

Fiscal Year 2027

State of New Mexico Budget Overview

Executive Summary

State Budget Division



New Mexico
**Department of Finance
and Administration**

STATE OF NEW MEXICO

FISCAL YEAR 2027 BUDGET

OVERVIEW

EXECUTIVE SUMMARY

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FISCAL YEAR 2027 STATE BUDGET

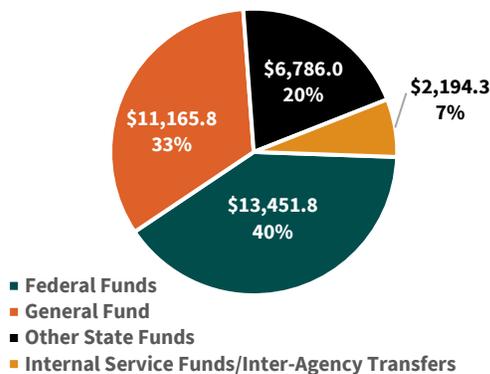
RECURRING APPROPRIATIONS: YEAR-OVER-YEAR SYNOPSIS

INTRODUCTION

This overview highlights year-over-year changes in recurring appropriations, with particular emphasis on **general fund** adjustments, providing context for the major cost drivers and programmatic investments shaping the FY27 budget. While other funding sources are essential to agency operations, changes to the general fund – both revenues and expenditures – best capture the policy decisions made during the legislative session, the State’s underlying fiscal capacity and structural balance, and the overall direction of New Mexico’s fiscal policy.

STATE OF NEW MEXICO FUNDING STRUCTURE

FY27 BUDGET BY FUND TYPE



The State of New Mexico’s budget is organized by fund type into the following four groups.

General Fund: The state’s primary operating fund and the main source of discretionary

revenue appropriated annually to support core government functions. It is funded primarily by broad-based taxes such as personal income tax, gross receipts tax, and corporate income tax, along with revenues from oil and gas production, investment earnings, and various fees and miscellaneous receipts.

Other State Funds: Revenues collected by the State that are separate from the general fund and are typically restricted by statute for a particular program or activity. These funds often include dedicated fees, licenses, surcharges, fines, penalties, special assessments, and earmarked taxes.

Internal Service Funds/Intra- and Inter-Agency Transfers: Internal service funds are used to account for centralized services provided by one state agency to other state agencies. These activities operate much like internal businesses, charging agencies for services such as information technology, risk management, or fleet management. Intra-agency transfers account for funding moved between programs or divisions within the same agency, while inter-agency transfers occur when one state agency transfers funds to another agency to carry out a shared responsibility or pass-through function.

Federal Funds: Revenues received by the state from the federal government to support specific programs and services. These funds typically come through formula grants, competitive grants, or reimbursement programs and must

be used in accordance with federal statutes, regulations, and grant agreements.

GENERAL FUND: FY27 COST DRIVERS AND PROGRAMMATIC INVESTMENTS

The FY27 recurring general fund budget totals \$11.166 billion, reflecting an increase of \$339.5 million, or 3.1%, above the FY26 operating budget.

CORE GOVERNMENT OPERATIONS

While overall general fund spending increases in FY27, a significant portion of that growth reflects higher baseline operating costs rather than new program expansions. Much of the increase supports the routine functions of state government, including insurance costs, enterprise information technology services, and a modest cost-of-living adjustment for state and public education employees.

One of the largest increases in the FY27 budget is for health insurance coverage, both for state and public-school personnel.

For state agencies, the budget was built under the assumption of a 10% health insurance premium increase in FY27, with a total general fund price tag of \$15.1 million.

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 personnel up to certain income thresholds. Under this law, health insurance premiums for covered members decreased by an average of 46%, a savings of \$2,559 per year.

For FY26, the enhanced employer share was funded through nonrecurring means via the

Health Care Affordability Fund. For FY27, the employer health insurance contribution is built into the recurring operating budget, costing the general fund approximately \$39 million.

The budget includes an adequate general fund increase for most agencies, both for the anticipated health insurance premium increase and for the enhanced employer contribution from SB376 (2025); however, some agencies must cover a portion of the cost through vacancy savings.

For public schools, the FY27 budget includes a general fund increase of \$45.4 million for insurance premium increases. It also includes \$73.2 million for the implementation of HB47 (2026), which raises the employer health insurance premium contribution rate to a minimum 80% across-the-board. This legislation reduces the cost of health insurance by 33% for educational personnel making at least \$50 thousand annually and 50% for those making \$60 thousand or more.

Other significant cost drivers in the FY27 budget are the internal service rates for the General Services Department (GSD) and the Department of Information Technology (DoIT).

GSD collects assessments from ‘customer’ state agencies for risk insurance (liability, property, transportation, workers’ compensation, and unemployment). The general fund cost of risk insurance premium increases in FY27 totals \$18.6 million, predominately driven by liability insurance increases to address fund solvency.

DoIT also charges ‘customer’ state agencies for the provision of information technology services, including infrastructure, applications, networking, hosting, and related services. The

general fund cost of DoIT rate increases for FY27 totals \$5.5 million.

Relatedly, the budget also includes a \$6.1 million increase for DoIT's Office of Cybersecurity for statewide risk assessments, expert support for rapid response to cyber incidents, matching funds for federal cybersecurity grants, and enhanced protections to defend state websites and online systems from attacks.

Finally, the FY27 budget includes a \$62.7 million general fund increase for a 1% cost-of-living adjustment for state agency, higher education institution, and public-school personnel. This compensation increase was included as a provision in SB151 (2026).

HEALTH AND HUMAN SERVICES

Much of the programmatic growth in the FY27 budget is concentrated in health and human services.

Health Care Authority

Within the Health Care Authority (HCA), several targeted investments expand behavioral health, housing, and long-term care services.

The budget includes a general fund increase of \$23.6 million to support mental health and substance use treatment for Medicaid patients through higher managed care capitation payments — the per-member payments the state makes to health plans.

It also includes general fund increases of \$4.5 million for the 988 Suicide and Crisis Lifeline, the 24/7 call and text service that provides immediate support to individuals experiencing mental health crises, and \$5 million for the Linkages program, which provides permanent

supportive housing and coordinated services to adults with serious mental illness who are homeless or at risk of homelessness.

With respect to long-term services and supports, the budget includes a general fund increase of \$15 million to accommodate utilization growth within the Developmental Disabilities Support Program and \$10 million from fund balances to increase personal care services provider rates. In addition, the budget provides \$9 million for phase II of nursing facility rate rebasing to increase Medicaid reimbursement rates for nursing homes, along with \$3.7 million to raise Medicaid payment rates for occupational therapists.

The FY27 budget also supports several increases related to the Supplemental Nutrition Assistance Program (SNAP). A \$6.6 million general fund increase maintains the state-funded SNAP supplement, ensuring eligible elderly and disabled recipients receive at least \$100 per month in food assistance. An additional \$1.1 million supports the modernization of Electronic Benefit Transfer (EBT) cards by adding chip technology to reduce fraud risk.

Department Of Health

Within the Department of Health (DOH), the budget includes a \$2 million general fund increase to support additional staffing at the State Veterans' Home, the state-operated skilled nursing and residential care facility for eligible military veterans located in Truth or Consequences.

Early Childhood Education and Care Department

Within the Early Childhood Education and Care Department (ECECD), the FY27 budget includes

\$19 million to expand Early Pre-K, increasing the number of available preschool slots for three-year-old children. The budget also provides \$2 million to increase provider rates for the Family Infant Toddler (FIT) Program, the state's early intervention program serving infants and toddlers (birth to age three) with developmental delays or disabilities. FIT offers services such as developmental therapy, speech and physical therapy, and family support to help young children build foundational skills and prepare for school.

Universal Free Childcare: On November 1, 2025, New Mexico became the first state to offer free childcare to working families and students regardless of income. By the end of FY27—the first full year of universal childcare—the Department expects to serve more than 56,000 children at an *additional* cost of approximately \$160.6 million. Although funded through the Early Childhood Trust Fund rather than the general fund, the program is highlighted in this report because of its significant fiscal and policy implications. Senate Bill 241 (2026), the Child Care Assistance Program Act, codifies the policies governing the Department's administration of the program and temporarily increases appropriation limits from the Early Childhood Trust Fund to support the program through fiscal year 2031. The legislation also establishes financial guard rails for program cost containment in the event of an economic downturn or an enrollment spike, including copayments for higher-income families and waitlists.

HIGHER EDUCATION

Higher education is another area of emphasis in the FY27 budget. Recurring general fund appropriations for the Higher Education

Department (HED) and the state's public higher education institutions total \$1.518 billion, an increase of \$76.1 million, or 5.3 percent, above FY26 levels.

A substantial portion of this growth is directed toward Instruction and General (I&G) funding, which supports the core operating expenses of colleges and universities, including instruction, academic support, student services, and institutional administration. Under the FY27 budget, I&G funding increases by \$87.8 million. Of that amount, \$36.2 million is allocated through New Mexico's higher education funding formula, distributing new recurring dollars among institutions based largely on enrollment and student success measures.

The University of New Mexico Health Sciences Center (UNM-HSC) also receives notable increases within I&G funding. As the state's only academic health center, UNM-HSC integrates health professional education, clinical care, and biomedical research, and plays a central role in training New Mexico's health care workforce. The FY27 budget includes general fund increases of \$21.5 million for compensation increases for clinical medical faculty and \$2 million for compensation increases for graduate medical education residents and fellows.

FEDERAL COST SHIFTS TO THE STATE

New Mexico's FY27 recurring budget is markedly impacted by changes in federal matching rates resulting from both statutory formula adjustments and recent federal policy actions.

The first change affects the federal share of administrative costs for the Supplemental Nutrition Assistance Program (SNAP). Under the One Big Beautiful Bill Act (OBBBA) of 2025, the

federal government's contribution toward SNAP administrative costs will decline from 50 percent to 25 percent beginning in federal fiscal year 2027 (October 1, 2026). As a result, states will assume 75 percent of program administration costs, including eligibility determination, information technology systems, and staffing. To account for this shift, New Mexico's FY27 budget includes a \$37 million general fund increase to cover the state's larger share of SNAP administrative expenses.

The second change involves the Federal Medical Assistance Percentage (FMAP), which determines the federal share of Medicaid expenditures. FMAP is calculated based primarily on a state's three-year average per capita personal income relative to the national average. For FY27, New Mexico will experience a slight reduction in its FMAP rate, increasing the state share of Medicaid costs. Accordingly, the budget includes a \$9.7 million general fund increase within the Health Care Authority to offset the higher state contribution required under the revised federal match.

FISCAL YEAR 2027 STATE BUDGET

NONRECURRING APPROPRIATIONS: SECTION-BY-SECTION SYNOPSIS

The General Appropriations Act (GAA) of 2026 includes several categories of nonrecurring, or one-time, appropriations intended to support specific projects, initiatives, and investments outside of recurring agency operating budgets. Although the GAA, or House Bill 2, does not encompass the entirety of one-time general fund appropriations enacted during the legislative session, it captures the substantial majority of nonrecurring funding authorized this year and therefore serves as the primary vehicle for deploying surplus or otherwise nonrecurring general fund revenues.

HB2 (GAA) NONRECURRING APPROPRIATIONS: TOTALS BY APPROPRIATION TYPE AND FUNDING SOURCE

GAA Section	Appropriation Type	General Fund	CSEF*	GRO**	PERF***	Other	Total
Section 5	Specials	\$1,462,466.2				\$337,969.5	\$1,800,435.7
Section 6	Supplementals & Deficiencies	\$30,766.2				\$1,394.2	\$32,160.4
Section 7	Information Technology Projects		\$46,100.0			\$5,773.0	\$51,873.0
Section 8	Natural Disasters and Executive Orders						
Section 9A-9C	Pilot Programs			\$58,465.3	\$55,200.0	\$6,000.0	\$119,665.3
Section 9D	Legislator-Sponsored Items			\$50,100.0			\$50,100.0
Section 10	Transportation Projects	\$204,500.0				\$5,000.0	\$209,500.0
Section 11	Fund Transfers	\$505,550.0		\$89,700.0		\$149,904.0	\$745,154.0
Total		\$2,203,282.4	\$46,100.0	\$198,265.3	\$55,200.0	\$506,040.7	\$3,008,888.4

*Computer Systems Enhancement Fund (CSEF)

**Government Results and Opportunity Fund (GRO)

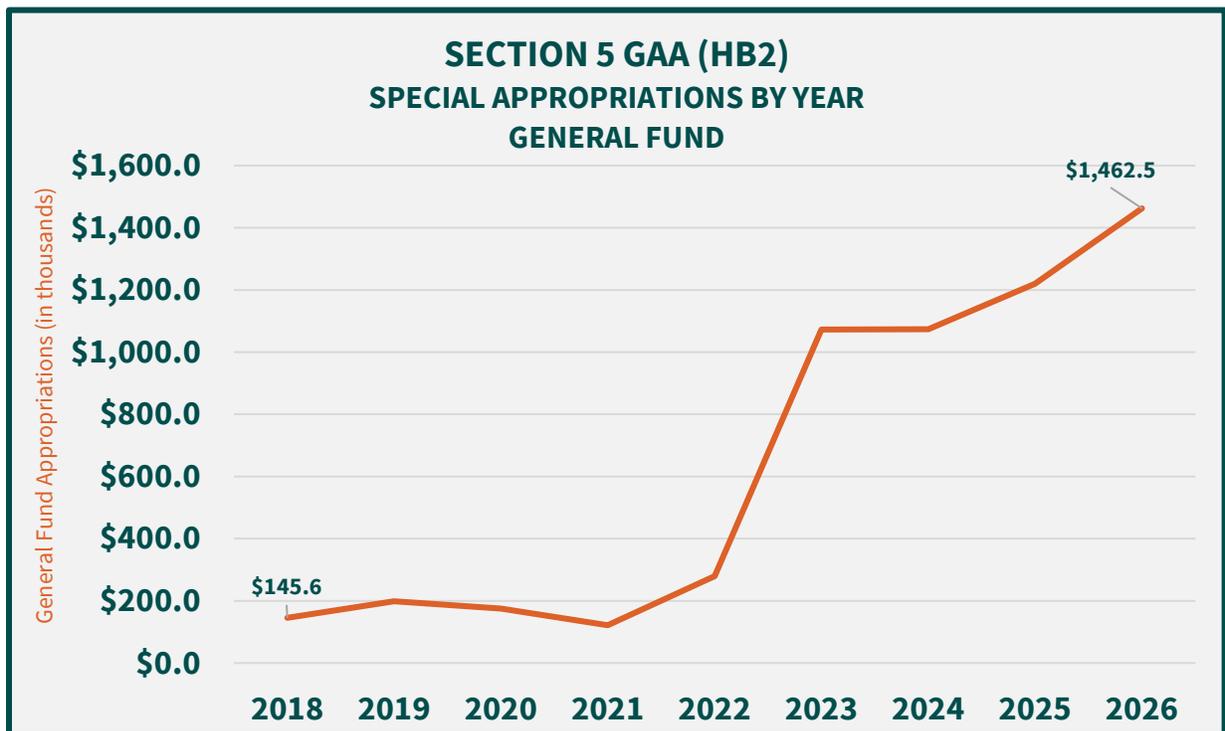
***Public Education Reform Fund (PERF)

Section 5: Special Appropriations

Section 5 of the budget bill contains what are commonly referred to as “special appropriations.” Although special appropriations are typically authorized for expenditure within a single fiscal year, a significant number included in the FY27 budget bill provide expenditure authority extending over two or even three fiscal years. These extended timelines reflect both the underlying characteristics of the funded activities and broader fiscal and implementation considerations. Many appropriations support capital or infrastructure-related investments that require multi-year planning, design, procurement, and construction schedules, making single-year expenditure periods impractical. In addition, several initiatives involve large-scale or complex program implementation that cannot reasonably be completed within one budget cycle. Multi-year authority is therefore used to align funding availability with realistic project timelines, reduce the likelihood of premature fund reversion, and provide agencies with sufficient flexibility to execute projects in an orderly and accountable manner.

- Total Section 5 appropriations: \$1.8B
- General fund: \$1.5B (81% of total)
- Other funds: \$338M (19% of total)
- Number of appropriations: 267

SECTION 5 GAA (HB2): SPECIAL APPROPRIATION HISTORY



2026 HB2 (GAA) SECTION 5: SPECIAL APPROPRIATIONS BY AGENCY

<i>Agency</i>	Number of Appropriations	General Fund	Other Funds	Total
<i>ECONOMIC DEVELOPMENT DEPARTMENT</i>	17	\$266,665.0	\$0.0	\$266,665.0
<i>UNIVERSITY OF NEW MEXICO</i>	25	\$107,701.2	\$150,000.0	\$257,701.2
<i>PUBLIC EDUCATION DEPARTMENT</i>	27	\$125,750.5	\$40,500.0	\$166,250.5
<i>HEALTH CARE AUTHORITY</i>	11	\$31,326.2	\$111,894.5	\$143,220.7
<i>DEPARTMENT OF FINANCE AND ADMINISTRATION</i>	24	\$135,980.0	\$2,500.0	\$138,480.0
<i>DEPARTMENT OF ENVIRONMENT</i>	10	\$111,380.0	\$0.0	\$111,380.0
<i>GENERAL SERVICES DEPARTMENT</i>	3	\$104,000.0	\$0.0	\$104,000.0
<i>OFFICE OF NATURAL RESOURCES TRUSTEE</i>	2	\$70,000.0	\$15,000.0	\$85,000.0
<i>NEW MEXICO STATE UNIVERSITY</i>	14	\$78,030.0	\$0.0	\$78,030.0
<i>STATE ENGINEER</i>	8	\$67,000.0	\$0.0	\$67,000.0
<i>HIGHER EDUCATION DEPARTMENT</i>	10	\$60,250.0	\$0.0	\$60,250.0
<i>ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT</i>	6	\$42,000.0	\$800.0	\$42,800.0
<i>NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY</i>	7	\$40,710.0	\$0.0	\$40,710.0
<i>CHILDREN, YOUTH AND FAMILIES DEPARTMENT</i>	5	\$38,500.0	\$0.0	\$38,500.0
<i>WORKFORCE SOLUTIONS DEPARTMENT</i>	8	\$38,795.0	\$0.0	\$38,795.0
<i>DEPARTMENT OF INFORMATION TECHNOLOGY</i>	2	\$26,000.0	\$0.0	\$26,000.0
<i>TOURISM DEPARTMENT</i>	7	\$23,400.0	\$0.0	\$23,400.0
<i>DEPARTMENT OF HEALTH</i>	9	\$18,165.0	\$0.0	\$18,165.0
<i>SECRETARY OF STATE</i>	3	\$15,760.0	\$0.0	\$15,760.0
<i>ATTORNEY GENERAL</i>	4	\$600.0	\$7,350.0	\$7,950.0
<i>AGING AND LONG-TERM SERVICES DEPARTMENT</i>	4	\$5,000.0	\$2,100.0	\$7,100.0
<i>CULTURAL AFFAIRS DEPARTMENT</i>	8	\$5,650.0	\$0.0	\$5,650.0
<i>CENTRAL NEW MEXICO COMMUNITY COLLEGE</i>	1	\$6,000.0	\$0.0	\$6,000.0
<i>EARLY CHILDHOOD EDUCATION AND CARE DEPARTMENT</i>	2	\$5,400.0	\$0.0	\$5,400.0
<i>ALL OTHER AGENCIES</i>	50	\$38,403.3	\$7,825.0	\$46,228.3
TOTAL SECTION 5: SPECIAL APPROPRIATIONS	267	\$1,462,466.2	\$337,969.5	\$1,800,435.7

SECTION 5: TOP 30 SPECIAL APPROPRIATIONS BY TOTAL FUNDING

Agency	#	Purpose	General Fund	Other Funds	Total
UNIVERSITY OF NEW MEXICO	1	New School of Medicine at the University of New Mexico	\$0.0	\$150,000.0	\$150,000.0
ECONOMIC DEVELOPMENT DEPARTMENT	2	Research, Development and Deployment Fund	\$110,000.0	\$0.0	\$110,000.0
GENERAL SERVICES DEPARTMENT	3	Redevelopment and modernization of the New Mexico State Fairgrounds	\$100,000.0	\$0.0	\$100,000.0
OFFICE OF NATURAL RESOURCES TRUSTEE	4	Land expansion and/or restoration	\$70,000.0	\$0.0	\$70,000.0
DEPARTMENT OF FINANCE AND ADMINISTRATION	5	Affordable housing, transitional housing, and homelessness initiatives	\$50,000.0	\$0.0	\$50,000.0
ECONOMIC DEVELOPMENT DEPARTMENT	6	Quantum benchmarking initiative	\$49,300.0	\$0.0	\$49,300.0
HEALTH CARE AUTHORITY	7	Medicaid coverage continuity due to federal eligibility changes	\$0.0	\$40,000.0	\$40,000.0
HEALTH CARE AUTHORITY	8	Contingent State backfill for Health Insurance Marketplace premium increases	\$0.0	\$38,100.0	\$38,100.0
ECONOMIC DEVELOPMENT DEPARTMENT	9	Centralized open user facility for applied quantum information science research	\$38,000.0	\$0.0	\$38,000.0
DEPARTMENT OF ENVIRONMENT	10	Strategic Water Supply Program Fund	\$35,000.0	\$0.0	\$35,000.0
PUBLIC EDUCATION DEPARTMENT	11	Career technical education	\$17,000.0	\$18,000.0	\$35,000.0
WORKFORCE SOLUTIONS DEPARTMENT	12	Affordable housing, transitional housing, and homelessness initiatives	\$30,000.0	\$0.0	\$30,000.0
PUBLIC EDUCATION DEPARTMENT	13	Student reading and math intervention programs, including the New Mexico Summer Reading Program	\$29,000.0	\$0.0	\$29,000.0
DEPARTMENT OF ENVIRONMENT	14	Circular economy and industrial decarbonization strategies	\$25,000.0	\$0.0	\$25,000.0
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT	15	Community energy project completion	\$25,000.0	\$0.0	\$25,000.0
HEALTH CARE AUTHORITY	16	Affordability programs to prevent health insurance coverage loss resulting from federal cuts	\$0.0	\$25,000.0	\$25,000.0
HIGHER EDUCATION DEPARTMENT	17	Health professional loan repayment program	\$25,000.0	\$0.0	\$25,000.0
UNIVERSITY OF NEW MEXICO	18	Rural medical residency training support	\$24,000.0	\$0.0	\$24,000.0
STATE ENGINEER	19	Lower Rio Grande water depletion reduction and settlement compliance	\$22,500.0	\$0.0	\$22,500.0
NEW MEXICO INSTITUTE OF MINING AND TECHNOLOGY	20	NM Tech water research and aquifer mapping	\$22,000.0	\$0.0	\$22,000.0
DEPARTMENT OF INFORMATION TECHNOLOGY	21	Cybersecurity improvements for public entities	\$21,000.0	\$0.0	\$21,000.0
CHILDREN, YOUTH AND FAMILIES DEPARTMENT	22	Protective services personnel	\$20,000.0	\$0.0	\$20,000.0
DEPARTMENT OF ENVIRONMENT	23	Uranium Mining Reclamation Revolving Fund	\$20,000.0	\$0.0	\$20,000.0
DEPARTMENT OF FINANCE AND ADMINISTRATION	24	Housing Development Revolving Fund	\$20,000.0	\$0.0	\$20,000.0
DEPARTMENT OF FINANCE AND ADMINISTRATION	25	New Mexico Match Fund	\$20,000.0	\$0.0	\$20,000.0
HIGHER EDUCATION DEPARTMENT	26	Building renewal and replacement and facility demolition at New Mexico higher education institutions	\$20,000.0	\$0.0	\$20,000.0
PUBLIC EDUCATION DEPARTMENT	27	Educator Fellows Program	\$20,000.0	\$0.0	\$20,000.0
PUBLIC EDUCATION DEPARTMENT	28	Out-of-school time programs for school-age youth	\$0.0	\$20,000.0	\$20,000.0
TOURISM DEPARTMENT	29	National and international marketing and advertising campaigns	\$18,000.0	\$0.0	\$18,000.0
NEW MEXICO STATE UNIVERSITY	30	Athletic facility improvements	\$17,000.0	\$0.0	\$17,000.0

Section 6: Supplemental and Deficiency Appropriations

Section 6 of the budget bill includes both supplemental and deficiency appropriations, each serving distinct fiscal purposes within the budget process. Supplemental appropriations provide additional funding to agencies experiencing projected shortfalls in the current fiscal year, typically due to higher-than-anticipated costs, caseload growth, revenue variance, or unforeseen operational pressures. These appropriations are intended to stabilize agency operations and ensure continuity of services through the remainder of the fiscal year. Deficiency appropriations, by contrast, address funding shortfalls that occurred in prior fiscal years and are generally used to resolve accounting or budgetary deficits after final expenditures have been reconciled. Together, supplemental and deficiency appropriations function as corrective fiscal tools that maintain budget integrity, align appropriations with actual spending needs, and prevent unresolved deficits from carrying forward into subsequent fiscal cycles. While these appropriations are nonrecurring in nature, they often reflect underlying expenditure pressures or forecasting challenges that may warrant continued monitoring during future budget development.

- Total Section 6 appropriations: \$32.2M
- General fund: \$30.8M (96% of total)
- Other funds: \$1.4M (4%)
- Number of appropriations: 12

SUPPLEMENTAL AND DEFICIENCY APPROPRIATIONS

Agency	Purpose	General Fund	Other Funds	Total
SECRETARY OF STATE	2026 primary election	\$15,000.0	\$0.0	\$15,000.0
REGULATION AND LICENSING DEPARTMENT	Resolve prior-year general fund deficiencies	\$7,452.5	\$0.0	\$7,452.5
PUBLIC EDUCATION DEPARTMENT	Projected at-risk and English learner program unit losses at school districts and charter schools	\$6,000.0	\$0.0	\$6,000.0
REGULATION AND LICENSING DEPARTMENT	Resolve prior-year deficiencies in the boards and commissions flow-through fund	\$0.0	\$1,394.2	\$1,394.2
REGULATION AND LICENSING DEPARTMENT	Backfill shortfalls in the Mortgage Regulatory Fund for RLD operating expenses	\$1,062.6	\$0.0	\$1,062.6
SPACEPORT AUTHORITY	Backfill commercial revenue shortfall to support agency operations	\$650.0	\$0.0	\$650.0
STATE AUDITOR	Operational and financial impacts from delayed federal guidance and subsequent reporting changes	\$220.0	\$0.0	\$220.0
STATE RACING COMMISSION	Operating expenses	\$145.0	\$0.0	\$145.0
ELEVENTH JUDICIAL DISTRICT ATTORNEY, DIVISION I	Operating expenses	\$100.0	\$0.0	\$100.0

SUPPLEMENTAL AND DEFICIENCY APPROPRIATIONS

<i>Agency</i>	<i>Purpose</i>	<i>General Fund</i>	<i>Other Funds</i>	<i>Total</i>
HIGHER EDUCATION DEPARTMENT	Resolve prior-year deficits	\$66.6	\$0.0	\$66.6
ADMINISTRATIVE HEARINGS OFFICE	Personnel budget shortfall	\$61.0	\$0.0	\$61.0
PUBLIC EMPLOYEE LABOR RELATIONS BOARD	Personnel budget shortfall	\$8.5	\$0.0	\$8.5
TOTAL		\$30,766.2	\$1,394.2	\$32,160.4

Section 7: Information Technology Projects (C2)

Section 7 of the General Appropriations Act is dedicated primarily to large information technology (IT) projects, including major system overhauls, system expansions, and full system replacements. These appropriations typically support enterprise-level technology investments that extend beyond routine agency IT maintenance or incremental upgrades. Projects funded in this section often involve modernization of legacy systems, replacement of aging infrastructure, improvements to cybersecurity and data management, or development of new digital platforms intended to improve service delivery, operational efficiency, and compliance with reporting or regulatory requirements. Because these initiatives are complex and resource-intensive, they require multi-year (FY27-FY28) implementation timelines that include procurement, vendor selection, system design, testing, and phased deployment. Section 7 appropriations are generally structured to ensure coordinated oversight and accountability, reflecting the high cost, operational significance, and long-term impact of large-scale technology investments on agency performance and statewide information systems. Most Section 7 appropriations are financed through the Computer Systems Enhancement Fund, supported by a transfer from the general fund.

- Total Section 7 appropriations: \$51.9M
- Computer Systems Enhancement Fund (i.e. general fund): \$46.1M (89% of total)
- Other funds: \$5.8M (11% of total)
- Number of appropriations: 12

SECTION 7: IT PROJECT APPROPRIATIONS (C2)

<i>Agency</i>	<i>Purpose</i>	<i>Computer Systems Enhancement Fund</i>	<i>Other Funds</i>	<i>Total</i>
ADMINISTRATIVE OFFICE OF THE DISTRICT ATTORNEYS	Replace information technology hardware	\$500.0		\$500.0

SECTION 7: IT PROJECT APPROPRIATIONS (C2)

<i>Agency</i>	<i>Purpose</i>	<i>Computer Systems Enhancement Fund</i>	<i>Other Funds</i>	<i>Total</i>
<i>TAXATION AND REVENUE DEPARTMENT</i>	Continue replacement of legacy tax return software	\$2,841.0		\$2,841.0
<i>TAXATION AND REVENUE DEPARTMENT</i>	Implement system changes for compliance with driver and vehicle interface mandates	\$4,086.6		\$4,086.6
<i>DEPARTMENT OF FINANCE AND ADMINISTRATION</i>	Implementation and enhancement of capital, budget, property tax and administrative support systems	\$10,000.0		\$10,000.0
<i>SECRETARY OF STATE</i>	Continue implementation of election management solution.	\$200.0		\$200.0
<i>SECRETARY OF STATE</i>	Continue implementation of web-based filing system.	\$750.0		\$750.0
<i>DEPARTMENT OF WILDLIFE</i>	Continue modernization of online systems	\$1,500.0	\$80.0	\$1,580.0
<i>WORKFORCE SOLUTIONS DEPARTMENT</i>	Unemployment insurance overpayment collection system through the treasury offset program	\$2,251.0		\$2,251.0
<i>DEPARTMENT OF HEALTH</i>	Website modernization	\$2,300.0		\$2,300.0
<i>DEPARTMENT OF ENVIRONMENT</i>	Artificial intelligence-powered data systems for document management and workflow automation	\$1,000.0		\$1,000.0
<i>DEPARTMENT OF PUBLIC SAFETY</i>	Phase two of the intelligence-led policing project	\$2,000.0		\$2,000.0
<i>HIGHER EDUCATION DEPARTMENT</i>	Higher education shared services project	\$18,671.4	\$5,693.0	\$24,364.4
TOTAL		\$46,100.0	\$5,773.0	\$51,873.0

Sections 9A-9C: GRO and PERF Pilot Programs

Sections 9A, 9B, and 9C of the General Appropriations Act include nonrecurring appropriations from the Government Results and Opportunity Program Fund (GRO) and the Public Education Reform Fund (PERF), both of which are intended to support proof-of-concept initiatives or innovative service models tied to measurable performance outcomes. These appropriations are generally structured to fund targeted programs or interventions rather than ongoing

operational expenses. Sections 9A, 9B, and 9C specifically establish multi-year pilot projects, each authorized for a three-year period (FY27-FY29) to allow sufficient time for implementation, data collection, and assessment. A defining feature of these projects is the requirement for formal impact evaluations designed to measure the causal effect of the funded interventions on desired outcomes. By incorporating evaluation requirements into the appropriation structure, these sections emphasize accountability, performance measurement, and evidence-based policymaking. The pilot framework also allows the State to test new approaches on a limited basis before considering expansion or recurring funding, helping ensure future appropriations are informed by demonstrated results rather than assumed program effectiveness.

- Total Section 9A-9C appropriations: \$119.7M
- Government Results and Opportunity (GRO) Program Fund: \$58.5M (49% of total)
- Public Education Reform Fund (PERF): \$55.2M (46% of total)
- Number of pilot programs: 12

SECTIONS 9A-9C: GRO AND PERF PILOT-PROJECTS

Agency	Purpose	Expenditure Period	GRO	PERF	Other Funds
ADMINISTRATIVE OFFICE OF THE COURTS	Assisted Outpatient Treatment, Competency Diversion, Other Behavioral Health Programs	FY27-FY28	\$1,265.4	\$0.0	\$0.0
PUBLIC DEFENDER DEPARTMENT	Hourly Rates for Contract Attorneys	FY27-FY29	\$6,600.0	\$0.0	\$0.0
DEPARTMENT OF FINANCE AND ADMINISTRATION	State Agency Building Use Fee Program (administered by the General Services Department)	FY27-FY29	\$3,000.0	\$0.0	\$0.0
EARLY CHILDHOOD EDUCATION AND CARE DEPARTMENT	Wage and Career Ladder Framework	FY27-FY29	\$30,000.0	\$0.0	\$0.0
WORKFORCE SOLUTIONS DEPARTMENT	Youth Pre-Apprenticeship Programs	FY27	\$600.0	\$0.0	\$0.0
WORKFORCE SOLUTIONS DEPARTMENT	Office of Housing Operations	FY27-FY29	\$1,999.9	\$0.0	\$0.0
CHILDREN, YOUTH AND FAMILIES DEPARTMENT	Community-Based Mentoring and Support Programs for Justice-Involved Youth	FY27-FY29	\$4,500.0	\$0.0	\$0.0
CHILDREN, YOUTH AND FAMILIES DEPARTMENT	In-Home Family Support for Child Abuse Prevention (SafeCare Program)	FY27-FY29	\$6,000.0	\$0.0	\$6,000.0

SECTIONS 9A-9C: GRO AND PERF PILOT-PROJECTS

Agency	Purpose	Expenditure Period	GRO	PERF	Other Funds
DEPARTMENT OF TRANSPORTATION	Road Safety and Site Assessments	FY27-FY29	\$4,500.0	\$0.0	\$0.0
PUBLIC EDUCATION DEPARTMENT	High Impact Tutoring	FY27-FY29	\$0.0	\$15,300.0	\$0.0
PUBLIC EDUCATION DEPARTMENT	High School Innovation Zone Initiative	FY27-FY29	\$0.0	\$21,600.0	\$0.0
PUBLIC EDUCATION DEPARTMENT	Community Schools (Wraparound Student Support Model)	FY27-FY29	\$0.0	\$18,300.0	\$0.0
TOTAL			\$58,465.3	\$55,200.0	\$6,000.0

Section 9D: Legislator-Sponsored Appropriations

Section 9D contains nonrecurring appropriations sponsored by individual legislators, historically referred to as “junior-bill” appropriations. These appropriations are typically smaller in scale and geographically focused, providing a mechanism for addressing district- or community-specific needs that may not be prioritized within statewide agency budgets. In practice, junior-bill appropriations allow legislators to respond to emerging local priorities and support specific institutions or projects when sufficient revenue capacity exists to accommodate additional discretionary, one-time spending. Much of the funding is directed to local governments, with common uses including small-scale infrastructure and facility improvements, equipment and supply purchases, and short-term expansions of services or community programs. Although these appropriations are also funded through the Government Results and Opportunity (GRO) Fund, they are not required to undergo the same formal evaluation process as the pilot projects in Sections 9A–9C.

- Total Section 9D appropriations: \$50.1M
- Government Results and Opportunity (GRO) Program Fund: \$50.1M
- Typical appropriation size: \$75k to \$450k
- Number of appropriations: 233

SECTION 9D: MOST COMMON USES

Local Infrastructure and Facility Improvements

- Community facility upgrades
- Affordable housing and mixed-use development initiatives
- Capital improvements for nonprofits and public facilities
- Equipment purchases and site improvements

Community-Based Services and Behavioral Health

- Behavioral health services
- Youth mentoring and intervention programs
- Substance use prevention and treatment
- Domestic violence and victim services

Education and Workforce Initiatives

- K-12 program enhancements
- Student attendance and graduation initiatives
- Postsecondary research and workforce development programs

Public Safety and Judicial Programs

- Specialty courts and diversion programs
- Case management improvements
- Victim assistance services
- Public defender or court capacity enhancements

SECTION 9D: APPROPRIATIONS BY RECIPIENT

<i>Recipient</i>	Number of Appropriations	Amount
<i>DEPARTMENT OF FINANCE AND ADMINISTRATION*</i>	172*	\$37,650.0*
<i>BOARD OF REGENTS OF THE UNIVERSITY OF NEW MEXICO</i>	13	\$2,880.0
<i>PUBLIC EDUCATION DEPARTMENT</i>	10	\$1,960.0
<i>INDIAN AFFAIRS DEPARTMENT</i>	7	\$1,320.0
<i>DEPARTMENT OF HEALTH</i>	5	\$1,260.0
<i>BOARD OF REGENTS OF NEW MEXICO STATE UNIVERSITY</i>	5	\$860.0
<i>HIGHER EDUCATION DEPARTMENT</i>	5	\$840.0
<i>ADMINISTRATIVE OFFICE OF THE COURTS</i>	3	\$660.0
<i>CRIME VICTIMS REPARATION COMMISSION</i>	3	\$660.0
<i>HEALTH CARE AUTHORITY</i>	1	\$600.0
<i>TOURISM DEPARTMENT</i>	2	\$330.0
<i>VETERANS' SERVICES DEPARTMENT</i>	1	\$180.0
<i>COURT OF APPEALS</i>	1	\$150.0
<i>CULTURAL AFFAIRS DEPARTMENT</i>	1	\$150.0
<i>LEGISLATIVE COUNCIL SERVICE</i>	1	\$150.0
<i>OFFICE OF SUPERINTENDENT OF INSURANCE</i>	1	\$150.0

SECTION 9D: APPROPRIATIONS BY RECIPIENT

<i>Recipient</i>	Number of Appropriations	Amount
<i>PUBLIC DEFENDER DEPARTMENT</i>	1	\$150.0
<i>SECOND JUDICIAL DISTRICT COURT</i>	1	\$150.0
TOTAL	233	\$50,100.0

*The Local Government Division (LGD) of the Department of Finance and Administration (DFA) serves as the fiscal pass-through administrator for local government recipients

Section 10: Transportation Project Appropriations

Section 10 of the General Appropriations Act includes nonrecurring appropriations directed exclusively to the Department of Transportation for roadway construction and maintenance projects, rural air service enhancement, and the acquisition or replacement of heavy machinery and related equipment. Funding is made available through the end of fiscal year 2029, recognizing that transportation projects often require multi-year planning, procurement, and construction timelines. Investments in roadway construction and maintenance help preserve existing transportation assets, improve safety conditions, and reduce long-term repair costs by addressing infrastructure needs before they become more expensive to fix. These projects also support economic activity by improving the reliability and efficiency of freight movement, daily commuting, and regional connectivity. Funding for rural air service enhancement is intended to maintain and strengthen transportation access for rural and geographically isolated communities, supporting economic development, access to health care and other services, and regional tourism. Equipment purchases support the department's ongoing construction and maintenance responsibilities by ensuring necessary machinery and fleet assets are available to complete projects on schedule.

- Total Section 10 appropriations: \$209.5M
- General fund: \$204.5M (98% of total)
- State Road Fund: \$5.0M (2% of total)
- Number of appropriations: 4

SECTION 10: TRANSPORTATION PROJECT APPROPRIATIONS

<i>Agency</i>	Expenditure Period	Purpose	General Fund	State Road Fund
<i>DEPARTMENT OF TRANSPORTATION</i>	FY27-FY29	Heavy equipment	\$0.0	\$5,000.0
<i>DEPARTMENT OF TRANSPORTATION</i>	FY27-FY29	Rural air service enhancement	\$12,500.0	\$0.0
<i>DEPARTMENT OF TRANSPORTATION</i>	FY27-FY29	Roadway construction and maintenance	\$150,000.0	\$0.0

SECTION 10: TRANSPORTATION PROJECT APPROPRIATIONS

<i>Agency</i>	Expenditure Period	Purpose	General Fund	State Road Fund
<i>DEPARTMENT OF TRANSPORTATION</i>	FY27-FY29	Transportation project fund	\$42,000.0	\$0.0
TOTAL			\$204,500.0	\$5,000.0

Section 11: Fund Transfers

Section 11 of the General Appropriations Act provides for transfers primarily from the general fund into various statutory funds, directing one-time revenues into designated accounts for future programmatic and capital purposes. This structure allows nonrecurring revenues to be deployed over time to address priority public investments while mitigating the risk of creating ongoing operating obligations that exceed future revenue capacity.

- Total Section 11 appropriations: \$745.2M
- General fund: \$505.6M (68% of total)
- Other funds: \$5.0M (22% of total)
- Number of appropriations: 14

SECTION 11: FUND TRANSFERS

<i>Recipient Fund</i>	General Fund Transfer Amount	Other Funds Transfer Amount	Notes
<i>BEHAVIORAL HEALTH TRUST FUND</i>	\$50,000.0	\$0.0	
<i>OPIOID CRISIS RECOVERY FUND</i>	\$0.0	\$12,102.0	Other funds transfer from opioid settlement restricted fund FY26
<i>OPIOID CRISIS RECOVERY FUND</i>	\$0.0	\$22,802.0	Other funds transfer from opioid settlement restricted fund FY27
<i>GOVERNMENT RESULTS AND OPPORTUNITY PROGRAM FUND</i>	\$50,000.0	\$0.0	
<i>WATER PROJECT FUND</i>	\$100,000.0	\$0.0	Contingent on enactment of House Bill 109 (2026) suspending legislative authorization of water trust board projects.
<i>MORTGAGE REGULATORY FUND</i>	\$4,950.0	\$0.0	

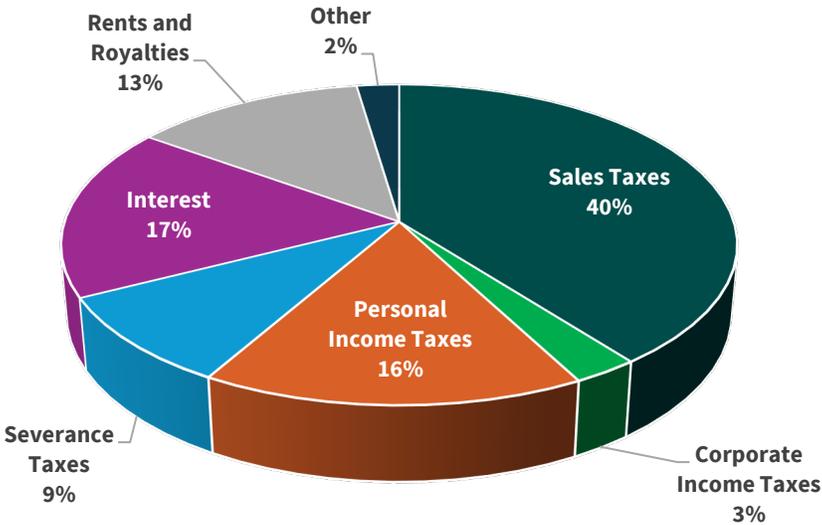
SECTION 11: FUND TRANSFERS

<i>Recipient Fund</i>	General Fund Transfer Amount	Other Funds Transfer Amount	Notes
<i>SECURITIES EDUCATION TRAINING FUND</i>	\$1,000.0	\$0.0	
<i>WORKFORCE DEVELOPMENT AND APPRENTICESHIP TRUST FUND</i>	\$10,000.0	\$0.0	
<i>VIOLENCE INTERVENTION PROGRAM FUND</i>	\$2,500.0	\$0.0	
<i>PUBLIC EDUCATION REFORM FUND</i>	\$0.0	\$89,700.0	Other funds transfer from government results and opportunity program fund
<i>HIGHER EDUCATION MAJOR PROJECTS FUND</i>	\$185,000.0	\$0.0	Contingent on enactment of House Bill 8 creating the fund
<i>HIGHER EDUCATION MAJOR PROJECTS FUND</i>	\$0.0	\$115,000.0	Contingent on enactment of House Bill 8 creating the fund. Other funds transfer from supplemental severance tax notes.
<i>LOTTERY TUITION FUND</i>	\$56,000.0	\$0.0	
<i>COMPUTER SYSTEMS ENHANCEMENT FUND</i>	\$46,100	\$0.0	
TOTAL	\$505,550.0	\$239,604.0	

General Fund Revenue Summary

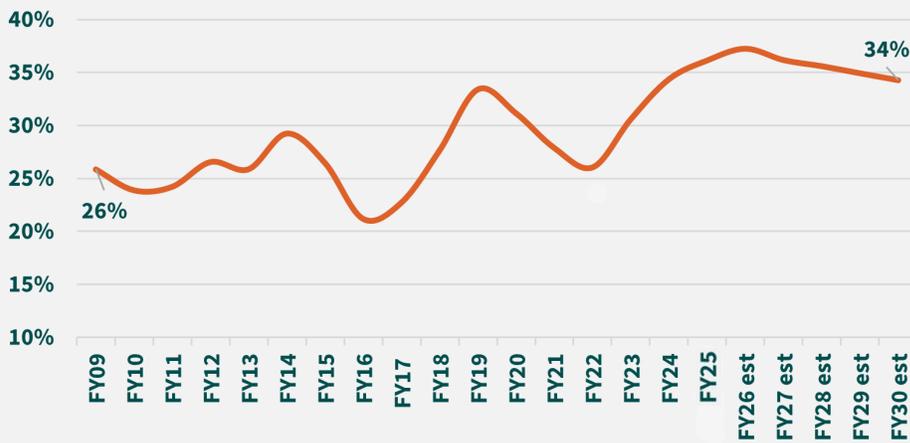
Where the Money Comes From

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	\$13.96 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.

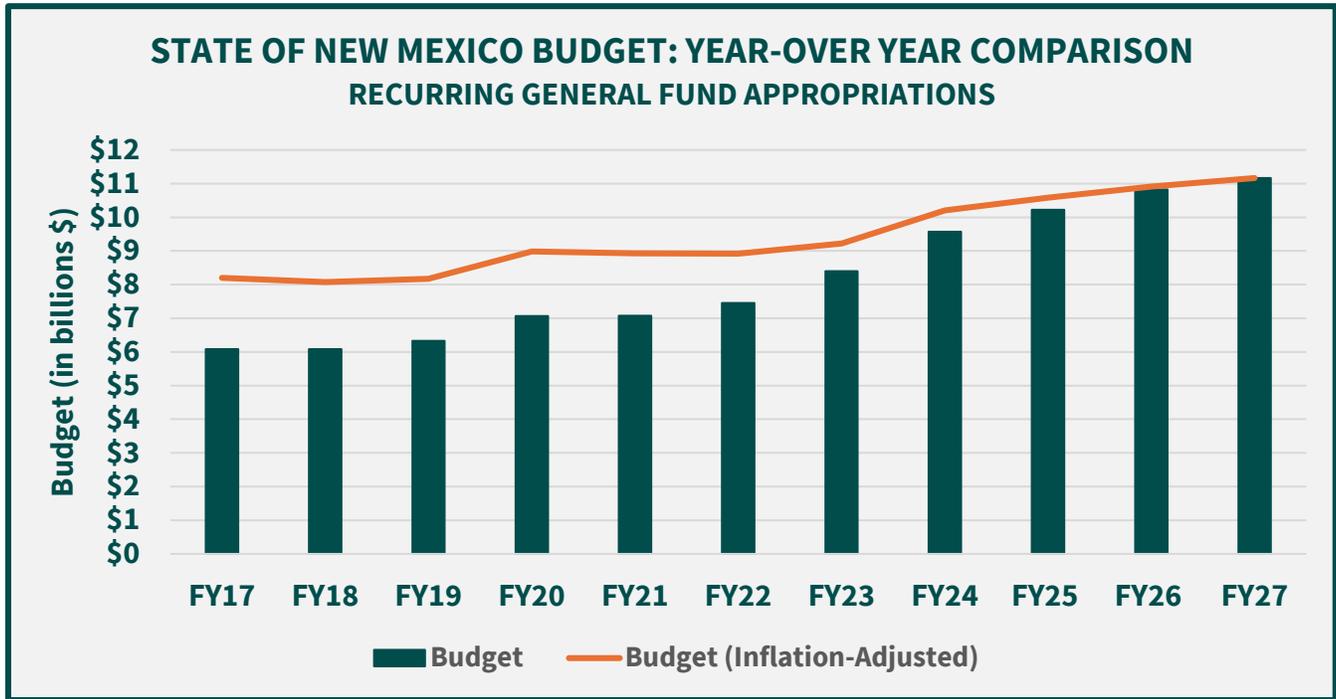
Increases in investment income chiefly account for the modest decline in this percentage forecast in future years.

Source: CREG, DFA

General Fund Expenditure Summary

Where the Money Goes

The FY27 recurring general fund budget totals \$11.166 billion, an increase of \$339.5 million, or 3.1%, above the FY26 operating budget.

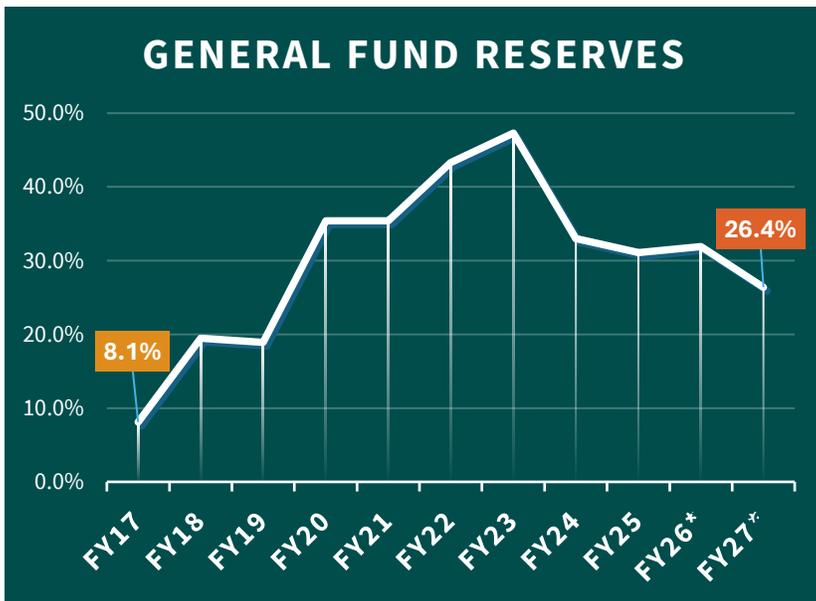


Agency	FY27 Recurring General Fund Budget (in millions)	Percent of Total	Percent Increase Over FY26
Public Education	\$4,847.1	43.4%	1.6%
Health Care Authority	\$2,060.1	18.5%	-0.3%
Higher Education	\$1,518.0	13.6%	5.3%
Department of Corrections	\$365.1	3.3%	3.3%
Early Childhood Education and Care Department	\$325.6	2.9%	7.9%
Courts	\$285.9	2.6%	3.6%
Children, Youth and Families Department	\$284.0	2.5%	5.6%
Department of Health	\$229.6	2.1%	4.5%
Department of Public Safety	\$212.3	1.9%	6.2%
District Attorneys	\$124.6	1.1%	4.1%
Taxation and Revenue Department	\$91.5	0.8%	2.7%
Public Defender	\$84.7	0.8%	3.1%
Aging and Long-Term Services Department	\$77.4	0.7%	3.1%
Cultural Affairs Department	\$49.6	0.4%	4.0%
Energy, Minerals and Natural Resources Department	\$49.0	0.4%	9.1%
Office of the State Engineer	\$43.5	0.4%	10.7%
Department of Finance and Administration	\$40.7	0.4%	5.9%
Environment Department	\$37.2	0.3%	6.2%
Economic Development Department	\$28.8	0.3%	1.9%
Tourism Department	\$26.5	0.2%	1.1%
General Services Department	\$23.9	0.2%	4.8%
Workforce Solutions Department	\$15.2	0.1%	3.4%
All Other Agencies	\$282.8	2.5%	-
Compensation Increase	\$62.7	0.6%	-
TOTAL	\$11,165.8		3.1%

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.



- ◆ Projected Ending Reserves FY26: \$3.45 billion
- ◆ Projected Ending Reserves FY27: \$2.94 billion

Long-Term Investments To Bolster Financial Stability

In addition to the healthy 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.

HB196 (2024) directed that the Government Results Expendable Trust be counted toward general fund reserves in FY25. This practice continued in FY26 but was discontinued for FY27, contributing to the expected decline in reserves.

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 nonrecurring revenues to generate recurring income streams for important programs in the future.

First, SB1 (2025) 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 service delivery. The Trust is included in general fund reserves in FY26 and FY27. HB2 of 2025 included General Fund appropriations of \$100 million into the Behavioral Health Trust Fund, and HB2 of 2026 includes another \$50 million. The Trust Fund also receives an annual income of excess revenue from oil and gas taxes. The Fund is projected to have a balance of \$262.4 million at the end of fiscal year 2027.

Second, SB88 (2025) 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 2026 Session. However, SB88 (2025) requires annual general fund reversions over \$110 million to be deposited in 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. The Fund is projected to have an ending balance of \$129.2 million at the end of calendar year 2026.

Line-Item Veto Summary

Governor's Veto Authority

Per Article IV, § 22 of the New Mexico Constitution, every bill passed by the legislature must be presented to the Governor for approval before it becomes law. Any bill the Governor does not sign or return to the legislature after three days, Sunday excluded, becomes law unless the legislature, by adjournment, prevents the bill's return. Additionally, bills presented to the Governor within the last three days of the session must be signed within twenty days after the adjournment of the session to become law. As such, the Governor has three forms of veto authority:

-  **Whole Veto** - The Governor holds the power to veto all bills in their entirety by returning the bill to the house in which it originated, with objections.

-  **Pocket Veto** - For bills presented within the last three days of a session, if the Governor does not sign it within twenty days after the adjournment of the session, it is vetoed.

-  **Line-Item Veto** - The Governor can disapprove of any part or parts, item or items of a bill appropriating money.

2026 GAA Line-Item Vetoes

The Governor issued approximately 100 line-item vetoes to HB2 (2026), reducing nonrecurring general fund expenditures by \$34.65 million. Of this total, \$30 million results from the complete veto of Section 8, which was contingent on enactment of HB 180—legislation that the Governor also vetoed. The remaining reductions reflect vetoes of several smaller nonrecurring appropriations.

Most vetoes in both the recurring and nonrecurring sections of HB2 had no fiscal impact and instead removed language the executive branch deemed as unnecessary interference with the administration of certain appropriations.

General Fund Financial Summary

TABLE 1: GENERAL FUND FINANCIAL SUMMARY
(Dollars in Millions)

	Est. FY25	Est. FY26	Est. FY27
APPROPRIATION ACCOUNT			
Revenue:			
Recurring Revenue:			
<i>August 2025 Consensus Revenue Estimate</i>	\$13,654.8	\$13,706.0	\$14,109.9
<i>December 2025 Consensus Revenue Update</i>	(\$59.1)	(\$322.9)	(\$196.7)
<i>2026 Legislative Session Recurring Revenue Legislation</i>		\$0.0	\$49.9
Subtotal Recurring Revenue	\$13,595.7	\$13,383.1	\$13,963.2
Nonrecurring Revenue			
<i>December 2025 Consensus Revenue Update</i>	\$28.5	\$362.6	
<i>2026 Legislation Session Nonrecurring Revenue Legislation</i>		\$0.0	\$0.0
Subtotal Nonrecurring Revenue	\$28.5	\$362.6	\$0.0
Total Revenue	\$13,624.1	\$13,745.7	\$13,963.2
Appropriations:			
Recurring Appropriations:			
<i>2024 Regular Session and Feed Bill</i>	\$10,219.5	\$0.0	
<i>2025 Regular Session and Feed Bill</i>	\$15.1	\$10,826.3	
<i>2026 Regular Session and Feed Bill</i>		\$10.8	\$11,165.8
Subtotal Recurring Appropriations	\$10,234.6	\$10,837.1	\$11,165.8
Nonrecurring:			
<i>2024 Regular Session Nonrecurring Appropriations</i>	\$1,468.0		
<i>2024 Regular Session General Fund Capital</i>	\$931.6		
<i>2024 Special Session General Fund</i>	\$103.0		
<i>2025 Regular Session Nonrecurring Appropriations</i>	\$1,056.4	\$2,008.1	
<i>2025 Regular Session General Fund Capital</i>		\$798.5	
<i>Allotment to the Election Fund</i>		\$30.0	\$15.0
<i>2025 Special Session 1 General Fund</i>		\$144.5	\$0.0
<i>2025 Special Session 2 General Fund</i>		\$0.1	\$0.0
<i>2026 Regular Session Nonrecurring Appropriations</i>		\$42.6	\$2,208.3
<i>2026 Regular Session General Fund Capital</i>			\$443.3
Subtotal Nonrecurring Appropriations	\$3,559.0	\$3,023.8	\$2,666.5
Subtotal Recurring and Nonrecurring Appropriations	\$13,793.6	\$13,860.9	\$13,832.4
<i>FY25 Audit Adjustments</i>	(\$7.9)		
Total Appropriations	\$13,785.7	\$13,860.9	\$13,832.4
Transfers to/(from Operating Reserves)	(\$161.6)	(\$115.2)	\$130.8

TABLE 2: GENERAL FUND FINANCIAL SUMMARY
Reserve Detail
 (Dollars in Millions)

	Est. FY25	Est. FY26	Est. FY27
OPERATING RESERVE			
Beginning Balance	\$606.6	\$246.5	\$154.3
BOF Emergency Appropriations/Reversions	(\$4.0)	(\$4.0)	(\$4.0)
Disaster Allotments ¹⁰	(\$194.4)	(\$200.0)	(\$135.0)
Transfers from/to Appropriation Account	(\$161.6)	(\$115.2)	\$130.8
Transfers to Government Results & Opportunity (GRO) Expendable Trust ⁶	\$0.0	\$0.0	\$0.0
Transfers from (to) ACF/Other Appropriations	\$0.0	(\$30.0)	\$0.0
2025s Special Session 1 Reversion to Operating Reserve		\$120.0	
2025s Special Session 2 Reversion to Operating Reserve		\$162.5	
2025s Special Session 2 Transfer to MTF		(\$25.5)	
Transfer to The Executive Order for Disasters Fund			
Transfers from Tax Stabilization Reserve (1% transfer from TSR)			
Transfers from Tax Stabilization Reserve	\$0.0		\$0.0
Ending Balance	\$246.5	\$154.3	\$146.1
APPROPRIATION CONTINGENCY FUND			
Beginning Balance	\$9.1	\$68.4	\$31.1
Disaster Allotments ¹⁰	(\$65.7)	(\$12.3)	(\$20.0)
Other Appropriations ⁵	(\$25.0)	(\$55.0)	
Transfers In/Out ⁴	\$150.0	\$30.0	
Revenue and Reversions	\$0.0	\$0.0	\$0.0
Ending Balance	\$68.4	\$31.1	\$11.1
STATE SUPPORT RESERVE			
Beginning Balance	\$0.4	\$0.4	\$0.4
Revenues/Transfers	\$40.0	\$0.0	\$0.0
Appropriations	(\$40.0)	\$0.0	\$0.0
Impact Aid Liability			
Ending Balance	\$0.4	\$0.4	\$0.4
TAX STABILIZATION RESERVE			
Beginning Balance	\$2,179.0	\$2,335.3	\$2,428.7
Revenues In ¹	\$436.2	\$61.0	\$42.7
Transfers In (from Operating Reserve)	\$0.0	\$0.0	\$0.0
Transfer Out to Operating Reserve ³	\$0.0	\$0.0	\$0.0
Transfers Out to Early Childhood Trust Fund ²	(\$436.2)	(\$61.0)	(\$42.7)
Gains/Losses	\$156.3	\$93.4	\$97.1
Other appropriations/FY25 Transfer to Higher Education Trust Fund		\$0.0	\$0.0
Audit Adjustments for Rounding	\$0.0	\$0.0	\$0.0
Ending Balance	\$2,335.3	\$2,428.7	\$2,525.8
Government Results and Opportunity Expendable Trust⁸			
Beginning Balance	\$0.0	\$530.8	\$0.0
Transfers In (from Operating Reserve) ⁶	\$512.2	\$0.0	\$0.0
Transfer Out to Program Fund		(\$132.7)	\$0.0

TABLE 2: GENERAL FUND FINANCIAL SUMMARY
Reserve Detail
(Dollars in Millions)

	<u>Est.</u> <u>FY25</u>	<u>Est.</u> <u>FY26</u>	<u>Est.</u> <u>FY27</u>
Gains/Losses	\$7.7	\$10.6	\$0.0
Other appropriations/in flows		\$265.3	
Reversions	\$10.9		
Ending Balance	\$530.8	\$674.0	\$0.0
Behavioral Health Trust Fund⁹			
Beginning Balance			\$166.2
Transfers In (50% of OGAS in Excess of 5-year average)		\$61.0	\$42.7
Appropriation to (from) BHTF		\$0.0	\$50.0
Gains/Losses		\$5.2	\$8.6
Other appropriations/in flows		\$100.0	(\$5.2)
Ending Balance		\$166.2	\$262.4
Total General Fund Ending Balances	\$3,181.4	\$3,454.8	\$2,945.9
Percent of Recurring Appropriations	31.1%	31.9%	26.4%



New Mexico
**Department of Finance
and Administration**