

Consensus General Fund Revenue Outlook

Presentation to:
Legislative Finance Committee
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Outline

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

Consensus Revenue Estimating Group

Participating Agencies

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New Mexico Taxation and Revenue Department

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New Mexico Department of Transportation

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Legislative Finance Committee

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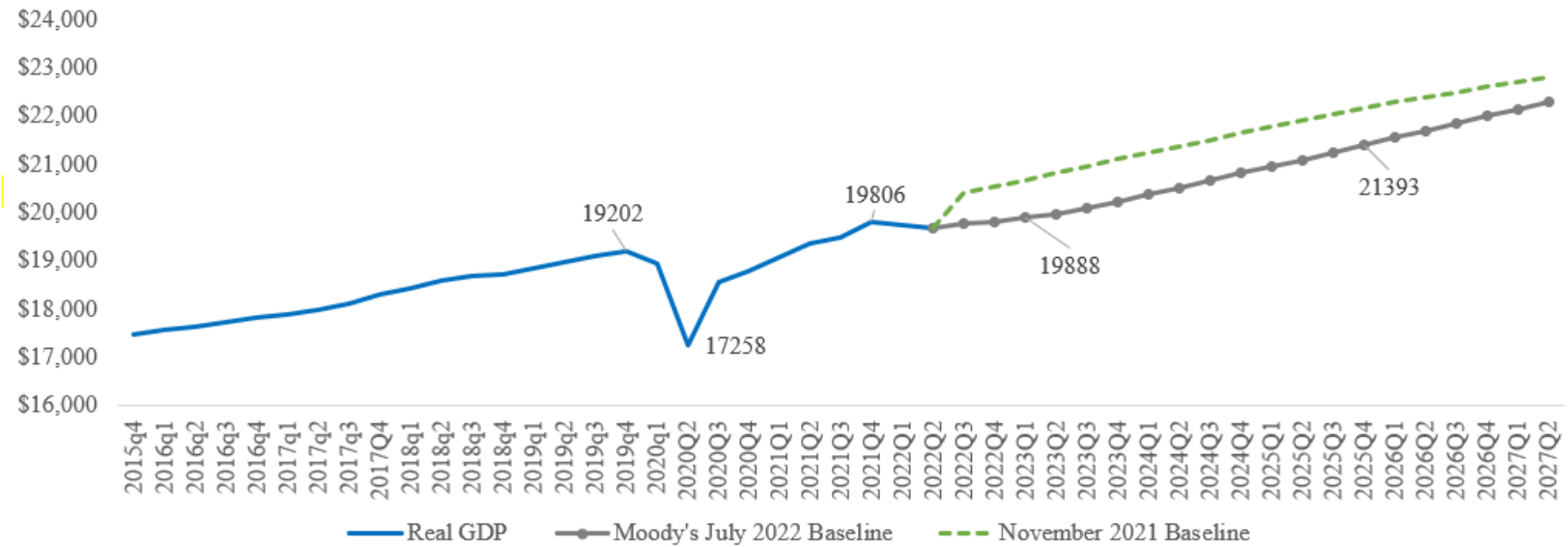
U.S. & N.M. Economic Indicators

- National Forecasters' Baseline Assumptions
- Moody's Analytics:
 - Anticipate the Federal Reserve to increase the federal funds rate at the September meeting
 - Predict two more rate hikes in 2023
 - Forecasts WTI crude oil prices peaking higher than the previous forecast
 - Labor market growth moderates
- IHS Markit
 - Expects the economy to resume modest positive growth
 - Federal government relief monies and Infrastructure Investment and Jobs Act (IIJA) limit state and local fiscal contractions

U.S. Real Gross Domestic Product

U.S. Real Gross Domestic Product: 2015 Q4 to 2022 Q2, Forecast 2022Q3-2027Q2

(billions of chained 2012 dollars)



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

➤ National forecasters do not include a national recession in baseline forecasts

➤ Negative forecast growth in 2022Q2 due to decreases in:

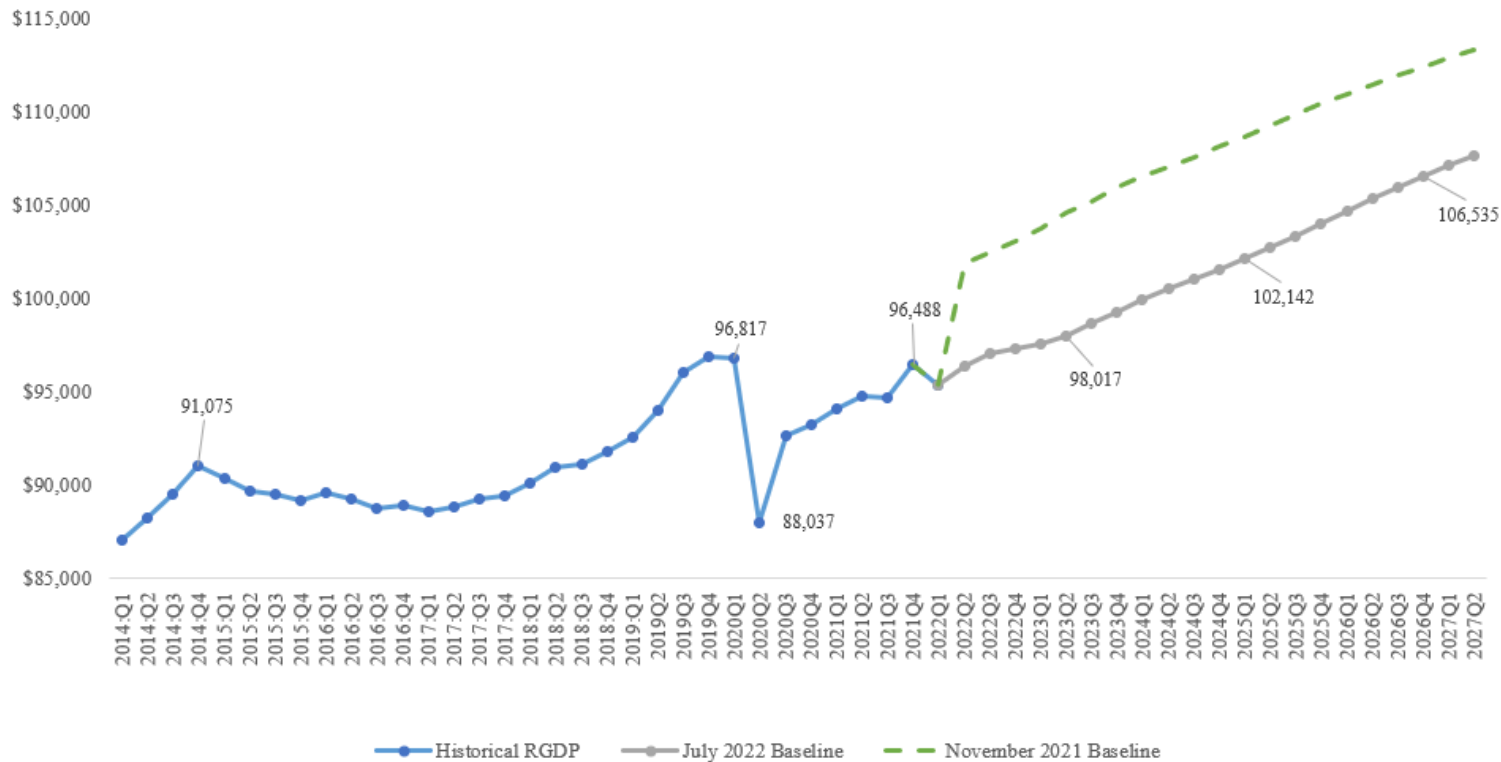
- private inventory investment
- residential fixed investment
- federal government spending
- state and local government spending
- nonresidential fixed investment

➤ Contractions offset by increased exports and personal consumption expenditures

➤ Baseline forecast anticipates RGDP growth to reach about 2% annualized growth in the out years

N.M. Real Gross State Product

N.M. Real Gross Domestic Product 2014Q1-2021Q1, Moody's Forecasts 2021Q-2027Q2

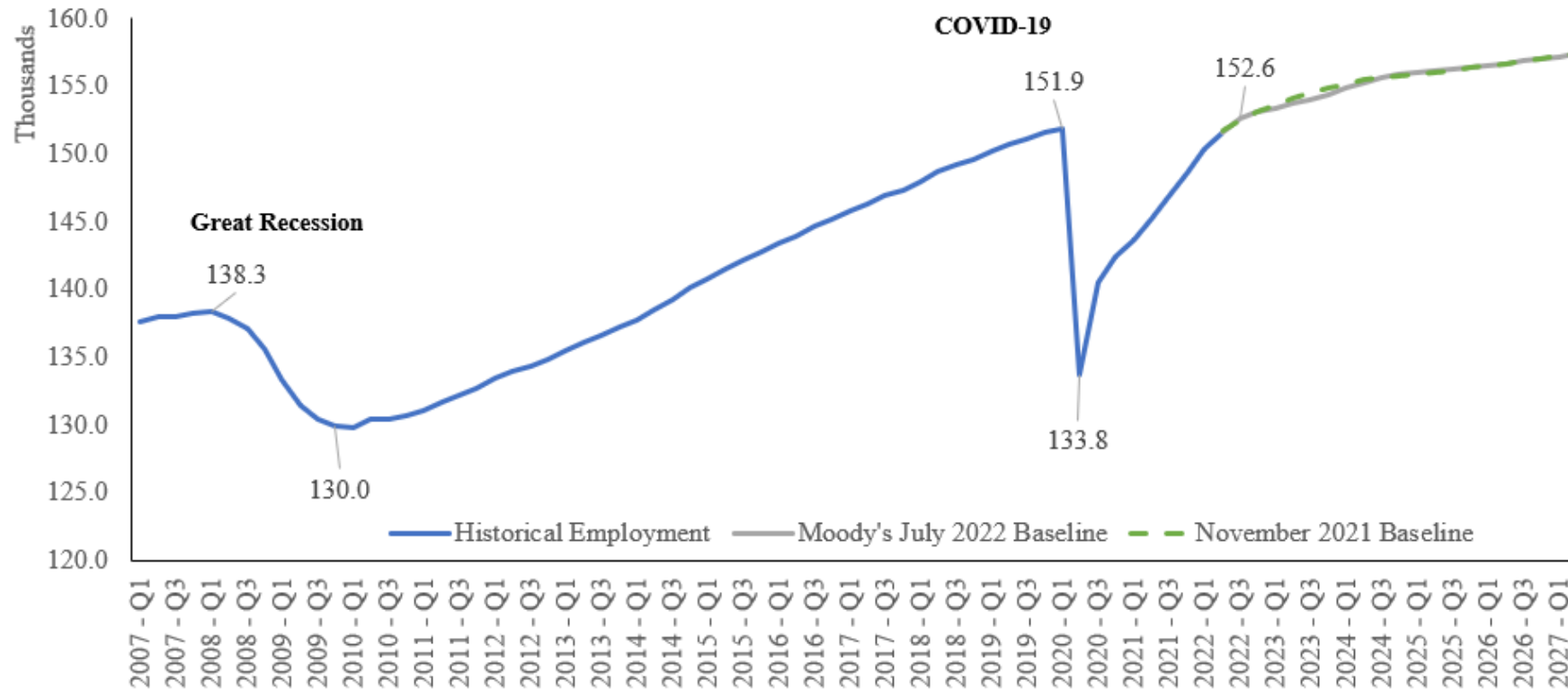


Source: Moody's July 2022 and November 2021 Baseline Scenario vs. Historical Values from the Bureau of Economic Analysis

- New Mexico Real Gross State Product contracted in 2022Q1
- Current Moody's and BBER baseline forecast expect moderate to slow growth
- The downward revision from the prior forecast is caused by technical revisions of the Bureau of Economic Analysis (BEA)
 - BEA revised 2016Q1 through 2021Q3 RGSP estimates in February 2022 due to a data processing error

U.S. Total Non-Farm Employment

U.S. Total Non-Farm Employment: 2007Q1 to 2022Q2, Moody's Forecast 2022Q3 to 2027Q2
(1,000s of jobs)

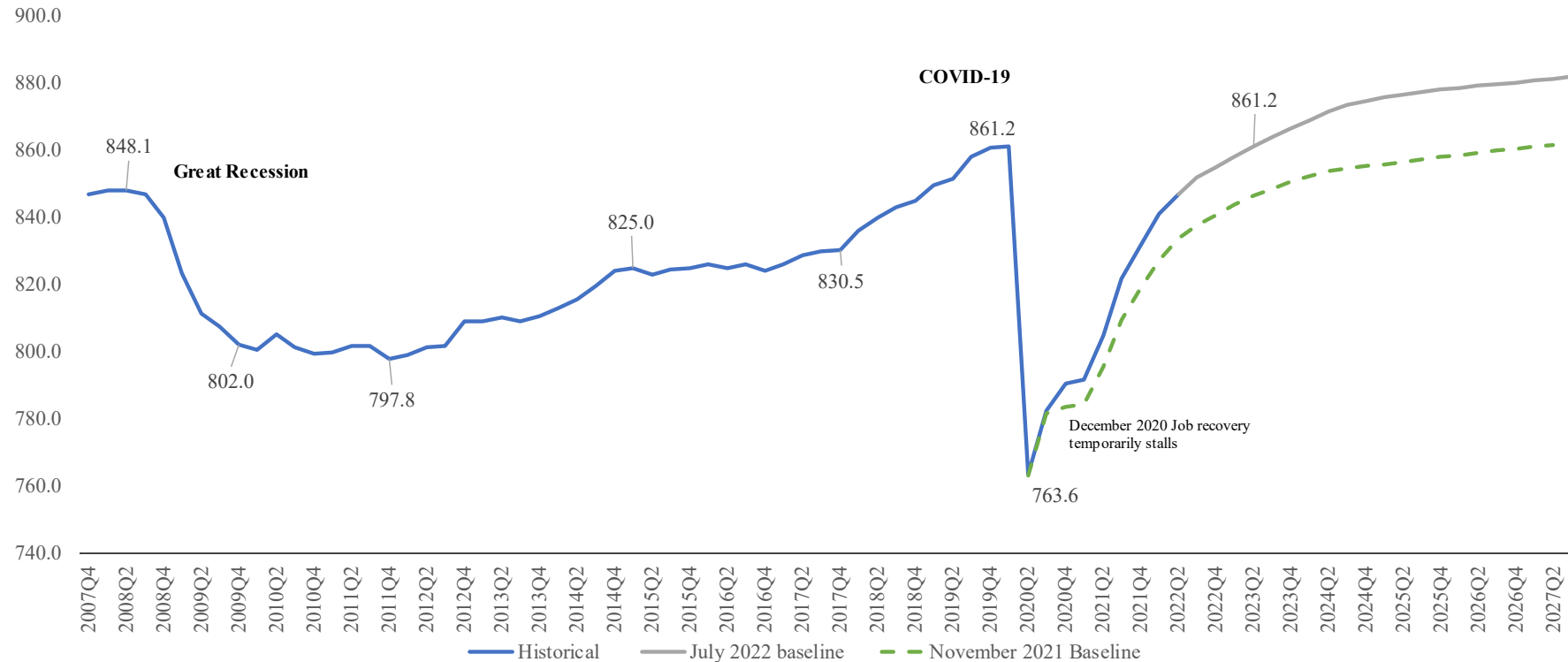


Source: Bureau of Labor Statistics

- Both national forecasters see continued national employment recovery from pandemic
 - Country at full employment with an unemployment rate at 3.5% in 2022Q3
- Competitive and tight labor market
- Labor market remains strong despite two quarters of negative RGDP growth (2022Q1 and 2022Q2)

N.M. Total Non-Farm Employment

N.M.'s Quarterly Total Non-Farm Employment by Forecast: 2007Q4 to 2027Q2



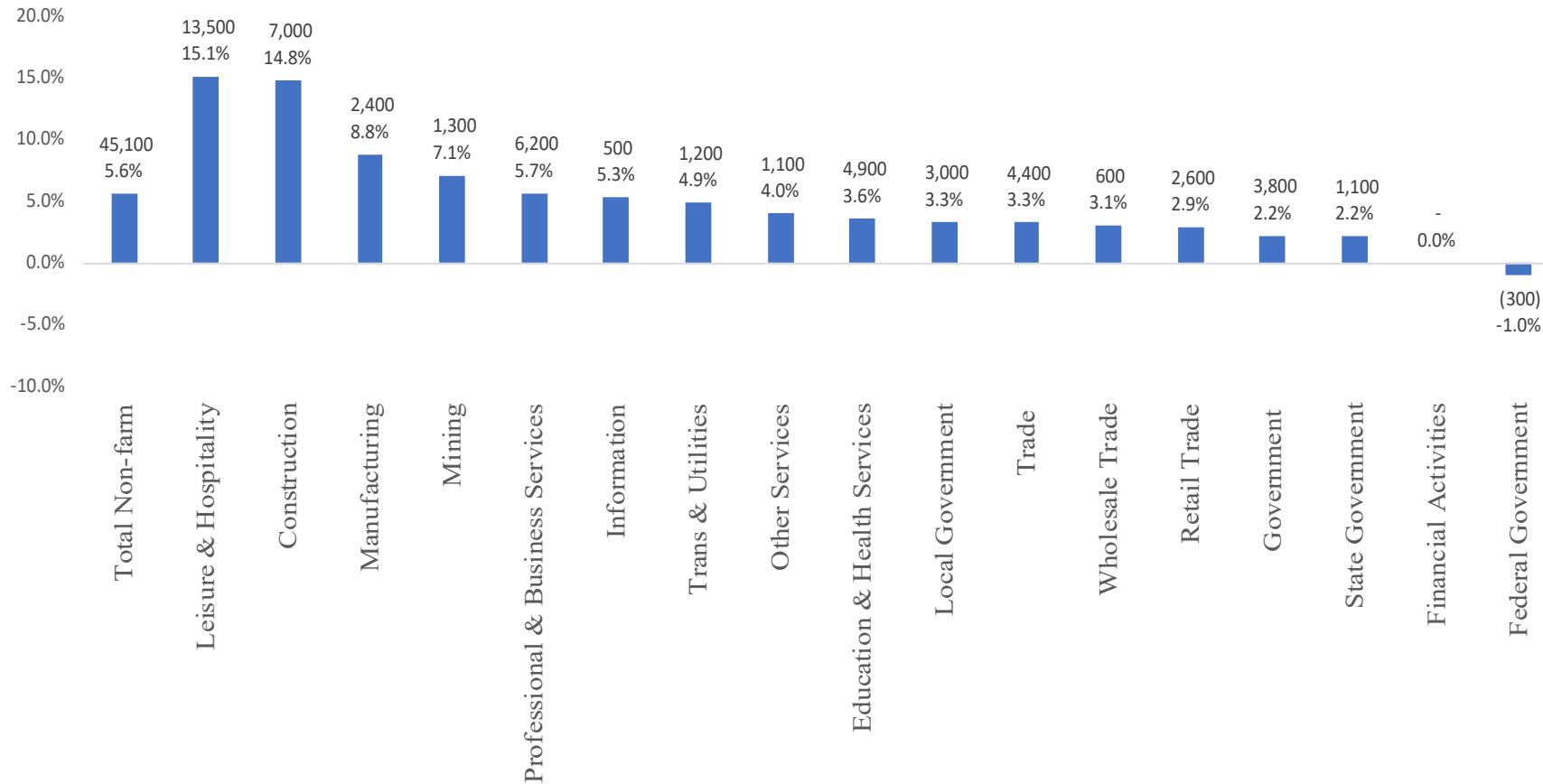
Source: bls.gov, Moody's Analytics

- New Mexico is on track to return to March 2020 pre-pandemic employment levels in the next few months
 - While the U.S. has reached pre-pandemic employment, New Mexico is 10,000 jobs away from pre-pandemic levels
- New Mexico's monthly employment is forecasted to grow by an average of 1,400 jobs per month through 2022 and by an average of 900 jobs per month for 2023

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

Percent Change and Level Change in Non-Farm Employment in N.M. by Sector

June 2021 to June 2022



➤ New Mexico year-over-year total non-farm employment increased 5.6% or 45,100 jobs in June 2022

➤ Employment gains were across most sectors and a few notable sectors:

- Leisure & Hospitality (+13,500)
- Construction (+7,000)
- Manufacturing (+2,400)
- Mining (+1,300)

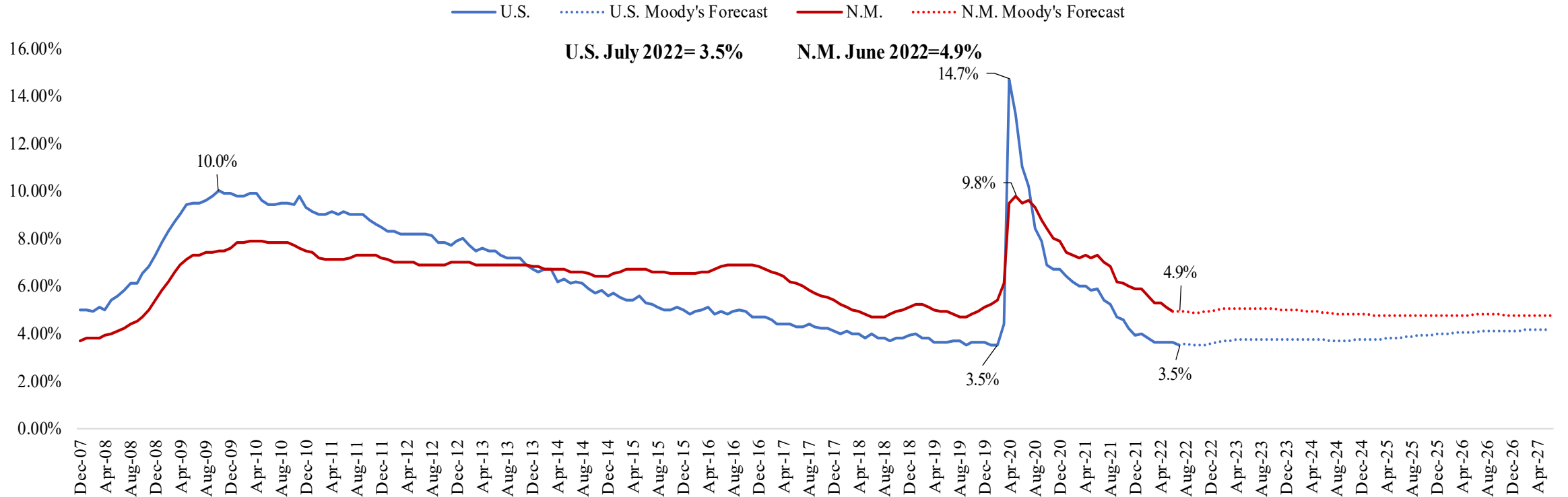
➤ Losses were in Federal Government

➤ Compared to June 2020, total non-farm employment is up 10.1% or 77,800 jobs

Source: bls.gov, CES not seasonally adjusted

U.S. & N.M. Unemployment

U.S. and N.M. Unemployment Rate (percent) : December 2007 to July 2022. Forecast is from August 2022 to April 2027.

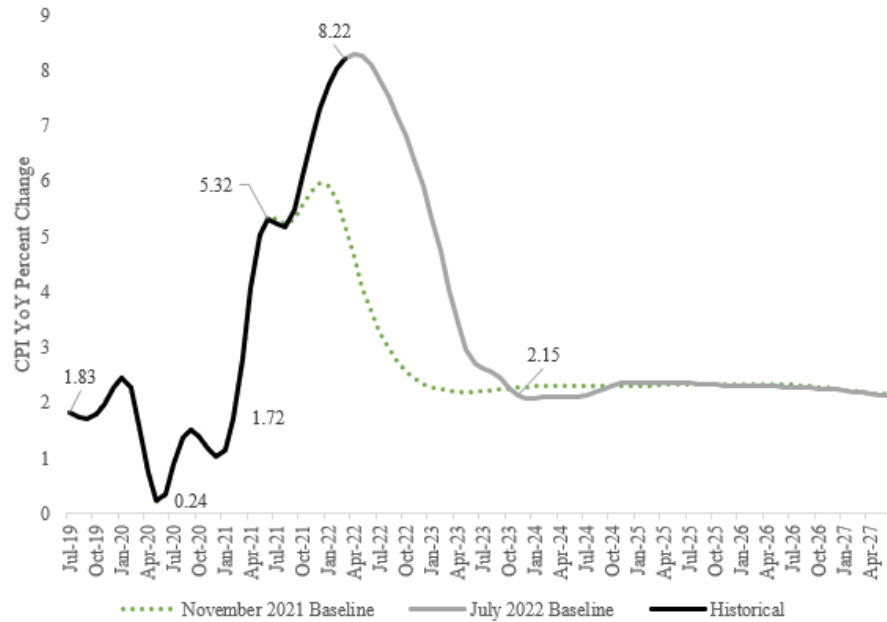


Source: bls.gov, seasonally adjusted

- The national unemployment rate peaked in April 2020 at 14.7% and has declined to 3.5% in July 2022
- The New Mexico unemployment rate peaked in May 2020 at 9.8% and has declined to 4.9% in June 2022
- The nation and state have both returned to pre-pandemic unemployment rate levels

Inflation

Consumer Price Index (CPI-all items) Year-over-year change
July 2019 to Present



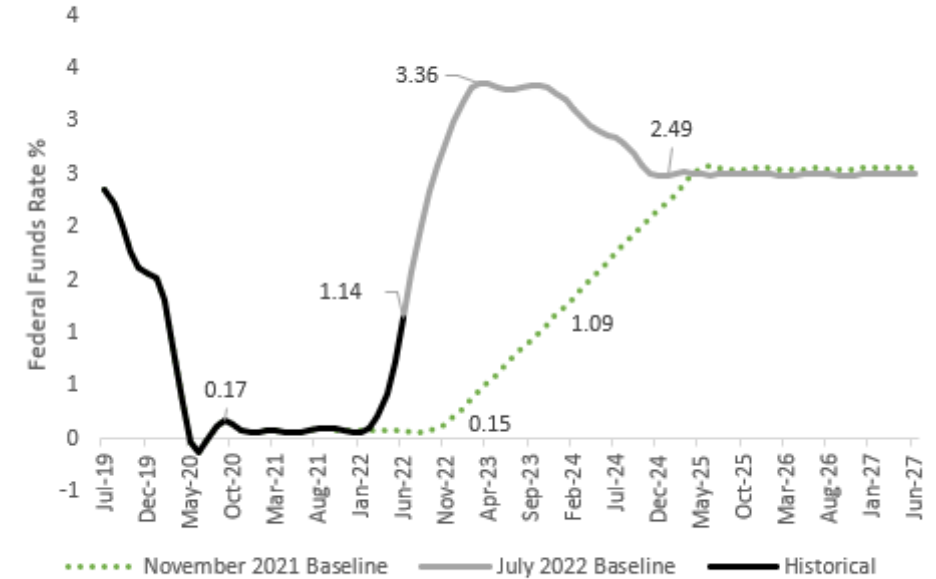
Source: Moody's Analytics

➤ Increases in prices caused by several factors:

- strong demand
- supply chain constraints
- war in Ukraine
- higher input costs (food/labor)
- shifting consumer consumption patterns

➤ Higher persistent inflation is driving wages and salaries higher

Federal Funds Rate
July 2019 to Present



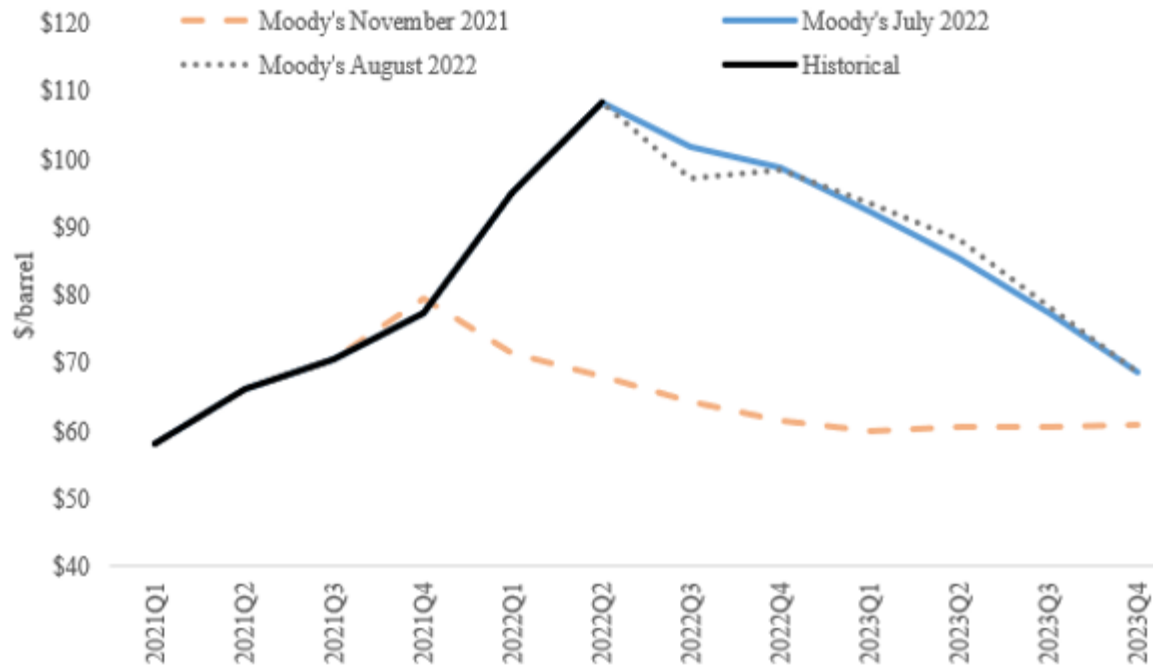
Source: Moody's Analytics

➤ Moody's expect inflation to moderate and return to the Federal Reserve's target inflation rate of about 2% in 2023Q4

Oil & Natural Gas

Oil Prices

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



Source: Moody's Analytics

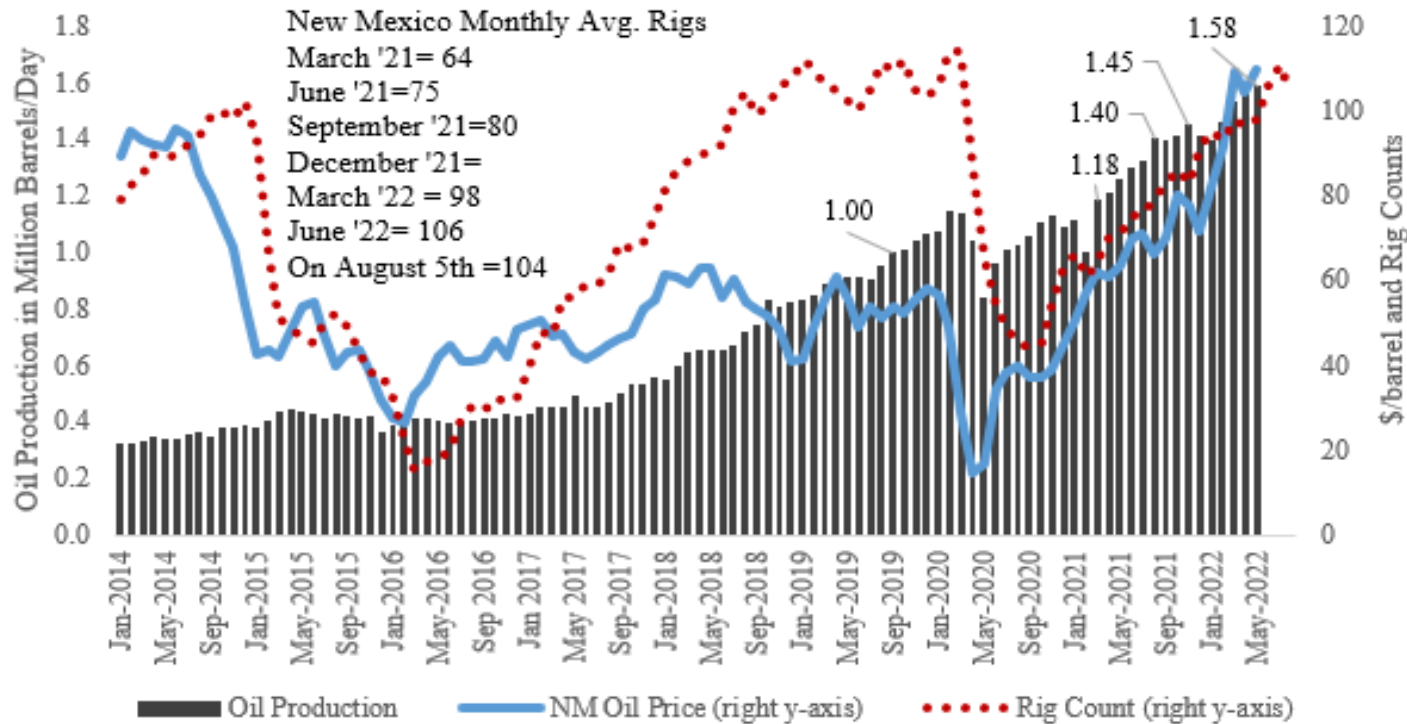
Consensus Forecast	FY22	FY23	FY24	FY25	FY26	FY27
August 2022 Estimate	\$ 86.50	\$ 90.50	\$ 78.50	\$ 72.00	\$ 70.00	\$ 68.50
December 2021 Estimate	\$ 71.50	\$ 64.50	\$ 60.50	\$ 59.50	\$ 59.50	
Oil (\$/barrel)						

- Oil prices are inherently volatile and dependent on oil demand, OPEC+ decisions, inventory levels, and other factors
- The Ukraine and Russian conflict created uncertainty in the oil and natural gas markets exacerbating oil and natural gas price pressures
- Increased demand for oil after two years of slower transportation activities have driven prices upward during peak summer traveling months
- This year, worldwide demand in excess of current production supply has also put upward pressure on prices
- The August 2022 forecast oil price is up \$15/barrel in FY22, \$26/barrel in FY23, and \$18/barrel in FY24
- Prices are expected to remain elevated through FY23 before declining during the forecast period
 - As oil production increases supply and meets demand,
 - The markets price in the impacts of the Ukraine and Russian conflict
 - Traveling demand slows due to high gas prices

New Mexico Oil Prices, Production, & Rigs

NM Oil Production (MMb/d), NM Oil Price (\$ per barrel), & NM Rig Count (number)

January 2014 to April 2022



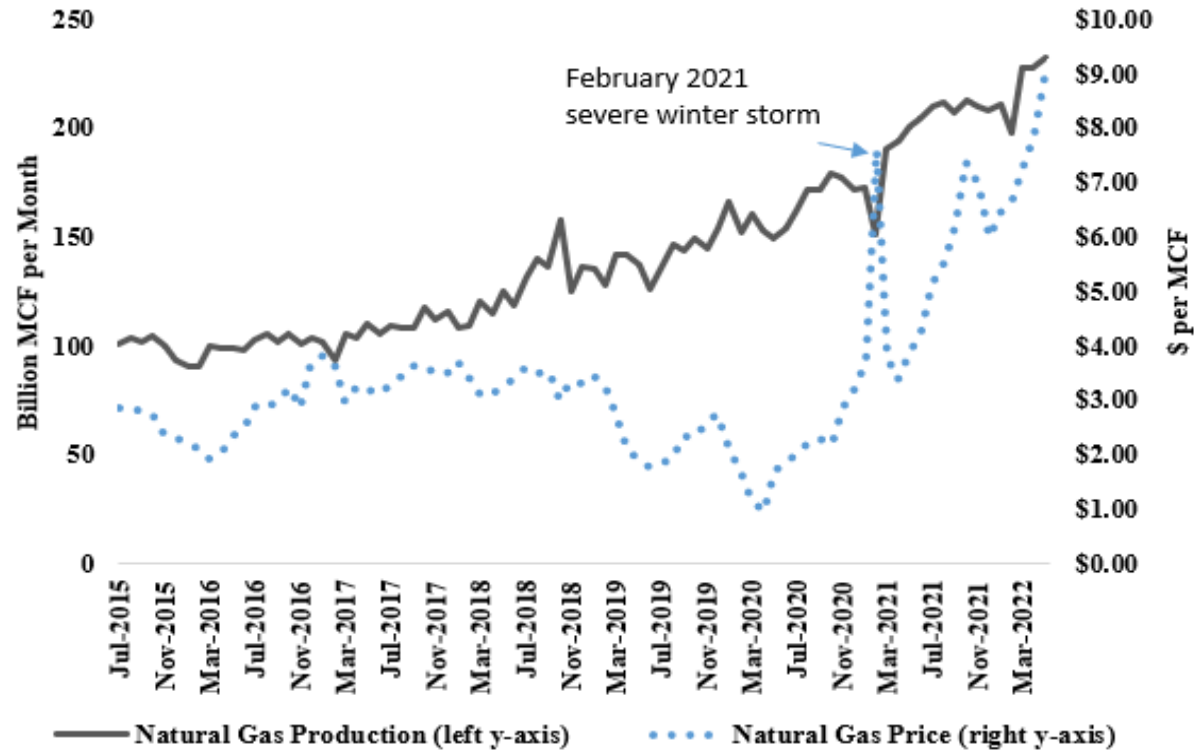
Source: Baker Hughes, TRD (Production and price through May 2022, Rigs through August 2022)

Consensus Forecast	FY22	FY23	FY24	FY25	FY26	FY27
August 2022 Estimate	529.4	590.0	640.0	675.0	710.0	725.0
December 2021 Estimate	496.6	514.5	538.5	556.8	574.1	
Oil Volumes (million barrels)						

- New Mexico oil production expected to reach a high of 529.4 million barrels in FY22 averaging \$86.50/barrel
- Rig count (red line) has increased steadily and reached pre-pandemic highs
- In May 2022, New Mexico registered its highest oil production in state history (black bars) at 1.58 million barrels per day
- Oil volume forecast reflects New Mexico's continued strong recovery given the conducive well economics
 - High yield producing wells
 - Low break-even-points
- New Mexico oil volumes are expected to increase 29.6% in FY22, 11.4% in FY23, and 8.5% in FY24

New Mexico Natural Gas Prices & Production

New Mexico Natural Gas Prices and Production
July 2015 to May 2022



Source: NM TRD GenTax System

- New Mexico natural gas production (black line) is expected to reach a high of 2,585 bcf for FY22 with an average price of \$6.90/mcf (blue line)
- Increased domestic and international demand for natural gas and global supply constraints have driven prices upward
- The Ukraine and Russia conflict and EU bans on Russian energy imports have created uncertainty and put a strain on global energy markets exacerbating price pressures (same as with oil prices).
- Natural gas prices are expected to remain elevated through FY23 and FY24 before returning to trend.
- New Mexico natural gas prices are expected to average \$6.95/mcf in FY23, \$4.75/mcf in FY24, and \$4.30/mcf in FY25
- New Mexico natural gas volumes are expected to increase 6.38% from FY22 to FY23, 5.27% from FY23 to FY24, and 3.45% from FY24 to FY25

Consensus Forecast	FY22	FY23	FY24	FY25	FY26	FY27
August 2022 Estimate	\$ 6.90	\$ 6.95	\$ 4.75	\$ 4.30	\$ 4.30	\$ 4.15
December 2021 Estimate	\$ 5.00	\$ 3.80	\$ 3.40	\$ 3.30	\$ 3.35	
Natural Gas (\$/mcf)						

Consensus Forecast	FY22	FY23	FY24	FY25	FY26	FY27
August 2022 Estimate	2,585.0	2,750.0	2,895.0	2,995.0	3,080.0	3,140.0
December 2021 Estimate	2,395.0	2,420.0	2,460.0	2,505.0	2,535.0	
Natural Gas (BCF)						

Personal Income Taxes

Wage & Salary Outlook

NM Total Wage & Salary Disbursements

(\$billions)



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

NM Annual Wage & Salary Growth

12%

10%

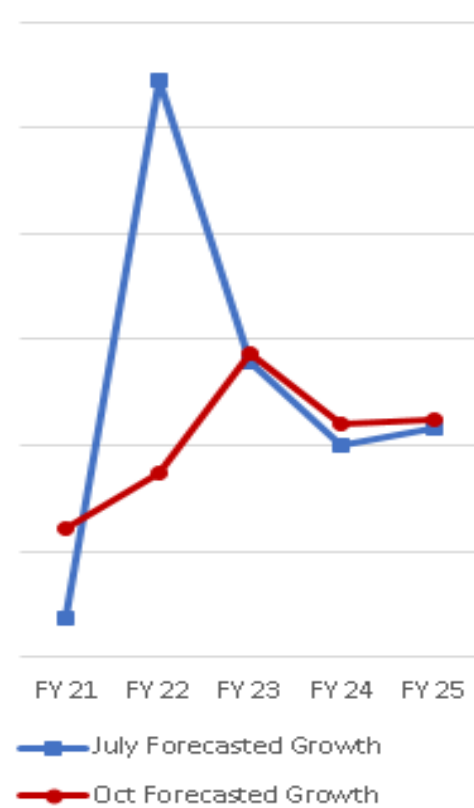
8%

6%

4%

2%

0%



Source: UNM BBER

Adjusted Gross Withholding

(\$millions)

\$600

\$500

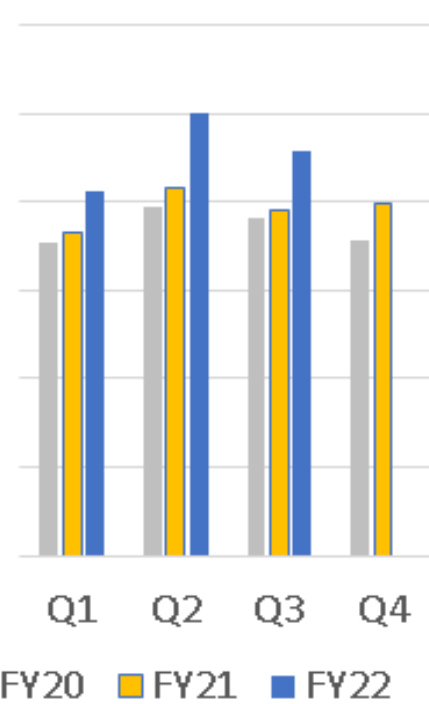
\$400

\$300

\$200

\$100

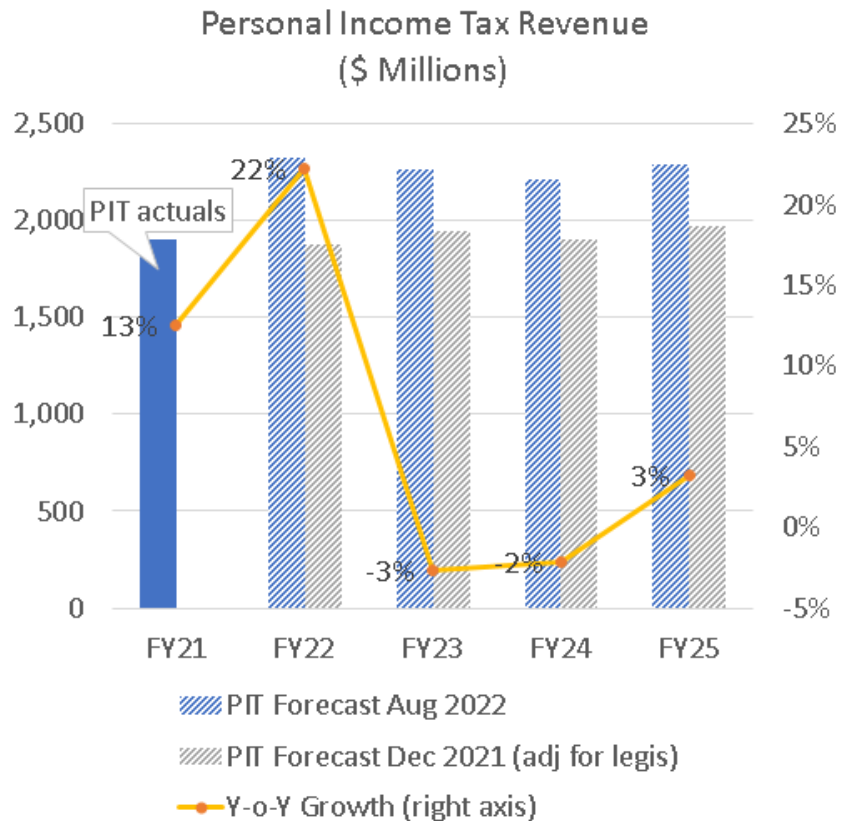
\$0



Source: DFA Reports, CREG adjustments

- Strong upward revision of FY22 NM wage & salary outlook (UNM BBER)
- FY22 growth in wages translated into strong withholding through first 3 quarters of FY22
- Wage & salary growth in FY23 through FY25 between 4% and 6% but at higher aggregate levels

Personal Income Tax Outlook



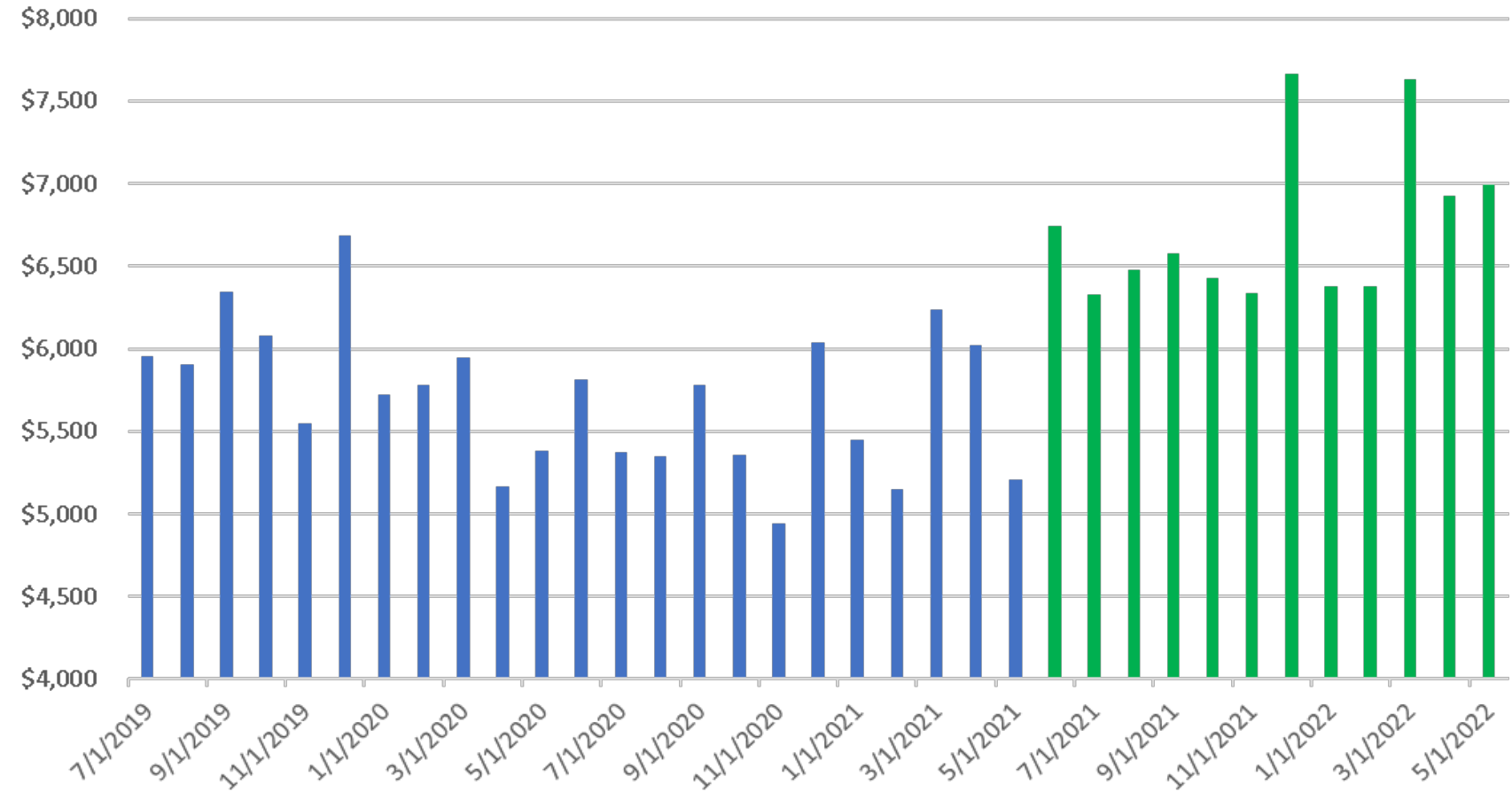
- PIT FY22 revenue estimated to see 22% growth, surpassing \$2 billion in revenue
 - Continued steady employment recovery
 - Strong wage & salary growth
 - Strong oil & gas / pass-thru withholding
- FY23 & FY24 growth declining 2-3% due to new legislative changes taking effect
 - Additional increase of Working Families Tax Credit (FY24 - 25% of federal earned income tax credit)
 - Social Security & Military Retirement Exemptions
 - Child Tax Credit
 - But revenue remains above \$2 billion with steady wage & salary growth
- PIT revenue does not include non-recurring rebates/credits (\$1 billion over FY22 & FY23 – included instead in non-recurring revenue line)
 - HB 2 – June and August rebates
 - HB 163 – July income determined rebates and \$20m non-filer payments (thru appropriation)
 - HB 163 – One-time Nurses Credit

Source: Aug 2022 CREG Estimates

Gross Receipts Taxes

FY22 through May – Strong Economic Activity

Matched Taxable Gross Receipts (MTGR)
(\$millions)

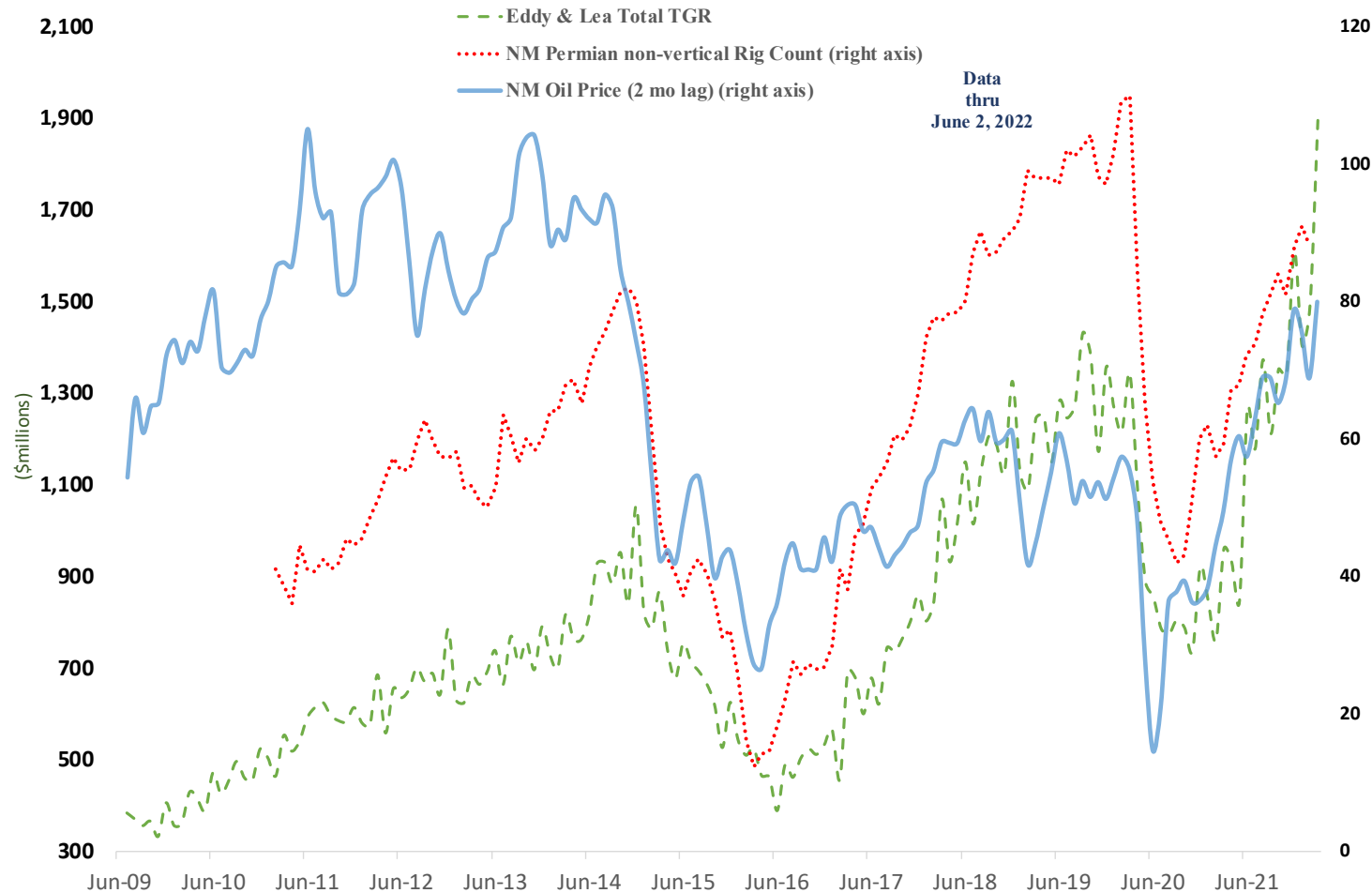


Source: Taxation & Revenue Department RP500 Reports, Author's calculations

- Growth in gross receipts tax base seen in Matched Taxable Gross Receipts (MTGR)
 - Higher base with inclusion of internet sales and destination-based sourcing
- Growth in gross receipts tax seen across all industries
- Especially strong growth:
 - Oil & natural gas extraction in the Permian basin in southeast New Mexico
 - Strong retail trade driven by high consumer demand

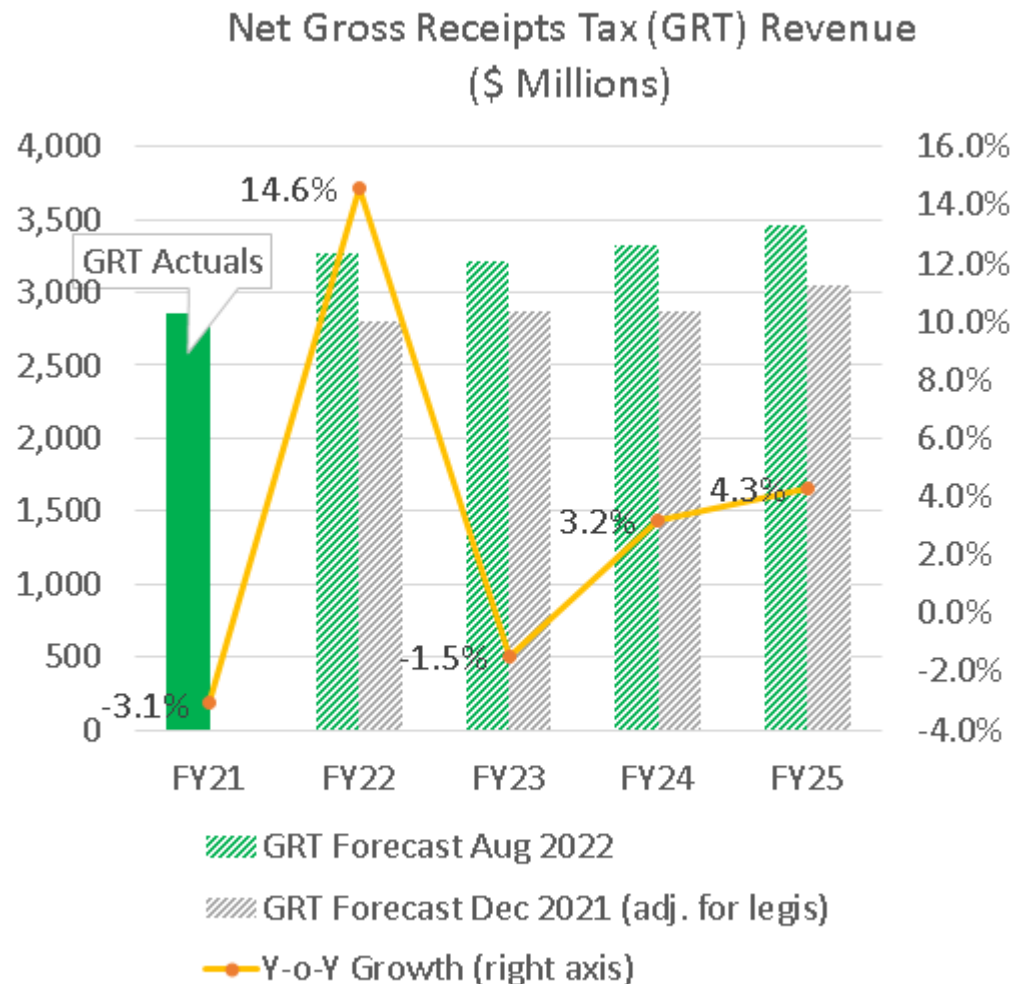
MTGR Eddy & Lea Counties

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



- Strong relationship between oil production, rig activity, and MTGR in Eddy and Lea counties
- Generally, price increases lead to increase rig count, which leads to higher GRT
- This highlights New Mexico's sensitivity to changes in the oil and natural gas markets via Eddy and Lea's share of GRT to the state total

Gross Receipts Tax Outlook



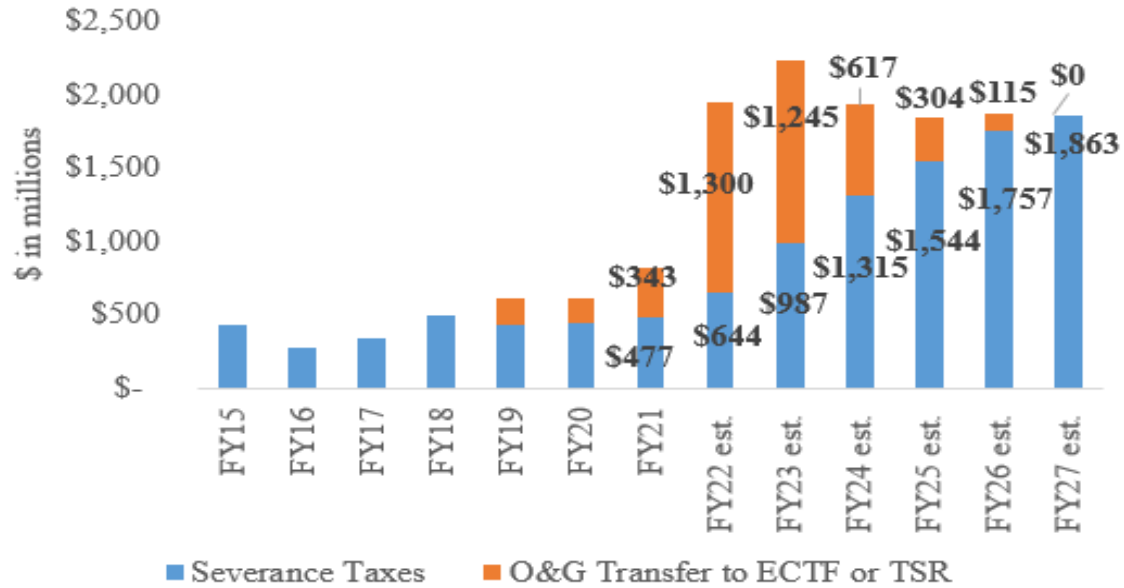
Source: Aug 2022 CREG Estimates

- August 2022 forecast includes significant upward revisions from December 2021 putting GRT revenue above \$3 billion
- FY22 expected to increase 14.6% due to:
 - Continued employment recovery and wage & salary growth
 - Oil & natural gas strength
 - Boosts from one-time construction projects
- This despite previous expectation of decline due to non-economic activity:
 - Loss of 1.225% municipal share on internet sales
 - One-time general fund \$50 million settlement payment
- FY23 & FY24 – revenue stabilizes:
 - Revenue is expected to remain above pre COVID-19 levels
 - Includes state GRT rate cut of 1/8th percent July 1, 2022, additional 1/8th percent decrease July 1, 2023, and changes to local hold harmless phase out.

Severance Taxes & Rents & Royalties

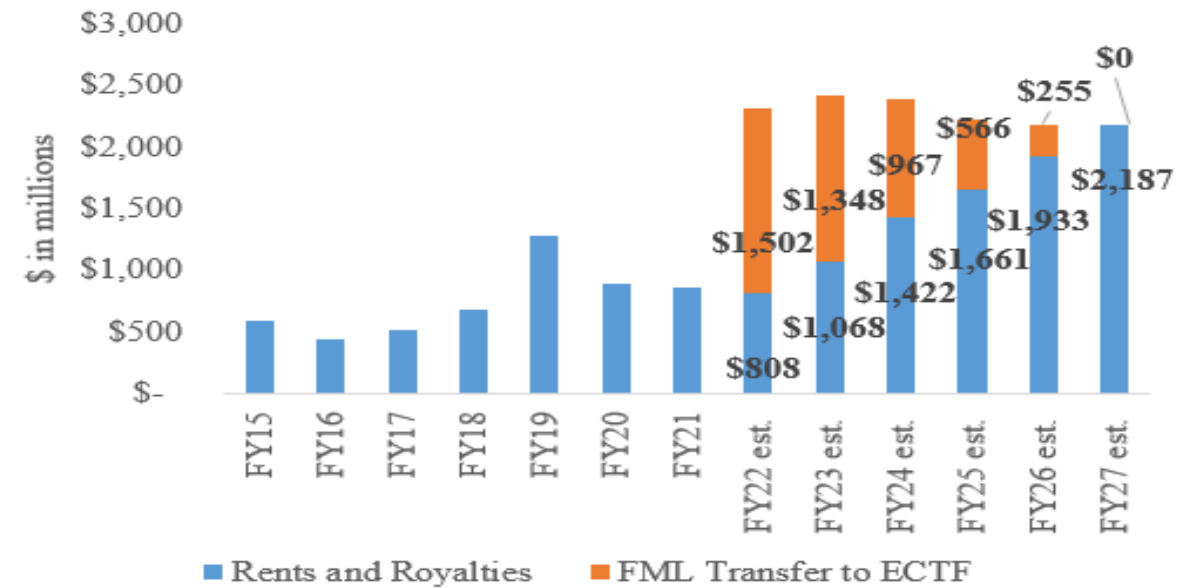
Severance Taxes & Federal & State Rents and Royalties

Severance Tax Revenues From FY15 to FY27



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

Rent & Royalty Revenues from FY15 to FY27

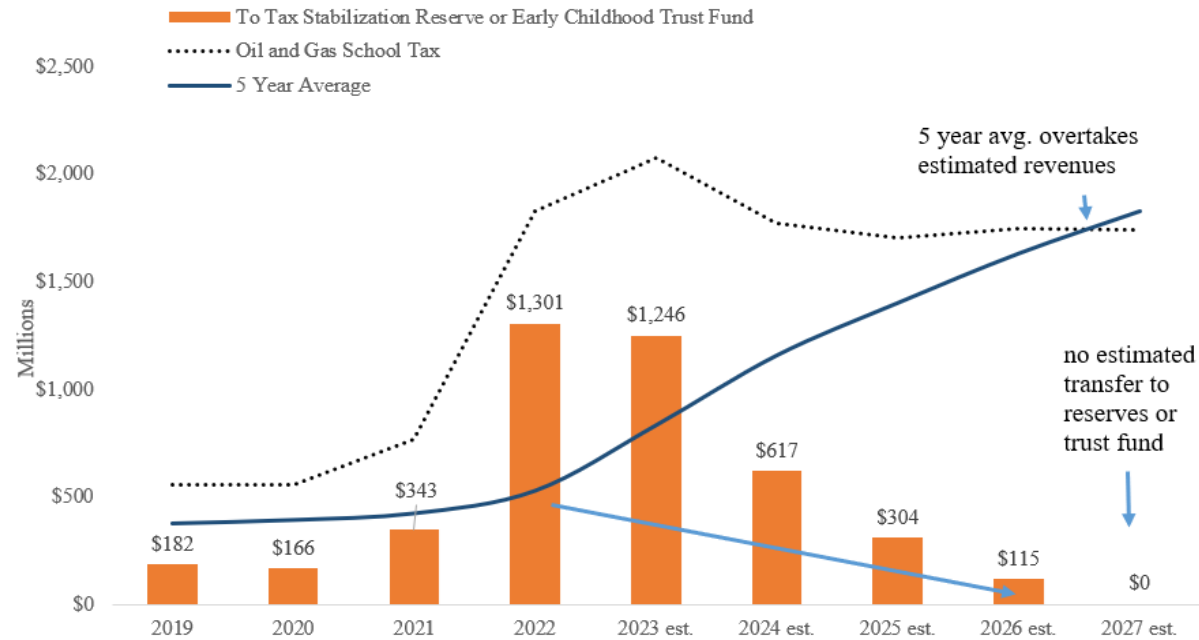


Source: DFA, CREG, Author's calculation, Early Childhood Trust Fund

- Severance taxes and rents and royalties are distributed under 5-year average mechanisms, windfalls are diverted from the general fund to Early Childhood Trust Fund or Tax Stabilization Reserve
- Elevated oil and natural gas prices have driven severance tax and rents and royalties revenue to unprecedented levels
- Transfers to the Early Childhood Trust Fund from FY22 activity will total \$2.8 billion and are expected to total \$2.6 billion in FY23
- FY23 severance tax revenue to the general fund is expected to increase from \$644 million to \$987 million
- FY23 rents and royalties revenue to the general fund is expected to increase from \$808 million to \$1.01 billion

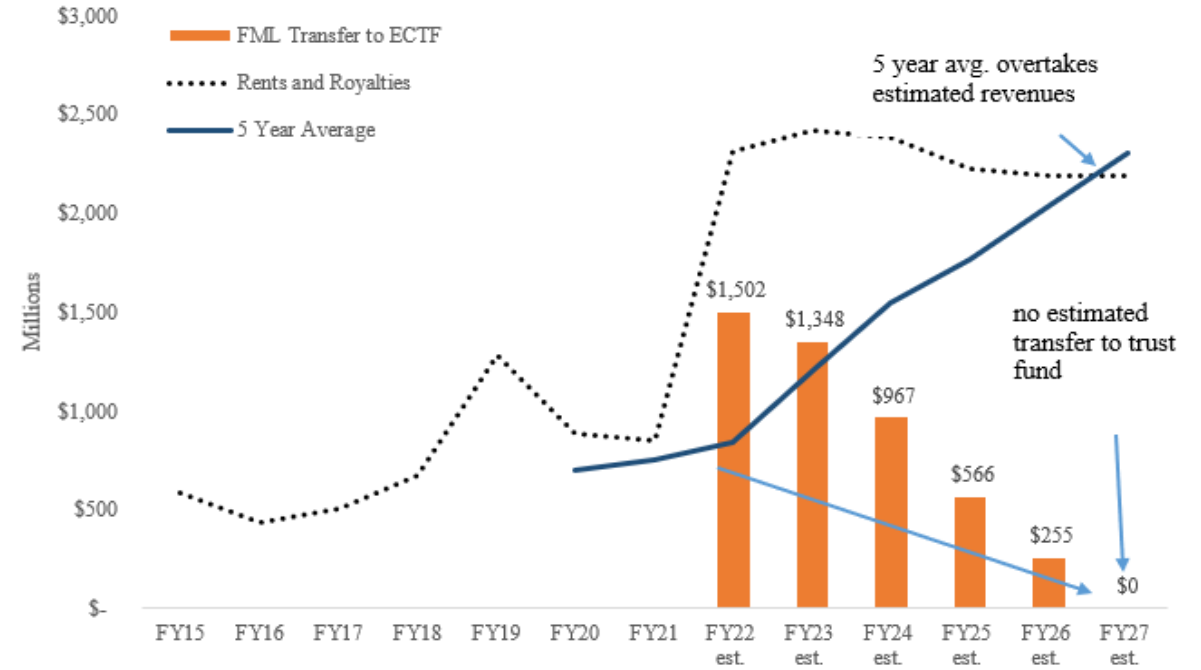
Severance Taxes & Federal & State Rents and Royalties vs. 5-year average

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



Source: DFA, CREG

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



Source: DFA, CREG

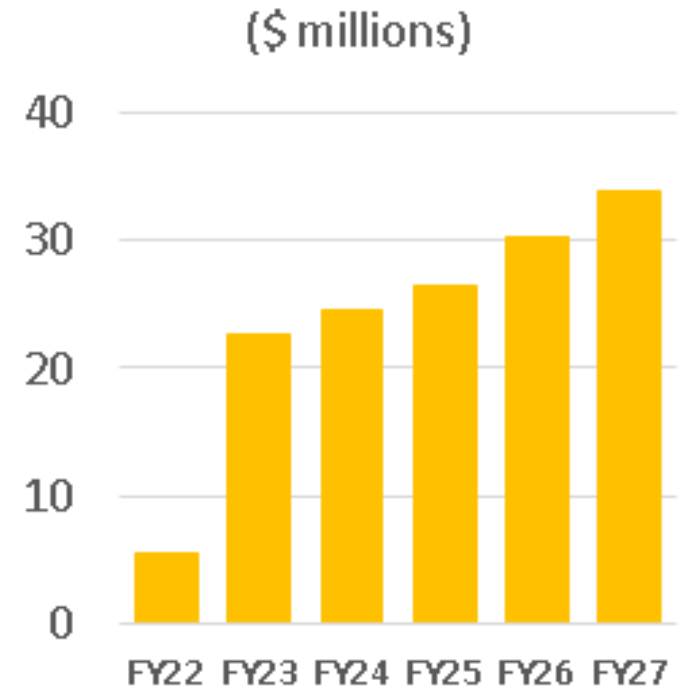
- In the forecast period, the 5-year average for both revenues' climbs, reducing the amounts diverted from the general fund
 - In FY27, 5-year averages are forecast to be higher than revenues preventing transfers to reserves or Early Childhood Trust Fund
 - This directly exposes state general fund recurring revenues to negative energy market shocks
 - At this point, the state's reserves or general fund recurring revenues directly absorb the effects of an energy downturn

Other Revenues

Cannabis Excise Tax

- Adult-Use Cannabis Retail Sales – started April 1, 2022
- FY23 full year of sales, estimated general fund revenue \$22.7 million
- Revenue is forecast to grow by about 10.6% per year

Cannabis Excise Tax Revenue Forecast



Source: Aug 2022 CREG Estimates

General Fund Overview

General Fund Overview

FY22

- FY2022 GF Recurring Revenue increased by 14 percent over FY2021
- FY2022 GF Reserves are estimated at \$2.73 billion or 36.7% of recurring appropriations

FY23

- FY2023 GF Recurring Revenue is estimated to increase by 6.8 percent vs. FY2022
- FY2023 GF Reserves are estimated at \$3.76 billion or 44.8% of recurring appropriations*

FY24

- FY2024 GF Recurring Revenue is forecasted to grow by 10.3 percent vs. FY2023
- “New Money” for FY2024 is forecasted to be \$2.455 billion

* Pending 2023 legislative appropriations

N.M. Consensus General Fund Revenue Summary

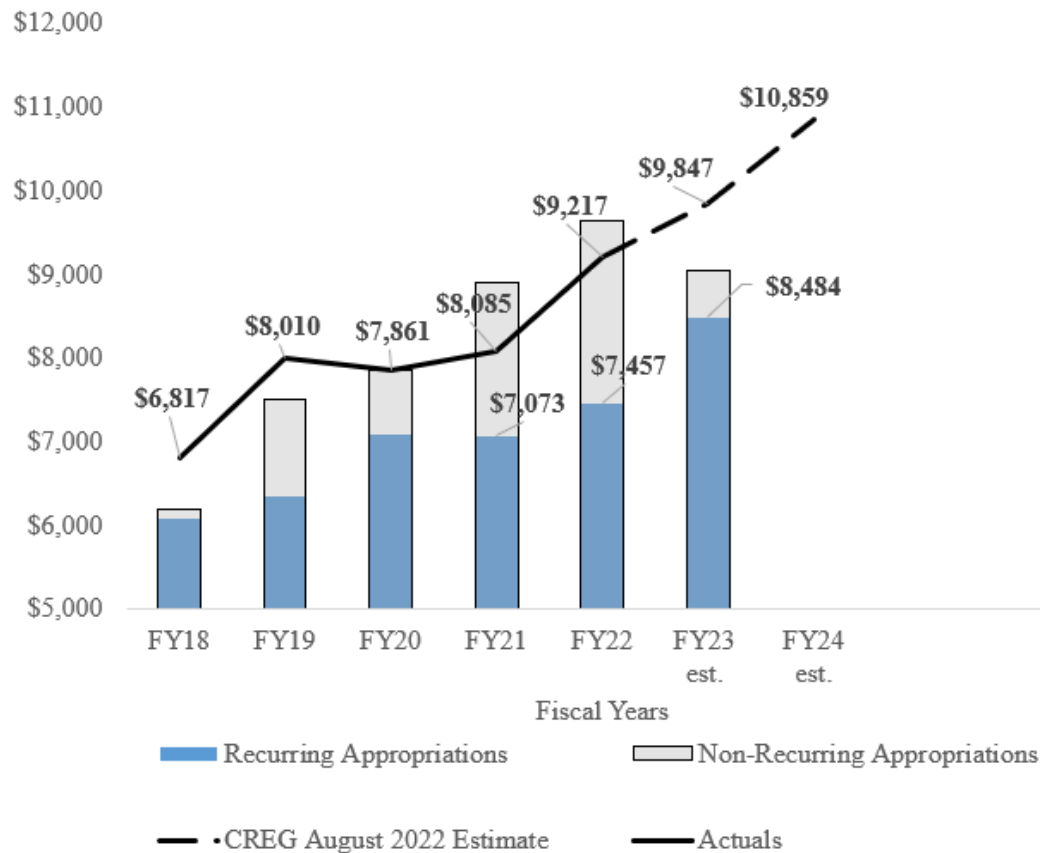
Table 1
August 2022 Consensus General Fund Forecast
(Millions of Dollars)

	FY22		FY23		FY24		FY25	
	\$ Millions	% Change	\$ Millions	% Change	\$ Millions	% Change	\$ Millions	% Change
General Sales	\$ 3,331	14.3%	\$ 3,282	-1.5%	\$ 3,387	3.2%	\$ 3,532	4.3%
Selective Sales	\$ 638	2.2%	\$ 705	10.5%	\$ 719	2.0%	\$ 776	8.0%
Income Taxes	\$ 2,633	28.2%	\$ 2,467	-6.3%	\$ 2,406	-2.4%	\$ 2,476	2.9%
O&G Revenue	\$ 1,452	9.1%	\$ 2,055	41.5%	\$ 2,737	33.2%	\$ 3,204	17.1%
Investment Income	\$ 908	-5.5%	\$ 1,086	19.6%	\$ 1,356	24.9%	\$ 1,497	10.4%
Other	\$ 256		\$ 253	-1.2%	\$ 254	0.5%	\$ 255	0.5%
Total Recurring Revenue	\$ 9,217	14.0%	\$ 9,847	6.8%	\$ 10,859	10.3%	\$ 11,741	8.1%
Total Nonrecurring	\$ (904)		\$ (106)					
Grand Total Revenue	\$ 8,313	3.3%	\$ 9,742	17.2%	\$ 10,859	11.5%	\$ 11,741	8.1%

- FY22 revenue growth was mainly in General Sales and Income Taxes
- In FY22 and FY23, growth in revenue driven by oil and natural gas prices and production is mainly captured by the excess transfers
- In the August 2022 forecast, FY24 over FY23, 67 percent of the recurring general fund revenue increase comes from severance and rents & royalties revenue

Consensus General Fund Revenue Forecast

General Fund Recurring Revenue Forecast FY23 to FY24



Source: DFA

August 2022 Forecast compared to the December 2021 Forecast

Forecast	FY22	FY23	FY24	FY25
August 2022 Base	\$ 9,217	\$ 9,847	\$ 10,859	\$ 11,741
December 2021 Base	\$ 8,163	\$ 8,845	\$ 9,235	\$ 9,767

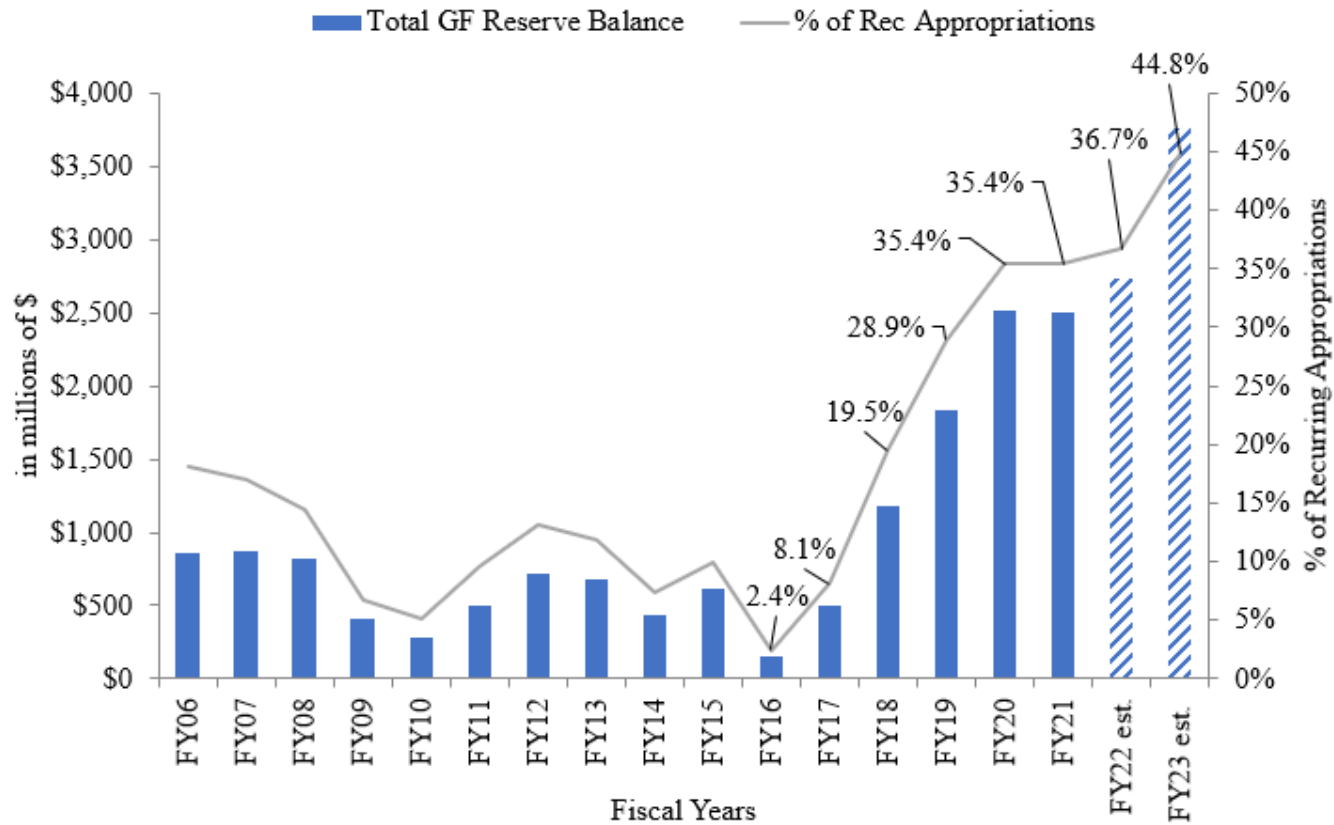
August 2022 Forecast compared to the December 2021 Forecast

Forecast	FY22	FY23	FY24	FY25
August 2022 Base	\$ 1,054	\$ 1,002	\$ 1,624	\$ 1,973

- The August 2022 consensus general fund forecast has improved over the December 2021 forecast by \$1 billion in FY23, \$1.6 billion in FY24, and \$1.9 billion in FY25.
- In FY23 the increase over the December forecast is driven primarily by General Sales and Income Taxes while Oil and Gas revenues are captured by the excess transfers
- In FY24 the increase over the December forecast is driven equally by General Sales , Income Taxes, and Oil and Gas revenues

General Fund Reserves

General Fund Reserve Balances as a Percent of Recurring Appropriations



Source: DFA, FCD, CREG

- FY21 general fund reserve balances are \$2.5 billion or 35.4% of recurring appropriations
- Estimated FY22 general fund reserve balances are estimated at \$2.73 billion or 36.7% of recurring appropriations.
- Estimated FY23 general fund reserve balances are estimated at \$3.76 billion or 44.8% of recurring appropriations.*
 - (*pending 2023 legislative appropriations)

General Fund Financial Summary (\$ in millions)

	FY2022	FY2023	FY2024
Beginning Balance (General Fund Reserves)	\$2,504.8	\$2,734.4	\$3,761.1
Total Revenue (Recurring Revenue)	\$9,216.7	\$9,847.1	\$10,859
Spending (Recurring Appropriations)	(\$7,457.3)	(\$8,404.3)	“New Money” \$2.455 billion
Reserve Transfers, etc.	(\$202.0)	\$1,237.4	
Ending Balance (General Fund Reserves)	\$2,734.4	\$3,761.1	
General Fund Reserves as a Percent of Recurring Appropriations	36.7%	44.8%*	

* Pending 2023 legislative appropriations

Risks to the Forecast

➤ Downside

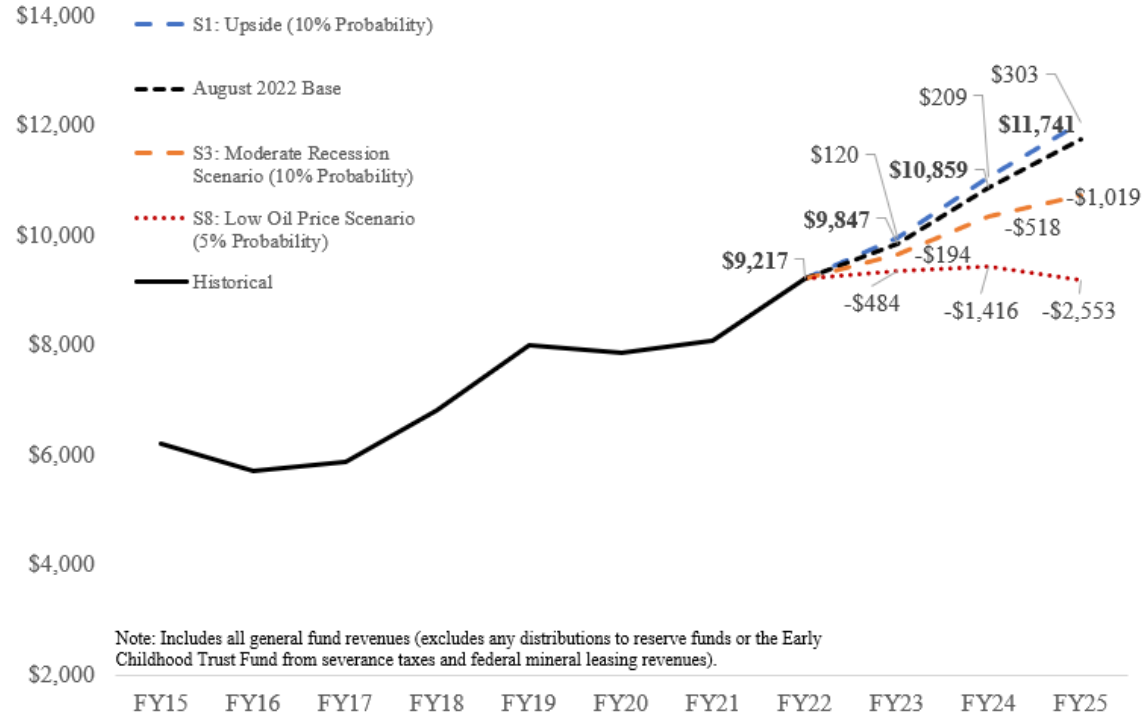
- The Ukraine-Russian conflict persists and continues to disrupt energy markets
 - Impacts supply and demand side of the economy
- The Federal Reserve does not achieve a “soft landing”
 - A recession occurs
 - Employment losses and the unemployment rate increases
 - Gross domestic product contracts
 - Decrease in consumption
- Supply-chain shortages and constraints continue
- Higher persistent inflation continues impacting consumer behavior in the long-run

➤ Upside

- Supply-chain shortages/issues are resolved sooner than anticipated
- The Federal Reserve achieves a “soft landing”
 - The fears and uncertainty about a recessionary event resolve
 - Prices continue to decrease, and the inflation rate returns to the Federal Reserves target of 2%

Stress Test

Revenue Sensitivity Analysis



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

- The pessimistic revenue forecast illustrates that a prolonged economic downturn of two to three years could result in revenues lower than the baseline by \$1.4 billion to \$2.5 billion
- Elevated oil and natural gas prices and production contribute a greater share of recurring revenues in the forecast period, increasing the risk to the general fund from negative energy market shocks or recessionary events
- New Mexico's revenue sensitivity to an energy downturn and a national recession event highlights the need for the state to maintain healthy reserve levels

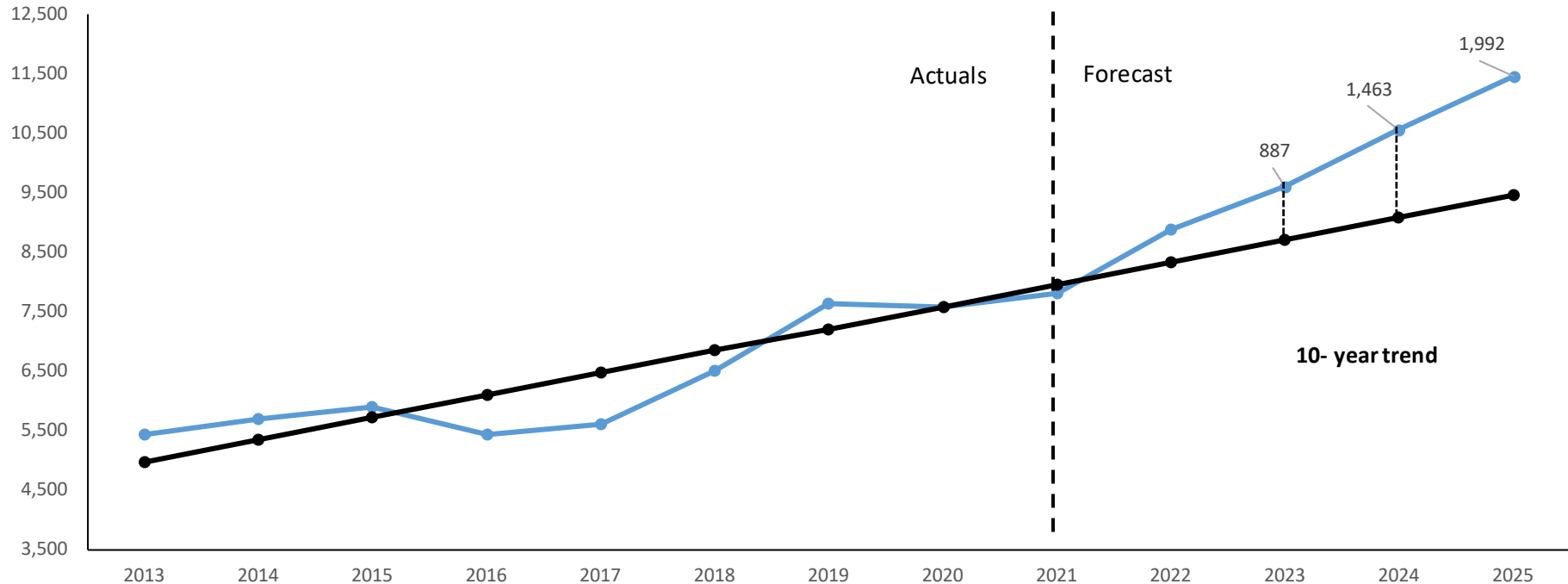
Upside Scenario (in millions)			
	FY23	FY24	FY25
GRT	\$ 123	\$ 197	\$ 267
PIT	\$ 8	\$ 28	\$ 37
Severance to GF	\$ (5)	\$ (11)	\$ (9)
Severance to TSR	\$ (41)	\$ 6	\$ 32
FML	\$ (5)	\$ (4)	\$ 8
FML to ECE	\$ 11	\$ 67	\$ 64
TOTAL	\$ 90	\$ 282	\$ 400
<i>Total GF</i>	<i>\$ 120</i>	<i>\$ 209</i>	<i>\$ 303</i>
<i>Total TSR/ECE</i>	<i>\$ (30)</i>	<i>\$ 73</i>	<i>\$ 97</i>
<i>% TSR/ECE</i>	<i>-34%</i>	<i>26%</i>	<i>24%</i>

Moderate Recession Scenario (in millions)			
	FY23	FY24	FY25
GRT	\$ (102)	\$ (306)	\$ (466)
PIT	\$ (95)	\$ (236)	\$ (211)
Severance	\$ 8	\$ 1	\$ (292)
Severance to TSR	\$ 195	\$ (564)	\$ (304)
FML	\$ (5)	\$ 22	\$ (51)
FML to ECE	\$ 144	\$ (284)	\$ (566)
TOTAL	\$ 145	\$ (1,366)	\$ (1,889)
<i>Total GF</i>	<i>\$ (194)</i>	<i>\$ (518)</i>	<i>\$ (1,019)</i>
<i>Total TSR/ECE</i>	<i>\$ 339</i>	<i>\$ (847)</i>	<i>\$ (870)</i>
<i>% TSR/ECE</i>	<i>234%</i>	<i>62%</i>	<i>46%</i>

Low Oil Price Scenario (in millions)			
	FY23	FY24	FY25
GRT	\$ (276)	\$ (576)	\$ (790)
PIT	\$ (145)	\$ (236)	\$ (306)
Severance	\$ (59)	\$ (472)	\$ (787)
Severance to TSR	\$ (905)	\$ (617)	\$ (304)
FML	\$ (5)	\$ (132)	\$ (671)
FML to ECE	\$ (607)	\$ (967)	\$ (566)
TOTAL	\$ (1,996)	\$ (3,000)	\$ (3,424)
<i>Total GF</i>	<i>\$ (484)</i>	<i>\$ (1,416)</i>	<i>\$ (2,553)</i>
<i>Total TSR/ECE</i>	<i>\$ (1,512)</i>	<i>\$ (1,584)</i>	<i>\$ (870)</i>
<i>% TSR/ECE</i>	<i>76%</i>	<i>53%</i>	<i>25%</i>

General Fund Revenue vs. 10 Year Trend

Volatility in major General Fund revenue sources (Deviation from 10 years (FY13-FY22) trend (\$ millions))



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

- For FY23, general fund revenues are above the 10-year trend by \$890 million
- For the budget year FY24, general fund revenues deviate from the trend by \$1.46 billion

Appendix

Appendix 1a

Revenue Source	FY22						FY23					FY24				
	Dec. 2021 Est. (adj. for legis)	Aug 22 Est.	Change from Prior (Dec 21)	Change from Prior (Sep. 20)	% Change from FY21	\$ Change from FY21	Dec. 2021 Est. (adj. for legis)	Aug 22 Est.	Change from Prior (Dec 21)	% Change from FY22	\$ Change from FY22	Dec. 2021 Est. (adj. for legis)	Aug 22 Est.	Change from Prior (Dec 21)	% Change from FY23	\$ Change from FY23
<i>Base Gross Receipts Tax</i>	2,915.0	3,376.2	461.2	216.2	13.6%	404.5	2,972.5	3,323.9	351.4	-1.5%	(52.3)	2,968.8	3,417.8	449.0	2.8%	93.9
<i>F&M Hold Harmless Payments</i>	(111.5)	(110.5)	1.0	11.7	-8.9%	10.9	(101.9)	(105.9)	(4.0)	-4.2%	4.6	(92.4)	(97.1)	(4.7)	-8.3%	8.8
NET Gross Receipts Tax	2,803.5	3,265.7	462.2	227.9	14.6%	415.4	2,870.6	3,218.0	347.4	-1.5%	(47.7)	2,876.4	3,320.7	444.3	3.2%	102.7
Compensating Tax	61.6	65.4	3.8	5.8	2.4%	1.5	66.6	64.4	(2.2)	-1.5%	(1.0)	65.5	66.2	0.7	2.8%	1.8
TOTAL GENERAL SALES	2,865.1	3,331.1	466.0	233.7	14.3%	416.9	2,937.2	3,282.4	345.2	-1.5%	(48.7)	2,941.9	3,386.9	445.0	3.2%	104.5
Tobacco Products and Cigarette Taxes	90.6	83.2	(7.4)	2.2	-8.1%	(7.3)	89.0	81.5	(7.5)	-2.1%	(1.7)	88.3	80.3	(8.0)	-1.4%	(1.2)
Liquor Excise	24.8	25.5	0.7	0.9	3.7%	0.9	24.5	24.7	0.2	-3.1%	(0.8)	24.7	24.9	0.2	0.8%	0.2
Cannabis Excise	6.2	5.4	(0.8)	N/A	N/A	N/A	27.9	22.7	(5.2)	317.6%	17.3	31.9	24.6	(7.3)	8.4%	1.9
Insurance Taxes	307.0	294.7	(12.3)	47.7	0.7%	2.0	347.7	346.6	(1.1)	17.6%	51.9	360.4	363.2	2.8	4.8%	16.6
Fire Protection Fund Reversion	-	-	-	(12.0)	-100.0%	(12.0)	-	-	-	-	-	-	-	-	-	-
Motor Vehicle Excise	142.1	153.6	11.5	22.5	-11.8%	(20.5)	142.6	156.9	14.3	2.1%	3.3	145.8	151.5	5.7	-3.4%	(5.4)
Gaming Excise	64.5	67.7	3.2	3.5	174.6%	43.1	66.5	65.7	(0.8)	-3.0%	(2.0)	67.3	67.5	0.2	2.7%	1.8
Leased Vehicle & Other	5.8	7.5	1.7	(1.2)	36.9%	2.0	6.3	6.5	0.3	-13.3%	(1.0)	6.8	6.4	(0.4)	-1.5%	(0.1)
TOTAL SELECTIVE SALES	641.0	637.6	(3.3)	69.8	2.2%	13.7	704.5	704.6	0.1	10.5%	67.0	725.2	718.5	(6.7)	2.0%	13.8
Personal Income Tax	1,881.5	2,328.1	446.6	253.4	22.3%	424.0	1,945.1	2,265.1	320.0	-2.7%	(63.0)	1,905.4	2,216.7	311.3	-2.1%	(48.4)
<i>Gross Corporate Income Tax</i>	212.4	364.9	152.5	98.3	92.6%	175.4	201.8	317.6	115.8	-13.0%	(47.3)	203.8	334.4	130.6	5.3%	16.8
<i>CIT Refundable Credits</i>	(102.6)	(60.5)	42.1	(14.3)	52.0%	(20.7)	(133.7)	(116.2)	17.5	92.1%	(55.7)	(160.2)	(144.9)	15.3	24.7%	(28.7)
NET Corporate Income Tax	109.8	304.4	194.6	84.0	103.3%	154.7	68.1	201.4	133.3	-33.8%	(103.0)	43.6	189.5	145.9	-5.9%	(11.9)
TOTAL INCOME TAXES	1,991.3	2,632.5	641.2	337.4	28.2%	578.7	2,013.2	2,466.5	453.3	-6.3%	(166.0)	1,949.0	2,406.2	457.2	-2.4%	(60.3)
<i>Gross Oil and Gas School Tax</i>	1,349.8	1,825.9	476.2	561.8	139.3%	1,062.8	1,183.1	2,075.3	892.2	13.7%	249.4	1,134.5	1,771.9	637.4	-14.6%	(303.5)
<i>Excess to TSR or Early Childhood Trust Fund</i>	(824.1)	(1,300.3)	(476.2)	(487.9)	279.4%	(957.6)	(448.3)	(1,245.3)	(797.0)	-4.2%	54.9	(253.3)	(617.0)	(363.7)	-50.5%	628.4
NET Oil & Gas School Tax	525.7	525.7	-	73.9	25.0%	105.3	734.8	830.0	95.2	57.9%	304.3	881.2	1,154.9	273.7	39.1%	324.9
Oil Conservation Tax	62.0	99.3	37.3	28.7	150.8%	59.7	61.1	113.5	52.4	14.3%	14.2	58.8	99.9	41.1	-12.0%	(13.6)
Resources Excise Tax	7.6	8.7	1.1	0.1	27.9%	1.9	7.0	7.8	0.8	-10.3%	(0.9)	7.1	7.8	0.7	0.0%	-
Natural Gas Processors Tax	9.1	10.0	0.9	0.8	-4.8%	(0.5)	25.8	35.5	9.7	255.0%	25.5	24.1	52.5	28.4	47.9%	17.0
TOTAL SEVERANCE TAXES	604.3	643.7	39.3	103.5	34.9%	166.4	828.6	986.8	158.2	53.3%	343.1	971.2	1,315.1	343.9	33.3%	328.3
LICENSE FEES	58.5	59.9	1.5	10.9	174.8%	38.1	57.9	59.6	1.7	-0.5%	(0.3)	57.3	59.2	1.9	-0.8%	(0.5)
LGPF Interest	777.1	780.0	2.9	2.9	8.1%	58.4	848.6	872.6	24.0	11.9%	92.6	920.1	946.5	26.4	8.5%	73.9
STO Interest	15.8	(118.6)	(134.4)	(7.6)	-2317.7%	(123.9)	30.4	(52.3)	(82.7)	-55.9%	66.3	33.2	125.6	92.5	-340.2%	177.9
STPF Interest	246.4	246.4	0.0	4.6	5.3%	12.4	263.0	265.8	2.8	7.9%	19.4	283.8	284.2	0.4	6.9%	18.4
TOTAL INTEREST	1,039.2	907.8	(131.4)	(0.1)	-5.5%	(53.2)	1,142.0	1,086.1	(55.9)	19.6%	178.3	1,237.1	1,356.3	119.2	24.9%	270.2
<i>Gross Federal Mineral Leasing</i>	1,439.3	2,256.6	817.3	568.5	178.1%	1,445.1	1,580.8	2,356.9	776.0	4.4%	100.2	1,481.3	2,334.1	852.8	-1.0%	(22.7)
<i>Excess to Early Childhood Trust Fund</i>	(684.3)	(1,501.5)	(817.2)	n/a	n/a	n/a	(625.2)	(1,347.9)	(722.7)	-10.2%	153.7	(322.3)	(966.6)	(644.3)	-28.3%	381.3
NET Federal Mineral Leasing	755.0	755.1	0.1	143.3	-7.0%	(56.4)	955.7	1,009.0	53.3	33.6%	253.9	1,159.0	1,367.5	208.5	35.5%	358.5
State Land Office	36.7	52.9	16.2	(21.9)	26.8%	11.2	37.6	58.8	21.2	11.1%	5.9	37.9	54.4	16.5	-7.5%	(4.4)
TOTAL RENTS & ROYALTIES	791.7	808.0	16.3	121.4	-5.3%	(45.3)	993.3	1,067.8	74.5	32.2%	259.8	1,196.9	1,421.9	225.0	33.2%	354.1
TRIBAL REVENUE SHARING	72.8	71.9	(0.9)	3.2	49.3%	23.7	76.6	76.2	(0.4)	6.0%	4.3	78.7	78.2	(0.5)	2.6%	2.0
MISCELLANEOUS RECEIPTS	49.2	49.2	-	0.1	19.6%	8.0	42.1	42.1	-	-14.4%	(7.1)	27.7	41.7	14.0	-0.8%	(0.3)
REVERSIONS	50.0	75.0	25.0	-	-17.2%	(15.6)	50.0	75.0	25.0	0.0%	-	50.0	75.0	25.0	0.0%	-
TOTAL RECURRING	8,163.1	9,216.6	1,053.6	879.9	14.0%	1,131.5	8,845.4	9,847.1	1,001.7	6.8%	630.4	9,235.0	10,859.0	1,624.0	10.3%	1,011.9
<i>2022 Nonrecurring Legislation</i>	(338.7)	(900.3)	(561.6)	-	-	-	(664.2)	(105.6)	558.6	-	-	-	-	-	-	-
<i>2021 Nonrecurring Legislation</i>	(8.2)	(3.6)	4.6	-	-97.6%	145.2	-	-	-	-100.0%	3.6	-	-	-	-	-
<i>Other Nonrecurring</i>	-	-	-	-	-100.0%	(114.6)	-	-	-	-	-	-	-	-	-	-
TOTAL NONRECURRING	(346.9)	(903.9)	(557.0)	(13.8)	2546.6%	(869.8)	(664.2)	(105.6)	558.6	-88.3%	798.3	-	-	-	-	105.6
GRAND TOTAL General Fund	7,816.2	8,312.7	496.6	866.1	3.3%	261.7	8,181.2	9,741.5	1,560.3	17.2%	1,428.8	9,235.0	10,859.0	1,624.0	11.5%	1,117.5

Appendix 1b

Revenue Source	FY25					FY 26					FY27		
	Dec. 2021 Est. (adj. for legis)	Aug 22 Est.	Change from Prior (Dec 21)	% Change from FY24	\$ Change from FY24	Dec. 2021 Est. (adj. for legis)	Aug 22 Est.	Change from Prior (Dec 21)	% Change from FY25	\$ Change from FY25	Aug 22 Est.	% Change from FY26	\$ Change from FY26
<i>Base Gross Receipts Tax</i>	3,054.4	3,550.7	496.3	3.9%	132.9	3,148.9	3,660.1	511.2	3.1%	109.4	3,772.6	3.1%	112.5
<i>F&M Hold Harmless Payments</i>	(82.4)	(87.3)	(4.9)	-10.1%	9.8	(71.5)	(78.8)	(7.3)	-9.7%	8.5	(71.1)	-9.8%	7.7
NET Gross Receipts Tax	2,972.0	3,463.4	491.4	4.3%	142.7	3,077.4	3,581.3	503.9	3.4%	117.9	3,701.5	3.4%	120.2
Compensating Tax	65.5	68.8	3.3	3.9%	2.6	67.6	70.9	3.3	3.1%	2.1	73.1	3.1%	2.2
TOTAL GENERAL SALES	3,037.5	3,532.2	494.7	4.3%	145.3	3,145.0	3,652.2	507.2	3.4%	120.0	3,774.6	3.4%	122.4
Tobacco Products and Cigarette Taxes	87.7	79.7	(8.0)	-0.8%	(0.7)	87.3	78.5	(8.8)	-1.4%	(1.1)	77.6	-1.2%	(1.0)
Liquor Excise	24.8	25.1	0.3	0.8%	0.2	25.0	25.4	0.4	1.2%	0.3	25.6	0.8%	0.2
Cannabis Excise	35.7	26.5	(9.2)	7.7%	1.9	42.7	30.4	(12.3)	14.7%	3.9	34.0	11.7%	3.6
Insurance Taxes	425.3	421.2	(4.1)	16.0%	58.0	432.4	459.5	27.1	9.1%	38.3	487.6	6.1%	28.1
Fire Protection Fund Reversion	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicle Excise	151.6	149.5	(2.1)	-1.3%	(2.0)	158.2	153.0	(5.2)	2.3%	3.5	159.4	4.2%	6.4
Gaming Excise	66.9	67.2	0.3	-0.4%	(0.3)	67.1	66.5	(0.6)	-1.0%	(0.7)	66.9	0.6%	0.4
Leased Vehicle & Other	6.9	6.7	(0.2)	4.7%	0.3	6.8	6.9	0.1	3.0%	0.2	6.9	0.0%	-
TOTAL SELECTIVE SALES	799.0	775.9	(23.1)	8.0%	57.4	819.6	820.2	0.7	5.7%	44.4	858.0	4.6%	37.7
Personal Income Tax	1,971.2	2,288.6	317.4	3.2%	71.9	2,046.1	2,376.3	330.2	3.8%	87.7	2,461.1	3.6%	84.8
<i>Gross Corporate Income Tax</i>	209.1	348.8	139.7	4.3%	14.4	216.3	365.4	149.1	4.8%	16.6	382.6	4.7%	17.2
<i>CIT Refundable Credits</i>	(160.2)	(161.5)	(1.3)	11.5%	(16.6)	(160.2)	(168.1)	(7.9)	4.1%	(6.6)	(168.1)	0.0%	-
NET Corporate Income Tax	48.9	187.3	138.4	-1.2%	(2.2)	56.1	197.3	141.2	5.3%	10.0	214.5	8.7%	17.2
TOTAL INCOME TAXES	2,020.1	2,475.9	455.8	2.9%	69.7	2,102.2	2,573.6	471.4	3.9%	97.7	2,675.6	4.0%	102.0
<i>Gross Oil and Gas School Tax</i>	1,145.1	1,702.4	557.3	-3.9%	(69.5)	1,176.4	1,742.9	566.5	2.4%	40.5	1,736.0	-0.4%	(6.9)
<i>Excess to TSR or Early Childhood Trust Fund</i>	(148.0)	(304.2)	(156.2)	-50.7%	312.8	(61.3)	(115.2)	(53.9)	-62.1%	189.0	-	-	115.2
NET Oil & Gas School Tax	997.1	1,398.2	401.2	21.1%	243.3	1,115.1	1,627.7	512.6	16.4%	229.5	1,736.0	6.7%	108.3
Oil Conservation Tax	59.4	96.2	36.8	-3.7%	(3.7)	61.3	90.2	28.9	-6.3%	(6.0)	89.6	-0.6%	(0.6)
Resources Excise Tax	7.1	7.8	0.7	0.0%	-	7.1	7.8	0.7	0.0%	-	7.8	0.0%	-
Natural Gas Processors Tax	18.7	41.4	22.7	-21.1%	(11.1)	17.2	30.8	13.6	-25.6%	(10.6)	29.9	-2.9%	(0.9)
TOTAL SEVERANCE TAXES	1,082.3	1,543.6	461.3	17.4%	228.5	1,200.7	1,756.5	555.8	13.8%	212.9	1,863.3	6.1%	106.8
LICENSE FEES	56.2	59.1	2.9	-0.1%	(0.0)	56.6	60.0	3.4	1.5%	0.9	59.7	-0.6%	(0.3)
LGPF Interest	1,011.3	1,037.9	26.6	9.7%	91.4	1,090.0	1,111.6	21.6	7.1%	73.7	1,195.3	7.5%	83.7
STO Interest	31.3	153.2	122.0	22.0%	27.6	36.5	117.8	81.3	-23.1%	(35.4)	119.0	1.0%	1.2
STPF Interest	309.0	305.9	(3.1)	7.6%	21.7	330.6	322.9	(7.7)	5.6%	17.0	339.7	5.2%	16.8
TOTAL INTEREST	1,351.5	1,497.0	145.5	10.4%	140.7	1,457.2	1,552.3	95.1	3.7%	55.3	1,654.0	6.6%	101.7
<i>Gross Federal Mineral Leasing</i>	1,442.4	2,171.5	729.0	-7.0%	(162.7)	1,469.8	2,130.5	660.8	-1.9%	(40.9)	2,129.1	-0.1%	(1.5)
<i>Excess to Early Childhood Trust Fund</i>	(216.4)	(566.4)	(349.9)	-41.4%	400.2	(118.7)	(254.6)	(135.9)	-55.1%	311.8	-	-100.0%	254.6
NET Federal Mineral Leasing	1,226.0	1,605.1	379.1	17.4%	237.6	1,351.1	1,876.0	524.9	16.9%	270.9	2,129.1	13.5%	253.1
State Land Office	38.2	55.5	17.3	2.1%	1.1	38.6	56.8	18.2	2.3%	1.3	58.3	2.5%	1.4
TOTAL RENTS & ROYALTIES	1,264.2	1,660.6	396.4	16.8%	238.7	1,389.7	1,932.8	543.1	16.4%	272.2	2,187.3	13.2%	254.6
TRIBAL REVENUE SHARING	80.8	80.1	(0.7)	2.4%	1.9	82.9	82.0	(0.9)	2.4%	1.9	84.0	2.4%	2.0
MISCELLANEOUS RECEIPTS	25.7	41.2	15.5	-1.2%	(0.5)	24.3	41.5	17.2	0.7%	0.3	41.5	0.0%	-
REVERSIONS	50.0	75.0	25.0	0.0%	-	50.0	75.0	25.0	0.0%	-	75.0	0.0%	-
TOTAL RECURRING	9,767.3	11,740.6	1,973.4	8.1%	881.6	10,328.2	12,546.1	2,217.9	6.9%	805.4	13,272.9	5.8%	726.8
<i>2022 Nonrecurring Legislation</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>2021 Nonrecurring Legislation</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other Nonrecurring</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NONRECURRING	-	-	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL General Fund	9,767.3	11,740.6	1,973.4	8.1%	881.6	10,328.2	12,546.1	2,217.9	6.9%	805.4	13,272.9	5.8%	726.8

Appendix 2

U.S. and New Mexico Economic Indicators												
	FY22		FY23		FY24		FY25		FY26		FY27	
	Dec 21 Forecast	Aug 22 Forecast	Dec 21 Forecast	Aug 22 Forecast	Dec 21 Forecast	Aug 22 Forecast	Dec 21 Forecast	Aug 22 Forecast	Dec 21 Forecast	Aug 22 Forecast	Dec 21 Forecast	Aug 22 Forecast
National Economic Indicators												
IHS US Real GDP Growth (annual avg., % YOY)*	4.6	3.8	3.8	0.7	2.6	1.6	2.7	2.2	2.6	2.3	2.4	1.9
Moody's US Real GDP Growth (annual avg., % YOY)*	5.2	3.9	2.9	1.4	2.7	2.4	2.6	2.8	2.4	2.7	2.0	2.6
IHS US Inflation Rate (CPI-U, annual avg., % YOY)**	5.0	7.1	2.2	5.7	2.2	2.4	2.2	1.7	2.2	2.1	2.2	2.2
Moody's US Inflation Rate (CPI-U, annual avg., % YOY)**	5.0	7.1	2.5	5.4	2.3	2.2	2.3	2.3	2.3	2.3	2.3	2.2
IHS Federal Funds Rate (%)	0.1	0.3	0.2	3.0	0.6	3.3	1.3	2.7	2.0	2.6	2.5	2.6
Moody's Federal Funds Rate (%)	0.1	0.3	0.2	2.8	1.0	3.2	1.9	2.6	2.5	2.5	2.5	2.5
New Mexico Labor Market and Income Data												
BBER NM Non-Agricultural Employment Growth (%)	3.4	5.4	2.4	1.8	1.7	0.8	1.4	0.8	1.4	1.1	1.3	0.9
Moody's NM Non-Agricultural Employment Growth (%)	4.8	5.4	2.4	2.5	1.1	1.3	0.5	0.9	0.3	0.4	0.2	0.2
BBER NM Nominal Personal Income Growth (%)***	5.1	7.0	-4.6	0.3	4.6	4.5	4.9	4.8	5.2	4.8	5.0	4.6
Moody's NM Nominal Personal Income Growth (%)***	6.7	7.0	-1.1	3.1	4.7	5.8	4.7	5.1	4.4	4.4	4.3	4.4
BBER NM Total Wages & Salaries Growth (%)	3.5	10.9	5.7	5.6	4.4	4.0	4.5	4.3	4.4	4.4	4.3	3.7
Moody's NM Total Wages & Salaries Growth (%)	7.8	11.9	4.5	9.1	5.1	6.2	4.3	5.3	4.3	4.6	4.4	4.4
BBER NM Private Wages & Salaries Growth (%)	3.8	12.7	6.0	5.9	4.9	4.1	4.9	4.3	4.9	4.5	4.6	3.7
BBER NM Real Gross State Product (% YOY)	3.3	2.1	2.7	2.4	2.5	2.2	2.5	2.1	2.1	1.9	2.3	2.1
Moody's NM Real Gross State Product (% YOY)	5.4	2.2	2.6	1.8	2.6	2.1	2.2	2.3	2.1	2.4	2.2	2.4
CREG NM Gross Oil Price (\$/barrel)	\$71.50	\$86.50	\$64.50	\$90.50	\$60.50	\$78.50	\$59.50	\$72.00	\$59.50	\$70.00		\$68.50
CREG NM Net Oil Price (\$/barrel)*****	\$62.78	\$76.07	\$56.63	\$79.46	\$53.12	\$68.92	\$52.24	\$63.22	\$52.24	\$61.46		\$60.14
BBER Oil Volumes (million barrels)	397	519	410	523	417	522	422	526	426	531	438	534
CREG NM Taxable Oil Volumes (million barrels)	497	529	515	590	539	640	557	675	574	710		725
NM Taxable Oil Volumes (%YOY growth)	21.8%	29.9%	3.6%	11.4%	4.7%	8.5%	3.4%	5.5%	3.1%	5.2%		2.1%
CREG NM Gross Gas Price (\$ per thousand cubic feet)****	\$5.00	\$6.90	\$3.80	\$6.95	\$3.40	\$4.75	\$3.30	\$4.30	\$3.35	\$4.30		\$4.15
CREG NM Net Gas Price (\$ per thousand cubic feet)*****	\$3.82	\$5.37	\$2.72	\$5.42	\$2.35	\$3.28	\$2.26	\$2.97	\$2.30	\$2.97		\$2.87
BBER Gas Volumes (billion cubic feet)	2,055	2,545	2,088	2,611	2,113	2,598	2,129	2,601	2,139	2,632	2,157	2,636
CREG NM Taxable Gas Volumes (billion cubic feet)	2,395	2,585	2,420	2,750	2,460	2,895	2,505	2,995	2,535	3,080		3,140
NM Taxable Gas Volumes (%YOY growth)	12.2%	21.0%	1.0%	6.4%	1.7%	5.3%	1.8%	3.5%	1.2%	2.8%		1.9%

Notes

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

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

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

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

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

Sources: BBER - July 2022 FOR-UNM baseline. IHS Global Insight - July 2022 baseline.

DFA Notes

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

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

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

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

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

Sources: Moody's baseline

Appendix 3

DFA GENERAL FUND FINANCIAL SUMMARY August 2022 (Dollars in Millions)

	Prelim. FY22	Est. FY23	Est. FY24
APPROPRIATION ACCOUNT			
Revenue:			
Recurring Revenue:			
December 2021 Consensus Revenue Forecast	\$ 8,163.1	\$ 8,845.4	\$ 9,235.0
August 2022 Forecast Revisions	\$ 1,053.6	\$ 1,001.7	\$ 1,624.0
Subtotal Recurring Revenue	\$ 9,216.7	\$ 9,847.1	\$ 10,859.0
Nonrecurring Revenue			
Federal Stimulus Funds	\$ 1,069.2		
2022 Legislation	\$ (900.3)	\$ (105.6)	
2021 Legislation	\$ (3.6)		
Subtotal Nonrecurring Revenue	\$ 165.3	\$ (105.6)	\$ -
Total Revenue	\$ 9,381.9	\$ 9,741.5	\$ 10,859.0
Appropriations:			
Recurring Appropriations:			
2021 Legislative Session and Feed Bill	\$ 7,449.7	\$ -	
2022 Recurring Appropriations	\$ 7.6	\$ 8,378.2	
2022 Special Session		\$ 26.1	
Subtotal Recurring Appropriations	\$ 7,457.3	\$ 8,404.3	\$ 2,455 billion or 29.2%
Nonrecurring:			
2021 SSS Nonrecurring Appropriations (ARPA Appropriations)	\$ 346.1		
2022 Nonrecurring Appropriations (ARPA Appropriations)	\$ 275.1	\$ 309.3	
2022 Nonrecurring (all sections)	\$ 1,011.7	\$ 100.0	
2022 Special Session	\$ 44.9		
Subtotal Nonrecurring Appropriations	\$ 1,677.9	\$ 409.3	\$ -
Total Appropriations	\$ 9,135.2	\$ 8,813.6	\$ -
Transfers to/(from Operating Reserves)	\$ (202.0)	\$ 1,237.4	
Transfers to/(from Appropriation Contingency Fund)	\$ 448.7	\$ (309.5)	

GENERAL FUND FINANCIAL SUMMARY

Reserve Detail (Dollars in Millions)

	Est. FY22	Est. FY23	Est. FY24
OPERATING RESERVE			
Beginning Balance	\$ 347.5	\$ 116.7	\$ 596.6
BOF Emergency Appropriations/Reversions	\$ (2.4)	\$ (2.5)	\$ (2.5)
Disaster Allotments	\$ (26.4)	\$ -	\$ -
Transfers from/to Appropriation Account	\$ (202.0)	\$ 1,237.4	\$ -
Transfers to Tax Stabilization Reserve	\$ -	\$ (755.0)	\$ -
Transfers from (to) ACF/Other Appropriations	\$ -	\$ -	\$ -
Transfers from Tax Stabilization Reserve (1% transfer from TSR)	\$ -	\$ -	\$ -
Transfers from Tax Stabilization Reserve	\$ -	\$ -	\$ -
Ending Balance	\$ 116.7	\$ 596.6	\$ 594.1
APPROPRIATION CONTINGENCY FUND			
Beginning Balance	\$ 55.5	\$ 457.5	\$ 140.0
Disaster Allotments	\$ (54.6)	\$ (16.0)	\$ (16.0)
Other Appropriations	(620.5)	\$ (309.5)	\$ -
Transfers In ¹	1,069.2	\$ -	\$ -
Revenue and Reversions	\$ 8.0	\$ 8.0	\$ 8.0
Ending Balance	\$ 457.5	\$ 140.0	\$ 132.0
STATE SUPPORT RESERVE			
Beginning Balance	\$ 4.0	\$ 10.4	\$ 10.4
Revenues/Transfers ²	\$ 15.5	\$ -	\$ -
Appropriations ³	\$ -	\$ -	\$ -
Impact Aid Liability	\$ (39.1)		
	\$ 30.0		
Ending Balance	\$ 10.4	\$ 10.4	\$ 10.4
TOBACCO SETTLEMENT PERMANENT FUND			
Beginning Balance	\$ 285.3	\$ 301.0	\$ 333.8
Transfers In ⁶	\$ 36.3	\$ 32.5	\$ 24.0
Appropriation to Tobacco Settlement Program Fund	\$ (36.3)	\$ (16.3)	\$ (12.0)
Gains/Losses	\$ 15.7	\$ 16.6	\$ 18.4
Additional Transfers from TSPF	\$ -	\$ -	\$ -
Transfer to General Fund Appropriation Account	\$ -	\$ -	\$ -
Ending Balance	\$ 301.0	\$ 333.8	\$ 364.2
TAX STABILIZATION RESERVE			
Beginning Balance	\$ 1,812.6	\$ 1,848.8	\$ 2,680.3
Revenues In ³	\$ 1,300.3	\$ 1,245.3	\$ 617.0
Transfers In (from Operating Reserve)	\$ -	\$ 755.0	\$ -
Transfer Out to Operating Reserve ⁵	\$ -	\$ -	\$ -
Transfers Out to Early Childhood Trust Fund ⁴	\$ (1,300.3)	\$ (1,245.3)	\$ (617.0)
Gains/Losses	\$ 36.3	\$ 76.5	\$ 107.2
Other appropriations	\$ -	\$ -	\$ -
Audit Adjustments	\$ -	\$ -	\$ -
Ending Balance	\$ 1,848.8	\$ 2,680.3	\$ 2,787.5
Total General Fund Ending Balances	\$ 2,734.4	\$ 3,761.1	\$ 3,888.2
Percent of Recurring Appropriations	36.7%	44.8%	

1. 2021 Second Special session appropriated \$1.069 billion of ARPA funds to appropriation contingency fund
2. Laws 2021, Chapter 137 (HB2) contained a \$15.5 million transfer from the repealed K-3 Plus Program Fund to the state support reserve.
3. Estimated transfers to TSR from excess oil and gas emergency tax revenues in excess of the rolling five-year average.
4. 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.
5. 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.
6. DFA and LFC estimate \$12 million in TSPF revenue due to expected arbitration ruling to affect FY22; Laws 2021, Chapter 60(SB187) allows use of 100% of revenue for tobacco program fund.
Totals may not sum due to rounding

Appendix 4

Sources and Uses of Bonding Capacity Available for Authorization and Severance Tax Permanent Fund Transfer (in millions) AUGUST 2022 Estimate

Sources of Funds	FY23	FY24	FY25	FY26	FY27	5-Year
General Obligation Bonds (1)		\$259.7		\$259.7		\$519.4
Senior STBs	\$1,369.5	\$1,410.8	\$1,310.3	\$1,245.7	\$1,200.3	\$6,536.6
Severance Tax Bonds	\$696.9	\$696.9	\$696.9	\$696.9	\$696.9	\$3,484.5
Severance Tax Notes	\$672.6	\$713.9	\$613.4	\$548.8	\$503.4	\$3,052.1
Supplemental STBs	\$678.4	\$764.6	\$735.0	\$735.0	\$759.2	\$3,672.2
Supplemental Severance Tax Bonds	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Supplemental Severance Tax Notes	\$678.4	\$764.6	\$735.0	\$735.0	\$759.2	\$3,672.2
TOTAL Sources of Funds	\$2,047.9	\$2,435.1	\$2,045.3	\$2,240.4	\$1,959.5	\$10,728.2
Uses of Funds	FY23	FY24	FY25	FY26	FY27	5-Year
GOB Projects Approved by Referendum (1)		\$259.7		\$259.7		\$519.4
Authorized but Unissued STB Projects (2)	\$76.7	\$0.0	\$0.0	\$0.0	\$0.0	\$76.7
9% of Senior STB for Water Projects	\$123.3	\$127.0	\$117.9	\$112.1	\$108.0	\$588.3
4.5% of Senior STB for Colonias Projects	\$61.6	\$63.5	\$59.0	\$56.1	\$54.0	\$294.2
4.5% of Senior STB for Tribal Projects	\$61.6	\$63.5	\$59.0	\$56.1	\$54.0	\$294.2
2.5% Housing Trust Fund Projects	\$0.0	\$35.3	\$32.8	\$31.1	\$30.0	\$129.2
New Senior STB Statewide Capital Projects	\$1,046.3	\$1,121.6	\$1,041.7	\$990.3	\$954.2	\$5,154.1
PSCOC Public School Capital	\$678.4	\$764.6	\$735.0	\$735.0	\$759.2	\$3,672.2
TOTAL Uses of Funds	\$2,047.9	\$2,435.1	\$2,045.3	\$2,240.4	\$1,959.5	\$10,728.2

(1) GOB capacity estimates will be updated in late August/early September, when preliminary data for PTY 2022 are available.

(2) Authorized but Unissued project amount is an estimate, reflecting the remaining amount to be funded following the upcoming September 2022 severance tax bond sale. The sale amount is estimated at \$290 million out of \$366.7 million in projects to fund.

Estimated Transfer to Severance Tax Permanent Fund

	FY23	FY24	FY25	FY26	FY27	5-Year
Severance Tax Permanent Fund Transfer	\$766.6	\$118.9	\$122.4	\$137.4	\$173.6	\$1,318.9

Note: The permanent fund transfer will be higher in years in which there is a large difference between the previous year's actual Severance Tax revenues and the current year's estimate. This is evidenced for FY23, as FY23 projected revenues are estimated to be approximately 30 percent higher than FY22 actual revenues.

Appendix 5

Early Childhood Trust Fund Forecast

	CY21	CY22	CY23	CY24	CY25	CY26	CY27
Beginning Balance	\$ 300.0	\$ 314.1	\$ 2,141.0	\$ 4,844.9	\$ 7,128.9	\$ 8,362.2	\$ 8,916.6
Gains & Losses	\$ 34.1	\$ 12.6	\$ 85.6	\$ 193.8	\$ 285.2	\$ 334.5	\$ 356.7
Excess FML	\$ -	\$ 1,501.7	\$ 1,347.9	\$ 966.6	\$ 566.4	\$ 254.6	\$ -
Excess OGAS School Tax	\$ -	\$ 342.7	\$ 1,300.3	\$ 1,245.3	\$ 617.0	\$ 304.2	\$ 115.2
Distribution to ECE Program Fund	\$ (20.0)	\$ (30.0)	\$ (30.0)	\$ (121.7)	\$ (235.2)	\$ (338.9)	\$ (406.8)
Ending Balance (\$ in millions)	\$ 314.1	\$ 2,141.0	\$ 4,844.9	\$ 7,128.9	\$ 8,362.2	\$ 8,916.6	\$ 8,981.6

Note: FML and OGAS distributions based on August 2022 Revenue Forecast

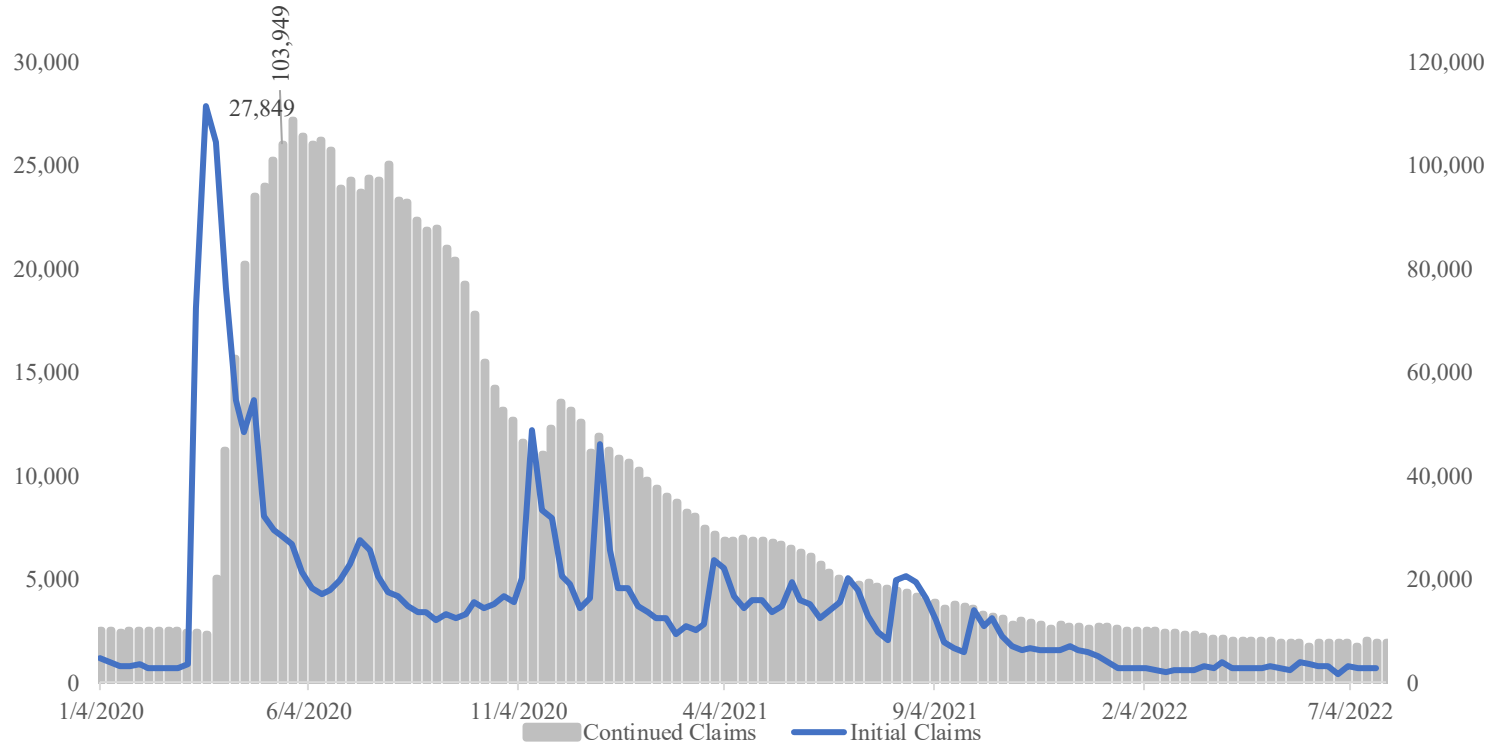
Note: Distribution to ECE Program Fund occurs in FY not CY

	FY21	FY22	FY23	FY24	FY25	FY26	FY27
Distribution to ECE Program Fund	\$ -	\$ 20.0	\$ 30.0	\$ 30.0	\$ 121.7	\$ 235.2	\$ 338.9

CY	ECTF Ending Balance							
	2020	2021	2022	2023	2024	2025	2026	2027
\$	-	\$ 314.00	\$ 2,141.04	\$ 4,844.88	\$ 7,128.91	\$ 8,362.22	\$ 8,916.58	\$ 8,981.64

Appendix 6: N.M. Unemployment Insurance Claims

**N.M.'s Weekly UI Intial Claims vs. Continued Claims
January 2020 to Present**



Source: dol.gov, not seasonally adjusted, DWS NM

- Initial unemployment claims are gradually returning to pre-pandemic levels
- Initial unemployment claims were 869 when the governor initiated the emergency health orders
- Initial claims jumped to about 28,000 the week of March 28, 2020.
- The state's initial unemployment claims for 7/30/2022 was 651 and are below pre-pandemic levels.
- Continued claims follow a similar pattern and are below pre-pandemic level at the end of July 2022.

Appendix 7

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

