Consensus General Fund Revenue Outlook

Presentation to:
Revenue Stabilization & Tax Policy Committee
September 14, 2026

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Outline

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

Consensus Revenue Estimating Group Participating Agencies

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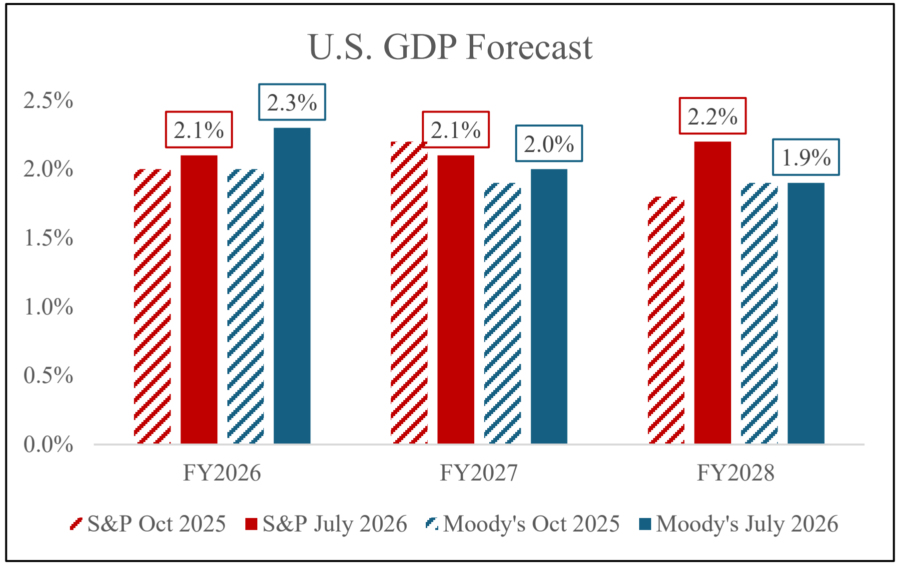
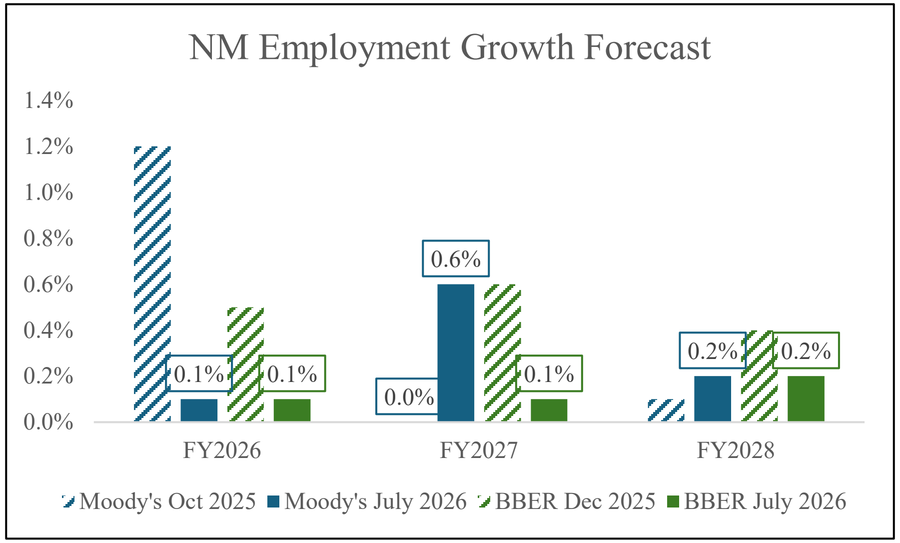
Brendon Gray, Economist

U.S. & N.M. Baseline Forecasts

U.S. GDP 2025 = 2.1%





Moody's Analytics (July 2026 Baseline, includes effects of the federal H.R. 1 (OBBBA))

- US GDP Growth accelerated
  - Federal spending rebound from 2025 government shutdown
  - Higher-than-expected federal tax refunds provided relief amid Middle East conflict
- U.S. labor market moderates
  - Hiring underperformed in July, unemployment rising toward 4.3% in 2026
- Inflation slightly elevated → Fed expected to continue monitoring labor market
  - Weakening economy expected to outweigh inflation concerns
  - Rate cut unlikely with hawkish Fed Chairman, path for cut or hike unclear
- Oil prices unstable → Fragile U.S./Iran agreement
  - Could take 2+ years for market recovery from impacts on inventories pushing up spot crude oil prices
- **National economy will grow below-trend in near term and rebound in 2027**

NM Employment Growth Forecast

- Moody's and BBER significantly lowered projected employment growth for FY26 due to loss of Federal and Professional & Technical Jobs, assume continued low employment growth through FY28 as losses in low-wage sectors offset by growth in high-wage sectors

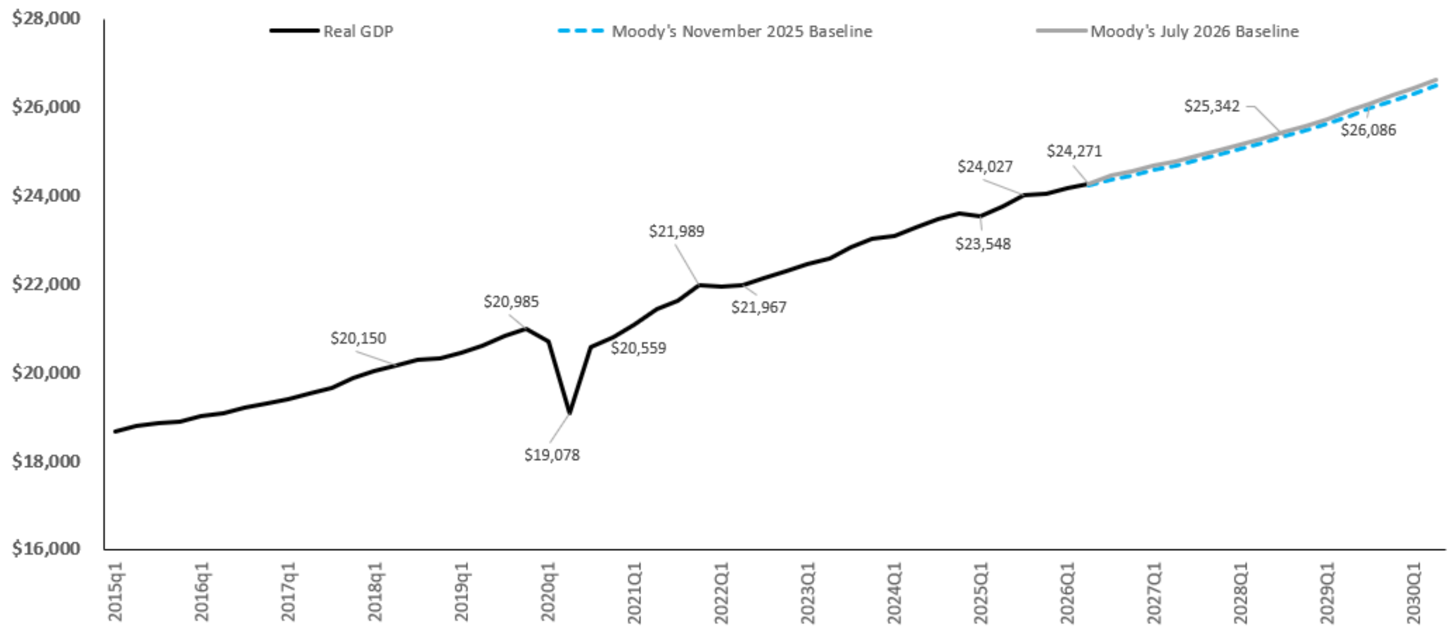
S&P Global (July 2026 forecast)

- US GDP Growth → near term growth from increases in nonresidential fixed investment/inventory investment
- Assume Federal Reserve cuts federal funds rate in June and December 2027
  - No further cuts after 2027 in the outlook, reach target range of 3.00% - 3.25%
- Unemployment peak at 4.5% in 2026 Q4 (July national rate = 4.1%)
- Oil price forecasts lowered from June forecast → forecast built after release of Memorandum of Understanding between U.S. & Iran and before renewed tensions

*Moody's, S&P, and BBER do not include recessions in their baseline forecasts

U.S. Real Gross Domestic Product (RGDP)

U.S. Real Gross Domestic Product: 2015Q1 to 2026Q2; Forecast 2026Q3-2030Q3
(billions of chained 2017 dollars)



Source: GDP in billions of chained 2017 dollars, retrieved from bea.gov.

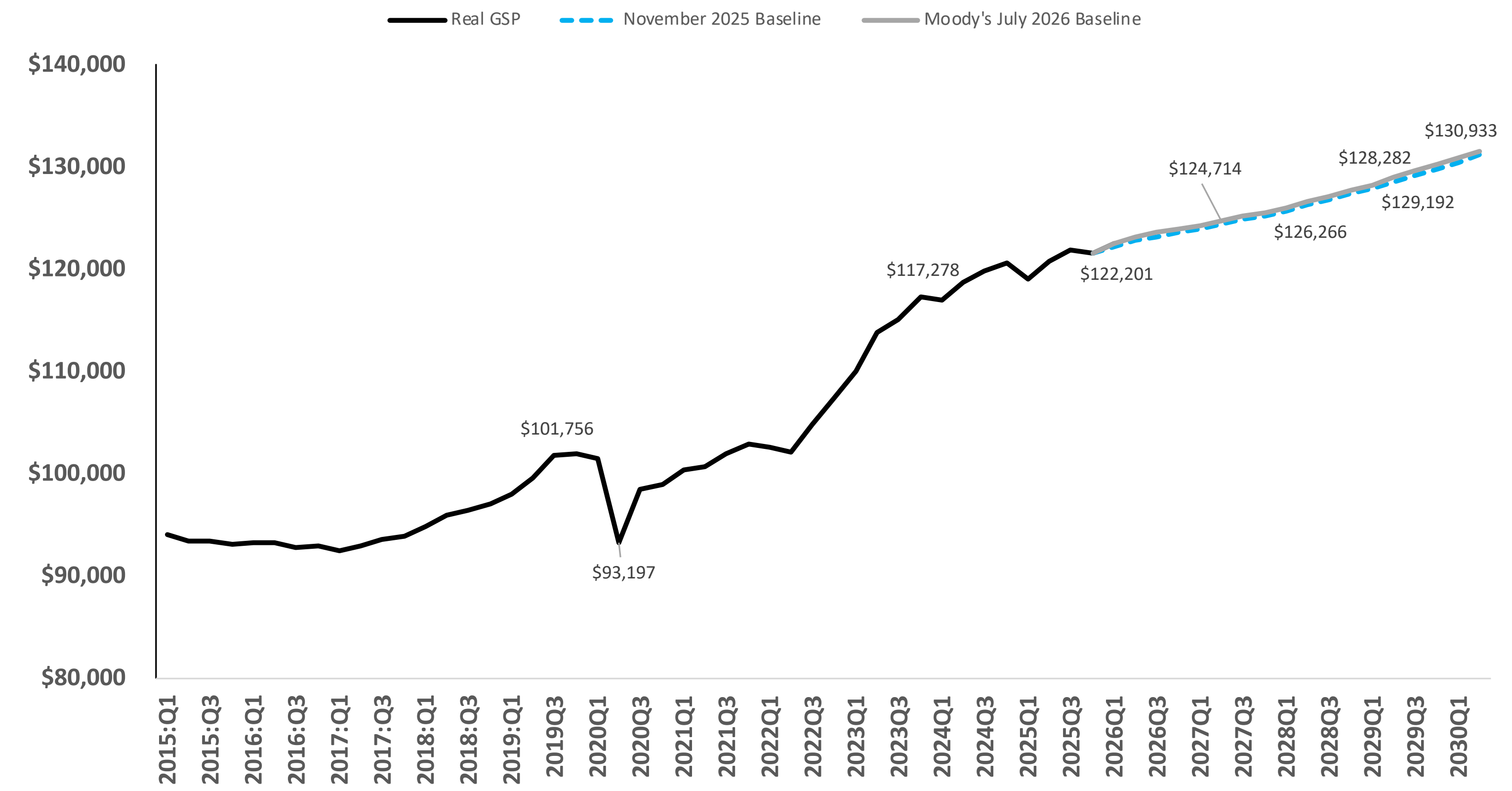
- CY 2026 Q2: Real GDP grew 1.5%, driven by increased consumer spending, investment, and exports
- CY 2026 Q2: RGDP decelerated by 0.6% due to a decrease in government spending, investment, and exports compared to CY2026 Q1
- Forecasted RGDP growth is 2.0% in FY27 and 1.9% in FY28
- U.S. RGDP forecast is marginally higher than the last forecast due to AI-related fixed investment and government spending rebounding from the 2025 shutdown

Reminder:

GDP = Consumption + Investment
+ Government Spending + Exports - Imports

N.M. Real Gross State Product (RGSP)

New Mexico Real Gross State Product 2015Q1-2026Q1, Moody's Forecast 2026Q2-2030Q2



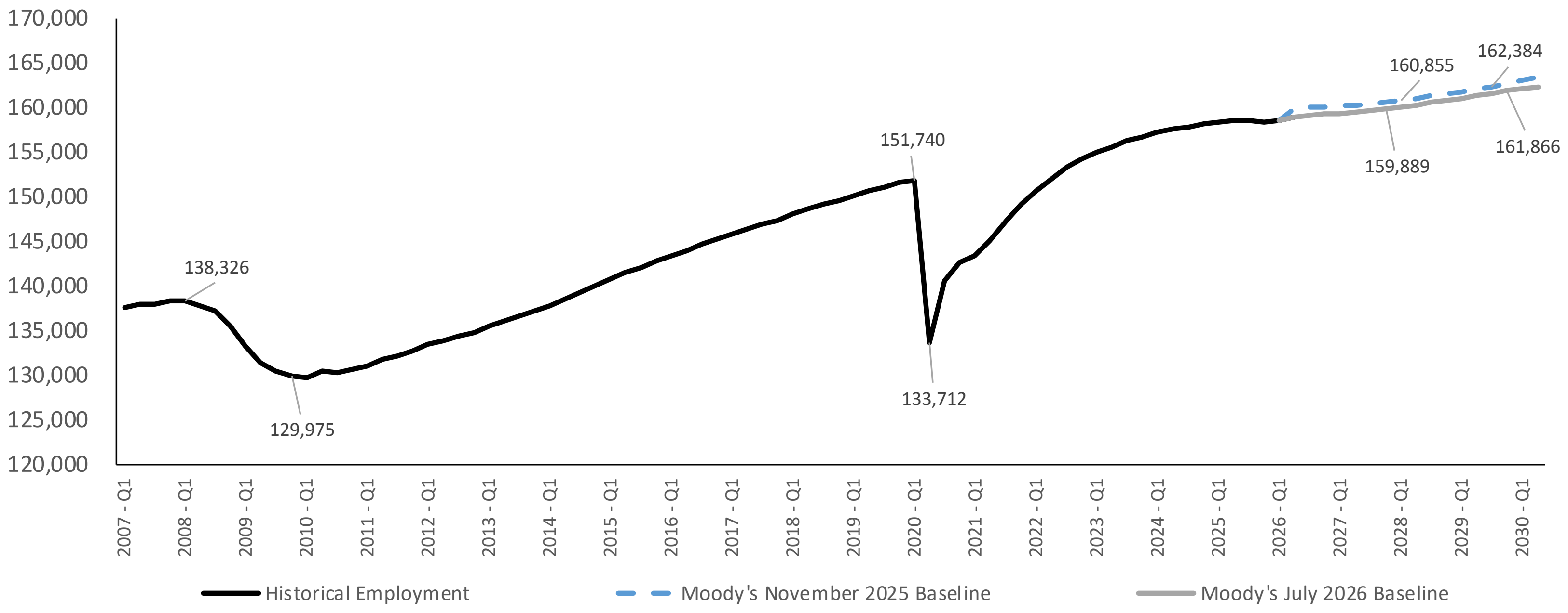
Source: Moody's July 2026 Baseline vs. Historical Values from the Bureau of Economic Analysis

- Annualized growth from 2025Q4 to 2026Q1 was 3.1%
  - Leading contributors to the increase:
    - Mining, quarrying, and oil and gas extraction
    - Manufacturing
    - Construction
    - Information
    - Government and government enterprises

- Forecasted annualized growth rates for RGSP through FY27 average 1.5%, slightly lower than the national annualized rate of 2.0% for FY27

U.S. Total Nonfarm Employment

U.S. Total Nonfarm Employment: 2007Q1 to 2026Q2, Moody's Forecast 2026Q3 to 2030Q3 (1,000s of jobs)



Source: Bureau of Labor Statistics

Note: BLS modified the release of employment data after the federal government shutdown concluded. Historical national employment levels are through 2025Q4 and state employment levels are through 2025Q2

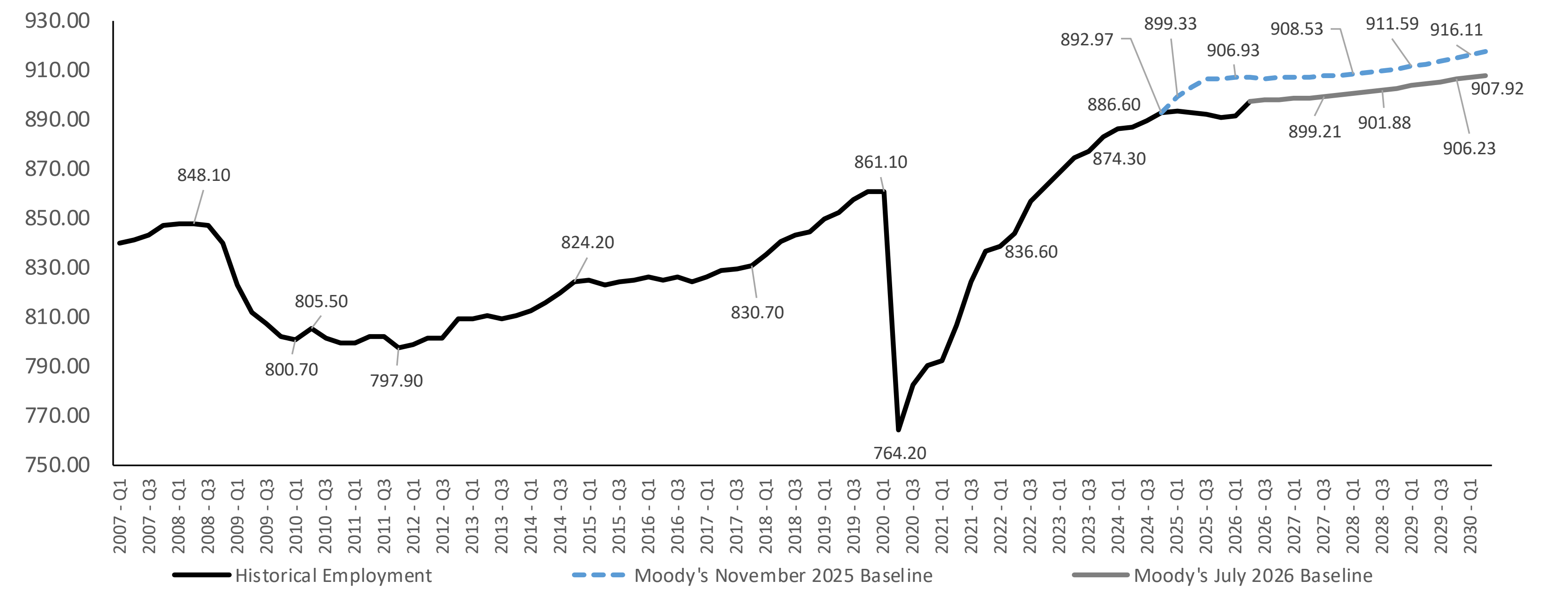
- Total nonfarm employment decreased by 23,000 in July 2026
- Year-to-date national monthly average job growth is +61,000 (January 2026 to July 2026)
- Employment gains occurred primarily in:
  - Health care
  - Construction
  - Transportation and warehousing
    - Couriers and messengers
  - Information
  - Professional and business services

- U.S. labor market is showing signs of moderation:
  - Private sector adopting a more cautious outlook

- Labor force participation rate was 61.4% in July 2026 (vs. 62.2% in July 2025)

N.M. Total Nonfarm Employment

N.M.'s Total Nonfarm Employment: 2007Q1 to 2026Q2, Moody's Forecast 2026Q3 to 2030Q2 (1,000s of jobs)

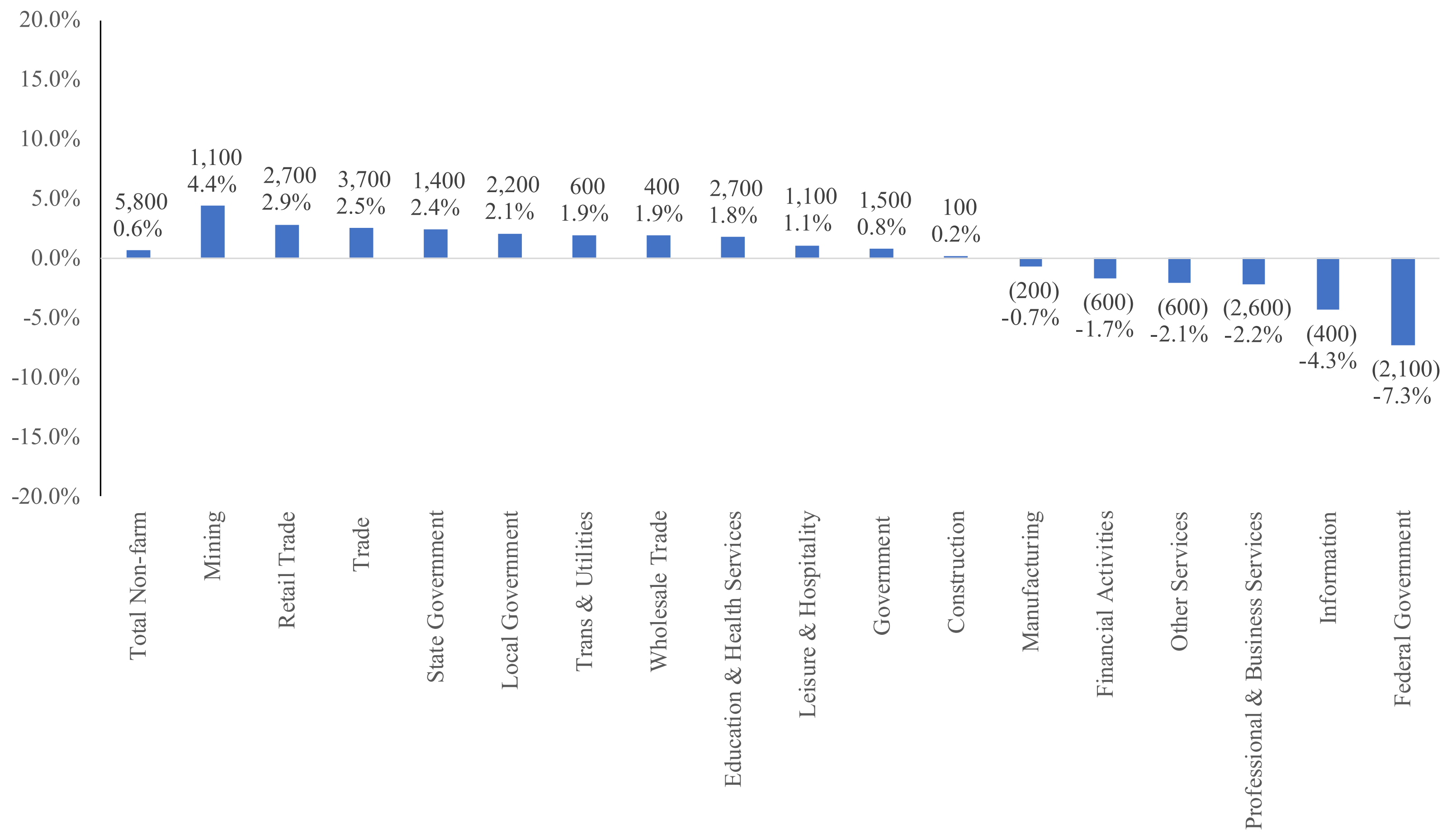


Source: Bureau of Labor Statistics

- N.M. forecasted and actual employment was tepid compared to the previous estimate
- Employment gains averaged +1,400 jobs per month for CY2026 (Jan. 2026 to June 2026)
- New Mexico's employment increased by 1,400 jobs in June 2026 compared to May of 2026
- Employment grew by 0.1% in FY26, with projected growth of 0.6% in FY27, 0.2% in FY28
- Labor force participation rate was 56.9% in June 2026 (vs. 57.6% in June 2025)

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

Percent Change and Level Change in Nonfarm Employment in N.M. by Sector
June 2025 to June 2026



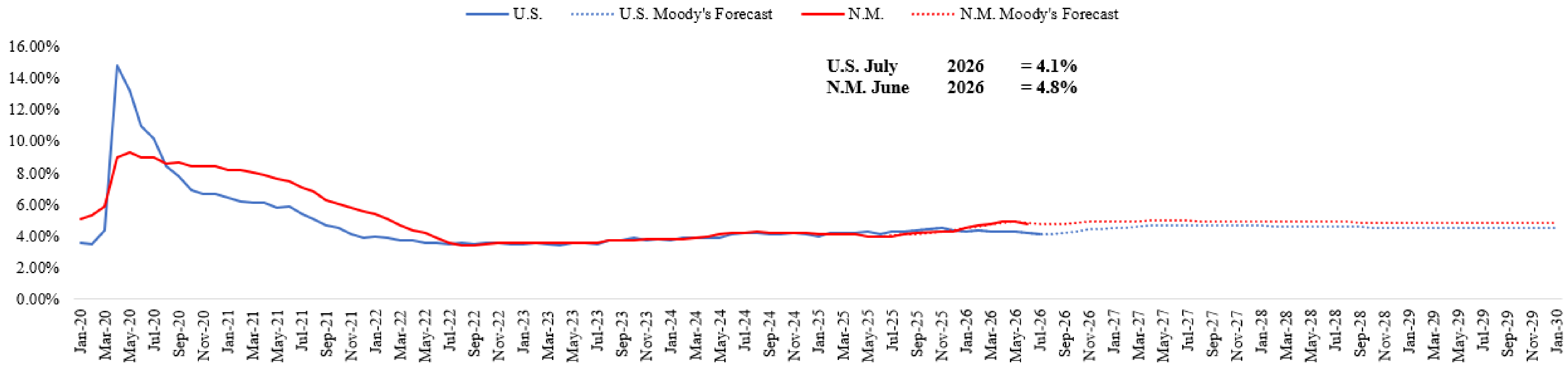
Source: bls.gov, CES seasonally adjusted

- N.M. employment grew by 0.6% (5,800 jobs) from June 2025 to June 2026
  - Growth was across most sectors, and notable gains were in:
    - Mining (+1,100)
    - Retail Trade (+2,700)
    - Trade (+3,700)
    - State Government (+1,400)
    - Local Government (+2,200)
  - Losses were in:
    - Professional & Business Services (-2,600)
    - Information (-400)
    - Federal Government (-2,100)

U.S. & N.M. Unemployment

U.S. and N.M. Unemployment Rate (percent) : January 2020 to Present

Moody's Forecast: July 2026 to December 2030

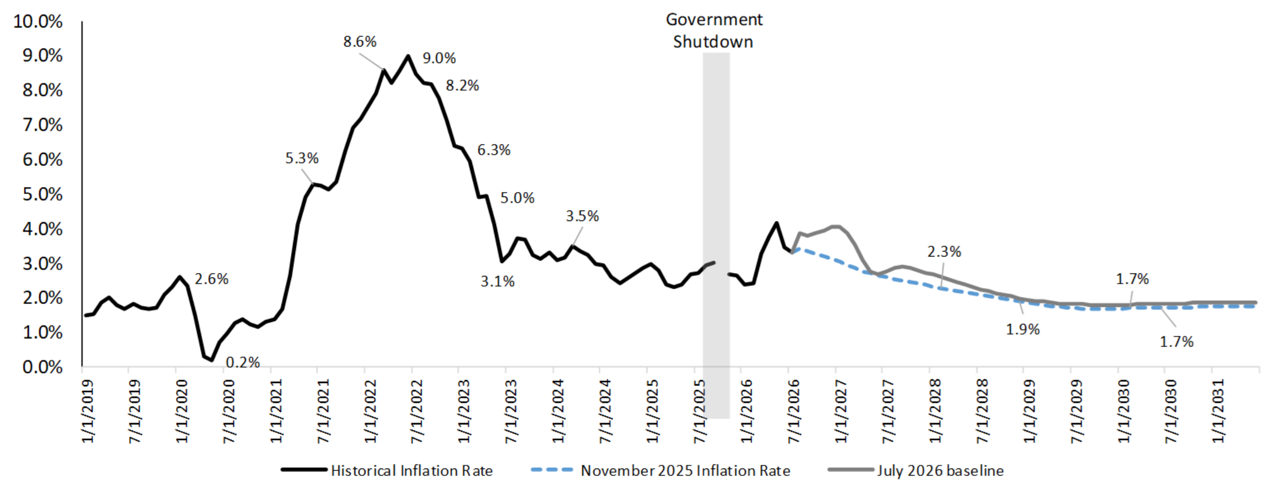


Source: bls.gov, seasonally adjusted

- New Mexico's unemployment rate (4.8%) exceeded the nation's unemployment rate in July 2026
- New Mexico's 2026Q2 unemployment rates by ethnicity were:
  - All: 4.9% White: 3.6% Hispanic: 5.7% Black: 7.1% Asian American and Pacific Islander: 4.4%
  - American Indian: 8.7 % (Census Bureau's 2024 Estimate for NM)

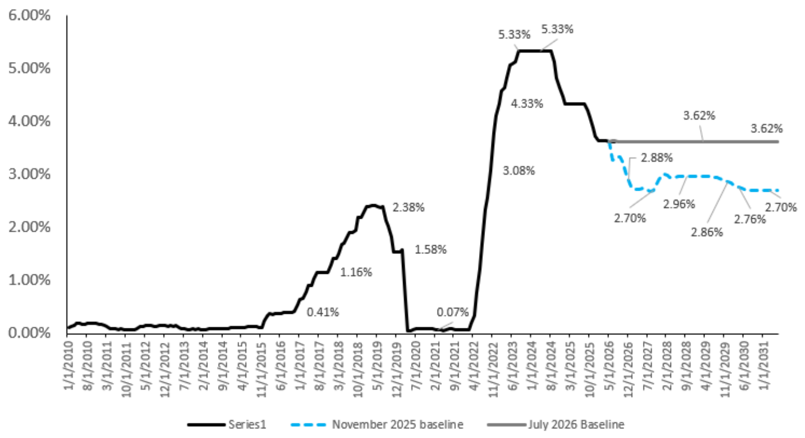
Inflation and Interest Rates

Consumer Price Index (CPI-all items) Year-over-year Change
January 2019 to June 2030



Source: Bureau of Labor Statistics

Federal Funds Rate
January 2010 to January 2030



Source: Bureau of Labor Statistics

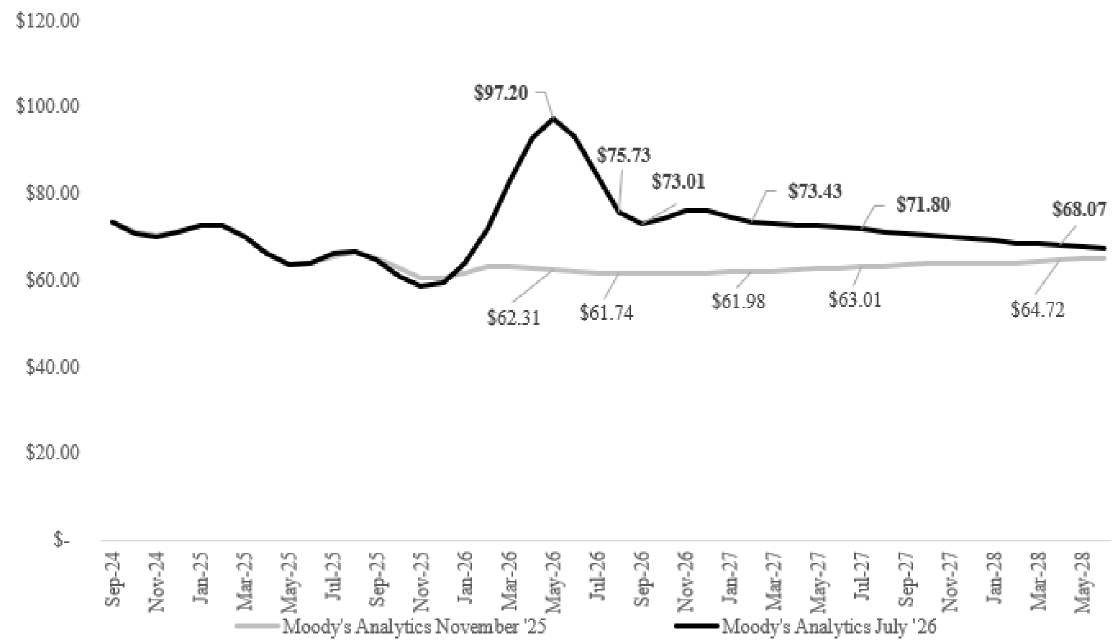
- The Consumer Price Index (CPI) for July 2026 increased by 3.4% for all items compared to July 2025
  - Gasoline increased by 14.7% compared to July 2025.
  - Utility (piped) gas services increased by 4.3% compared to July 2025
  - Shelter rose 3.2% compared to July 2025
- Recent acceleration in inflation is due to high tariffs and the Iran war

- Moody's does not anticipate the Fed cutting rates this year or early next year
- Moody's estimates the equilibrium federal funds rate will be closer to 3%, but will marginally increase as AI-related productivity gains occur
- S & P, similarly, assumes the earliest the Fed will cut rates is June of 2027 with federal funds rate between 3.0% - 3.5% thereafter

Oil & Natural Gas

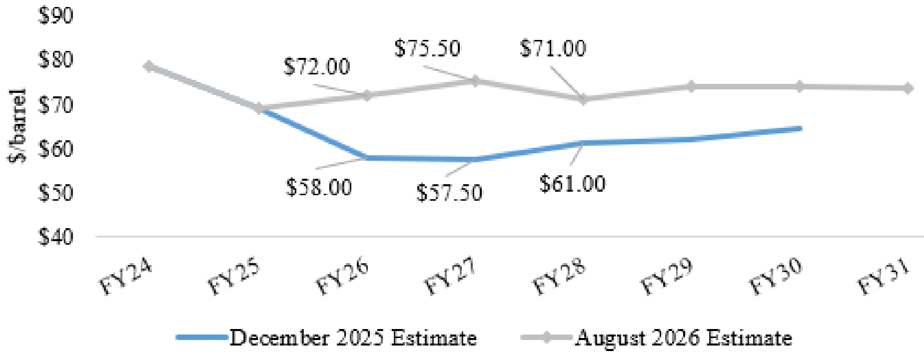
Oil Prices

Moody's Analytics WTI Base Price Estimates by Vintage



Sources: Moody's Analytics

CREG NM Oil Price Forecasts



Source: CREG

Oil Price Outlook

- Forecast revised higher: FY26 increases to $72/bbl. (+$14 vs. December), rising to $75.50/bbl. in FY27 (+$18)
- Prices moderate thereafter, averaging approximately $71–$74/bbl. through FY31
- Oil prices have retreated from earlier-2026 Iran conflict-driven highs but remain above pre-conflict levels

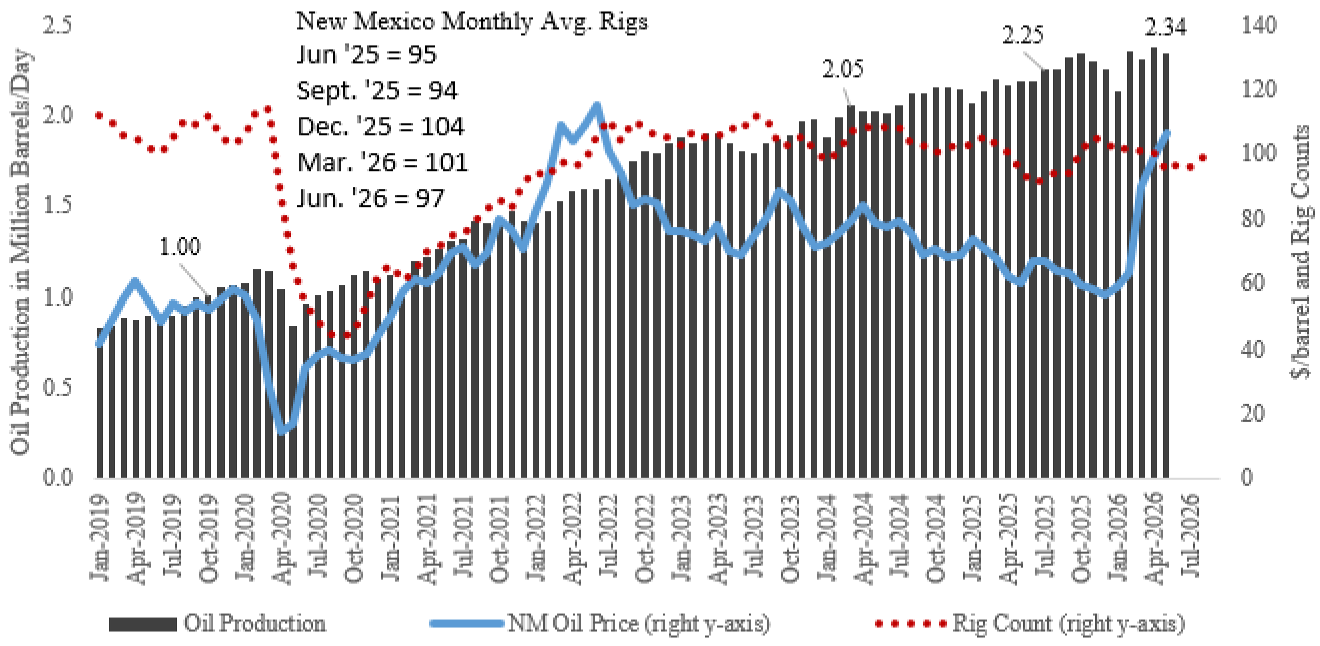
Key Factors Driving Price Outlook

- Geopolitical developments remain the primary source of near-term price volatility
- Restoration of Middle East supply by consistently opening the Straight of Hormuz will moderate prices; renewed conflict presents significant volatility risk
- Rising global production and an expected return to oversupply place downward pressure on medium-term prices

Consensus Forecast	FY26	FY27	FY28	FY29	FY30	FY31
August 2026 Estimate	$ 72.00	$ 75.50	$ 71.00	$ 74.00	$ 74.00	$ 73.50
December 2025 Estimate	$ 58.00	$ 57.50	$ 61.00	$ 62.00	$ 64.50	
Change from Dec. 2025	$ 14.00	$ 18.00	$ 10.00	$ 12.00	$ 9.50	
Oil ($/barrel)						

New Mexico Oil Prices, Production, & Rigs

N.M. Oil Production (MMb/d), N.M. Oil Price ($ per barrel), & N.M. Rig Count (number)
January 2019 to August 2026



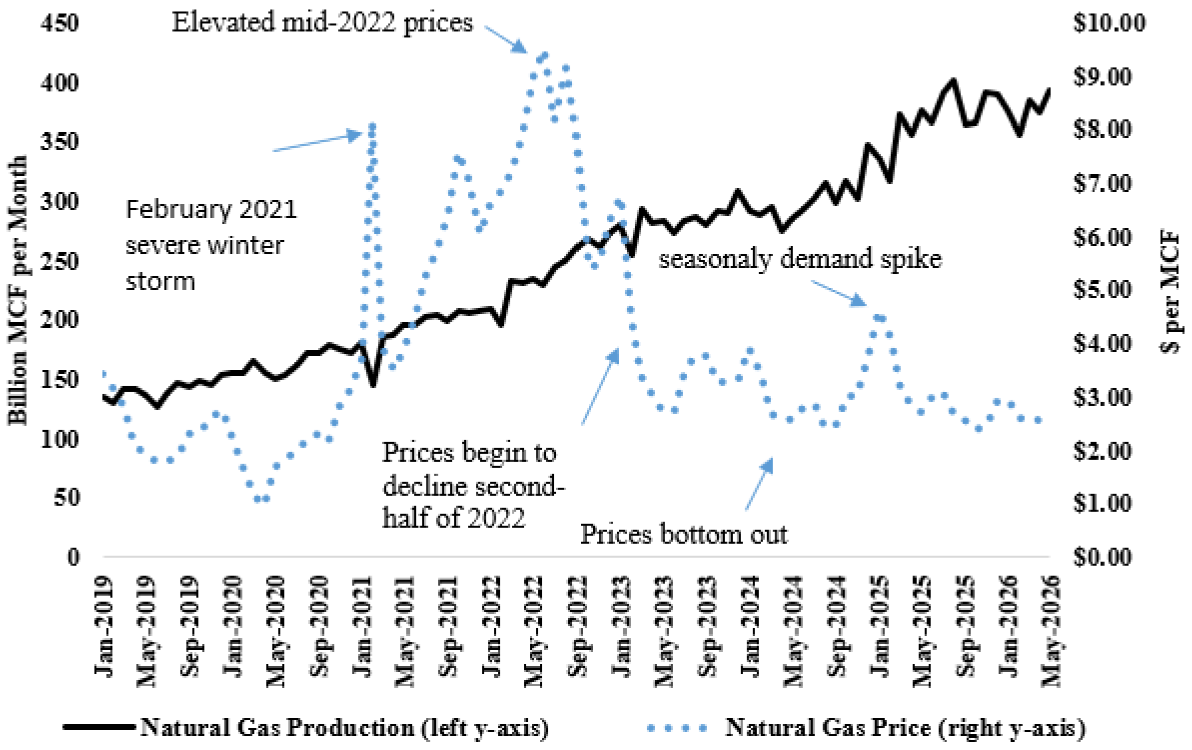
Source: Baker Hughes, TRD (Production and price through May 2026, Rigs through August 2026)

Consensus Forecast	FY26	FY27	FY28	FY29	FY30	FY31
August 2026 Estimate	835.0	875.0	895.0	895.0	900.0	900.0
December 2025 Estimate	820.0	840.0	855.0	860.0	865.0	
Change from Dec. 2025	15.0	35.0	40.0	35.0	35.0	
Oil (million barrels)						

New Mexico Oil Production Outlook

- Production forecast revised higher across FY26–FY31 relative to the December 2025 estimate
- Production approaches 900 million barrels annually by FY30–FY31
- Rig activity remains near 100, while productivity gains continue to support production growth
- **Key Factors Shaping the Outlook**
  - Rystad: Strong Delaware Basin productivity and improving drilling efficiencies continue to support higher production with relatively stable rig activity
  - Recent permitting and drilling activity should support production growth through 2026 and into early 2027; weaker prices are expected to moderate growth thereafter
  - Operators remain capital disciplined, emphasizing efficiency and well performance rather than aggressive activity increases. Rystad notes that many operators held activity steady even when oil exceeded $100/bbl

New Mexico Natural Gas Prices & Production



Source: NM TRD GenTax System

New Mexico Natural Gas Outlook

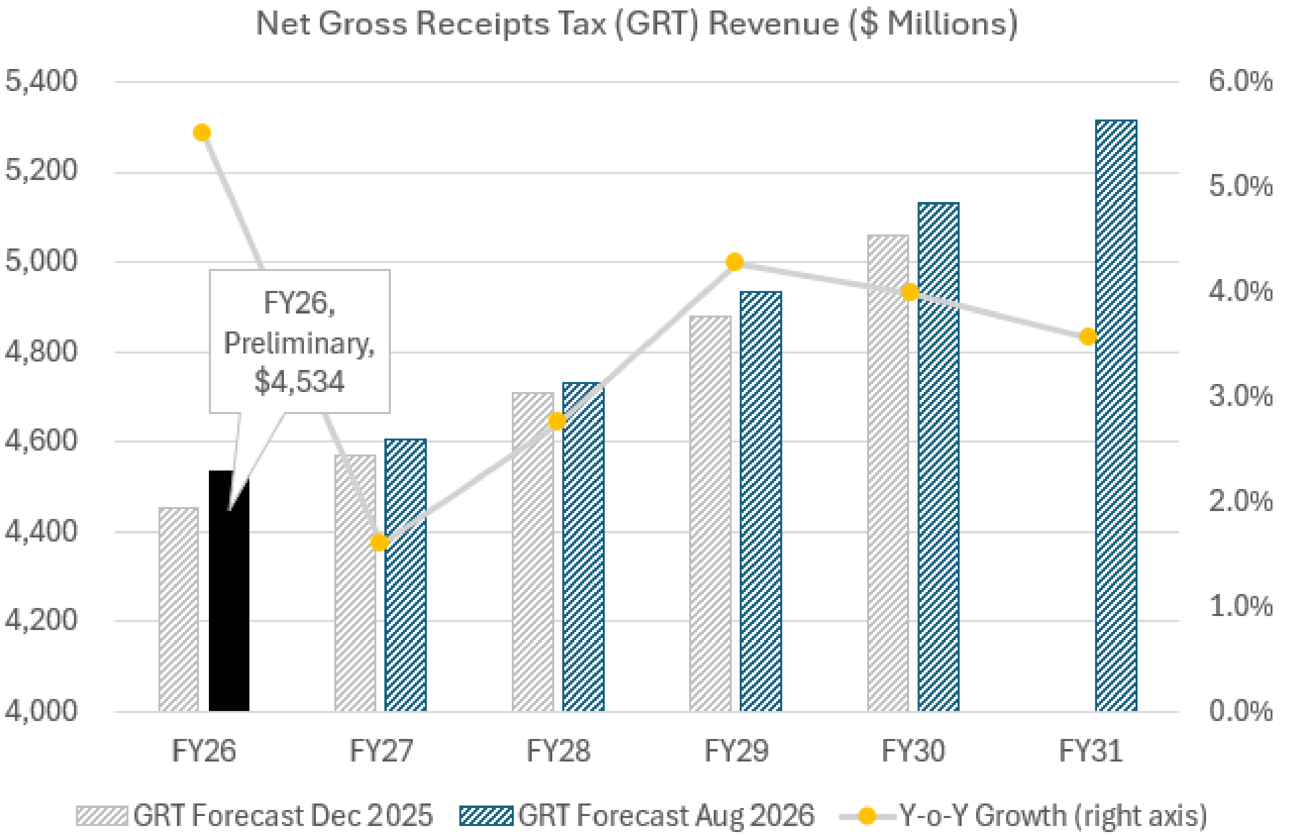
- Natural gas prices revised lower: $2.70/mcf in FY26, $2.80/mcf in FY27, and $3.10/mcf in FY28
- Strong U.S. and Permian production volumes and elevated storage inventories continue to constrain near-term prices
- Prices gradually recover to approximately $3.30/mcf in the out-years
- Production estimates revised higher, reaching 4,555 Bcf in FY26, 4,820 Bcf in FY27, and exceeding 5,000 Bcf in FY28
- Longer-term demand remains supported by expanding U.S. LNG export capacity and growing electricity demand

Consensus Forecast	FY26	FY27	FY28	FY29	FY30	FY31
August 2026 Estimate	$ 2.70	$ 2.80	$ 3.10	$ 3.30	$ 3.25	$ 3.30
December 2025 Estimate	$ 3.74	$ 4.58	$ 4.62	$ 4.34	$ 4.09	
Change from Dec. 2025	$ (1.04)	$ (1.78)	$ (1.52)	$ (1.04)	$ (0.84)	
Natural Gas ($/mcf)						

Consensus Forecast	FY26	FY27	FY28	FY29	FY30	FY31
August 2026 Estimate	4,555.0	4,820.0	5,010.0	5,145.0	5,195.0	5,325.0
December 2025 Estimate	4,490.0	4,640.0	4,885.0	5,080.0	5,225.0	
Change from Dec. 2025	65.0	180.0	125.0	65.0	-30.0	
Natural Gas (BCF)						

Gross Receipts Tax

Gross Receipts Tax Outlook

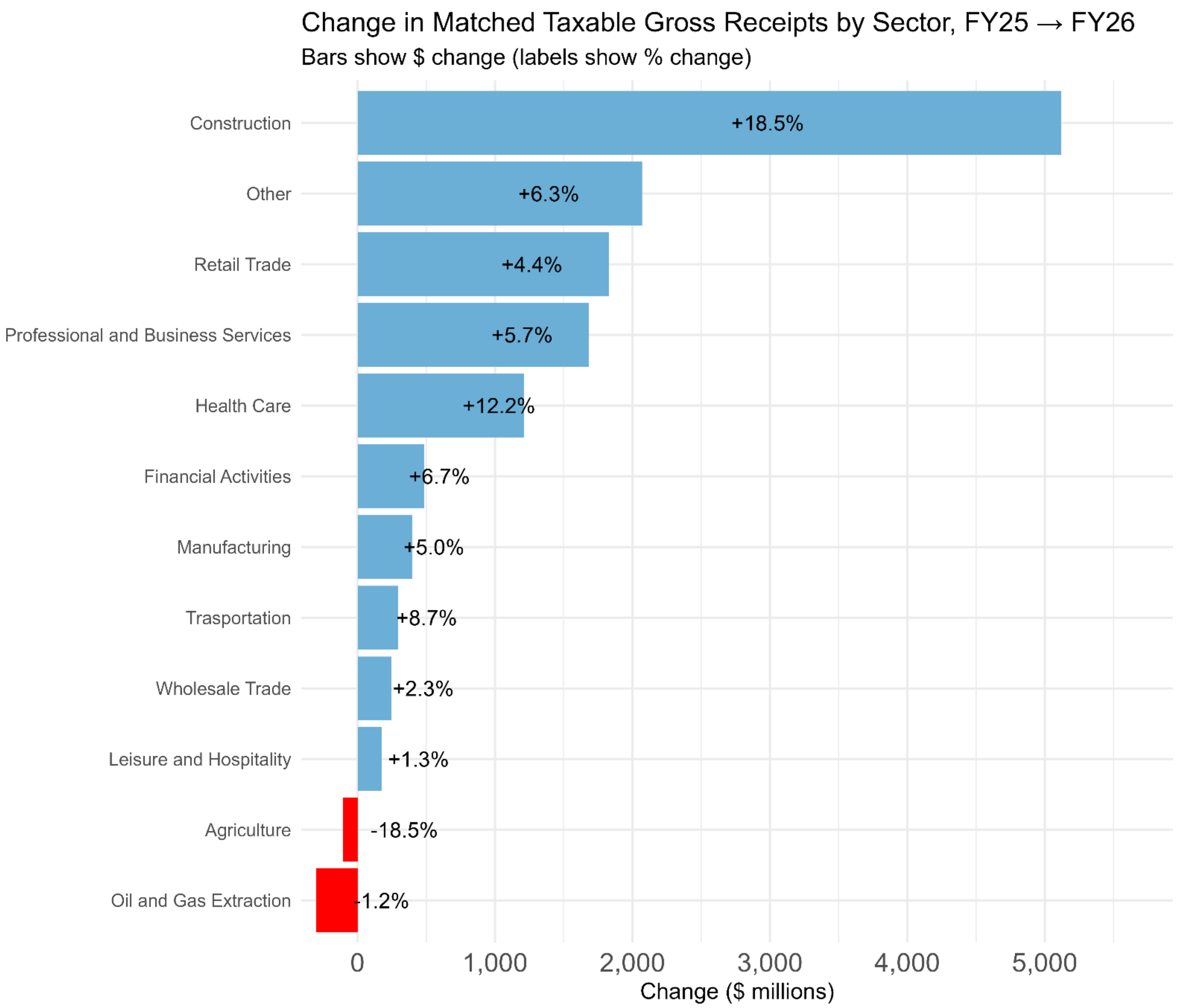


Source: Aug 2026 CREG Estimates

- August 2026 forecast for GRT has been revised upward from December 2025 forecast, with $35 million added to FY27 and $25 million added to FY28
- Underlying economic growth remains positive, with construction as a short-run engine of growth contributing to 5.5% growth in FY26
- GRT's growth rate is expected to increase gradually from FY27 as energy inflation recedes and consumer confidence recovers

Tax Base by Sector

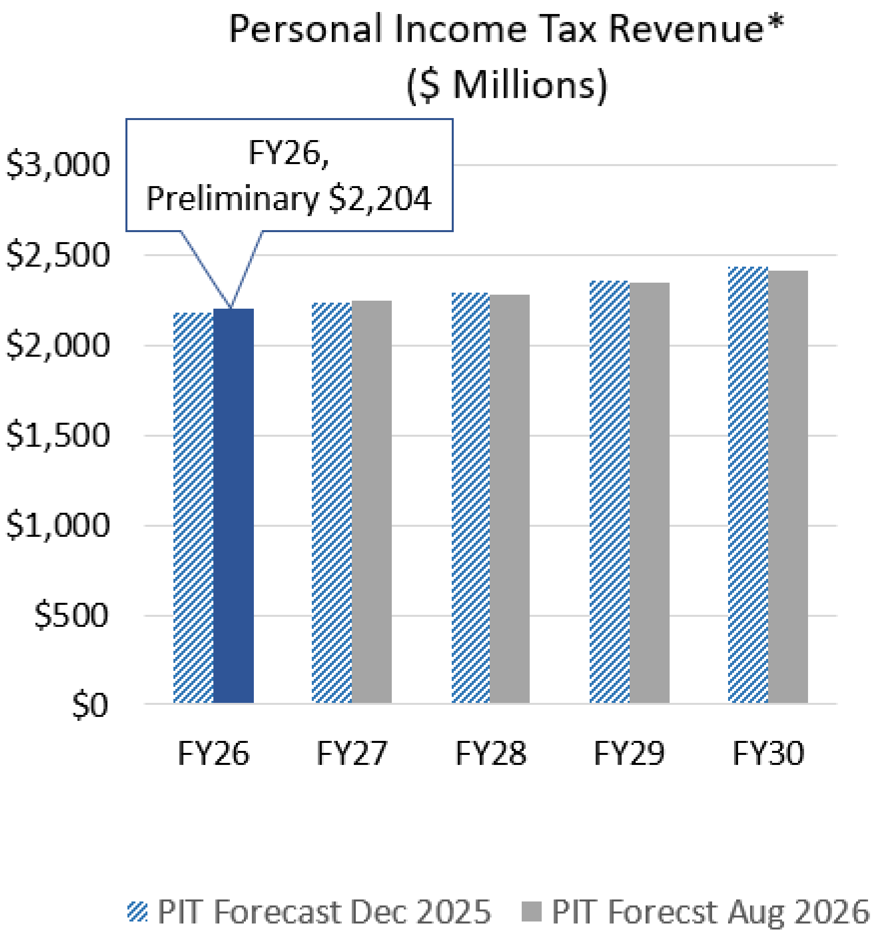
- Total Matched Taxable Gross Receipts (MTGR) in FY26 is 6.2% higher than FY25
- Construction grew 18.5%, fueled by data center construction in southern New Mexico.
- Manufacturing grew 5.0%
- Agriculture declined the most, down 18.5%
- Retail trade grew 4.4%, partly due to inflation ticking up in the last two quarters
- In FY26, the oil and gas extraction GRT declined 1.2% but companion industries of transportation and wholesale trade were up 8.7% and 2.3% respectively



Source: NM Taxation and Revenue Department RP500 Report
Note: Other includes: Other Services (Except Public Admin), Public Administration, Unclassified Establishments, Information, Educational Services, Utilities

Personal Income Tax

Personal Income Tax (PIT) Outlook

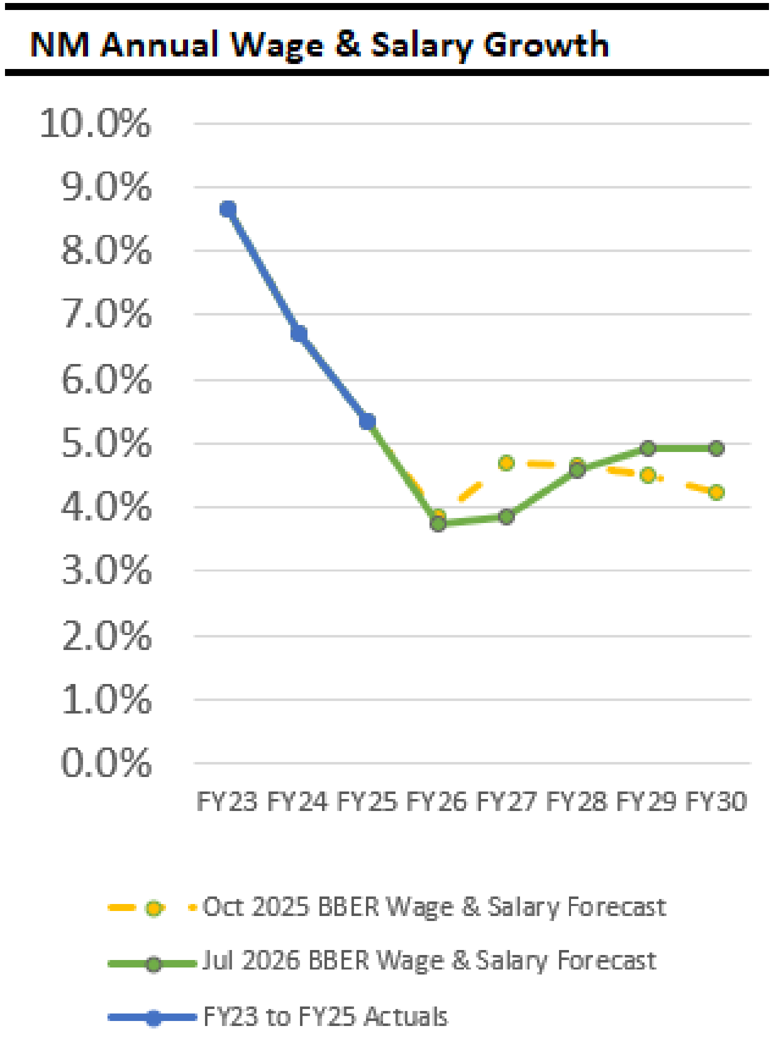


Source: Aug 2026 CREG Estimates

*Recurring PIT revenue only

- FY26:
  - PIT grew 2.8% in FY26 up from 1.5% forecasted in December
    - Estimated increase of $28 million from December forecast due to modest growth in withholding, estimated payments and final settlements offsetting higher refunds
- FY27 through FY29:
  - FY27 revised up $15 million, down $19 million in FY28 and down $9 million in FY29 from December forecast
  - PIT is driven by moderate wage and salary growth (see slide 21) and legislative impacts to PIT revenue contributing to downward revisions in FY28 and FY29 (see slide 23)
  - PIT growth is still positive but at a lower rate than the December 2025 forecast

Wage & Salary Outlook

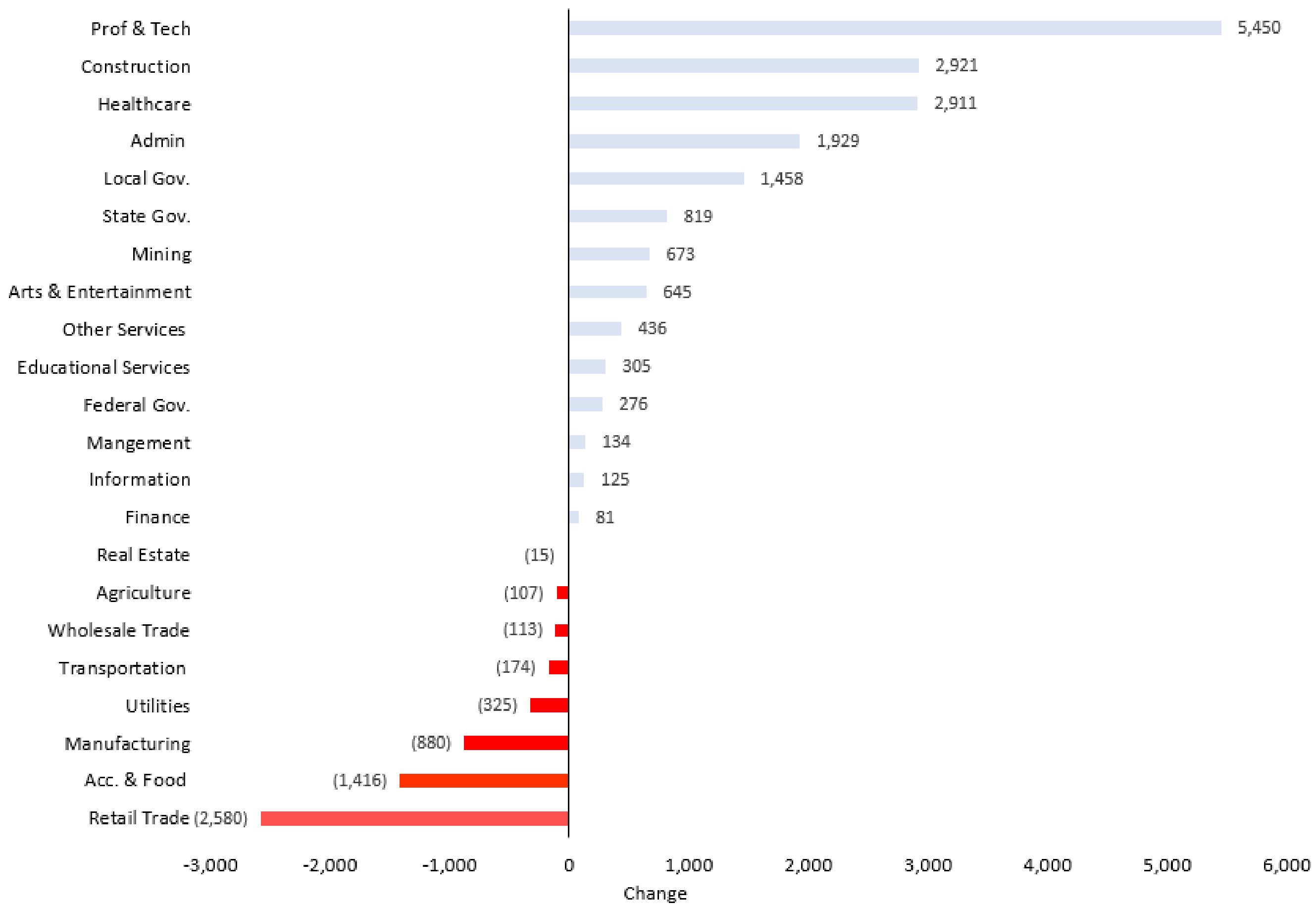


Source: UNM Bureau of Business & Economic Research (BBER)

- Wage and salary growth slowing after post-COVID peaks
- For FY27, BBER lowers the forecast for wage & salary growth to 3.8% versus 4.7% in October 2025 forecast
  - Correlated with lower employment growth, small gains in private sector employment with government employment stabilizing at a lower level
- FY28 & FY29 BBER forecast increases to 4.6% & 4.9%
  - Upward trajectory in wage & salary growth tied to employment gains in higher wage jobs with employment losses in lower wage jobs (see slide 22)

Employment Outlook

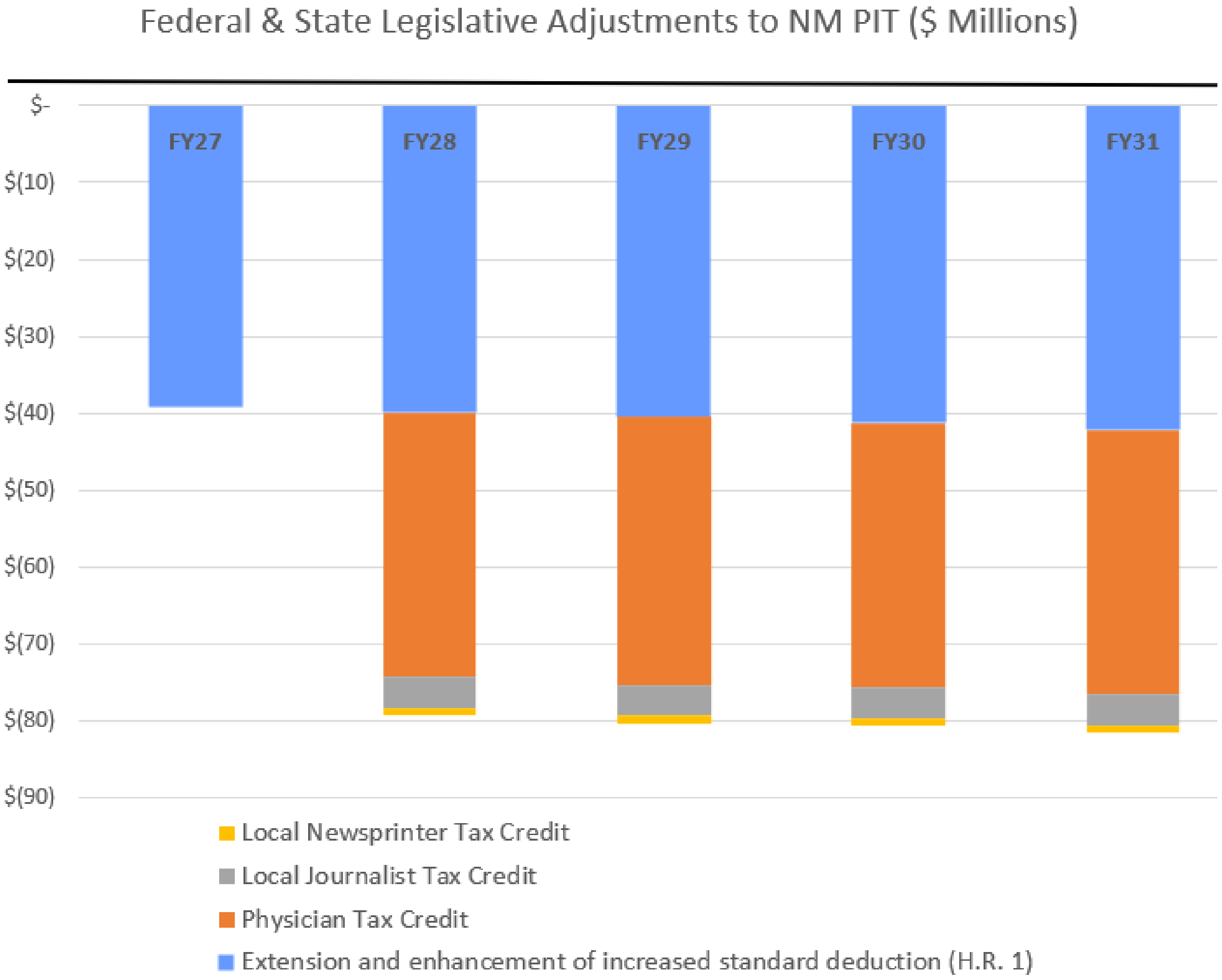
Employment Projections FY2027 to FY2030



Source: UNM Bureau of Business & Economic Research (BBER), July 2026 forecast

- New Mexico is expected to see slowing growth in overall employment from FY2027 to FY2030 but is industry dependent
  - Higher-wage employment in professional & technical, construction, and healthcare are projected to increase by 11,300 jobs
  - Lower-wage employment in retail trade, accommodations and food services, as well as manufacturing are projected to decrease by 4,900 jobs

PIT Adjustments



Source: Aug 2026 CREG Estimates

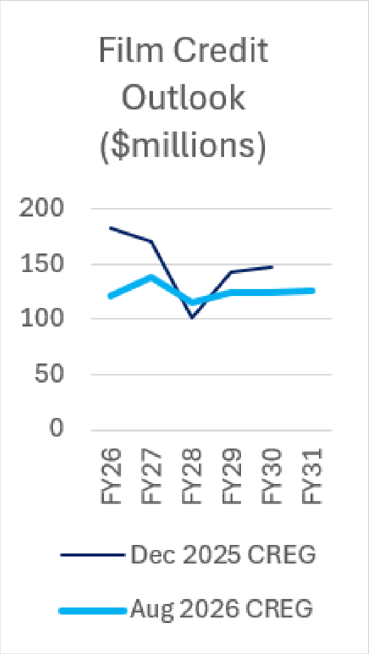
- Federal and State legislation reduces PIT in FY27-FY31 due to:
  - Federal extension and enhancement of the standard deduction: $41 million
    - Effective tax year 2025
  - Physician income tax credit: $34 million
    - Effective tax year 2027
  - Local journalist income tax credit: $4 million
    - Effective tax year 2027
  - Local news printer income tax credit: $1 million
    - Effective tax year 2027

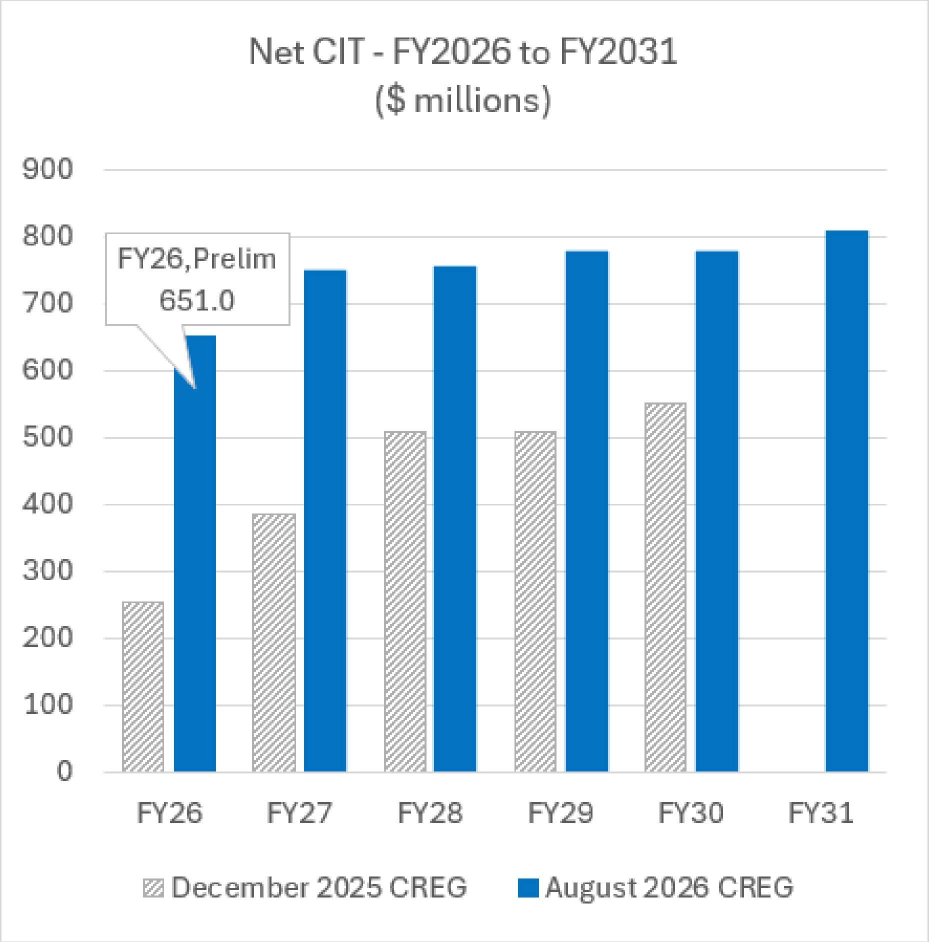
Risks to Personal Income Tax Revenue

- National broad-based economic slowdown
- Regional or industry-based economic slowdown (e.g. oil price volatility, federal job losses)
- PIT largely conforms with federal IRS code
  - Changes in federal standard deduction
- Structural changes in the labor market (e.g. AI, global trade war or other geopolitical risk, immigration restrictions, shift to low-hire low-fire environment)

Corporate Income Tax

CIT Outlook



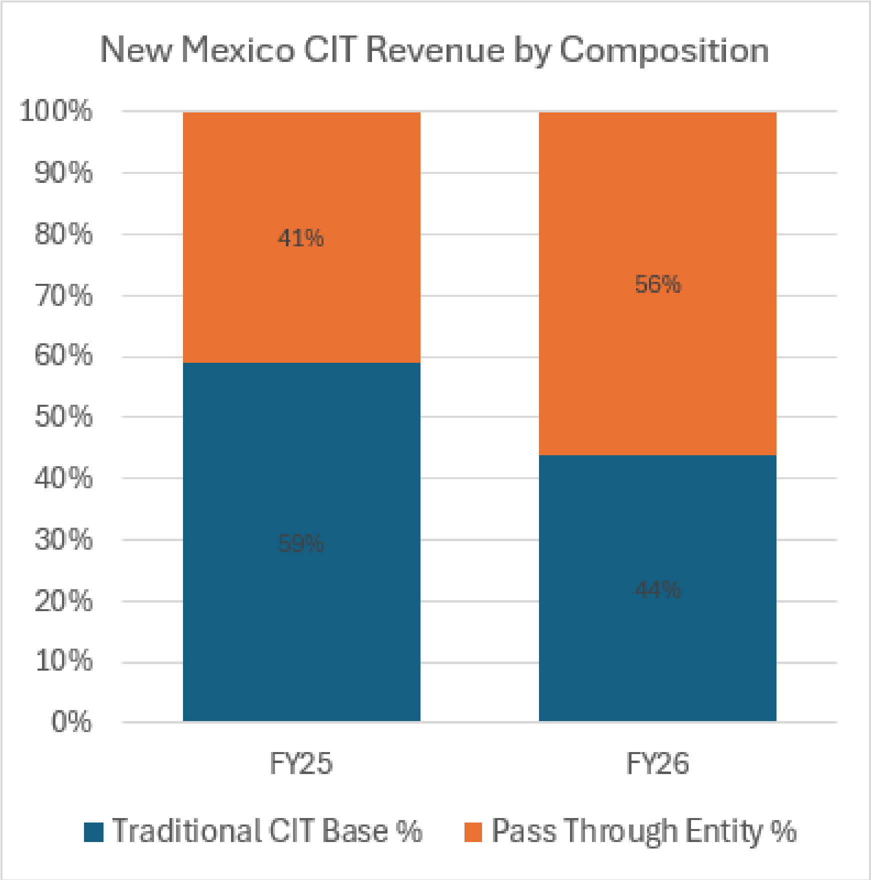


Source: CREG Dec 2025 and August 2026

- FY26 was revised upward by $398 million from the December 2025 forecast
  - Strong contribution from Pass-Through Entity (PTE) revenue; lower H.R.1 impact from SALT; lower Film Credit amount, General Fund cash flow changes
- FY27 & FY28 August forecast
  - Net CIT increased $364 and $245 million over the previous forecast
  - Oil and natural gas industry strength, oil price volatility contributing to volatile CIT
  - Film credit reduced by $32 million in FY27
  - Decoupling from sections of IRS Code expected to increase CIT revenue by $57 – $112 million during FY27 – FY31 (SB 151, 2026).
  - CIT revenue compositions are changing due to increasing contributions from PTE (See next slide)

CIT Outlook

- PTE level tax adoption has accelerated nationwide—from 14 states in 2021 to 38 states plus NYC in 2026.
- As PTE elections have expanded, entity-level revenue collections have become an increasingly important component of business income-tax revenue, including in New Mexico.
  - In New Mexico, entity-level tax rate equal to 5.9%, equivalent to CIT and top bracket for PIT
- PTE revenue adds to the evolving nature of CIT. The CREG will continue researching and modeling this particular revenue source within CIT.



Source: Tax & Rev CIT Revenue Reports, Author's calculations

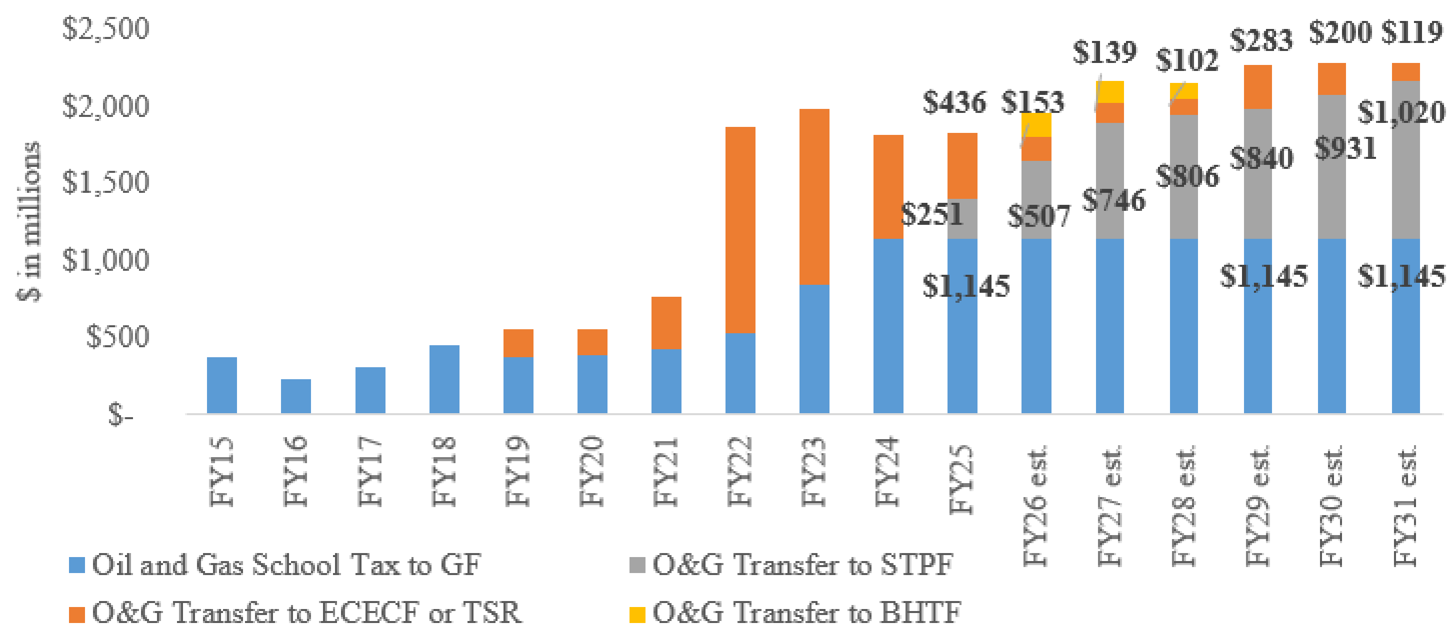
Risks to Corporate Income Tax Revenue

- Increasing reliance on a concentrated group of large taxpayers
  - Mergers and Acquisitions in Permian Basin oil companies
- Timing revenue volatility from estimated payments, extensions, refunds, and final settlements
- Multistate apportionment and corporate restructuring can shift taxable income
- Structural changes in the labor market (e.g. AI, global trade war or other geopolitical risk, immigration restrictions, shift to low-hire low-fire environment)

Severance Taxes, Rents & Royalties, & Interest Earnings

Oil & Gas School Tax/Severance Taxes

Oil and Gas School Tax Revenue and Distributions, From FY15 to FY31



Source: DFA, CREG, Author's calculation

General Fund & Trust Fund Transfers

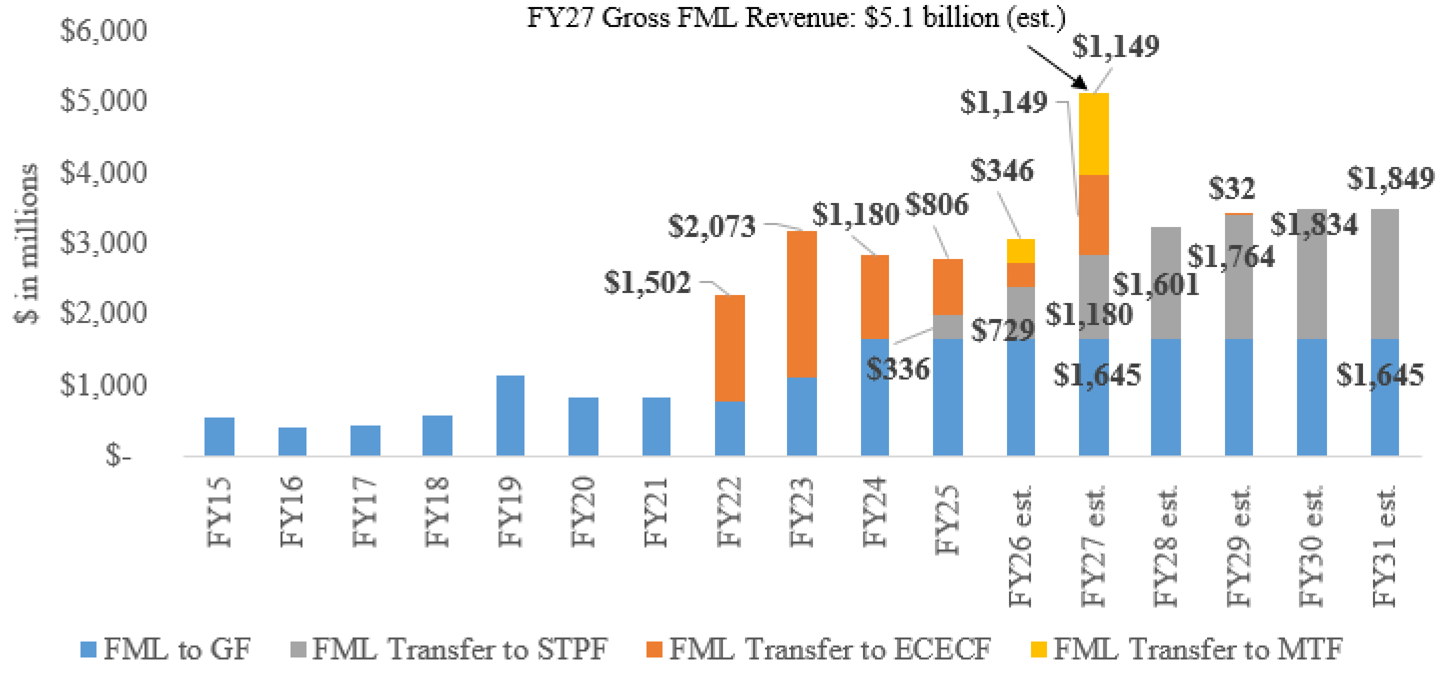
- General Fund revenue is capped at the FY24 level of $1.145 billion
- Revenue above the cap flows to other funds, insulating the General Fund from revised oil and gas market conditions expected in the August 2026 forecast
- FY25 transfer to the Early Childhood Education and Care Fund (ECECF): $436 million
- Beginning in FY26, ECECF transfers are shared equally with the Behavioral Health Trust Fund (BHTF)
- Estimated ECECF/BHTF shared transfers: FY26 $306 million; FY27 $277 million; FY28 $204 million

Severance Tax Permanent Fund

- STPF transfers from the Oil and Gas School Tax began in FY25 at $251 million
- Estimated STPF transfers increase to $507 million in FY26, $746 million in FY27, and $806 million in FY28

Rents and Royalties

Federal Mineral Leasing from FY15 to FY31



Source: DFA, CREG, Author's calculation

Federal Mineral Leasing

- General Fund FML revenue is capped at the FY24 level of $1.645 billion
- Revenue above the cap flows to other funds, insulating the General Fund from changes in the August 2026 forecast
- FY25 transfer to the Early Childhood Education and Care Fund (ECECF): $806 million
- Beginning in FY26, transfers will be shared equally between the ECECF and the Medicaid Trust Fund (MTF)
- Estimated shared transfers: FY26 $691 million; FY27 $2.3 billion; none in FY28

May 2026 Federal Lease Sale

- BLM received $4.007 billion in first-year rentals and bonuses from the May 20 lease sale
- New Mexico’s share, net of administration and sequestration fees, is approximately $1.85 billion, increasing estimated FY27 gross FML revenue to approximately $5.1 billion

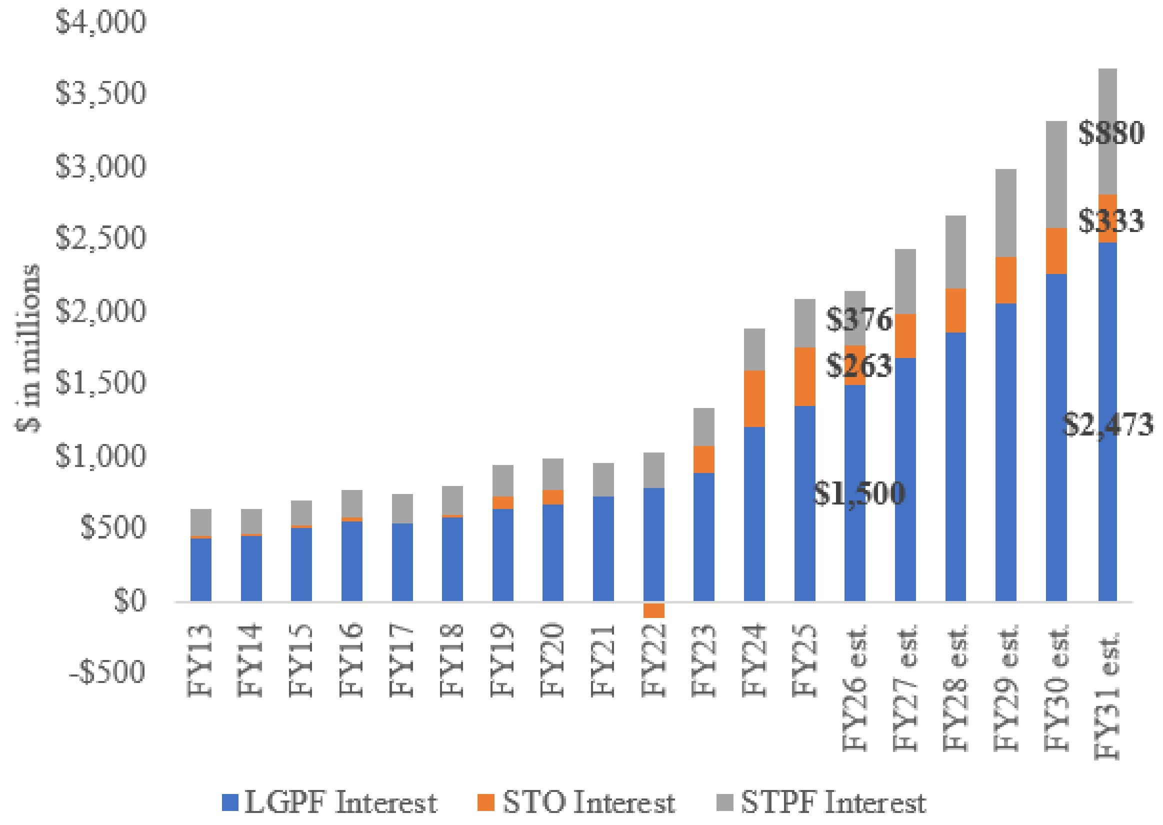
State Land Office Revenue

- SLO revenue remains a strong recurring General Fund source in FY26, with approximately $400 million in additional nonrecurring revenue

Interest Earnings

Interest Earnings From FY13 to FY31

LGPF, STO, and STPF



Source: FCD, DFA

Interest Earnings

- Investment earnings remain a major source of General Fund strength, increasing from approximately $2.1 billion in FY26 to nearly $3.0 billion by FY29

- LGPF remains the largest source of investment income, contributing approximately $1.5 billion in FY26 and rising to about $2.5 billion by FY31

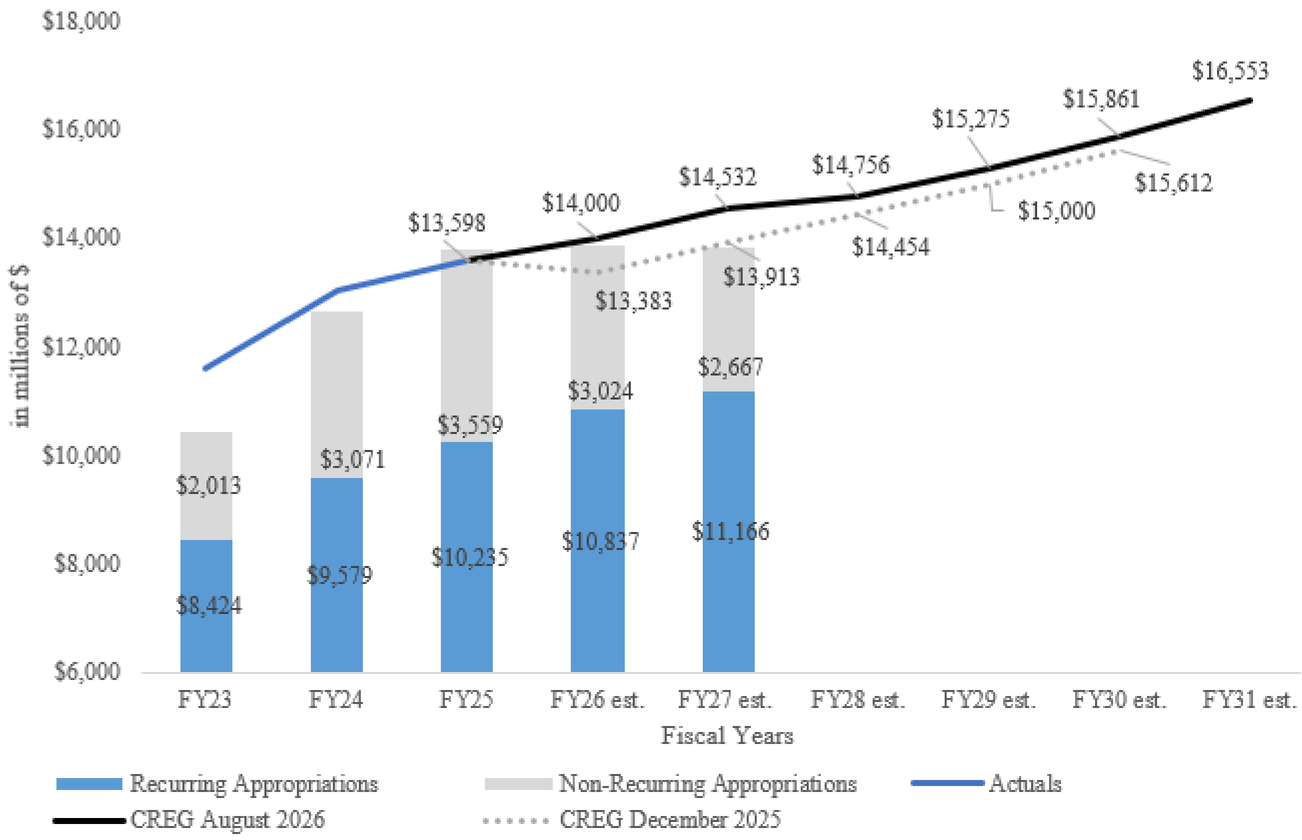
- STPF earnings grow rapidly over the forecast period, reaching approximately $880 million by FY31 as transfers from Oil and Gas School Tax and FML revenues expand the fund balance

- STO earnings provide a smaller but meaningful contribution, increasing from approximately $263 million in FY26 to $333 million by FY31; annual earnings can be volatile due to unrealized gains and losses

General Fund Overview

Consensus Forecast: What Changed Since December?

General Fund Recurring Revenue Forecast FY26 to FY31



Source: DFA FCD, CREG

Revision to Recurring Revenue

FY26	FY27	FY28	FY29
+$617M	**+$619M**	**+$302M**	**+$275M**
vs. Dec. 2025	vs. Dec. 2025	vs. Dec. 2025	vs. Dec. 2025

Drivers of Change

- Largest upward revisions are concentrated in FY26 and FY27
- Income tax revenues account for much of the near-term improvement
- State Land Office rents and royalties provide additional FY26 strength
- The upward revision moderates in FY28–FY29 with legislative changes; GRT, corporate income tax and investment earnings remain important contributors to positive revenue increase

August 2026 Consensus: Current Revenue Outlook

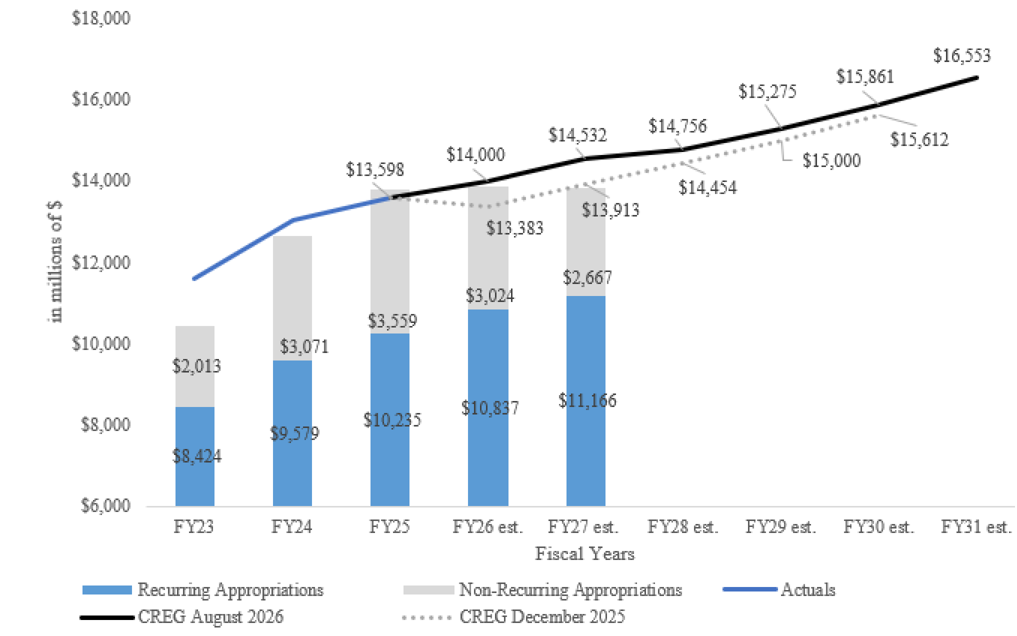
August 2026 Consensus General Fund Forecast

(in millions of dollars)

Revenue Source	FY26		FY27		FY28		FY29	
	$ Millions	% Change	$ Millions	% Change	$ Millions	% Change	$ Millions	% Change
General Sales	$ 4,642.8	5.9%	$ 4,720.4	1.7%	$ 4,820.4	2.1%	$ 5,025.4	4.3%
Selective Sales	$ 875.5	5.9%	$ 941.2	7.5%	$ 853.9	-9.3%	$ 787.2	-7.8%
Income Taxes	$ 2,853.6	-2.5%	$ 2,995.6	5.0%	$ 3,029.1	1.1%	$ 3,120.8	3.0%
O&G Revenue	$ 3,143.6	3.7%	$ 3,109.2	-1.1%	$ 3,054.0	-1.8%	$ 3,021.8	-1.1%
Investment Income	$ 2,139.5	2.7%	$ 2,429.0	13.5%	$ 2,673.3	10.1%	$ 2,987.7	11.8%
Other	$ 345.4	-0.5%	$ 336.6	-2.5%	$ 325.6	-3.2%	$ 332.1	2.0%
Total Recurring Revenue	**$ 14,000.4**	**3.0%**	**$ 14,532.0**	**3.8%**	**$ 14,756.3**	**1.5%**	**$ 15,275.0**	**3.5%**
Total Nonrecurring	$ 404.3	—	—	—	—	—	—	—
Grand Total Revenue	$ 14,404.7	5.7%	$ 14,532.0	0.9%	$ 14,756.3	1.5%	$ 15,275.0	3.5%

Sources: DFA, Infographic design AI-assisted.

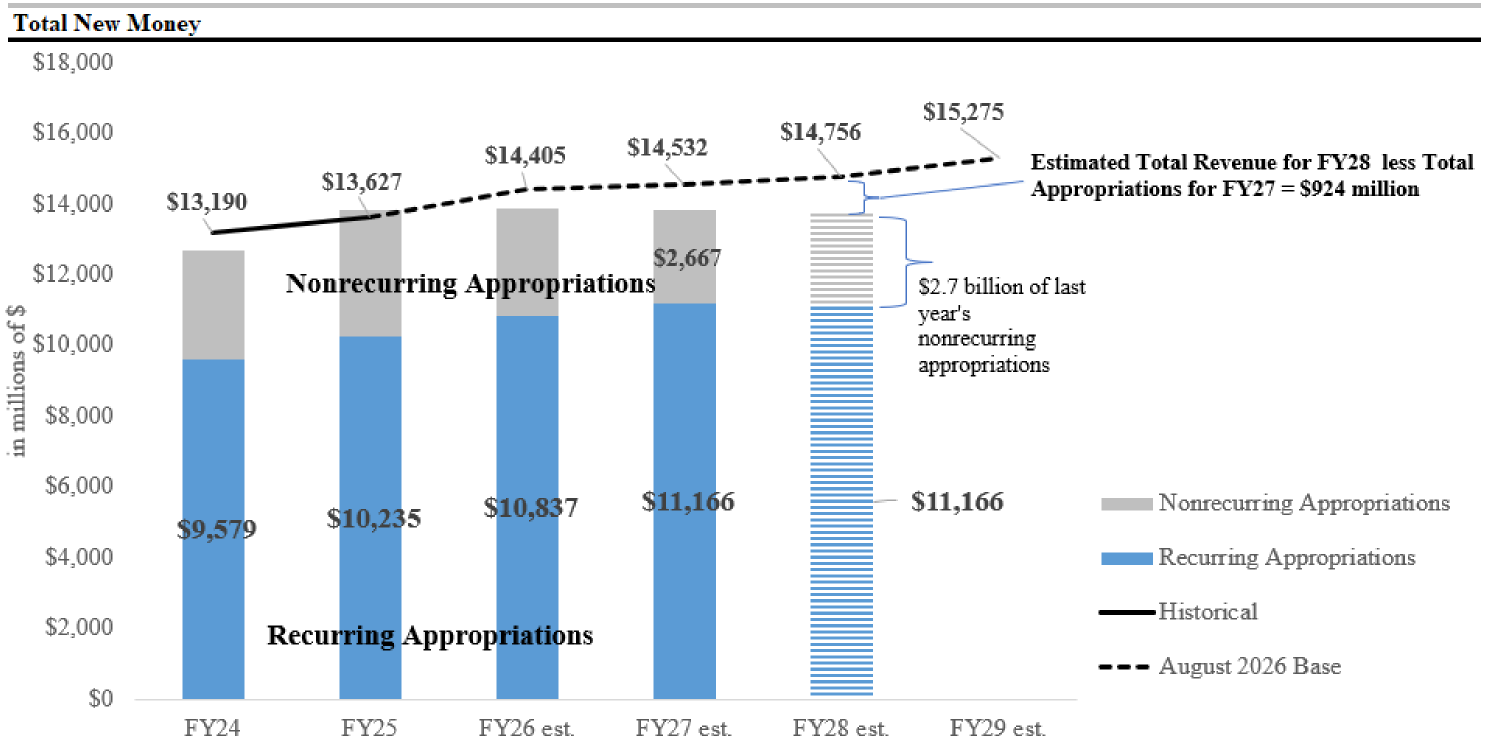
General Fund Recurring Revenue Forecast FY26 to FY31



Source: DFA FCD, CREG

- ➢Recurring revenue reaches $14.0 billion in FY26 and rises to $15.3 billion by FY29
- ➢Growth remains positive but moderates, ranging from 1.5% to 3.8% through FY29
  - ➢ FY28 revenues grow 1.5% over FY27, reflecting legislative changes to PIT, and to distribution changes for insurance and conservation taxes
- ➢Investment income remains a key source of strength; General sales, selective sales, and income taxes soften in parts of the outlook

Total New Money



Source: DFA, CREG, Total Revenue versus Recurring and Nonrecurring Appropriations (in millions)

Estimated FY28 Total New Money

$924 million

Available after comparing FY28 forecasted revenue to FY27 total appropriations

$14.756B	−	$13.833B	=	$924M
FY28 revenue forecast		FY27 total appropriations		Total New Money

- **The FY28 calculation compares estimated FY28 revenue to total FY27 appropriations**
- Because the August forecast path remains above prior appropriations, FY28 available resources are positive even as growth moderates

General Fund Financial Summary ($ in millions)

	FY2026 Est.	FY2027 Est.	FY2028 Est.
RESOURCES			
Beginning Balance (General Fund Reserves)	$3,181.4	$4,375.1	$3,903.0
Recurring Revenue	$14,000.4	$14,532.0	$14,756.3
Nonrecurring Revenue	$404.3		
Total Revenue	**$14,404.7**	**$14,532.0**	**$14,756.3**
APPROPRIATIONS			
Spending (Recurring Appropriations)	($10,837.1)	($11,165.8)	
Spending (Nonrecurring Appropriations)	($3,023.8)	($2,666.3)	
Total Appropriations	**($13,860.9)**	**($13,832.2)**	
RESERVES			
Reserve Transfers, etc.	$543.8	$699.8	
Ending Balance (General Fund Reserves)	**$4,375.1**	**$3,903.0**	
General Fund Reserves as a Percent of Recurring Appropriations	**40.4%**	**35.0%[1]**	

[1] **Pending 2027 legislative appropriations**

Source: DFA,, Infographic design AI-assisted.

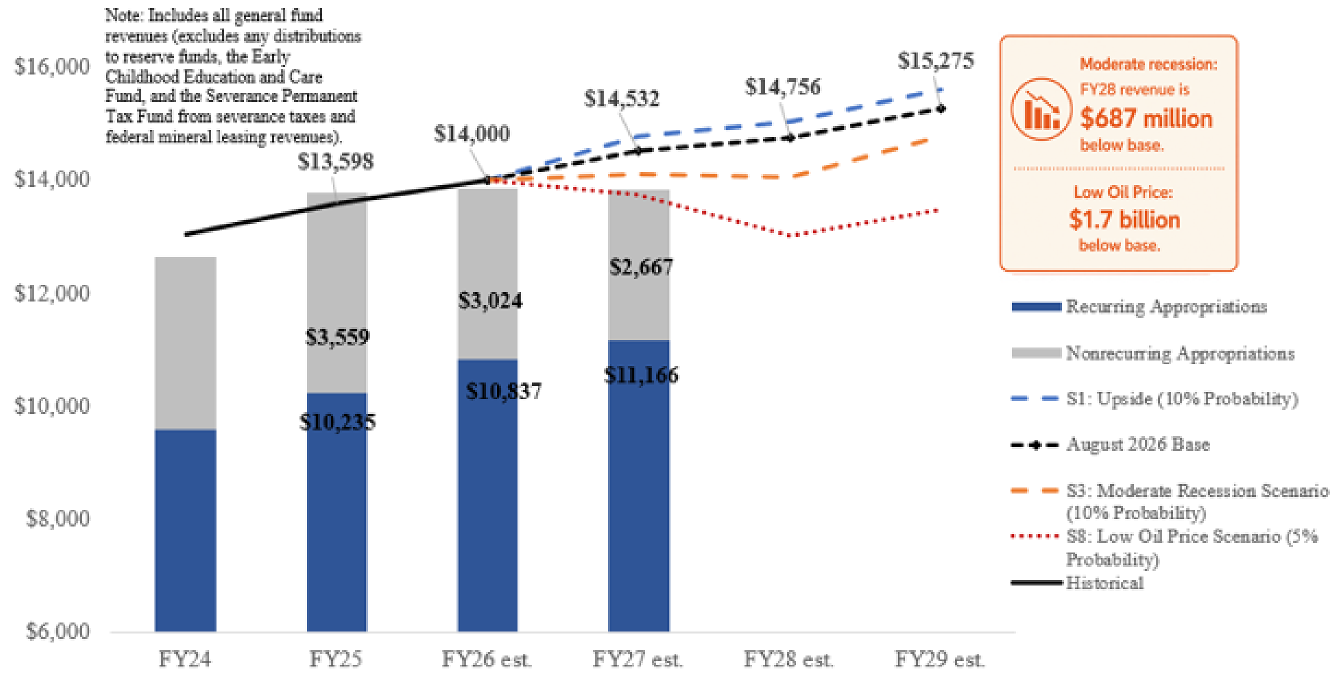
Risks to the Forecast

Inter-Connected

Downside	Upside
➢Hiring slows further and layoffs normalize, weakening wage growth, PIT, and consumer spending. ➢Slower U.S. growth reduces business confidence and softens taxable sales. ➢AI could automate tasks and replace certain jobs in selected industries (technology sector, coding, etc.) ➢AI equity market could be overvalued and be a bubble	➢Faster labor-force or productivity growth supports stronger employment and wage growth. ➢Inflation cools faster than expected, supporting stronger consumer spending ➢Stronger productivity from AI provides additional support to growth and revenues. ➢AI-related capital spending and resilient equity markets support profits, capital gains, and investment income.
➢Higher tariffs or retaliation keep inflation elevated and delay Fed rate cuts. ➢Higher-for-longer interest rates weigh on housing, credit-sensitive spending, Economic growth weakens more than expected	➢Tariffs ease faster than expected and inflation falls toward target ➢Earlier Fed rate cuts support housing, investment, and broader economic growth.
➢Delayed Fed rate cuts erode confidence and curb credit-sensitive spending ➢Potential trigger for recession	➢Trade war ends faster than expected, boosting economic growth ➢Tariff rates are anticipated to increase to an effective tariff rate of 12% by early next year.
➢Recession leads to job losses, higher unemployment, GDP contraction, reduced consumption, and tighter credit markets	➢Stronger sustained construction activity in the state supporting higher constructions employment and wages and higher GRT
➢Global oil and gas oversupply or weaker demand push commodity prices below forecast ➢Renewed Middle East or expanded conflict disruptions could raise oil prices and inflation weighing on the broader economy.	➢OPEC+ restraint or slower supply recovery keep oil prices firmer than forecast. ➢Natural gas prices strengthen faster if LNG demand and power-sector demand improve. ➢Improved Permian gas takeaway supports associated gas growth and
➢ H.R.1 revenue impacts larger than anticipated and uncertain due to taxpayer behavior; analysis ongoing ➢Fewer resources for the IRS, i.e. auditing, impacting state revenue collections	

Stress Test

Recurring Revenue Sensitivity Analysis



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

- Stress testing shows FY28 General Fund revenue declines by about $687 million under a moderate recession and $1.73 billion under a low oil price scenario
- Demonstrates New Mexico's revenue sensitivity to national recessions and energy market downturns
- Underscores the importance of maintaining strong reserves to manage fiscal risk

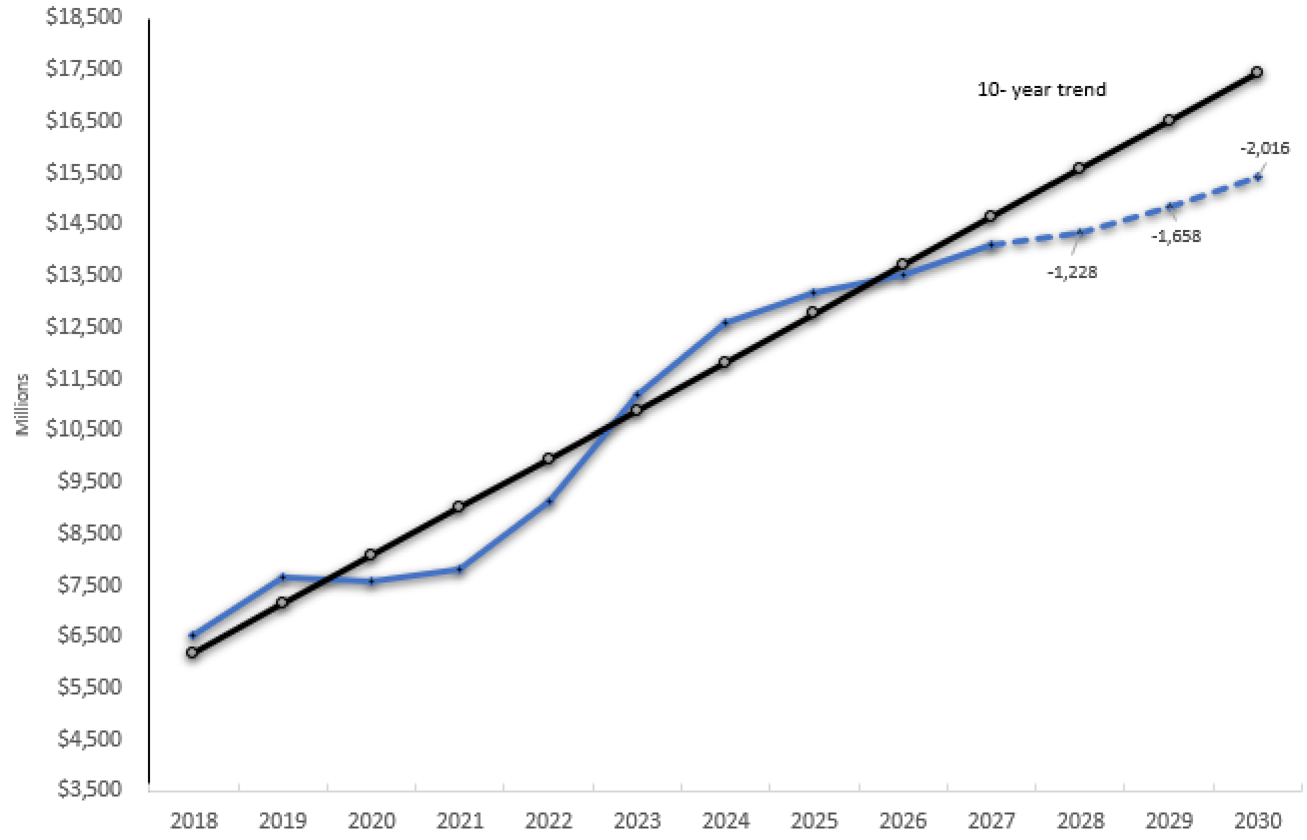
Upside Scenario (in millions)	FY27	FY28	FY29
GRT	$ 44	$ 83	$ 125
PIT	$ 65	$ 71	$ 87
CIT	$ 138	$ 126	$ 112
Severance to GF	$ (1)	$ (0)	$ 1
Severance to TSR or ECE	$ (23)	$ 16	$ 64
Severance to STPF	$ 2	$ (2)	$ 1
FML to GF	$ -	$ -	$ -
FML to ECE	$ 38	$ -	$ 17
FML to STPF	$ -	$ 43	$ 16
TOTAL	$ 263	$ 337	$ 422
Total GF	*$ 246*	*$ 280*	*$ 324*
Total TSR/ECE/STPF	*$ 17*	*$ 58*	*$ 98*
% TSR/ECE/STPF	*7%*	*17%*	*23%*

Moderate Recession Scenario (in millions)	FY27	FY28	FY29
GRT	$ (228)	$ (376)	$ (263)
PIT	$ (109)	$ (172)	$ (111)
CIT	$ (52)	$ (111)	$ (118)
Severance to TSR or ECE	$ (277)	$ (205)	$ (245)
Severance to STPF	$ (14)	$ (448)	$ (187)
FML to GF	$ -	$ -	$ -
FML to ECE	$ (315)	$ -	$ (32)
FML to STPF	$ -	$ (820)	$ (704)
TOTAL	$ (1,019)	$ (2,160)	$ (1,670)
Total GF	*$ (412)*	*$ (687)*	*$ (503)*
Total TSR/ECE	*$ (607)*	*$ (1,473)*	*$ (1,167)*
% TSR/ECE/STPF	*60%*	*68%*	*70%*

Low Oil Price Scenario (in millions)	FY27	FY28	FY29
GRT	$ (440)	$ (683)	$ (784)
PIT	$ (125)	$ (203)	$ (234)
CIT	$ (163)	$ (220)	$ (210)
Severance to GF	$ (61)	$ (377)	$ (270)
Severance to TSR or ECE	$ (277)	$ (205)	$ (283)
Severance to STPF	$ (745)	$ (806)	$ (840)
FML to GF	$ -	$ (250)	$ (281)
FML to ECE	$ (1,246)	$ -	$ (32)
FML to STPF	$ -	$ (1,601)	$ (1,764)
TOTAL	$ (3,056)	$ (4,345)	$ (4,698)
Total GF	*$ (789)*	*$ (1,733)*	*$ (1,779)*
Total TSR/ECE	*$ (2,267)*	*$ (2,612)*	*$ (2,919)*
% TSR/ECE/STPF	*74%*	*60%*	*62%*

General Fund Revenue vs. 10 Year Trend

Volatility in Major General Fund Revenue Sources
Deviation from the 10-year trend: FY16-FY25



Source: DOT, CREG August 2026 Revenue Estimate
Note: Major revenue sources consist of Sales Taxes, Income Taxes, Severance Taxes, Rents and Royalties, and Investment Earnings.

- The trendline analysis illustrates how far revenues have deviated from the 10-year trend
- As energy prices have increased, federal and state legislative changes occur, and overall economic growth continues to moderate; revenues dip below the trendline
- General fund revenues are $174M below the 10-year trend in FY26 and $552M below in FY27, and $1,228M in FY28
- New Mexico's general fund revenue average annual growth rate is 9.7% (2019-2028 trend)

Appendix

Appendix 1: CREG Memo

August 26, 2026

MEMORANDUM

TO: The Members of the Legislative Finance Committee

FROM: Staff Economists of the Department of Finance and Administration, Legislative Finance Committee, Taxation and Revenue Department, and Department of Transportation

THROUGH: Secretary Wayne Propst, Department of Finance and Administration
Secretary Stephanie Schardin Clarke, Taxation and Revenue Department
Acting Secretary David Quintana, Department of Transportation
Director Charles Sallee, Legislative Finance Committee

SUBJECT: Consensus Revenue Estimating Group – August 2026 Forecast

The Consensus Revenue Estimating Group (CREG) meets several times throughout the state budget process to review economic indicators, analyze tax receipt data, and make modifications to previous revenue estimates to provide policymakers the best information on the New Mexico revenue outlook. This memorandum summarizes the work and conclusions of the CREG, comprised of economists from the Legislative Finance Committee (LFC), the Department of Finance and Administration (DFA), the Taxation and Revenue Department (Tax & Rev), and the Department of Transportation (DOT). After careful review of new economic data and general fund receipts, the CREG has reached a consensus estimate of general fund revenues. The consensus estimate is reflected in the attachment.

August 2026 Consensus General Fund, Recurring Revenue Outlook (in millions)

FY26	FY27	FY28
$14,000.4	$14,532.0	$14,756.3

Total recurring revenues are expected to be $14.5 billion in FY27 and $14.8 billion in FY28. Grand total revenues, including nonrecurring revenues, are expected to be $14.5 billion in FY27 and $14.8 billion in FY28 as follows:

- General sales tax receipts: $4.7 billion in FY27 and $4.8 billion in FY28
- Income tax receipts: $3.0 billion in FY27 and $3.0 billion in FY28
- Severance tax receipts: $1.3 billion in FY27 and $1.3 billion in FY28
- Interest revenues: $2.4 billion in FY27 and $2.7 billion in FY28
- Revenues associated with rent and royalty receipts: $1.8 billion in FY27 and $1.8 billion in FY28
- All other recurring revenues: $1.3 billion in FY27 and $1.2 billion in FY28

Appendix 2a:

General Fund Consensus Revenue Estimate - August 2026

		FY26					FY27					FY28				
	Revenue Source	Dec 25 Est.	Aug 26 Est.	Change From Prior (Dec 25)	% Change from FY25	$ Change from FY25	Dec 25 Est.	Aug 26 Est.	Change From Prior (Dec 25)	% Change from FY26	$ Change from FY26	Dec 25 Est.	Aug 26 Est.	Change From Prior (Dec 25)	% Change from FY27	$ Change from FY27
1	*Base Gross Receipts Tax*	4,559.3	4,650.0	90.7	5.4%	238.9	4,669.5	4,711.0	41.5	1.3%	61.0	4,797.3	4,825.0	27.6	2.4%	114.0
2	*F&M Hold Harmless Payments*	(107.7)	(116.3)	(8.6)	2.9%	(3.3)	(99.3)	(105.1)	(5.8)	-9.6%	11.2	(89.9)	(92.6)	(2.7)	-11.9%	12.5
3	NET Gross Receipts Tax	4,451.6	4,533.7	82.1	5.5%	235.6	4,570.1	4,605.8	35.7	1.6%	72.1	4,707.4	4,732.4	25.0	2.7%	126.5
4	Compensating Tax	88.4	109.1	20.7	27.7%	23.7	91.1	114.5	23.4	5.0%	5.4	94.1	88.0	(6.1)	-23.2%	(26.5)
5	TOTAL GENERAL SALES	4,539.9	4,642.8	102.9	5.9%	259.3	4,661.3	4,720.4	59.1	1.7%	77.6	4,801.5	4,820.4	18.9	2.1%	100.0
6	Tobacco and Cigarette Taxes	66.5	68.1	1.6	-2.4%	(1.7)	65.0	67.3	2.3	-1.2%	(0.8)	63.7	65.9	2.2	-2.1%	(1.4)
7	Liquor Excise	23.1	22.8	(0.3)	-4.4%	(1.0)	22.9	23.0	0.1	1.1%	0.3	22.9	23.0	0.1	-0.1%	(0.0)
8	Cannabis Excise	31.8	32.5	0.7	8.7%	2.6	32.8	35.0	2.2	7.7%	2.5	34.0	37.2	3.2	6.3%	2.2
9	Insurance Taxes	459.5	504.6	45.1	11.2%	50.6	462.4	561.9	99.5	11.4%	57.3	437.7	467.1	29.4	-16.9%	(94.8)
10	Motor Vehicle Excise	178.6	176.3	(2.3)	1.2%	2.2	185.7	181.0	(4.7)	2.7%	4.7	192.1	183.8	(8.3)	1.5%	2.8
11	Gaming Excise	53.4	62.9	9.5	-7.3%	(5.0)	57.2	64.7	7.5	2.9%	1.8	58.9	69.2	10.3	7.0%	4.5
12	Leased Vehicle & Other	6.2	8.4	2.1	20.0%	1.4	7.9	8.3	0.4	-1.1%	(0.1)	8.4	7.7	(0.6)	-6.8%	(0.6)
13	TOTAL SELECTIVE SALES	819.1	875.5	56.4	5.9%	49.1	833.9	941.2	107.3	7.5%	65.7	817.6	853.9	36.3	-9.3%	(87.3)
14	Personal Income Tax	2,175.0	2,202.6	27.6	2.8%	59.5	2,231.9	2,247.2	15.3	2.0%	44.6	2,293.7	2,274.9	(18.8)	1.2%	27.7
15	*Gross Corporate Income Tax*	435.0	772.9	337.9	-5.3%	(43.6)	554.4	886.4	332.0	14.7%	113.5	610.3	870.0	259.7	-1.9%	(16.4)
17	*CIT Refundable Credits*	(181.9)	(121.9)	60.0	258.5%	(87.9)	(170.3)	(138.0)	32.3	13.2%	(16.1)	(101.3)	(115.8)	(14.5)	-16.1%	22.2
18	Total Corporate Income Tax	253.0	651.0	398.0	-16.8%	(131.5)	384.1	748.4	364.3	15.0%	97.4	509.0	754.2	245.2	0.8%	5.8
19	TOTAL INCOME TAXES	2,428.0	2,853.6	425.6	-2.5%	(72.0)	2,616.0	2,995.6	379.6	5.0%	142.0	2,802.7	3,029.1	226.4	1.1%	33.5
20	*Gross Oil and Gas School Tax*	1,774.0	1,958.5	184.4	6.9%	125.9	1,939.6	2,168.1	228.5	10.7%	209.7	2,085.1	2,156.1	71.0	-0.6%	(12.0)
21	*Excess to TSR, ECTF, or BHTF*	(122.1)	(306.5)	(184.4)	-29.7%	129.7	(85.5)	(277.1)	(191.6)	-9.6%	29.4	(216.2)	(204.6)	11.5	-26.1%	72.5
22	*Excess to STPF*	(506.6)	(506.6)	0.0	101.8%	(255.6)	(708.8)	(745.7)	(36.9)	47.2%	(239.1)	(723.6)	(806.1)	(82.6)	8.1%	(60.5)
23	NET Oil & Gas School Tax	1,145.4	1,145.4	(0.0)	0.0%	0.0	1,145.4	1,145.4	(0.0)	0.0%	(0.0)	1,145.4	1,145.4	(0.0)	0.0%	0.0
24	Oil Conservation Tax	90.7	113.0	22.3	9.8%	10.1	98.0	124.7	26.7	10.4%	11.7	105.4	76.3	(29.1)	-38.8%	(48.4)
25	Resources Excise Tax	8.4	9.8	1.4	16.2%	1.4	8.1	11.8	3.7	19.4%	1.9	7.9	11.7	3.8	-0.3%	(0.0)
26	Natural Gas Processors Tax	20.3	19.8	(0.5)	-31.8%	(9.2)	26.5	21.2	(5.3)	7.1%	1.4	39.1	20.2	(18.9)	-4.7%	(1.0)
27	TOTAL SEVERANCE TAXES	1,264.8	1,288.0	23.2	0.2%	2.2	1,278.0	1,303.0	25.1	1.2%	15.0	1,297.8	1,253.6	(44.2)	-3.8%	(49.4)
28	LICENSE FEES	60.0	68.3	8.2	-6.1%	(4.5)	72.9	74.1	1.1	8.5%	5.8	73.3	59.5	(13.8)	-19.6%	(14.5)
29	LGPF Interest	1,531.5	1,500.0	(31.5)	11.1%	150.2	1,696.2	1,679.3	(16.9)	12.0%	179.3	1,850.0	1,849.4	(0.6)	10.1%	170.1
30	STO Interest	322.0	263.2	(58.8)	-34.4%	(137.9)	299.5	309.8	10.3	17.7%	46.6	289.0	307.0	18.0	-0.9%	(2.8)
31	STPF Interest	375.4	376.3	0.9	13.1%	43.5	429.2	439.9	10.7	16.9%	63.6	492.4	516.9	24.5	17.5%	77.0
32	TOTAL INTEREST	2,228.9	2,139.5	(89.4)	2.7%	55.8	2,424.9	2,429.0	4.1	13.5%	289.5	2,631.3	2,673.3	42.0	10.1%	244.3
33	*Gross Federal Mineral Leasing*	2,543.2	3,065.7	522.5	10.0%	279.3	2,772.2	5,123.9	2,351.6	67.1%	2,058.2	2,958.6	3,245.9	287.4	-36.7%	(1,877.9)
34	*Excess to ECTF or Medicaid TF*	(168.9)	(691.4)	(522.5)	-14.2%	114.6	(51.6)	(2,298.7)	(2,247.1)	232.5%	(1,607.4)	(134.8)	-	134.8	-100.0%	2,298.7
35	*Excess to STPF*	(729.4)	(729.4)	0.0	117.4%	(393.9)	(1,075.8)	(1,180.3)	(104.5)	61.8%	(450.8)	(1,178.9)	(1,601.1)	(422.2)	35.7%	(420.8)
36	NET Federal Mineral Leasing	1,644.9	1,644.9	(0.0)	0.0%	(0.0)	1,644.9	1,644.9	0.0	0.0%	-	1,644.9	1,644.9	0.0	0.0%	-
37	State Land Office	149.3	210.7	61.4	107.8%	109.3	130.1	161.3	31.2	-23.4%	(49.4)	131.6	155.5	23.9	-3.6%	(5.8)
38	TOTAL RENTS & ROYALTIES	1,794.2	1,855.6	61.4	6.3%	109.3	1,775.0	1,806.2	31.2	-2.7%	(49.4)	1,776.5	1,800.4	23.9	-0.3%	(5.8)
39	TRIBAL REVENUE SHARING	87.5	88.9	1.4	4.2%	3.6	90.5	92.6	2.1	4.2%	3.7	91.0	93.1	2.1	0.5%	0.5
40	MISCELLANEOUS RECEIPTS	50.6	78.2	27.6	-0.9%	(0.7)	50.8	59.9	9.1	-23.4%	(18.3)	52.6	63.0	10.5	5.2%	3.1
41	REVERSIONS[2]	110.0	110.0	-	0.0%	-	110.0	110.0	-	0.0%	-	110.0	110.0	-	0.0%	-
42	TOTAL RECURRING	13,383.1	14,000.4	617.3	3.0%	402.1	13,913.2	14,532.0	618.7	3.8%	531.6	14,454.3	14,756.3	302.08	0.02	224.35
43	*Other Nonrecurring Revenue*	362.6	404.3	41.7	1320.8%	375.8			-	-	(404.3)			-	-	-
44	TOTAL NONRECURRING	362.6	404.3	41.7	1320.8%	375.8		-	-	-	(404.3)		-	-	-	-
45	**GRAND TOTAL General Fund**	13,745.7	14,404.7	659.0	5.7%	778.0	13,913.2	14,532.0	618.7	0.9%	127.3	14,454.3	14,756.3	302.08	0.02	224.35

Appendix 2b:

General Fund Consensus Revenue Estimate - August 2026

#	Revenue Source	FY29 Dec 25 Est.	FY29 Aug 26 Est.	FY29 Change From Prior (Dec 25)	FY29 % Change from FY28	FY29 $ Change from FY28	FY30 Dec 25 Est.	FY30 Aug 26 Est.	FY30 Change From Prior (Dec 25)	FY30 % Change from FY29	FY30 $ Change from FY29	FY31 Aug 26 Est.	FY31 % Change from FY30	FY31 $ Change from FY30
1	*Base Gross Receipts Tax*	4,959.9	5,013.2	53.3	3.9%	188.2	5,129.6	5,198.7	69.1	3.7%	185.5	5,382.4	3.5%	183.7
2	*F&M Hold Harmless Payments*	(80.0)	(78.9)	1.1	-14.8%	13.7	(69.9)	(68.3)	1.6	-13.5%	10.6	(69.8)	2.2%	(1.5)
3	NET Gross Receipts Tax	4,879.9	4,934.3	54.4	4.3%	201.9	5,059.7	5,130.5	70.7	4.0%	196.2	5,312.7	3.6%	182.2
4	Compensating Tax	97.0	91.1	(5.9)	3.5%	3.1	100.3	94.4	(5.9)	3.7%	3.3	97.6	3.4%	3.2
5	TOTAL GENERAL SALES	4,976.9	5,025.4	48.5	4.3%	205.0	5,160.0	5,224.9	64.9	4.0%	199.5	5,410.3	3.5%	185.4
6	Tobacco and Cigarette Taxes	62.4	65.3	2.9	-0.9%	(0.6)	61.2	63.4	2.2	-2.9%	(1.9)	62.2	-1.9%	(1.2)
7	Liquor Excise	22.8	23.0	0.2	-0.2%	(0.0)	22.7	22.8	0.1	-0.7%	(0.2)	22.8	-0.3%	(0.1)
8	Cannabis Excise	35.3	38.7	3.4	4.0%	1.5	37.7	40.5	2.8	4.7%	1.8	41.6	2.7%	1.1
9	Insurance Taxes	435.0	387.8	(47.2)	-17.0%	(79.3)	437.3	404.3	(33.0)	4.3%	16.5	424.9	5.1%	20.6
10	Motor Vehicle Excise	200.5	188.5	(12.0)	2.6%	4.8	208.3	193.8	(14.5)	2.8%	5.2	198.3	2.3%	4.5
11	Gaming Excise	62.3	77.0	14.7	11.3%	7.8	63.8	76.8	13.0	-0.3%	(0.2)	76.6	-0.3%	(0.2)
12	Leased Vehicle & Other	7.6	6.8	(0.8)	-11.5%	(0.9)	7.8	7.8	0.0	14.2%	1.0	7.7	-1.2%	(0.1)
13	TOTAL SELECTIVE SALES	825.9	787.2	(38.8)	-7.8%	(66.7)	838.8	809.4	(29.4)	2.8%	22.3	834.0	3.0%	24.6
14	Personal Income Tax	2,354.7	2,345.2	(9.5)	3.1%	70.3	2,439.8	2,414.8	(25.0)	3.0%	69.6	2,484.5	2.9%	69.7
15	*Gross Corporate Income Tax*	650.7	900.1	249.4	3.5%	30.1	697.5	899.5	202.0	-0.1%	(0.6)	932.0	3.6%	32.5
17	*CIT Refundable Credits*	(143.2)	(124.5)	18.7	7.5%	(8.7)	(146.9)	(123.6)	23.3	-0.7%	0.9	(125.3)	1.4%	(1.7)
18	Total Corporate Income Tax	507.5	775.6	268.1	2.8%	21.4	550.6	775.9	225.3	0.0%	0.3	806.7	4.0%	30.8
19	TOTAL INCOME TAXES	2,862.2	3,120.8	258.6	3.0%	91.7	2,990.4	3,190.7	200.3	2.2%	69.9	3,291.2	3.1%	100.5
20	*Gross Oil and Gas School Tax*	2,094.1	2,268.1	174.0	5.2%	112.0	2,135.7	2,277.0	141.3	0.4%	8.9	2,284.4	0.3%	7.4
21	*Excess to TSR, ECTF, or BHTF*	(205.8)	(283.0)	(77.2)	38.3%	(78.3)	(190.6)	(200.3)	(9.7)	-29.2%	82.6	(118.8)	-40.7%	81.5
22	*Excess to STPF*	(743.0)	(839.8)	(96.8)	4.2%	(33.7)	(799.7)	(931.3)	(131.6)	10.9%	(91.5)	(1,020.2)	9.5%	(88.9)
23	NET Oil & Gas School Tax	1,145.4	1,145.4	0.0	0.0%	(0.0)	1,145.4	1,145.4	(0.0)	0.0%	(0.0)	1,145.4	0.0%	0.0
24	Oil Conservation Tax	106.1	40.0	(66.1)	-47.6%	(36.3)	108.7	0.1	(108.6)	-99.8%	(39.9)	0.1	0.0%	-
25	Resources Excise Tax	7.7	11.7	4.0	0.2%	0.0	7.5	11.7	4.2	-0.3%	(0.0)	11.8	0.9%	0.1
26	Natural Gas Processors Tax	40.1	22.9	(17.2)	13.4%	2.7	40.9	25.3	(15.6)	10.5%	2.4	25.9	2.4%	0.6
27	TOTAL SEVERANCE TAXES	1,299.3	1,220.0	(79.3)	-2.7%	(33.6)	1,302.5	1,182.5	(120.0)	-3.1%	(37.5)	1,183.2	0.1%	0.7
28	LICENSE FEES	74.7	61.1	(13.6)	2.7%	1.6	73.1	60.0	(13.1)	-1.8%	(1.1)	58.8	-1.9%	(1.2)
29	LGPF Interest	2,042.3	2,058.3	16.0	11.3%	208.9	2,230.4	2,262.9	32.5	9.9%	204.6	2,473.3	9.3%	210.4
30	STO Interest	312.7	314.9	2.2	2.6%	7.9	321.0	320.8	(0.2)	1.9%	5.9	333.3	3.9%	12.5
31	STPF Interest	570.9	614.5	43.6	18.9%	97.6	660.1	730.6	70.5	18.9%	116.1	879.8	20.4%	149.2
32	TOTAL INTEREST	2,926.0	2,987.7	61.7	11.8%	314.4	3,211.5	3,314.3	102.8	10.9%	326.6	3,686.4	11.2%	372.1
33	*Gross Federal Mineral Leasing*	3,075.4	3,441.6	366.2	6.0%	195.6	3,133.8	3,479.3	345.5	1.1%	37.7	3,493.5	0.4%	14.2
34	*Excess to ECTF or Medicaid TF*	(298.4)	(32.3)	266.1	#DIV/0!	(32.3)	(306.6)	-	306.6	-100.0%	32.3	-	#DIV/0!	-
35	*Excess to STPF*	(1,132.1)	(1,764.4)	(632.3)	10.2%	(163.4)	(1,182.3)	(1,834.4)	(652.1)	4.0%	(70.0)	(1,848.6)	0.8%	(14.2)
36	NET Federal Mineral Leasing	1,644.9	1,644.9	(0.0)	0.0%	(0.0)	1,644.9	1,644.9	(0.0)	0.0%	0.0	1,644.9	0.0%	-
37	State Land Office	133.1	156.9	23.8	0.9%	1.4	134.6	158.8	24.2	1.2%	1.8	158.8	0.0%	0.0
38	TOTAL RENTS & ROYALTIES	1,778.0	1,801.8	23.8	0.1%	1.4	1,779.5	1,803.6	24.2	0.1%	1.9	1,803.7	0.0%	0.0
39	TRIBAL REVENUE SHARING	92.2	94.6	2.4	1.6%	1.5	94.1	97.3	3.2	2.9%	2.7	107.5	10.5%	10.2
40	MISCELLANEOUS RECEIPTS	54.4	66.4	12.0	5.4%	3.4	52.4	68.6	16.2	3.2%	2.2	67.9	-1.1%	(0.7)
41	REVERSIONS[2]	110.0	110.0	-	0.0%	-	110.0	110.0	-	0.0%	-	110.0	0.0%	-
42	TOTAL RECURRING	14,999.6	15,275.0	275.3	3.5%	518.6	15,612.3	15,861.3	249.0	3.8%	586.3	16,552.9	4.4%	691.6
43	*Other Nonrecurring Revenue*			-	-	-			-	-	-		-	-
44	TOTAL NONRECURRING		-	-	-	-		-	-	-	-	-	-	-
45	GRAND TOTAL General Fund	14,999.6	15,275.0	275.3	3.5%	518.6	15,612.3	15,861.3	249.0	3.8%	586.3	16,552.9	4.4%	691.6

Appendix 3: Economic Indicators

U.S. and New Mexico Economic Indicators

		FY26		FY27		FY28		FY29		FY30		FY31	
		Dec 25 Forecast	Aug 26 Forecast	Dec 25 Forecast	Aug 26 Forecast	Dec 25 Forecast	Aug 26 Forecast	Dec 25 Forecast	Aug 26 Forecast	Dec 25 Forecast	Aug 26 Forecast	Dec 25 Forecast	Aug 26 Forecast
	National Economic Indicators												
S&P Global	US Real GDP Growth (annual avg.,% YOY)*	2.0	2.1	2.2	2.1	1.8	2.2	1.6	2.4	1.8	2.0	1.7	2.0
Moody's	US Real GDP Growth (annual avg. ,% YOY)*	2.0	2.3	1.9	2.0	1.9	1.9	2.3	2.3	2.6	2.7	2.7	2.7
S&P Global	US Inflation Rate (CPI-U, annual avg., % YOY)**	3.1	3.9	2.5	2.1	2.5	2.3	2.0	2.3	2.2	2.0	2.2	2.2
Moody's	US Inflation Rate (CPI-U, annual avg., % YOY)**	3.1	3.1	3.0	3.6	2.3	2.7	1.9	2.0	1.7	1.8	1.8	1.9
S&P Global	Federal Funds Rate (%)	4.3	3.9	3.5	3.6	2.9	3.2	2.9	3.1	3.1	3.1	3.1	3.1
Moody's	Federal Funds Rate (%)	3.8	3.9	2.9	3.6	2.9	3.6	3.0	3.6	2.8	3.6	2.7	3.6
	New Mexico Labor Market and Income Data												
BBER	NM Non-Agricultural Employment Growth (%)	0.5	0.1	0.6	0.1	0.4	0.2	0.3	0.4	0.4	0.4		0.5
Moody's	NM Non-Agricultural Employment Growth (%)	1.2	0.1	0.0	0.6	0.1	0.2	0.3	0.3	0.5	0.4	0.6	0.4
BBER	NM Nominal Personal Income Growth (%)***	4.4	5.1	5.5	4.0	5.1	5.5	4.7	5.3	4.5	4.7		4.7
Moody's	NM Nominal Personal Income Growth (%)***	4.7	5.3	4.6	5.1	3.9	4.6	3.6	4.1	3.8	4.2	3.9	4.3
BBER	NM Total Wages & Salaries Growth (%)	3.8	3.7	4.7	3.8	4.6	4.6	4.5	4.9	4.2	4.9		4.6
Moody's	NM Total Wages & Salaries Growth (%)	4.1	4.0	3.9	4.8	3.1	3.2	2.9	3.1	3.4	3.5	3.8	3.6
BBER	NM Private Wages & Salaries Growth (%)	3.8	3.9	4.7	4.3	4.6	4.8	4.5	5.3	4.2	5.2		4.9
BBER	NM Real Gross State Product (% YOY)	1.7	1.9	2.0	2.0	1.7	2.0	1.8	2.1	1.7	1.9		1.8
Moody's	NM Real Gross State Product (% YOY)	1.6	1.9	1.4	1.5	1.4	1.3	1.7	1.7	2.0	2.0	2.1	2.1
CREG	NM Gross Oil Price ($/barrel)	$58.00	$72.00	$57.50	$75.50	$61.00	$71.00	$62.00	$74.00	$64.50	$74.00		$73.50
CREG	NM Net Oil Price ($/barrel)*****	$50.77	$62.90	$50.31	$65.96	$53.38	$62.03	$54.25	$64.65	$56.44	$64.65		$64.21
BBER	Oil Volumes (million barrels)	792.2	826.2	789.6	820.1	794.2	826.6	798.8	831.8	797.3	834.6		837.4
CREG	NM Taxable Oil Volumes (million barrels)	820	835	840	875	855	895	860	895	865	900		900
	NM Taxable Oil Volumes (%YOY growth)	5.1%	7.1%	2.4%	4.8%	1.8%	2.3%	0.6%	0.0%	0.6%	0.6%		0.0%
CREG	NM Gross Gas Price ($ per thousand cubic feet)****	$3.74	$2.70	$4.58	$2.80	$4.62	$3.10	$4.34	$3.30	$4.09	$3.25		$3.30
CREG	NM Net Gas Price ($ per thousand cubic feet)*****	$2.57	$1.65	$3.27	$1.80	$3.30	$2.01	$3.06	$2.15	$2.85	$2.12		$2.16
BBER	Gas Volumes (billion cubic feet)	4145.7	4450.4	4146.9	4144.8	4164.5	4150.3	4171.2	4158.6	4153.3	4169.7		4176.5
CREG	NM Taxable Gas Volumes (billion cubic feet)	4,490	4,555	4,640	4,820	4,885	5,010	5,080	5,145	5,225	5,195		5,325
	NM Taxable Gas Volumes (%YOY growth)	12.3%	13.9%	3.3%	5.8%	5.3%	3.9%	4.0%	2.7%	2.9%	1.0%		2.5%

Notes
* Real GDP is BEA chained 2017 dollars, billions, annual rate
** CPI is all urban, BLS 1982-84=1.00 base
****The gross gas prices are estimated using a formula of NYMEX, EIA, and S&P Global 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 2026 FOR-UNM baseline. S&P Global Insight - July 2026 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 Moodys 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 4: Sources and Uses

Sources and Uses of Bonding Capacity Available for Authorization and Severance Tax Permanent Fund Transfer (in millions)
August 2026

Sources of Funds	FY27	FY28	FY29	FY30	FY31	5-Year
General Obligation Bonds		**$413.3**		**$413.3**		**$826.6**
Senior STBs	**$1,206.2**	**$1,307.1**	**$1,276.3**	**$1,316.5**	**$1,276.0**	**$6,382.1**
Severance Tax Bonds Issued[1]	$385.0	$385.0	$385.0	$385.0	$385.0	$1,925.0
Severance Tax Notes	$821.2	$922.1	$891.3	$931.5	$891.0	$4,457.1
Supplemental STBs	**$835.5**	**$940.0**	**$940.0**	**$997.0**	**$1,001.3**	**$4,713.8**
Supplemental Severance Tax Bonds	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Supplemental Severance Tax Notes	$835.5	$940.0	$940.0	$997.0	$1,001.3	$4,713.8
TOTAL Sources of STB Funds	**$2,041.8**	**$2,247.1**	**$2,216.3**	**$2,313.5**	**$2,277.3**	**$11,095.9**

Uses of Funds	FY27	FY28	FY29	FY30	FY31	5-Year
General Obligation Bonds		**$413.3**		**$413.3**		**$826.6**
Senior Severance Tax Bonds	**$1,206.2**	**$2,247.1**	**$2,216.3**	**$2,313.5**	**$2,277.3**	**$10,260.3**
Authorized but Unissued STB Projects	$9.3	$0.0	$0.0	$0.0	$0.0	$9.3
Earmark Programs						
9.0% of Senior STB for Water Projects	$198.6	$207.7	$204.9	$208.5	$204.9	$1,024.7
4.5% of Senior STB for Colonias Projects	$99.3	$103.9	$102.5	$104.3	$102.5	$512.4
4.5% of Senior STB for Tribal Projects	$99.3	$103.9	$102.5	$104.3	$102.5	$512.4
2.5% Housing Trust Fund Projects	$55.2	$57.7	$56.9	$57.9	$56.9	$284.6
Capital Development Reserve & Program Funds[2]						
Capital Dev. & Reserve Fund Contribution	$318.0	$438.9	$559.8	$680.7	$801.6	$2,799.1
New Senior STB Statewide Capital Projects	$426.5	$395.1	$249.7	$160.7	$7.6	$1,239.7
Supplemental STBs (PSCOC & Other)[3]	**$835.5**	**$940.0**	**$940.0**	**$997.0**	**$1,001.3**	**$4,713.8**
TOTAL STB Uses of Funds	**$2,041.8**	**$2,247.1**	**$2,216.3**	**$2,313.5**	**$2,277.3**	**$11,095.9**

Estimated Transfer to Severance Tax Permanent Fund & Capital Development Program Fund Disbursement

	FY27	FY28	FY29	FY30	FY31	5-Year
Severance Tax Permanent Fund Transfer	**$1,057.7**	**$555.7**	**$775.9**	**$763.3**	**$889.4**	**$4,042.0**
Capital Dev. Program Fund Disbursement	**$30.9**	**$41.8**	**$58.6**	**$82.0**	**$112.0**	**$325.2**

[1] The State Board of Finance has calculated the "capped" debt capacity to be $385 million annually.

[2] Per HB 253 (2024), SBOF shall distribute any cash savings resulting from reduced long-term bond issuance (also known as debt service savings) annually to the newly established Capital Development and Reserve Fund. Based on the traditional SBOF capacity calculation, estimated at $1,385.7 million, and the issuance amount of $385 million per HB253, average annual debt service savings are estimated to total $120.91 million, which is applied for 10 years, compounding each year in which debt service savings are realized. This analysis assumes savings will be realized each year. Additionally, on January 1 of each year, a distribution from the Capital Development Reserve fund will be made to the Capital Development Program Fund for small project and design and engineering appropriation.

[3] Funding uses primarily flow through the Public School Capital Outlay Council for public school facilities. SB 240 (2026) authorized up to $280 million for the University of New Mexico School of Medicine between FY26 and FY29. The State Board of Finance issued $186,516,879.87 in June 2026 under this authorization, leaving $93,483,120.13 of authorization.

Appendix 5a: GFFS

GENERAL FUND FINANCIAL SUMMARY
August 2026 Consensus Revenue Estimate
(Dollars in Millions)

	Est. FY26	Est. FY27	Est. FY28
APPROPRIATION ACCOUNT			
Revenue:			
Recurring Revenue:			
December 2025 Consensus Revenue Estimate	$ 13,383.1	$ 13,913.2	$ 14,454.3
August 2026 Consensus Revenue Update	$ 617.3	$ 618.7	$ 302.1
	$ -		
Subtotal Recurring Revenue	**$ 14,000.4**	**$ 14,532.0**	**$ 14,756.3**
Nonrecurring Revenue			
December 2025 Consensus Revenue Estimate	*$ 362.6*		
August 2026 Consensus Revenue Update	*$ 41.7*	*$ -*	
Subtotal Nonrecurring Revenue	**$ 404.3**	**$ -**	**$ -**
Total Revenue	**$ 14,404.7**	**$ 14,532.0**	**$ 14,756.3**
Appropriations:			
Recurring Appropriations:			
Prior Legislative Sessions			
2025 Regular Session and Feed Bill	*$ 10,826.3*		
2026 Regular Session and Feed Bill	*$ 10.8*	*$ 11,165.8*	
Subtotal Recurring Appropriations	**$ 10,837.1**	**$ 11,165.8**	
Nonrecurring:			
2025 Regular Session Nonrecurring Appropriations	*$ 2,008.1*		
2025 Regular Session General Fund Capital	*$ 798.5*		
Allotment to the Election Fund	*$ 30.0*	*$ 15.0*	
2025 Special Session 1 General Fund	*$ 144.5*	*$ -*	
2025 Special Session 2 General Fund	*$ 0.1*	*$ -*	
2026 Regular Session Nonrecurring Appropriations	*$ 42.6*	*$ 2,208.1*	
2026 Regular Session General Fund Capital		*$ 443.3*	
Subtotal Nonrecurring Appropriations	**$ 3,023.8**	**$ 2,666.3**	**$ -**
Subtotal Recurring and Nonrecurring Appropriations	**$ 13,860.9**	**$ 13,832.2**	**$ -**
FY25 Audit Adjustments			
Total Appropriations	**$ 13,860.9**	**$ 13,832.2**	**$ -**
Transfers to/(from Operating Reserves)	*$ 543.8*	*$ 699.8*	

FY28 Total New Money

$ 924 million or 6.7% of Total Approps.

Appendix 5b: GFFS

GENERAL FUND FINANCIAL SUMMARY
Reserve Detail
(Dollars in Millions)

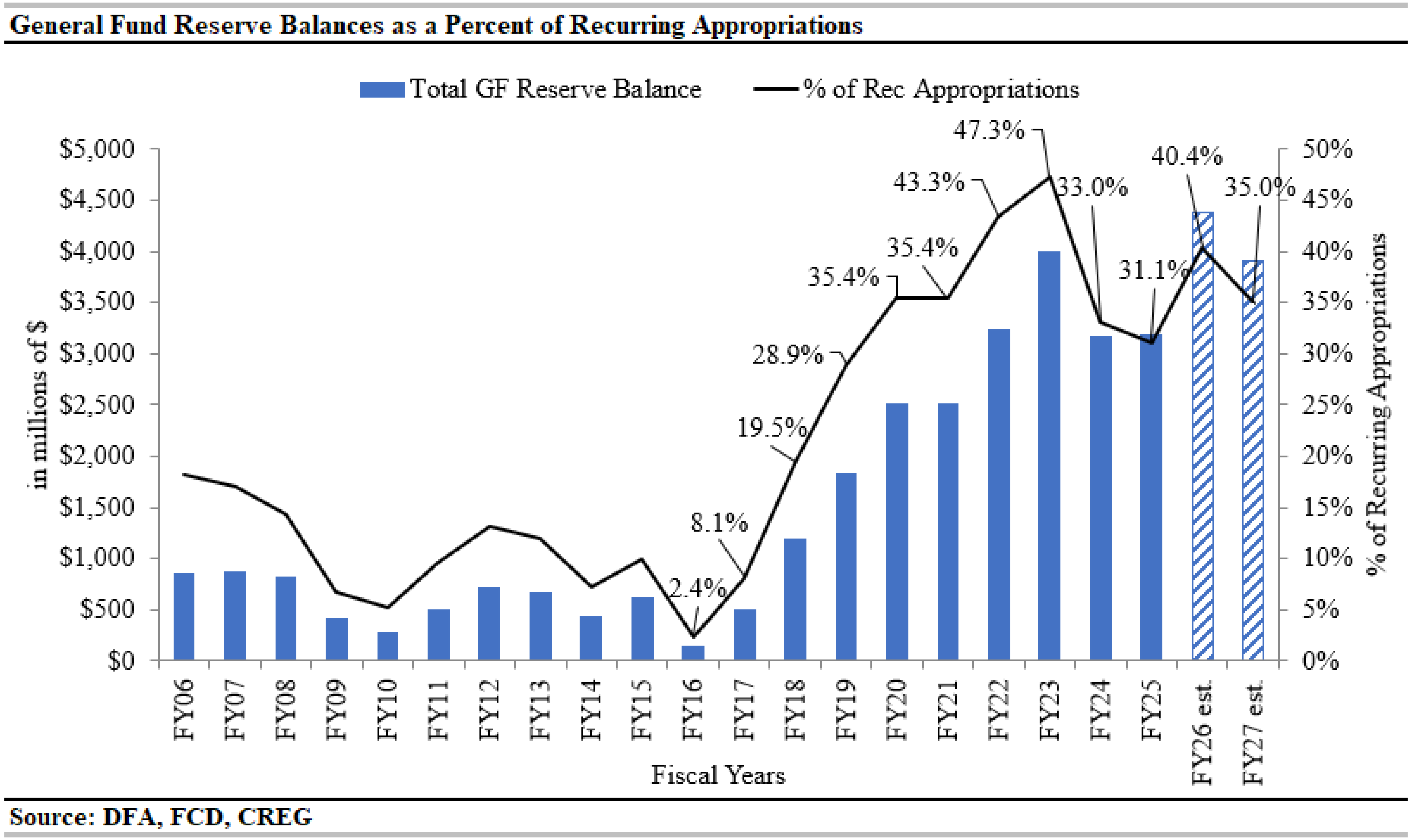
	Est. FY26	Est. FY27	Est. FY28
OPERATING RESERVE			
Beginning Balance	$ 246.5	$ 818.8	$ 867.0
BOF Emergency Appropriations/Reversions	$ (4.0)	$ (6.0)	$ (6.0)
Disaster Allotments[10]	$ (72.0)	$ (145.8)	$ (155.0)
Transfers from/to Appropriation Account	$ 543.8	$ 699.8	$ -
Transfers to Government Results & Opportunity (GRO) Expendable Trust[6]	$ (122.6)	$ (499.8)	$ -
Transfers from (to) ACF/Other Appropriations	$ (30.0)	$ -	$ -
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		$ -	$ -
Ending Balance	**$ 818.8**	**$ 867.0**	**$ 706.0**
APPROPRIATION CONTINGENCY FUND			
Beginning Balance	$ 68.4	$ 9.2	$ (0.0)
Disaster Allotments[9]	$ (34.3)	$ (9.2)	
Other Appropriations[5]	$ (55.0)		
Transfers In/Out[4]	$ 30.0		
Revenue and Reversions		$ -	$ -
Ending Balance	**$ 9.2**	**$ (0.0)**	**$ (0.0)**
Natural Disaster Revolving Fund (Unencumbered Balance)	**$ 46.0**	**$ 50.0**	**$ 50.0**
STATE SUPPORT RESERVE			
Beginning Balance	$ 0.4	$ 0.4	$ 0.4
Revenues/Transfers	$ -	$ -	$ -
Appropriations	$ -	$ -	$ -
Impact Aid Liability			
Ending Balance	**$ 0.4**	**$ 0.4**	**$ 0.4**
TAX STABILIZATION RESERVE			
Beginning Balance	$ 2,335.3	$ 2,428.7	$ 2,525.8
Revenues In[1]	$ 306.5	$ 277.1	$ 204.6
Transfers In (from Operating Reserve)	$ -	$ -	$ -
Transfer Out to Operating Reserve[3]	$ -	$ -	$ -
Transfers Out to Early Childhood Trust Fund[2]	$ (306.5)	$ (277.1)	$ (204.6)
Gains/Losses	$ 93.4	$ 97.1	$ 101.0
Other appropriations/FY25 Transfer to Higher Education Trust I	$ -	$ -	$ -
Audit Adjustments for Rounding	$ -	$ -	$ -
Ending Balance	**$ 2,428.7**	**$ 2,525.8**	**$ 2,626.9**
Government Results and Opportunity Expendable Trust[7]			
Beginning Balance	$ 530.8		
Transfers In (from Operating Reserve)[6]	$ 122.6		
Transfer Out to Program Fund	$ (132.7)		
Gains/Losses	$ 17.3		
Other appropriations/in flows	$ 265.3		
Reversions	$ 6.1		
Ending Balance	**$ 809.3**		
Behavioral Health Trust Fund[8]			
Beginning Balance		$ 262.8	
Transfers In (50% of OGAS in Excess of 5-year average)	$ 153.2	$ 138.5	
Appropriation to (from) BHTF[10]	$ -	$ 50.0	
Gains/Losses	$ 9.5	$ 13.7	
Other appropriations/in flows	$ 100.0	$ (5.1)	
Ending Balance	**$ 262.8**	**$ 459.8**	
Total General Fund Ending Balances	**$ 4,375.1**	**$ 3,903.0**	
Percent of Recurring Appropriations	***40.4%***	***35.0%***	

Notes:

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 2025, transfers $150 million of GF to the appropriation contingency fund in FY25. During New Mexico's 2025 special legislative sessions, $30 million was transferred from the General Fund Operating Reserve to the Appropriations Contingency Fund (First Special Session) to support SNAP benefits during a federal funding disruption, and the same amount was subsequently restored to the General Fund Operating Reserve via legislation in the Second Special Session.
5. Laws of 2025, appropriates $25 million from the appropriation contingency fund in FY25 for CYFD. Also, Laws 2025, Chapter 157 (Senate Bill 31) requires transfers of up to $50 million to the natural disaster revolving fund, or the amount necessary to bring the balance of that fund to $50 million.
6. Laws 2024, HB196 stipulates that when operating reserve fund hits 8 percent of the prior budget year's recurring appropriations, the excess must be transferred to the government results and opportunity (GRO) expendable trust. Under prior law, the excess funds were transferred from the operating reserve to the tax stabilization reserve. Because the bill did not have an effective date, it becomes effective May 15, 2024 - 90 days after the legislature adjourns.
7. The Government Results and Opportunity Expendable Trust is considered a reserve fund for FY25 and FY26
8. Laws 2025, SB1 adds the Behavioral Health Trust Fund to reserves for FY26 and FY27.
9. FY26 disaster allotment data are based on the most current FCD data, with an assumed total of $155 million in disaster allotments from the Operating Reserve in FY27 and FY28
10. Laws 2026 transferred $50 million of General Fund to the Behavioral Health Trust Fund

Totals may not sum due to rounding

Appendix 6: General Fund Reserves



- FY25 general fund reserve balances are $3.18 billion or 31.1% of recurring appropriations
- Estimated FY26 general fund reserves are at $4.375 billion or 40.4% of recurring appropriations.
- Estimated FY27 general fund reserves are at $3.9 billion or 35% of recurring appropriations.[1]
  - ([1]pending 2027 legislative appropriations)

Appendix 7a: Other Funds: ECECF

Early Childhood Education and Care Fund

	Beginning Balance	Gains & Losses	Excess FML	Excess OGAS School Tax	Distribution to ECE Program Fund	FY26 Distribution to ECE Program Fund in CY27	Ending Balance ($ in millions)		Distribution to ECE Program Fund
CY20	$ 300.0	$ 6.1	$ -	$ -			$ 306.1		
CY21	$ 306.1	$ 27.9	$ -	$ -	$ (20.0)		$ 314.1	FY21	$ -
CY22	$ 314.1	$ (7.1)	$ 1,501.7	$ 1,682.8	$ (30.0)		$ 3,462.0	FY22	$ 20.0
CY23	$ 3,462.0	$ 336.3	$ 2,073.0		$ (150.0)		$ 5,721.2	FY23	$ 30.0
CY24	$ 5,721.2	$ 549.7	$ 1,179.8	$ 1,815.0	$ (250.0)		$ 9,015.8	FY24	$ 150.0
CY25	$ 9,015.8	$1,234.8	$ 805.9	$ 436.2	$ (500.0)		$ 10,992.7	FY25	$ 250.0
CY26	$ 10,992.7	$1,107.9	$ 345.7	$ 153.2	$ (500.0)		$ 12,099.5	FY26	$ 500.0
CY27	$ 12,099.5	$ 619.3	$ 1,149.4	$ 138.5	$ (835.1)	$ (160.0)	$ 13,011.6	FY27	$ 660.0
CY28	$ 13,011.6	$ 650.6	$ -	$ 102.3	$ (841.7)		$ 12,922.8	FY28	$ 835.1
CY29	$ 12,922.8	$ 646.5	$ 32.3	$ 283.0	$ (633.9)		$ 13,250.6	FY29	$ 841.7
CY30	$ 13,250.6	$ 662.5	$ -	$ 200.3	$ (653.1)		$ 13,460.4	FY30	$ 633.9
CY31	$ 13,460.4	$ 673.0	$ -		$ (660.6)		$ 13,472.8	FY31	$ 653.1

Note: $ in millions

Note: FML and OGAS distributions based on August 2026 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

Note: 2024's SB153 increased minimum distribution from $155 million to $250 million in FY25

Note: 2025's HB71 increased minimum distribution from $250 million to $500 million in FY26

Note: 2026's SB241 the Legislature may additionally appropriate up to $700 million from the fund to the program fund during FY26–FY31, provided the fund balance is not reduced below $10 billion.

Appendix 7b: Other Funds: MTF

Medicaid Trust Fund

	Beginning Balance	Gains & Losses	Excess FML	Reversions in Excess of $110 million (SB88)	Other Inflow	Distribution to Program Fund	Ending Balance ($ in millions)
CY25				$ 43.1			$ 43.1
CY26	$ 43.1	$ 15.5	$ 345.7	$ 25.5		$ -	$ 429.7
CY27	$ 429.7	$ 35.9	$ 1,149.4	$ -		$ -	$ 1,614.9
CY28	$ 1,614.9	$ 80.7	$ -	$ -		$ -	$ 1,695.7
CY29	$ 1,695.7	$ 84.8	$ -	$ -		$ (62.3)	$ 1,718.1
CY30	$ 1,718.1	$ 85.9	$ -	$ -		$ (83.8)	$ 1,720.2
CY31	$ 1,720.2	$ 86.0	$ -	$ -		$ (85.6)	$ 1,720.7

	Distribution to State-supported Medicaid Fund Program Fund
FY27	$ -
FY28	$ -
FY29	$ -
FY30	$ 62.3
FY31	$ 83.8

Note: $ in millions

Note: FML distributions based on August 2026 Consensus Revenue Forecast

Note: FY25 reversions in excess of $110 million are $43.1 million.

Note: Distributions begin July 1, 2029, and occur annually thereafter, provided the fund balance has reached at least $500 million.

Appendix 7c: Other Funds: BHTF, CLPF, and Insurance

Behavioral Health Trust Fund

	Beginning Balance	Gains & Losses	Excess OGAS School Tax	Other Inflow	Distribution to ECE Program Fund	Ending Balance ($ in millions)
CY25		$ 2.8		$100.0		$102.8
CY26	$ 102.8	$ 12.8	$153.2	$ 50.0	$ (5.1)	$313.6
CY27	$ 313.6	$ 16.3	$138.5		$ (10.4)	$458.1
CY28	$ 458.1	$ 23.8	$102.3		$ (14.6)	$569.6
CY29	$ 569.6	$ 29.6	$ -		$ (22.4)	$576.9
CY30	$ 576.9	$ 30.0	$ -		$ (26.7)	$580.2
CY31	$ 580.2	$ 30.2	$ -		$ (28.8)	$581.5

	Distribution to Behavioral Health Program Fund
FY27	$ 5.1
FY28	$ 10.4
FY29	$ 14.6
FY30	$ 22.4
FY31	$ 26.7

Note: $ in millions

Note: OGAS distributions based on August 2026 Consensus Revenue Forecast

Insurance - Premium Tax and Surtax Revenue - Other State Funds

($millions)

Fund Name	FY26	FY27	FY28	FY29	FY30	FY31
Health Care Affordability Fund (HCAF)	$ 219.6	$ 279.0	$ 437.3	$ 550.7	$ 572.2	$ 597.6
Law Enforcement Protection Fund (LEPF)	$ 35.1	$ 37.6	$ 40.2	$ 43.5	$ 45.7	$ 48.2
Fire Protection Fund (FPF)	$ 140.5	$ 144.1	$ 151.5	$ 159.9	$ 165.9	$ 171.3
Emergency Medical Services Fund (EMSF)	$ 13.5	$ 15.5	$ 16.9	$ 18.3	$ 19.3	$ 20.5

Source: CREG August 2026

Conservation Legacy Permanent Fund (CLPF)

	Beginning Balance	Gains & Losses	other inflows	Distribution to LELF	Ending Balance ($ in millions)
CY23		$ 2.1	$ 50.0		$ 52.1
CY24	$ 52.1	$ 16.7	$300.0		$ 368.8
CY25	$ 368.8	$ 49.2		$ (33.2)	$ 384.8
CY26	$ 384.8	$ 44.0	$ 55.0	$ (18.8)	$ 465.0
CY27	$ 465.0	$ 24.2		$ (20.3)	$ 468.9
CY28	$ 468.9	$ 24.4		$ (22.0)	$ 471.3
CY29	$ 471.3	$ 24.5		$ (23.4)	$ 472.4
CY30	$ 472.4	$ 24.6		$ (23.5)	$ 473.4
CY31	$ 473.4	$ 24.6		$ (23.6)	$ 474.4

amounts in millions

Land of Enchantment Legacy Fund (LELF)

	Beginning Balance	Gains & Losses	Inflow from CLPF	Transfer to CLPF	Distribution to Agencies	Ending Balance ($ in millions)
FY26	$ 55.0			$ (55.0)		$ -
FY27			$ 18.8		$ (18.8)	$ -
FY28			$ 20.3		$ (20.3)	$ -
FY29			$ 22.0		$ (22.0)	$ -
FY30			$ 23.4		$ (23.4)	$ -
FY31			$ 23.5		$ (23.5)	$ -

amounts in millions

LELF Estimated Distributions to Agencies	FY25	FY26	FY27	FY28	FY29	FY30	FY31
EMNRD: 50% to Forest Conservation Act	$ 1.4	$ 1.4	$ 2.1	$ 2.3	$ 2.5	$ 2.6	$ 2.6
EMNRD: 50% to National Heritage Conservation Act	$ 1.4	$ 1.4	$ 2.1	$ 2.3	$ 2.5	$ 2.6	$ 2.6
NMDA: Noxious Weed Mgt Act	$ 2.8	$ 2.8	$ 4.2	$ 4.6	$ 4.9	$ 5.3	$ 5.3
DGF: Support projects under Cultural Properties Protection Act	$ 2.8	$ 2.8	$ 4.1	$ 4.5	$ 4.8	$ 5.2	$ 5.2
EDD: 75% for special projects and programs	$ 1.4	$ 1.4	$ 2.1	$ 2.3	$ 2.5	$ 2.6	$ 2.6
EDD: 25% for outdoor equity grant program	$ 0.5	$ 0.5	$ 0.7	$ 0.8	$ 0.8	$ 0.9	$ 0.9
NMED: River Stewardship Program	$ 1.3	$ 1.3	$ 1.9	$ 2.0	$ 2.2	$ 2.3	$ 2.4
DCA: Cultural Properties Protection Act	$ 1.0	$ 1.0	$ 1.5	$ 1.6	$ 1.8	$ 1.9	$ 1.9
Total	$12.6	$12.5	$18.8	$20.3	$22.0	$23.4	$23.5

$ in thousands

Appendix 8a: Select Industry Employment by Gender in New Mexico, 2024

Industry	% Male	% Female	Industry	% Male	% Female
Full-time, year-round employed 16+	55.4%	44.6%	Information*	56.5%	43.5%
Agriculture, forestry, fishing & hunting⁺	75.6%	24.4%	Finance & Insurance*	35.4%	64.6%
Mining, quarrying & oil and gas extraction*	92.6%	7.4%	Real estate & rental and leasing	39.7%	60.3%
Construction	92.1%	8.8%	Professional & business services*	62.3%	37.7%
Manufacturing	68.4%	31.6%	Private educational services⁺	31.5%	68.5%
Wholesale trade	75.5%	24.5%	Health care & social assistance	25.1%	74.9%
Retail trade⁺	57.9%	42.1%	Arts, entertainment & recreation⁺	65.6%	34.4%
Transportation & warehousing	79.2%	20.8%	Accommodation & food services⁺	41.5%	58.5%
Public administration*	54.1%	45.9%			

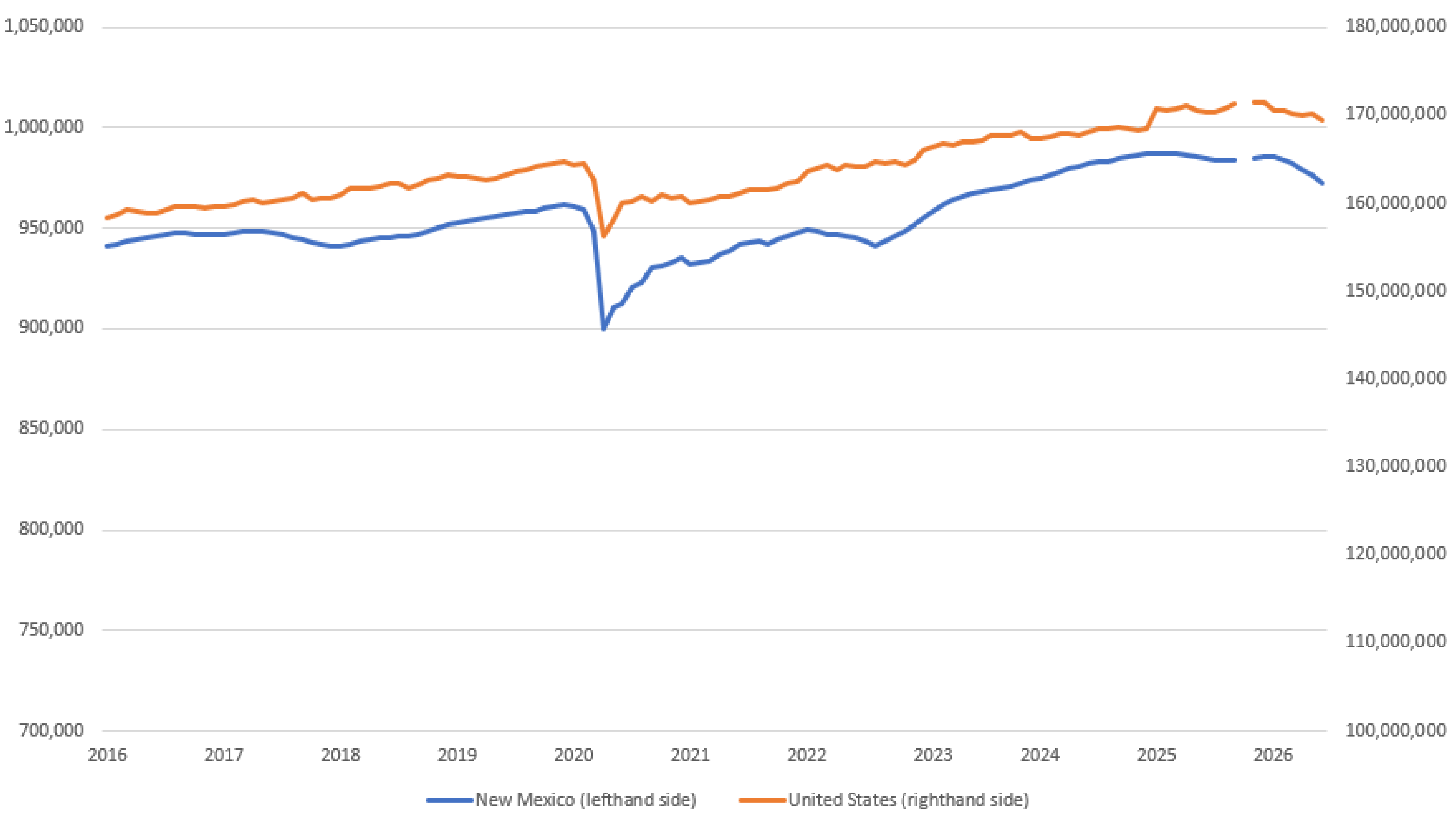
* Higher income jobs (for public administration, Federal jobs only)

⁺ Lower income jobs

SOURCE: U.S. CENSUS BUREAU, 2024 ACS 1-YEAR ESTIMATES, TABLE S2404; U.S. BUREAU OF LABOR STATISTICS, 2025 QUARTERLY CENSUS OF EMPLOYMENT AND WAGES (QCEW)

Appendix 8b : New Mexico and US Labor Force

New Mexico US and New Mexico Labor Force (seasonally adjusted)



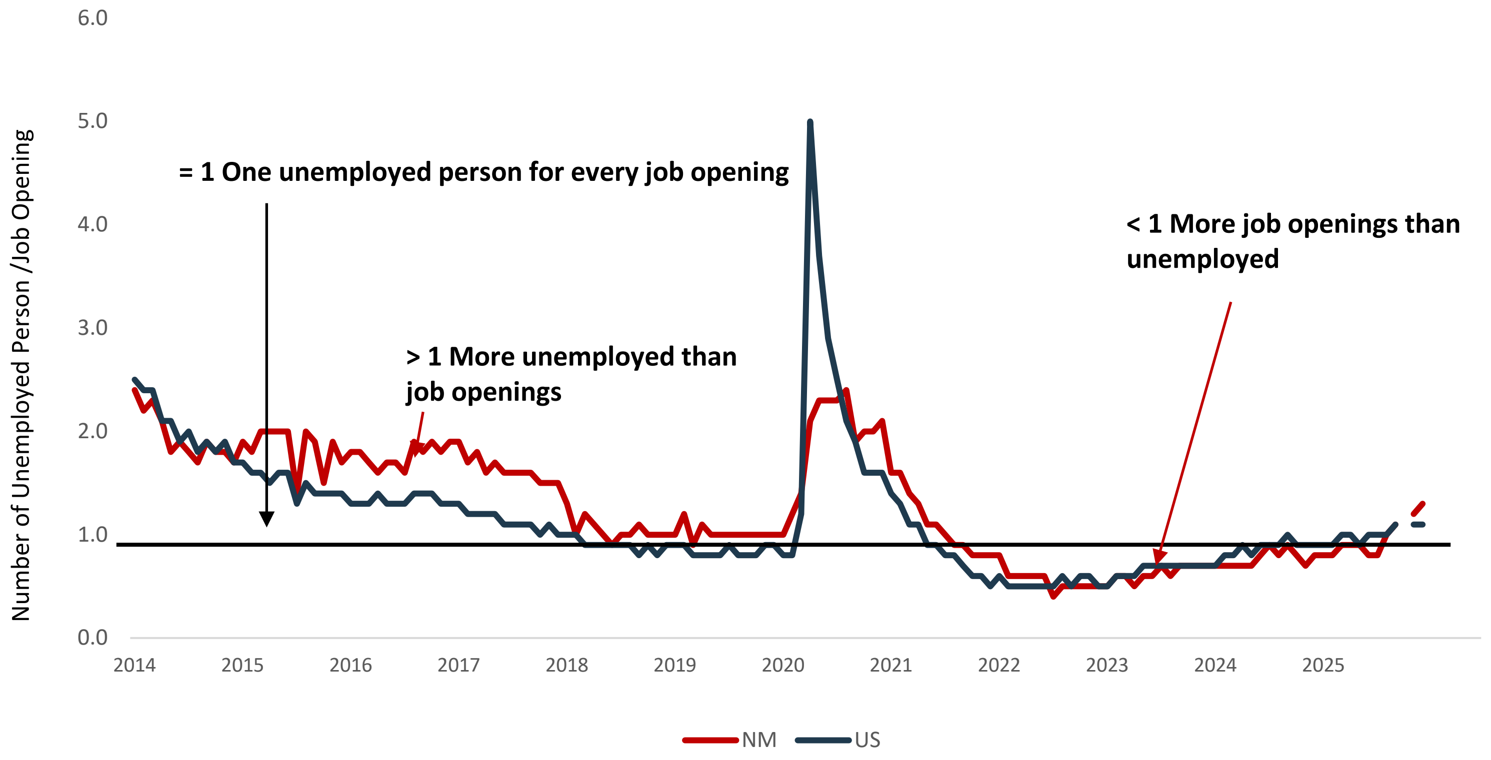
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS), 2016-June 2026 series LASST35
U.S. Bureau of Labor Statistics, Current Population Survey (CPS), 2016-June 2026, series LNS11000000

- New Mexico’s labor force changes generally mirrors the United States’
- Since January 2026
  - 1.3% decline in the New Mexico labor force
  - 0.6% decline in the U.S. labor force

Appendix 8c : Labor market loosening

- Historically, New Mexico had more unemployed persons than job openings
- Number of unemployed persons per one job opening in New Mexico changed since COVID pandemic
- New Mexico's labor market has been slightly looser than the U.S. since Nov 2025
  - New Mexico has more unemployed persons than job openings
  - US: 1.1 (December 2025)
    - US: 1.0 (August 2025)
  - NM: 1.3 (December 2025)
    - NM: 1.0 (August 2025)

New Mexico Unemployed per Job Opening

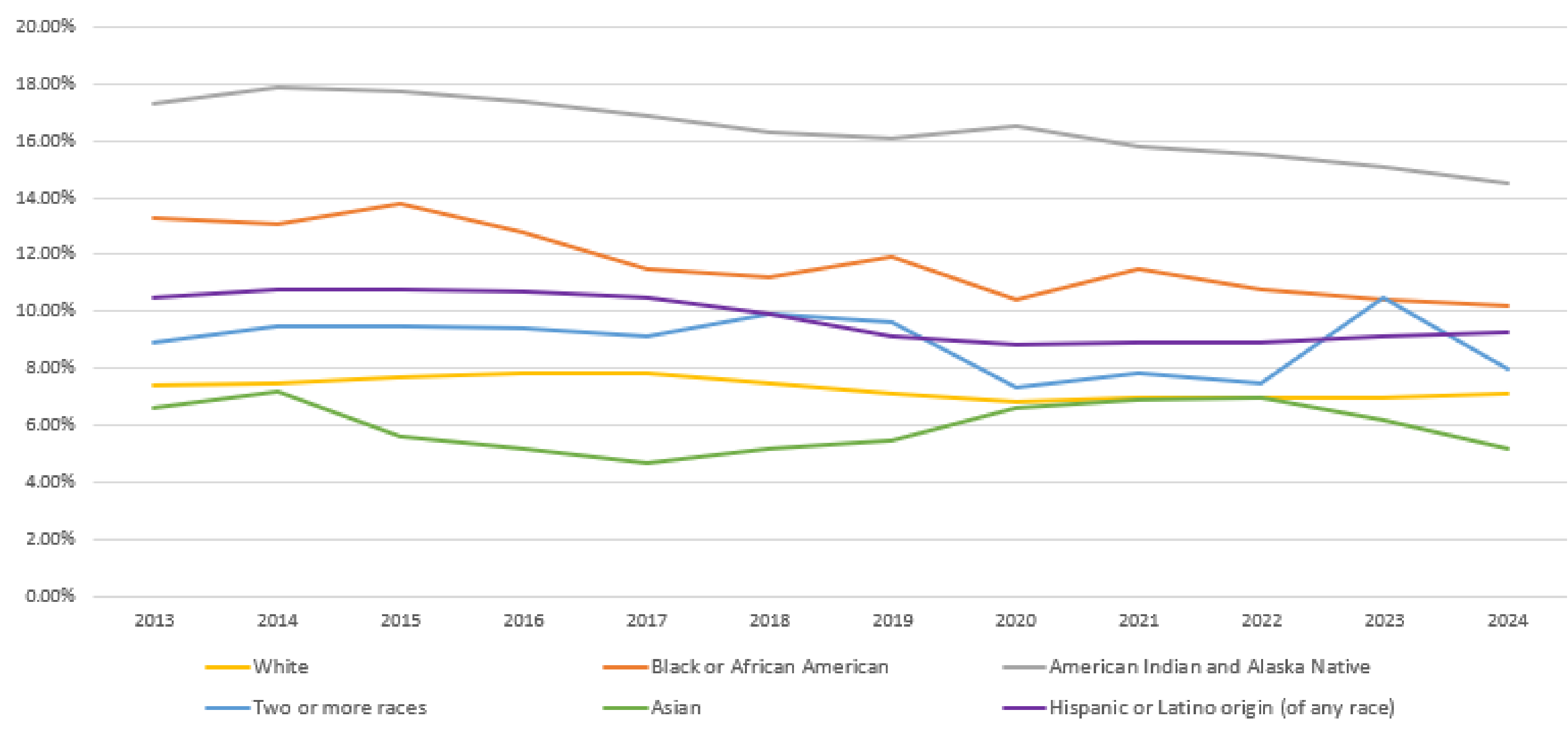


Source: U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey (JOLTS), 2014-Dec 2025

Appendix 8d: New Mexico Poverty Levels by Ethnicity

- 10-year average of % of population 50% or below the poverty threshold
  - AM/AI: 16.3%
  - Black or African American: 11.6%
  - Hispanic or Latino: 9.7%
  - 2+ Races: 8.9%
  - White: 7.3%
  - Asian: 5.9%
- Annual income at 50% of the poverty level (2026)
  - Family of 4: $16,500/yr
  - Family of 6: $22,180/yr
- The percent of the New Mexico population earning less than 50% of the poverty threshold has fallen since 2013 for all races/ ethnicities

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

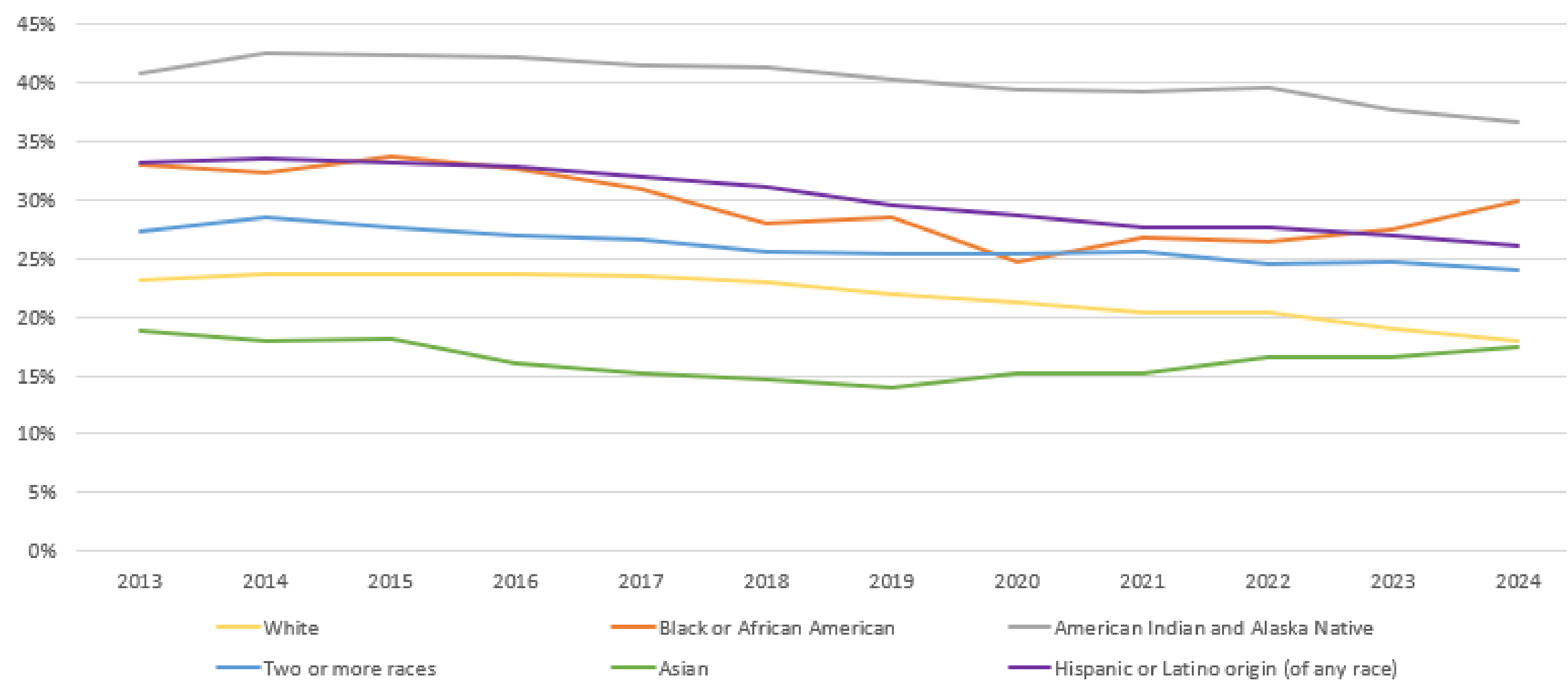


Source: U.S. Census Bureau, ACS 5-year Estimates; Table S1703, 2013-2024

Appendix 8e: New Mexico Poverty by Ethnicity

- Annual income at 125% of the poverty threshold (2026)
  - Family of 4: $41,250/yr
  - Family of 6: $55,450/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

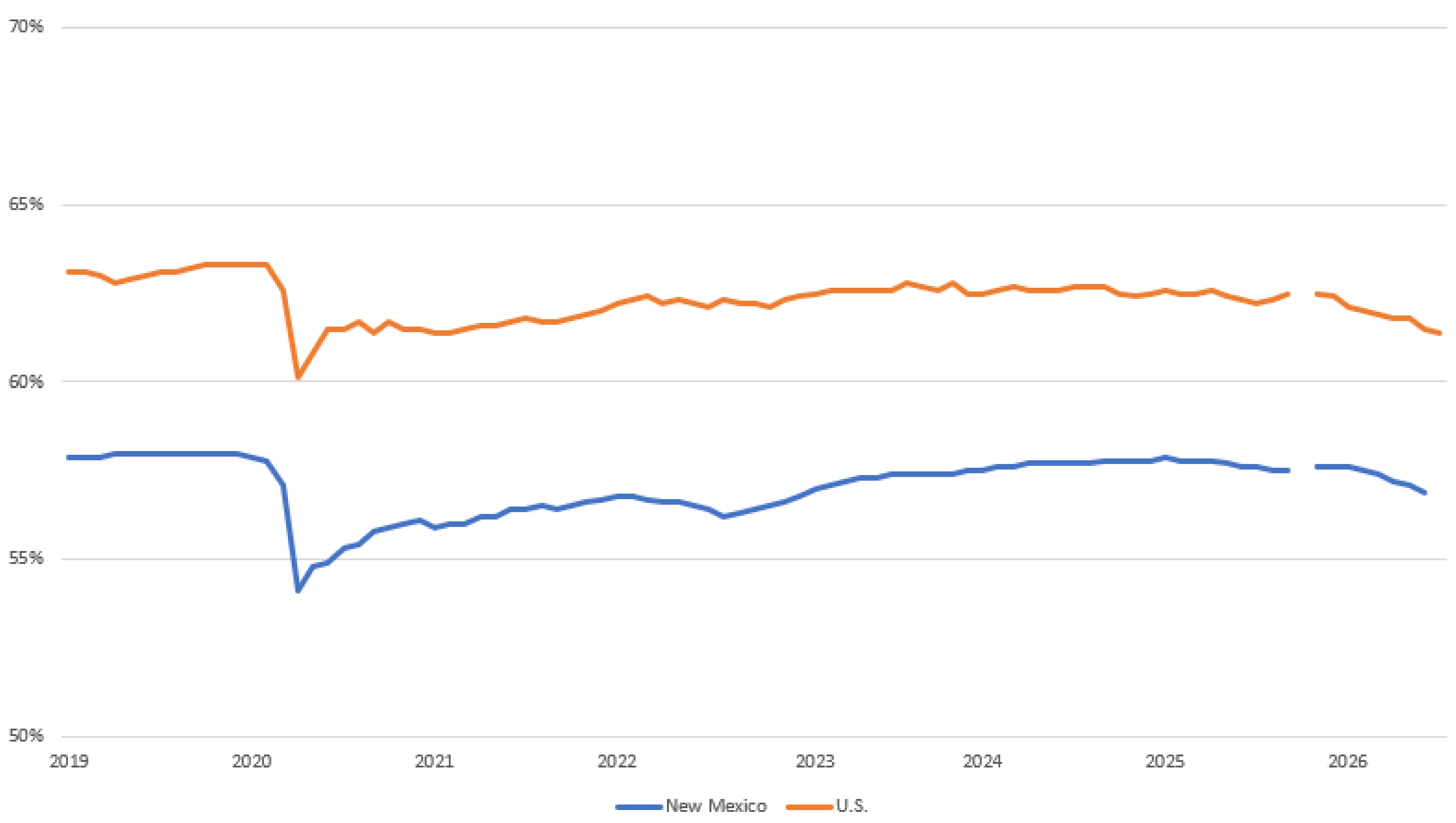


Source: U.S. Census Bureau, ACS 5-year Estimates; Table S1703, 2013-2024

Appendix 9: US & New Mexico Labor Force Participation Rate (LPFR)

- New Mexico's LFPR mimics the US' LFPR but at a lower rate
  - Some convergence in recent years
- June 2025
  - NM: 57.6%
  - US: 62.3%
- June 2026
  - NM: 56.9%
  - US: 61.5%

New Mexico US and New Mexico Labor Force Participation Rate (seasonally adjusted)

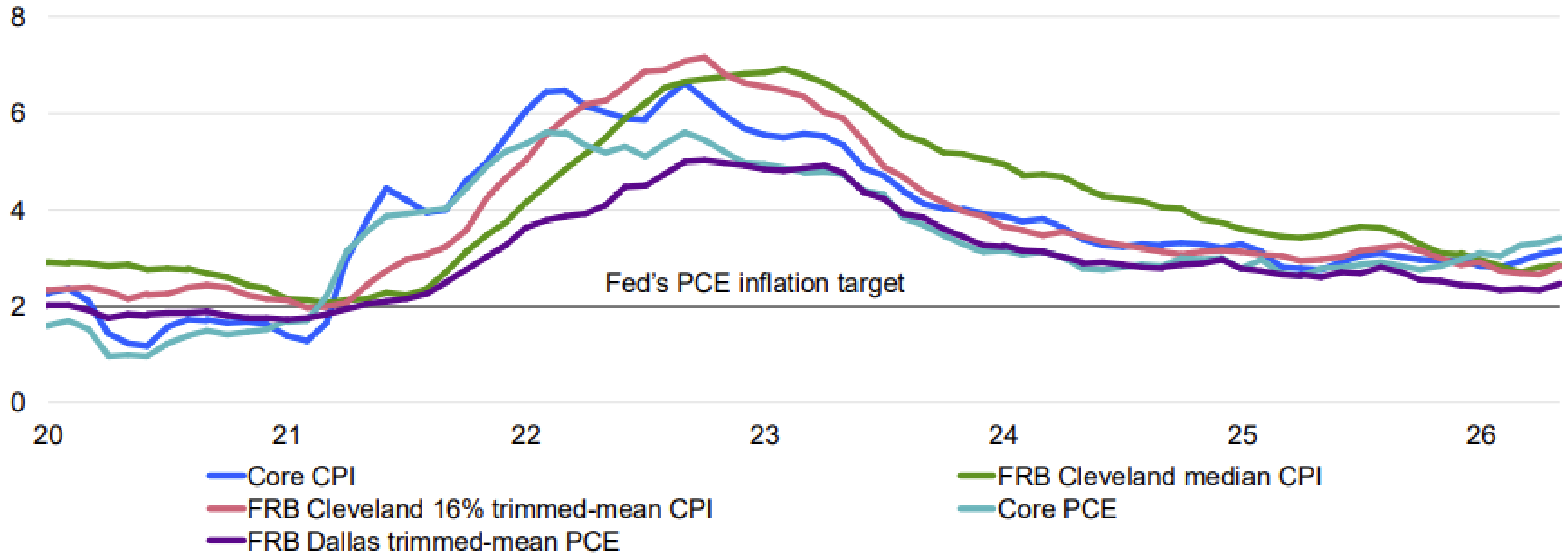


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS), 2016-May 2026 series LASST35
U.S. Bureau of Labor Statistics, Current Population Survey (CPS), 2016-June 2026, series LNS11300000

Appendix 10a: Moody's Analytics: U.S. Macro Outlook: Midyear Update

Any Way You Measure It, Underlying Inflation Is High

Alternative measures of underlying inflation, % change yr ago

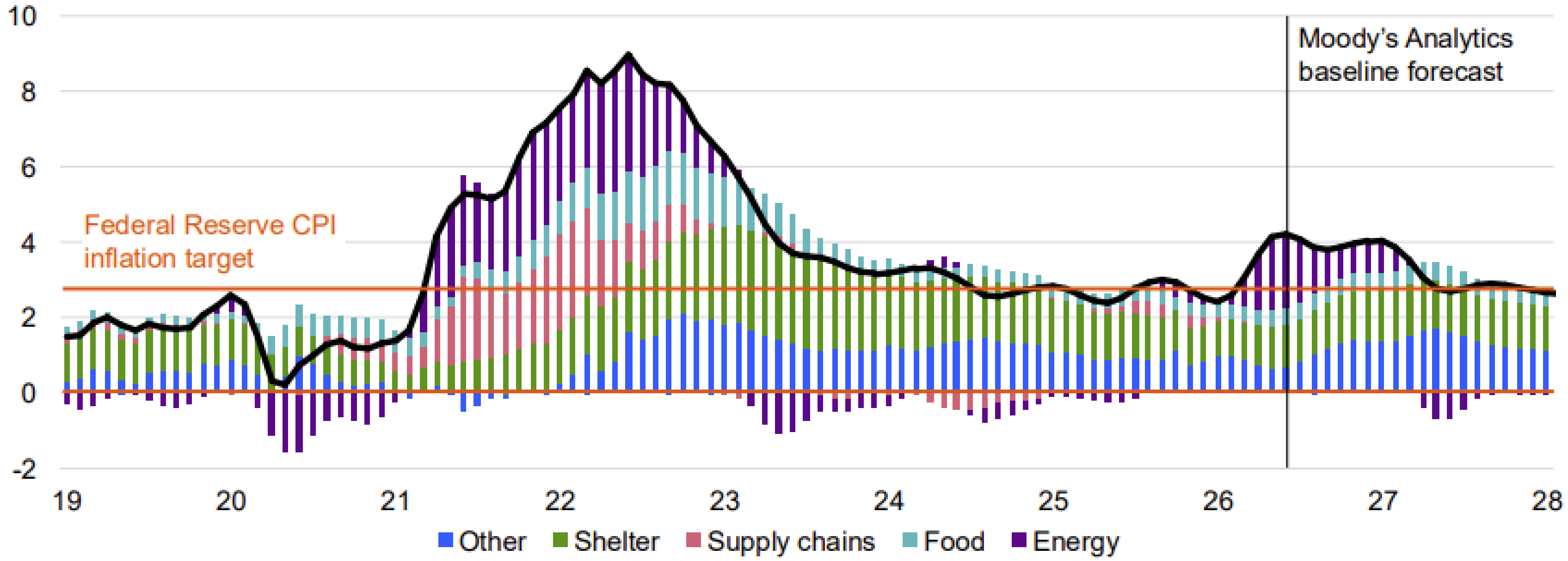


Sources: Atlanta Fed, Moody's Analytics

Appendix 10b: Moody's Analytics: U.S. Macro Outlook: Midyear Update

Inflation to Persist Due to Energy and Import Prices

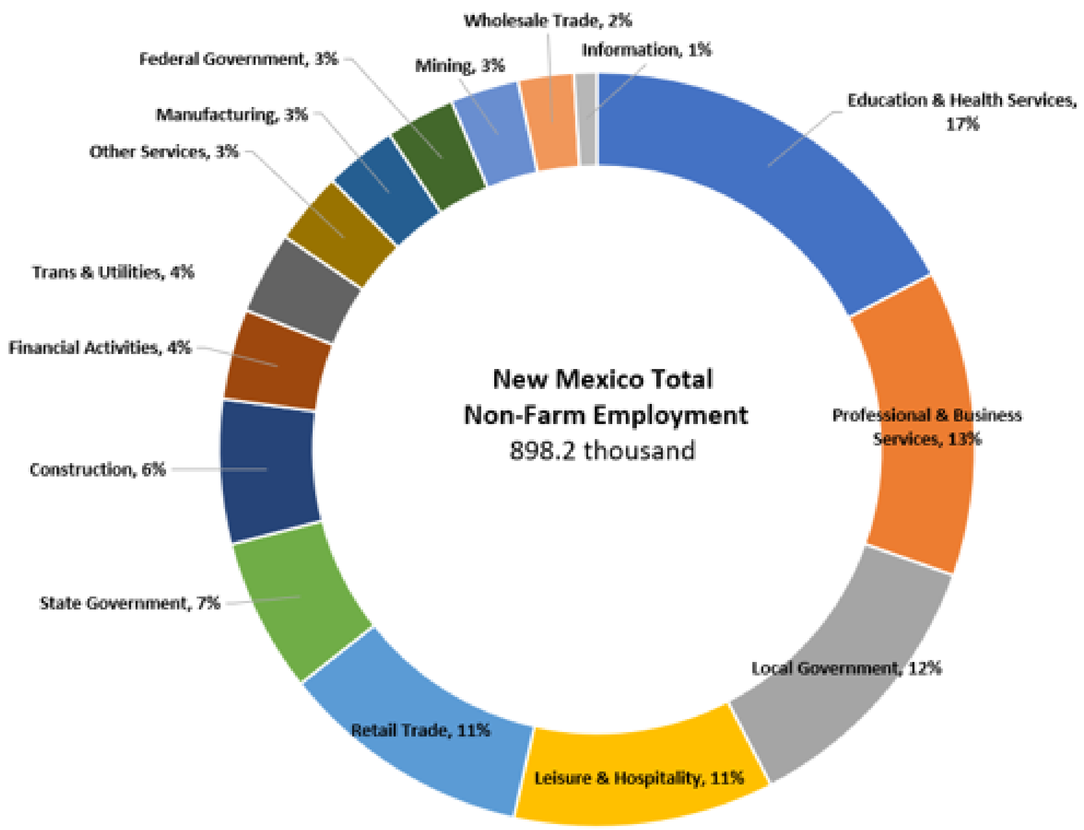
Contribution to yr-over-yr growth in consumer prices, ppt



Sources: BLS, Moody's Analytics

Appendix 11: N.M. Employment Share by Sector

Industry Share of Total Nonfarm Employment in N.M. by Sector
June 2026

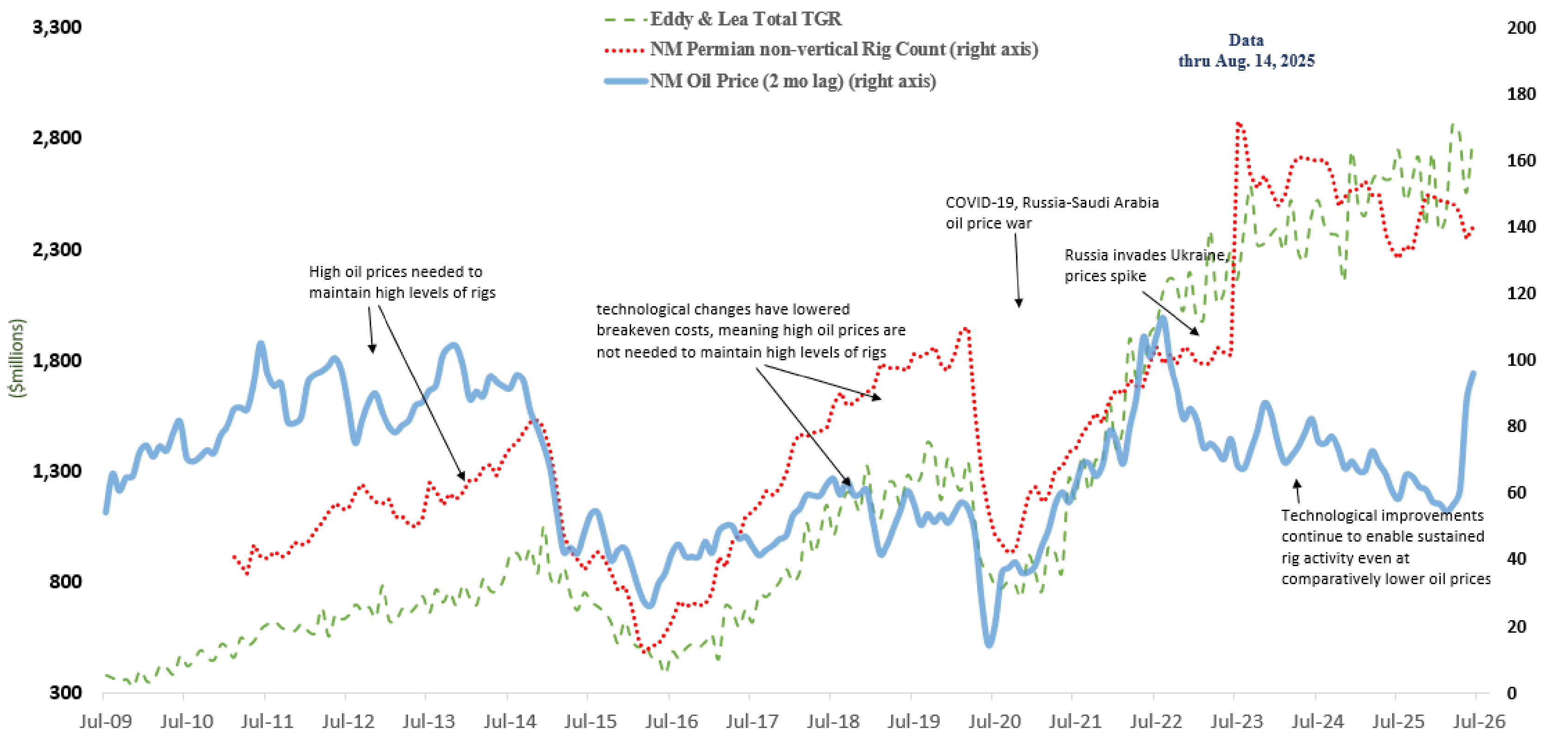


Source: bls.gov, CES seasonally adjusted

- New Mexico's nonfarm employment was 898,200 in June 2026
- Education and Health: 17% or 155,400 jobs
- Construction: 6% or 55,600 jobs
- Federal Government: 3% or 26,700 jobs
- Information: 1% or about 8,900 jobs

Appendix 12: Matched Taxable Gross Receipts (MTGR) Eddy & Lea Counties

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



Source: NM TRD RP-500

- ➢Rig counts (red line) are a leading indicator for GRT in Eddy and Lea counties
- ➢Oil prices (blue line) remain a key signal for rig activity and production trends, maintaining a strong link to MTGR (green line) through their influence on rig counts
- ➢FY26 continues to see generally flat rig counts, contributing to a slight contraction in the oil and gas extraction GRT base
- ➢Rig count has not responded yet to recent Iran-related oil price spikes as industry awaits market stability
- ➢Capital discipline remains a priority among the largest firms.