

HOUSE BILL 2

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

INTRODUCED BY

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AN ACT

MAKING GENERAL APPROPRIATIONS AND AUTHORIZING EXPENDITURES BY
STATE AGENCIES REQUIRED BY LAW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. SHORT TITLE.--This act may be cited as the "General Appropriation Act of 2026".

SECTION 2. DEFINITIONS.--As used in the General Appropriation Act of 2026:

A. "agency" means an office, department, agency, institution, board, bureau, commission, court, district attorney, council or committee of state government;

B. "efficiency" means the measure of the degree to which services are efficient and productive and is often expressed in terms of dollars or time per unit of output;

C. "explanatory" means information that can help

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1 users to understand reported performance measures and to
2 evaluate the significance of underlying factors that may have
3 affected the reported information;

4 D. "federal funds" means any payments by the United
5 States government to state governments or agencies except those
6 payments made in accordance with the federal Mineral Leasing
7 Act;

8 E. "general fund" means that fund created by
9 Section 6-4-2 NMSA 1978 and includes federal Mineral Leasing
10 Act receipts and those payments made in accordance with the
11 federal block grant and the federal Workforce Investment Act of
12 1998 but excludes the general fund operating reserve, the
13 appropriation contingency fund, the tax stabilization reserve
14 and any other fund, reserve or account from which general
15 appropriations are restricted by law;

16 F. "interagency transfers" means revenue, other
17 than internal service funds, legally transferred from one
18 agency to another;

19 G. "internal service funds" means:
20 (1) revenue transferred to an agency for the
21 financing of goods or services to another agency on a cost-
22 reimbursement basis; and

23 (2) balances in agency internal service fund
24 accounts appropriated by the General Appropriation Act of 2026;

25 H. "other state funds" means:

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(1) nonreverting balances in agency accounts, other than in internal service funds accounts, appropriated by the General Appropriation Act of 2026;

(2) all revenue available to agencies from sources other than the general fund, internal service funds, interagency transfers and federal funds; and

(3) all revenue, the use of which is restricted by statute or agreement;

I. "outcome" means the measure of the actual impact or public benefit of a program;

J. "output" means the measure of the volume of work completed or the level of actual services or products delivered by a program;

K. "performance measure" means a quantitative or qualitative indicator used to assess a program;

L. "quality" means the measure of the quality of a good or service produced and is often an indicator of the timeliness, reliability or safety of services or products produced by a program;

M. "revenue" means all money received by an agency from sources external to that agency, net of refunds and other correcting transactions, other than from issue of debt, liquidation of investments or as agent or trustee for other governmental entities or private persons; and

N. "target" means the expected level of performance

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1 of a program's performance measures.

2 **SECTION 3. GENERAL PROVISIONS.--**

3 A. Amounts set out under column headings are
4 expressed in thousands of dollars.

5 B. Amounts set out under column headings are
6 appropriated from the source indicated by the column heading.
7 All amounts set out under the column heading "Internal Service
8 Funds/Interagency Transfers" are intergovernmental transfers
9 and do not represent a portion of total state government
10 appropriations. All information designated as "Total" or
11 "Subtotal" is provided for information, and amounts are not
12 appropriations.

13 C. Amounts set out in Section 4 of the General
14 Appropriation Act of 2026, or so much as may be necessary, are
15 appropriated from the indicated source for expenditure in
16 fiscal year 2027 for the objects expressed.

17 D. Unexpended balances in agency accounts remaining
18 at the end of fiscal year 2026 shall revert to the general fund
19 by October 1, 2026 unless otherwise indicated in the General
20 Appropriation Act of 2026 or otherwise provided by law.

21 E. Unexpended balances in agency accounts remaining
22 at the end of fiscal year 2027 shall revert to the general fund
23 by October 1, 2027 unless otherwise indicated in the General
24 Appropriation Act of 2026 or otherwise provided by law.

25 F. The state budget division of the department of

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1 finance and administration shall monitor revenue received by
2 agencies from sources other than the general fund and shall
3 reduce the operating budget of any agency whose revenue from
4 such sources is not meeting projections. The state budget
5 division shall notify the legislative finance committee of any
6 operating budget reduced pursuant to this subsection.

7 G. Except as otherwise specifically stated in the
8 General Appropriation Act of 2026, appropriations are made in
9 that act for the expenditures of agencies and for other
10 purposes as required by existing law for fiscal year 2027. If
11 any other act of the second session of the fifty-seventh
12 legislature changes existing law with regard to the name or
13 responsibilities of an agency or the name or purpose of a fund
14 or distribution, the appropriation made in the General
15 Appropriation Act of 2026 shall be transferred from the agency,
16 fund or distribution to which an appropriation had been made as
17 required by existing law to the appropriate agency, fund or
18 distribution provided by the new law.

19 H. The department of finance and administration
20 shall regularly consult with the legislative finance committee
21 staff to compare fiscal year 2027 revenue collections with the
22 revenue estimate. If the analyses indicate that revenues and
23 transfers to the general fund are not expected to meet
24 appropriations, the department shall present a plan to the
25 legislative finance committee that outlines the methods by

1 which the administration proposes to address the deficit.

2 I. Pursuant to Sections 6-3-23 through 6-3-25 NMSA
3 1978, agencies whose revenue from state board of finance loans,
4 from revenue appropriated by other acts of the legislature or
5 from gifts, grants, donations, bequests, insurance settlements,
6 refunds or payments into revolving funds exceeds specifically
7 appropriated amounts may request budget increases from the
8 state budget division. If approved by the state budget
9 division, such money is appropriated.

10 J. Except for gasoline credit cards used solely for
11 operation of official vehicles, telephone credit cards used
12 solely for official business and procurement cards used as
13 authorized by Section 6-5-9.1 NMSA 1978, none of the
14 appropriations contained in the General Appropriation Act of
15 2026 may be expended for payment of agency-issued credit card
16 invoices.

17 K. For the purpose of administering the General
18 Appropriation Act of 2026, the state shall follow the modified
19 accrual basis of accounting for governmental funds in
20 accordance with the manual of model accounting practices issued
21 by the department of finance and administration.

22 SECTION 4. FISCAL YEAR 2027 APPROPRIATIONS.--

23 A. LEGISLATIVE.--Fifty-five million twenty-five
24 thousand seven hundred dollars (\$55,025,700) from the general
25 fund is appropriated to the legislative council service for
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1 allocation to legislative agencies in fiscal year 2027.

2 B. JUDICIAL.--Four hundred ninety-six million nine
3 hundred thirteen thousand one hundred dollars (\$496,913,100)
4 from the general fund, thirty-one million five hundred
5 seventy-one thousand five hundred dollars (\$31,571,500) from
6 other state funds, fifteen million nine hundred five thousand
7 four hundred dollars (\$15,905,400) from internal service
8 funds/interagency transfers and five million four hundred
9 fifty-four thousand four hundred dollars (\$5,454,400) from
10 federal funds is appropriated to the administrative office of
11 the courts for allocation to judicial agencies in fiscal year
12 2027.

13 C. GENERAL CONTROL.--Two hundred thirty-three
14 million three hundred sixteen thousand one hundred dollars
15 (\$233,316,100) from the general fund, one billion six hundred
16 sixty-five million seventy-six thousand seven hundred dollars
17 (\$1,665,076,700) from other state funds, two hundred million
18 six hundred thirty-five thousand five hundred dollars
19 (\$200,635,500) from internal services funds/interagency
20 transfers and twenty-nine million eight hundred eighty-four
21 thousand one hundred dollars (\$29,884,100) from federal funds
22 is appropriated to the department of finance and administration
23 for allocation to general control agencies in fiscal year 2027.

24 D. COMMERCE AND INDUSTRY.--One hundred nineteen
25 million four hundred seventy-three thousand dollars

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1 (\$119,473,000) from the general fund, two hundred twelve
2 million four hundred fifty-five thousand nine hundred dollars
3 (\$212,455,900) from other state funds, thirty-two million seven
4 hundred eighty-eight thousand five hundred dollars
5 (\$32,788,500) from internal service funds/interagency transfers
6 and two million six hundred eighty-six thousand seven hundred
7 dollars (\$2,686,700) from federal funds is appropriated to the
8 department of finance and administration for allocation to
9 commerce and industry agencies in fiscal year 2027.

10 E. AGRICULTURE, ENERGY AND NATURAL RESOURCES.--One
11 hundred forty-three million six hundred forty-four thousand
12 four hundred dollars (\$143,644,400) from the general fund, one
13 hundred forty-three million five hundred eighty-six thousand
14 three hundred dollars (\$143,586,300) from other state funds,
15 twenty-seven million two hundred eighteen thousand four hundred
16 dollars (\$27,218,400) from internal service funds/interagency
17 transfers and one hundred seventy-one million three hundred
18 eighty-two thousand five hundred dollars (\$171,382,500) from
19 federal funds is appropriated to the department of finance and
20 administration for allocation to agriculture, energy and
21 natural resources agencies in fiscal year 2027.

22 F. HEALTH, HOSPITALS AND HUMAN SERVICES.--Three
23 billion three hundred twelve million one hundred ninety-five
24 thousand four hundred dollars (\$3,312,195,400) from the general
25 fund, one billion four hundred seventy-six million eighty-seven

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1 thousand nine hundred dollars (\$1,476,087,900) from other state
2 funds, one billion six hundred thirty-six million four hundred
3 two thousand two hundred dollars (\$1,636,402,200) from internal
4 service funds/interagency transfers and eleven billion four
5 hundred twenty-eight million nine hundred ninety-five thousand
6 seven hundred dollars (\$11,428,995,700) from federal funds is
7 appropriated to the department of finance and administration
8 for allocation to health, hospitals and human services agencies
9 in fiscal year 2027.

10 G. PUBLIC SAFETY.--Six hundred fifteen million
11 thirty-nine thousand eight hundred dollars (\$615,039,800) from
12 the general fund, one hundred ninety-eight million seven
13 hundred fifty-four thousand nine hundred dollars (\$198,754,900)
14 from other state funds, thirty million seven hundred ninety-
15 three thousand seven hundred dollars (\$30,793,700) from
16 internal service funds/interagency transfers and ninety-two
17 million four hundred ninety-five thousand eight hundred dollars
18 (\$92,495,800) from federal funds is appropriated to the
19 department of finance and administration for allocation to
20 public safety agencies in fiscal year 2027.

21 H. TRANSPORTATION.--Six hundred eighty-one million
22 three hundred eighty-three thousand dollars (\$681,383,000) from
23 other state funds, nine million dollars (\$9,000,000) from
24 internal service funds/interagency transfers and five hundred
25 ninety million forty-six thousand dollars (\$590,046,000) from

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1 federal funds is appropriated to the department of finance and
2 administration for allocation to transportation agencies in
3 fiscal year 2027.

4 I. OTHER EDUCATION.--One hundred four million
5 eighty-eight thousand two hundred dollars (\$104,088,200) from
6 the general fund, nine million one hundred eighty-eight
7 thousand one hundred dollars (\$9,188,100) from other state
8 funds, nine million three hundred twenty-four thousand three
9 hundred dollars (\$9,324,300) from internal service funds/
10 interagency transfers and thirty-four million nine hundred two
11 thousand six hundred dollars (\$34,902,600) from federal funds
12 is appropriated to the department of finance and administration
13 for allocation to other education agencies in fiscal year 2027.

14 J. HIGHER EDUCATION.--One billion four hundred
15 eighty million nine hundred sixty-one thousand four hundred
16 dollars (\$1,480,961,400) from the general fund, two billion two
17 hundred fifty-nine million two hundred forty-four thousand five
18 hundred dollars (\$2,259,244,500) from other state funds,
19 seventy-eight million eight hundred eighty-three thousand three
20 hundred dollars (\$78,883,300) from internal service funds/
21 interagency transfers and nine hundred fifty-six million two
22 hundred thirty-six thousand four hundred dollars (\$956,236,400)
23 from federal funds is appropriated to the higher education
24 department for expenditure or allocation to higher education
25 agencies in fiscal year 2027.

K. PUBLIC SCHOOL SUPPORT.--Four billion six hundred ninety-two million three hundred twenty-six thousand five hundred dollars (\$4,692,326,500) from the general fund, fifteen million five hundred thousand dollars (\$15,500,000) from other state funds and five hundred seventy-nine million five hundred thousand dollars (\$579,500,000) from federal funds is appropriated to the public education department for expenditure or allocation to public school districts and charter schools in fiscal year 2027.

SECTION 5. FUND TRANSFERS.--Notwithstanding the provisions of Sections 6-4-9 and 6-4-11 NMSA 1978 or other substantive law, the department of finance and administration shall transfer an amount from the tobacco settlement permanent fund to the tobacco settlement program fund equal to the difference between appropriations in Section 4 of the General Appropriation Act of 2026 made from the tobacco settlement program fund and the amount transferred to the tobacco settlement program fund pursuant to Subsection B of Section 6-4-9 NMSA 1978 in fiscal year 2027 to fully fund appropriations made from the tobacco settlement program fund contained in Section 4 of the General Appropriation Act of 2026.

SECTION 6. SEVERABILITY.--If any part or application of this act is held invalid, the remainder or its application to other situations or persons shall not be affected.