

# Consensus General Fund Revenue Outlook

Presentation to:  
Legislative Finance Committee  
August 23, 2023

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Office of the Governor

**MICHELLE LUJAN GRISHAM**

# Outline

- Consensus Revenue Estimating Group Overview
- US/Global Macroeconomic Outlook
- New Mexico Macroeconomic Outlook
- Oil and Natural Gas Outlook
- Personal Income Tax (PIT)
- Gross Receipt Tax (GRT)
- Severance & Rents & Royalties
- Severance Tax Permanent Fund (STPF)
- General Fund Overview

# Consensus Revenue Estimating Group

## Participating Agencies

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

**Leonardo Delgado, Chief Economist  
Noel Martinez, Senior Economist**

### **New Mexico Taxation and Revenue Department**

**Lucinda Sydow, Chief Economist  
Pedro Clavijo, Senior Economist  
Asif Rasool, Senior Economist  
Sara Grubbs, Senior Economist**

### **New Mexico Department of Transportation**

**Michael Morrison, Acting Chief Economist**

### **Legislative Finance Committee**

**Ismael Torres, Chief Economist  
Jennifer Faubion, Economist  
Brendon Gray, Economist**

# U.S. & N.M. Baseline Forecasts

## ➤ **Moody's Analytics:**

- The Federal Reserve (the Fed) continues to monitor key economic indicators to address high inflation
  - The July 2023 baseline incorporated a 25-basis point rate hike at the Fed's July meeting
  - Moody's pushed back a federal funds rate cut from March to June 2024
  - Moody's anticipates monetary policy will remain restrictive through the end of 2025
- The U.S. labor market is holding up much better than expected in the July 2023 baseline with the forecast suggesting a healthy moderation in the labor market
- **“Moody's current baseline forecast does not include a recession but rather slower positive economic growth”**
  - The forecast estimates the Fed will achieve a “soft-landing” (slowing inflation without precipitating a recession)
  - Inflation will approach the Fed's target toward mid-2024
- National GDP growth—spurred by consumer spending—is estimated to be stronger in 2023, but weaker growth in 2024
- Anticipates strong energy demand growth resulting in upward pressure on energy prices during the second half of 2023

## ➤ **S&P Global**

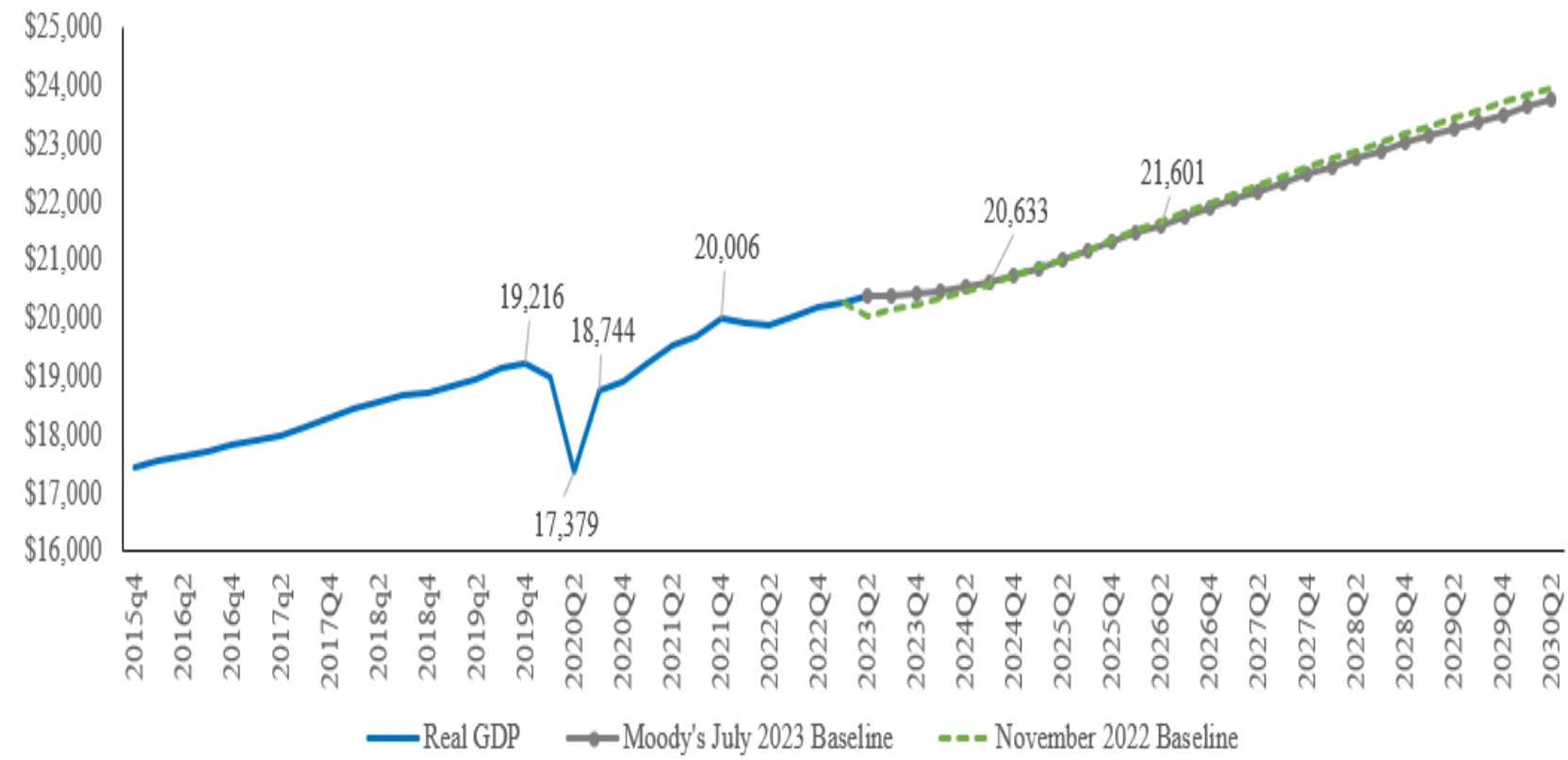
- Resilience in both consumer spending and employment in the near term
- Anticipates two Federal Reserve rate hikes by year-end to reach a range between 5.5% and 5.75%
- National GDP growth increased for 2023 but lowered expectations in growth for 2024 and 2025
- National unemployment rate to increase in 2025 and 2026 due to tighter financial conditions slowing growth
- Anticipates 2026 as the year to reach target inflation rate of 2.0%
- **No longer assumes a mild recession**

## ➤ **UNM BBER Quarterly Forecast does not include a recession in the baseline forecast**

# U.S. Real Gross Domestic Product

U.S. Real Gross Domestic Product: 2015 Q4 to 2023 Q2, Forecast 2023Q3-2030Q2

(billions of chained 2012 dollars)

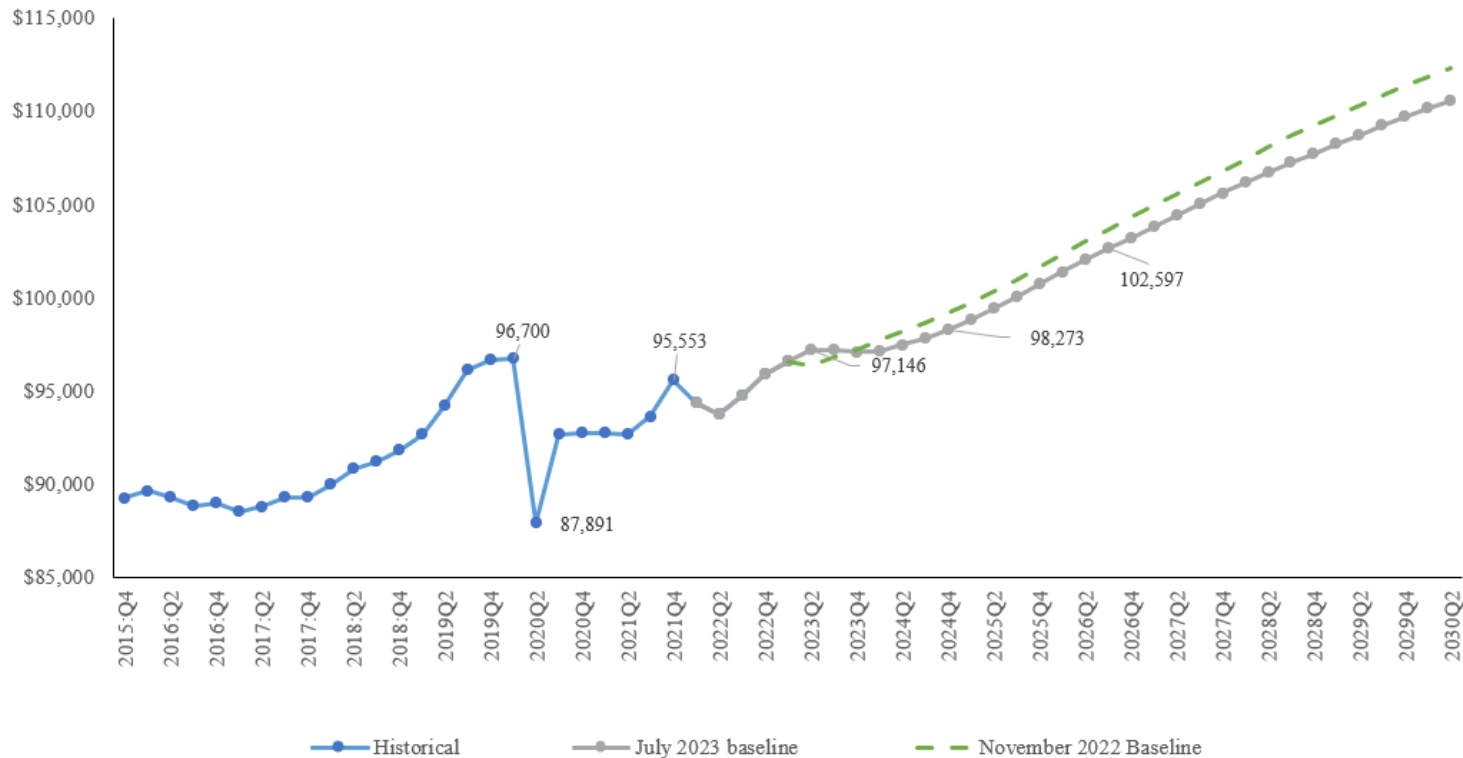


- Little change in Real Gross Domestic Product (RGDP) forecast since the previous estimate
- RGDP increased by 2.4% in CY 2023 Q2 due to increases in:
  - Consumer spending
  - Nonresidential fixed investment
  - State/local government spending
  - Private inventory investment
  - Federal government spending
- Increases in consumer spending were in goods and services
- State/Local government spending was led by increased compensation and investment in structures
- The forecasted growth rates for RGDP average 1.4% through CY24

Source: GDP in billions of chained 2012 dollars, retrieved from bea.gov.

# N.M. Real Gross State Product

**N.M. Real Gross State Product (RGSP) 2015Q4-2023Q1, Moody's Forecasts 2023Q2-2030Q2**



Source: Moody's July 2023 and November 2022 Baseline Scenario vs. Historical Values from the Bureau of Economic Analysis

➤ NM GDP growth forecast is down slightly from the previous estimate

➤ New Mexico's annualized growth from 2022Q4 to 2023Q1 was 2.85%.

➤ Leading contributors to the growth were:

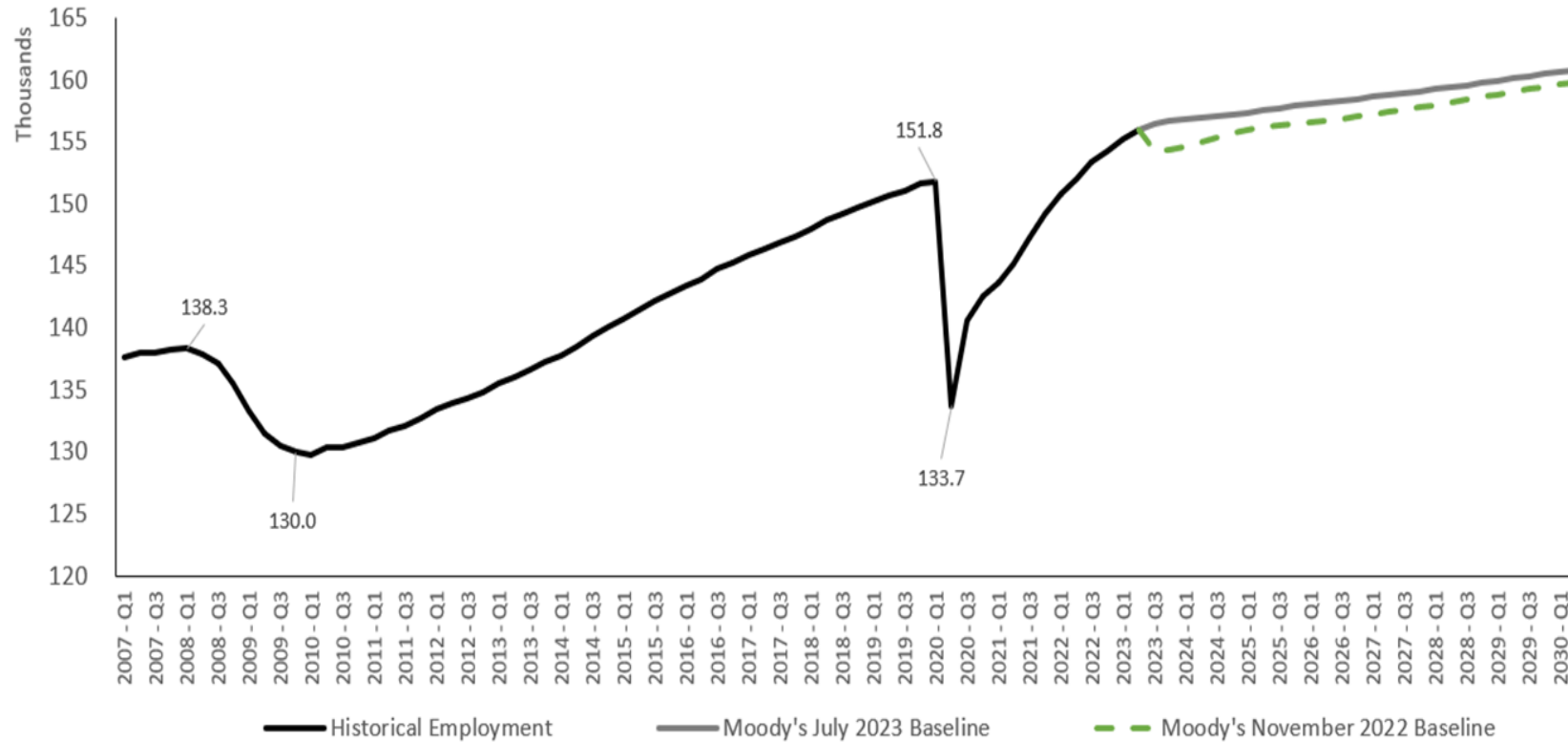
- Construction
- Retail Trade
- Information
- Government and government enterprises
- Health care and social services
- Arts, entertainment and recreation,

➤ The forecasted growth rates for RGSP average 1.3% through CY24, on par with the national rate of 1.8%

# U.S. Total Non-Farm Employment

U.S. Total Non-Farm Employment: 2007Q1 to 2023Q2, Moody's Forecast 2023Q2 to 2030Q2

(1,000s of jobs)



Source: Bureau of Labor Statistics

➤ Forecasted labor market growth is slightly higher than in previous forecast

➤ The U.S continues to experience a tight labor market

➤ Total nonfarm employment increased by 187,000 in July 2023

➤ National monthly job growth averages +258,000 in 2023

➤ Employment gains occurred in the following sectors:

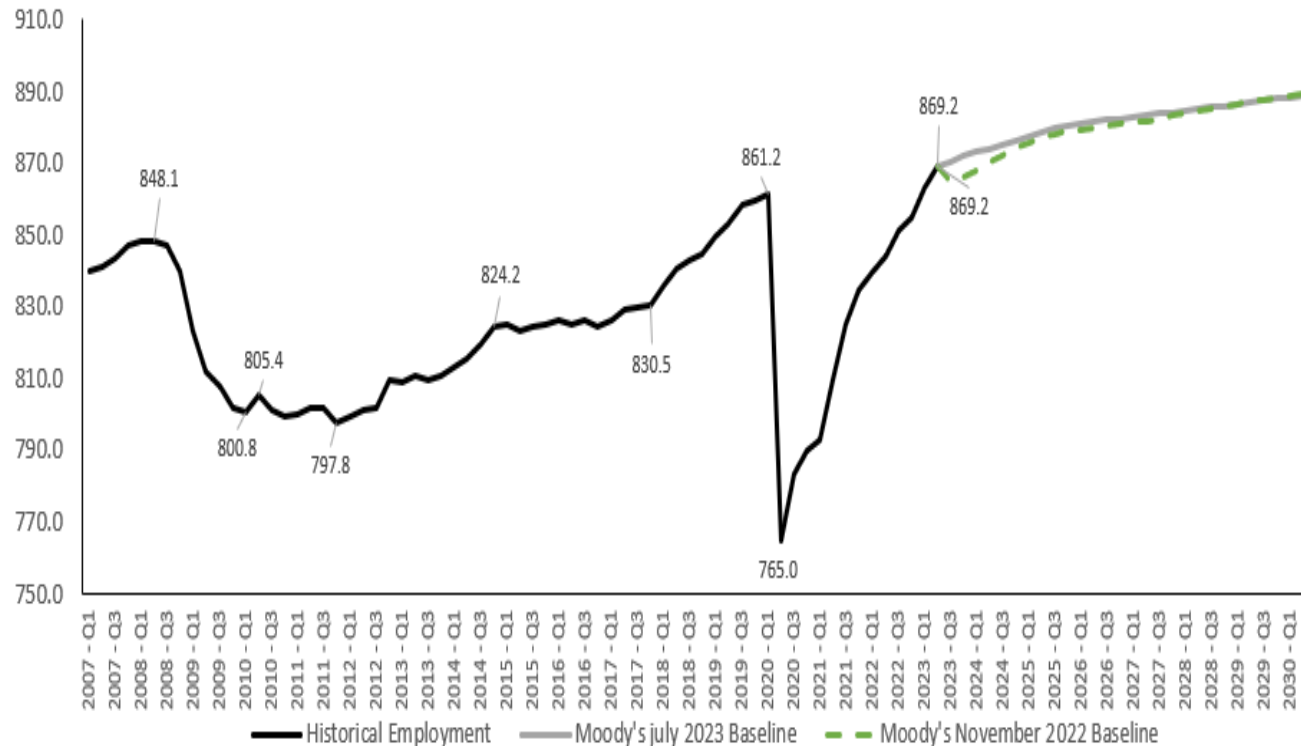
- Health Care
- Social Assistance
- Financial Activities
- Wholesale Trade

➤ The U.S. labor market is showing signs of moderating.

# N.M. Total Non-Farm Employment

N.M.'s Quarterly Total Non-Employment: 2007Q1 to 2023Q1, Moody's Forecast 2023Q2 to 2030Q2

(1,000s of jobs)

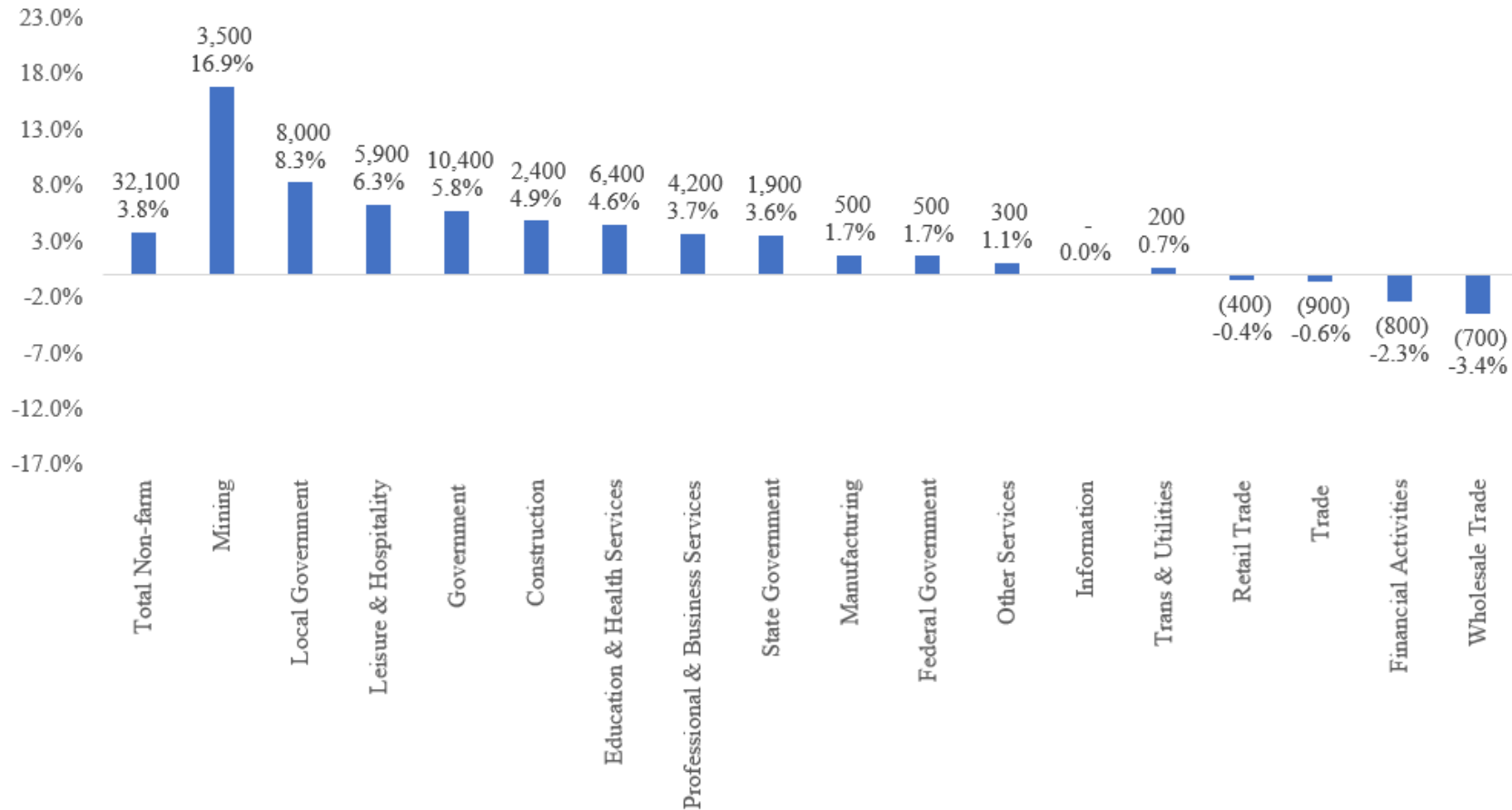


Source: Bureau of Labor Statistics

- Forecasted New Mexico employment is slightly higher than in previous estimate
- New Mexico's nonfarm employment growth averaged 3,300 jobs per month for CY 2023
- Employment grew by 2.5% in CY 2023 with projected growth slowing to 0.7% in CY 2024 and 0.6% in CY 2025 and 0.3% in CY 2026
- New Mexico was among the top in the nation for its June 2023 employment gains (+7,300)
- Compared to June 2022, the state had one of the largest percentage increase at 3.8% behind Nevada and Texas (+4.0% each)

# N.M. Year-Over-Year Employment by Sector

Percent Change and Level Change in Non-Farm Employment in N.M. by Sector  
June 2022 to June 2023



➤ New Mexico's employment grew by 3.8% (32,100 jobs) from June 2022 to June 2023

➤ Gains were across most sectors, notably:

- Mining (+3,500)
- Local Government (+8,000)
- Leisure and Hospitality (+5,900)

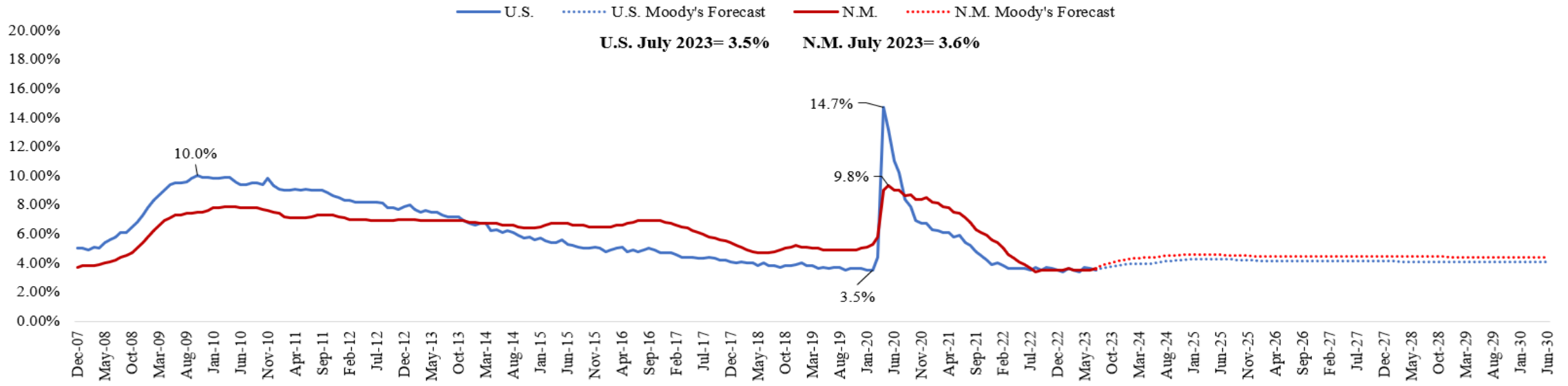
➤ Total nonfarm employment fully recovered to pre-pandemic levels in February 2023.

➤ N.M's total nonfarm employment is +13,100 jobs higher than in February 2020

Source: bls.gov, CES seasonally adjusted

# U.S. & N.M. Unemployment

U.S. and N.M. Unemployment Rate (percent) : December 2007 to July 2023. Forecast is from August 2023 to June 2030



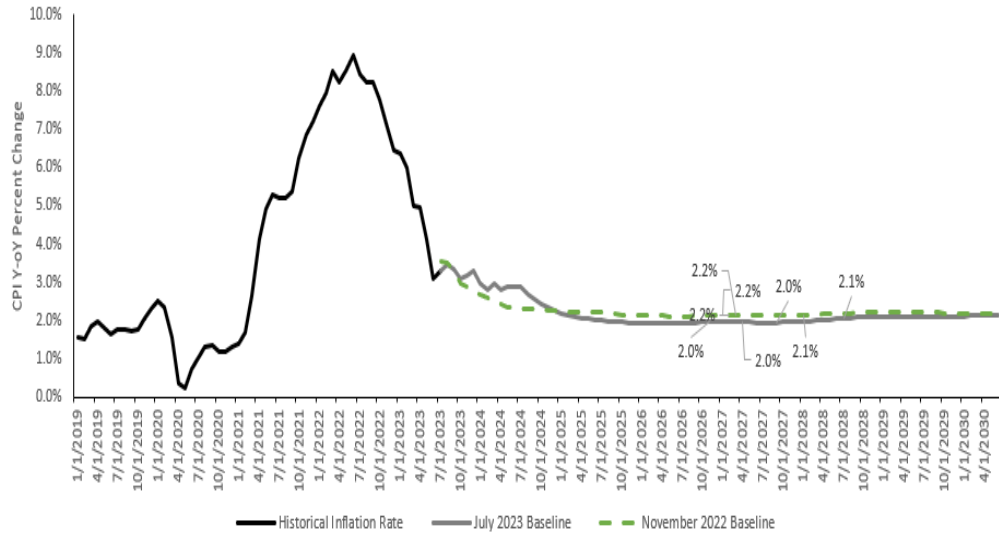
Source: bls.gov, seasonally adjusted

- New Mexico's unemployment rate (3.6%) was on par with the nation's unemployment rate in July 2023
- New Mexico's 2023Q1 unemployment rate by ethnicity were:
  - All: 3.5%      White: 2.7%      Hispanic: 3.6%      Black: 5.5%      Asian American and Pacific Islander: 2.8%
  - American Indian: 6.7%\* (national rate)

# Inflation and Interest Rates

Consumer Price Index (CPI-all items) Year-over-year Change

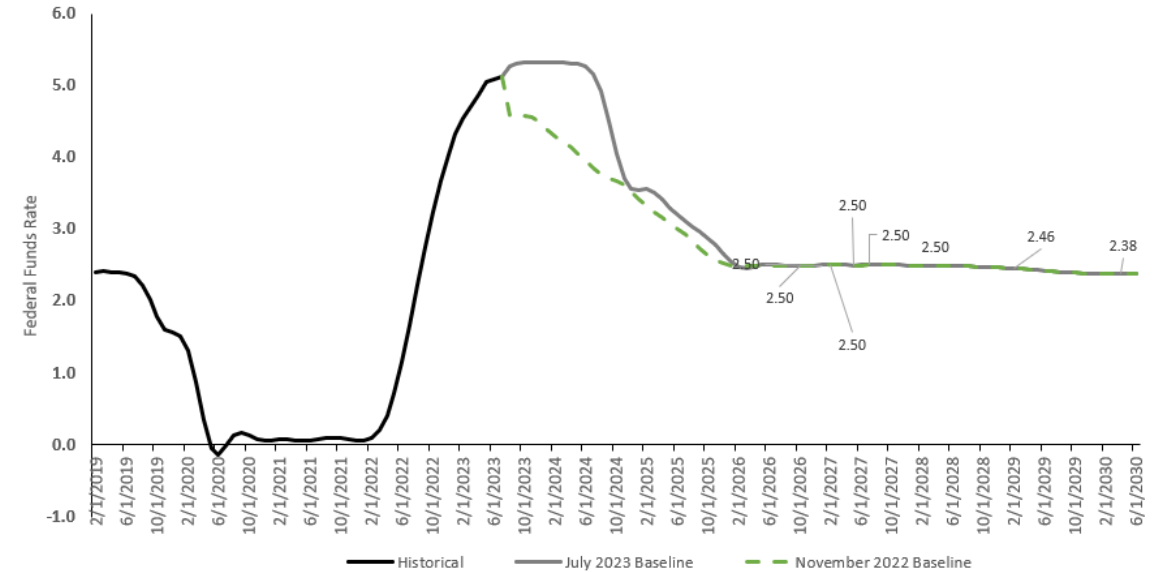
January 2019 to June 2030



Source: Bureau of Labor Statistics

Federal Funds Rate

January 2019 to June 2030



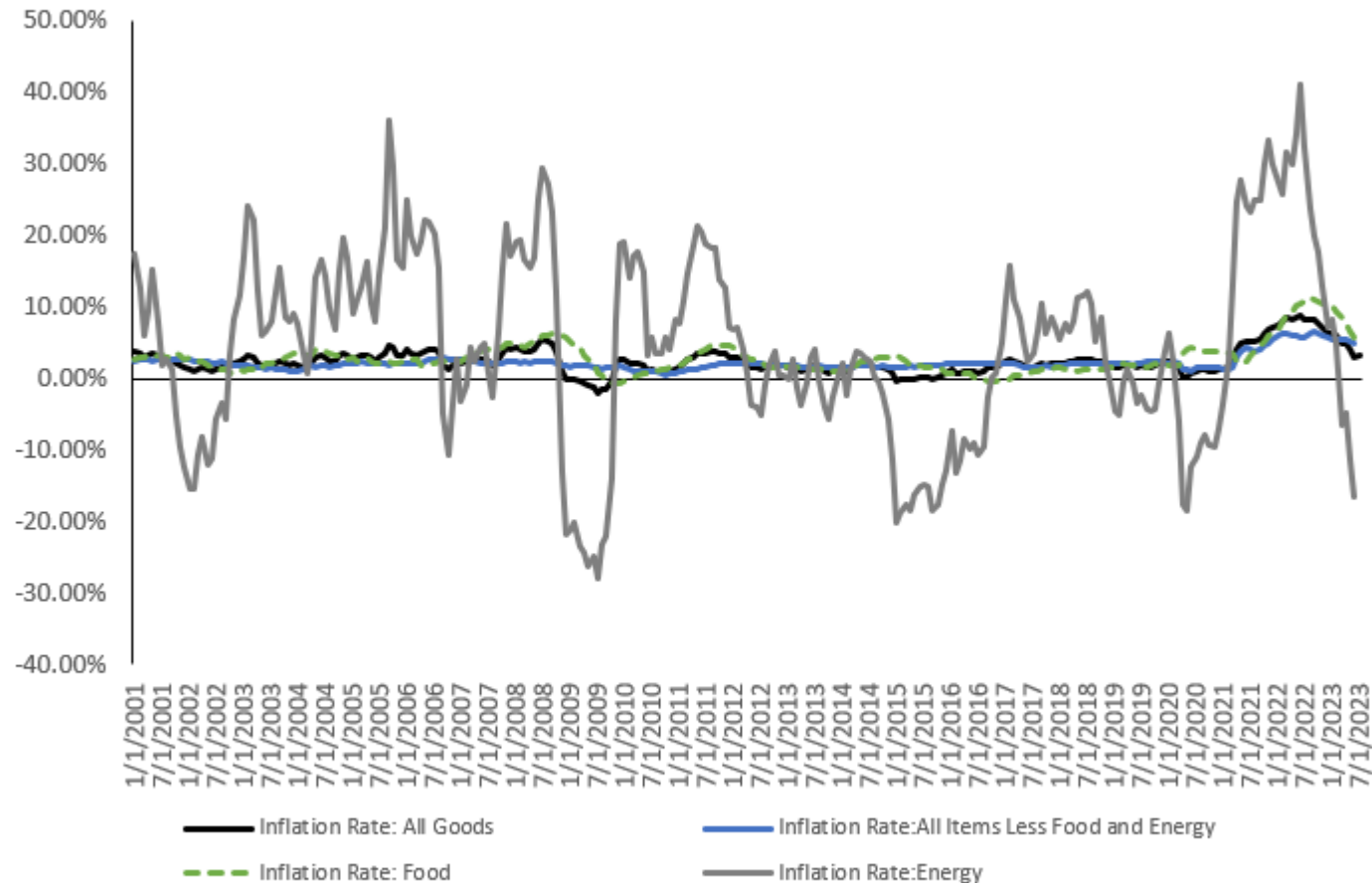
Source: Bureau of Labor Statistics

- The Consumer Price Index for all items increased by 3.2% compared to July 2022
  - The index for shelter accounted for over 90% of the monthly increase

- The Fed's rate hike in July 2023 brought the target range to 5.25% to 5.5%
- Moody's anticipates the Fed will keep rates tight a little longer as inflation continues to slow down

# Inflation

Consumer Price Index Year-over-Year Change by Component: January 2001 to Present



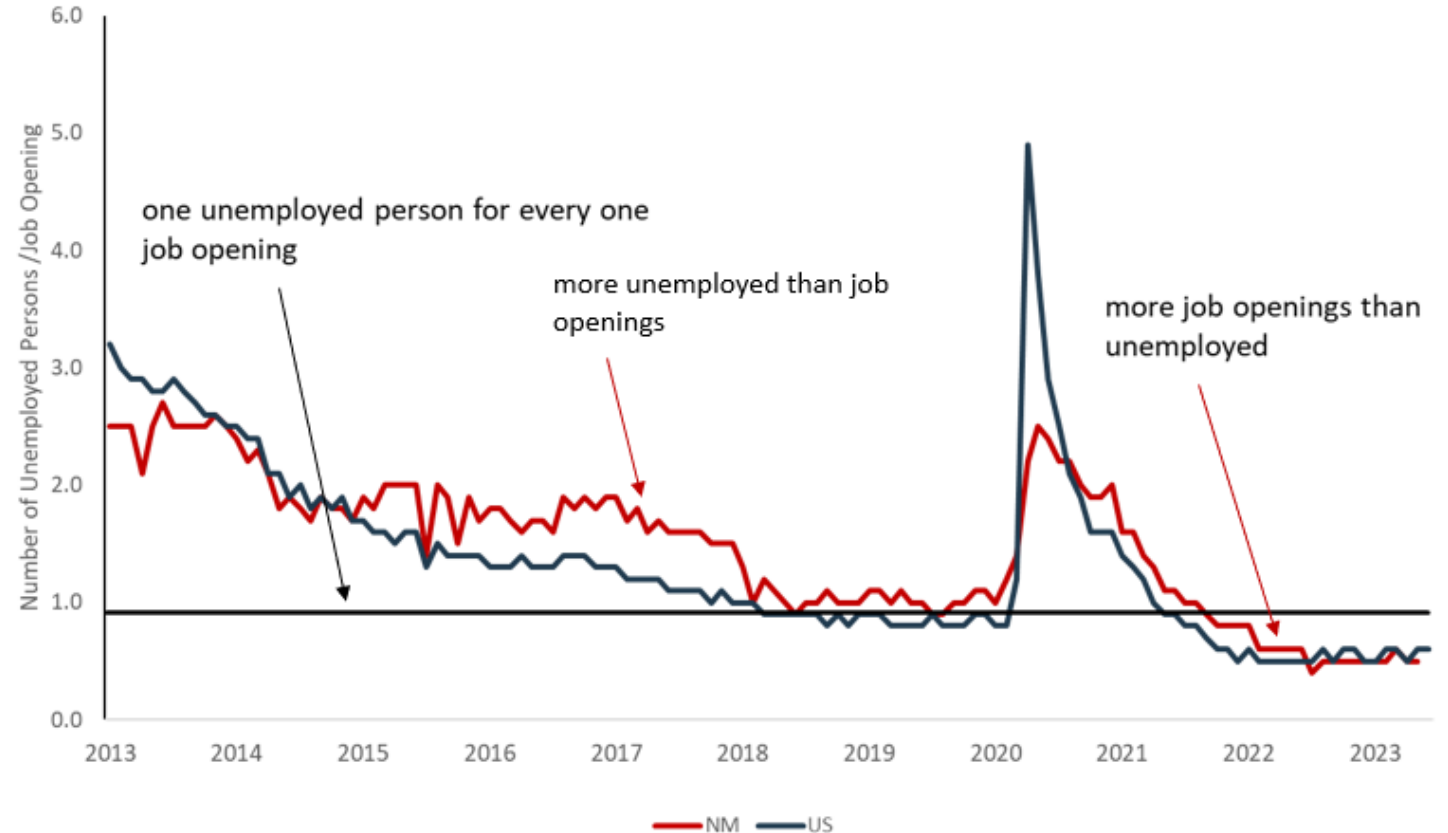
Source: Bureau of Labor Statistics

- Inflation has moderated across all major areas since peaking in Summer 2022
- Compared to July 2022,
  - The food index increased by 4.9%
  - All items less food and energy index rose 4.7%
  - The energy index decreased by 12.5%

# Tight labor market still evident

- Number of unemployed persons per one job opening has been volatile since the COVID pandemic
- Historically, New Mexico had more unemployed persons than job openings
- Currently, New Mexico and the nation have more job openings than unemployed persons
- The number of national job openings is falling
  - May indicate some softening of the labor market

**New Mexico Unemployed per Job Opening**



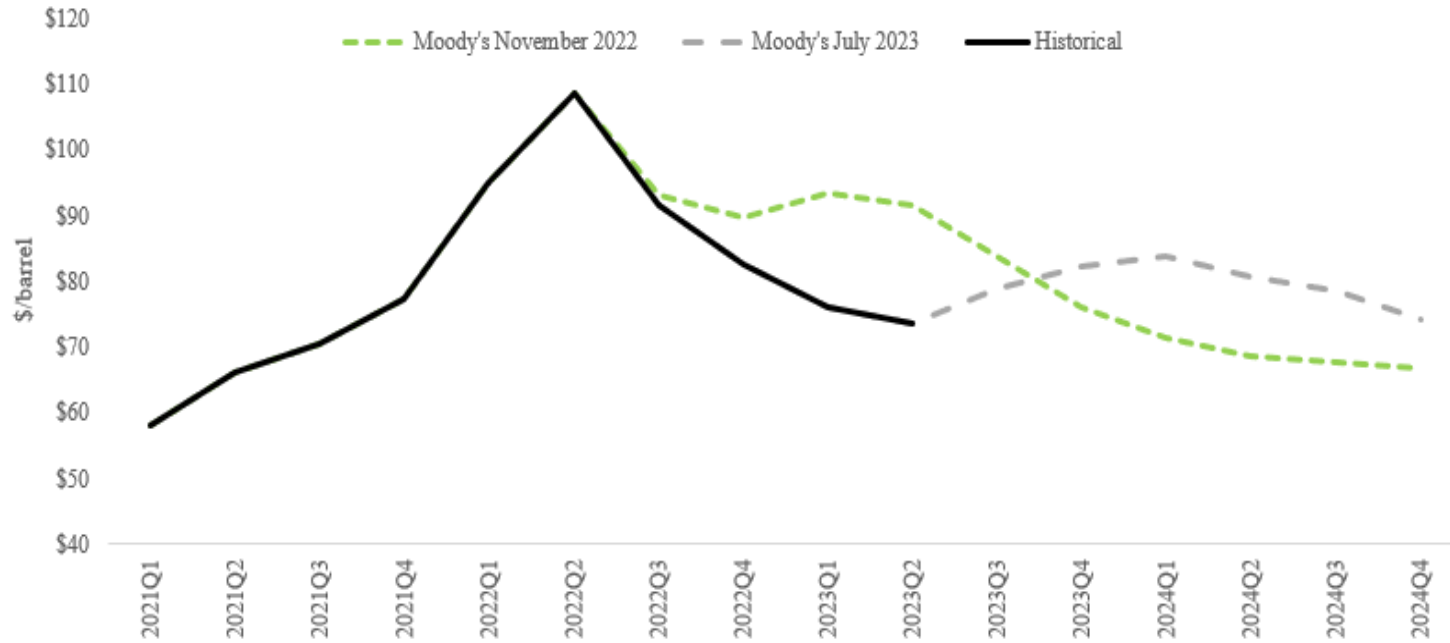
Source: U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey (JOLTS), 2013-June 2023

# Oil & Natural Gas

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# Oil Prices

Moody's Analytics West Texas Intermediate (WTI) Price Forecasts



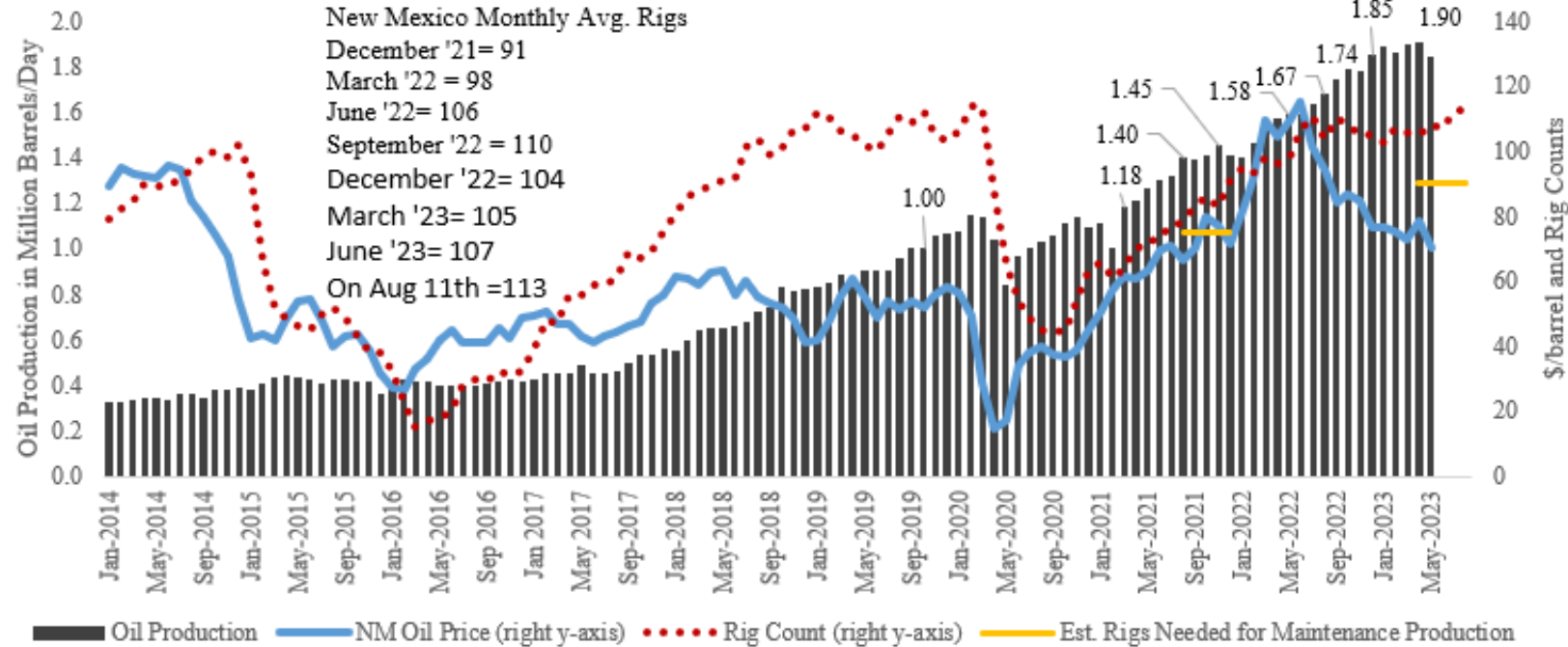
Source: Moody's Analytics

Consensus Forecast	FY23	FY24	FY25	FY26	FY27	FY28
August 2023 Estimate	\$ 80.50	\$ 74.50	\$ 73.00	\$ 71.00	\$ 70.00	\$ 70.00
December 2022 Estimate	\$ 85.00	\$ 76.50	\$ 72.50	\$ 70.50	\$ 69.00	
Oil (\$/barrel)						

- The oil price forecast has moderated since the previous estimate
- Oil prices are dependent on oil demand, OPEC+ decisions, inventory levels, etc.
- The August 2023 forecast oil price is down \$5.50/barrel in FY23 and \$2.00/barrel in FY24, and up \$.50/barrel in FY25
- In the latter half of CY22, downward pressure on oil prices was driven by concerns of worldwide and national economic growth and the Ukraine-Russia conflict
- In CY23, many of these fears are slowly receding
- Contributors to price expectations in the latter half of CY23 and CY24 include:
  - Chinese economic strength increasing oil demand
  - Expected OPEC+ cuts to maintain prices
  - Increased supply of North American oil
- Out-year oil prices are expected to average \$70/barrel as supply and demand forces balance and markets continue to stabilize

# New Mexico Oil Prices, Production, & Rigs

**N.M. Oil Production (MMb/d), N.M. Oil Price (\$ per barrel), & N.M. Rig Count (number)**  
**January 2014 to August 2023**



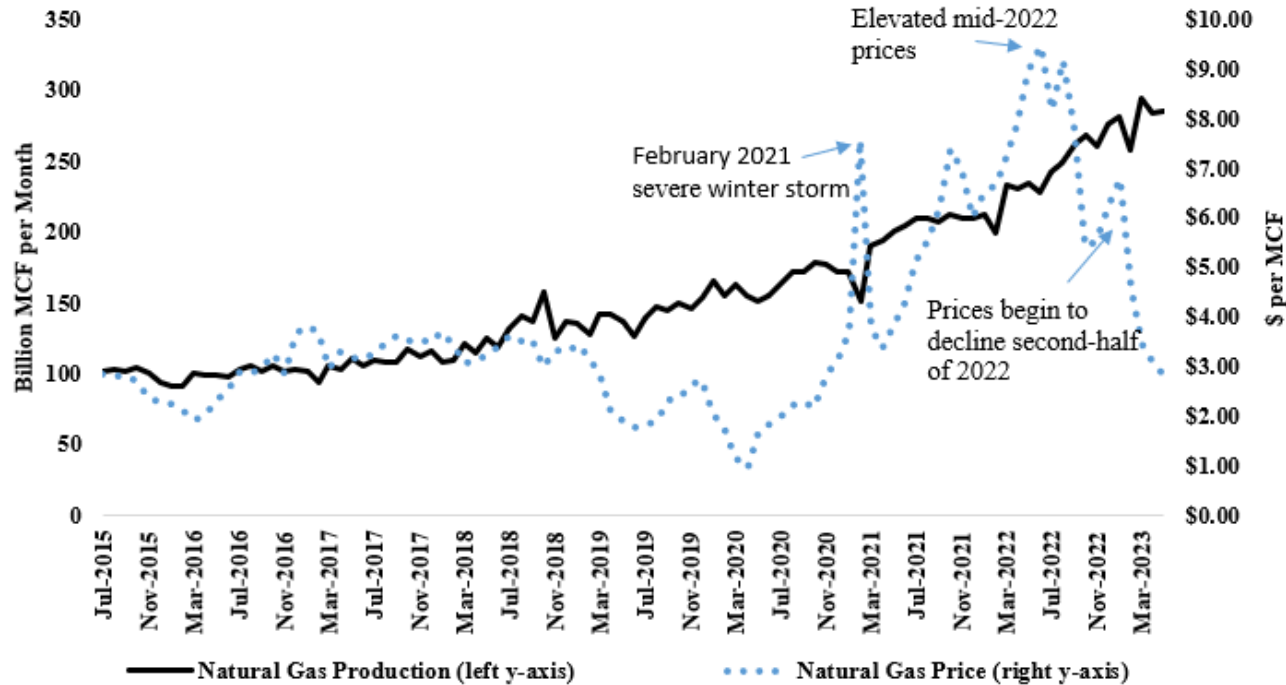
- Oil production forecast has increased by 38.7 million barrels for FY23, 35 million in FY24, 15 million in FY25
- New Mexico oil production in FY23 is estimated to be a record high of 658.7 million barrels
- Rig count (red line) has stayed above 100 rigs since June 2022
  - Current rig count is 113, nearly matching a March 2020 record high of 114 rigs
- In April 2023, New Mexico registered its highest oil production (1.9MMb/d) in state history (black bars)
- Rystad Energy expects NM production to moderate after a period of strong expansion in recent years
- Rystad Energy estimates the number of rigs required for maintenance production in NM is 90, an increase from the 75 needed in 2022

**Source: Baker Hughes, TRD (Production and price through May 2023, Rigs through August 2023)**

Consensus Forecast	FY23	FY24	FY25	FY26	FY27	FY28
August 2023 Estimate	658.7	695.0	725.0	760.0	775.0	785.0
December 2022 Estimate	620.0	660.0	710.0	745.0	775.0	
Oil (million barrels)						

# New Mexico Natural Gas Prices & Production

**New Mexico Natural Gas Prices and Production**  
July 2015 to May 2023



Source: NM TRD GenTax System

- Natural gas price forecast is down significantly from the previous estimate, while production the volume forecast is up significantly
- New Mexico natural gas production (black line) is estimated to increase to a high of 3,230 bcf for FY23 with an average price of \$5.65/mcf (blue line)
- Natural gas production is expected to continue to increase in conjunction with oil production
- After a period of elevated natural gas prices, prices are expected to moderate in the near term due to continued supply growth.
- Natural gas price challenges:
  - Prices expected to increase during peak winter months
  - Permian production vulnerable to winter supply disruptions

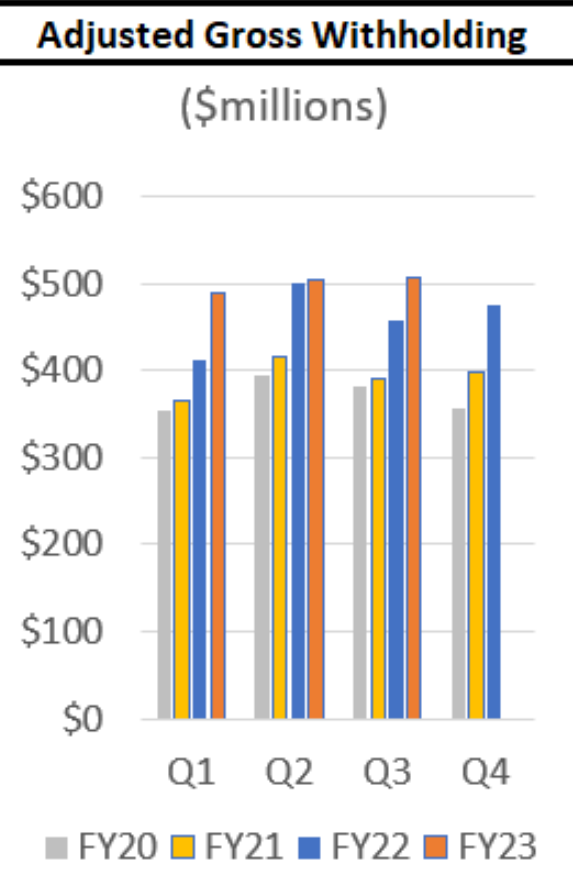
Consensus Forecast	FY23	FY24	FY25	FY26	FY27	FY28
August 2023 Estimate	\$ 5.65	\$ 3.60	\$ 3.95	\$ 4.20	\$ 4.30	\$ 4.40
December 2022 Estimate	\$ 7.05	\$ 5.60	\$ 5.15	\$ 5.05	\$ 4.95	
Natural Gas (\$/mcf)						

Consensus Forecast	FY23	FY24	FY25	FY26	FY27	FY28
August 2023 Estimate	3,230.0	3,410.0	3,555.0	3,580.0	3,615.0	3,635.0
December 2022 Estimate	2,875.0	3,015.0	3,120.0	3,200.0	3,255.0	
Natural Gas (BCF)						

# Personal Income Taxes

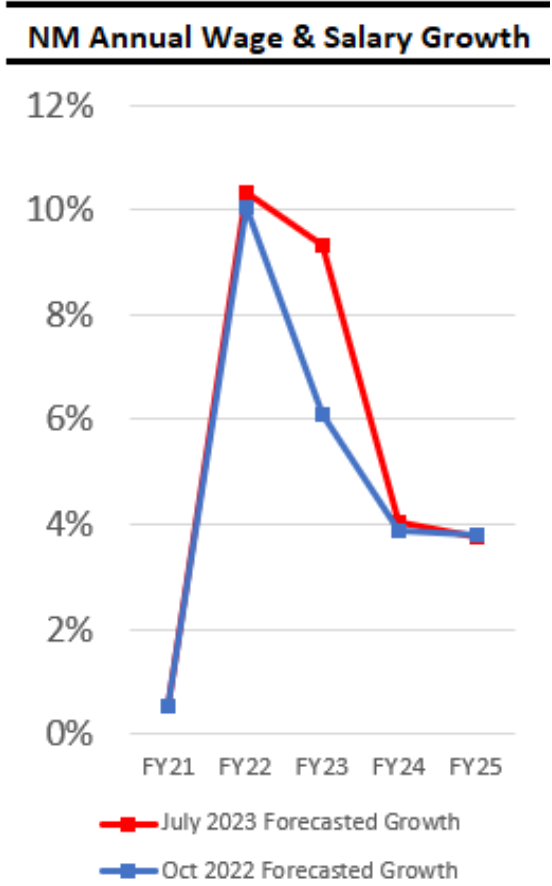
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# Wage & Salary Outlook



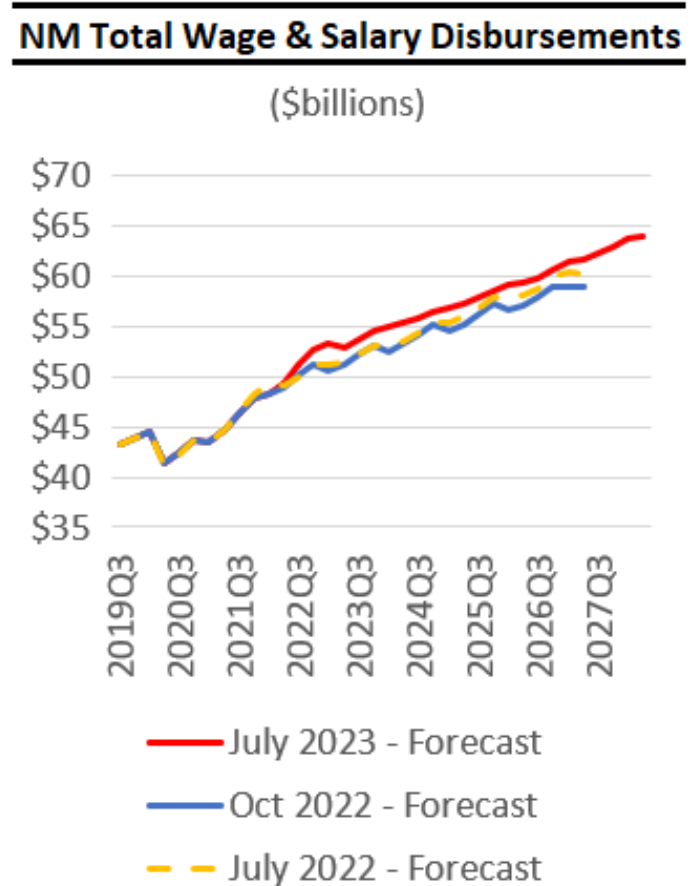
Source: DFA Reports, CREG adjustments

Graph 1



Source: UNM BBER

Graph 2



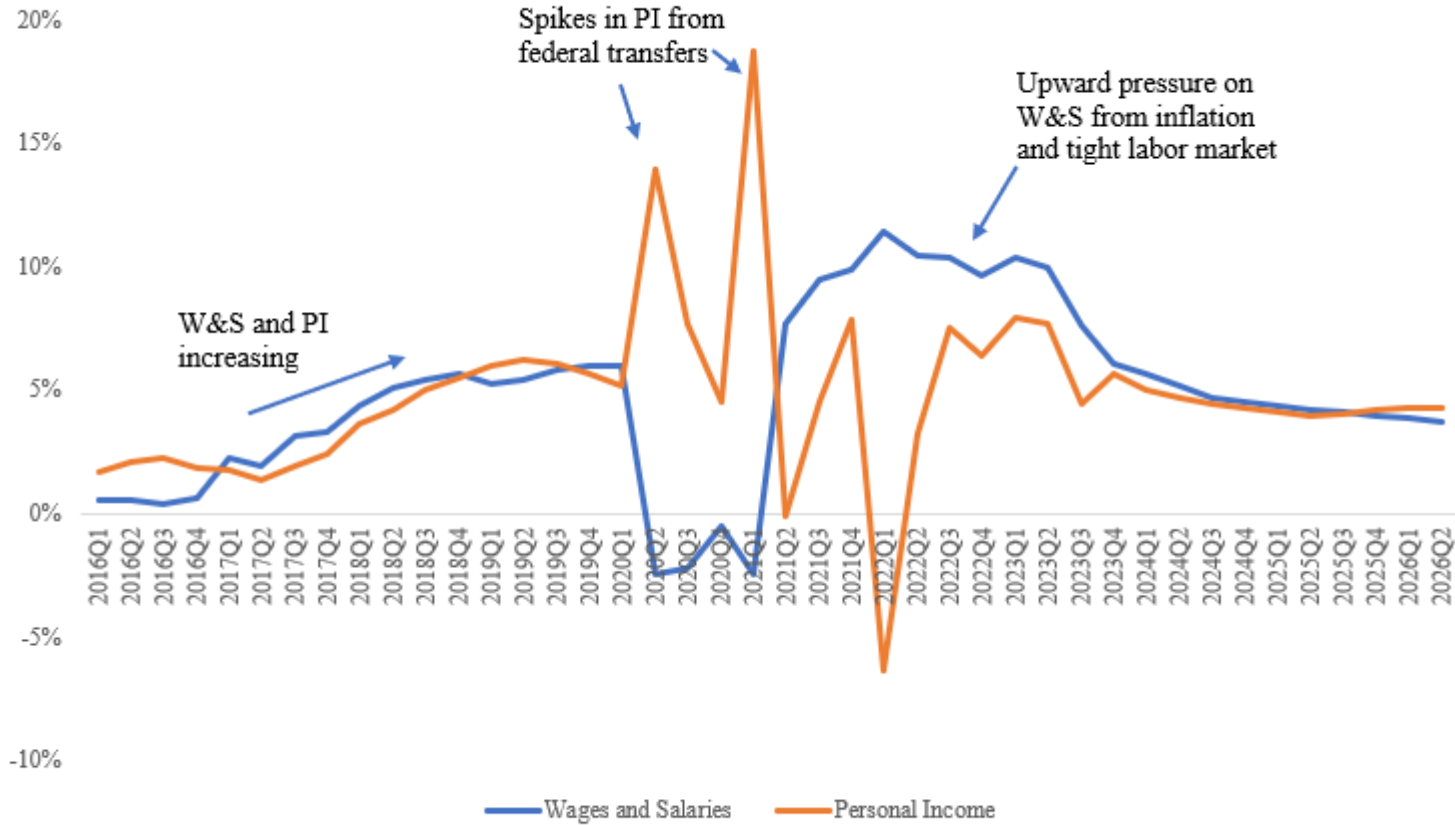
Source: UNM Bureau of Business & Economic Research (BBER)

Graph 3

- Withholding has grown steadily in FY22 and FY23 (Graph 1)
- FY23 Wage & Salary growth forecast is improved from the previous estimate (Graph 2)
- Wage & salary forecast from UNM revised up from previous estimate, about 4% growth in FY24 & FY25 (Graphs 2 & 3)

# New Mexico Personal Income and Wages and Salaries

## N.M. Personal Income and Wages and Salaries Growth



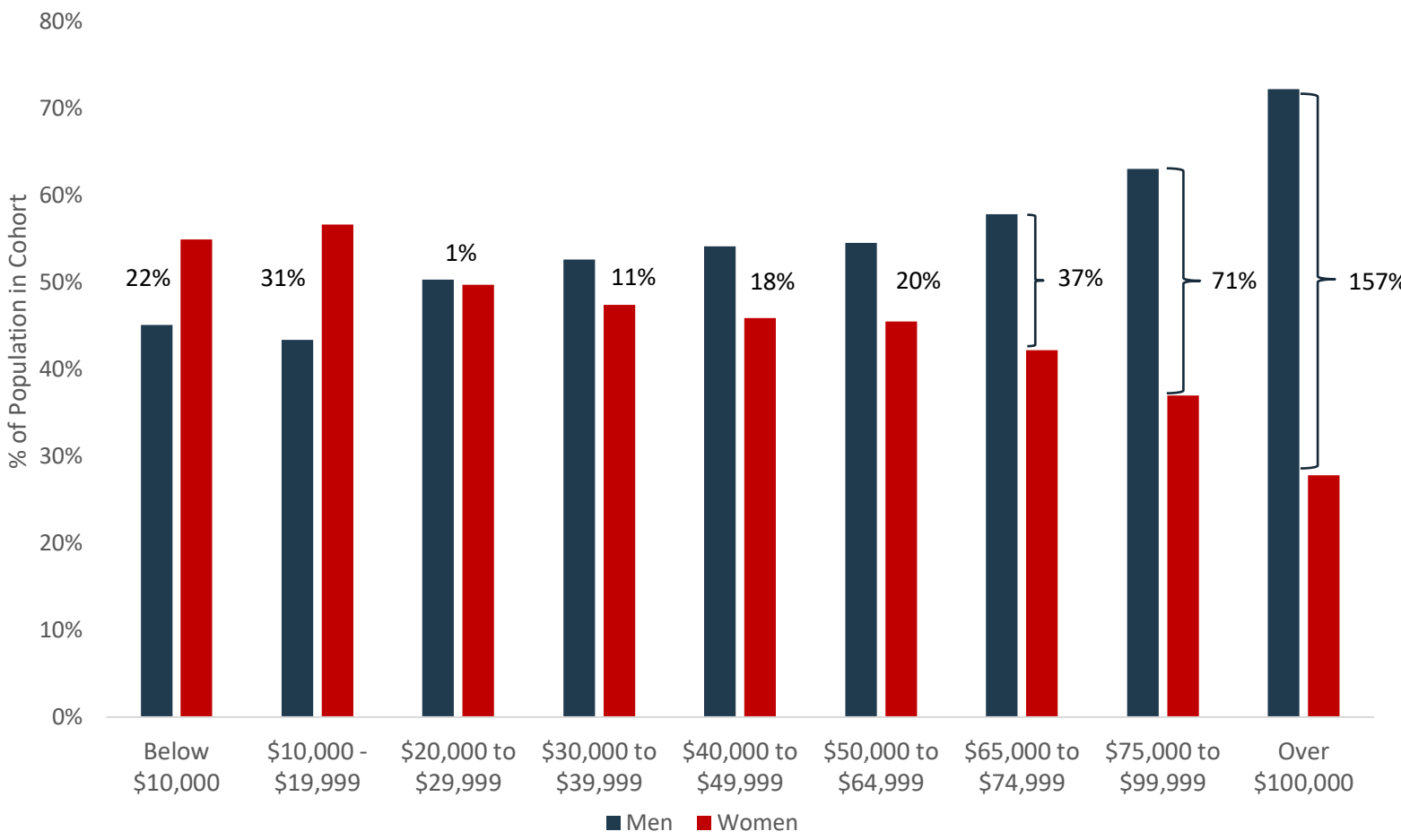
- Wages and salaries and personal income growth have steadily climbed
- Federal transfers and higher wages in 2021 resulted in stronger personal income growth
- After periods of elevated levels, both wages and salaries and personal income continue to grow but more moderately

Source: Moody's Analytics, Percent Change Quarter over Same Quarter One Year Ago

# New Mexico Annual Income Ranges by Gender

- More NM women than men have lower income
  - 22% more NM women earn less than \$10,000 than men
  - More men than women have higher income
  - 159% more New Mexican men earn over \$100,000 than New Mexican women
  
- Compared to 10 years ago
  - At incomes <\$50,000, the gender gap remains the same
  - The proportion of women with incomes >\$50,000 have steadily increased by an average of 5%

Percent of New Mexico's Population by Gender and Income, 2021

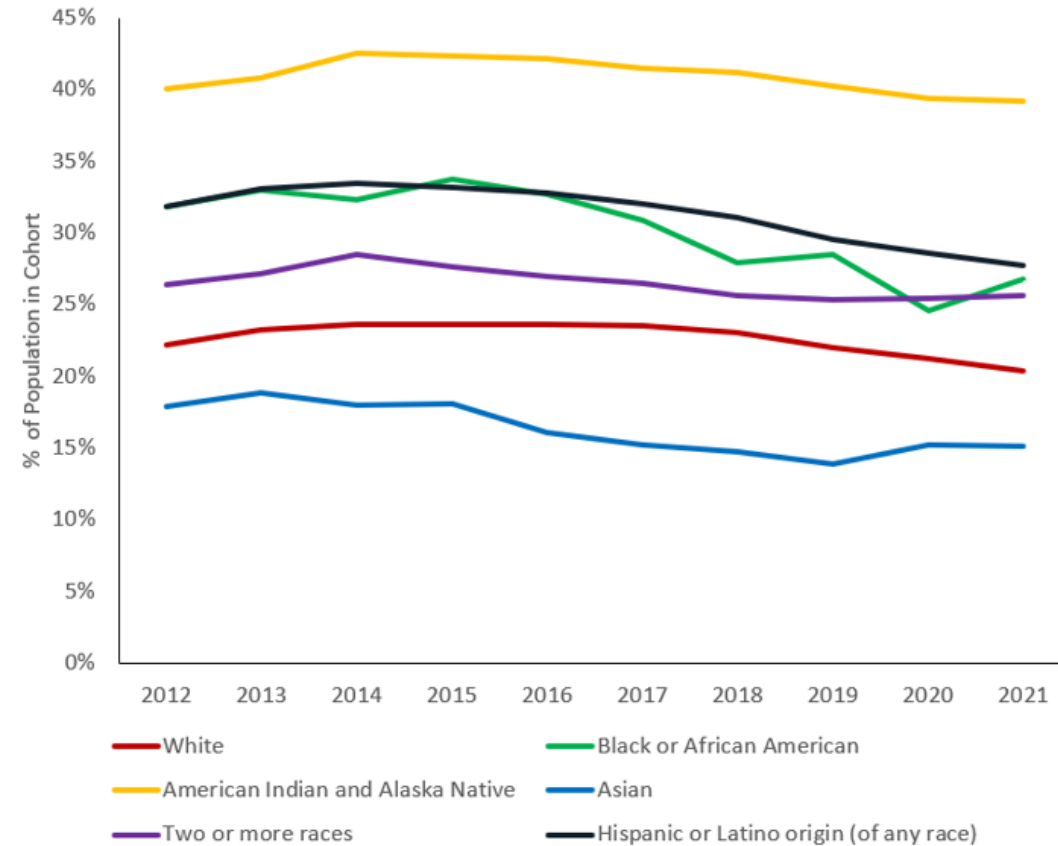


SOURCE: U.S. CENSUS BUREAU, 2021 ACS 5-YEAR ESTIMATES; TABLE B20001

# New Mexico Poverty by Ethnicity

- Annual income at 125% of the poverty threshold
  - Individual under 65: \$19,031/yr
  - Family of 4 (2 children): \$37,228/yr
- Transfer payments may have been sufficient to lower the poverty rates at a given threshold level

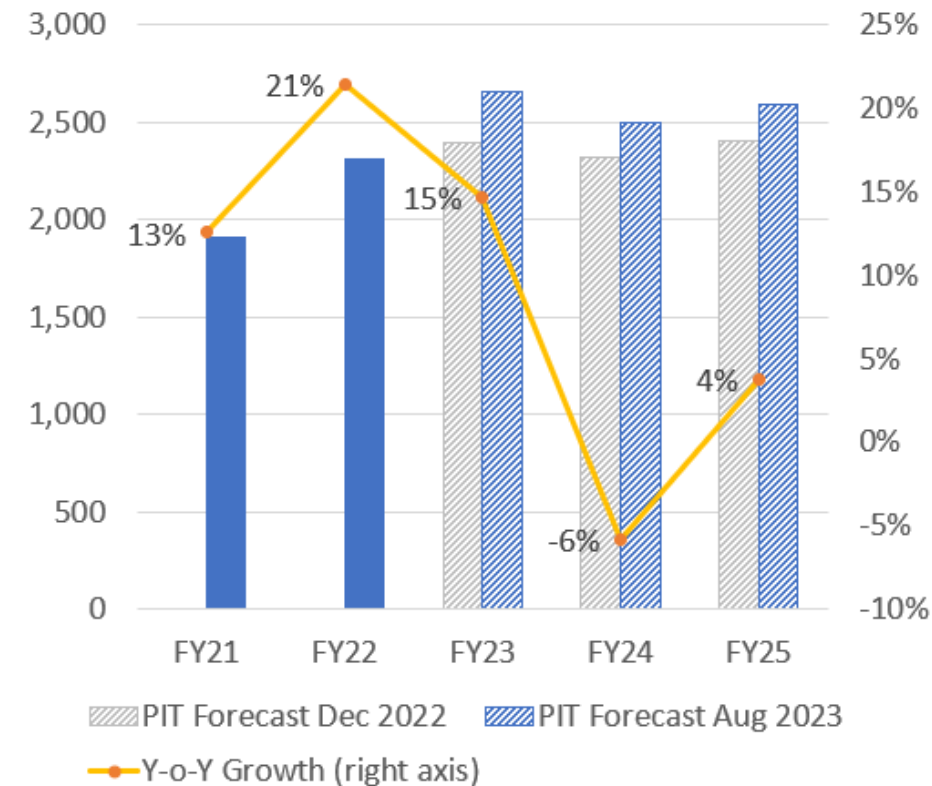
Percent of New Mexico's Population Earning 125% or Below the Poverty Threshold by Race or Ethnicity



Source: U.S. Census Bureau, ACS 5-Year Estimates; Table S21703, 2012-2021

# Personal Income Tax (PIT) Outlook

Personal Income Tax Revenue  
(\$ Millions)



## ➤ FY23:

- PIT revenue is estimated to be 15% over FY22.
- Forecast increased \$260 million versus previous forecast
  - Withholding remains strong but stayed on track from the December forecast
  - Strength of forecast comes from Oil & Gas / Pass-Thru Withholding / Entity-level tax

## ➤ Non-recurring rebates in FY23 – approximately \$783 million

- The majority from HB-547 (2023 session) rebates

## ➤ FY24 & FY25:

- PIT forecast is increased from previous forecast by \$280 million in FY24 and \$293 million in FY25
- PIT in FY24 is still expected to contract due to legislative changes
  - New Child Income Tax Credit – enacted in 2022, expanded in 2023
  - Working Families Tax Credit increases to 25% of federal Earned Income Tax Credit
  - Increase of exemption amount for armed forces retirement benefits
- FY25 resumes growth tracking at the rate of wage & salary growth

Source: Aug 2023 CREG Estimates

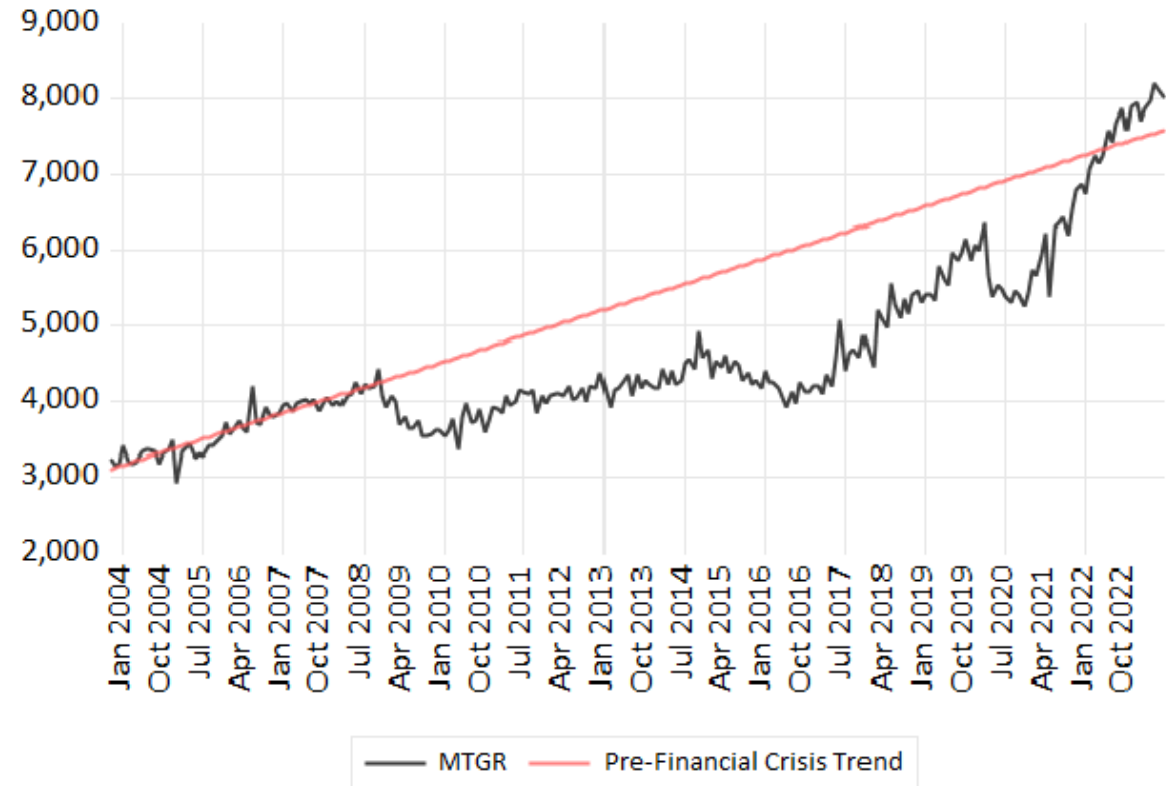
# Gross Receipts Taxes

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# Strong Post-Pandemic Economic Activity

- Matched Taxable Gross Receipts (MTGR) prolongs strong growth, although moderating
- Fiscal stimulus after the pandemic has been key to recovering to the pre-crisis levels.
- Broader tax base continues to push MTGR upward (internet sales)
- Second 1/8% GRT rate State reduction that took effect July 1, 2023 is expected to help maintain economic activity.

Matched Taxable Gross Receipts (MTGR): Seasonally Adjusted  
(\$ millions)



Source: Taxation & Revenue Department RP500 Reports, Author's calculations

# MTGR by Sector

- Strong economic activity in oil sector
- Key economic sectors make up 43.9% of FY23 economic base compared to 53.5% in FY22
  - Retail Trade, Construction, and Professional, Scientific and Technical Services
- Consumer spending is still strong but moderating
- In FY23, Oil and Gas extraction surpassed Construction to become the second largest contributor to the MTGR base

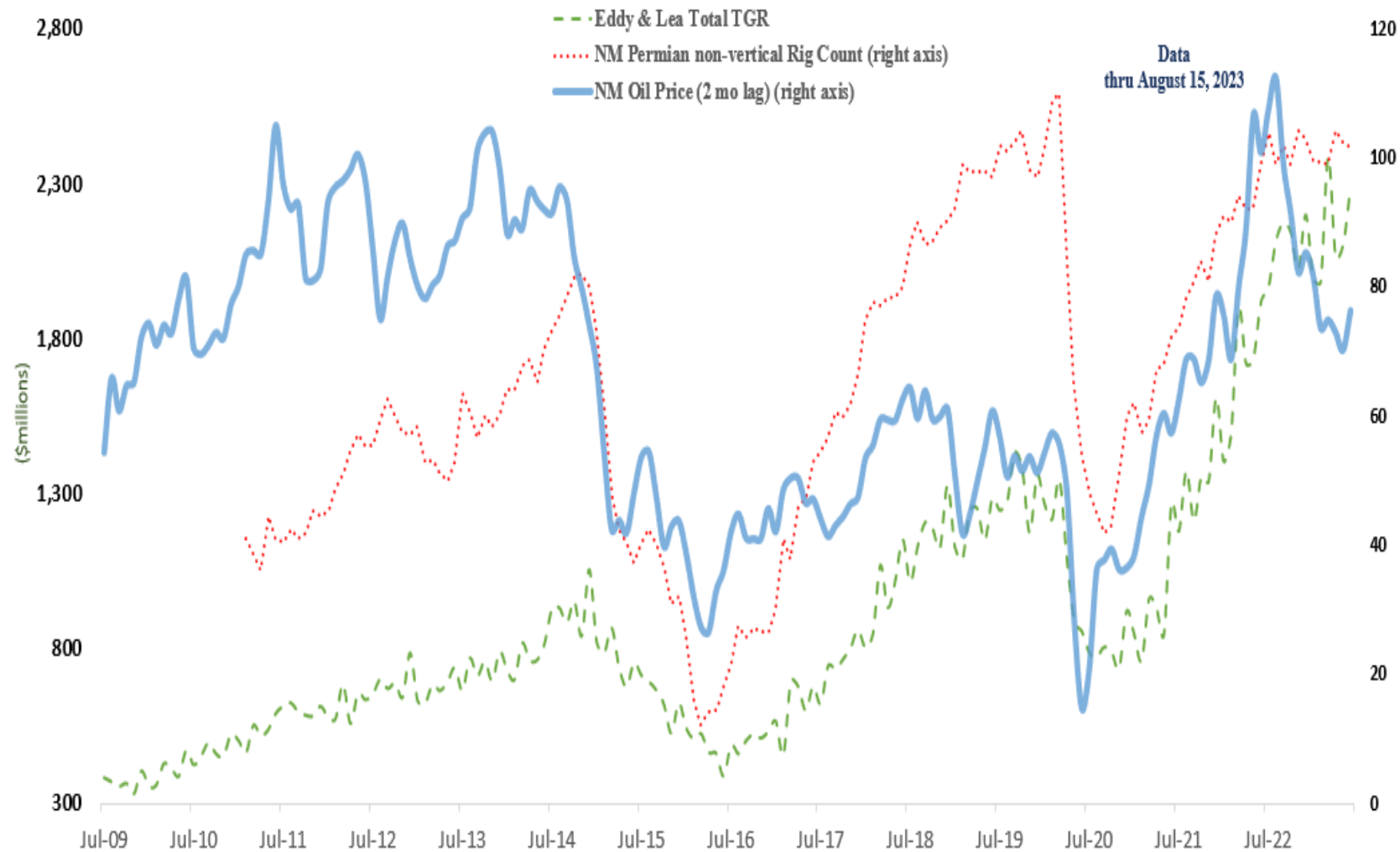
Matched Taxable Gross Receipts (MTGR) by Sector: 2022 and 2023



Source: Taxation & Revenue Department RP500 Reports, Author's calculations

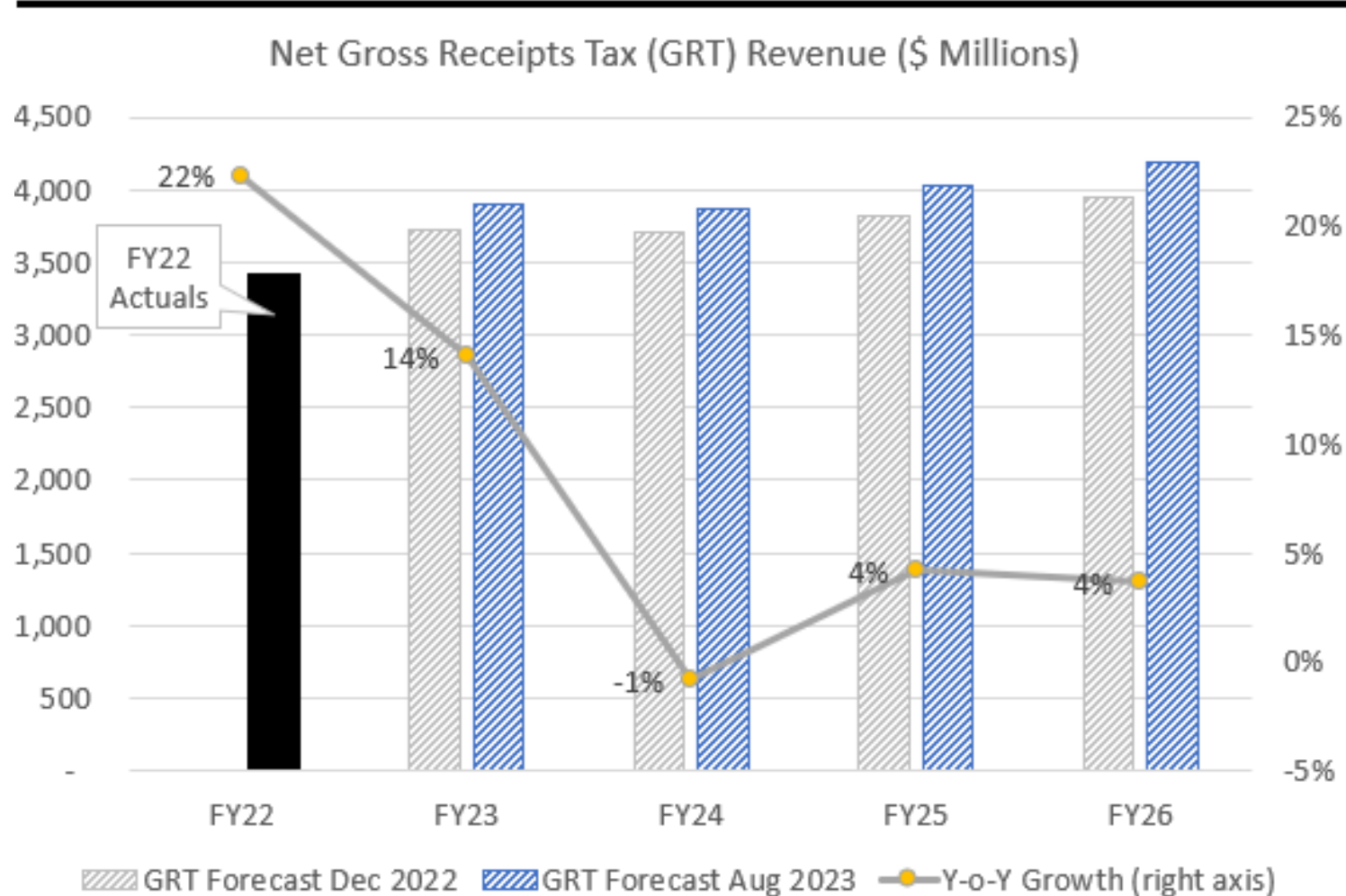
# MTGR Eddy & Lea Counties

Total Monthly Taxable Gross Receipts in Eddy and Lea Counties Compared to NM Oil Price and Permian Horizontal and Directional Rig Count



- Rig counts are a leading indicator for MTGR in Eddy and Lea counties
- There is a strong relationship between oil price, production, rig activity, and MTGR
- Generally, price increases lead to increases in rig counts, which leads to higher GRT
  - Oil prices do not need to stay at peak levels to maintain rig counts
  - This is due to increased efficiencies, improved technologies, and conducive well economics in NM

# Gross Receipts Tax Outlook



- FY23 GRT forecast is up compared to the previous estimate due to:
  - Consumer resilience
  - Strong economic activity across all sectors in FY23
- FY24 is up versus the previous estimate, but still a 1% contraction due to legislative adjustments
  - GRT rate reduction of 1/8<sup>th</sup> percent on July 1, 2023
- FY25 and FY26 – steady growth forecast due to:
  - Growth in wages and salaries
  - Stabilizing employment outlook
  - Continued strength in oil and gas

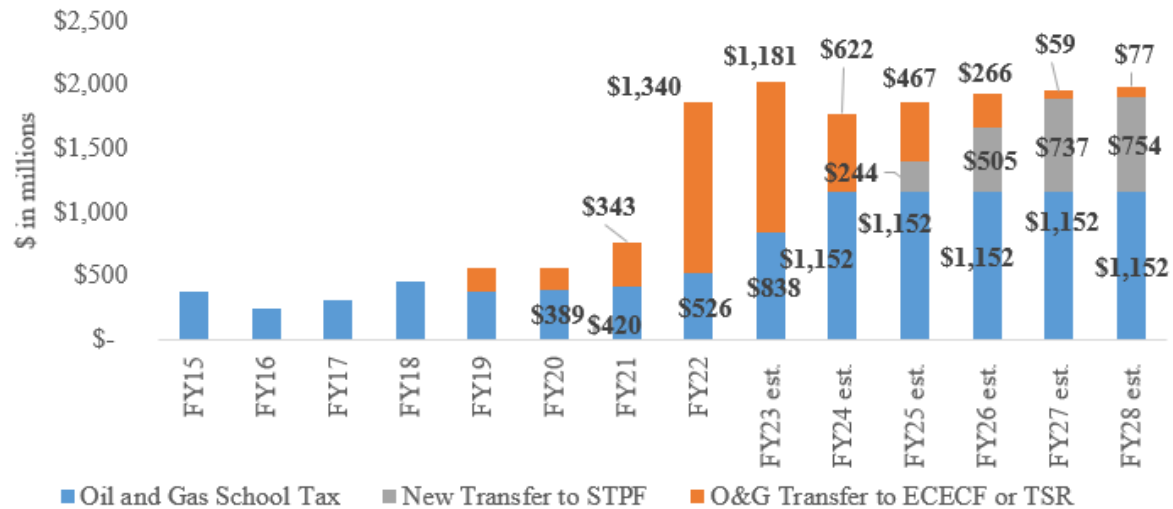
Source: Aug 2023 CREG Estimates

# Severance Taxes & Rents & Royalties

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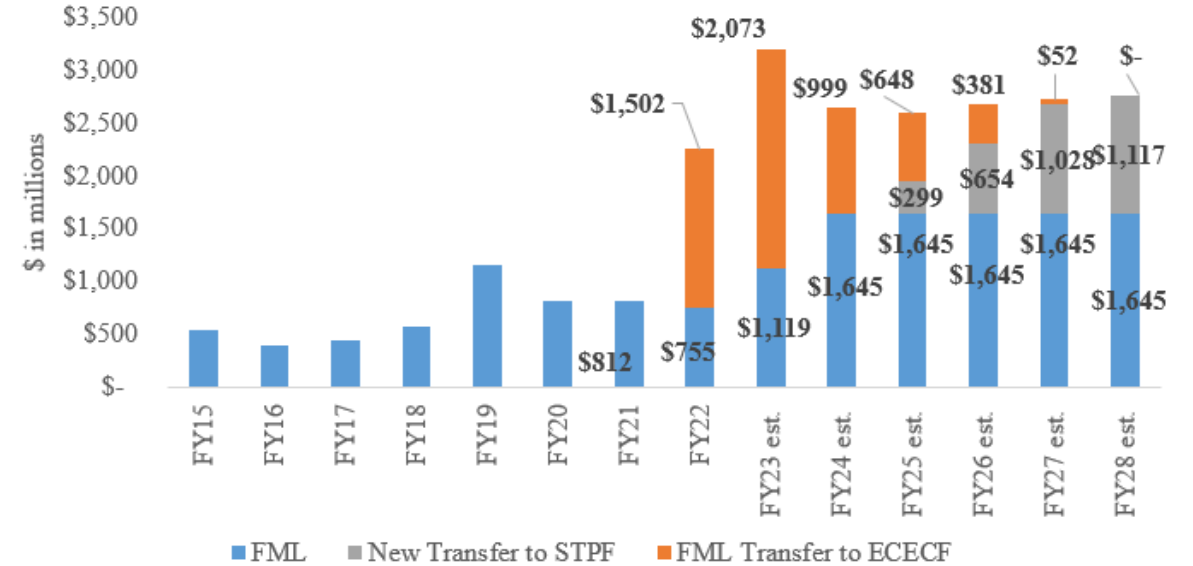
# Severance Taxes & Rents and Royalties

**Oil and Gas School Tax Revenues From FY15 to FY28**



Source: DFA, CREG, Author's calculation, Early Childhood Education and Care Fund or Tax Stabilization Reserve (TSR)

**Federal Mineral Leasing from FY15 to FY28**

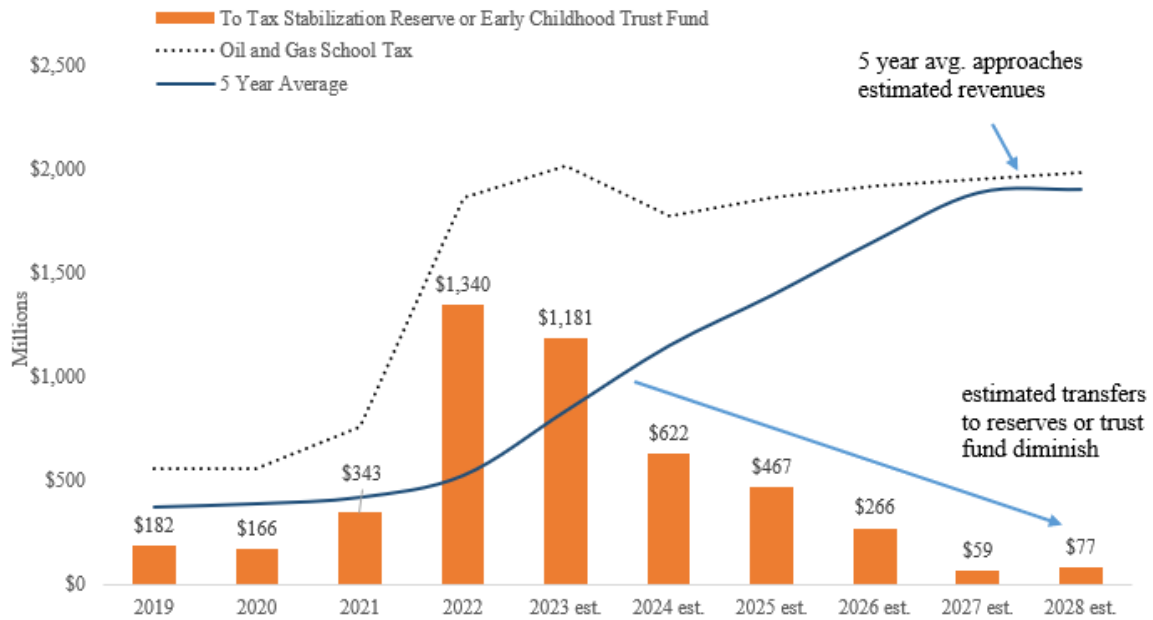


Source: DFA, CREG, Author's calculation, Early Childhood Education and Care Fund

- Oil and natural gas prices have been revised downward in the forecast, but continued strong production volumes maintain revenues at unprecedented levels
- Estimated transfers to the Early Childhood Education and Care Fund are \$2.2 billion in FY24 and \$1.3 billion in FY25
- Oil and gas school tax revenue to the general fund is expected to increase from \$838 million in FY23 to \$1.15 billion in FY24
- Federal mineral leasing revenue to the general fund is expected to increase from \$1.12 billion in FY23 to \$1.6 billion in FY24
- Due to 2023's SB26, both these revenues to the general fund are capped at FY24 levels and will not grow further – benefitting the Severance Tax Permanent Fund (STPF)
- New SB26 transfers to the STPF total \$543 million in FY25, \$1.16 billion in FY26, \$1.77 billion in FY27, and \$1.87 billion in FY28

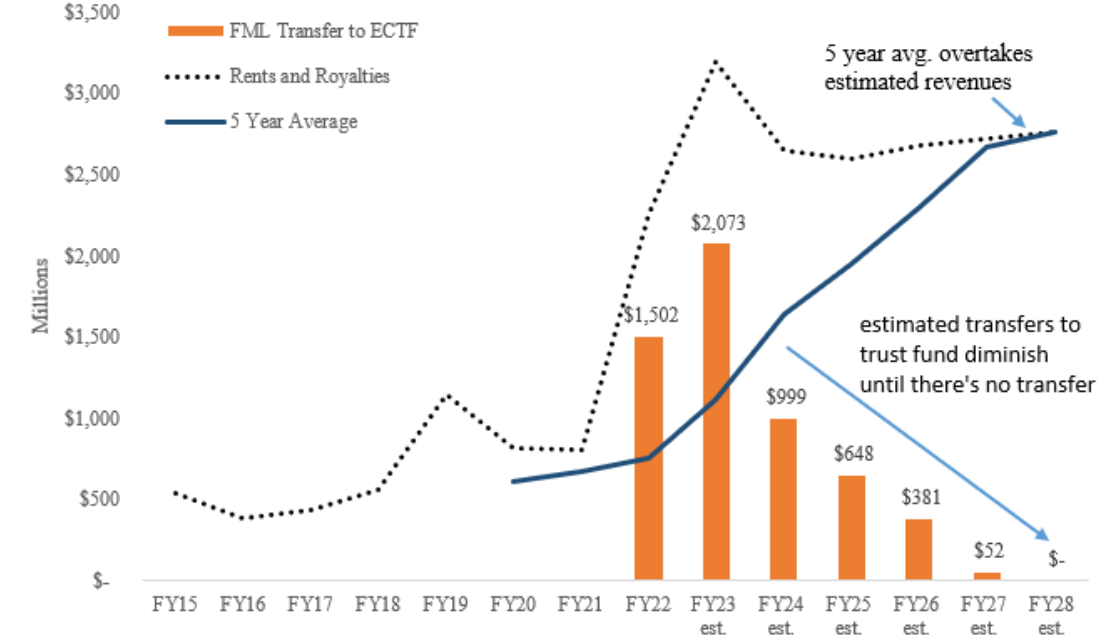
# Oil and Gas Emergency School Tax & Federal Mineral Leasing Revenues vs. 5-year average

**Oil and Gas Emergency School Tax Revenue & Excess Transfers vs. 5 year average**



Source: DFA, CREG

**Federal Mineral Leasing Revenue & Excess Transfers vs. 5 year average**



Source: DFA, CREG

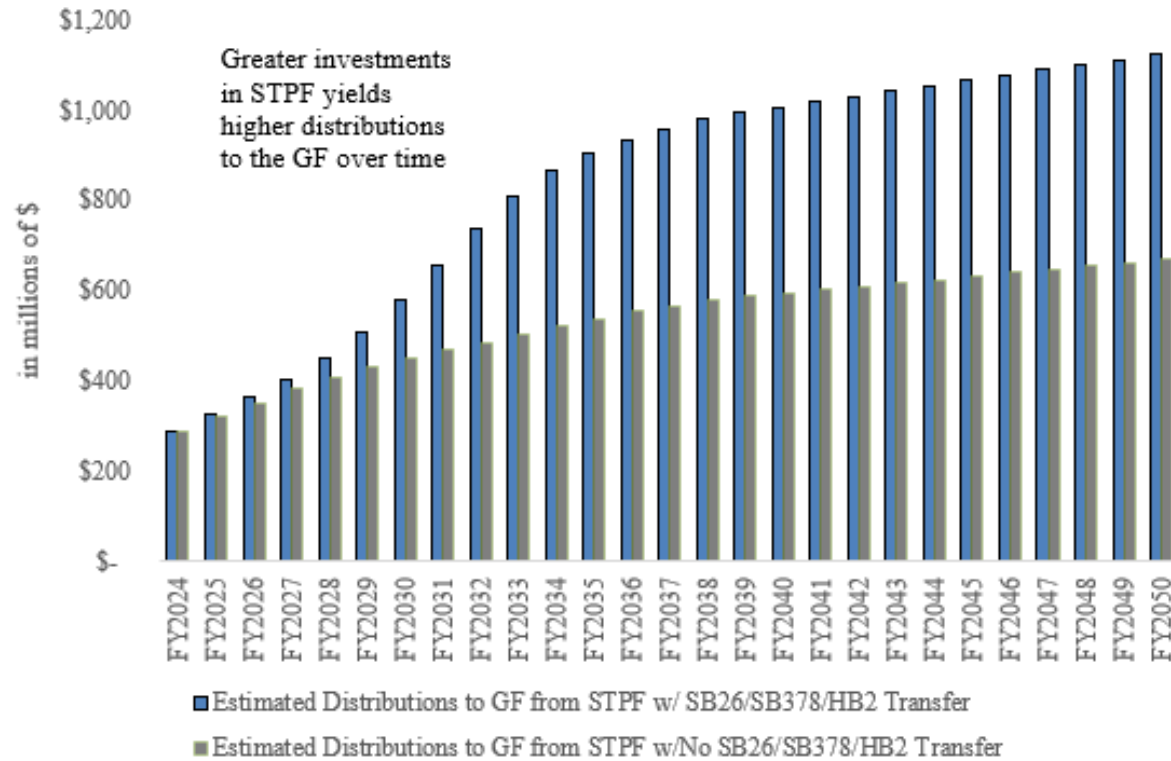
- The 5-year average for both revenues will climb, reducing the amounts diverted to reserves/trust fund
- Oil and gas school tax revenue transfers to the ECECF or reserves will diminish
- FML's 5-year average will also grow, resulting in smaller transfers to the ECECF and no transfer by FY28

# Severance Tax Permanent Fund

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# Severance Tax Permanent Fund (STPF)

STPF's Estimated Distributions to the General Fund Comparison



Source: DFA, CREG

➤ 2023 legislative session actions:

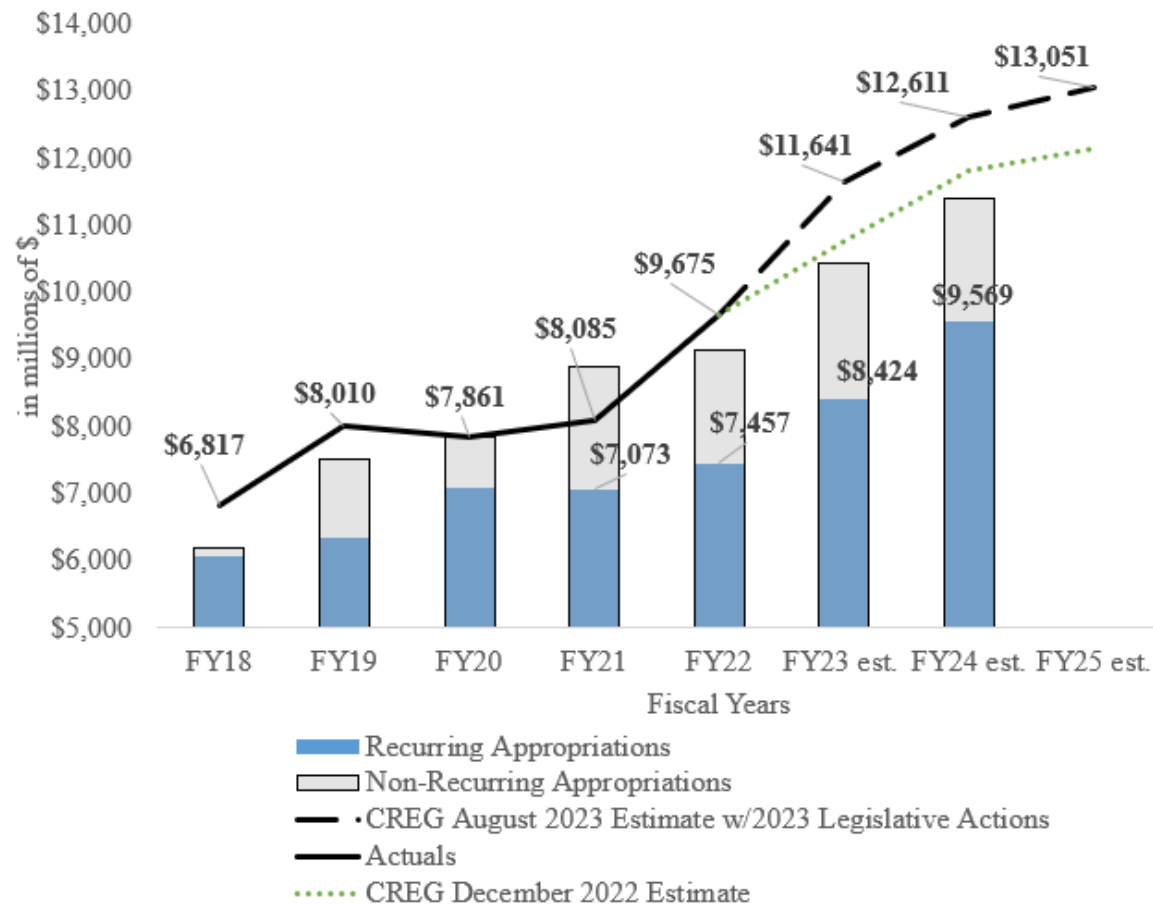
- HB2: Provided a \$475 million transfer from the general fund to the STPF in FY24.
- SB378: Provides a distribution of \$92 million each year from 2023 to 2033 from the severance tax bonding fund to the STPF.
- SB26: Fixes net oil and gas emergency school tax and federal mineral leasing revenue to the general fund at FY24 levels. And transfers any growth from these programs in FY25 and beyond to the STPF
  - Oil and gas emergency school tax transfers an estimated \$243.7 million, \$505.2 million, \$737.1 million, and \$753.5 million in FY25, FY26, FY27, and FY28, respectively
  - Federal mineral leasing transfers an estimated \$299.3 million, \$654.3 million, \$1 billion, and \$1.1 billion in FY25, FY26, FY27, and FY28, respectively
- SB26
  - Increases the STPF corpus, future interest earnings, and transfers to the general fund
  - Over time reduces the general fund's reliance on oil and gas

# General Fund Overview

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# Consensus Change from December Forecast

General Fund Recurring Revenue Forecast FY23 to FY25



Source: DFA FCD, CREG

August 2023 Forecast compared to the December 2022 Forecast

Forecast	FY23	FY24	FY25	FY26
August 2023 Base	\$ 11,641	\$ 12,611	\$ 13,051	\$ 13,426
December 2022 Base	\$ 10,775	\$ 11,820	\$ 12,143	\$ 12,453

August 2023 Forecast compared to the December 2022 Forecast

Forecast	FY23	FY24	FY25	FY26
December 2022 Base	\$ 866	\$ 791	\$ 908	\$ 972

- The December 2022 estimates increased by \$866 million in FY23, \$791 million in FY24, \$908 million in FY25, and \$972 million in FY26 in the August 2023 estimate.
- In FY23, the increase over the December forecast is driven primarily by General Sales, Income Taxes, and Investment Earnings while Oil and Gas revenues are captured by the excess transfers Early Childhood Education and Care Fund

# N.M. Consensus Revenue Summary

**Table 1**  
**August 2023 Consensus General Fund Forecast**  
**(in millions of dollars)**

	FY23		FY24		FY25		FY26	
	\$ Millions	% Change	\$ Millions	% Change	\$ Millions	% Change	\$ Millions	% Change
General Sales	\$ 4,000	14.6%	\$ 3,968	-0.8%	\$ 4,133	4.2%	\$ 4,283	3.6%
Selective Sales	\$ 758	14.0%	\$ 777	2.5%	\$ 863	11.0%	\$ 890	3.1%
Income Taxes	\$ 3,101	16.1%	\$ 2,860	-7.8%	\$ 2,898	1.3%	\$ 2,990	3.2%
O&G Revenue	\$ 2,194	51.1%	\$ 3,020	37.7%	\$ 2,992	-0.9%	\$ 2,994	0.1%
Investment Income	\$ 1,334	45.6%	\$ 1,734	30.0%	\$ 1,911	10.2%	\$ 2,013	5.3%
Other	\$ 255	-46.9%	\$ 252	-1.1%	\$ 254	0.8%	\$ 256	0.8%
<b>Total Recurring Revenue</b>	<b>\$ 11,641</b>	<b>20.3%</b>	<b>\$ 12,611</b>	<b>8.3%</b>	<b>\$ 13,051</b>	<b>3.5%</b>	<b>\$ 13,426</b>	<b>2.9%</b>
<b>Total Nonrecurring</b>	<b>\$ (783)</b>	<b>-13.3%</b>	<b>\$ (9)</b>	<b>-98.8%</b>				
<b>Grand Total Revenue</b>	<b>\$ 10,859</b>	<b>23.8%</b>	<b>\$ 12,602</b>	<b>16.1%</b>	<b>\$ 13,051</b>	<b>3.6%</b>	<b>\$ 13,426</b>	<b>2.9%</b>

➤ In FY23:

- General sales increased 14.6% or \$508.6 million to \$4 billion from FY22 to FY23
- Income taxes increased 16.1% or \$429.3 million to \$3.10 billion from FY22 to FY23
- Oil and gas revenue increased 51.1% million or \$741.4 million to \$2.19 billion from FY22 to FY23

➤ In FY24:

- General sales are estimated to decline slightly by 0.8%.
- Income taxes are estimated to decline by 7.8%
  - Both general sales and income taxes decline mainly due to legislative adjustments.
- Oil and gas revenue is estimated to increase by 37.7%
- Investment income is estimated to increase by 30%

➤ FY25 to FY26 updates:

- General sales and income taxes return to normal growth
- Senate Bill 26 impact on oil and gas revenue are seen in growth rates
- Severance and FML fixed at FY24 levels
- Net general fund oil and gas revenue growth in FY25 and beyond now invested in the Severance Tax Permanent Fund (STPF)

# General Fund Overview

## FY23

- FY2023 GF Recurring Revenue increased by 20.3 percent over FY2022
- FY2023 GF Reserves are estimated at \$4.3 billion or 51% of recurring appropriations

## FY24

- FY2024 GF Recurring Revenue is estimated to increase by 8.3 percent vs. FY2023
- FY2024 GF Reserves are estimated at \$5 billion or 52.5% of recurring appropriations\*

## FY25

- FY2025 GF Recurring Revenue is forecasted to grow by 3.5 percent vs. FY2024
- “New Money” for FY2025 is forecasted to be \$3.48 billion

\* Pending 2024 legislative appropriations

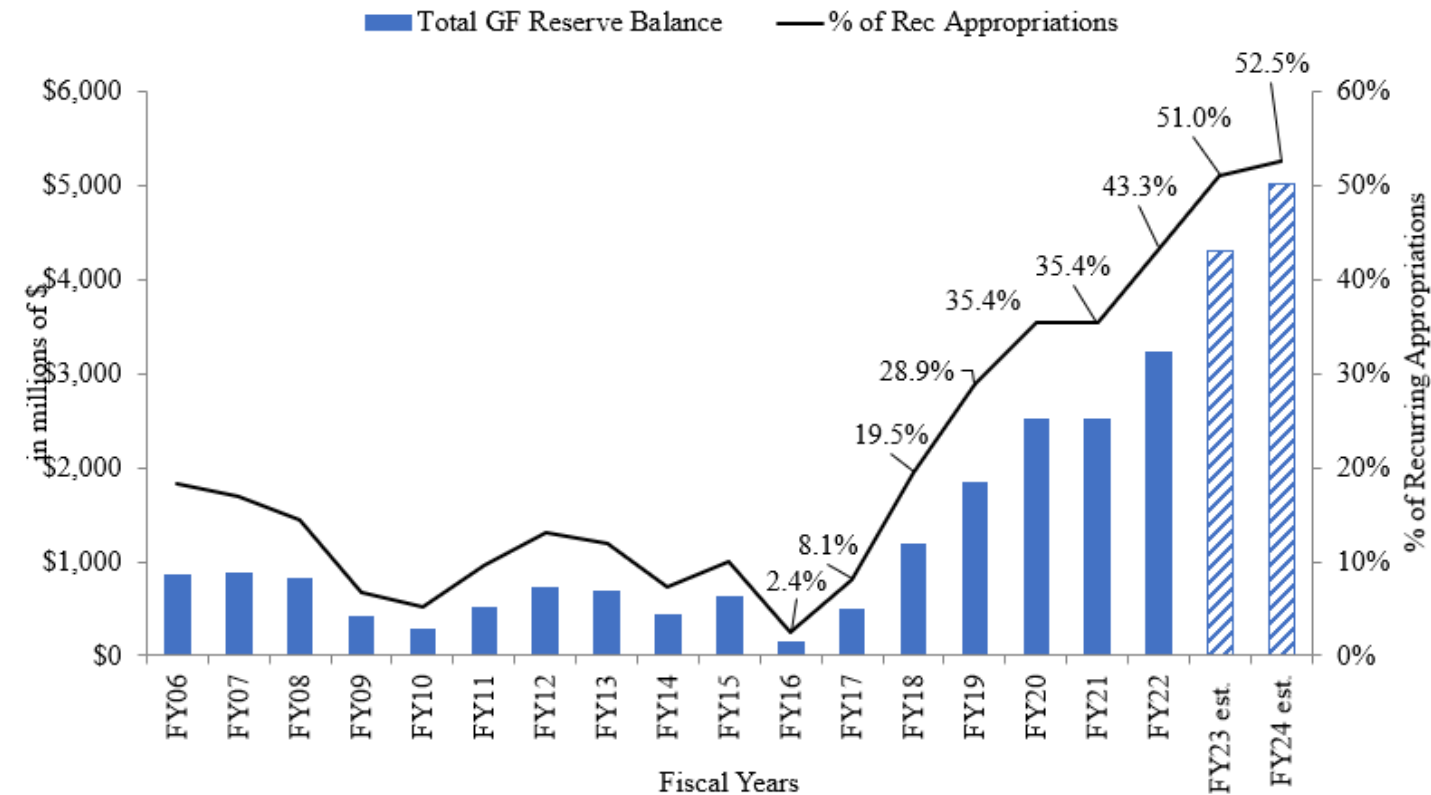
# General Fund Financial Summary (\$ in millions)

	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
Beginning Balance (General Fund Reserves)	\$3,230	\$4,299.5	\$5,023.4
Total Revenue (Recurring Revenue)	\$11,641.1	\$12,611.0	\$13,051.0
Spending (Recurring Appropriations)	(\$8,424.0)	(\$9,568.6)	<b>“New Money” \$3.48 billion</b>
Reserve Transfers, etc.	\$991.0	\$565.7	
Ending Balance (General Fund Reserves)	\$4,299.5	\$5,023.4	
General Fund Reserves as a Percent of Recurring Appropriations	51.0%	52.5%*	

\* Pending 2024 legislative appropriations

# General Fund Reserves

General Fund Reserve Balances as a Percent of Recurring Appropriations



Source: DFA, FCD, CREG

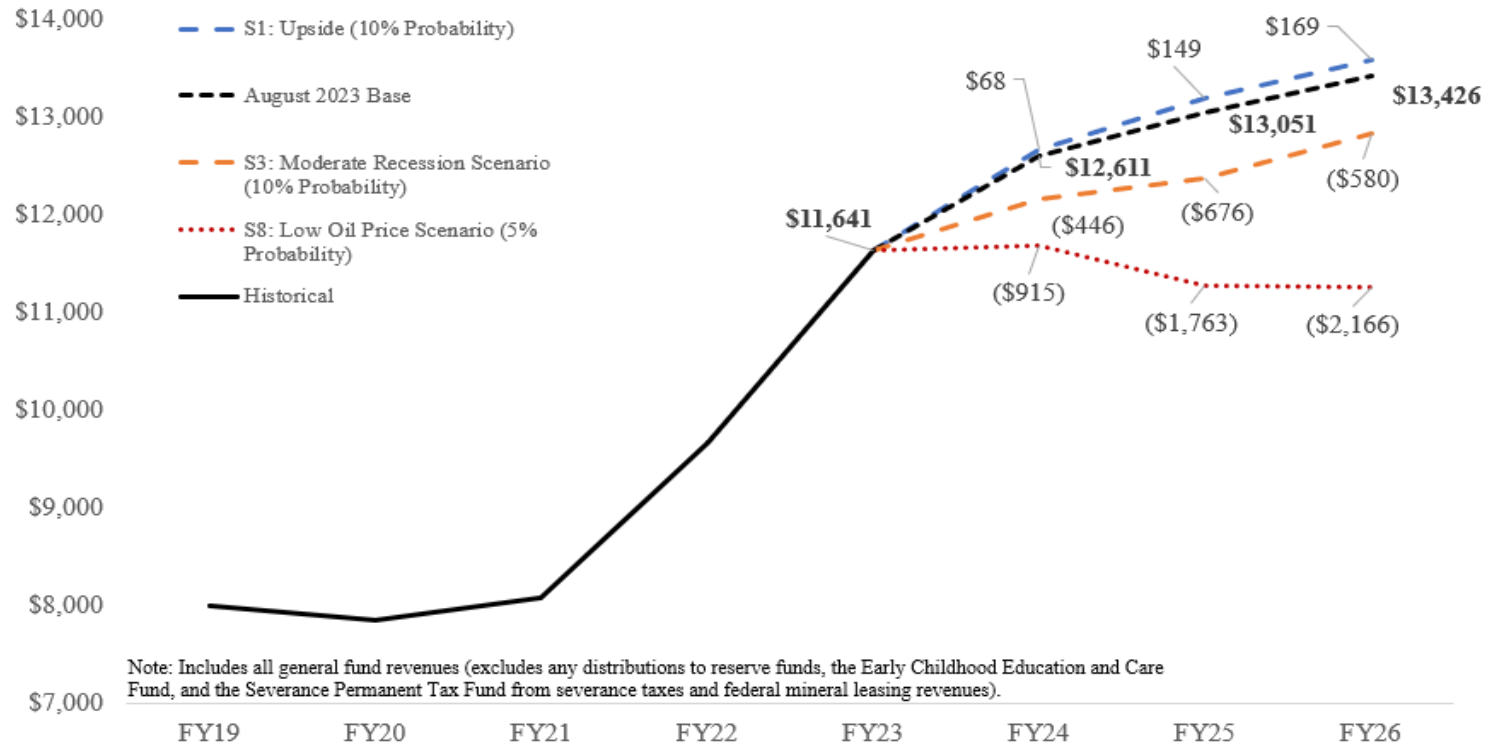
- FY23 general fund reserve balances are estimated to be \$4.3 billion or 51% of recurring appropriations
  - Projected FY23 reserve balances increased in part due to an estimated 2023 GAA undistributed nonrecurring appropriations of \$622 million
    - HB 2 Section 5 (Specials): \$330 million
    - HB 2 Section 9 (DOT): \$292 million
- Estimated FY24 general fund reserve balances are at \$5 billion or 52.5% of recurring appropriations.\*
  - (\*pending 2024 legislative appropriations)

# Risks to the Forecast

- Downside
  - The Ukraine-Russian conflict persists and continues to disrupt energy markets
    - Impacts supply and demand side of the economy
  - The Federal Reserve does not achieve a “soft landing”
    - Error in policy correction and tip country into recession
    - A recession occurs
      - Employment losses and the unemployment rate increases
      - Gross domestic product contracts
      - Decrease in consumption
      - Tightening credit markets
  - Supply-chain shortages and constraints continue
  - Wage-price spiral ushers in a new inflation environment
  - Labor-supply constraints are more binding resulting in slower growth and increased wages
  - Oil price volatility from unknown market shocks
  - Oil supply shocks from unknown market shocks
- Upside
  - Labor market is performing better than anticipated
  - Wage growth is outpacing inflation
  - Large savings amounts and higher wage growth continues to propel consumer spending
  - OPEC+ actions to cut production could potentially stabilize/increase oil prices
  - The Federal Reserve pause or reduce the magnitude of a fed funds rate hikes
  - The Federal Reserve achieves a “soft landing”
    - The fears and uncertainty about a recessionary event resolve
    - Prices continue to decrease, and the inflation rate returns to the Federal Reserves target of 2%
  - Oil and natural gas producers exceed production expectations

# Stress Test

## Revenue Sensitivity Analysis



Note: Includes all general fund revenues (excludes any distributions to reserve funds, the Early Childhood Education and Care Fund, and the Severance Permanent Tax Fund from severance taxes and federal mineral leasing revenues).

Source: DFA, CREG, Moody's Analytics, S&P, UNM Bureau of Business & Economic Research, (in millions)

- The stress test illustrates how far revenues could fall under a prolonged economic downturn (moderate recession scenario) and a low oil price scenario
- Under the low oil price scenario, the recurring revenue of the general fund could decrease by \$915 million in FY24, \$1.7 billion in FY25, and \$2.2 billion in FY26 as compared to the baseline.
- New Mexico's revenue sensitivity to an energy downturn and a national recession event highlights the need for the state to maintain healthy reserve levels

Upside Scenario (in millions)			
	FY24	FY25	FY26
GRT	\$ 45	\$ 114	\$ 118
PIT	\$ 20	\$ 33	\$ 46
Severance to GF	\$ 3	\$ 2	\$ 5
Severance to TSR or ECE	\$ 57	\$ 21	\$ 71
Severance to STPF	\$ -	\$ 11	\$ 18
FML to GF	\$ -	\$ -	\$ -
FML to ECE	\$ 143	\$ 96	\$ 111
FML to STPF	\$ -	\$ 24	\$ 44
<b>TOTAL</b>	<b>\$ 268</b>	<b>\$ 301</b>	<b>\$ 412</b>
<i>Total GF</i>	<i>\$ 68</i>	<i>\$ 149</i>	<i>\$ 169</i>
<i>Total TSRECE/STPF</i>	<i>\$ 200</i>	<i>\$ 152</i>	<i>\$ 243</i>
<i>% TSRECE/STPF</i>	<i>74%</i>	<i>51%</i>	<i>59%</i>

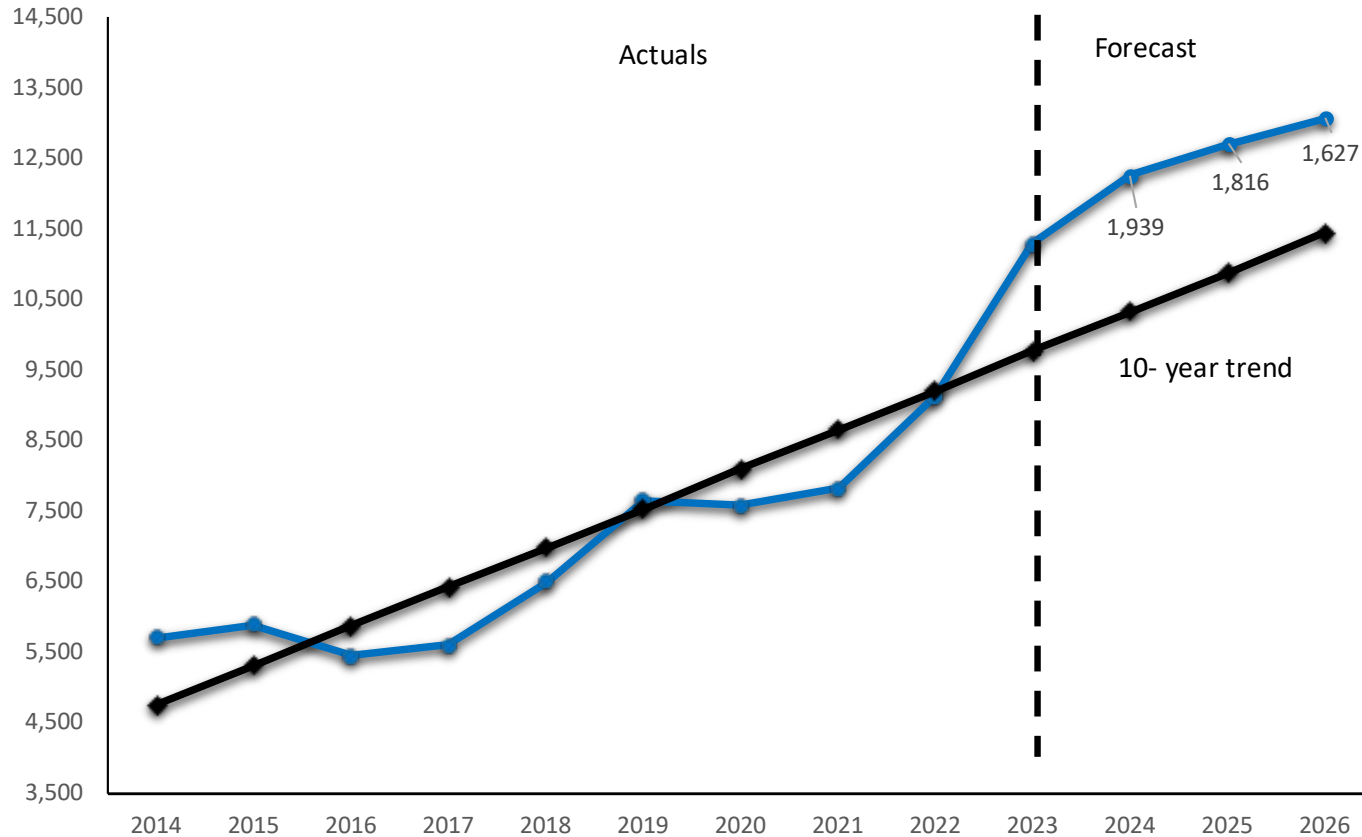
Moderate Recession Scenario (in millions)			
	FY24	FY25	FY26
GRT	\$ (256)	\$ (416)	\$ (359)
PIT	\$ (137)	\$ (197)	\$ (164)
Severance to GF	\$ (31)	\$ (41)	\$ (35)
Severance to TSR or ECE	\$ (431)	\$ (467)	\$ (266)
Severance to STPF	\$ -	\$ (123)	\$ (229)
FML to GF	\$ (22)	\$ (22)	\$ (22)
FML to ECE	\$ (326)	\$ (678)	\$ (425)
FML to STPF	\$ -	\$ (70)	\$ (336)
<b>TOTAL</b>	<b>\$ (1,203)</b>	<b>\$ (2,013)</b>	<b>\$ (1,836)</b>
<i>Total GF</i>	<i>\$ (446)</i>	<i>\$ (676)</i>	<i>\$ (580)</i>
<i>Total TSRECE</i>	<i>\$ (756)</i>	<i>\$ (1,337)</i>	<i>\$ (1,256)</i>
<i>% TSRECE/STPF</i>	<i>63%</i>	<i>66%</i>	<i>68%</i>

Low Oil Price Scenario (in millions)			
	FY24	FY25	FY26
GRT	\$ (310)	\$ (683)	\$ (939)
PIT	\$ (150)	\$ (212)	\$ (271)
Severance to GF	\$ (372)	\$ (413)	\$ (422)
Severance to TSR or ECE	\$ (622)	\$ (467)	\$ (266)
Severance to STPF	\$ -	\$ (218)	\$ (458)
FML to GF	\$ (83)	\$ (455)	\$ (534)
FML to ECE	\$ (795)	\$ (701)	\$ (425)
FML to STPF	\$ -	\$ (295)	\$ (660)
<b>TOTAL</b>	<b>\$ (2,333)</b>	<b>\$ (3,444)</b>	<b>\$ (3,976)</b>
<i>Total GF</i>	<i>\$ (915)</i>	<i>\$ (1,763)</i>	<i>\$ (2,166)</i>
<i>Total TSRECE</i>	<i>\$ (1,418)</i>	<i>\$ (1,682)</i>	<i>\$ (1,810)</i>
<i>% TSRECE/STPF</i>	<i>61%</i>	<i>49%</i>	<i>46%</i>

# General Fund Revenue vs. 10 Year Trend

## Volatility in major General Fund revenue sources (\$ millions)

Deviation from 10 years (FY14-FY23) trend

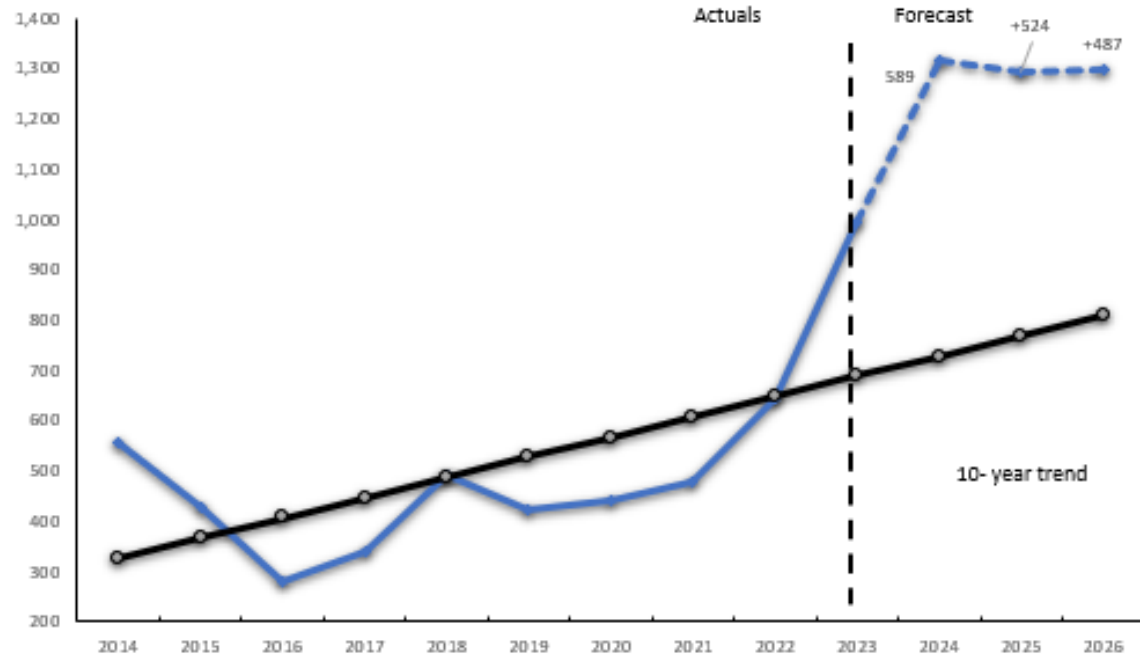


- The trendline analysis illustrates how far revenues have deviated from the 10-year trend
- For FY23, general fund revenues are above the 10-year trend by \$1.5 billion
- For the budget year FY25, general fund revenues deviate from the trend by \$1.8 billion
- New Mexico's general fund revenue average annual growth rate is 8.1% (2014-2023 trend), up from 6% in the last forecast

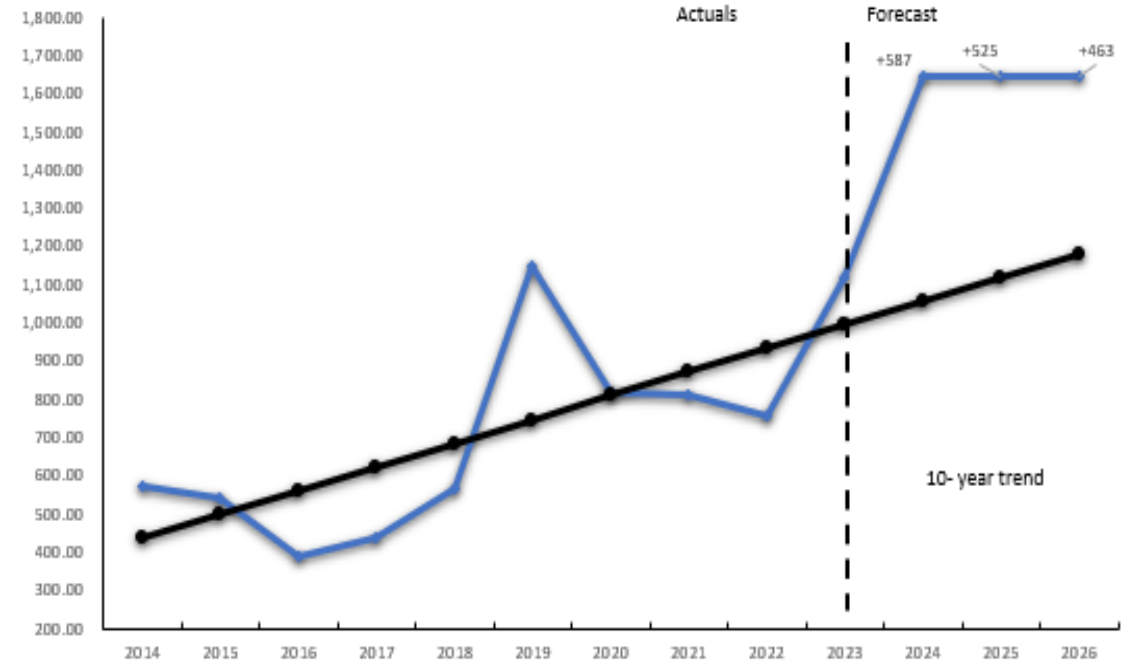
**Note: major revenue sources consist of sales taxes, income taxes, severance taxes, rents and royalties, and investment earnings.**

# General Fund Revenue vs. 10 Year Trend: Severance and FML

Volatility in Severance Taxes Revenue: Deviation from 10 years trend (\$ millions)



Volatility in Federal Mineral Leasing Taxes Revenue: Deviation from 10 years trend (\$ millions)



➤ Driving general fund revenue above the 10-year trend is primarily due to severance tax revenues and federal mineral leasing revenue

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# Appendix

# Appendix 1a:

Revenue Source	FY23					FY24					FY25				
	Dec 22 Est.	Aug 23 Est.	Change from Prior (Dec 22)	% Change from FY22	\$ Change from FY22	Dec 22 Est.	Aug 23 Est.	Change from Prior (Dec 22)	% Change from FY23	\$ Change from FY23	Dec 22 Est.	Aug 23 Est.	Change from Prior (Dec 22)	% Change from FY24	\$ Change from FY24
Base Gross Receipts Tax	3,830.8	4,016.9	186.1	13.6%	480.5	3,753.3	3,978.1	224.8	-1.0%	(38.8)	3,855.4	4,130.9	275.5	3.8%	152.8
F&M Hold Harmless Payments	(107.7)	(111.5)	(3.8)	2.8%	(3.0)	(99.0)	(103.7)	(4.7)	-7.0%	7.8	(90.0)	(94.9)	(4.9)	-8.5%	8.8
NET Gross Receipts Tax	3,723.1	3,905.4	182.3	13.9%	477.5	3,654.3	3,874.4	220.1	-0.8%	(31.0)	3,765.4	4,036.0	270.6	4.2%	161.6
Compensating Tax	68.4	94.2	25.8	49.3%	31.1	67.9	93.3	25.4	-1.0%	(0.9)	69.7	96.9	27.2	3.8%	3.6
TOTAL GENERAL SALES	3,791.5	3,999.6	208.1	14.6%	508.6	3,722.2	3,967.7	245.6	-0.8%	(31.9)	3,835.1	4,132.9	297.8	4.2%	165.2
Tobacco Products and Cigarette Taxes	79.3	80.7	1.4	-2.6%	(2.1)	77.4	80.0	2.6	-0.9%	(0.7)	75.9	78.7	2.8	-1.6%	(1.3)
Liquor Excise	24.9	24.5	(0.3)	-2.0%	(0.5)	25.1	24.9	(0.1)	1.7%	0.4	25.3	25.1	(0.2)	0.6%	0.2
Cannabis Excise	23.3	24.5	1.2	382.5%	19.4	25.1	26.5	1.4	8.2%	2.0	27.1	28.5	1.4	7.5%	2.0
Insurance Taxes	344.8	388.7	43.9	21.1%	67.9	341.3	411.4	70.1	5.8%	22.7	408.5	496.2	87.7	20.6%	84.8
Motor Vehicle Excise	162.6	163.2	0.6	5.1%	8.0	164.6	164.7	0.1	0.9%	1.4	167.7	163.9	(3.8)	-0.4%	(0.7)
Gaming Excise	67.9	72.5	4.6	6.0%	4.1	66.9	65.3	(1.6)	-9.9%	(7.2)	66.2	65.9	(0.3)	0.9%	0.6
Leased Vehicle & Other	5.1	4.1	(1.0)	-44.3%	(3.2)	5.3	4.2	(1.1)	3.5%	0.1	5.4	4.5	(0.9)	6.8%	0.3
TOTAL SELECTIVE SALES	707.9	758.2	50.4	14.1%	93.5	705.8	777.0	71.3	2.5%	18.8	776.1	862.8	86.8	11.0%	85.8
Personal Income Tax	2,392.5	2,653.5	261.0	14.0%	325.9	2,219.1	2,499.2	280.1	-5.8%	(154.3)	2,299.6	2,592.4	292.8	3.7%	93.2
Gross Corporate Income Tax	393.8	534.4	140.6	32.2%	130.0	409.4	521.6	112.2	-2.4%	(12.8)	416.3	521.9	105.6	0.1%	0.3
CIT Refundable Credits	(101.8)	(87.1)	14.7	44.0%	(26.6)	(144.9)	(160.9)	(16.0)	84.7%	(73.8)	(226.0)	(216.6)	9.4	34.6%	(55.7)
NET Corporate Income Tax	292.0	447.3	155.3	30.1%	103.4	264.5	360.7	96.2	-19.4%	(86.6)	190.3	305.3	114.9	-15.4%	(55.4)
TOTAL INCOME TAXES	2,684.5	3,100.8	416.3	16.1%	429.3	2,483.6	2,859.9	376.3	-7.8%	(240.9)	2,489.9	2,897.7	407.7	1.3%	37.8
Gross Oil and Gas School Tax	2,091.2	2,019.0	(72.2)	8.2%	153.2	1,912.9	1,774.0	(138.9)	-12.1%	(245.0)	1,620.3	1,862.0	241.7	5.0%	88.0
Excess to TSR or Early Childhood Trust Fund	(1,253.2)	(1,181.0)	72.2	-11.9%	159.1	(746.9)	(622.4)	124.4	-47.3%	558.6	(473.9)	(466.7)	7.1	-25.0%	155.7
Excess to STPF	-	-	-	N/A	-	-	-	-	N/A	-	-	(243.7)	N/A	N/A	(243.7)
NET Oil & Gas School Tax	838.0	838.0	(0.0)	59.4%	312.3	1,166.1	1,151.5	(14.5)	37.4%	313.6	1,146.5	1,151.5	5.1	0.0%	-
Oil Conservation Tax	113.6	111.2	(2.4)	11.6%	11.5	105.4	101.1	(4.3)	-9.1%	(10.1)	105.9	105.2	(0.7)	4.1%	4.1
Resources Excise Tax	7.8	8.1	0.3	-7.1%	(0.6)	7.8	8.5	0.7	4.9%	0.4	7.8	8.9	1.1	4.7%	0.4
Natural Gas Processors Tax	42.0	34.8	(7.2)	241.3%	24.6	63.4	56.7	(6.7)	62.9%	21.9	64.2	28.3	(35.9)	-50.1%	(28.4)
TOTAL SEVERANCE TAXES	1,001.4	992.1	(9.3)	54.0%	347.8	1,342.6	1,317.8	(24.8)	32.8%	325.8	1,324.4	1,293.9	(30.5)	-1.8%	(23.9)
LICENSE FEES	56.8	60.1	3.3	5.9%	3.4	56.7	58.4	1.7	-2.9%	(1.8)	56.6	58.6	2.0	0.3%	0.2
LGPF Interest	875.4	887.1	11.7	12.6%	99.3	1,173.9	1,196.2	22.3	34.8%	309.1	1,284.4	1,313.6	29.2	9.8%	117.4
STO Interest	26.6	180.9	154.3	-252.9%	299.2	196.9	247.9	51.0	37.0%	67.0	193.0	271.5	78.5	9.5%	23.6
STPF Interest	265.8	265.8	0.0	7.9%	19.4	279.2	289.6	10.4	9.0%	23.8	302.4	326.3	23.9	12.7%	36.7
TOTAL INTEREST	1,167.8	1,333.8	166.0	45.6%	417.9	1,649.9	1,733.7	83.8	30.0%	399.9	1,779.8	1,911.4	131.6	10.2%	177.7
Gross Federal Mineral Leasing	3,036.3	3,192.3	156.0	41.5%	935.6	2,727.2	2,644.0	(83.2)	-17.2%	(548.4)	2,246.3	2,591.8	345.6	-2.0%	(52.1)
Excess to Early Childhood Trust Fund	(1,917.1)	(2,073.1)	(156.0)	38.1%	(571.5)	(1,113.5)	(999.0)	114.5	-51.8%	1,074.1	(612.9)	(647.5)	(34.6)	-35.2%	351.5
Excess to STPF	-	-	-	-	-	-	-	-	-	-	-	(299.3)	-	-	-
NET Federal Mineral Leasing	1,119.3	1,119.3	(0.0)	48.2%	364.1	1,613.7	1,645.0	31.3	47.0%	525.7	1,633.4	1,645.0	11.6	0.0%	-
State Land Office	54.4	82.4	28.0	55.7%	29.5	50.0	57.5	7.5	-30.3%	(24.9)	50.6	52.9	2.3	-8.0%	(4.6)
TOTAL RENTS & ROYALTIES	1,173.7	1,201.7	28.0	48.7%	393.6	1,663.6	1,702.5	38.8	41.7%	500.8	1,684.0	1,697.9	13.9	-0.3%	(4.6)
TRIBAL REVENUE SHARING	76.9	80.2	3.3	12.3%	8.8	78.7	79.3	0.6	-1.1%	(0.9)	80.7	80.6	(0.1)	1.6%	1.3
MISCELLANEOUS RECEIPTS	39.5	39.6	0.1	-4.0%	(1.6)	42.1	39.7	(2.5)	0.2%	0.1	41.8	40.2	(1.6)	1.4%	0.6
REVERSIONS	75.0	75.0	-	-75.8%	(235.4)	75.0	75.0	-	0.0%	-	75.0	75.0	-	0.0%	-
TOTAL RECURRING	10,774.9	11,641.1	866.2	20.3%	1,965.8	11,820.3	12,611.0	790.7	8.3%	969.8	12,143.4	13,051.0	907.6	3.5%	440.1
2023 Nonrecurring Legislation	(666.8)	(695.2)	(28.4)	-	-	(6.8)	(9.3)	(2.5)	-	-	-	-	-	-100.0%	9.3
2022 Nonrecurring Legislation	(68.2)	(86.8)	(18.6)	-90.3%	810.8	-	-	-	-	-	-	-	-	N/A	-
2021 Nonrecurring Legislation	(0.6)	(0.6)	-	-88.5%	4.6	-	-	-	-	-	-	-	-	N/A	-
Other Nonrecurring	-	-	-	N/A	-	-	-	-	-	-	-	-	-	N/A	-
TOTAL NONRECURRING	(735.6)	(782.6)	(47.0)	-13.3%	120.3	(6.8)	(9.3)	(2.5)	-98.8%	773.3	-	-	-	-100.0%	9.3
<b>GRAND TOTAL General Fund</b>	<b>10,039.3</b>	<b>10,858.5</b>	<b>819.2</b>	<b>23.8%</b>	<b>2,086.1</b>	<b>11,813.5</b>	<b>12,601.7</b>	<b>788.2</b>	<b>16.1%</b>	<b>1,743.1</b>	<b>12,143.4</b>	<b>13,051.0</b>	<b>907.6</b>	<b>3.6%</b>	<b>449.4</b>

# Appendix 1b:

Revenue Source	FY26					FY27					FY28		
	Dec 22 Est.	Aug 23 Est.	Change from Prior (Dec 22)	% Change from FY25	\$ Change from FY25	Dec 22 Est.	Aug 23 Est.	Change from Prior (Dec 22)	% Change from FY26	\$ Change from FY26	Aug 23 Est.	% Change from FY27	\$ Change from FY27
<i>Base Gross Receipts Tax</i>	3,986.1	4,269.2	283.1	3.3%	138.3	4,077.7	4,405.0	327.3	3.2%	135.8	4,615.6	4.8%	210.6
<i>F&amp;M Hold Harmless Payments</i>	(81.0)	(86.6)	(5.6)	-8.7%	8.3	(72.8)	(79.1)	(6.3)	-8.7%	7.5	(70.9)	-10.4%	8.2
NET Gross Receipts Tax	3,905.1	4,182.6	277.5	3.6%	146.6	4,004.9	4,325.9	321.0	3.4%	143.3	4,544.7	5.1%	218.8
Compensating Tax	72.0	100.2	28.1	3.3%	3.2	74.3	103.3	29.0	3.2%	3.2	108.3	4.8%	4.9
TOTAL GENERAL SALES	3,977.2	4,282.8	305.6	3.6%	149.8	4,079.2	4,429.2	350.0	3.4%	146.5	4,653.0	5.1%	223.7
Tobacco Products and Cigarette Taxes	74.5	77.8	3.3	-1.1%	(0.9)	73.5	77.8	4.3	0.0%	-	79.0	1.5%	1.2
Liquor Excise	25.6	25.3	(0.2)	0.8%	0.2	25.8	25.5	(0.2)	0.9%	0.2	25.8	0.9%	0.2
Cannabis Excise	31.1	32.5	1.4	14.0%	4.0	34.8	34.9	0.1	7.4%	2.4	37.8	8.3%	2.9
Insurance Taxes	416.7	514.8	98.1	3.7%	18.6	429.1	535.7	106.6	4.1%	20.9	559.5	4.4%	23.8
Motor Vehicle Excise	173.9	168.8	(5.1)	3.0%	4.9	178.4	176.0	(2.4)	4.3%	7.2	182.5	3.7%	6.5
Gaming Excise	65.7	65.8	0.1	-0.2%	(0.1)	68.9	68.3	(0.6)	3.8%	2.5	68.6	0.4%	0.3
Leased Vehicle & Other	5.5	4.6	(0.9)	2.8%	0.1	5.6	4.7	(0.9)	2.1%	0.1	4.3	-8.4%	(0.4)
TOTAL SELECTIVE SALES	792.9	889.7	96.7	3.1%	26.8	816.1	923.0	106.9	3.7%	33.3	957.5	3.7%	34.5
Personal Income Tax	2,387.0	2,695.4	308.4	4.0%	103.0	2,472.9	2,802.5	329.6	4.0%	107.1	2,913.8	4.0%	111.3
<i>Gross Corporate Income Tax</i>	429.6	531.5	101.9	1.8%	9.6	446.5	546.1	99.6	2.7%	14.6	562.7	3.0%	16.6
<i>CIT Refundable Credits</i>	(242.0)	(237.3)	4.7	9.6%	(20.7)	(253.4)	(255.1)	(1.7)	7.5%	(17.8)	(272.1)	6.7%	(17.0)
NET Corporate Income Tax	187.6	294.2	106.6	-3.6%	(11.1)	193.1	291.0	97.9	-1.1%	(3.2)	290.6	-0.1%	(0.4)
TOTAL INCOME TAXES	2,574.6	2,989.6	415.0	3.2%	91.9	2,666.0	3,093.5	427.5	3.5%	103.9	3,204.4	3.6%	110.9
<i>Gross Oil and Gas School Tax</i>	1,383.7	1,922.9	539.1	3.3%	60.9	1,163.1	1,947.6	784.5	1.3%	24.7	1,982.4	1.8%	34.8
<i>Excess to TSR or Early Childhood Trust Fund</i>	(231.0)	(266.2)	(35.1)	-43.0%	200.6	(17.3)	(59.0)	(41.7)	-77.8%	207.2	(77.4)	31.2%	(18.4)
<i>Excess to STPF</i>	-	(505.2)	N/A	107.3%	(261.4)	-	(737.1)	N/A	45.9%	(231.9)	(753.5)	2.2%	(16.4)
NET Oil & Gas School Tax	1,152.7	1,151.5	(1.2)	0.0%	-	1,145.8	1,151.5	5.8	0.0%	-	1,151.5	0.0%	-
Oil Conservation Tax	107.7	108.2	0.5	2.9%	3.0	100.6	100.5	(0.1)	-7.1%	(7.7)	102.2	1.7%	1.7
Resources Excise Tax	7.8	9.3	1.5	4.5%	0.4	7.8	9.8	2.0	5.4%	0.5	10.2	4.1%	0.4
Natural Gas Processors Tax	52.4	27.3	(25.1)	-3.5%	(1.0)	50.6	30.1	(20.5)	10.3%	2.8	31.6	5.0%	1.5
TOTAL SEVERANCE TAXES	1,320.6	1,296.3	(24.2)	0.2%	2.4	1,304.7	1,291.9	(12.8)	-0.3%	(4.4)	1,295.5	0.3%	3.6
LICENSE FEES	57.4	59.4	2.0	1.4%	0.8	57.0	59.9	2.9	0.8%	0.5	60.1	0.3%	0.2
LGPF Interest	1,389.5	1,427.9	38.4	8.7%	114.3	1,496.9	1,547.7	50.9	8.4%	119.8	1,647.7	6.5%	100.0
STO Interest	141.0	223.7	82.7	-17.6%	(47.8)	126.1	219.3	93.2	-2.0%	(4.4)	228.1	4.0%	8.8
STPF Interest	321.7	361.1	39.4	10.7%	34.8	341.1	401.1	60.0	11.1%	40.0	445.9	11.2%	44.8
TOTAL INTEREST	1,852.1	2,012.7	160.6	5.3%	101.3	1,964.0	2,168.1	204.1	7.7%	155.4	2,321.7	7.1%	153.6
<i>Gross Federal Mineral Leasing</i>	1,848.0	2,680.5	832.4	3.4%	88.6	1,634.0	2,724.6	1,090.6	1.6%	44.1	2,762.1	1.4%	37.5
<i>Excess to Early Childhood Trust Fund</i>	(220.9)	(381.2)	(160.3)	-41.1%	266.3	-	(51.5)	-	-86.5%	329.6	-	-100.0%	51.5
<i>Excess to STPF</i>	-	(654.3)	-	-	-	-	(1,028.1)	-	-	-	(1,117.1)	-	-
NET Federal Mineral Leasing	1,627.1	1,645.0	17.9	0.0%	-	1,634.0	1,645.0	11.0	0.0%	0.0	1,645.0	0.0%	(0.0)
State Land Office	51.3	53.0	1.8	0.2%	0.1	52.0	53.2	1.2	0.3%	0.2	53.3	0.3%	0.1
TOTAL RENTS & ROYALTIES	1,678.3	1,698.0	19.7	0.0%	0.1	1,686.0	1,698.2	12.2	0.0%	0.2	1,698.3	0.0%	0.1
TRIBAL REVENUE SHARING	82.5	81.7	(0.8)	1.4%	1.1	84.6	82.8	(1.8)	1.3%	1.1	83.6	1.0%	0.8
MISCELLANEOUS RECEIPTS	42.7	40.4	(2.4)	0.4%	0.2	42.4	40.3	(2.1)	-0.2%	(0.1)	39.9	-0.9%	(0.4)
REVERSIONS	75.0	75.0	-	0.0%	-	75.0	75.0	-	0.0%	-	75.0	0.0%	-
TOTAL RECURRING	12,453.4	13,425.5	972.1	2.9%	374.5	12,775.0	13,861.9	1,086.9	3.3%	436.4	14,389.0	3.8%	527.1
<i>2023 Nonrecurring Legislation</i>	-	-	-	N/A	-	-	-	-	N/A	-	-	N/A	-
<i>2022 Nonrecurring Legislation</i>	-	-	-	N/A	-	-	-	-	N/A	-	-	N/A	-
<i>2021 Nonrecurring Legislation</i>	-	-	-	N/A	-	-	-	-	N/A	-	-	N/A	-
<i>Other Nonrecurring</i>	-	-	-	N/A	-	-	-	-	N/A	-	-	N/A	-
TOTAL NONRECURRING	-	-	-	N/A	-	-	-	-	N/A	-	-	N/A	-
<b>GRAND TOTAL General Fund</b>	<b>12,453.4</b>	<b>13,425.5</b>	<b>972.1</b>	<b>2.9%</b>	<b>374.5</b>	<b>12,775.0</b>	<b>13,861.9</b>	<b>1,086.9</b>	<b>3.3%</b>	<b>436.4</b>	<b>14,389.0</b>	<b>3.8%</b>	<b>527.1</b>

# Appendix 2: Economic Indicators

U.S. and New Mexico Economic Indicators													
		FY23		FY24		FY25		FY26		FY27		FY28	
		Dec 22 Forecast	Aug 23 Forecast	Dec 22 Forecast	Aug 23 Forecast	Dec 22 Forecast	Aug 23 Forecast	Dec 22 Forecast	Aug 23 Forecast	Dec 22 Forecast	Aug 23 Forecast	Dec 22 Forecast	Aug 23 Forecast
<b>National Economic Indicators</b>													
IHS	US Real GDP Growth (annual avg., % YOY)*	0.4	2.3	0.4	1.1	1.7	1.5	1.9	1.7	1.8	1.8	1.7	1.8
Moody's	US Real GDP Growth (annual avg., % YOY)*	0.8	1.7	1.4	1.1	2.5	1.8	2.9	2.7	3.0	2.7	2.7	2.6
IHS	US Inflation Rate (CPI-U, annual avg., % YOY)**	6.6	4.1	3.0	2.8	2.5	2.5	2.2	2.3	2.2	2.3	2.2	2.2
Moody's	US Inflation Rate (CPI-U, annual avg., % YOY)**	6.4	6.3	2.8	3.1	2.3	2.3	2.1	2.0	2.1	2.0	2.1	2.0
IHS	Federal Funds Rate (%)	3.8	5.0	4.8	5.4	3.6	3.6	2.7	2.6	2.6	2.6	2.6	2.6
Moody's	Federal Funds Rate (%)	3.8	3.8	4.4	5.3	3.5	3.9	2.6	2.7	2.5	2.5	2.5	2.5
<b>New Mexico Labor Market and Income Data</b>													
BBER	NM Non-Agricultural Employment Growth (%)	1.2	2.8	0.4	1.0	0.6	0.1	0.8	0.3	0.8	0.5	0.8	0.6
Moody's	NM Non-Agricultural Employment Growth (%)	2.8	2.8	1.0	1.5	0.9	0.5	0.5	0.5	0.2	0.2	0.3	0.2
BBER	NM Nominal Personal Income Growth (%)***	0.7	2.5	4.4	5.4	4.5	4.5	4.7	4.4	4.3	4.3	4.8	4.5
Moody's	NM Nominal Personal Income Growth (%)***	0.9	2.5	6.4	6.4	5.0	4.6	4.2	4.0	4.5	4.2	4.2	4.1
BBER	NM Total Wages & Salaries Growth (%)	6.1	9.3	3.9	4.0	3.8	3.8	3.7	3.7	3.3	3.7	3.5	3.7
Moody's	NM Total Wages & Salaries Growth (%)	8.1	10.1	6.8	6.1	5.5	4.4	4.9	3.9	4.3	3.5	4.3	3.4
BBER	NM Private Wages & Salaries Growth (%)	7.2	9.3	3.9	4.4	3.7	3.7	3.7	3.7	3.3	3.7	3.5	3.7
BBER	NM Real Gross State Product (% YOY)	1.1	1.7	1.1	1.2	1.9	1.9	1.8	1.6	2.1	1.7	2.1	1.7
Moody's	NM Real Gross State Product (% YOY)	1.5	1.9	1.8	1.2	2.0	1.4	2.5	2.5	2.6	2.4	2.4	2.3
CREG	NM Gross Oil Price (\$/barrel)	\$85.00	\$80.50	\$76.50	\$74.50	\$72.50	\$73.00	\$70.50	\$71.00	\$69.00	\$70.00		\$70.00
CREG	NM Net Oil Price (\$/barrel)****	\$74.63	\$70.52	\$67.17	\$65.41	\$63.66	\$64.09	\$61.90	\$62.34	\$60.58	\$61.46		\$61.46
BBER	Oil Volumes (million barrels)	556	656	551	652	554	648	560	648	564	653		659
CREG	NM Taxable Oil Volumes (million barrels)	620	659	660	695	710	725	745	760	775	775		785
	NM Taxable Oil Volumes (%YOY growth)	16.7%	24.0%	6.5%	5.5%	7.6%	4.3%	4.9%	4.8%	4.0%	2.0%		1.3%
CREG	NM Gross Gas Price (\$ per thousand cubic feet)****	\$7.05	\$5.65	\$5.60	\$3.60	\$5.15	\$3.95	\$5.05	\$4.20	\$4.95	\$4.30		\$4.40
CREG	NM Net Gas Price (\$ per thousand cubic feet)****	\$5.49	\$4.28	\$4.26	\$2.49	\$3.89	\$2.78	\$3.79	\$2.99	\$3.69	\$3.08		\$3.17
BBER	Gas Volumes (billion cubic feet)	2,662	3,187	2,641	3,094	2,642	3,042	2,674	3,048	2,680	3,082		3,141
CREG	NM Taxable Gas Volumes (billion cubic feet)	2,875	3,230	3,015	3,410	3,120	3,555	3,200	3,580	3,255	3,615		3,635
	NM Taxable Gas Volumes (%YOY growth)	11.2%	24.4%	4.9%	5.6%	3.5%	4.3%	2.6%	0.7%	1.7%	1.0%		0.6%

## Notes

\* Real GDP is BEA chained 2012 dollars, billions, annual rate

\*\* CPI is all urban, BLS 1982-84=1.00 base

\*\*\*Nominal Personal Income growth rates are for the calendar year in which each fiscal year begins

\*\*\*\*The gross gas prices are estimated using a formula of NYMEX, EIA, and IHS Markit future prices

\*\*\*\*\*The net oil and gas prices represent calculated prices based on taxable values of the product after deductions for transportation, processing, and royalties

Sources: BBER - July 2023 FOR-UNM baseline. IHS Global Insight - July 2023 baseline.

## DFA Notes

\* Real GDP is BEA chained 2012 dollars, billions, annual rate

\*\* CPI is all urban, BLS 1982-84=1.00 base.

\*\*\*Nominal Personal Income growth rates are for the calendar year in which each fiscal year begins

\*\*\*\*The gross gas prices are estimated using a formula of NYMEX, EIA, and Moody's January future prices

\*\*\*\*\*The net oil and gas prices represent calculated prices based on taxable values of the product after deductions for transportation, processing, and royalties

Sources: Moody's baseline

# Appendix 3: Sources and Uses

## Sources and Uses of Bonding Capacity Available for Authorization and Severance Tax Permanent Fund Transfer (in millions) AUGUST 2023 Estimate

Sources of Funds	FY24	FY25	FY26	FY27	FY28	5-Year
<b>General Obligation Bonds</b>	<b>\$309.0</b>		<b>\$309.0</b>		<b>\$309.0</b>	<b>\$927.0</b>
<b>Senior STBs</b>	<b>\$1,474.8</b>	<b>\$1,478.4</b>	<b>\$1,446.4</b>	<b>\$1,402.5</b>	<b>\$1,336.8</b>	<b>\$7,138.9</b>
Severance Tax Bonds	\$785.3	\$785.3	\$785.3	\$785.3	\$785.3	\$3,926.3
Severance Tax Notes	\$689.5	\$693.2	\$661.1	\$617.2	\$551.6	\$3,212.7
<b>Supplemental STBs</b>	<b>\$733.7</b>	<b>\$733.7</b>	<b>\$768.7</b>	<b>\$802.7</b>	<b>\$812.4</b>	<b>\$3,851.2</b>
Supplemental Severance Tax Bonds	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Supplemental Severance Tax Notes	\$733.7	\$733.7	\$768.7	\$802.7	\$812.4	\$3,851.2
<b>TOTAL Sources of Funds</b>	<b>\$2,517.5</b>	<b>\$2,212.2</b>	<b>\$2,524.1</b>	<b>\$2,205.2</b>	<b>\$2,458.2</b>	<b>\$11,917.1</b>

Uses of Funds	FY24	FY25	FY26	FY27	FY28	5-Year
<b>GOB Projects Approved by Referendum</b>	<b>\$309.0</b>		<b>\$309.0</b>		<b>\$309.0</b>	<b>\$927.0</b>
Authorized but Unissued STB Projects	\$15.7	\$0.0	\$0.0	\$0.0	\$0.0	\$15.7
9.0% of Senior STB for Water Projects	\$132.7	\$133.1	\$130.2	\$126.2	\$120.3	\$642.5
4.5% of Senior STB for Colonias Projects	\$66.4	\$66.5	\$65.1	\$63.1	\$60.2	\$321.3
4.5% of Senior STB for Tribal Projects	\$66.4	\$66.5	\$65.1	\$63.1	\$60.2	\$321.3
2.5% Housing Trust Fund Projects	\$36.9	\$37.0	\$36.2	\$35.1	\$33.4	\$178.5
<b>New Senior STB Statewide Capital Projects</b>	<b>\$1,156.7</b>	<b>\$1,175.3</b>	<b>\$1,149.9</b>	<b>\$1,115.0</b>	<b>\$1,062.8</b>	<b>\$5,659.7</b>
<b>PSCOC Public School Capital</b>	<b>\$733.7</b>	<b>\$733.7</b>	<b>\$768.7</b>	<b>\$802.7</b>	<b>\$812.4</b>	<b>\$3,851.2</b>
<b>TOTAL Uses of Funds</b>	<b>\$2,517.5</b>	<b>\$2,212.2</b>	<b>\$2,524.1</b>	<b>\$2,205.2</b>	<b>\$2,458.2</b>	<b>\$11,917.1</b>

Estimated Transfer to Severance Tax Permanent Fund						
	FY24	FY25	FY26	FY27	FY28	5-Year
<b>Severance Tax Permanent Fund Transfer</b>	<b>\$564.5</b>	<b>\$396.1</b>	<b>\$392.1</b>	<b>\$349.6</b>	<b>\$364.8</b>	<b>\$2,067.1</b>

*Note: The estimated annual permanent fund transfer includes the mandatory annual transfer of \$23.69 million for FY24 through FY28, pursuant to the Laws of 2019, Section 2, Chapter 273 and \$92.0 million for FY24 through FY33, pursuant to the Laws of 2023, Section 2, Chapter 124*

# Appendix 4: GFFS

## DFA GENERAL FUND FINANCIAL SUMMARY

August 2023

(Dollars in Millions)

	Est. FY23	Est. FY24	Est. FY25
<b>APPROPRIATION ACCOUNT</b>			
<b>Revenue:</b>			
Recurring Revenue:			
December 2022 Consensus Revenue Estimate	\$ 10,774.9	\$ 11,820.3	\$ 12,143.4
August 2023 Consensus Revenue Update	\$ 866.2	\$ 790.7	\$ 907.6
<b>Subtotal Recurring Revenue</b>	<b>\$ 11,641.1</b>	<b>\$ 12,611.0</b>	<b>\$ 13,051.0</b>
Nonrecurring Revenue			
Federal Stimulus Funds	\$ -		
2022 Legislation	\$ (87.4)		
2023 Legislation Session Nonrecurring Revenue Legislation	\$ (695.2)	\$ (9.3)	
<b>Subtotal Nonrecurring Revenue</b>	<b>\$ (782.6)</b>	<b>\$ (9.3)</b>	<b>\$ -</b>
<b>Total Revenue</b>	<b>\$ 10,858.5</b>	<b>\$ 12,601.7</b>	<b>\$ 13,051.0</b>
<b>Appropriations:</b>			
Recurring Appropriations:			
2022 Recurring Appropriations	\$ 8,378.2		
2022 Special Session	\$ 26.1		
2023 Regular Session and Feed Bill	\$ 19.7	\$ 9,568.6	
<b>Subtotal Recurring Appropriations</b>	<b>\$ 8,424.0</b>	<b>\$ 9,568.6</b>	
Nonrecurring:			
2022 Nonrecurring Appropriations (ARPA Appropriations)	\$ 309.5		
2023 Nonrecurring Appropriations (ARPA Appropriations)	\$ 85.5		
2023 Nonrecurring Appropriations (Unearned Federal Funds)	\$ -	\$ 54.5	
2022 Regular Session Nonrecurring Appropriations	\$ 100.0		
2022 Special Session Nonrecurring Appropriations			
2023 Regular Session Nonrecurring Appropriations	\$ 1,517.5	\$ 771.4	
2023 Regular Session General Fund Capital		\$ 1,074.0	
<b>Subtotal Nonrecurring Appropriations</b>	<b>\$ 2,012.5</b>	<b>\$ 1,845.4</b>	<b>\$ -</b>
<b>Subtotal Recurring and Nonrecurring Appropriations</b>	<b>\$ 10,436.5</b>	<b>\$ 11,414.0</b>	<b>\$ -</b>
2022 GAA Undistributed Nonrecurring Appropriations	\$ 448.1		
2023 GAA Undistributed Nonrecurring Appropriations	\$ (622.0)	\$ 622.0	
<b>Total Appropriations</b>	<b>\$ 10,262.6</b>	<b>\$ 12,036.0</b>	<b>\$ -</b>
Transfers to/(from Operating Reserves)	\$ 991.0	\$ 565.7	

**FY25  
New Money  
\$3.48 billion  
or 36.39%  
of  
Recurring  
Appropriations**

## GENERAL FUND FINANCIAL SUMMARY

GENERAL FUND RESERVES

Reserve Detail

(Dollars in Millions)

	FY23	FY24	FY25
<b>OPERATING RESERVE</b>			
Beginning Balance	\$ 565.8	\$ 596.6	\$ 673.9
BOF Emergency Appropriations/Reversions	\$ (2.5)	\$ (4.0)	\$ (4.0)
Disaster Allotments	\$ -	\$ -	\$ -
Transfers from/to Appropriation Account	\$ 991.0	\$ 565.7	\$ -
Transfers to Tax Stabilization Reserve	\$ (957.7)	\$ (434.3)	\$ -
Transfers from (to) ACF/Other Appropriations <sup>4</sup>	\$ -	\$ (50.0)	\$ -
Transfers from Tax Stabilization Reserve (1% transfer from TSR)	\$ -	\$ -	\$ -
Transfers from Tax Stabilization Reserve	\$ -	\$ -	\$ -
<b>Ending Balance</b>	<b>\$ 596.6</b>	<b>\$ 673.9</b>	<b>\$ 669.9</b>
<b>APPROPRIATION CONTINGENCY FUND</b>			
Beginning Balance	\$ 11.2	\$ 3.2	\$ 45.2
Disaster Allotments	\$ (16.0)	\$ (16.0)	\$ (16.0)
Other Appropriations	\$ (395.0)	\$ -	\$ -
Transfers In <sup>4, 5</sup>	\$ 449.5	\$ 104.5	\$ -
Unearned Federal Funds	\$ (54.5)	\$ (54.5)	\$ -
Revenue and Reversions	\$ 8.0	\$ 8.0	\$ 8.0
<b>Ending Balance</b>	<b>\$ 3.2</b>	<b>\$ 45.2</b>	<b>\$ 37.2</b>
<b>STATE SUPPORT RESERVE</b>			
Beginning Balance	\$ 49.5	\$ 10.4	\$ 10.4
Revenues/Transfers	\$ -	\$ -	\$ -
Appropriations	\$ -	\$ -	\$ -
Impact Aid Liability	\$ (39.1)		
<b>Ending Balance</b>	<b>\$ 10.4</b>	<b>\$ 10.4</b>	<b>\$ 10.4</b>
<b>TOBACCO SETTLEMENT PERMANENT FUND</b>			
Beginning Balance	\$ 300.2	\$ 333.0	\$ 367.5
Transfers In	\$ 32.5	\$ 32.5	\$ 32.5
Appropriation to Tobacco Settlement Program Fund	\$ (16.3)	\$ (16.3)	\$ (16.3)
Gains/Losses	\$ 16.5	\$ 18.3	\$ 20.2
Additional Transfers from TSPF		\$ -	\$ -
Transfer to General Fund Appropriation Account			
<b>Ending Balance</b>	<b>\$ 333.0</b>	<b>\$ 367.5</b>	<b>\$ 404.0</b>
<b>TAX STABILIZATION RESERVE</b>			
Beginning Balance	\$ 2,303.3	\$ 3,356.4	\$ 3,926.4
Revenues In <sup>1</sup>	\$ 1,181.0	\$ 622.4	\$ 466.7
Transfers In (from Operating Reserve)	\$ 957.7	\$ 434.3	\$ -
Transfer Out to Operating Reserve <sup>3</sup>	\$ -	\$ -	\$ -
Transfers Out to Early Childhood Trust Fund <sup>2</sup>	\$ (1,181.0)	\$ (622.4)	\$ (466.7)
Gains/Losses	\$ 95.3	\$ 135.7	\$ 157.1
Other appropriations	\$ -	\$ -	\$ -
Audit Adjustments for Rounding	\$ -	\$ -	\$ -
<b>Ending Balance</b>	<b>\$ 3,356.4</b>	<b>\$ 3,926.4</b>	<b>\$ 4,083.5</b>
<b>Total General Fund Ending Balances</b>	<b>\$ 4,299.5</b>	<b>\$ 5,023.4</b>	<b>\$ 5,204.9</b>
<b>Percent of Recurring Appropriations</b>	<b>51.0%</b>	<b>52.5%</b>	

1. Estimated transfers to TSR from excess oil and gas emergency tax revenues in excess of the rolling five-year average.

2. Laws 2020, Chapter 3 (HB83) established that if reserve balances exceed 25 percent of recurring appropriations the excess oil and gas emergency tax revenue in excess of the rolling five-year average be distributed to the Early Childhood Trust Fund.

3. Laws 2020, HB341 transfers a portion of the balance in the Tax Stabilization Reserve (TSR) if the General Fund Operating Reserve is less than one percent of aggregate appropriations. The amount transferred is equal to the lesser of the one percent of appropriations or the amount necessary so that the balance in the Operating Reserve is one percent of percent aggregate appropriations.

4. Laws of 2023, appropriated \$50 million from the operating reserve to the appropriation contingency fund in FY23.

5. 2021 Second Special session appropriated \$1.069 billion of ARPA funds to appropriation contingency fund. Remaining unearned federal funds in suspense account are \$54.5 million in FY23.

Totals may not sum due to rounding

# Appendix 5: Early Childhood Education and Care Fund

## Early Childhood Education and Care Fund

	CY20	CY21	CY22	CY23	CY24	CY25	CY26	CY27	CY28
Beginning Balance	\$ 300.0	\$ 306.1	\$ 314.6	\$3,462.0	\$5,523.6	\$7,769.5	\$ 9,070.9	\$ 9,909.0	\$10,177.2
Gains & Losses	\$ 6.1	\$ 28.4	\$ (7.1)	\$ 138.5	\$ 220.9	\$ 310.8	\$ 362.8	\$ 396.4	\$ 407.1
Excess FML	\$ -	\$ -	\$1,501.7	\$2,073.1	\$ 999.0	\$ 647.5	\$ 381.2	\$ 51.5	\$ -
Excess OGAS School Tax	\$ -	\$ -	\$1,682.8	\$ -	\$1,181.0	\$ 622.4	\$ 466.7	\$ 266.2	\$ 59.0
Distribution to ECE Program Fund		\$ (20.0)	\$ (30.0)	\$ (150.0)	\$ (155.0)	\$ (279.3)	\$ (372.7)	\$ (445.8)	\$ (486.0)
<b>Ending Balance (\$ in millions)</b>	<b>\$ 306.1</b>	<b>\$ 314.6</b>	<b>\$3,462.0</b>	<b>\$5,523.6</b>	<b>\$7,769.5</b>	<b>\$9,070.9</b>	<b>\$ 9,909.0</b>	<b>\$10,177.2</b>	<b>\$10,157.3</b>

	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Distribution to ECE Program Fund	\$ -	\$ 20.0	\$ 30.0	\$ 150.0	\$ 155.0	\$ 279.3	\$ 372.7	\$ 445.8

Note: FML and OGAS distributions based on August 2023 Consensus Revenue Forecast

Note: Distribution to ECE Program Fund occurs in FY not CY

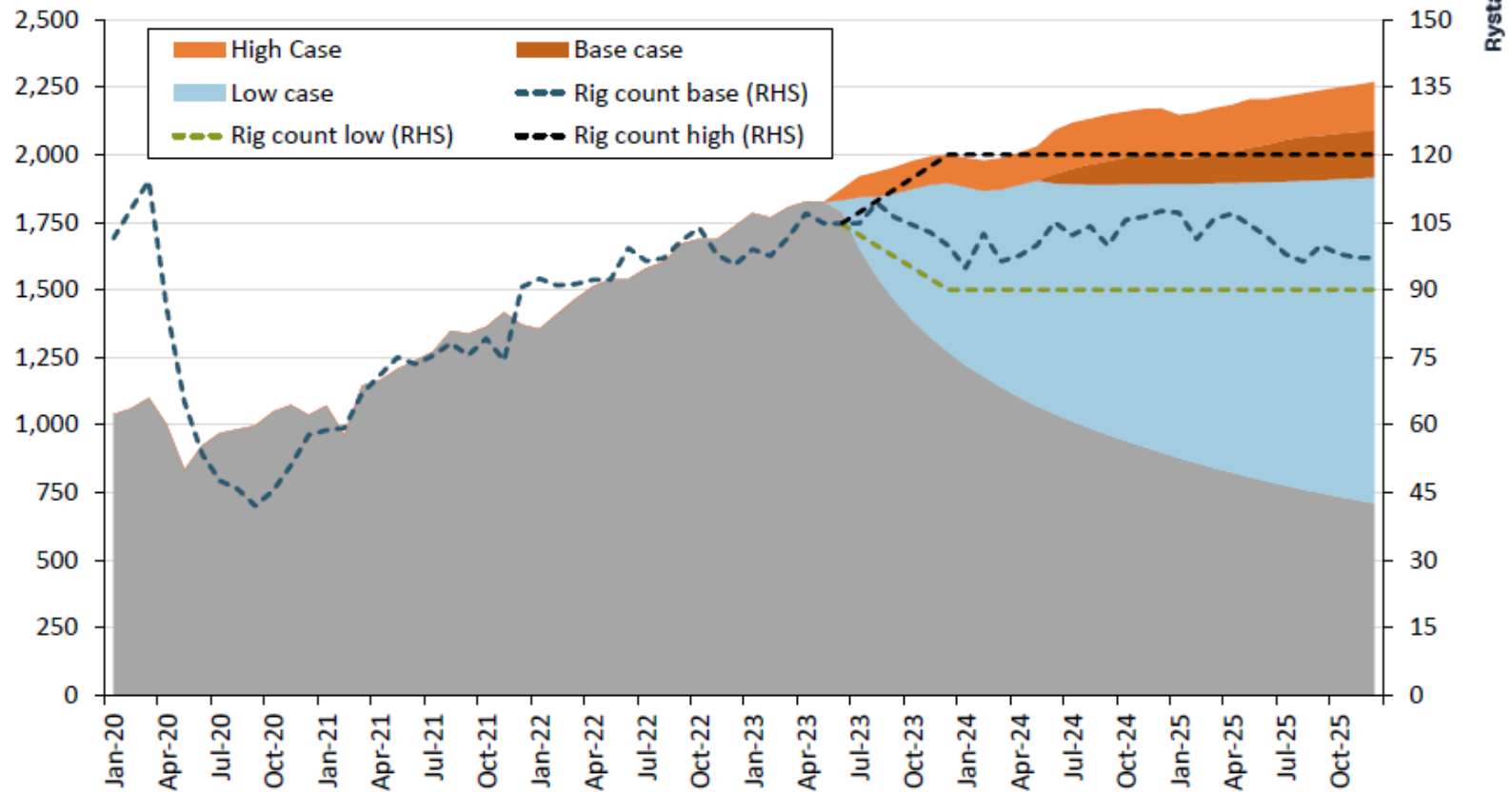
Note: 2023's HB191 increased minimum distribution from \$30 million to \$150 million in FY24

# Appendix 6a: Rystad Energy US Shale oil & gas update: With Focus on Permian New Mexico

Oil Production – scenarios by rig count

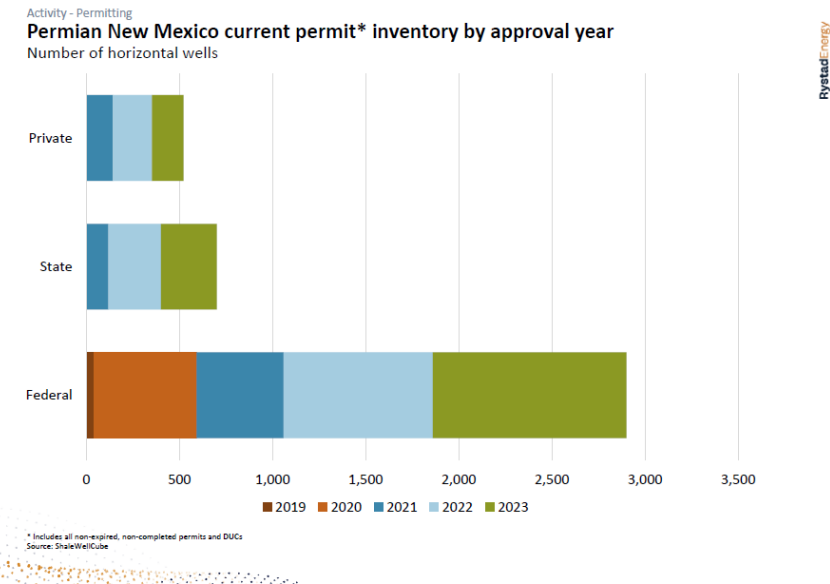
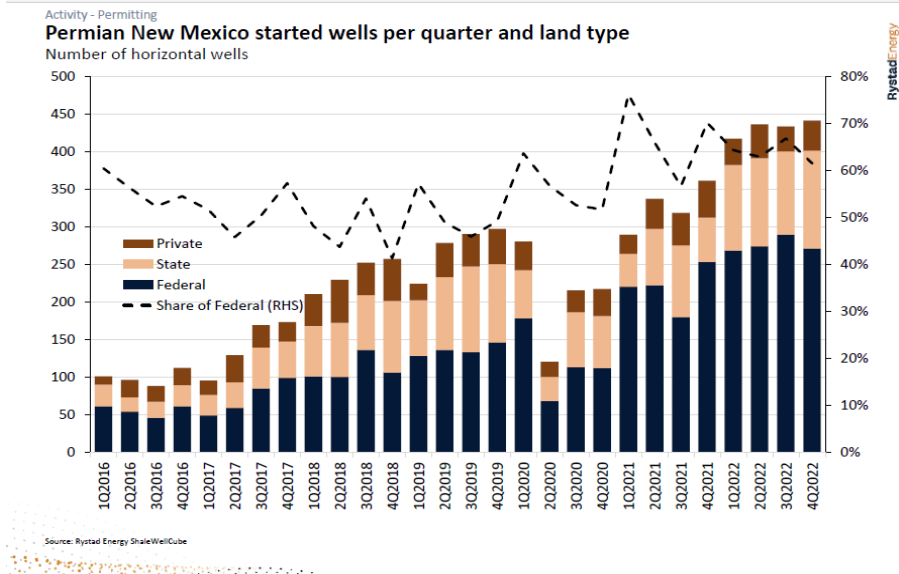
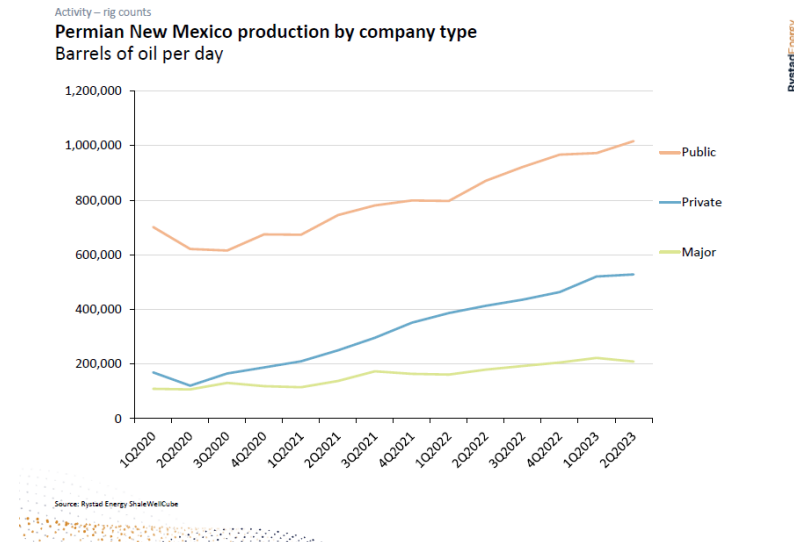
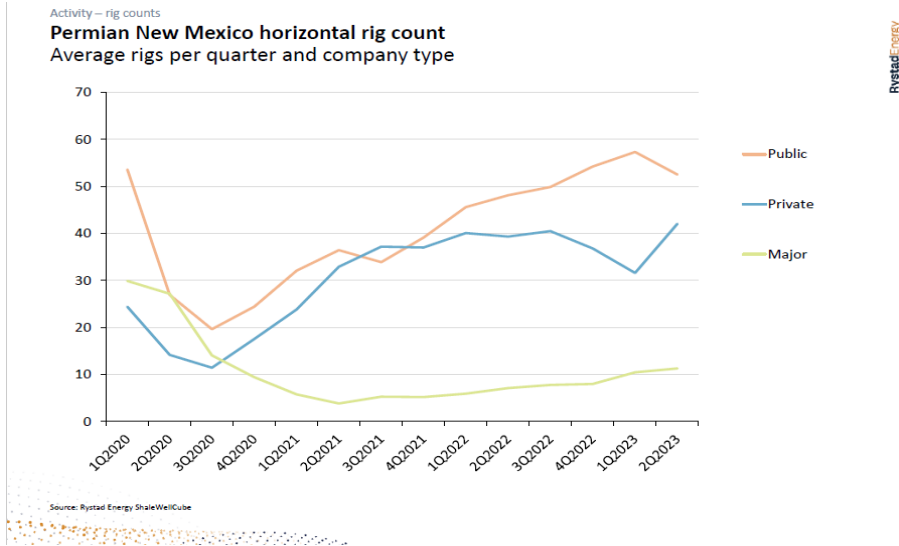
## Permian New Mexico, production scenarios

Thousand barrels per day

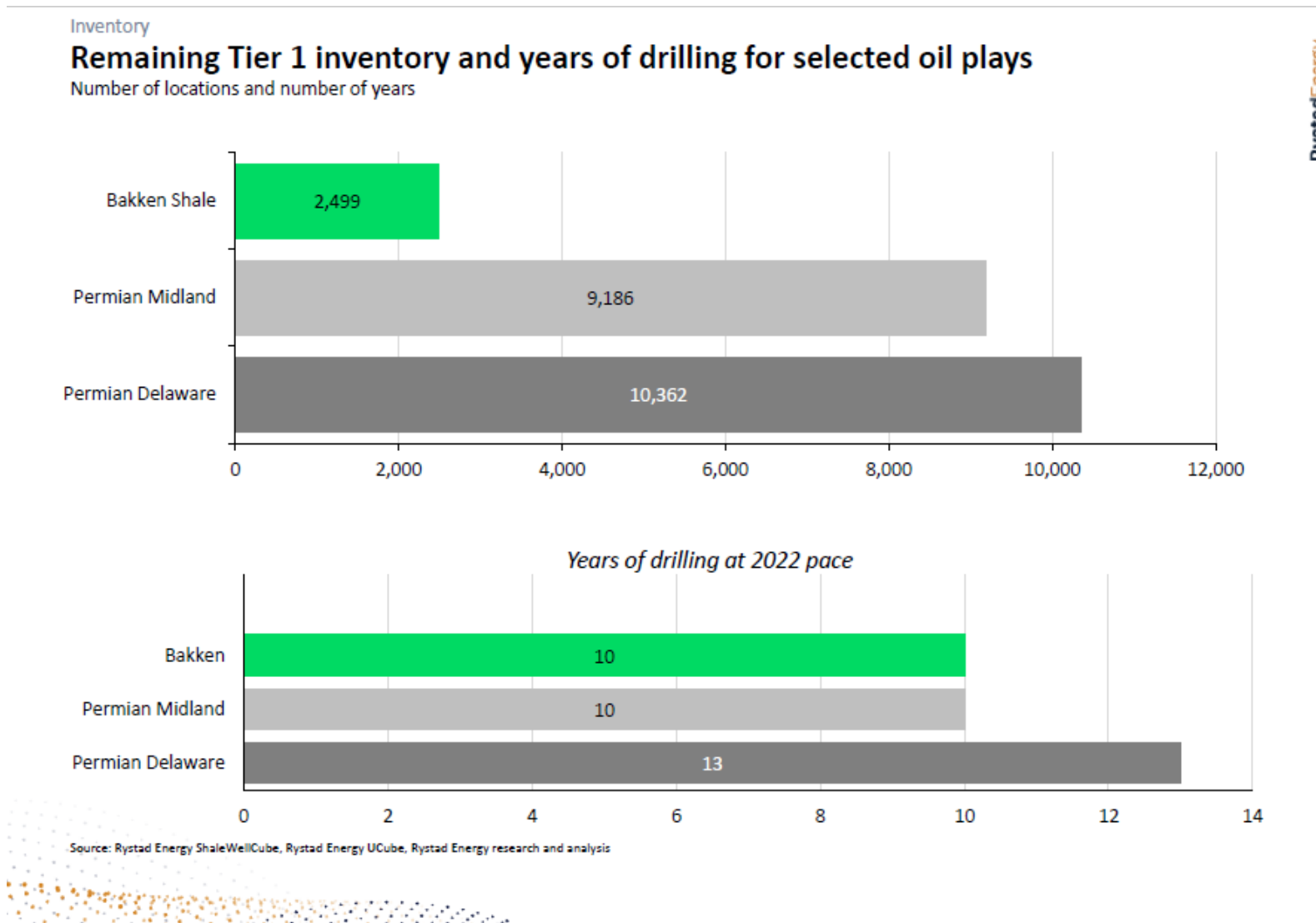


Source: Rystad Energy ShaleWellCube, Rystad Energy Production Model Dynamix dashboard

# Appendix 6b: Rystad Energy US Shale oil & gas update: With Focus on Permian New Mexico

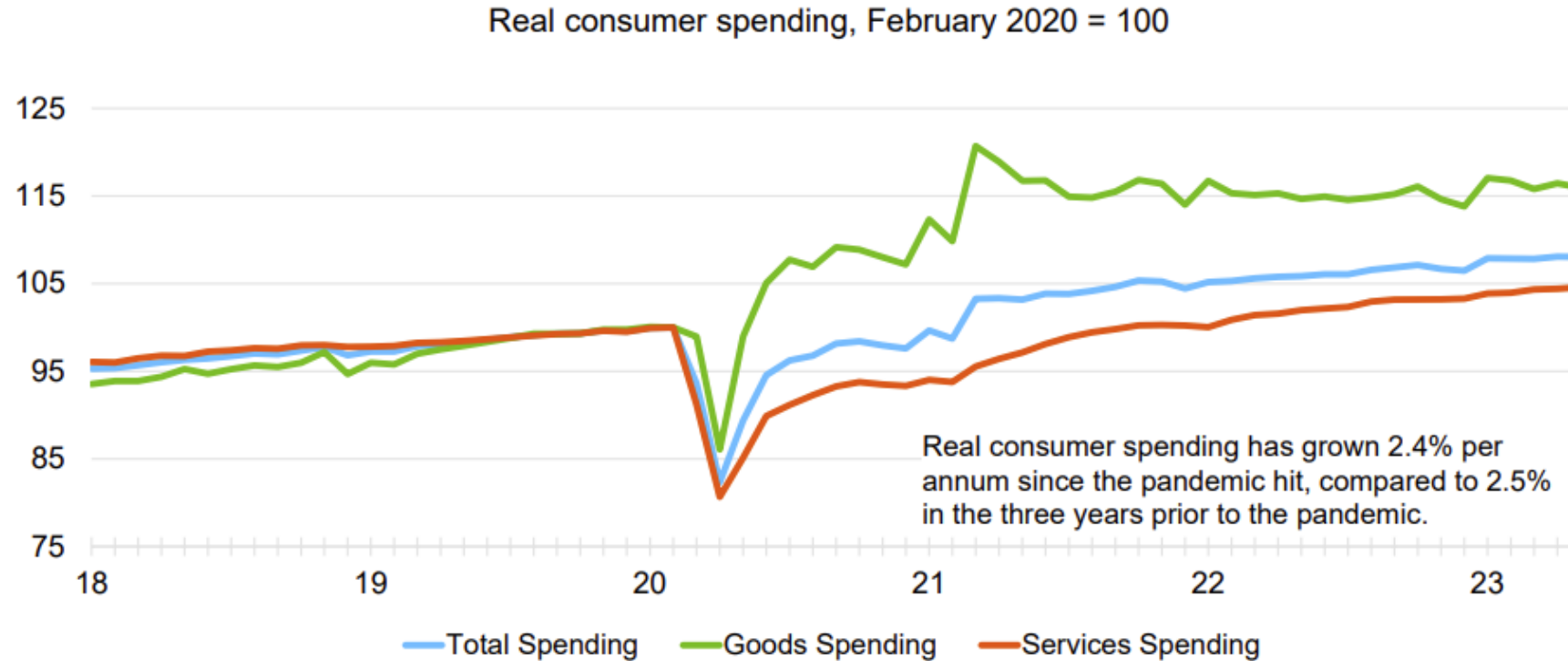


# Appendix 6c: Rystad Energy US Shale oil & gas update: With Focus on Permian New Mexico



# Appendix 7a: Moody's Consumer Firewall Analysis

## Consumers Continue To Do Their Part

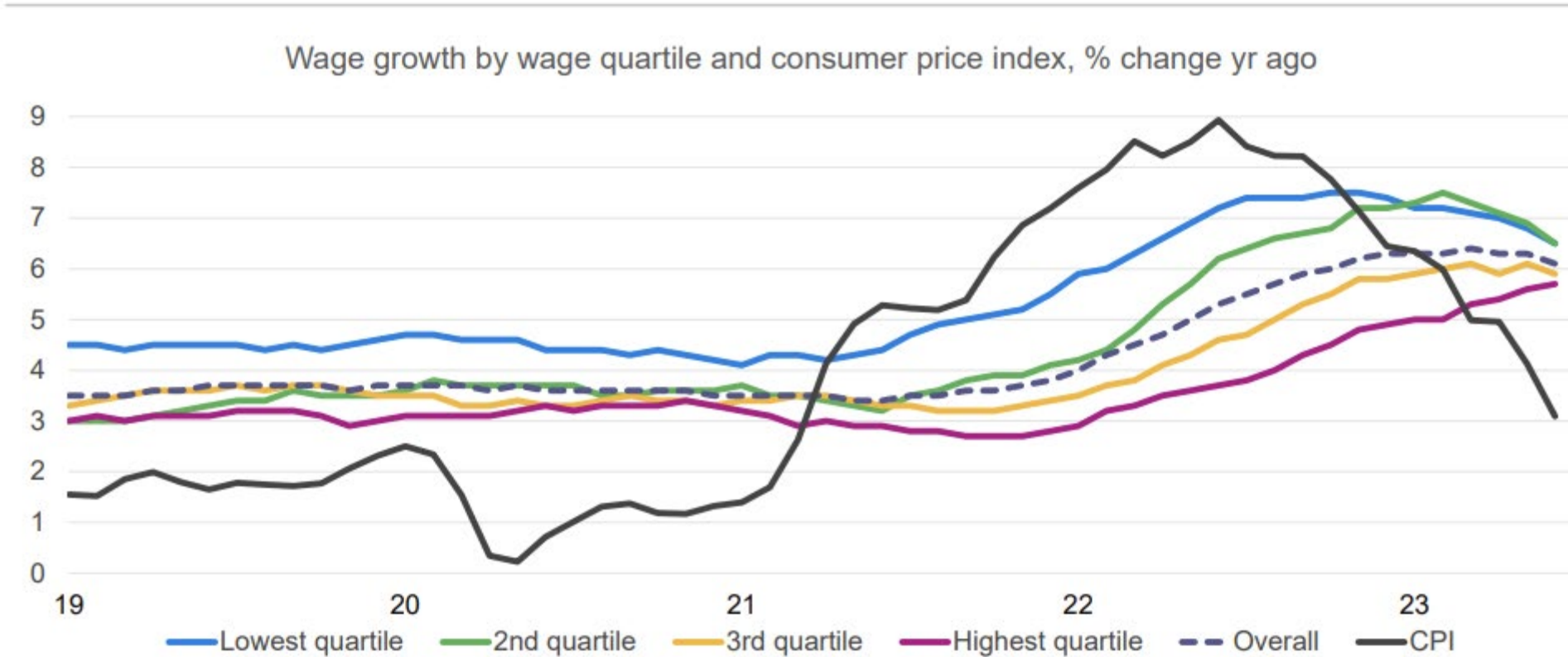


Sources: BEA, Moody's Analytics

MOODY'S ANALYTICS

# Appendix 7b: Moody's Consumer Firewall Analysis

## Wage Growth Outpaces Inflation

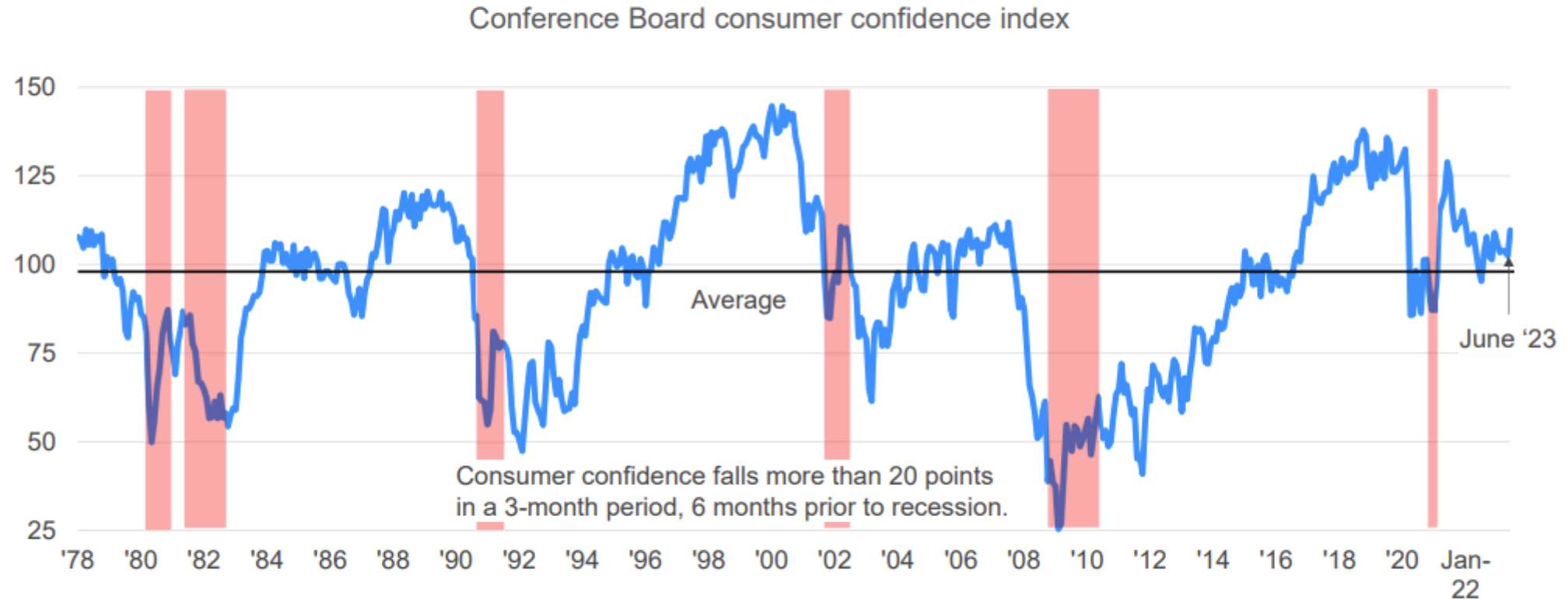


Sources: BLS, Atlanta Fed, Moody's Analytics

Moody's Analytics

# Appendix 7c: Moody's Consumer Firewall Analysis

## Consumers Are Anxious, But Haven't Lost Faith...



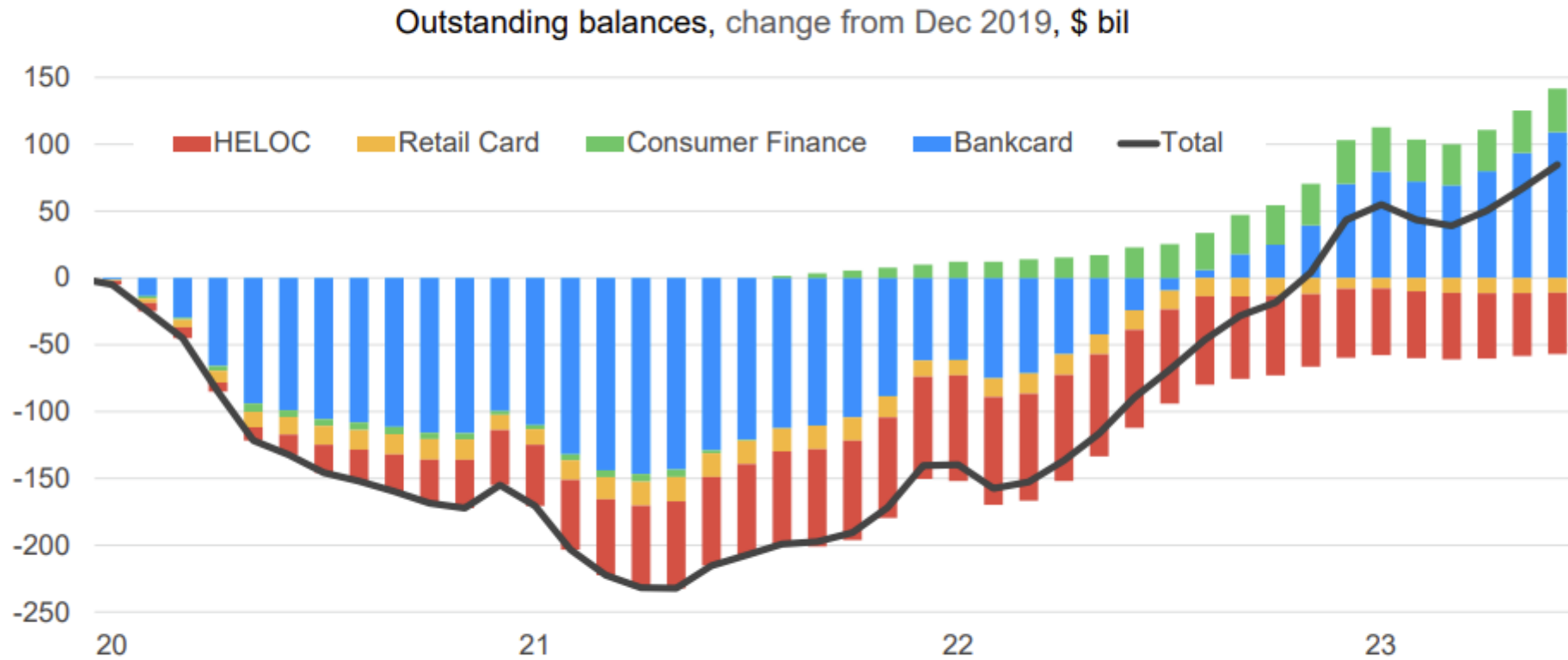
Sources: Conference Board, Moody's Analytics

Moody's Analytics

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# Appendix 7d: Moody's Consumer Firewall Analysis

## Household Debt On the Rise...



Sources: Equifax, Moody's Analytics

Moody's Analytics

# Appendix 7e: Moody's Consumer Firewall Analysis

## Higher Oil Prices Are a Threat

NYMEX Light Sweet Crude Oil Futures Prices, \$ per barrel, NSA



Sources: EIA, Moody's Analytics

Moody's Analytics

# Appendix 8: Select Industries by Gender in New Mexico, 2021

Industry	% Male	% Female	Industry	% Male	% Female
Full-time, year-round employed 16+	56.2%	43.8%	Information*	64.3%	35.7%
Agriculture, forestry, fishing & hunting <sup>+</sup>	81.4%	18.6%	Finance & Insurance*	34.6%	65.4%
Mining, quarrying & oil and gas extraction*	87.8%	12.2%	Real estate & rental and leasing	59.4%	40.6%
Construction	92.1%	23.8%	Professional & business services*	61.8%	38.2%
Manufacturing	76.2%	23.8%	Private educational services <sup>+</sup>	34.5%	65.5%
Wholesale trade	75.0%	25.0%	Health care & social assistance	24.9%	75.1%
Retail trade <sup>+</sup>	56.5%	43.5%	Arts, entertainment & recreation <sup>+</sup>	60.1%	39.9%
Transportation & warehousing	81.3%	18.7%	Accommodation & food services <sup>+</sup>	49.8%	50.2%
Public administration*	55.2%	44.8%			

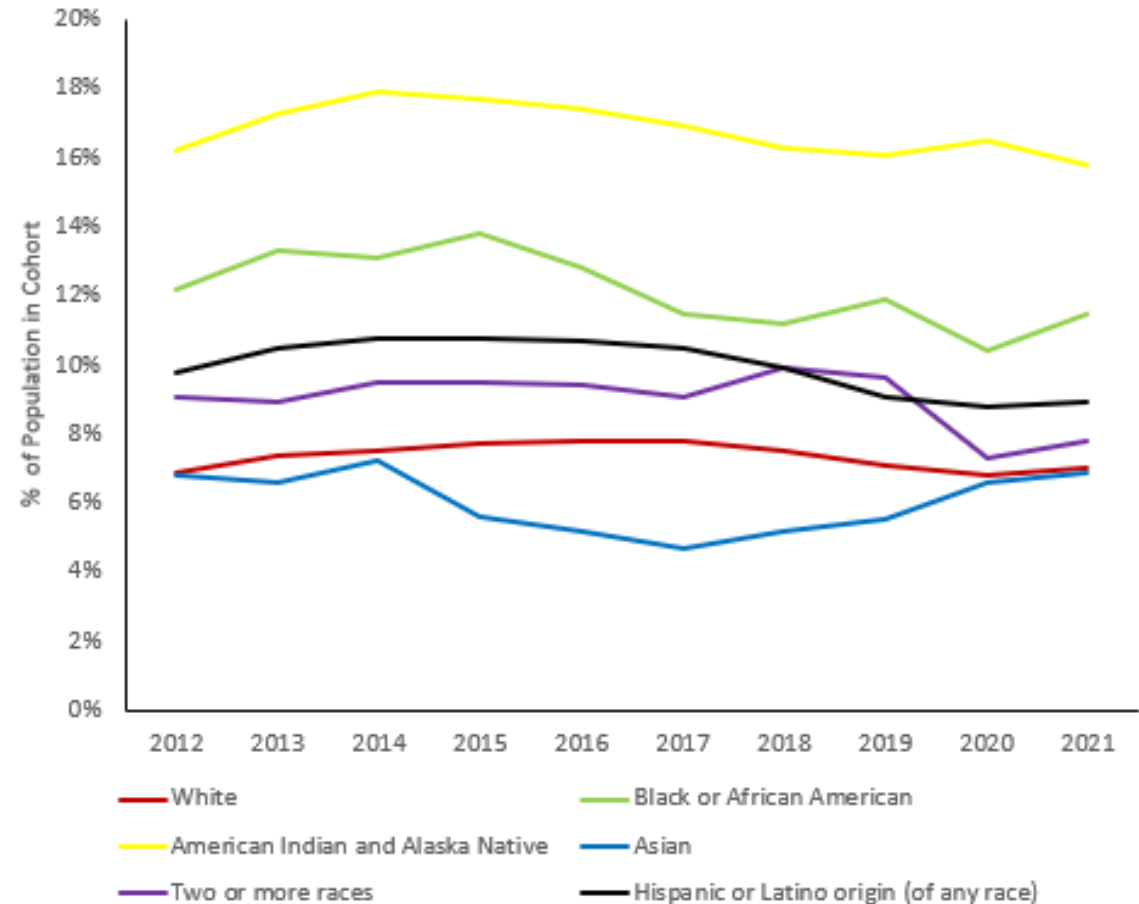
\* Higher income jobs (for public administration, Federal jobs only)

<sup>+</sup> Lower income jobs

# Appendix 9: Lower Income Earners in New Mexico

- 10 year average of % of population 50% or below the poverty threshold
  - AM/AI: 16.8%
  - Black or African American: 12.2%
  - Hispanic or Latino: 10.0%
  - 2+ Races: 9.0%
  - White: 7.4%
  - Asian: 6.0%
- Annual income at 50% of the poverty level
  - Individual under 65: \$7,613/yr
  - Family of 4 (2 children): \$14,891/yr

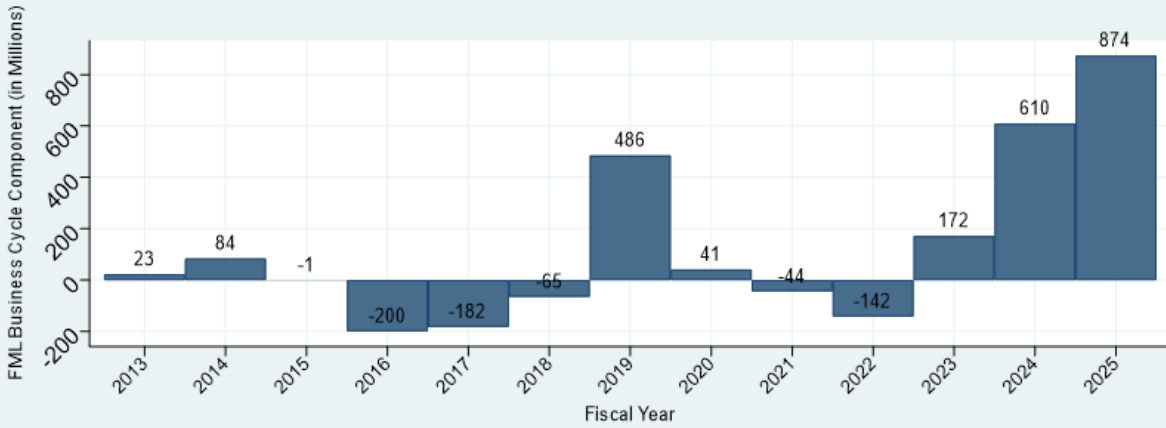
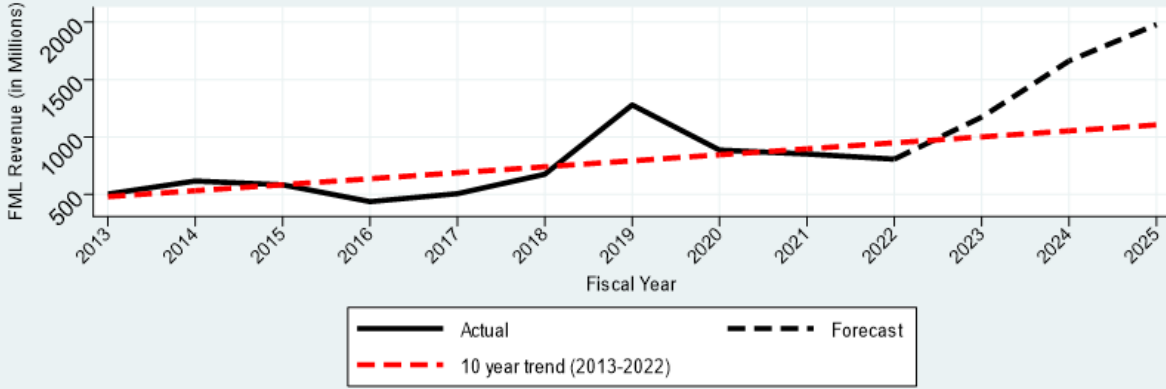
Percent of New Mexico's Population Earning 50% or Below the Poverty Threshold by Race or Ethnicity



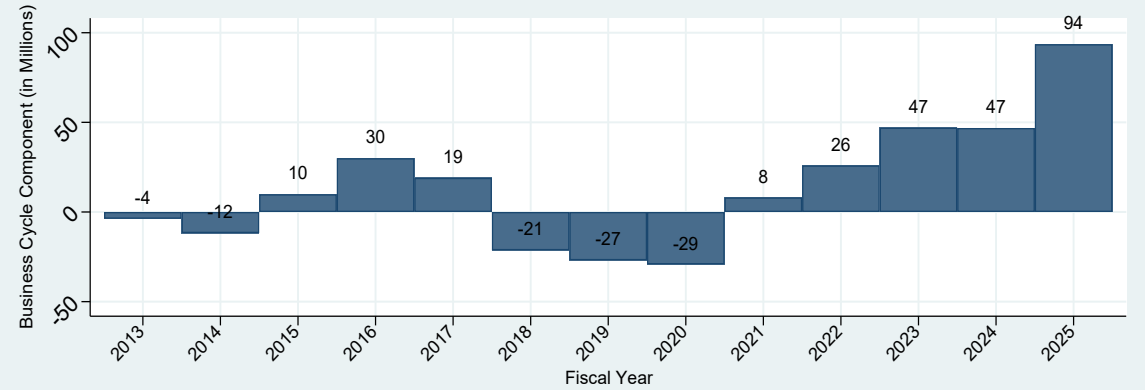
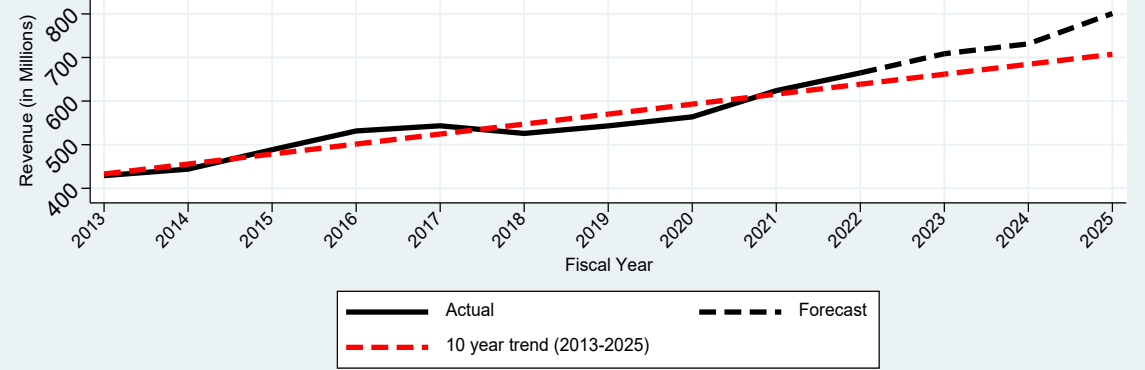
Source: U.S. Census Bureau, ACS 5-Year Estimates; Table S21703, 2012-2021

# Appendix 10: Other Trendline Analysis

Total Rents and Royalties

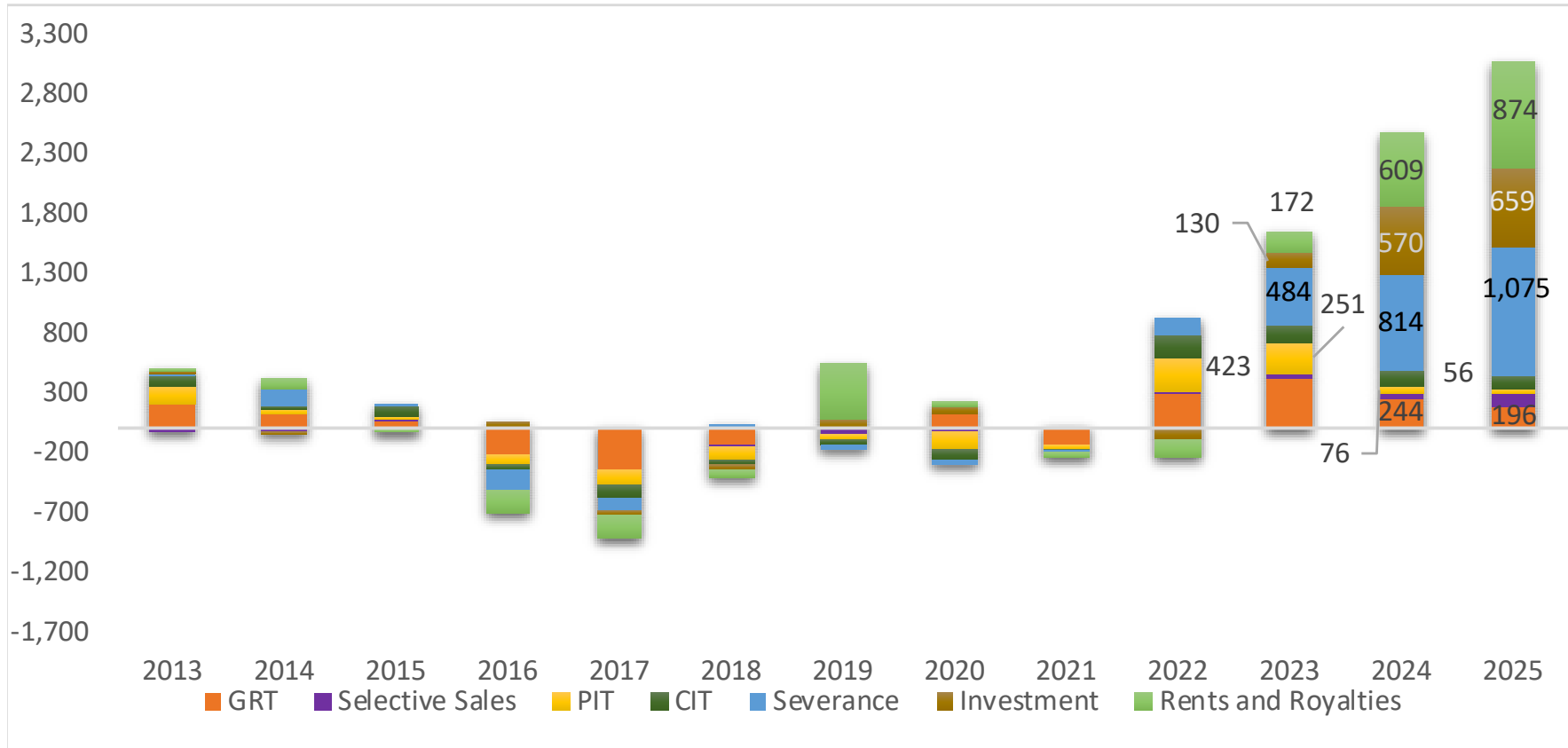


Total Selective Sales Taxes



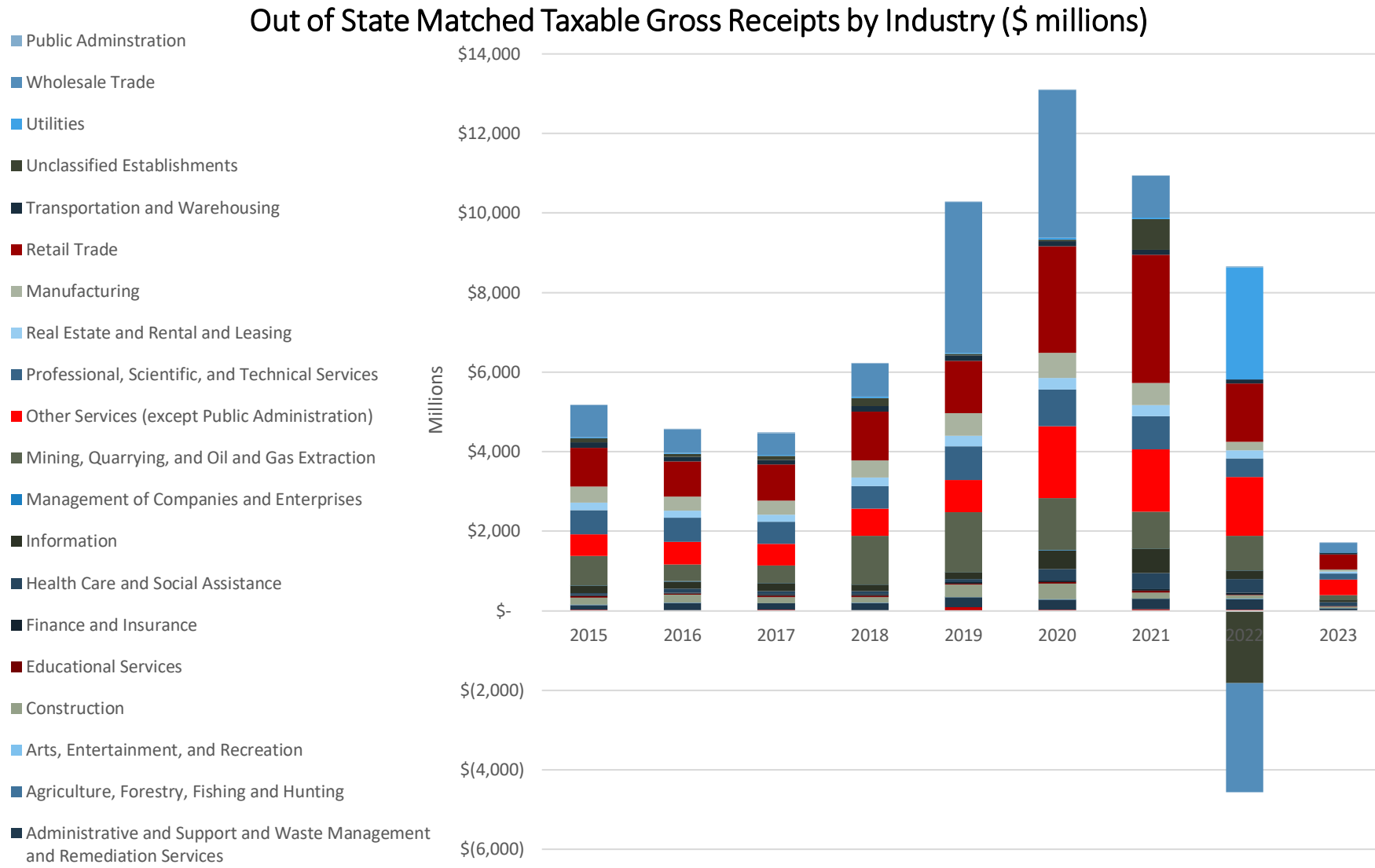
# Appendix 11:

## Revenue volatility by major revenue sources: Deviation from 10 years trend (\$ millions)



**Note: major revenue sources consist of sales taxes, income taxes, severance taxes, rents and royalties, and investment earnings**

# Appendix 12: Out of State MTGR



Source: Taxation & Revenue Department RP500 Reports, Author's calculations