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FISCAL IMPACT REPORT

SPONSOR

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LAST UPDATED

10/1/2025

ORIGINAL DATE

10/1/2025

SHORT TITLE

General Appropriations

BILL NUMBER

House Bill 1

ANALYST

Courtney

APPROPRIATION\*  
(dollars in thousands)

FY26	FY27	Recurring or Nonrecurring	Fund Affected
\$240.0		Nonrecurring Section 1	Legislative Cash Balances
\$1,000.0		Nonrecurring Section 2	General Fund
\$5,990.5		Nonrecurring Section 3	General Fund
\$45,946.0		Nonrecurring Section 4	General Fund
\$3,000.0		Nonrecurring Section 4	General Fund
\$17,300.0		Nonrecurring Section 4	Health care affordability fund
\$7,979.6		Nonrecurring Section 5	General Fund
\$450.0		Nonrecurring Section 6	General Fund
\$80,000.0		Nonrecurring Section 7	General Fund (Transfers Out)

Parentheses ( ) indicate expenditure decreases.  
\*Amounts reflect most recent analysis of this legislation.  
Note all appropriations are made in FY26 but only some appropriations are made available through FY27 in House Bill 1.

REVENUE\*  
(dollars in thousands)

Type	FY26	FY27	FY28	FY29	FY30	Recurring or Nonrecurring	Fund Affected
HCA Sweep	\$120,000.0					Recurring	Operating Reserve

Parentheses ( ) indicate revenue decreases.  
\*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

SUMMARY

Synopsis of House Bill 1

House Bill 1 appropriates \$240 thousand from legislative cash balances for expenses of the First Special Session of the Fifty-Seventh Legislature in FY26 (Section 1). Overall, House Bill 1 appropriates over \$144 million from the general fund and \$17.3 million from the health care affordability fund (HCAF) for

nonrecurring expenses across FY26 and FY27.

House Bill 1 appropriates \$57.4 million from the general fund for uses across several agencies [(Administrative Office of the Courts (AOC), Department of Finance and Administration (DFA), Indian Affairs Department (IAD), Health Care Authority (HCA), Regulation and Licensing Department (RLD), and New Mexico State University (NMSU)] and \$17.3 million from the HCAF for use in FY26 and FY27 for multiple purposes (see “Fiscal Implications” for detail) with language requiring reversion of unexpended balances at the end of the fiscal year designated for use to the originating fund (Sections 2-6). House Bill 1 appropriates \$80 million in nonrecurring general fund revenue for transfers into the appropriation contingency fund (\$30 million) and the rural health care delivery fund (\$50 million) in FY26 (Section 7). House Bill 1 also sweeps \$120 million unexpended general fund balance (FY24) from the Health Care Authority (HCA) into the general fund operating reserve. The bill would become effective immediately if signed by the governor.

## FISCAL IMPLICATIONS

In Section 1, House Bill 1 appropriates \$105 thousand for expenses of the House of Representatives, \$70 thousand for expenses of the Senate, and \$65 thousand for expenses of the Legislative Council Service.

In Section 2, House Bill 1 appropriates \$1 million from the general fund to the Administrative Office of the Courts for expenditure in FY26 and FY27 for expansion of assisted outpatient treatment, competency diversion pilot programs, and other behavioral health pilot programs. Unexpended balances remaining at the end of FY27 would revert to the general fund.

In Section 3, House Bill 1 appropriates \$5.6 million from the general fund to the Department of Finance and Administration for expenditure in FY26 and FY27 for educational television and public radio and \$430 thousand from the general fund for expenditure in FY26 and FY27 to the Indian Affairs Department for educational television and public radio provided by and for Indian nations, tribes, and pueblos. Unexpended balances remaining at the end of FY27 would revert to the general fund.

In Section 4, House Bill 1 appropriates \$45.9 million from the general fund for expenditure in FY26 and FY27 to the Health Care Authority:

- \$4.6 million to maintain federal Supplemental Nutrition Assistance Program (SNAP) program benefits for elders and people with disabilities;
- \$12 million to maintain the minimum SNAP benefit to lawfully present residents;
- \$1.246 million to prevent layoffs of employees administering the SNAP program and obesity grant program at the University of New Mexico (UNM) and New Mexico State University (NMSU);
- \$8 million to support food programming, including \$2.5 million for capacity buildings, transportation, logistics and operational expenses;
  - \$2 million to support educational-based centers and food pantry and distribution programs in consultation with the Early Childhood Education and Care, Public Education, and Higher Education departments vouchers;
  - \$1.5 million to support individuals in meeting work and volunteer requirements for SNAP and Medicaid in consultation with the Workforce Solutions Department;
  - \$4.4 million for additional staffing and administrative costs for the income support division;
  - \$2.2 million for additional staffing and administrative costs for the Medical Assistance Division; and
  - \$10 million for updates to IT and other costs related to change in eligibility requirements for the Medicaid and SNAP programs.

Unexpended balances remaining at the end of FY27 would revert to the general fund. Additionally, Section 4 makes two appropriations for expenditure in FY26: \$3 million from the general fund to the HCA for healthcare services provided by nonprofits not eligible to receive Medicaid funding and \$17.3 million from the HCAF to HCA for expenditure in FY26 to reduce healthcare premiums and for cost sharing for health insurance exchange customers. Unexpended balances remaining at the end of FY26 will revert to the general fund and HCAF, respectively.

In Section 5, House Bill 1 appropriates \$7.9 million from the general fund for expenditure in FY26 to the Regulation and Licensing Department for projected shortfalls in operating expenses and to remediate cash deficits and \$100 thousand to implement interstate compacts regarding healthcare professionals. Unexpended balances remaining at the end of FY26 would revert to the general fund.

In Section 6, House Bill 1 appropriates \$450 thousand from the general fund for expenditure in FY26 to NMSU for the CAMP program for college-bound migrant and seasonal farmworkers. Unexpended balances remaining at the end of FY26 would revert to the general fund.

In Section 7, House Bill 1 transfers \$30 million from the general fund to the appropriation contingency fund and transfers \$50 million from the general fund to the rural health care delivery fund.

In Section 8, House Bill 1 sweeps \$120 million in unexpended general fund balances from the Health Care Authority, transferring the funding to the general fund operating reserve.

## **SIGNIFICANT ISSUES**

In May of 2025 the Legislative Finance Committee published a projection that the health care affordability fund would have a beginning balance of \$197.5 million in FY27. House Bill 1 would reduce that projection by \$17.3 million given the FY26 appropriation to HCA.

After House Bill 1 appropriations, transfers, and the sweep from HCA, FY26 reserves are calculated to be approximately 32.2 percent.

Attachment: General Fund Financial Summary

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## General Fund Financial Summary 2025 Special Session Scenario

(millions of dollars)

October 1, 2025

9:47 AM

	Estimate FY2025	Estimate FY2026	Estimate FY2027
<b><u>APPROPRIATION ACCOUNT</u></b>			
<b>REVENUE</b>			
August 2025 Consensus Revenue Estimate	\$ 13,654.8	\$ 13,706.0	\$ 14,109.9
Total Recurring Revenue	\$ 13,654.8	\$ 13,706.0	\$ 14,109.9
Percent Change in Recurring Revenue	4.7%	0.4%	2.9%
Nonrecurring Revenue			
August 2025 Consensus Revenue Estimate	\$ 45.5	\$ -	
Total Nonrecurring Revenue	\$ 45.5	\$ -	\$ -
<b>TOTAL REVENUE</b>	<b>\$ 13,700.3</b>	<b>\$ 13,706.0</b>	<b>\$ 14,109.9</b>
<b><u>APPROPRIATIONS</u></b>			
Recurring Appropriations			
2024 Regular Session Recurring Legislation & Feed Bill	\$ 10,219.5		
2025 Regular Session Recurring Legislation & Feed Bill	\$ 15.1	\$ 10,835.4	
Total Recurring Appropriations	\$ 10,234.6	\$ 10,835.4	\$ -
Nonrecurring Appropriations			
2024 Regular Session Nonrecurring Legislation	\$ 2,399.6		
2024 Special Session Nonrecurring Legislation	\$ 103.0		
2025 Regular Session Nonrecurring Legislation	\$ 1,056.4	\$ 2,789.6	
2025 Special Session Nonrecurring Legislation	\$ -	\$ 144.5	
Total Nonrecurring Appropriations	\$ 3,559.0	\$ 2,934.1	\$ -
Subtotal Recurring and Nonrecurring Appropriations	\$ 13,793.6	\$ 13,769.6	\$ -
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 13,793.6</b>	<b>\$ 13,769.6</b>	<b>\$ -</b>
TOTAL REVENUE LESS TOTAL APPROPRIATIONS	\$ (93.3)	\$ (63.6)	
<b>GENERAL FUND RESERVES</b>			
Beginning Balances	\$ 3,307.3	\$ 3,220.7	
Transfers from (to) Appropriations Account	\$ (93.3)	\$ (63.6)	
Revenue and Reversions	\$ 708.1	\$ 667.6	
Appropriations, Expenditures and Transfers Out	\$ (701.4)	\$ (336.4)	
<b>Ending Balances</b>	<b>\$ 3,220.7</b>	<b>\$ 3,488.3</b>	
Reserves as a Percent of Recurring Appropriations	31.5%	32.2%	

**Notes:**

1) Many nonrecurring appropriations, including specials and supplementals in the GAA, had authorization to spend in multiple fiscal years - amounts that were not distributed in the first year become encumbrances for the next year.

\* Note: totals may not foot due to rounding

**General Fund Financial Summary  
2025 Special Session Scenario**

**RESERVE DETAIL**

(millions of dollars)

**October 1, 2025  
9:47 AM**

	<b>Estimate FY2025</b>	<b>Estimate FY2026</b>	<b>Estimate FY2027</b>
<b>OPERATING RESERVE</b>			
Beginning Balance	\$ 606.6	\$ 314.8	\$ 167.2
BOF Emergency Appropriations/Reversions	\$ (4.0)	\$ (4.0)	\$ (4.0)
Transfers from (to) Appropriation Account	\$ (93.3)	\$ (63.6)	\$ -
Transfers to Tax Stabilization Reserve or Gov. Results and Opportunity Fund	\$ -	\$ -	\$ -
Disaster Allotments	\$ (194.4)	\$ (200.0)	\$ -
Transfers from tax stabilization reserve to restore balance to 1 percent	\$ -	\$ -	\$ -
Transfer from (to) ACF/Other Appropriations	\$ -	\$ 120.0	\$ -
Audit and Pre-Audit Adjustments	\$ (0.1)	\$ -	\$ -
Ending Balance	\$ 314.8	\$ 167.2	\$ 163.2
<b>APPROPRIATION CONTINGENCY FUND</b>			
Beginning Balance	\$ 9.1	\$ 68.4	\$ 30.0
Disaster Allotments	\$ (65.7)	\$ (13.5)	\$ -
Transfers In/(Out)	\$ 150.0	\$ (25.0)	\$ -
Appropriations Out	\$ (25.0)	\$ -	\$ -
Ending Balance	\$ 68.4	\$ 30.0	\$ 30.0
<b>STATE SUPPORT FUND</b>			
Beginning Balance	\$ 0.4	\$ 0.4	\$ 0.4
Revenues	\$ 40.0	\$ -	\$ -
Appropriations	\$ (40.0)	\$ -	\$ -
Audit Adjustments	\$ -	\$ -	\$ -
Ending Balance	\$ 0.4	\$ 0.4	\$ 0.4
<b>GOVERNMENT RESULTS AND OPPORTUNITY EXPENDABLE TRUST (GRO)</b>			
Beginning Balance	\$ 512.2	\$ 519.9	\$ -
Revenues/Gains	\$ 7.7	\$ 10.4	\$ -
Transfers from the Operating Reserve	\$ -	\$ -	\$ -
Appropriations to the Government Accountability Expendable Trust	\$ -	\$ 265.3	\$ -
Expenditures	\$ -	\$ (130.0)	\$ -
Audit Adjustments	\$ -	\$ -	\$ -
Ending Balance	\$ 519.9	\$ 665.7	\$ -
<b>BEHAVIORAL HEALTH TRUST FUND</b>			
Beginning Balance		\$ -	\$ 215.2
Revenues/Gains		\$ 115.2	\$ 63.1
Appropriations to (from) BHTF		\$ 100.0	\$ -
Expenditures		\$ -	\$ (10.8)
Ending Balance		\$ 215.2	\$ 267.5
<b>TAX STABILIZATION RESERVE (RAINY DAY FUND)</b>			
Beginning Balance	\$ 2,179.0	\$ 2,317.2	\$ 2,409.9
Revenues from Excess Oil and Gas Emergency School Tax	\$ 412.2	\$ 109.0	\$ 54.5
Gains(Losses)	\$ 138.2	\$ 92.7	\$ 96.4
Transfers In (From Operating Reserve)	\$ -	\$ -	\$ -
Transfer Out to Operating Reserve	\$ -	\$ -	\$ -
Transfer Out to Early Childhood Trust Fund	\$ (412.2)	\$ (109.0)	\$ (54.5)
Ending Balance	\$ 2,317.2	\$ 2,409.9	\$ 2,506.2
Percent of Recurring Appropriations	22.6%	22.2%	
<b>TOTAL GENERAL FUND ENDING BALANCES</b>	<b>\$ 3,220.7</b>	<b>\$ 3,488.3</b>	
Percent of Recurring Appropriations	31.5%	32.2%	

\* Note: totals may not foot due to rounding