



## General Fund Revenue Tracking Report: FY26 Revenue through November 2025

General fund revenue performance in FY26 is particularly important given the state’s fiscal position entering the year. Revenues weakened toward the end of FY25, contributing to draws on the operating reserve, the state’s primary liquidity buffer used to support appropriations and manage short-term revenue volatility. At the same time, executive order spending has further reduced the operating reserve balance, increasing the importance of stable and improving revenue collections in FY26 in order to meet the state’s appropriations. Continued revenue softness would require additional draws on the operating reserve, which is already under pressure. With final data through November and preliminary data through February, general fund recurring revenues are tracking \$320.6 million, or 2.4 percent, above the latest forecast, a reversal from low tracking through the beginning of the fiscal year.

### Revenue Accruals

The following section summarizes recent revenue performance using both monthly collections and fiscal year-to-date totals to provide context for how revenues are tracking relative to recent trends. Monthly results help illustrate short-term changes in collections and the drivers of revenue growth or decline, while fiscal year-to-date totals provide a clearer picture of overall revenue performance during the current fiscal year.

### November 2025 Monthly Revenue

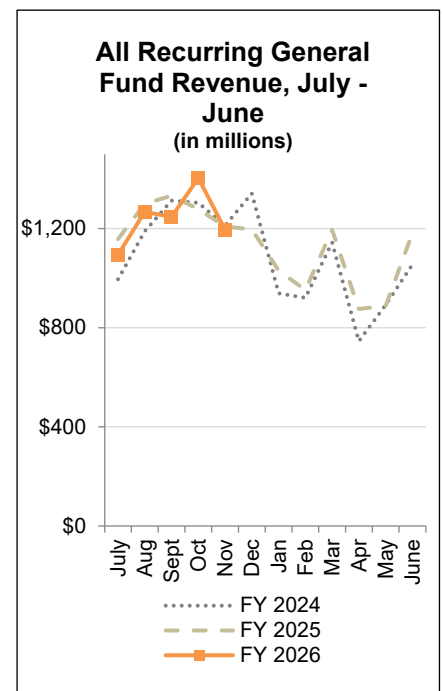
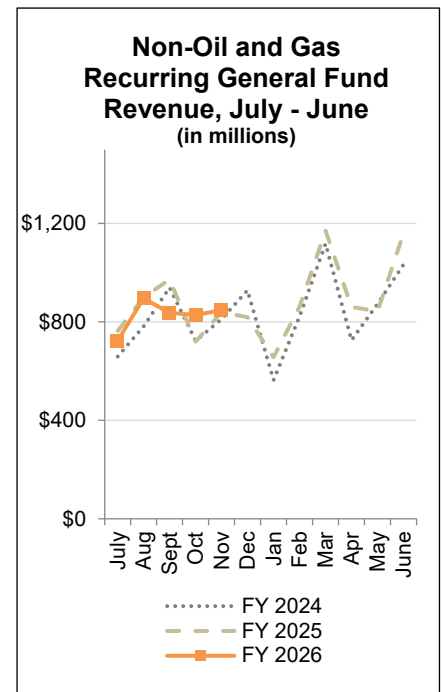
In November 2025, the state collected \$1.2 billion in recurring general fund revenue, \$13.1 million, or 1.1 percent, less than in November 2024. Excluding oil and gas revenues which can distort comparison, November revenues were \$8.3 million, or 1.0 percent, higher than the same month last year.

Gross receipts tax collections accounted for the largest share of the year-over-year increase, rising \$41.7 million compared with November 2024. Investment earnings increased \$19.3 million and smaller revenue gains collectively increased \$13.3 million. Offsetting these increases were lower personal and corporate income taxes, which were \$32.4 million and \$33.1 million below November 2024 levels, respectively. Oil and gas revenues were \$21.4 million lower than the same month last year.

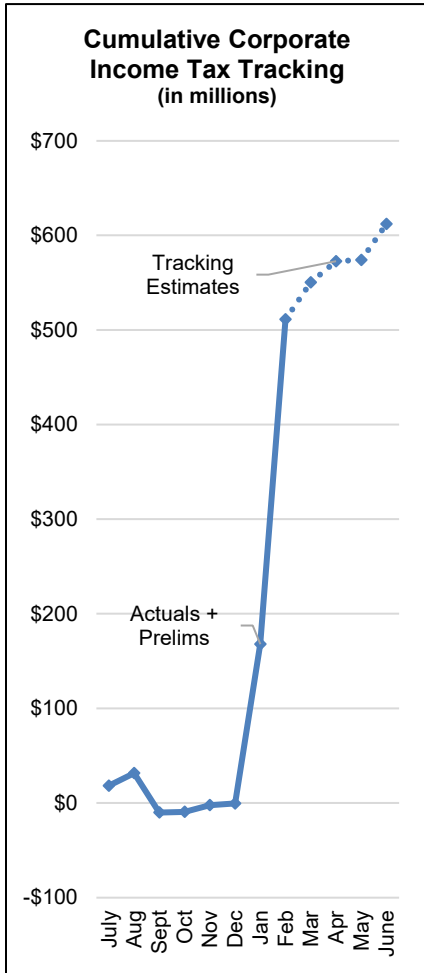
### Fiscal Year to Date Revenue through November

General fund recurring revenues for FY26 through November were \$6.2 billion, down \$68.8 million, or 1.1 percent, from the same period a year ago. Excluding oil and gas revenues, general fund revenues through November were \$61.9 million, or 1.5 percent, below FY25.

This general fund revenue tracking report reflects FY26 revenue accruals as reported by the Department of Finance and Administration and preliminary reports from the Taxation and Revenue Department.



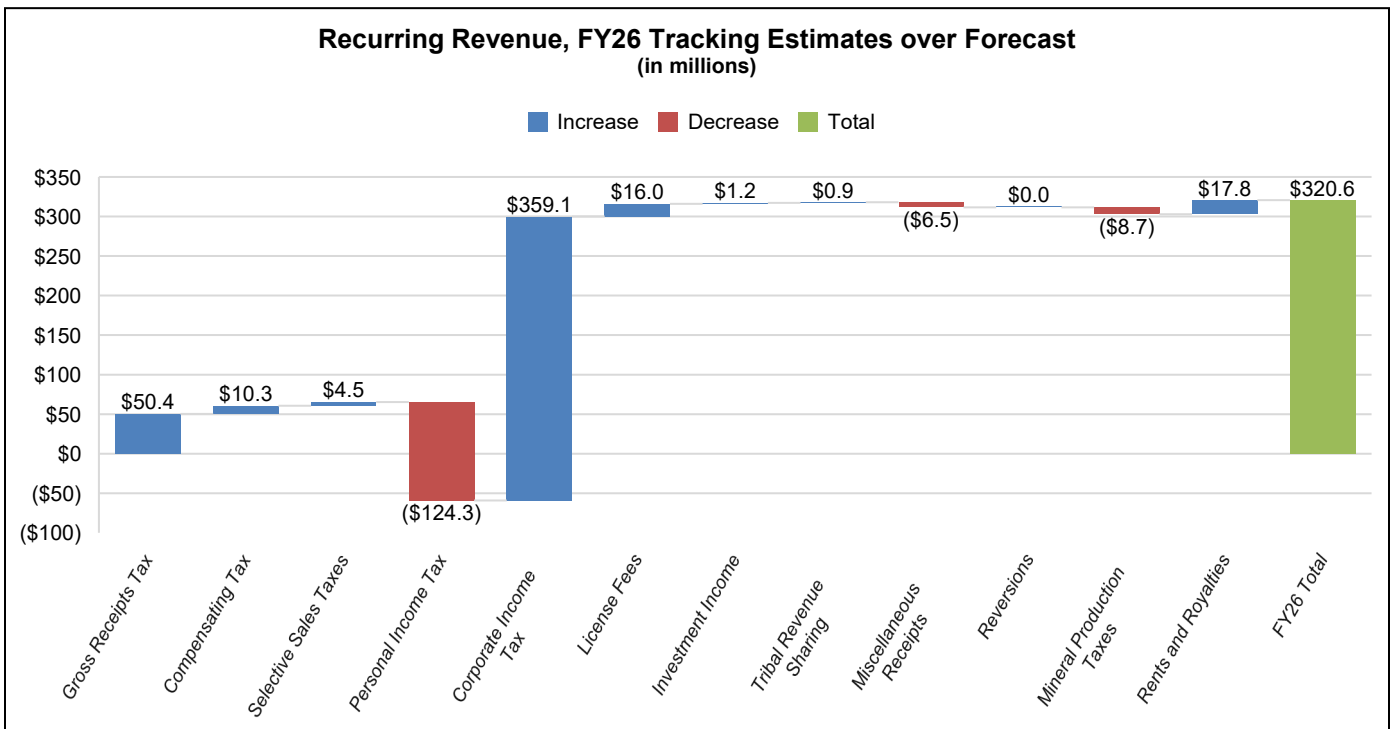
## Revenue Tracking vs Forecast



The Consensus Revenue Estimating Group (CREG) publishes updated forecasts of each major state revenue source at least twice annually to inform legislative budget development. As revenues are reported throughout the fiscal year, LFC economists combine finalized collections reported by the Department of Finance and Administration, preliminary collections reported by the Taxation and Revenue Department (TRD), and projections for revenues not yet reported to estimate how revenues are tracking relative to the forecast.

Despite year-over-year increases in some revenues in November, the more important indicator of revenue collections is the comparison against the forecast. If revenues do not meet the revenue forecast for the year - which appropriators use to make spending decisions - additional action may be necessary to ensure sufficient funds are available to pay for existing spending.

In a reversal from prior tracking estimates, full-year revenues are projected to finish in-line with FY25 levels and above the FY26 forecast. When projected through the end of the fiscal year and incorporating preliminary data through February, FY26 revenues are currently tracking \$108.1 million, less than 1.0 percent, above FY25 collections. Overall, FY26 revenues are currently projected to finish \$320.6 million, or 2.4 percent, above the latest forecast, assuming collections stick to forecasted levels through the rest of the year. Corporate income tax remains the most volatile and influential revenue source, weighing on the forecast through December before rebounding sharply—tracking nearly \$360 million above expectations after strong collections in January and February. While TRD is still evaluating the drivers of this jump, early indications point to higher oil prices boosting corporate profits, along with the use of large carryforward credits and transfers from TRD suspense accounts. Collections for each revenue source and its deviation from the forecast shown graphically below.



General Fund Revenue Accruals: FY26 vs. FY25												
Revenue Category	Month - November 2025				Fiscal Year through November 2025				Total Fiscal Year			
	FY26	FY25	Variance Over(Under)	Percent Over(Under)	FY26	FY25	Variance Over(Under)	Percent Over(Under)	FY26 Tracking**	FY25	Variance Over(Under)	Percent Over(Under)
Gross Receipts Tax	\$363.4	\$321.7	\$41.7	13.0%	\$1,816.7	\$1,682.8	\$133.9	8.0%	\$4,502.0	\$4,298.1	\$203.9	4.7%
Compensating Tax	\$8.3	\$3.4	\$4.9	141.4%	\$42.9	\$34.0	\$8.9	26.1%	\$98.7	\$85.4	\$13.3	15.5%
Selective Sales Taxes *	\$75.7	\$72.0	\$3.7	5.1%	\$312.3	\$318.4	(\$6.0)	(1.9%)	\$823.6	\$826.4	(\$2.8)	(0.3%)
Personal Income Tax	\$198.9	\$231.3	(\$32.4)	(14.0%)	\$974.7	\$1,001.7	(\$27.0)	(2.7%)	\$2,050.7	\$2,143.1	(\$92.4)	(4.3%)
Corporate Income Tax	\$7.1	\$40.2	(\$33.1)	(82.4%)	(\$2.4)	\$176.8	(\$179.2)	(101.3%)	\$612.1	\$782.5	(\$170.4)	(21.8%)
License Fees	\$3.3	\$0.4	\$2.9	724.9%	\$17.5	\$16.3	\$1.2	7.3%	\$76.1	\$70.1	\$5.9	8.5%
Investment Income	\$187.3	\$168.0	\$19.3	11.5%	\$934.5	\$902.9	\$31.6	3.5%	\$2,230.1	\$2,083.8	\$146.3	7.0%
Tribal Revenue Sharing	\$1.4	\$0.0	\$1.4	-	\$22.7	\$41.3	(\$18.6)	(45.0%)	\$88.4	\$85.3	\$3.1	3.7%
Miscellaneous Receipts	\$1.7	\$1.2	\$0.4	34.4%	\$9.8	\$15.4	(\$5.6)	(36.3%)	\$44.2	\$79.0	(\$34.8)	(44.1%)
Reversions	\$0.5	\$1.0	(\$0.5)	(51.4%)	\$2.1	\$3.1	(\$1.0)	(32.3%)	\$110.0	\$110.0	\$0.0	0.0%
<b>Non-OGAS Revenue</b>	<b>\$847.6</b>	<b>\$839.3</b>	<b>\$8.3</b>	<b>1.0%</b>	<b>\$4,130.9</b>	<b>\$4,192.8</b>	<b>(\$61.9)</b>	<b>(1.5%)</b>	<b>\$10,635.7</b>	<b>\$10,563.6</b>	<b>\$72.1</b>	<b>0.7%</b>
Mineral Production Taxes	\$146.8	\$161.0	(\$14.1)	(8.8%)	\$778.8	\$805.9	(\$27.1)	(3.4%)	\$1,256.1	\$1,285.8	(\$29.7)	(2.3%)
Rents and Royalties	\$200.7	\$207.9	(\$7.3)	(3.5%)	\$1,297.8	\$1,277.6	\$20.2	1.6%	\$1,811.9	\$1,746.3	\$65.7	3.8%
<b>Total Recurring Revenue</b>	<b>\$1,195.1</b>	<b>\$1,208.1</b>	<b>(\$13.1)</b>	<b>(1.1%)</b>	<b>\$6,207.5</b>	<b>\$6,276.3</b>	<b>(\$68.8)</b>	<b>(1.1%)</b>	<b>\$13,703.7</b>	<b>\$13,595.7</b>	<b>\$108.1</b>	<b>0.8%</b>

General Fund Revenue Accruals: FY26 Actuals vs. Forecast												
Revenue Category	Month - November 2025				Fiscal Year through November 2025				Total Fiscal Year			
	Actual	Forecast	Variance Over(Under)	Percent Over(Under)	Actual	Forecast	Variance Over(Under)	Percent Over(Under)	Tracking Estimate**	Forecast	Variance Over(Under)	Percent Over(Under)
Gross Receipts Tax	\$363.4	\$337.2	\$26.3	7.8%	\$1,816.7	\$1,735.4	\$81.3	4.7%	\$4,502.0	\$4,451.6	\$50.4	1.1%
Compensating Tax	\$8.3	\$6.6	\$1.7	25.5%	\$42.9	\$37.9	\$5.0	13.1%	\$98.7	\$88.4	\$10.3	11.7%
Selective Sales Taxes *	\$75.7	\$30.2	\$45.4	150.2%	\$312.3	\$269.2	\$43.1	16.0%	\$823.6	\$819.1	\$4.5	0.5%
Personal Income Tax	\$198.9	\$207.4	(\$8.5)	(4.1%)	\$974.7	\$945.4	\$29.3	3.1%	\$2,050.7	\$2,175.0	(\$124.3)	(5.7%)
Corporate Income Tax	\$7.1	\$8.0	(\$0.9)	(11.3%)	(\$2.4)	\$46.1	(\$48.5)	(105.1%)	\$612.1	\$253.0	\$359.1	141.9%
License Fees	\$3.3	\$0.2	\$3.1	1310.3%	\$17.5	\$1.5	\$16.0	1091.5%	\$76.1	\$60.0	\$16.0	26.7%
Investment Income	\$187.3	\$185.7	\$1.6	0.8%	\$934.5	\$928.7	\$5.8	0.6%	\$2,230.1	\$2,228.9	\$1.2	0.1%
Tribal Revenue Sharing	\$1.4	\$0.5	\$0.9	178.0%	\$22.7	\$21.8	\$0.9	4.2%	\$88.4	\$87.5	\$0.9	1.0%
Miscellaneous Receipts	\$1.7	\$3.6	(\$1.9)	(53.7%)	\$9.8	\$16.3	(\$6.5)	(39.8%)	\$44.2	\$50.6	(\$6.5)	(12.8%)
Reversions	\$0.5	\$1.5	(\$1.0)	(66.8%)	\$2.1	\$2.1	\$0.0	0.0%	\$110.0	\$110.0	\$0.0	0.0%
<b>Non-OGAS Revenue</b>	<b>\$847.6</b>	<b>\$781.0</b>	<b>\$66.6</b>	<b>8.5%</b>	<b>\$4,130.9</b>	<b>\$4,004.4</b>	<b>\$126.5</b>	<b>3.2%</b>	<b>\$10,635.7</b>	<b>\$10,324.1</b>	<b>\$311.6</b>	<b>3.0%</b>
Mineral Production Taxes	\$146.8	\$153.1	(\$6.3)	(4.1%)	\$778.8	\$770.8	\$8.0	1.0%	\$1,256.1	\$1,264.8	(\$8.7)	(0.7%)
Rents and Royalties	\$200.7	\$202.8	(\$2.1)	(1.0%)	\$1,297.8	\$1,131.9	\$166.0	14.7%	\$1,811.9	\$1,794.2	\$17.8	1.0%
<b>Total Recurring Revenue</b>	<b>\$1,195.1</b>	<b>\$1,136.9</b>	<b>\$58.2</b>	<b>5.1%</b>	<b>\$6,207.5</b>	<b>\$5,907.0</b>	<b>\$300.5</b>	<b>5.1%</b>	<b>\$13,703.7</b>	<b>\$13,383.1</b>	<b>\$320.6</b>	<b>2.4%</b>

\* Includes estimates for insurance taxes.

\*\* Includes preliminary TRD data for some revenues through February 2026.

## FISCAL YEAR 2026 GENERAL FUND MONTHLY REVENUE TRACKING

(dollars in millions)

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**Bold** = actuals*Italic* = preliminary**regular** = forecast

	ESTIMATED REVENUE ACCRUALS												Tracking	TRACKING vs FORECAST		
	July Actual	Aug Actual	Sept Actual	Oct Actual	Nov Actual	Dec <i>Prelim.</i>	Jan <i>Prelim.</i>	Feb <i>Prelim.</i>	Mar Est.	Apr Est.	May Est.	June Est.	Actuals + Estimates	Dec. 2025 Forecast	% Diff.	\$ Diff.
Gross Receipts Tax	325.1	368.3	381.6	378.3	363.4	406.3	367.1	352.0	387.0	357.7	379.5	435.6	4,502.0	4,451.6	1.1%	50.4
Compensating Tax	6.7	9.0	8.7	10.2	8.3	9.4	10.0	10.0	7.4	6.4	6.9	5.8	98.7	88.4	11.7%	10.3
<b>TOTAL GENERAL SALES TAXES</b>	<b>331.9</b>	<b>377.3</b>	<b>390.3</b>	<b>388.5</b>	<b>371.7</b>	<b>415.7</b>	<b>377.1</b>	<b>362.0</b>	<b>394.4</b>	<b>364.2</b>	<b>386.4</b>	<b>441.3</b>	<b>4,600.7</b>	<b>4,539.9</b>	<b>1.3%</b>	<b>60.7</b>
Cannabis Excise Tax	2.5	2.7	2.3	2.6	3.0	2.5	2.8	2.8	3.2	2.4	3.1	2.6	32.6	31.8	2.5%	0.8
Tobacco Products & Cigarette Taxes	5.9	5.8	6.7	7.0	6.3	4.9	5.2	4.5	6.0	5.2	6.5	5.6	69.6	66.5	4.7%	3.1
Liquor Excise Tax	2.0	1.9	2.0	2.1	1.9	2.2	1.4	1.6	2.0	1.7	2.1	2.2	23.1	23.1	0.3%	0.1
Insurance Premiums Tax	4.1	8.4	92.3	2.9	46.1	55.7	4.1	15.0	112.1	1.4	1.4	112.1	455.7	459.5	(0.8%)	(3.8)
Motor Vehicle Excise Tax	15.6	15.1	14.9	15.2	11.5	13.5	14.7	12.9	16.3	15.2	15.6	15.7	176.0	178.6	(1.4%)	(2.5)
Gaming Excise Tax	5.7	6.5	4.6	3.9	5.8	4.3	4.3	4.5	5.0	4.5	4.8	4.3	58.2	53.4	9.0%	4.8
Leased Vehicle Surcharge & Other	(1.9)	1.3	3.5	1.1	0.9	0.5	0.4	0.4	0.5	0.5	0.6	0.6	8.3	6.2	33.5%	2.1
<b>TOTAL SELECTIVE SALES TAXES</b>	<b>34.0</b>	<b>41.7</b>	<b>126.2</b>	<b>34.7</b>	<b>75.7</b>	<b>83.5</b>	<b>32.9</b>	<b>41.8</b>	<b>145.0</b>	<b>31.0</b>	<b>34.1</b>	<b>142.9</b>	<b>823.6</b>	<b>819.1</b>	<b>0.5%</b>	<b>4.5</b>
Withholding	156.3	178.7	175.5	199.0	162.6	223.9	164.1	181.6	207.6	168.3	170.9	214.3	2,202.8	2,183.4	0.9%	19.4
Final Settlements and Estimated Payments	30.9	69.9	41.0	16.5	36.3	(37.9)	50.9	140.1	203.1	116.5	54.4	50.8	772.5	740.6	4.3%	31.9
Oil and Gas Withholding Tax	(2.2)	16.3	30.4	(1.0)	16.0	34.3	0.4	9.3	31.9	41.4	15.0	29.6	221.6	203.1	9.1%	18.5
Fiduciary Tax	1.4	3.7	(2.2)	(1.7)	(0.6)	(4.0)	(0.0)	(0.2)	17.4	2.8	6.1	2.4	25.0	24.8	1.0%	0.2
<b>Gross Personal Income Tax</b>	<b>186.4</b>	<b>268.6</b>	<b>244.8</b>	<b>212.8</b>	<b>214.3</b>	<b>216.3</b>	<b>215.4</b>	<b>330.9</b>	<b>460.0</b>	<b>329.0</b>	<b>246.3</b>	<b>297.0</b>	<b>3,221.9</b>	<b>3,151.9</b>	<b>2.2%</b>	<b>70.0</b>
Refunds	(17.2)	(24.7)	(62.8)	(12.9)	(10.6)	(199.5)	(231.8)	(175.6)	(100.0)	(75.8)	(136.3)	(66.1)	(1,113.2)	(918.9)	21.1%	(194.3)
Retiree Health Care	(4.8)	(4.8)	(4.8)	(4.8)	(4.8)	(4.8)	(4.8)	(4.8)	(4.8)	(4.8)	(4.8)	(4.8)	(58.0)	(58.0)	0.0%	(0.0)
<b>NET PERSONAL INCOME TAX</b>	<b>164.3</b>	<b>239.1</b>	<b>177.2</b>	<b>195.1</b>	<b>198.9</b>	<b>12.0</b>	<b>(21.2)</b>	<b>150.5</b>	<b>355.1</b>	<b>248.3</b>	<b>105.2</b>	<b>226.1</b>	<b>2,050.7</b>	<b>2,175.0</b>	<b>(5.7%)</b>	<b>(124.3)</b>
<b>CORPORATE INCOME TAX</b>	<b>18.2</b>	<b>13.3</b>	<b>(41.6)</b>	<b>0.7</b>	<b>7.1</b>	<b>1.8</b>	<b>168.5</b>	<b>343.3</b>	<b>39.2</b>	<b>22.3</b>	<b>1.4</b>	<b>38.0</b>	<b>612.1</b>	<b>253.0</b>	<b>141.9%</b>	<b>359.1</b>
<b>TOTAL INCOME TAXES</b>	<b>182.6</b>	<b>252.4</b>	<b>135.6</b>	<b>195.8</b>	<b>206.0</b>	<b>13.8</b>	<b>147.2</b>	<b>493.8</b>	<b>394.3</b>	<b>270.7</b>	<b>106.6</b>	<b>264.1</b>	<b>2,662.8</b>	<b>2,428.0</b>	<b>9.7%</b>	<b>234.8</b>
Oil and Gas School Tax *	155.2	152.3	142.4	144.6	138.0	143.2	143.2	126.4	-	-	-	-	1,145.4	1,145.4	0.0%	-
Oil Conservation Tax	7.2	7.2	6.7	6.4	6.3	7.1	6.3	6.0	7.0	6.4	7.6	7.6	81.8	90.7	(9.8%)	(8.9)
Resources Excise Tax	0.7	0.7	0.7	0.8	0.9	0.7	0.7	0.7	0.7	0.7	0.7	0.7	8.8	8.4	4.7%	0.4
Natural Gas Processors Tax	1.7	1.9	1.5	1.6	1.7	1.6	1.6	1.6	1.7	1.7	1.7	1.7	20.1	20.3	(1.2%)	(0.2)
<b>TOTAL MINERAL PROD. TAXES</b>	<b>164.9</b>	<b>162.2</b>	<b>151.4</b>	<b>153.5</b>	<b>146.8</b>	<b>152.6</b>	<b>151.8</b>	<b>134.7</b>	<b>9.4</b>	<b>8.8</b>	<b>10.0</b>	<b>10.0</b>	<b>1,256.1</b>	<b>1,264.8</b>	<b>(0.7%)</b>	<b>(8.7)</b>
<b>LICENSE FEES</b>	<b>3.6</b>	<b>4.0</b>	<b>3.3</b>	<b>3.3</b>	<b>3.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.5</b>	<b>0.5</b>	<b>0.4</b>	<b>0.3</b>	<b>56.3</b>	<b>76.1</b>	<b>60.0</b>	<b>26.7%</b>	<b>16.0</b>
Land Grant Perm. Fund Distributions	128.6	128.6	128.6	128.7	128.7	127.6	127.6	127.6	127.6	127.6	127.6	127.6	1,536.6	1,531.5	0.3%	5.1
State Treasurer's Earnings	14.3	61.9	20.1	25.4	30.9	21.0	13.6	41.3	26.8	26.8	26.8	26.8	335.8	322.0	4.3%	13.8
Severance Tax Perm. Fund Distributions	27.7	27.7	27.7	27.7	27.7	31.3	31.3	31.3	31.3	31.3	31.3	31.3	357.6	375.4	(4.7%)	(17.7)
<b>TOTAL INVESTMENT EARNINGS</b>	<b>170.6</b>	<b>218.2</b>	<b>176.5</b>	<b>181.8</b>	<b>187.3</b>	<b>179.9</b>	<b>172.5</b>	<b>200.2</b>	<b>185.7</b>	<b>185.7</b>	<b>185.7</b>	<b>185.7</b>	<b>2,230.1</b>	<b>2,228.9</b>	<b>0.1%</b>	<b>1.2</b>
Federal Mineral Leasing Royalties *	193.1	197.2	246.6	410.4	188.5	213.1	197.3	(1.3)	-	-	-	-	1,644.9	1,644.9	0.0%	-
State Land Office Bonuses, Rents	12.4	12.5	12.5	12.5	12.1	12.4	37.6	10.3	7.4	12.4	12.4	12.4	167.0	149.3	11.9%	17.8
<b>TOTAL RENTS &amp; ROYALTIES</b>	<b>205.5</b>	<b>209.7</b>	<b>259.0</b>	<b>422.9</b>	<b>200.7</b>	<b>225.5</b>	<b>234.9</b>	<b>9.0</b>	<b>7.4</b>	<b>12.4</b>	<b>12.4</b>	<b>12.4</b>	<b>1,811.9</b>	<b>1,794.2</b>	<b>1.0%</b>	<b>17.8</b>
<b>TRIBAL REVENUE SHARING</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>20.6</b>	<b>1.4</b>	<b>12.3</b>	<b>8.6</b>	<b>0.4</b>	<b>13.3</b>	<b>8.0</b>	<b>0.8</b>	<b>22.3</b>	<b>88.4</b>	<b>87.5</b>	<b>1.0%</b>	<b>0.9</b>
<b>MISCELLANEOUS RECEIPTS</b>	<b>1.2</b>	<b>1.7</b>	<b>4.1</b>	<b>1.2</b>	<b>1.7</b>	<b>4.8</b>	<b>5.7</b>	<b>4.5</b>	<b>4.6</b>	<b>4.9</b>	<b>4.8</b>	<b>5.0</b>	<b>44.2</b>	<b>50.6</b>	<b>(12.8%)</b>	<b>(6.5)</b>
<b>REVERSIONS</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>1.6</b>	<b>0.5</b>	<b>4.1</b>	<b>5.5</b>	<b>8.1</b>	<b>13.9</b>	<b>1.0</b>	<b>-</b>	<b>75.3</b>	<b>110.0</b>	<b>110.0</b>	<b>0.0%</b>	<b>-</b>
<b>TOTAL RECURRING REVENUE</b>	<b>1,094.5</b>	<b>1,267.4</b>	<b>1,246.6</b>	<b>1,404.0</b>	<b>1,195.1</b>	<b>1,092.5</b>	<b>1,136.6</b>	<b>1,255.0</b>	<b>1,168.5</b>	<b>887.1</b>	<b>741.0</b>	<b>1,215.5</b>	<b>13,703.7</b>	<b>13,383.1</b>	<b>2.4%</b>	<b>320.6</b>
<b>TOTAL NON-RECURRING REVENUE</b>	<b>17.8</b>	<b>249.1</b>	<b>113.4</b>	<b>12.5</b>	<b>24.7</b>	<b>10.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>427.8</b>	<b>362.6</b>	<b>18.0%</b>	<b>65.2</b>
<b>GRAND TOTAL REVENUE</b>	<b>1,112.2</b>	<b>1,516.5</b>	<b>1,360.0</b>	<b>1,416.5</b>	<b>1,219.8</b>	<b>1,102.8</b>	<b>1,136.6</b>	<b>1,255.0</b>	<b>1,168.5</b>	<b>887.1</b>	<b>741.0</b>	<b>1,215.5</b>	<b>14,131.5</b>	<b>13,745.7</b>	<b>2.8%</b>	<b>385.8</b>

Monthly estimates are developed by LFC and based on the consensus revenue estimate and historical monthly patterns.

\* Revenue distributions to other funds are expected to begin in February.



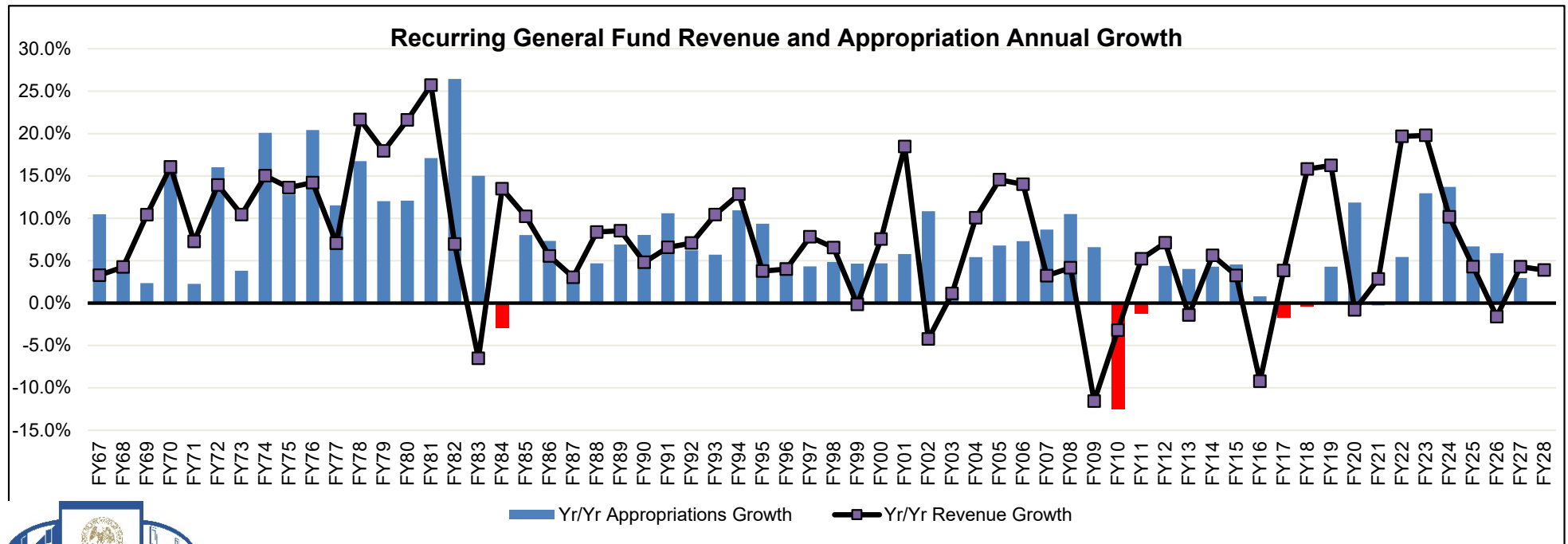
NEW MEXICO  
LEGISLATIVE  
FINANCE  
COMMITTEE

# Revenue Tracking and New Mexico's Solvency Playbook

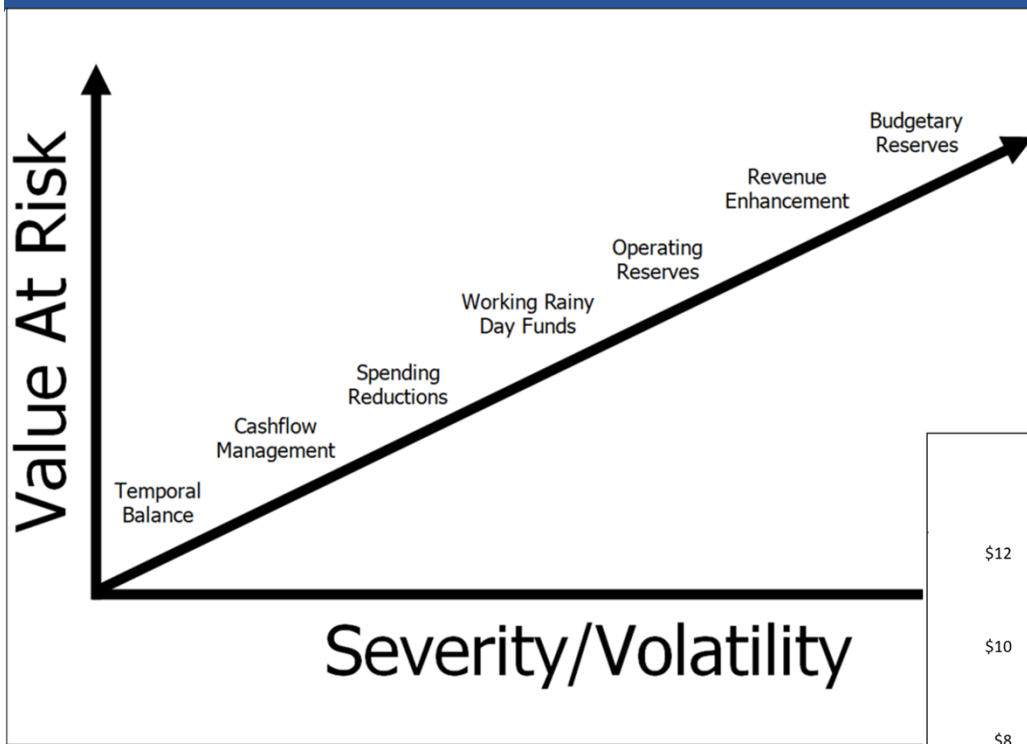
Discussion Framework for Managing Fiscal Stress

# Volatile revenues and reactive budgeting make it harder to plan and invest in what delivers the strongest long-term results.

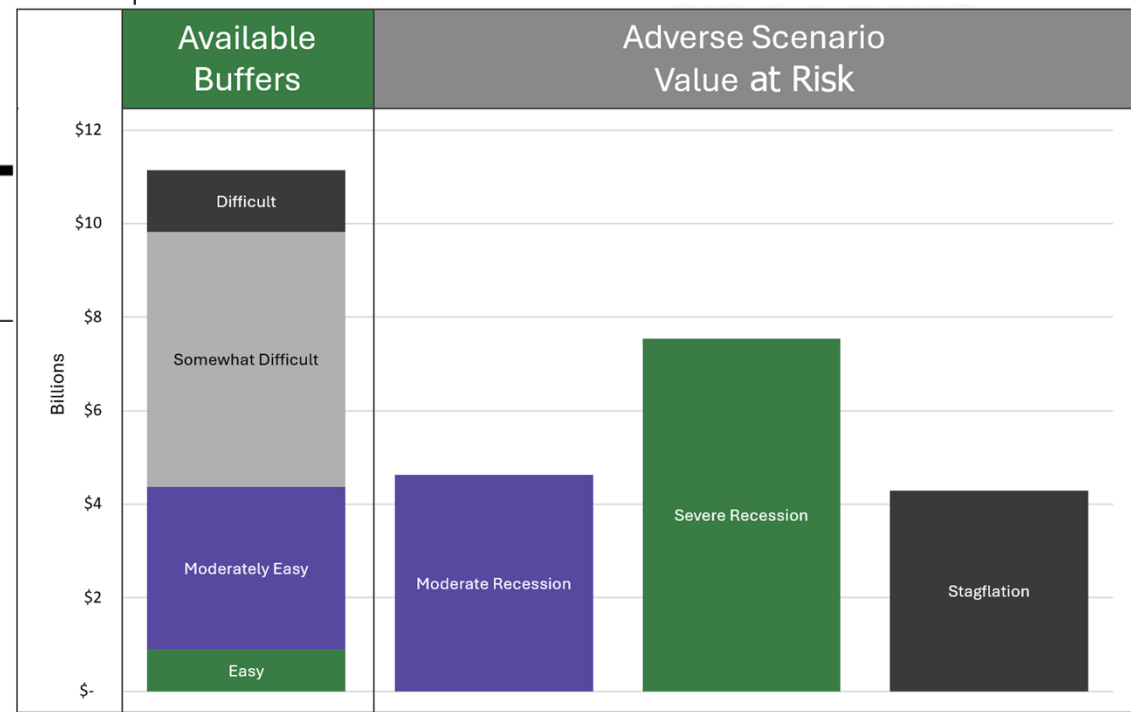
- Historically, revenue volatility has been driven by oil and gas, challenging planning and program improvement.
- The suddenness and size of declines and booms has necessitated reactive fiscal responses.
- Strategic thinking requires structured, pre-analyzed and thought-through solvency plans.



# National best-practices show strategic planning improves budget outcomes. Solvency frameworks are necessary for stress-testing.



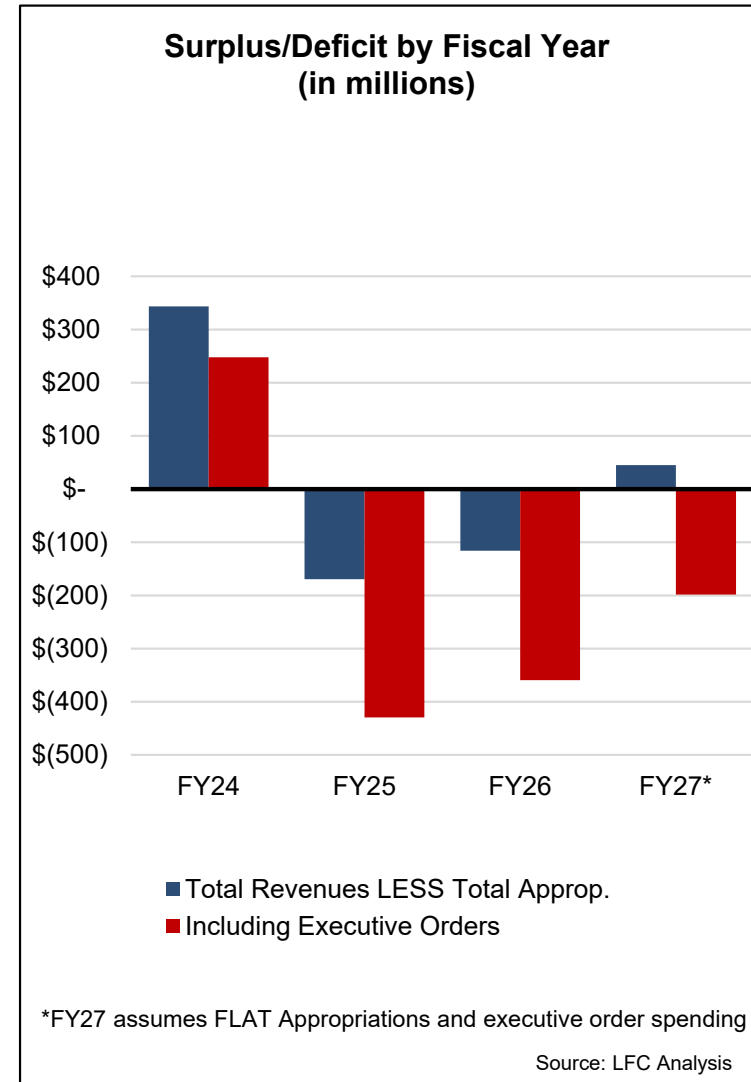
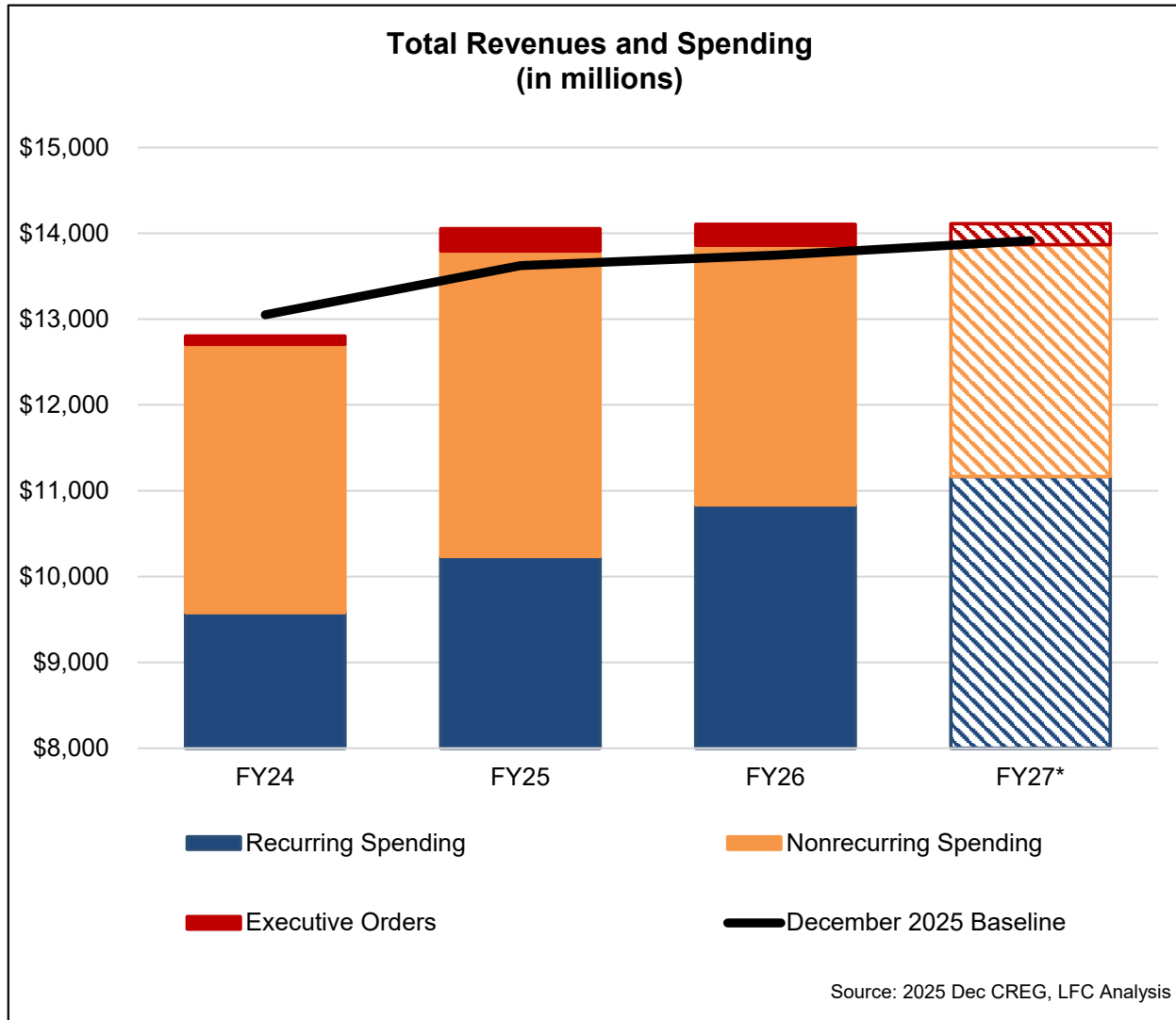
Source: Utah State Legislature



# Fiscal Review

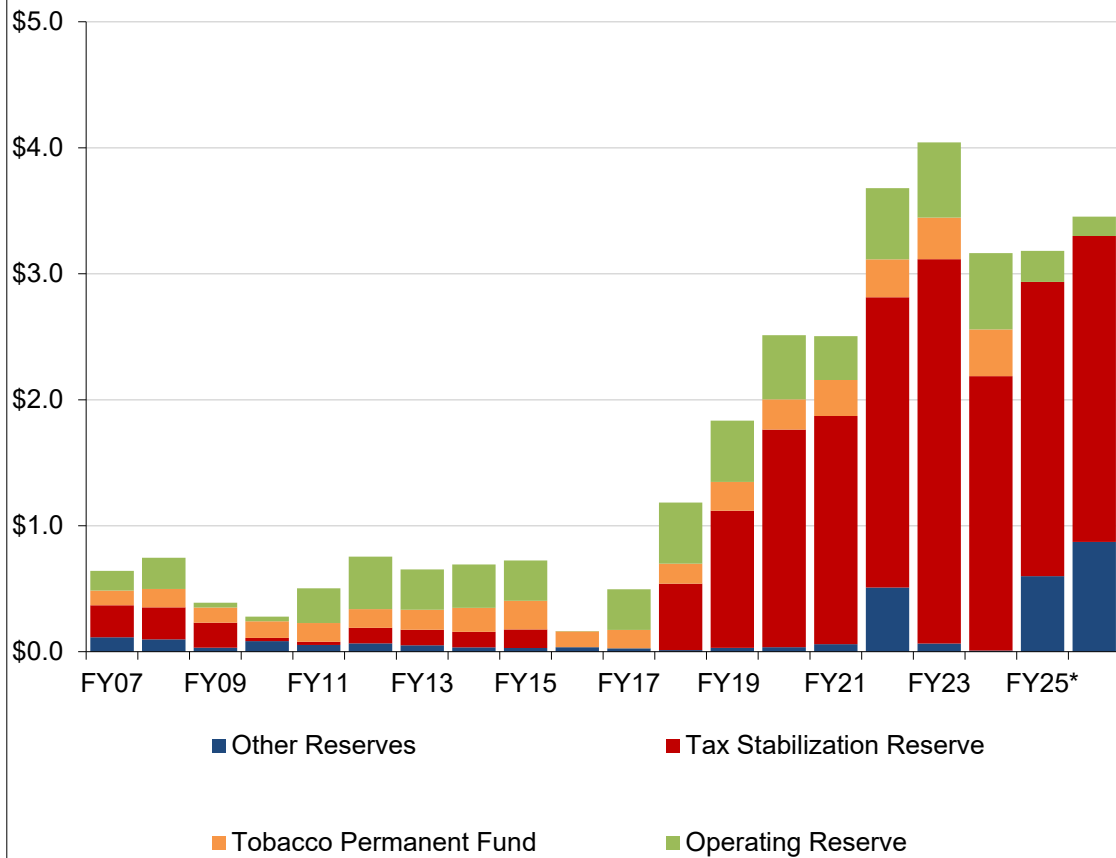


# Total spending is constrained by and exceeding the less than 4% revenue growth.



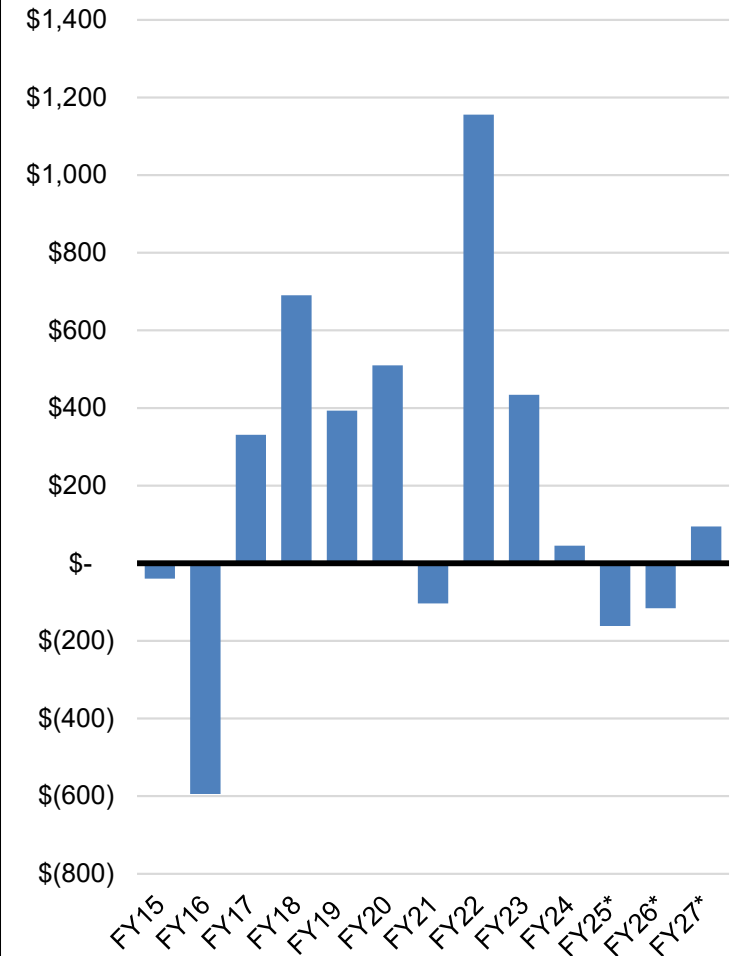
# Draws on reserves have been okay, so far.

**General Fund Reserves  
(in billions)**

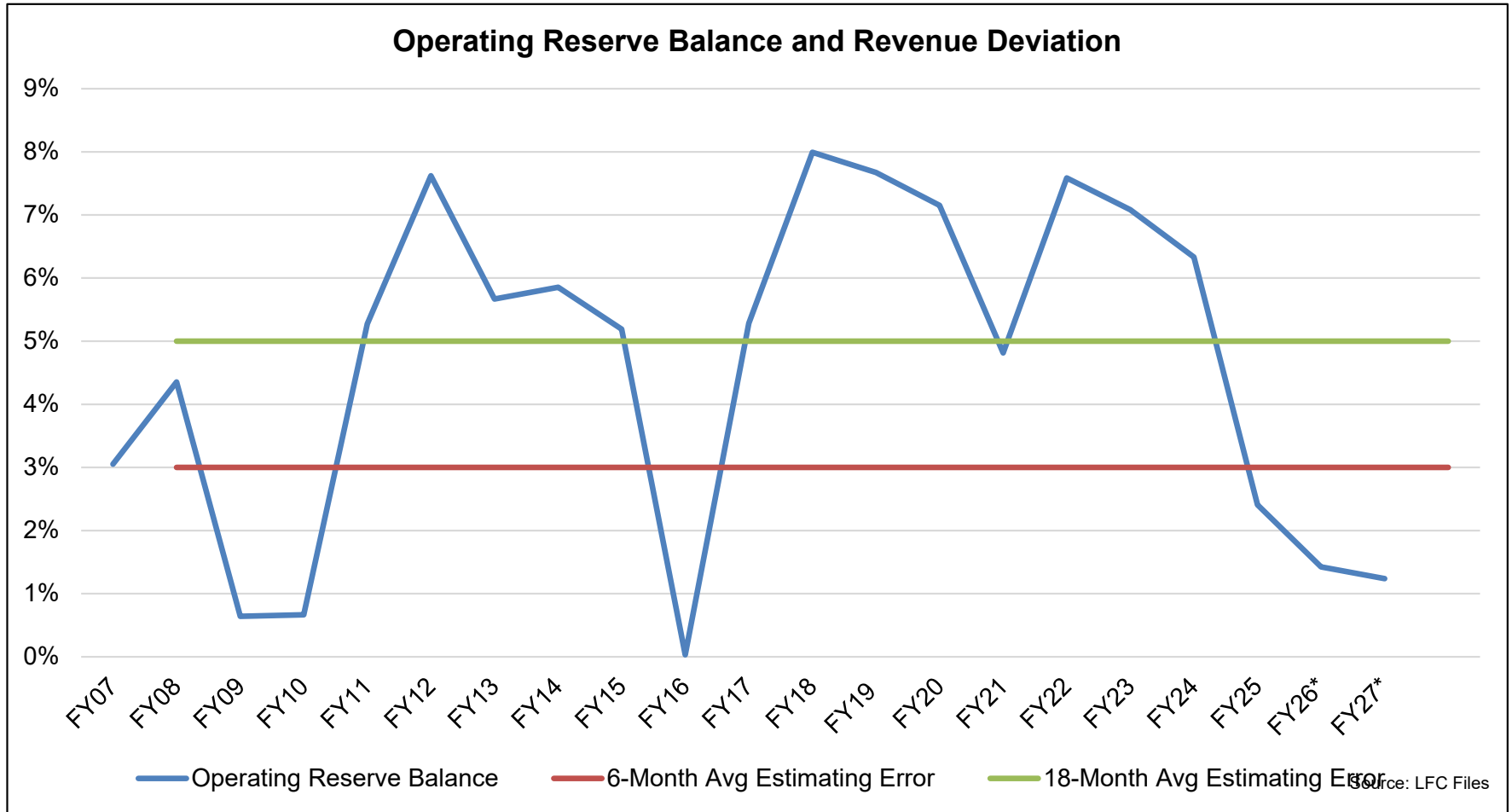


Source: LFC Files

**Distribution to/(From) Reserves  
(in millions)**



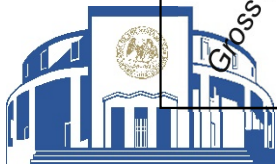
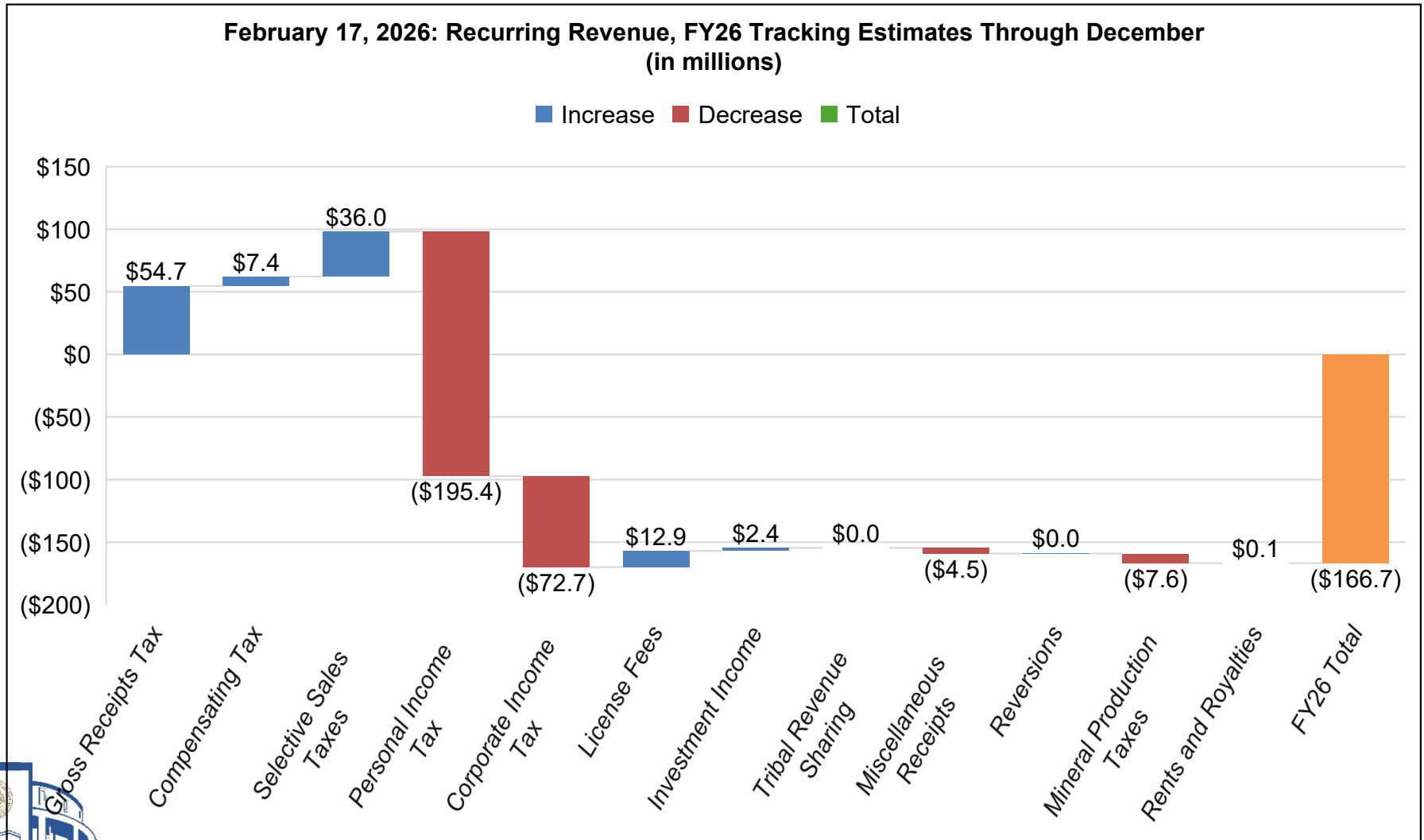
# Cash on hand needs to be sufficient to cover typical revenue deviations.



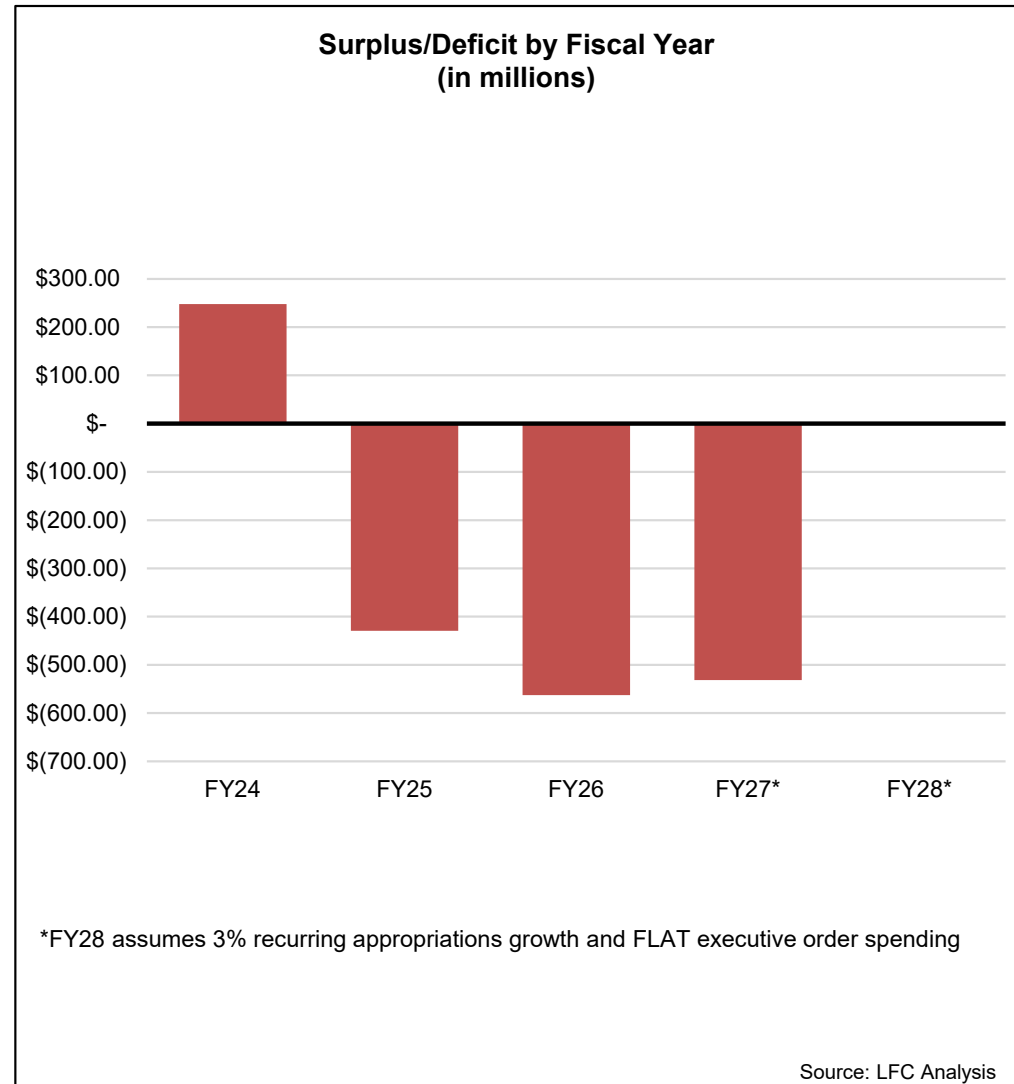
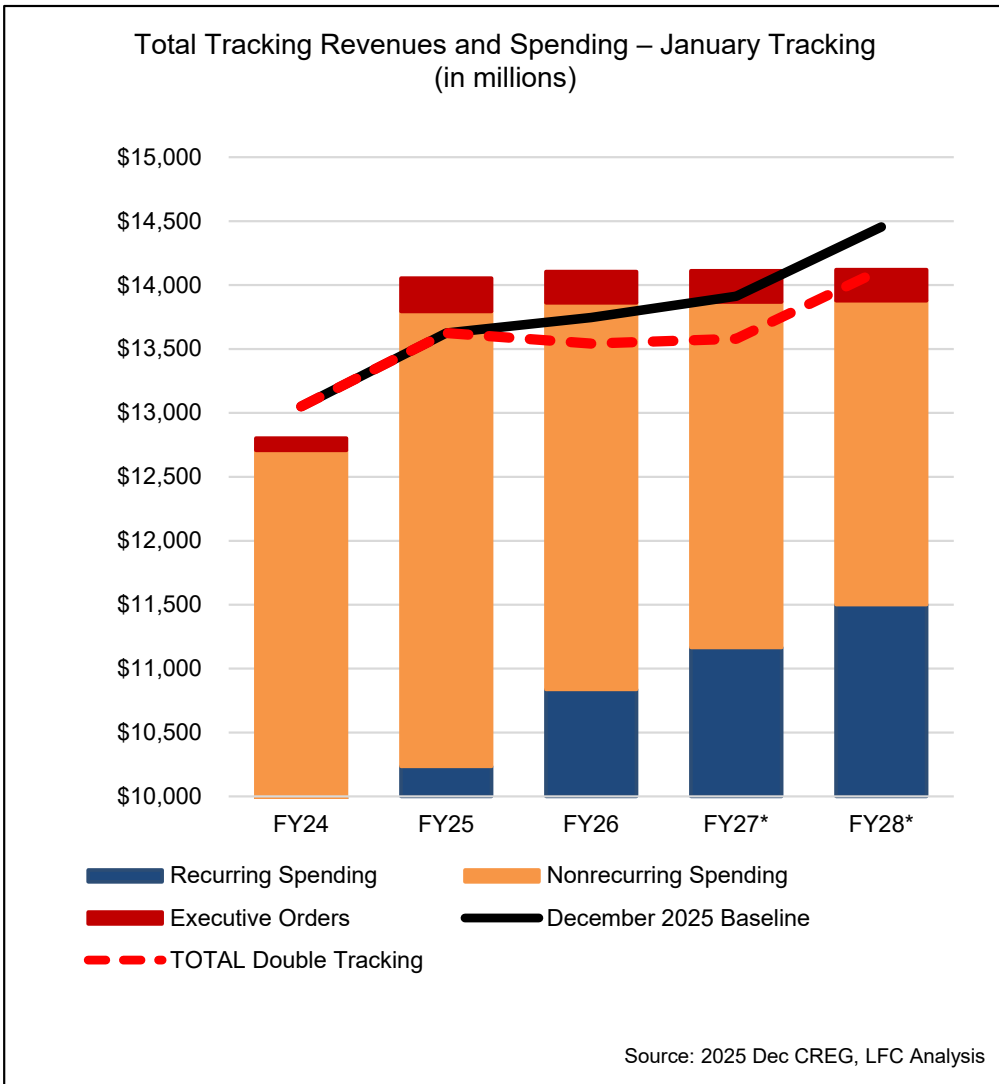
# Revenue Tracking



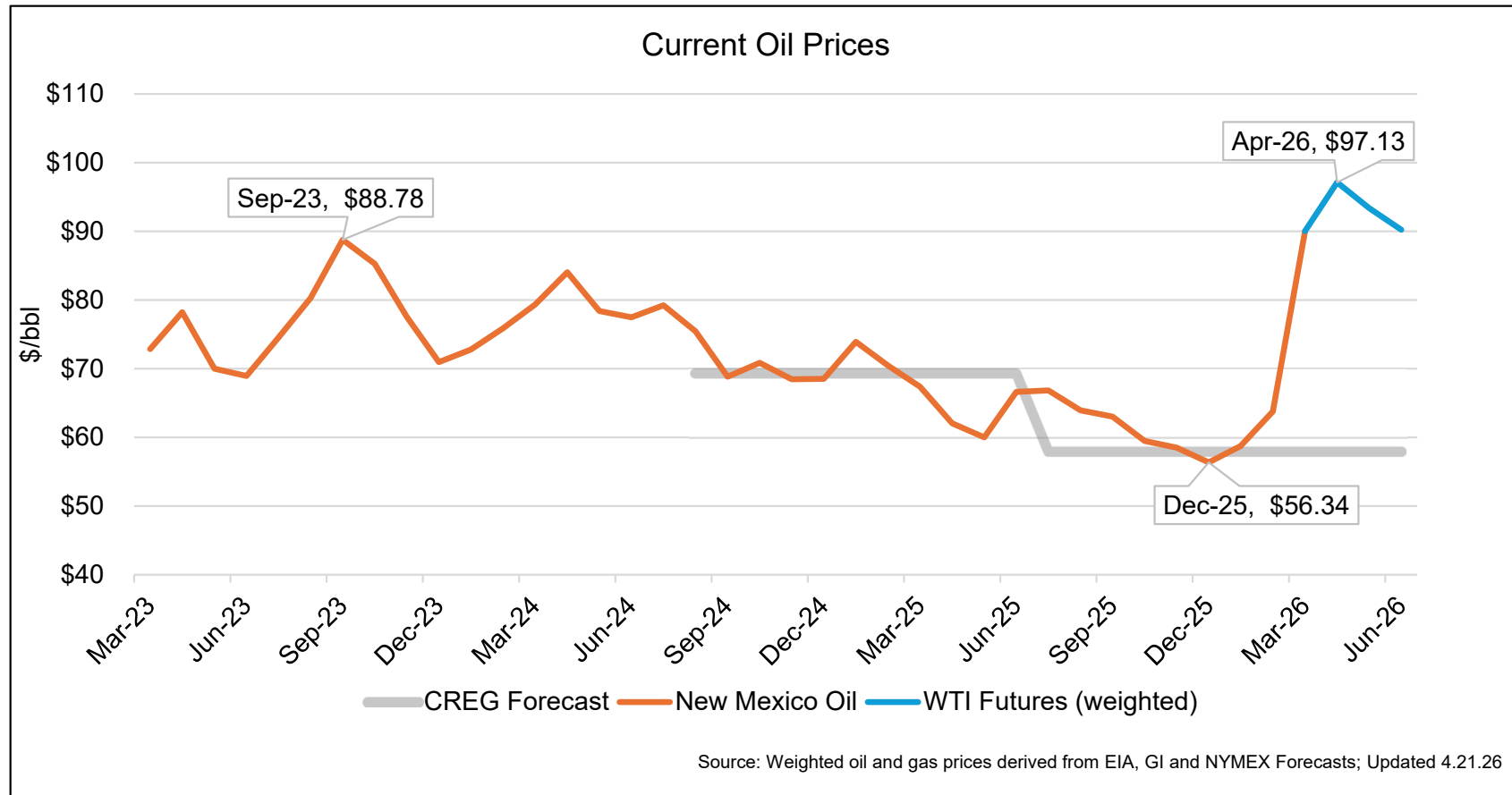
# Revenues were tracking low by the end of the session, at a rate that could have exceeded cash on hand.



# At flat budgets, the tracking figures indicated solvency actions could have been necessary.

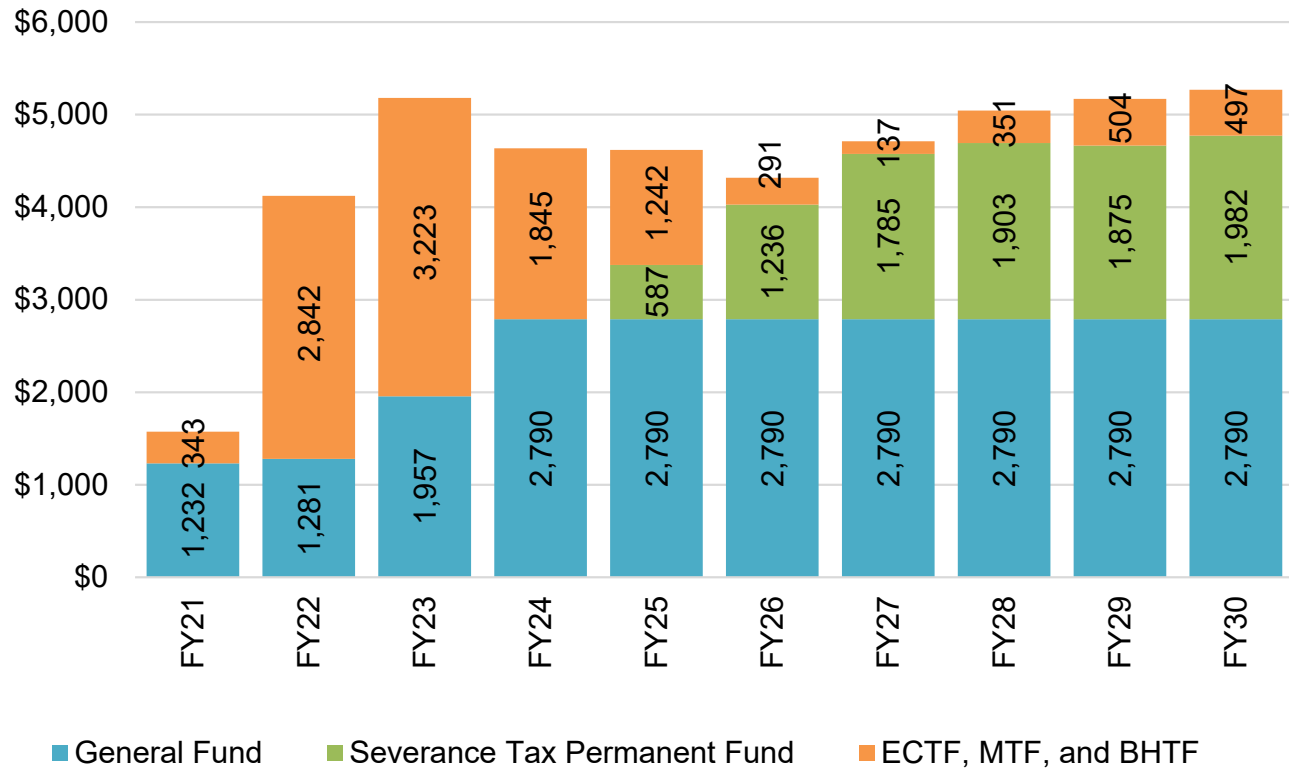


# Oil price strength and stronger revenue collections have reversed the outlook.



# Upside from oil prices helps, but how much?

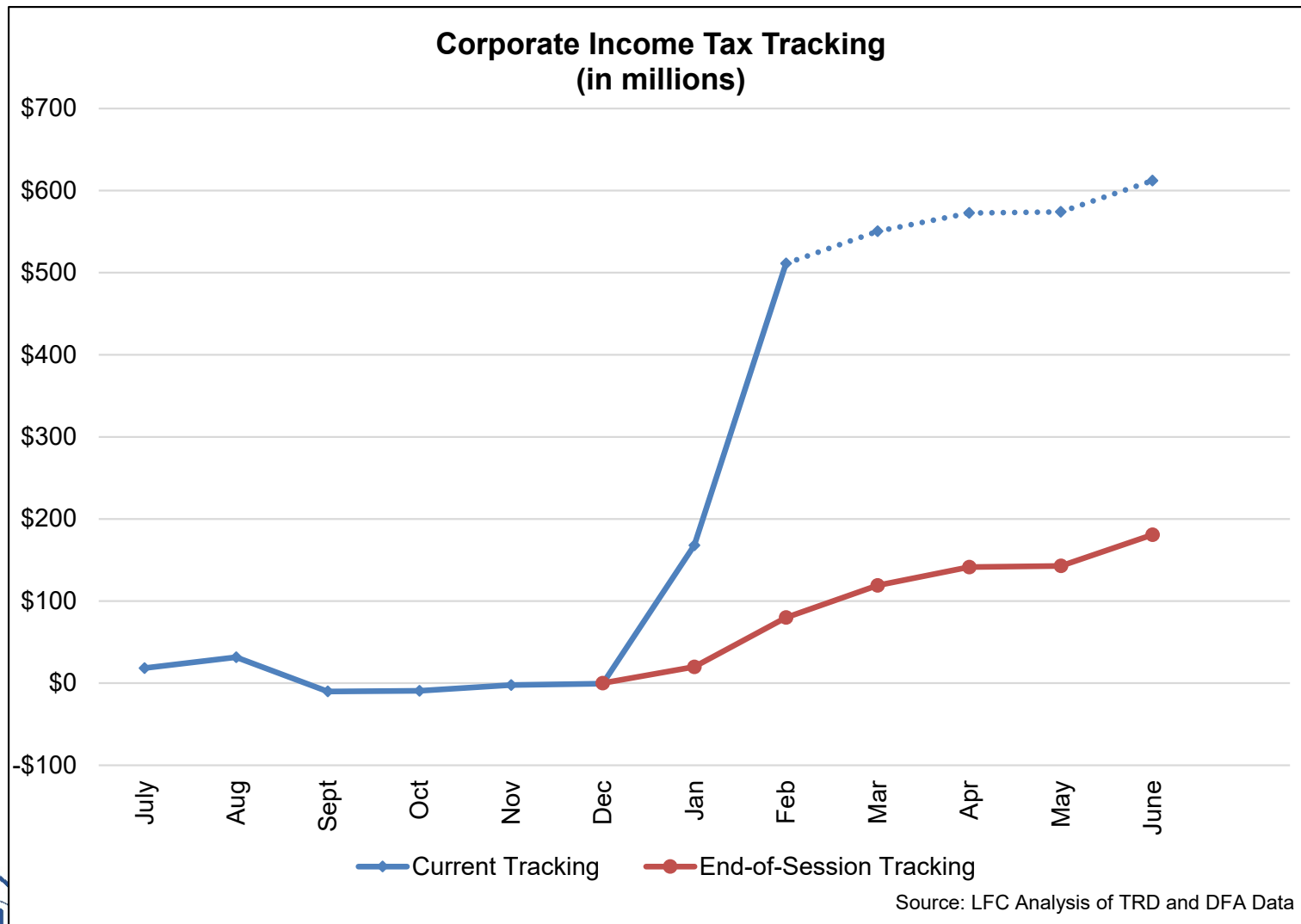
**Distribution of Federal Mineral Leasing Payments and Oil and Gas Emergency School Tax**  
(in millions)



Source: December 2025 CREG



# Volatile revenues have improved dramatically, but CIT remains risky.



# Solvency Discussion Framework



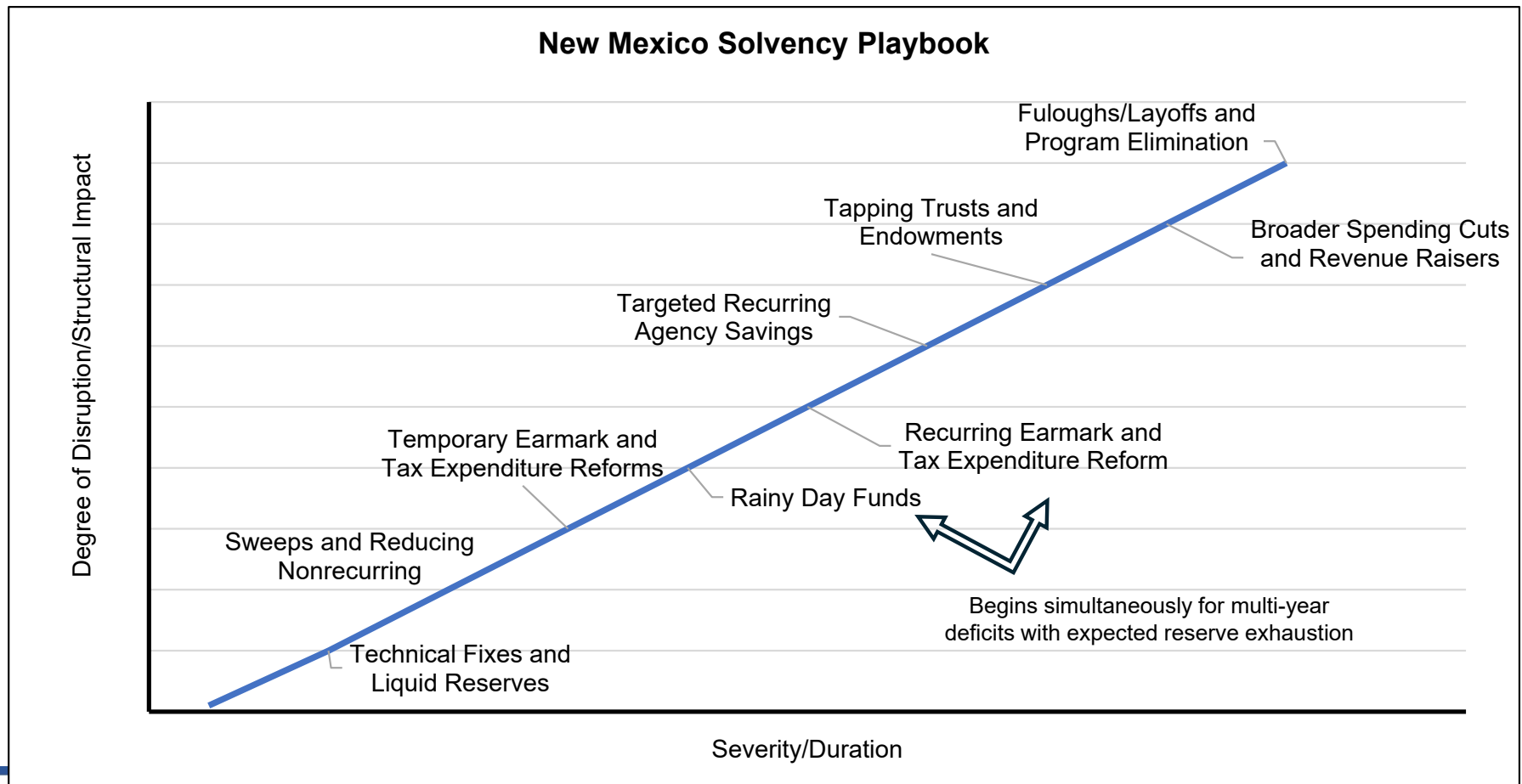
# Framework started with strategic planning and prioritization guidelines.

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- Core function importance
- Return on investment
- External leverage
- Downstream cost risk
- Service disruption
- Speed and reversibility

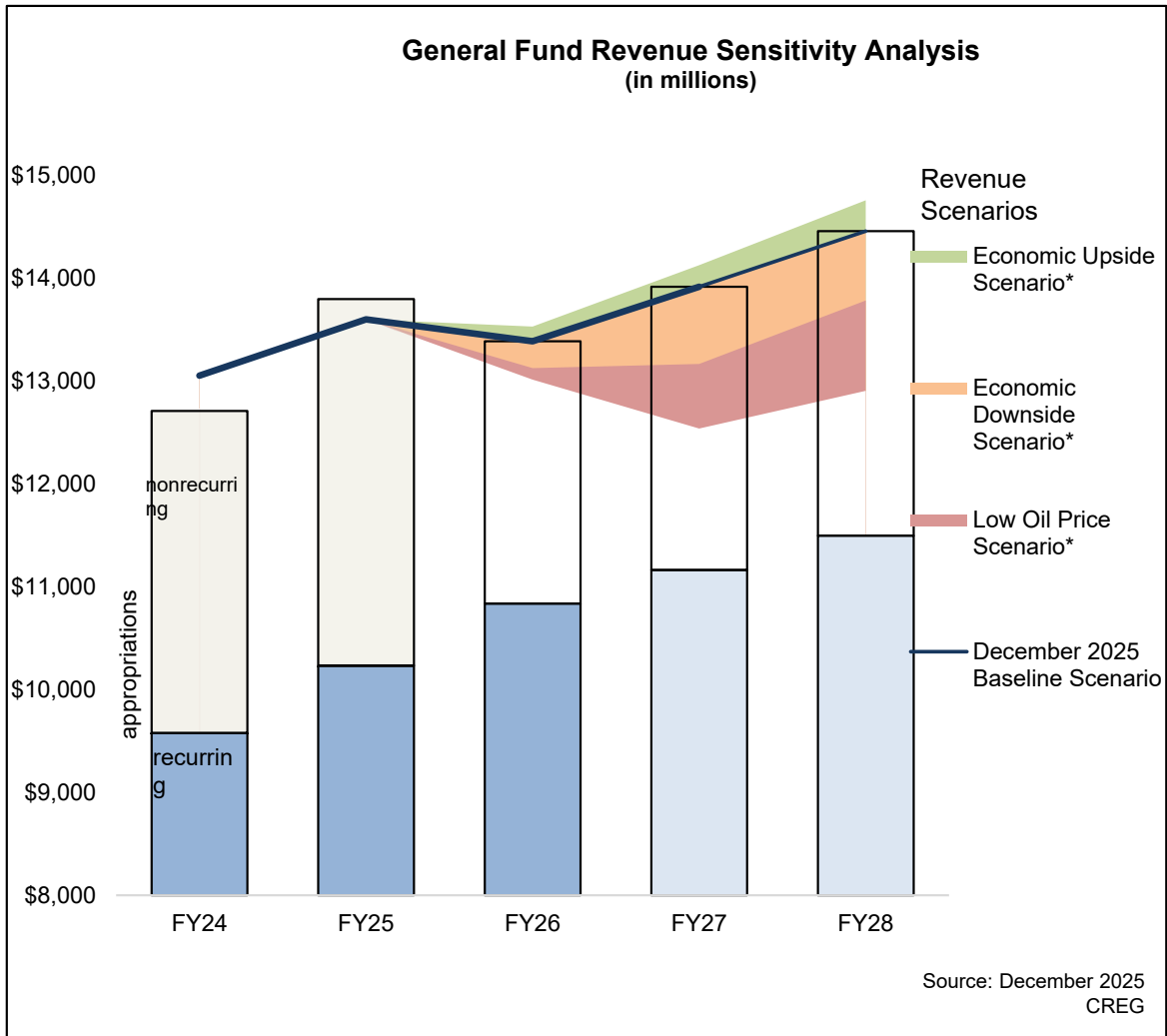


# Historical experience, strategic planning, and timing needs were considered in developing the discussion framework.

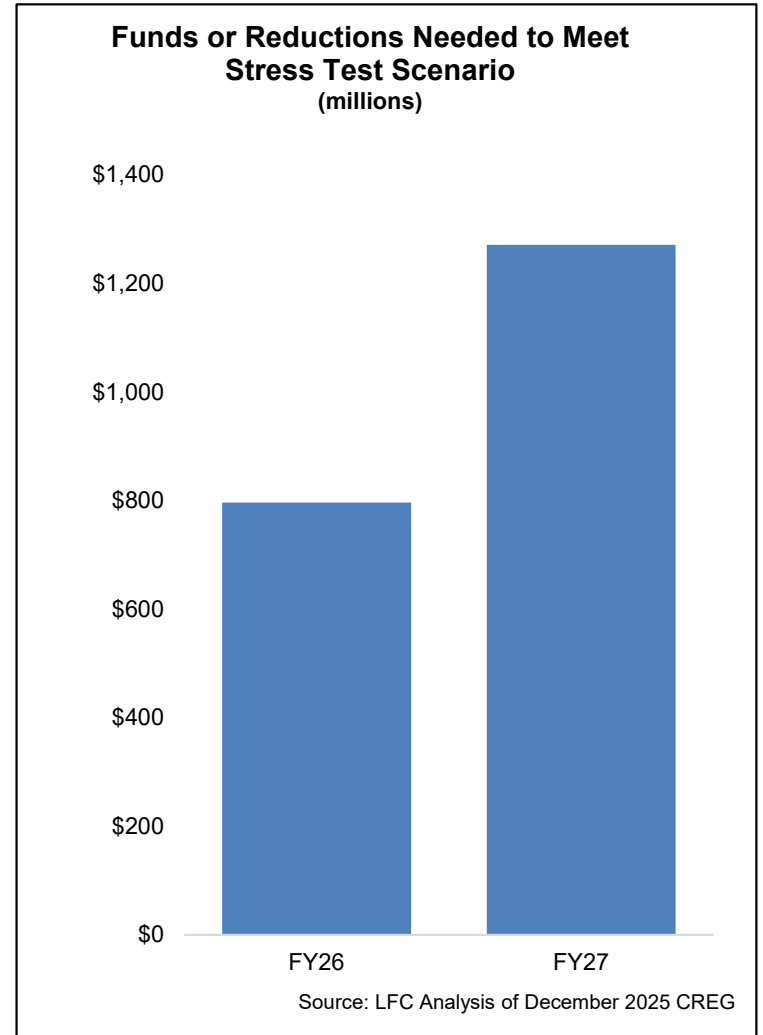


# Total reserves are sufficient for a short-term downturn.

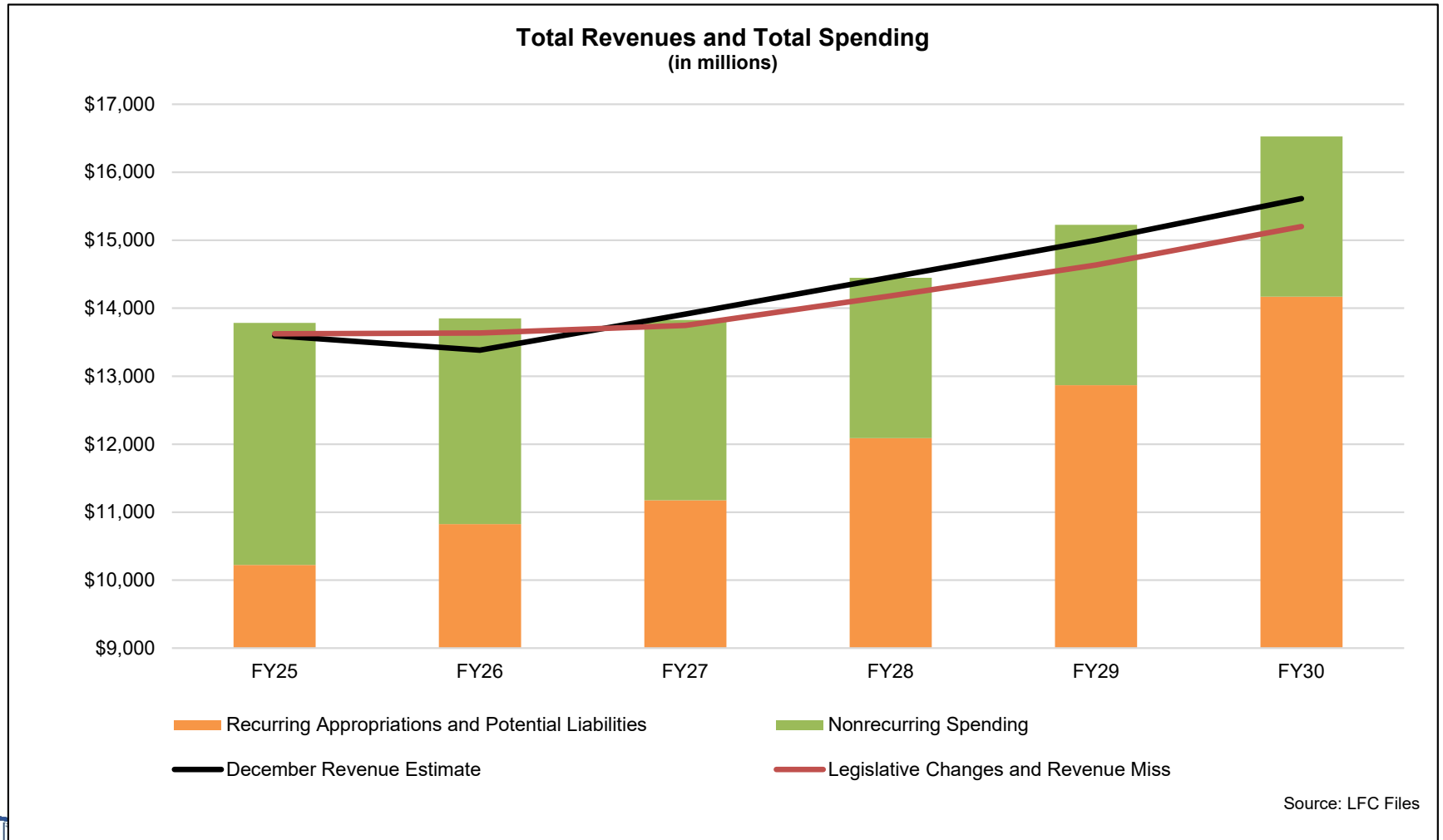
**General Fund Revenue Sensitivity Analysis**  
(in millions)



**Funds or Reductions Needed to Meet Stress Test Scenario**  
(millions)



# Liabilities combined with a recurring downturn can require use of the solvency playbook.



# Next steps for the solvency framework.

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- Gathering input
- Analyzing return/efficiency of programs
- Complete an inventory of available buffers



The framework is the result of a solvency team advancing analysis never done before.

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Charles Sallee, Director

Connor Jorgenson, Analyst

Eric Chenier, Analyst

Cally Carswell, Analyst

Matt Goodlaw, Evaluator



Thank you!

Questions?

