes \$11.9 million from the general fund, an increase of \$1.6 million over the current fiscal year. Of this amount, \$750 thousand is directed to the Community Engagement Response Team, which includes sufficient funding to replace the annual executive order that the Governor issues to the Department for National Guard deployments. The Recommendation also supports an increase of \$745.9 thousand to cover increases to GSD risk insurance assessments and DoIT rates and to provide a recurring funding source for the implementation of SB376 (2025), which increased the employer health insurance premium contribution for DMA employees and TRICARE reimbursements for National Guard members.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$1.5 million from the general fund to support 1 nonrecurring item, or ‘special appropriation,’ for the Department of Military Affairs.

- ◆ \$1.5 million for the Governor’s summer challenge programs

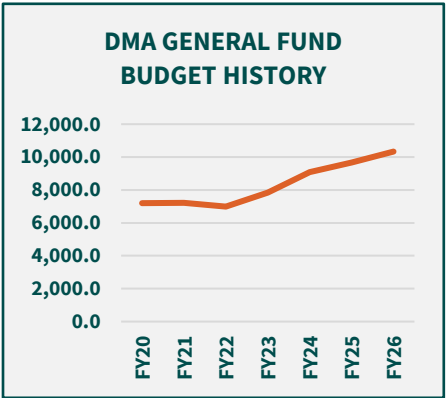
Long-Term Budget History and Impact

Since fiscal year 2020, the recurring general fund budget for Department of Military Affairs has grown by \$3.1 million or 43.5%.

Between 2019 and 2025, the New Mexico Department of Military Affairs (DMA) and the New Mexico National Guard (NMNG) strengthened their role in supporting state emergency response, intergovernmental collaboration, and youth development initiatives across New Mexico.

Throughout this period, the NMNG provided critical assistance during multiple wildfire and flooding emergencies. For example, in June 2024, NMNG personnel were mobilized in response to the South Fork and Salt Fires, which significantly impacted communities in Lincoln County and the Mescalero Apache Reservation. Additionally, in October 2024, the Guard partnered with local agencies to respond to severe flooding in and around Roswell, rescuing more than 300 individuals. More recently, in July 2025, the Guard again responded to devastating flooding in Ruidoso, conducting nine rescues and supporting broader emergency response efforts. These operations demonstrated the Guard’s capacity to provide rapid, coordinated support during complex and evolving emergency situations.

The Department was also called upon throughout this period for community assistance beyond natural disaster response. In 2022, the Governor implemented the Supporting Teachers and Families (STAF) initiative, deploying NMNG members to serve as substitute teachers and childcare workers statewide during staffing shortages caused by a surge in COVID-19 cases. In 2025, at the request of local leaders, the Governor issued emergency declarations in Albuquerque and Española in response to public safety concerns. National Guard troops were deployed to perform non-law enforcement support functions—such as traffic control, administrative assistance, and site security—allowing local law enforcement agencies to concentrate on active patrol and crime prevention activities.



Another area of focus has been the development and expansion of programs supporting at-risk youth. These include the National Guard Youth ChalleNGe Academy, the Job ChalleNGe Academy, and the Governor's Summer ChalleNGe. Collectively, these programs provide structured, military-inspired environments that emphasize academic achievement, job training, life skills, and mentorship. Participants are supported in completing education requirements, developing workforce readiness, and transitioning into productive adulthood.

Corrections Department (770)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$368.0 million in recurring general fund for the Corrections Department, an increase of \$14.6 million, or 4.1%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$337,208.1	\$353,450.8	\$368,037.5	\$14,586.7	4.1%
Total Funds	\$368,869.3	\$390,888.8	\$405,385.7	\$14,496.9	3.7%

The New Mexico Corrections Department (NMCD) is responsible for overseeing the state’s adult correctional system, including the operation of prisons, probation and parole supervision, and community-based reentry programs. The Department’s primary mission is to ensure public safety by maintaining secure and humane custody of individuals sentenced to state incarceration while providing programs that support rehabilitation, education, and successful reintegration into society. In addition to managing facilities and supervising individuals under community supervision, the Department develops policies and initiatives aimed at reducing recidivism, addressing offender needs, and promoting safe and effective correctional practices throughout the state.

The FY27 Executive Recommendation includes \$368 million from the general fund, an increase of \$14.6 million, or 4.1%. Of this amount, \$11.6 million covers increases to GSD risk insurance assessments and DoIT rates and provides a recurring funding source for the implementation of SB376, which raised the employer health insurance premium contribution rate to 80%. An increase of \$2.9 million is also supported to restore contractual funding for reentry services, such as transitional living, behavioral health, and recovery centers.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$300 thousand from the general fund to support one nonrecurring item for the Corrections Department:

- ◆ \$300 thousand for acquisition of secure inmate transport vehicles

Long-Term Budget History and Impact

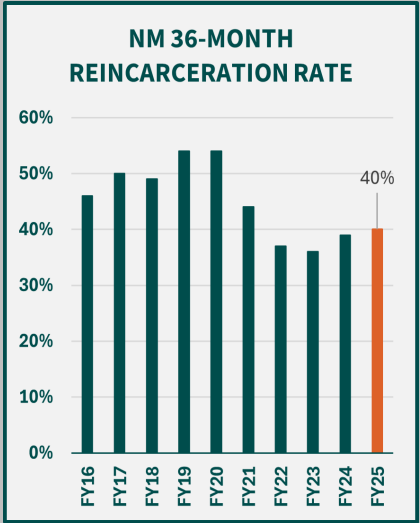
Since fiscal year 2020, the recurring general fund budget for the Corrections Department has grown by \$29.3 million or 9.0%.

From 2019 through 2025, the New Mexico Corrections Department (NMCD) implemented a broad set of initiatives aimed at strengthening facility operations, expanding education and treatment opportunities, improving reentry supports, and modernizing core systems.

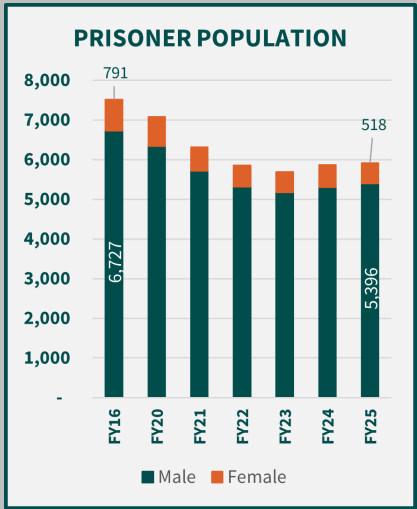
A primary area of focus involved workforce development and staffing. In 2024, the State of New Mexico allocated \$24.8 million to create 189 new correctional officer positions across state and local detention facilities, supporting recruitment and retention efforts. NMCD received \$6.7 million of the allocated funds over two years. The New Mexico Corrections Training Academy continued to broaden its training pathways by updating curricula, expanding e-learning, and offering certification-by-waiver options for qualified applicants. As the first corrections training academy in the nation accredited by the American Correctional Association, it has played a central role in strengthening staff preparation and professional standards across the department.

NMCD made significant progress in addressing hepatitis C (HCV) among incarcerated populations. The Department implemented universal HCV screening at intake, expanded access to curative antiviral treatment, and achieved high cure rates, with thousands of individuals treated successfully. NMCD partnered with Project ECHO and other public health organizations to train correctional

Data Dive



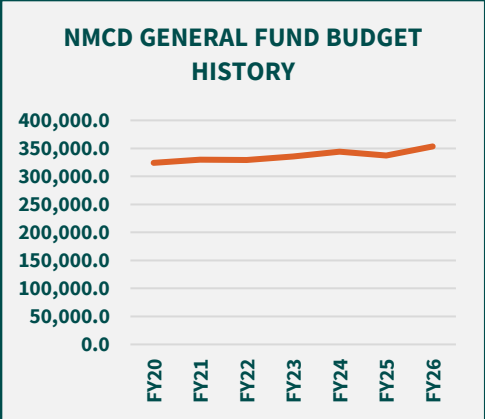
PERCENT OF PRISONERS REINCARCERATED WITHIN THIRTY-SIX MONTHS OF RELEASE



PRISONER POPULATION HIGH COUNT IN NEW MEXICO

health staff and develop peer education programs, reaching tens of thousands of incarcerated individuals with prevention and treatment information. Over this period, the Department has also shortened the time from intake to treatment and integrated HCV care into broader prison health services.

Education and vocational programming also expanded during this period. High school equivalency (HSE) attainment among incarcerated students has been steadily increasing, with NMCD issuing 184 HSE credentials in FY 2023, 236 in FY 2024, and 266 in FY 2025. In addition, incarcerated individuals earned postsecondary degrees and vocational certificates through partnerships with New Mexico higher education institutions. NMCD approved the University of New Mexico Valencia campus and Lewis College to participate in the federal Prison Education Program, enabling eligible students to access Pell Grants and pursue higher education under updated federal guidelines.



The Department also increased its emphasis on reentry planning and supportive services to facilitate successful community reintegration. These supports include referrals for therapeutic and behavioral health services, parenting programs, and individualized transition planning. NMCD, often in partnership with other state agencies, expanded access to housing resources and provided materials such as food, clothing, and transportation assistance to help stabilize families after release. Legislative changes in 2025 further supported reintegration by eliminating parole supervision fees, removing a financial requirement that had previously burdened individuals on parole.

Peer support and mentorship initiatives were another area of growth. NMCD expanded programs that allow individuals with lived experience of incarceration, substance use recovery, or both to mentor and support others. These peer-driven models have increasingly been incorporated into facility-based programming and community reentry services, helping build supportive networks that promote long-term stability.

Operationally, NMCD completed its transition away from privately operated prisons by finalizing the phase-out of the privately operated Lea County Correctional Facility. Bringing all major facilities under state management marked the culmination of a long-term strategic objective to consolidate correctional operations and oversight, while retaining limited contracted housing for a small population at Otero County.

System modernization also advanced during this timeframe. In 2024, NMCD began implementation of its first department-wide electronic health records (EHR) system with completion in 2025. In addition, paper-based records have been replaced with a centralized digital platform across all NMCD facilities. The new EHR system is intended to improve documentation accuracy, streamline information sharing among providers, and strengthen continuity of care for individuals receiving medical and behavioral health services.

Department of Public Safety (790)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$213.7 million in recurring general fund for the Department of Public Safety, an increase of \$13.8 million, or 6.9%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$184,571.5	\$199,939.8	\$213,729.1	\$13,789.3	6.9%
Total Funds	\$221,083.2	\$239,500.1	\$259,404.1	\$19,904.0	8.3%

The New Mexico Department of Public Safety (NMDPS) is the state agency responsible for protecting lives and property by enforcing laws, responding to emergencies, and supporting the criminal justice system. It oversees the New Mexico State Police as well as statewide forensic services, criminal records management, background checks, and the state law enforcement training academy. Through these functions, NMDPS provides both frontline policing and technical, forensic, and administrative support to agencies across New Mexico.

The FY27 Executive Recommendation includes a \$13.8 million, or 6.9%, increase in general fund, driven largely by fixed costs associated with insurance and core technology services. Of this amount, \$8 million covers higher GSD risk insurance and DoIT rates and establishes a recurring funding source to implement SB376 (2025), which raised the employer health insurance contribution rate to 80%. The Recommendation also includes approximately \$1.9 million in new general fund support for ongoing operations, maintenance, and licensing of the Intelligence-Led Policing platform as it moves toward full implementation.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

For fiscal year 2027, the Executive Recommendation includes \$13.9 million from the general fund to support 7 nonrecurring items, or ‘special appropriations,’ for the Department of Public Safety, to include:

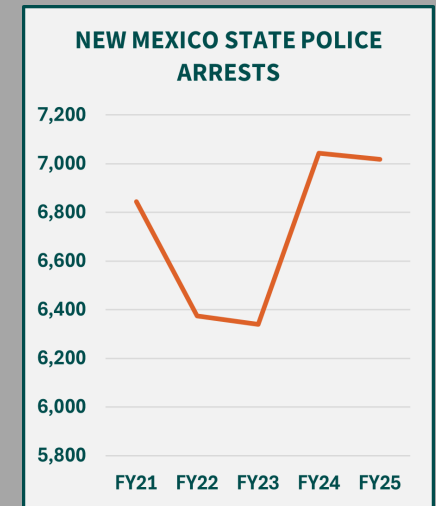
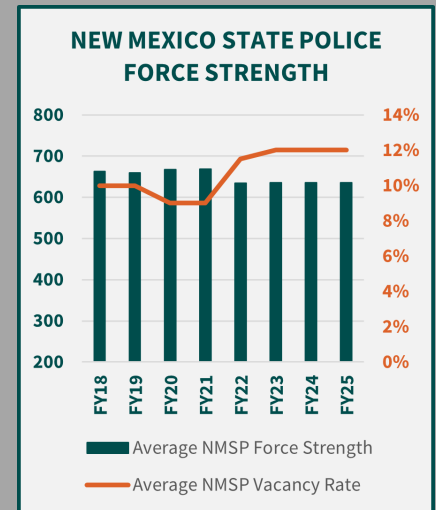
- ◆ \$6 million to purchase vehicles and in-car and body-worn camera systems
- ◆ \$2.1 million to renovate dormitory rooms at the law enforcement academy
- ◆ \$2 million for a video surveillance system at the law enforcement academy
- ◆ \$1.3 million to update law enforcement policies and procedures to ensure compliance, reduce risk, and guide daily operations
- ◆ \$1.1 million for technology systems, including satellite communications, license plate readers, global positioning system tracking devices, pursuit management tools, fleet management software and telematics
- ◆ \$950 thousand for website development, digital communications, and advertising
- ◆ \$500 thousand for the Lieutenant Beers Honor Guard Memorial Fund

Long-Term Budget History and Impact

Since fiscal year 2020, the recurring general fund budget for the Department of Public Safety has grown by \$72.6 million, or 57.0%.

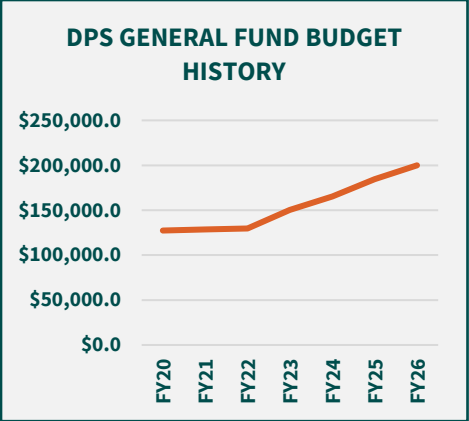
Between 2019 and 2025, the New Mexico Department of Public Safety completed a series of infrastructure upgrades, workforce initiatives, technology improvements, and system-wide support enhancements that increased the Department’s operational capacity and strengthened statewide public safety services.

Data Dive



NUMBER OF NEW MEXICO STATE POLICE MISDEMEANOR AND FELONY ARRESTS

A major development during this period was the modernization of NMDPS’s physical infrastructure. In 2022, the Department completed a 31,000-square-foot secure storage facility at its Santa Fe headquarters. The facility consolidated evidence and records storage that had previously been dispersed across multiple locations, improving environmental control, security, and the chain of custody for evidence used by law enforcement and prosecutors. In 2023, NMDPS expanded its forensic capacity with the opening of a 44,000-square-foot statewide forensic laboratory. This new facility significantly increased the Department’s capability to process DNA, firearms, controlled substances, latent prints, and other forensic evidence for agencies throughout New Mexico. During this period, all NMDPS forensic laboratories, including locations in Santa Fe, Las Cruces, and Hobbs, maintained or achieved full accreditation under ISO/IEC 17025, confirming compliance with recognized standards for forensic testing and laboratory operations.



Workforce recruitment and retention were also central areas of activity from 2019–2025. Through statewide recruitment funding, NMDPS supported the hiring of more than 300 new officers in 2022 across 29 local and state law enforcement agencies. In 2023, DPS reported the graduation of the largest multi-agency basic law enforcement class in state history, with 61 officers completing training from 30 different agencies. To enhance retention, NMDPS administered the statewide Law Enforcement Retention Fund, which provides tiered stipends to certified officers at designated service milestones. By 2025, more than 5,100 officers had been included in retention fund submissions. Legislative updates to the program also standardized how years of service are counted when officers transfer between agencies.

Throughout this period, NMDPS undertook significant modernization of its information and communications technology systems. Beginning in 2023, the Department implemented a cloud-based computer-aided dispatch (CAD), records management system (RMS), and mobile platform through a statewide deployment. These systems replaced older, disparate tools and provided integrated dispatch, reporting, and data-sharing capabilities for officers and dispatchers. The new platform supported more consistent recordkeeping, improved access to information in the field, and facilitated collaboration among local, state, tribal, and federal partners.

Administrative and support functions also expanded during this period. In FY25, NMDPS’s Administrative Services Division managed 43 grants totaling approximately \$58 million, covering technology upgrades, equipment purchases, community safety projects, and operational support for local agencies. The NMDPS Information Technology Division continued to support criminal justice data systems used by more than 1,100 agencies statewide, including law enforcement, courts, detention facilities, and prosecutors. In addition, the NMDPS Forensic Laboratory Bureau provided scientific testing and expert services for over 300 agencies, offering statewide access to forensic resources that many smaller jurisdictions could not provide independently.

Department of Homeland Security and Emergency Management (795)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$5.4 million in recurring general fund for the Department of Homeland Security and Emergency Management, an increase of \$873.8 thousand, or 19.5%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$4,009.9	\$4,481.3	\$5,355.1	\$873.8	19.5%
Total Funds	\$138,951.3	\$222,365.0	\$203,561.3	(\$18,803.7)	-8.5%

The New Mexico Department of Homeland Security and Emergency Management (DHSEM) is the state agency responsible for preparing for, responding to, recovering from, and mitigating disasters and emergencies that impact New Mexico communities. DHSEM coordinates with local, tribal, state, federal, and private partners to manage natural disasters, public health emergencies, public safety threats, and other hazards, while also administering emergency preparedness training, planning, and federal disaster assistance programs to strengthen statewide resilience.

The FY27 Executive Recommendation for DHSEM includes a general fund increase of \$873.8 thousand (19.5%). Of this amount, \$801 thousand is for 6 additional FTE in the recovery and financial units to continue cultivating in-house expertise, scaling back long-term reliance on contractors. The Recommendation also includes an increase of \$72.8 thousand to cover increases to GSD risk insurance assessments and DoIT rates, and to provide a recurring funding source for the implementation of SB376 (2025), which raised the employer health insurance premium contribution to 80%.

The recommendation for the State Fire Marshal's Office includes \$110 million for distributions to fire departments statewide from the Fire Protection Fund, \$42.7 million for grants from the Fire Protection Grant Fund, and \$11.2 million for program operations. The \$611.3 thousand increase for operations is directed at reducing the vacancy rate, adding positions, covering increases to GSD risk insurance assessments and DoIT rates, and providing a recurring funding source for SB376 (2025), which increased the employer health insurance premium contribution rate to 80%.

Long-Term Budget History and Impact

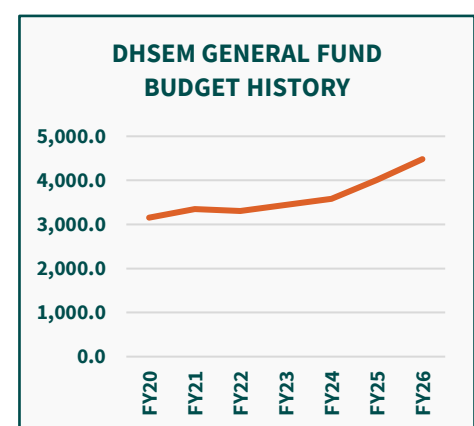
Since fiscal year 2020, the recurring general fund budget for the Department of Homeland Security and Emergency Management has grown by \$1.3 million, or 42.1%.

From 2019 through 2025, DHSEM coordinated responses to some of the most significant disasters in New Mexico's history. The Department's role became especially prominent during record-setting wildfire seasons, including the Calf Canyon/Hermits Peak Fire in 2022, the largest wildfire ever recorded in the state. In 2024 and 2025, DHSEM activated emergency responses to severe flooding events across New Mexico, including widespread flooding in Lincoln, Doña Ana, and Otero counties and a major flash flood in Ruidoso that required swift water rescues. DHSEM coordinated the State Emergency Operations Center, supported evacuations and sheltering, and worked closely with local governments, tribal nations, federal agencies, and the New Mexico National Guard to protect lives and property.

In the recovery phase, DHSEM administered federal disaster assistance programs, including FEMA Public Assistance, Hazard Mitigation Grant Program funding, and Community Development Block Grant-Disaster Recovery resources. These funds support the rebuilding of homes, public infrastructure, and critical facilities while incorporating mitigation measures to reduce future risk.

DHSEM also worked with the Governor's Office to secure federal emergency and disaster declarations, including Fire Management Assistance Grants, to support wildfire suppression and emergency response activities. During periods of increased disaster activity, the Department coordinated with neighboring states and federal partners to provide additional personnel and technical support.

Supporting local and tribal emergency management capacity remained a core function during this period. DHSEM administered grants, provided technical assistance, and supported planning and training activities for local and tribal jurisdictions. The



Department also conducted public outreach and provided preparedness and recovery information to residents affected by emergencies.

In 2023, DHSEM led the update of the State Hazard Mitigation Plan, which identifies major statewide risks such as wildfires, flooding, drought, and severe weather, and outlines mitigation strategies intended to reduce future impacts. The updated plan also supports continued eligibility for federal hazard mitigation funding.

The Department also expanded operational capabilities to support emergency response and situational awareness, including the introduction of tools such as unmanned aircraft systems for aerial assessment, mapping, and damage documentation during emergency incidents.

Department of Transportation (805)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$1.28 billion in recurring funding for the Department of Transportation, an increase of \$20.4 million, or 1.6%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	N/A	N/A	N/A	N/A	N/A
Total Funds	\$1,221,152.4	\$1,254,546.8	\$1,280,429.0	(\$25,652.8)	1.6%

The New Mexico Department of Transportation (NMDOT) is the state agency responsible for developing, managing, and maintaining New Mexico's transportation system. The department oversees highways, bridges, public transit, rail, and aviation programs with a focus on safety, mobility, and economic growth. NMDOT operates through six regional districts to ensure reliable transportation infrastructure and services across the state's diverse communities and landscapes.

The Department of Transportation does not receive general fund support in its recurring operating budget. Instead, it relies primarily on the state road fund, which largely comprises federal grants and revenues from the gasoline tax, special fuel tax, weight-distance tax, vehicle registration fees, and the motor vehicle excise tax. For FY27, the Executive recommends a total budget of \$1.28 billion, a 1.6% increase over the current fiscal year. This includes a 1.7% increase in revenue from other state funds and a 1.8% increase in federal revenue.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$144 million from the general fund to support 5 nonrecurring items, or 'special appropriations,' for the Department of Transportation, to include:

- ◆ \$100 million for road construction and maintenance
- ◆ \$18 million for rural air service enhancement
- ◆ \$10 million for heavy equipment and light duty vehicles
- ◆ \$12 million for New Mexico roadway beautification
- ◆ \$4 million to perform road safety audits and site assessments

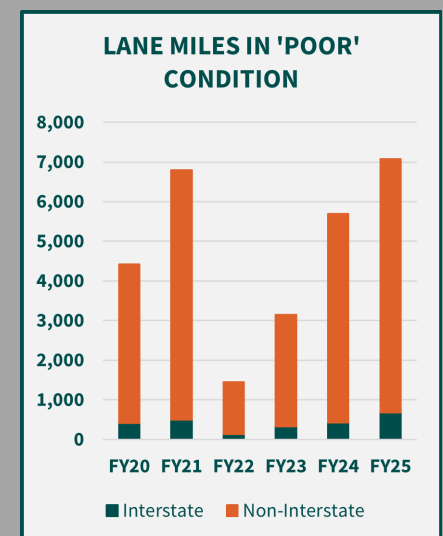
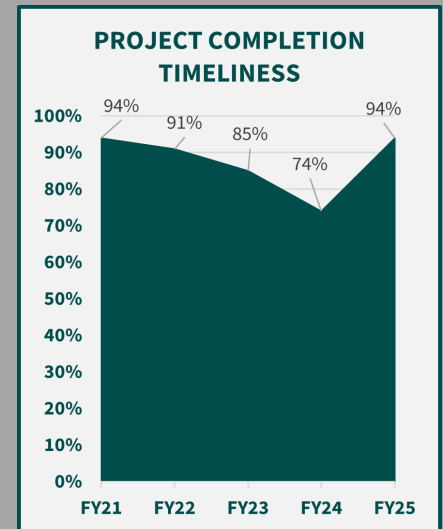
Long-Term Budget History and Impact

Since fiscal year 2020, the recurring budget for the Department of Transportation has grown by \$385.8 million, or 41.9%.

Between 2019 and 2025, the New Mexico Department of Transportation implemented a range of transportation improvements, funding programs, safety initiatives, and capital projects across the state. These activities included major corridor reconstruction, increased support for local governments, federal grant acquisition, and updates to planning and asset management processes.

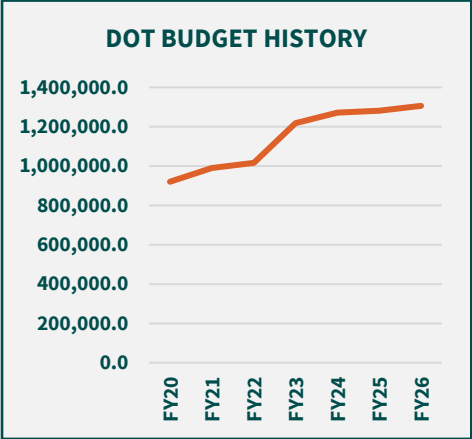
Among the many capital projects completed during this period was the first phase of the US 180 Four-Lane Safety Improvement Project between Bayard and Hurley, finished in November 2025. Completed at a cost of \$41 million, the project widened the corridor from two to four lanes, realigned the roadway to eliminate a hazardous railroad crossing, and upgraded lighting, intersections, and

Data Dive



NUMBER OF COMBINED SYSTEMWIDE LANE MILES IN 'POOR' CONDITION

shoulders. This phase addressed longstanding roadway constraints and advanced the broader multi-phase US 180 corridor plan. Another major project was the La Bajada Roadway Reinforcement Project, completed in 2024 for \$40 million. The project employed a first-of-its-kind stabilization technique in New Mexico, involving the installation of 1,000 concrete “soil-mixed shafts” beneath approximately 1.5 miles of I-25 along the steep La Bajada hill. Ranging from 5 to 69 feet in depth and 10 feet wide, the shafts were covered by a load transfer platform designed to allow ongoing electronic monitoring of soil settlement. Additional improvements included roadway widening, sub-surface and surface-level drainage enhancements, and a new southbound shoulder lane to accommodate future traffic demands. These measures increase safety for travelers and reduce travel times for the roughly 100,000 vehicles that pass through this segment daily.



In 2023, NMDOT secured a \$59 million U.S. Department of Transportation grant to reconstruct approximately 21 miles of US 64 in San Juan County. The project scope includes bridge replacements, pavement rehabilitation, fiber-optic conduit and cabling installation, drainage improvements, and upgraded culverts within the Navajo Nation region. This federal award was one of the largest rural transportation grants New Mexico received during this period and targeted a corridor with longstanding structural, mobility, and access needs.

The agency also expanded funding for local and regional infrastructure throughout this period through the Transportation Project Fund (TPF). Established in 2019, the TPF assists local governments that lack sufficient resources to carry out major infrastructure work. In 2025 alone, the TPF provided more than \$100 million for 71 projects, encompassing street and highway reconstruction, bridge improvements, and multimodal facilities such as transit, pedestrian, and bicycle infrastructure. Over the multi-year period, the fund provided consistent support for counties, municipalities, and tribal governments.

From 2019 to 2025, NMDOT updated its planning and asset-management processes. The Department incorporated more data-driven tools into its Transportation Asset Management Plan (TAMP), refining how pavement and bridge conditions were assessed and how projects were prioritized. These updates aligned state asset management procedures with federal requirements and provided the framework for more detailed lifecycle and performance tracking.

NMDOT also continued implementing roadway safety initiatives under the Highway Safety Improvement Program (HSIP). Annual reporting during this period documented ongoing installation of rumble strips, guardrail improvements, intersection modifications, lighting enhancements, and other infrastructure countermeasures aimed at reducing fatal and serious injury crashes. These improvements were based on crash data analysis and targeted corridors identified as high-risk.

Multimodal investments also occurred during these years through state and local partnerships. Projects funded under various NMDOT programs improved pedestrian routes, bicycle infrastructure, transit facilities, and ADA-compliant features along state and local roads. These efforts supported broader statewide plans focused on accessibility and local mobility.

During the COVID-19 pandemic, NMDOT maintained construction activity, implemented operational adjustments for workforce and field safety, and coordinated with local governments on project continuity and federal emergency funding. These operational actions ensured that major capital programs continued through 2020–2021 despite economic disruptions.

Higher Education Department (BU 950)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$187.9 million in recurring general funds for the Higher Education Department, an increase of \$114.7 thousand, or 0.1%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$186,193.1	\$187,792.5	\$187,907.2	\$114.7	0.1%
Total Funds	\$270,939.4	\$287,585.9	\$287,617.4	\$31.5	0.0%

The Higher Education Department oversees public colleges, universities, and adult education programs while also regulating private post-secondary institutions in the state. It is responsible for administering state-funded financial aid, including the Opportunity Scholarship, managing capital projects, and promoting college readiness through programs like GEAR UP. The Department also works to ensure quality and accessibility in higher education, supporting research and statewide goals.

The Executive Recommendation supports the agency request to fully fund 52 of the agency's 58 total positions, increasing the budget to cover GSD risk insurance assessments and to provide a recurring funding source for SB376 (2025), which raised the employer health insurance contribution to 80%. The agency also realigned the Policy Development and Institutional Finance programs to ensure adequate funding and support for departmental operations, including adult basic education and other flow-through programs.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$39 million from the general to support six nonrecurring items for the Higher Education Department, to include:

- ◆ \$25 million for the Health Professional Loan Repayment Program
- ◆ \$5 million for adult basic education programs
- ◆ \$5 million for the Teacher Loan Repayment Program
- ◆ \$2.25 million for the Tribal Education Technical Assistance Centers
- ◆ \$1.25 million for high school equivalency tests and fees, practice tests and preparation materials for all eligible New Mexico residents, to support new and existing testing centers statewide, including mobile testing centers and to advertise free tests

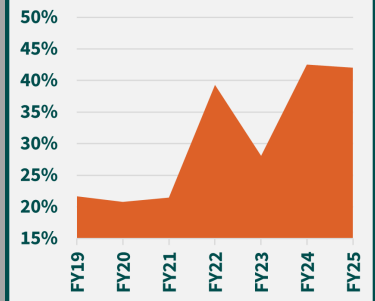
Long-Term Budget History and Impact

Since fiscal year 2020, the recurring general fund budget for the Higher Education Department has grown by \$148.1 million or 373.16%.

From fiscal year 2020 through fiscal year 2026, the New Mexico Higher Education Department (NMHED) received a 373.2% increase in general fund appropriations, expanding support for New Mexico's high school students and returning adults pursuing higher education through the Opportunity Scholarship Program. Since fiscal year 2020, the agency has grown by seven positions, strengthening its administrative capacity to provide financial, academic, and policy oversight to higher education institutions. This expansion has enhanced the Department's ability to support institutions statewide and advance programs that broaden educational opportunities for New Mexico residents.

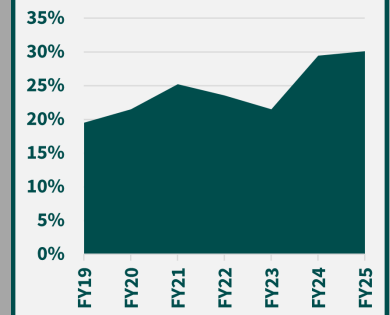
Data Dive

4-YEAR GRADUATION RATE AT STATE FUNDED UNIVERSITIES



PERCENT OF FIRST-TIME, FULL-TIME, DEGREE-SEEKING STUDENTS, FROM THE MOST RECENTLY AVAILABLE COHORT, AT STATE-FUNDED UNIVERSITIES WHO GRADUATED WITHIN FOUR-YEARS OF THEIR INITIAL ENROLLMENT

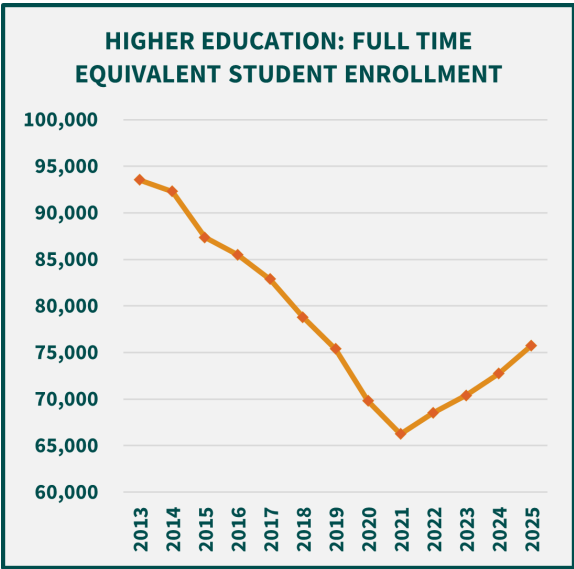
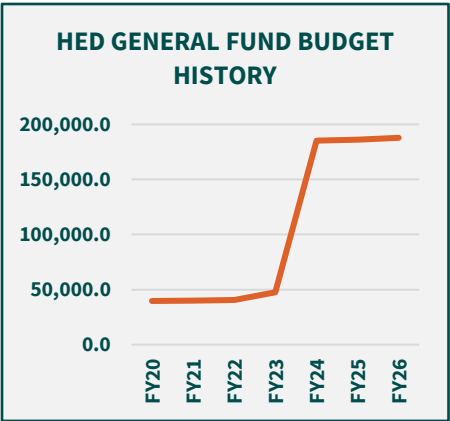
2-YEAR GRADUATION RATE AT STATE FUNDED COMMUNITY COLLEGES



PERCENT OF FIRST-TIME, FULL-TIME, DEGREE-SEEKING STUDENTS, FROM THE MOST RECENTLY AVAILABLE COHORT, AT STATE-FUNDED COMMUNITY COLLEGES WHO GRADUATED WITHIN TWO-YEARS OF THEIR INITIAL ENROLLMENT

The largest increase to the Department’s budget was for the creation of the Opportunity Scholarship Program, enacted into law by Governor Michelle Lujan Grisham in 2022 with an initial \$46 million general fund appropriation. Following a 23% increase in freshman enrollment since fall 2021, the agency received additional recurring general fund appropriations to fully support the program at \$146 million. In 2022, Governor Lujan Grisham, with assistance from the Legislature also fully restored funding for the Lottery Scholarship—reversing the 2015 cuts that had reduced coverage to 75% of tuition per student.

The Opportunity Scholarship covers 100% of tuition for New Mexico students attending one of the state’s 24 public colleges and universities. It supports both part-time and full-time students pursuing high-demand certificate, associate, and bachelor’s degrees, and allows summer enrollment—all with no income requirements, making it the most inclusive and wide-reaching free-tuition program in the United States. Current and prospective students can learn more about the Opportunity Scholarship at ReachHigherNM.com.



The Opportunity Scholarship has successfully reversed a decade-long trend of declining college enrollment, producing over 20,900 graduates since Spring 2024 who are directly feeding into high-demand workforce sectors like healthcare, education, and STEM. By utilizing a unique "first-dollar" funding model that covers tuition upfront, the program has democratized access for non-traditional adult learners—the average recipient is 25—allowing them to leverage federal aid for living expenses while quickly upskilling through degrees and short-term certificates. Ultimately, the program has functioned as both an educational lifeline and an economic engine, stabilizing the state’s skilled labor pipeline and significantly increasing the earning potential for thousands of diverse New Mexicans.

NMHED estimates that more than 41,000 students currently receive financial assistance through the Opportunity Scholarship. During the spring 2025 semester, statewide college enrollment increased by 4.2% for the second consecutive year, demonstrating continued growth in higher education across New Mexico.

General fund appropriations and lottery revenues support New Mexico students through 23 financial aid programs. In addition to the programs mentioned above, NMHED has increased funding for teacher loan repayment, health professional loan repayment, tribal college dual credit, high-skills workforce training, adult literacy, and student retention initiatives.

Higher Education Institutions and Special Schools (BU 952-980)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$1.29 billion in recurring general funds for higher education institutions and special schools, an increase of \$39 million, or 3.1%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$1,165,083.2	\$1,254,011.2	\$1,293,054.3	\$39,043.1	3.1%
Total Funds	\$4,311,307.2	\$4,311,307.2	\$4,484,644.2	\$173,337.0	4.0%

Instruction and General Funding

Instruction and General (I&G) funding supports the basic operating expenditures of New Mexico's higher education institutions, including instruction, administration, campus operations, and student support. Of the total recommended \$48.1 million general fund increase for I&G, \$15.8 million is allocated through the funding formula for a 1.75% increase to base funding. Additionally, \$15.3 million is moved from Research and Public Service Projects to fund nursing program expansions at various institutions with a 3% increase over FY26. This recommendation also includes \$15 million for a base adjustment to support the results of the New Mexico Higher Education Sustainability Study to adjust its processes for awarding program-level funding to the public institutions in the state. The I&G recommendation also includes a \$1.7 million increase to the UNM Health Sciences Center, with the remaining increase directed to the New Mexico Military Institute, New Mexico School for the Blind and Visually Impaired, and New Mexico School for the Deaf. The Executive Recommendation also includes \$110.5 million in categorical appropriations which is flat to the FY26 operating budget.

Research and Public Service Projects

The FY27 Executive Recommendation includes \$117.4 million from the general fund for Higher Education Research and Public Service Projects (RPSPs), a decrease of \$9.1 million, or 7.2%, from FY26. However, this includes the transfer of the nursing expansion to I&G, meaning that actual increases from base amount to \$6.8 million. RPSP appropriations fund research in a variety of disciplines including cybersecurity, education, water resources, early education, and small business programs. RPSP appropriations also support regional and statewide services provided by colleges and universities, largely in healthcare and workforce development.

- ◆ \$1.5 million to UNM for the Quantum Institute
- ◆ \$1 million to the Office of the Medical Investigator
- ◆ \$1 million to the College of Population Health
- ◆ \$1 million to the Institute for Applied Practice in AI and Machine Learning at NMSU
- ◆ \$1.5 million for structured literacy coordinators at 12 institutions
- ◆ \$250 thousand for a Career Services Center at Northern New Mexico College

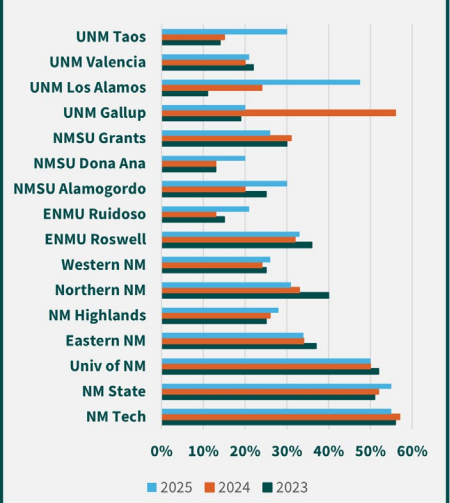
Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$39 million from the general fund to support nine nonrecurring items for the Higher Education Institutions, to include:

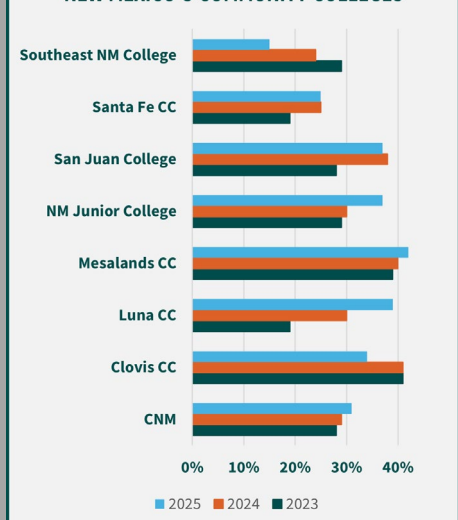
- ◆ \$114.2 thousand for the Office of the Medical Investigator at the University of New Mexico for equipment purchases
- ◆ \$430 thousand to the New Mexico Department of Agriculture (NMDA) at New Mexico State University (NMSU) for the New Mexico Grown Approved Supplier Program
- ◆ \$2 million to NMDA to administer the Regional Farm to Food Bank Program
- ◆ \$5 million to NMSU for grants to implement projects that improve farmers' and ranchers' ability to manage, save, and efficiently apply limited water resources for agricultural production

Data Dive

6 YEAR GRADUATION RATE ACROSS NEW MEXICO'S UNIVERSITIES



3 YEAR GRADUATION RATE ACROSS NEW MEXICO'S COMMUNITY COLLEGES



- ◆ \$40 thousand to New Mexico Highlands University to upgrade technology and equipment for broadcasting needs in the athletics department
- ◆ \$22 million to the New Mexico Institute of Mining and Technology for the New Mexico Bureau of Geology and Mineral Resources to meet state needs for aquifer monitoring, building aquifer characterization, and integration of state water data
- ◆ \$10.8 thousand to Luna Community College (LCC) to purchase and upgrade equipment
- ◆ \$100 thousand to LCC for a student housing feasibility study
- ◆ \$400 thousand to LCC For accounting and auditing support

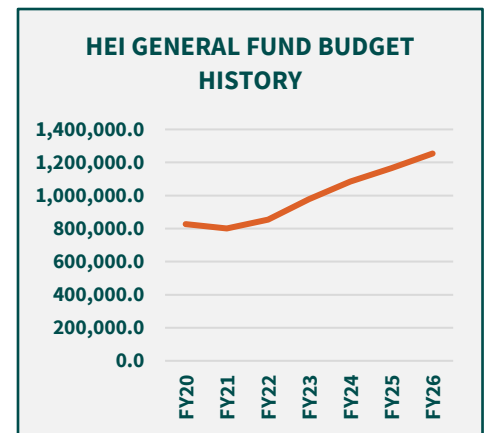
Long-Term Budget History and Impact

Since fiscal year 2020, the recurring general fund budget for the Institutions of Higher Education has grown by \$426.7 million or 51.57%.

From fiscal year 2020 through fiscal year 2026, New Mexico's public higher education institutions and special schools received a 51.57 percent increase in general fund appropriations, strengthening support for the state's 24 colleges and universities. Instruction and general (I&G) funding is distributed through the state's higher education funding formula.

Recurring appropriations to higher education institutions consist of three primary components:

1. Annual appropriations to the I&G funding formula, which represent approximately 80 percent of total recurring funding;
2. Direct appropriations for research and public service projects (RPSPs) at colleges and universities; and
3. Compensation increases for faculty and staff.



The funding formula is performance-based and rewards institutional success across a set of defined metrics. Student success metrics include the total number of degrees or certificates awarded annually, the number of science, technology, engineering, mathematics, and healthcare (STEMH) credentials awarded, degrees or certificates earned by financially at-risk students, and total student credit hours completed. Institutional performance metrics include the total amount of research funding generated, measures of student momentum at 30- and 60-credit-hour milestones, and the number of dual-credit courses delivered. Collectively, these metrics measure each institution's performance relative to the statewide system. Funding allocations are calculated using a three-year rolling average, providing stability and continuity for institutions.

Beginning in March 2020, the COVID-19 pandemic forced an immediate shift to remote instruction statewide. Federal relief funding totaling more than \$56 million supported institutional operations and student reimbursements for lost services, including housing and meal plans, and helped colleges and universities maintain instruction under public health orders.

Regarding the funding formula, base redistribution was removed from the formula recommendation beginning in FY22. Since that time, New Mexico's higher education institutions have received formula-related funding primarily through new money and targeted non-formula adjustments focused on student success, faculty support, and student retention. As a result, institutions have experienced increased funding within the instruction and general (I&G) portion of their budgets, as reflected in the highlighted graph above.

There were a number of new programs added through the RPSP process over the past several years; this includes the creation of the Governor's Centers of Excellence for Cybersecurity at NMIMT, Bioscience at UNM, social work, mental and behavioral health at NMHU, Early Childhood at WNMU, Sustainable Agriculture at NMSU, and Renewable Energy at SJC. A number of large nonrecurring appropriations have also enabled the institutions to establish and grow various programs and endowments. These include:

- ◆ \$40 million for endowed faculty teaching positions in nursing programs (\$30 million in 2022 ARPA funding, \$10 million in 2023)
- ◆ \$80 million for endowed faculty teaching positions in bachelor and master degree social work programs (\$50 million in 2022 ARPA funding, \$20 million in 2023 and \$10 million in 2024)
- ◆ \$5 million for endowed faculty teaching positions in Native American studies programs (2022 ARPA funding)
- ◆ \$10 million for a school of public health at UNM (2022 ARPA funding)
- ◆ \$75 million to provide matching funds to state research universities to support innovative applied research that advances knowledge and creates new products and production processes in agriculture, biotechnology, biomedicine

- energy, materials science, water resources, aerospace, and other similar areas (\$20 million in 2022, \$55 million in 2023)
- ◆ \$10.5 million to NMSU to expand online degrees and programs (\$10.5 million in 2023, \$6.5 million in 2024)
- ◆ \$10 million to NMSU for land acquisition, planning, design and construction of the New Mexico Reforestation Center (2023), with an additional \$2.5 million for operations in 2024
- ◆ \$10 million for adult education programs statewide (2025)
- ◆ \$72.5 million for building renewal and replacement at HEIs statewide (\$32.5 million in 2024, \$40 million in 2025)

K-12 Public Education (924, 925, 930, 993)

Fiscal Year 2027 Recurring Budget Recommendation

For fiscal year 2027, the Executive Recommendation includes \$4.8 billion in recurring general fund for K-12 public education, an increase of \$27 million, or 0.57%, over the current year.

	FY25	FY26	FY27 Rec	\$ Change YOY	% Change YOY
General Fund	\$4,427,679.1	\$4,769,371.9	\$4,796,414.7	\$27,042.8	0.57%
Total Funds	\$5,271,892.3	\$5,394,607.0	\$5,436,050.4	\$41,490.2	2.88%

The New Mexico Public Education Department (NMPED) is the state agency responsible for overseeing and supporting K-12 public education in New Mexico. It sets academic standards, develops curriculum frameworks, licenses teachers, administers statewide assessments, distributes state and federal education funding, and monitors school and district performance. NMPED also provides programs and guidance related to student well-being, special education, bilingual and multicultural education, early literacy, college and career readiness, and school accountability. Its overall mission is to improve educational outcomes and ensure that all New Mexico students receive a high-quality, equitable education. K-12 public education is state government's largest expenditure area, accounting for approximately 44% of the total state budget.

State Equalization Guarantee Distribution

The SEG, also known as the public school funding formula, was created with the intent of equitably distributing state resources for operations of school districts and charter schools to provide every New Mexico student with the programs and services appropriate to their educational needs regardless of geographic location or local economic conditions. The formula starts with school enrollment, then uses multipliers for a variety of factors including the number of students in different grades, the number of students receiving special education or bilingual education, the education and experience of the teachers, the size of the district and school, the number of students considered "at risk," measured by student poverty rates, and English proficiency rates.

For the current year, enrollment accounts for 56% of the distribution, special education participation accounts for 19%, at-risk factors account for 7%, English learner rates account for 3%, and all other components account for the remaining 15%.

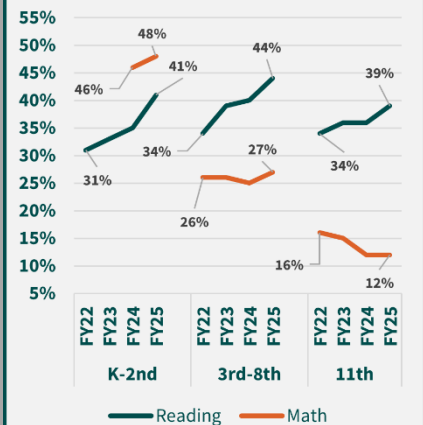
Of the total amount dedicated to public schools, the fiscal year 2027 Executive Recommendation allocates \$4.53 billion in total funding to the State Equalization Guarantee (SEG) distribution, an increase of \$29.1 million, or 0.65%, over the current school year. Of the \$29.1 million recommended increase, \$15.1 million is from the general fund. The Recommendation includes increases of \$14 million for increased K-12 Plus units, \$10.1 million for instructional materials, and \$5 million for fixed costs.

Categorical

The FY27 Executive Recommendation allocates \$179.5 million from the general fund for categorical appropriations, an increase of \$4.3 million, or 2.4%, over the current year. The proposal maintains \$20 million for the Indian Education Fund, raises school transportation operating funds from \$141 million to \$145.1 million, and increases funding for standards-based assessments from \$12.8 million to \$13 million.

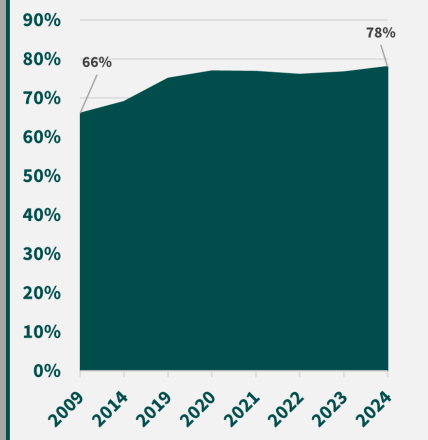
ACADEMIC PROFICIENCY

STUDENT PROFICIENCY BY GRADE LEVEL (FY22-FY25)



After two years without assessments, students participated in three brand new assessments in spring 2022, the NM-MSSA, the NM-ASR and the SAT. Because the assessments are new to the state, the results are not perfectly comparable to results from the PARCC assessment administered before the pandemic.

FOUR YEAR HIGH SCHOOL GRADUATION RATE



Below-the-Line Recurring

The FY27 Executive Recommendation provides \$73.3 million from the general fund for nine below-the-line programs, an increase of \$3.1 million, or 4.4%, over the current year. The Recommendation maintains \$42.2 million for universal free school meals and \$14 million for early literacy and reading support, increases funding for teacher professional development from \$5 million to \$5.6 million and for principal professional development from \$4 million to \$4.6 million, adds \$2 million for initial operating costs of the New Mexico Literacy Institute, and includes \$1.4 million for implementation of various components of the Martinez-Yazzie action plan.

Fiscal Year 2027 Nonrecurring Appropriation Recommendations

The fiscal year 2027 Executive Recommendation includes \$184.9 million from the general fund and \$500 thousand from non-general fund sources to support over 30 nonrecurring items for K-12 public education, to include:

- ◆ \$38.5 million for career technical education initiatives
- ◆ \$30 million for a reading intervention program based on the science of reading
- ◆ \$20.3 million for educator recruitment, development, and retention, including the educator fellows program
- ◆ \$15 million for high-impact tutoring (3-year GRO appropriation)
- ◆ \$14.6 million for literacy coaches in elementary schools
- ◆ \$14 million for out-of-school learning
- ◆ \$10 million for summer internships for high school students
- ◆ \$8.5 million for a statewide student information system
- ◆ \$6.3 million for school improvement and transformation
- ◆ \$6 million for community schools and family engagement
- ◆ \$5.6 million for educator and administrator preparation, induction and evaluation
- ◆ \$2 million for the implementation of year two of the Martinez-Yazzie action plan

Long-Term Budget History and Impact

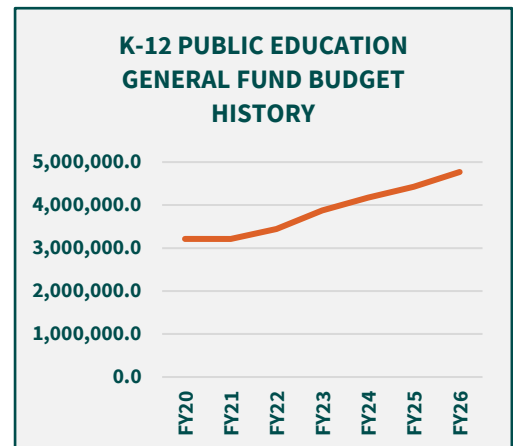
Since fiscal year 2020, the recurring general fund budget for K-12 Public Education has grown by \$1.56 billion or 48.5%.

Since 2019, the New Mexico Public Education Department has carried out a broad set of initiatives aimed at strengthening instruction, improving student outcomes, and increasing access to academic and wraparound supports. Much of this work has focused on early literacy, statewide assessment reform, public reporting of school performance, student nutrition, and school-based mental health services, with an emphasis on monitoring progress and aligning systems across districts and schools.

A major area of activity has been literacy improvement. Beginning in 2019, NMPED implemented statewide literacy reforms aligned with the “science of reading,” including teacher training, instructional coaching, curriculum adoption, and targeted intervention programs. These efforts were coupled with expanded summer learning opportunities, including the New Mexico Summer Reading Program established in 2024. Early indicators from these literacy investments are promising. According to statewide assessment results, reading proficiency in grades 3–8 has increased by approximately 10 percentage points since 2022, rising from just over one-third of students reading at grade level to about 44% in 2025.

NMPED also pursued significant assessment and accountability system updates. The Department completed the shift away from the PARCC test and implemented new statewide assessments aligned to New Mexico’s academic standards. In conjunction with these changes, NMPED launched NM Vistas, a public data dashboard reporting school and district performance across academic achievement, growth, attendance, graduation rates, and other indicators required under the federal Every Student Succeeds Act. The platform increases transparency and provides accessible information regarding important educational inputs and outcomes to families, educators, and policymakers.

Another area of priority has been the expansion of student supports, particularly in school nutrition and student wellness. In 2023, New Mexico enacted and implemented Healthy Universal School Meals, which provides all public school students access to free



breakfast and lunch. NMPED worked with districts to meet requirements related to meal quality, procurement, and reporting. In respect to student wellness, the department developed the first statewide Social and Emotional Learning (SEL) Framework and coordinated federal and state resources to expand school-based mental health services. Through initiatives such as the Expanding Opportunities Project, districts have increased the number of school mental health providers and improved service availability, especially in high-need and rural areas.

Throughout this period, NMPED has also had to address several persistent challenges. State assessment data show that proficiency in mathematics has not increased at the same pace as literacy, and overall performance levels remain low relative to national benchmarks. Chronic absenteeism grew substantially following the COVID-19 pandemic, skyrocketing from around 18% in school year 2018-2019 to 40% in the 2021-22 and 2022-23 school years. The Public Education Department's efforts have helped to reduce the rate to 29.9% in the most recent school year, but absenteeism continues to affect student learning and school accountability outcomes. Additionally, the state is continuing to respond to the obligations of the Martinez-Yazzie decision. A 2025 court ruling called for a comprehensive remedial plan to address long-standing disparities affecting Native American students, English learners, students with disabilities, and low-income students. NMPED continues the development and implementation of this statewide plan.

Compensation

Following nearly a decade of mostly stagnant wages for state and public school employees, the state made considerable investments in compensation increases over the last several years.

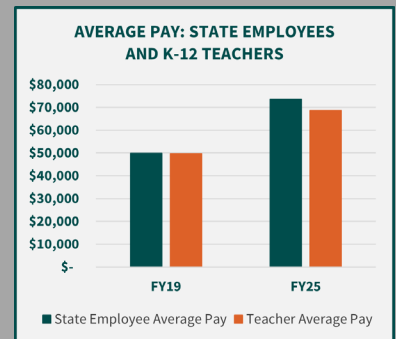
- ◆ In FY23, the state appropriated \$140 million toward a comprehensive salary alignment for the state workforce, with state employees receiving a minimum 7% compensation increase. New Mexico also allocated \$257 million to support a 7% raise for public school employees and to elevate the three-tiered teacher salary minimums by \$10 thousand to \$50 thousand for level I, \$60 thousand for level II, and \$70 thousand for level III.
- ◆ In FY24, the state appropriated \$284 million for an across-the-board 6% raise for state and public school employees. New Mexico also allocated \$32 million to align the public school employer health premium contribution rate minimums with those of state employers, reducing the cost of health insurance for educational employees making less than \$60 thousand annually.
- ◆ In FY25, the state appropriated \$174 million for an across-the-board 3% raise for state and public school employees.
- ◆ In FY26, the state appropriated \$234 million for an across-the-board 4% raise for state and public school employees. Another \$17 million was included to transition to a single salary schedule for the classified service and to implement a longevity pay program for executive branch agencies. Funding for the longevity pay program has been built into the FY27 base operating budget for these agencies.
- ◆ Additionally, the enactment of SB376 (2025) increased the *employer* health insurance premium contribution rate to 80% for all state employees and authorized subsidies for the *employee* contribution for state employees up to certain income thresholds. Under this law, health insurance premiums for covered members decreased by an average of 46%, or a savings of \$2,559 per year. The FY27 Executive Recommendation funds this provision on a recurring basis throughout individual agency recommendations.

From FY19 to FY25, the average annual salary of state employees grew from approximately \$49,950 to \$73,520, an increase of \$23,570, or 47%. When adjusted for inflation, this amounts to an increase in purchasing power of about 14%. Similarly, the average K-12 teacher salary grew from approximately \$49,770 to \$68,670, an increase of \$18,900, or 38%. This reflects an increase in purchasing power of roughly 7% when adjusted for inflation.

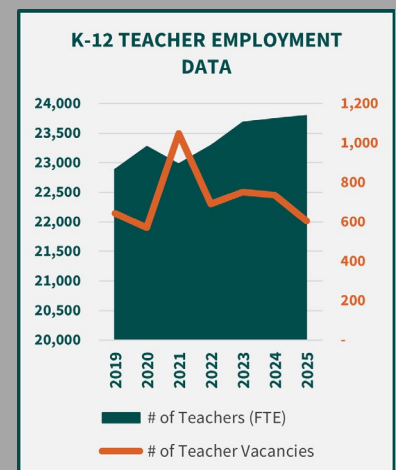
FY27 EXECUTIVE GENERAL FUND COMPENSATION RECOMMENDATION

The FY27 Executive Recommendation includes \$62.66 million from the general fund for a statewide 1% compensation increase for state employees and employees of public schools and higher education institutions. Additionally, the Recommendation includes \$13.5 million for an additional 6% compensation increase for state law enforcement and fire response personnel.

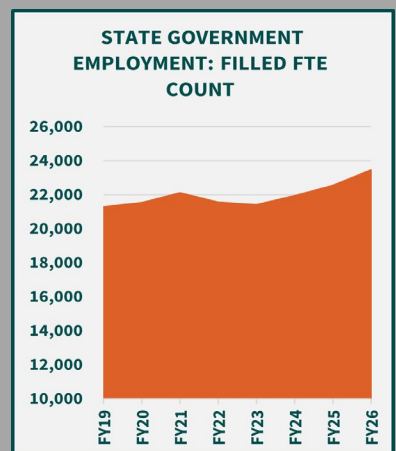
Data Dive



AVERAGE ANNUAL SALARY FOR STATE EMPLOYEES AND K-12 TEACHERS IN NEW MEXICO



K-12 TEACHER EMPLOYMENT DATA: NUMBER OF TEACHERS EMPLOYED (FTE) AND NUMBER OF TEACHING VACANCIES



Funded FTE by Agency

*dollar amounts in thousands

Business Unit	Agency Name	FY26 OPERATING BUDGET (OPBUD) DATA						FY27 EXECUTIVE RECOMMENDATION (EXEC REC) DATA			
		A	B	C	D	E	F	G	H	I	J
		PSEB category budget - FY26 OpBud (\$)	PSEB category budget -FY26 Health Care Affordability Fund allocation SB376 (\$)	Approx. # of funded FTE - FY26 OpBud	# filled FTE as of September 2025	# FTE funded but not filled as of September 2025	Funded but not filled as a % of total funded	PSEB category budget - FY27 Exec Rec (\$)	Approx. # of funded FTE FY27 Exec Rec	# funded FTE increase (decrease) FY26 OpBud to FY27 Exec Rec	% change in funded FTE FY26 OpBud to FY27 Exec Rec
20800	New Mexico Compilation Commission	810.2	15.0	6.4	6.0	0.4	6.3%	838.7	6.3	(0.1)	-1.6%
21000	Judicial Standards Commission	1,040.5	28.8	7.0	7.0	-	0.0%	1,153.7	7.5	0.5	7.1%
21500	Court of Appeals	9,308.5	203.9	57.3	55.0	2.3	0.0%	9,542.9	57.4	0.1	0.2%
21600	Supreme Court	8,718.9	173.6	57.8	57.3	0.5	0.0%	8,923.4	58.0	0.2	0.3%
21800	Administrative Office of the Courts	20,486.3	808.7	157.8	150.0	7.8	4.9%	21,066.7	156.0	(1.8)	-1.1%
23100	First Judicial District Court	14,422.6	352.8	124.0	126.5	-	0.0%	15,633.2	131.2	7.2	5.8%
23200	Second Judicial District Court	40,372.4	948.9	353.9	354.5	-	0.0%	43,210.0	369.3	15.4	4.4%
23300	Third Judicial District Court	14,373.7	343.4	132.2	135.8	-	0.0%	15,697.3	139.7	7.5	5.7%
23400	Fourth Judicial District Court	5,911.7	131.3	52.9	51.5	1.4	2.6%	5,921.0	51.9	(1.0)	-1.9%
23500	Fifth Judicial District Court	14,869.2	380.5	132.4	128.5	3.9	2.9%	15,180.7	130.5	(1.9)	-1.4%
23600	Sixth Judicial District Court	7,484.1	152.1	72.8	75.0	-	0.0%	8,027.3	76.1	3.3	4.5%
23700	Seventh Judicial District Court	5,281.0	123.9	48.1	48.0	0.1	0.2%	5,683.0	49.5	1.4	2.9%
23800	Eighth Judicial District Court	6,491.6	159.6	60.2	62.5	-	0.0%	6,884.9	62.2	2.0	3.3%
23900	Ninth Judicial District Court	7,708.8	216.5	64.6	65.0	-	0.0%	7,973.6	65.0	0.4	0.6%
24000	Tenth Judicial District Court	2,198.7	55.0	19.6	20.0	-	0.0%	2,247.8	19.4	(0.2)	-1.0%
24100	Eleventh Judicial District Court	14,584.0	381.8	133.4	138.5	-	0.0%	16,185.8	144.3	10.9	8.2%
24200	Twelfth Judicial District Court	7,193.5	166.3	65.7	68.0	-	0.0%	7,520.3	67.2	1.5	2.3%
24300	Thirteenth Judicial District Court	15,079.7	387.1	129.9	136.5	-	0.0%	15,525.8	130.4	0.5	0.4%
24400	Bernalillo County Metropolitan Court	28,148.5	757.5	268.5	292.8	-	0.0%	30,554.3	282.8	14.3	5.3%
25100	First Judicial District Attorney	8,879.9	192.5	78.9	82.0	-	0.0%	9,345.9	81.5	2.6	3.3%
25200	Second Judicial District Attorney	36,265.6	951.7	320.1	311.0	9.1	0.0%	37,846.1	324.2	4.1	1.3%
25300	Third Judicial District Attorney	7,844.4	190.0	68.7	61.0	7.7	11.2%	8,440.7	72.2	3.5	5.1%
25400	Fourth Judicial District Attorney	4,676.4	132.6	41.7	35.0	6.7	16.1%	4,978.2	43.1	1.4	3.4%
25500	Fifth Judicial District Attorney	8,288.5	220.4	74.8	72.0	2.8	3.7%	8,595.7	75.6	0.8	1.1%
25600	Sixth Judicial District Attorney	4,615.5	130.3	40.3	37.0	3.3	8.2%	4,758.1	40.4	0.1	0.2%
25700	Seventh Judicial District Attorney	3,853.6	117.1	36.0	34.0	2.0	5.6%	4,040.2	36.6	0.6	1.7%
25800	Eighth Judicial District Attorney	4,498.7	108.5	37.4	35.0	2.4	6.4%	4,762.0	38.8	1.4	3.7%
25900	Ninth Judicial District Attorney	4,474.8	103.2	37.7	35.0	2.7	0.0%	4,667.8	38.5	0.8	2.1%
26000	Tenth Judicial District Attorney	2,094.8	67.2	15.5	15.0	0.5	3.2%	2,248.1	16.1	0.6	3.9%
26100	Eleventh Judicial District Attorney, Division I	7,348.9	183.6	63.4	61.0	2.4	3.8%	7,350.9	61.6	(1.8)	-2.8%
26200	Twelfth Judicial District Attorney	5,305.0	107.5	48.2	44.0	4.2	8.7%	5,488.7	48.8	0.6	1.2%
26300	Thirteenth Judicial District Attorney	9,114.1	192.8	75.3	71.0	4.3	5.7%	9,491.9	76.8	1.5	2.0%

Funded FTE by Agency

*dollar amounts in thousands

Business Unit	Agency Name	FY26 OPERATING BUDGET (OPBUD) DATA						FY27 EXECUTIVE RECOMMENDATION (EXEC REC) DATA			
		A	B	C	D	E	F	G	H	I	J
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26400	Administrative Office of the District Attorneys	2,441.3	66.2	18.2	17.0	1.2	6.6%	2,539.8	18.4	0.2	1.1%
26500	Eleventh Judicial District Attorney, Division II	283.0	37.8	3.3	21.0	-	0.0%	3,431.8	35.0	31.7	960.6%
28000	Public Defender Department	55,378.7	1,365.0	447.3	443.0	4.3	0.0%	57,410.0	453.1	5.8	1.3%
30500	Attorney General	31,809.8	709.0	222.7	214.7	8.0	3.6%	35,132.9	234.3	11.6	5.2%
30800	State Auditor	4,553.1	117.4	32.2	30.0	2.2	6.8%	4,653.1	32.1	(0.1)	-0.3%
33300	Taxation and Revenue Department	84,868.8	2,253.9	826.4	809.0	17.4	0.0%	87,759.0	824.9	(1.5)	-0.2%
33700	State Investment Council	8,171.3	114.4	35.3	31.0	4.3	12.2%	12,390.7	52.8	17.5	49.6%
34000	Administrative Hearings Office	2,655.3	60.2	16.7	17.0	-	0.0%	2,799.2	17.2	0.5	3.0%
34100	Department of Finance and Administration	24,583.0	640.9	170.8	162.0	8.8	5.2%	25,739.8	174.9	4.1	2.4%
34200	Public School Insurance Authority	1,589.7	-	13.0	12.0	1.0	7.7%	1,661.5	13.6	0.6	4.6%
34300	Retiree Health Care Authority	3,047.9	60.6	27.9	25.0	2.9	10.4%	3,497.7	31.4	3.5	12.5%
35000	General Services Department	32,560.4	783.8	280.0	286.0	-	0.0%	37,597.4	315.3	35.3	12.6%
35200	Educational Retirement Board	11,643.3	290.8	92.7	88.0	4.7	5.1%	12,656.3	98.4	5.7	6.1%
35600	Office of the Governor	6,258.4	105.0	33.5	31.0	2.5	7.5%	6,771.3	33.5	-	0.0%
36000	Office of the Lt. Governor	735.6	15.5	5.8	5.0	0.8	13.8%	796.7	5.8	-	0.0%
36100	Department of Information Technology	23,051.3	555.0	164.4	157.9	6.5	4.0%	25,495.5	179.4	15.0	9.1%
36600	Public Employees Retirement Association	11,569.5	305.9	85.4	87.0	-	0.0%	13,473.0	97.1	11.7	13.7%
36900	State Commission of Public Records	3,146.6	90.9	28.5	26.0	2.5	8.8%	3,250.1	28.4	(0.1)	-0.4%
37000	Secretary of State	7,141.8	215.7	60.0	62.0	-	0.0%	7,357.5	58.2	(1.8)	-3.0%
37800	Personnel Board	4,561.0	122.6	36.2	35.0	1.2	3.3%	4,803.2	36.6	0.4	1.1%
37900	Public Employee Labor Relations Board	227.5	3.2	2.0	2.0	-	0.0%	247.9	2.1	0.1	5.0%
39400	State Treasurer	4,032.6	80.5	26.5	24.0	2.5	9.4%	4,947.1	32.0	5.5	20.8%
40400	Board of Examiners for Architects	472.1	5.7	2.8	2.0	0.8	28.6%	483.4	2.8	-	0.0%
41000	State Ethics Commission	1,575.9	21.6	10.2	9.0	1.2	0.0%	1,619.5	10.4	0.2	2.0%
41700	Border Authority	477.8	8.2	4.0	4.0	-	0.0%	492.4	4.0	-	0.0%
41800	Tourism Department	6,214.9	196.5	54.5	55.0	-	0.0%	6,716.5	56.7	2.2	4.0%
41900	Economic Development Department	9,675.1	217.7	72.6	61.0	11.6	16.0%	10,393.6	75.7	3.1	4.3%
42000	Regulation and Licensing Department	36,911.1	991.5	332.2	307.4	24.8	7.5%	39,140.4	338.8	6.6	2.0%
43000	Public Regulation Commission	16,903.3	323.8	122.2	103.0	19.2	15.7%	17,392.9	123.1	0.9	0.7%
44000	Office of Superintendent of Insurance	14,498.2	386.3	103.0	102.0	1.0	0.0%	16,406.9	111.8	8.8	8.5%
44600	New Mexico Medical Board	1,879.2	37.8	15.8	14.0	1.8	11.4%	1,976.9	16.3	0.5	3.2%

Funded FTE by Agency

*dollar amounts in thousands

Business Unit	Agency Name	FY26 OPERATING BUDGET (OPBUD) DATA						FY27 EXECUTIVE RECOMMENDATION (EXEC REC) DATA			
		A	B	C	D	E	F	G	H	I	J
		PSEB category budget - FY26 OpBud (\$)	PSEB category budget -FY26 Health Care Affordability Fund allocation SB376 (\$)	Approx. # of funded FTE - FY26 OpBud	# filled FTE as of September 2025	# FTE funded but not filled as of September 2025	Funded but not filled as a % of total funded	PSEB category budget - FY27 Exec Rec (\$)	Approx. # of funded FTE FY27 Exec Rec	# funded FTE increase (decrease) FY26 OpBud to FY27 Exec Rec	% change in funded FTE FY26 OpBud to FY27 Exec Rec
44900	Board of Nursing	3,037.9	68.8	26.1	25.0	1.1	4.2%	3,137.9	26.2	0.1	0.4%
46000	New Mexico State Fair**	8,378.0	113.1	32.6	32.4	0.2	0.6%	9,271.3	35.4	2.8	8.6%
46400	State Board of Licensure for Professional Engineers and Professional Surveyors	803.4	11.4	7.2	8.0	-	0.0%	982.2	8.6	1.4	19.4%
46500	Gaming Control Board	5,705.1	148.9	46.8	47.0	-	0.0%	6,058.0	48.0	1.2	2.6%
46900	State Racing Commission	2,636.5	42.9	17.1	16.9	0.2	0.0%	2,957.8	17.0	(0.1)	-0.6%
47900	Board of Veterinary Medicine	292.6	3.5	3.3	3.0	0.3	9.1%	264.4	3.0	(0.3)	-9.1%
49100	Office of Military Base Planning and Support	205.4	0.2	1.9	2.0	-	0.0%	205.6	1.9	-	0.0%
49500	Spaceport Authority	3,910.0	91.6	28.9	29.0	-	0.0%	4,094.9	29.0	0.1	0.3%
50500	Cultural Affairs Department	43,576.0	1,166.7	477.0	468.0	9.0	0.0%	44,979.8	475.7	(1.3)	-0.3%
50800	New Mexico Livestock Board	9,186.7	206.2	89.7	73.6	16.1	17.9%	8,923.6	85.0	(4.7)	-5.2%
51600	Department of Game and Fish	32,321.0	1,021.2	290.5	268.3	22.3	7.7%	33,342.2	287.9	(2.6)	-0.9%
52100	Energy, Minerals and Natural Resources Department**	64,639.0	1,439.2	620.9	521.9	99.0	16.0%	66,559.2	624.0	3.1	0.5%
52200	Youth Conservation Corps	314.6	8.5	2.6	2.0	0.6	23.1%	376.5	3.0	0.4	15.4%
53900	State Land Office	23,256.0	640.8	185.4	176.5	8.9	0.0%	25,477.0	196.6	11.2	6.0%
55000	State Engineer	41,813.6	1,127.5	334.4	315.0	19.4	5.8%	43,400.9	338.0	3.6	1.1%
60100	Commission on the Status of Women	261.2	9.4	1.9	2.0	-	0.0%	285.3	2.1	0.2	10.5%
60300	Office on African American Affairs	919.4	17.7	9.6	9.0	0.6	6.3%	972.1	9.8	0.2	2.1%
60400	Commission for Deaf and Hard-of-Hearing Persons	1,587.2	37.2	15.8	14.0	1.8	11.4%	1,613.0	15.7	(0.1)	-0.6%
60500	Martin Luther King, Jr. Commission	254.3	3.8	0.7	1.0	-	0.0%	287.8	2.1	1.4	200.0%
60600	Commission for the Blind	6,780.2	175.8	75.3	79.5	-	0.0%	6,825.5	73.2	(2.1)	-2.8%
60900	Indian Affairs Department	2,997.3	51.8	22.2	17.0	5.2	23.4%	3,049.1	22.4	0.2	0.9%
61100	Early Childhood Education and Care Department	36,519.8	829.7	316.1	313.0	3.1	1.0%	40,799.9	334.0	17.9	5.7%
62400	Aging and Long-Term Services Department**	25,885.3	683.2	225.2	208.0	17.2	7.6%	27,249.3	232.3	7.1	3.2%
63000	Health Care Authority Department	234,381.7	5,591.9	2,155.2	1,979.0	176.2	8.2%	257,991.8	2,316.3	161.1	7.5%
63100	Workforce Solutions Department**	64,391.8	1,182.9	595.2	514.5	80.7	13.6%	65,809.0	599.1	3.9	0.7%
63200	Workers' Compensation Administration	12,263.7	351.6	100.2	99.0	1.2	0.0%	13,631.8	107.0	6.8	6.8%
64400	Vocational Rehabilitation Division	33,029.7	887.0	306.6	268.0	38.6	12.6%	34,957.7	314.2	7.6	2.5%

Funded FTE by Agency

*dollar amounts in thousands

Business Unit	Agency Name	FY26 OPERATING BUDGET (OPBUD) DATA						FY27 EXECUTIVE RECOMMENDATION (EXEC REC) DATA			
		A	B	C	D	E	F	G	H	I	J
		PSEB category budget - FY26 OpBud (\$)	PSEB category budget -FY26 Health Care Affordability Fund allocation SB376 (\$)	Approx. # of funded FTE - FY26 OpBud	# filled FTE as of September 2025	# FTE funded but not filled as of September 2025	Funded but not filled as a % of total funded	PSEB category budget - FY27 Exec Rec (\$)	Approx. # of funded FTE FY27 Exec Rec	# funded FTE increase (decrease) FY26 OpBud to FY27 Exec Rec	% change in funded FTE FY26 OpBud to FY27 Exec Rec
64500	Governor's Commission on Disability	1,385.6	46.3	12.9	12.0	0.9	0.0%	1,407.4	12.6	(0.3)	-2.3%
64700	Developmental Disabilities Council	2,762.9	69.5	22.4	25.0	-	0.0%	3,144.9	24.9	2.5	11.2%
66200	Miners' Hospital of New Mexico	25,141.4	443.1	195.1	194.5	0.6	0.3%	24,991.0	186.3	(8.8)	-4.5%
66500	Department of Health	301,830.6	5,850.3	2,949.9	2,609.0	340.9	11.6%	311,329.9	2,876.8	(73.1)	-2.5%
66700	Department of Environment	92,828.0	2,163.5	691.0	633.7	57.4	8.3%	97,572.4	704.3	13.3	1.9%
66800	Office of Natural Resources Trustee	934.1	14.5	5.9	5.0	0.9	15.3%	778.3	4.8	(1.1)	-18.6%
67000	Veterans' Services Department	6,986.6	174.2	68.3	76.0	-	0.0%	8,333.2	79.5	11.2	16.4%
68000	Office of Family Representation and Advocacy	5,436.5	64.6	39.5	28.0	11.5	29.1%	5,564.3	39.4	(0.1)	-0.3%
69000	Children, Youth and Families Department	192,681.1	5,356.1	1,573.0	1,644.5	-	0.0%	200,351.2	1,614.6	41.6	2.6%
70500	Department of Military Affairs**	16,888.9	431.5	164.2	156.0	8.2	5.0%	18,466.7	174.3	10.1	6.2%
76000	Parole Board	692.3	20.5	5.6	5.0	0.6	10.7%	712.8	5.4	(0.2)	-3.6%
77000	Corrections Department	189,672.2	5,278.8	1,796.7	1,834.5	-	0.0%	208,791.7	1,877.3	80.6	4.5%
78000	Crime Victims Reparation Commission	2,759.9	85.4	26.1	24.0	2.1	8.0%	2,910.9	26.3	0.2	0.8%
79000	Department of Public Safety	175,971.0	4,535.8	1,176.8	1,126.8	50.0	4.2%	190,597.1	1,182.2	5.4	0.5%
79500	Homeland Security and Emergency Management Department	18,084.5	301.3	148.9	100.0	48.9	32.8%	18,383.5	148.4	(0.5)	-0.3%
80500	Department of Transportation	251,025.0	6,950.1	2,289.8	2,270.0	19.8	0.0%	242,675.5	2,089.2	(200.6)	-8.8%
92400	Public Education Department	38,327.4	1,006.3	297.1	288.0	9.1	0.0%	39,997.6	298.1	1.0	0.3%
94000	Public School Facilities Authority	6,271.7	163.4	54.0	48.0	6.0	11.1%	6,784.3	55.3	1.3	2.4%
94900	Education Trust Board	522.0	7.1	3.0	2.0	1.0	0.0%	562.4	3.0	-	0.0%
95000	Higher Education Department	7,571.7	162.9	56.4	49.0	7.4	13.1%	7,122.3	51.8	(4.6)	-8.2%
TOTAL		2,741,782.4	67,705.2	23,792.8	22,737.7			2,892,799.7	24,135.0	341.4	1.4%

**excludes temp wages and FTE



New Mexico
Department of Finance
and Administration