

# General Fund Revenue Tracking and Outlook

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PRESENTATION TO THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE, AUGUST 7, 2020

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# Agenda

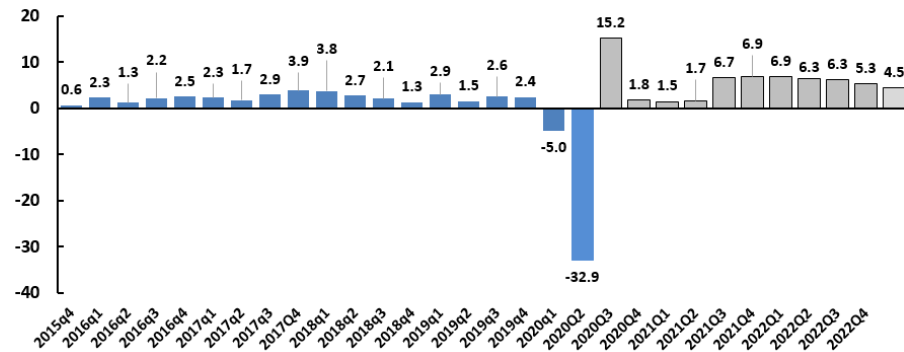
- I. Economic indicators
- II. Personal income tax
- III. Gross receipts taxes
- IV. Revenue tracking
- V. Budget outlook

# Economic Indicators

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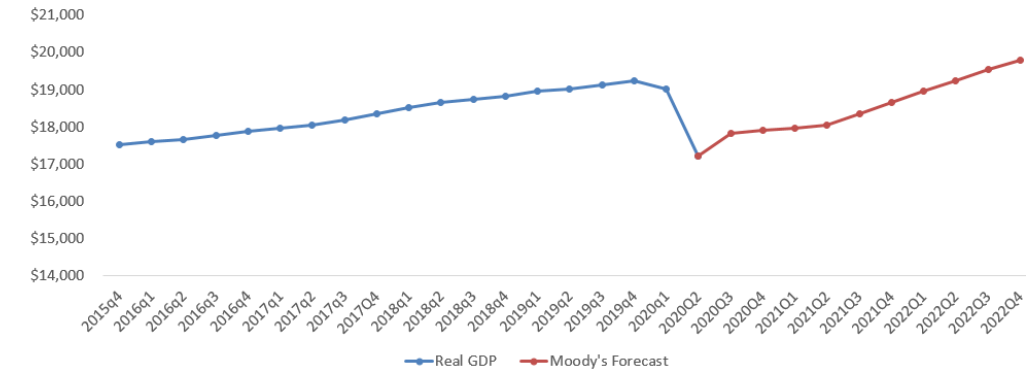
# US Real Gross Domestic Product (RGDP)

Annualized Percent Change in US Real GDP: 2015 Q1 to 2020 Q2, Forecast 2020Q3-2022Q4  
(Quarter-over-Previous-Quarter)



Source: bea.gov Seasonally Adjusted at annual rates, Moody's July 2020 Baseline Scenario

US Real Gross Domestic Product: 2015 Q4 to 2020 Q2, Forecast 2020Q3-2022Q4  
(billions of chained 2012 dollars)

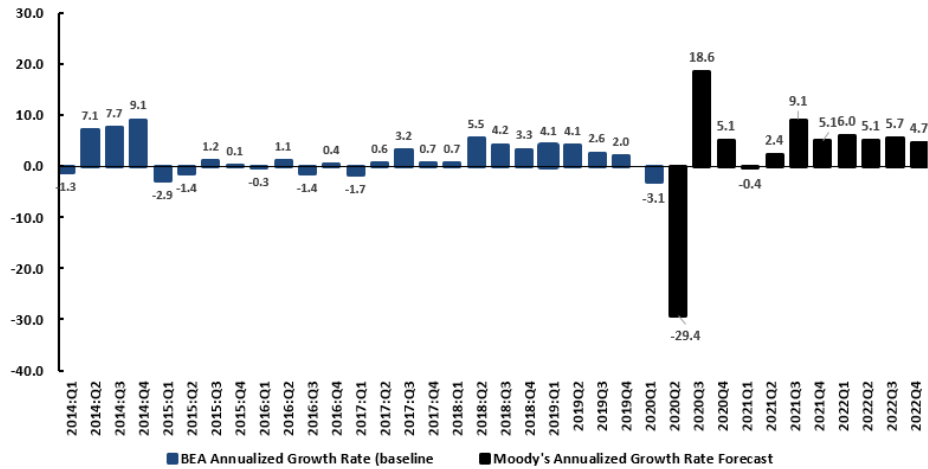


Source: GDP in billions of chained 2012 dollars, retrieved from bea.gov. Real GDP Forecasted value from Moody's July 2020 Baseline Scenario

- US real gross domestic product (RGDP) decreased at an annual rate of 32.9% in the second quarter of 2020.
  - This is the sharpest economic contraction in US history.
  - The decrease reflects declines in personal consumption expenditures, exports, private inventory investment, nonresidential fixed investment, residential fixed investment, and state and local government spending that were partly offset by an increase in federal government spending (bea.gov).
- According to the Bureau of Economic Analysis (BEA), the decline in the second quarter of 2020 reflects the response to Covid-19 but not all economic effects can be quantified in the GDP estimate.
- The National Bureau of Economic Research (NBER) determined that the national economy peaked in 2019Q4 and began a national recession in 2020Q1.

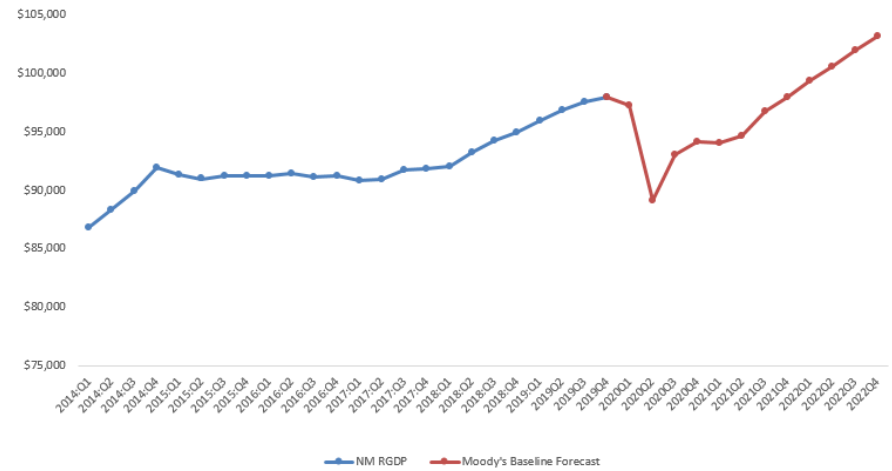
# New Mexico Economic Indicators - RGDP

Annualized Percent Change in NM Real GDP 2014Q1 to 2019Q3, Moody's Forecasts 2020Q2-2022Q4  
(Quarter to Quarter)



Source: bea.gov, Moody's July 2020 Baseline

New Mexico Real Gross Domestic Product (in 2012 chained millions of dollars)

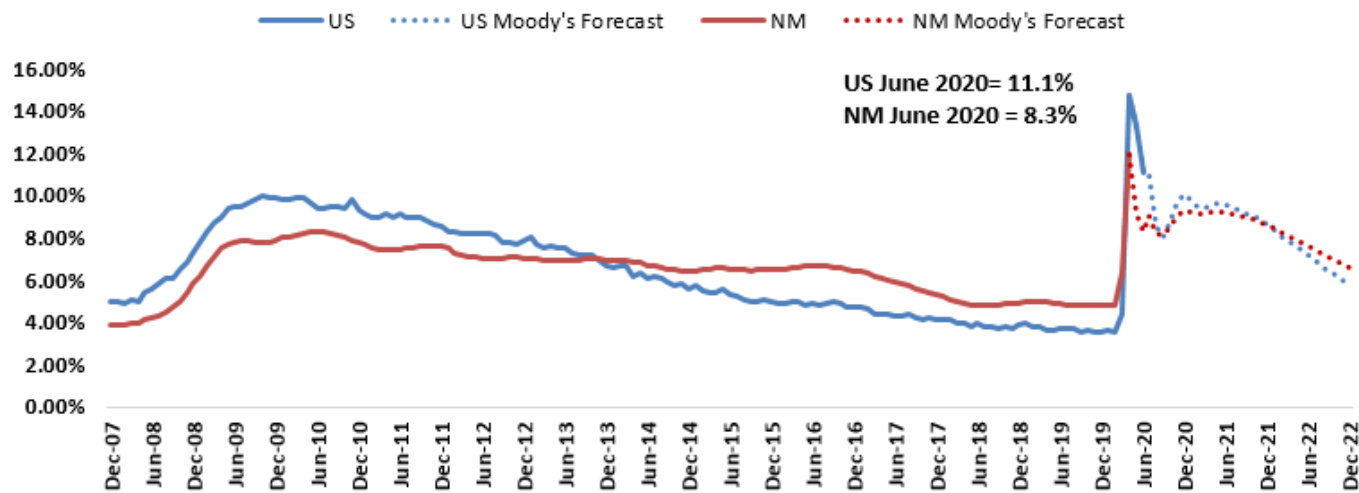


Source: bea.gov, Moody's July 2020 Baseline

- New Mexico RGDP experienced a 3.1% contraction in the first quarter of 2020.
  - This represents a decline in RGDP from \$98 billion to \$97.2 billion from 2019Q4 to 2020Q1.
- Moody's Analytics baseline forecast estimates a 29.4% contraction in the second quarter of 2020.
  - This represents a decline in RGDP from \$97.2 billion to \$89.1 billion from 2020Q1 to 2020Q2.
- Forecast estimates NM RGDP recovers to pre-Covid-19 levels in 2022

# New Mexico Economic Indicators – Unemployment Rates

**US and NM Unemployment Rate (percent) : January 2008 to June 2020**

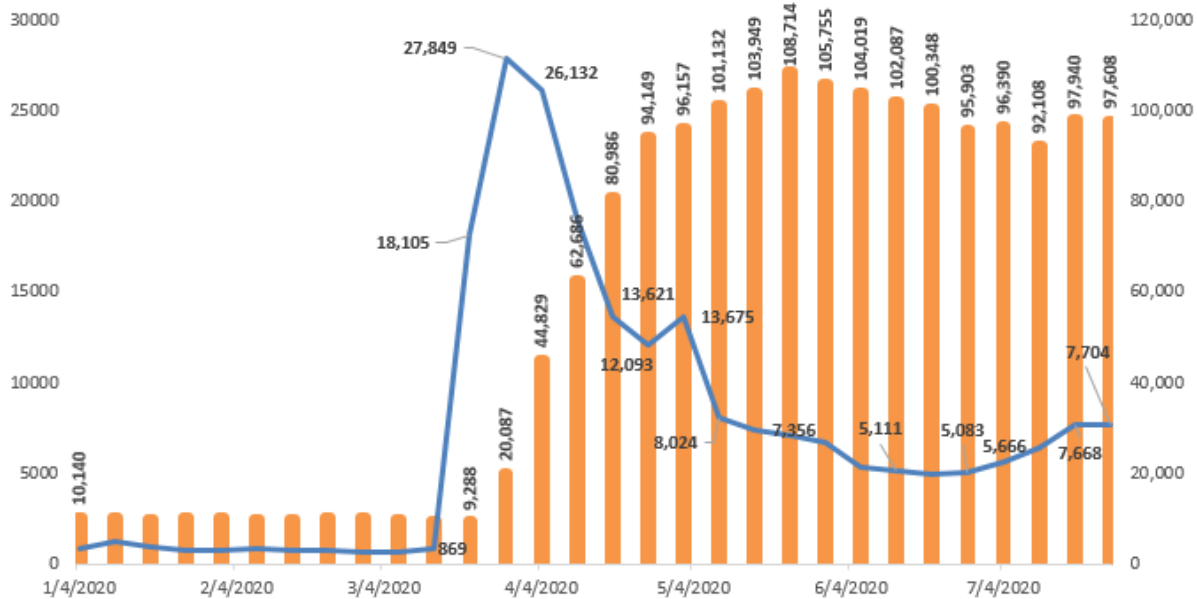


Source: bls.gov, seasonally adjusted

- The national unemployment rate peaked in April at 14.7% and has declined down to 11.1% in June.
- The New Mexico unemployment rate peaked in April at 11.9% and has declined down to 8.3% in June.
- The Bureau of Labor Statistics has stated that the unemployment rates have been underreported due to individuals misclassifying themselves. Since April, this error has become less of an issue.
- For both the nation and the state, the unemployment rates do not decline below 6% until the end of the 2022.

# New Mexico Economic Indicators – Unemployment Insurance Claims

**New Mexico's Weekly UI Intial Claims vs. Continued Claims  
January 2020 to Present**

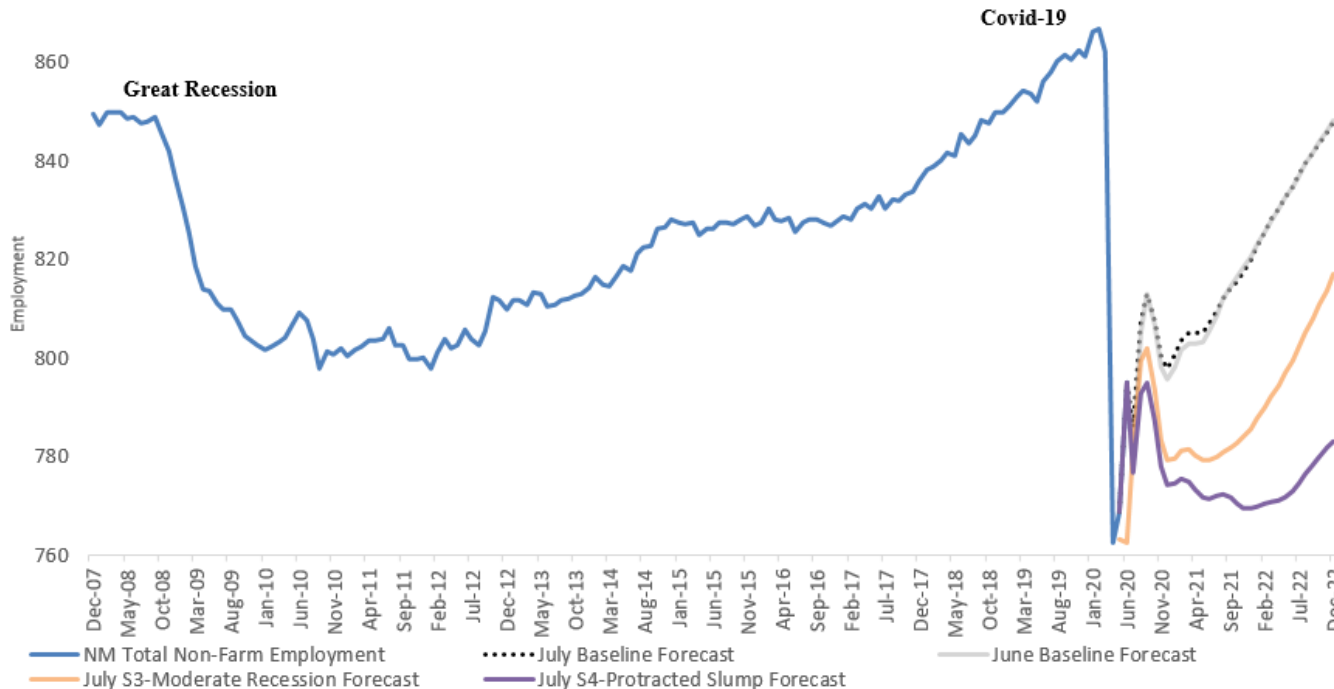


Source: dol.gov, not seasonally adjusted, DWS NM

- New Mexico UI claims were relatively stable prior to Covid-19.
- Initial claims increased sharply in mid-March and peaked by early April.
- Initial claims decreased in May and June before beginning to increase again in early July.
- Continued claims have remained high since April.
- The CARES Act created a new temporary federal program. The Federal Pandemic Unemployment Assistance program (PUA).
  - The PUA provides UI benefits to individuals who normally would not qualify for UI benefits.
  - PUA weekly continued claims have averaged 54,077 since May 2<sup>nd</sup> (not included in chart).
- The CARES Act created a new temporary federal program. The Federal Pandemic Unemployment Assistance program (PUA).
- The CARES Act also created the Pandemic Emergency Unemployment Compensation (PEUC), it is temporary program available to individuals whose regular employment benefits have expired.

# New Mexico Economic Indicators – Employment Recovery

**New Mexico's Monthly Total Non-Farm Employment by Forecast: Dec. 2007 to Dec. 2022**



Source: Bureau of Labor Statistics, [www.bls.gov](http://www.bls.gov). December 2007 to June 2020

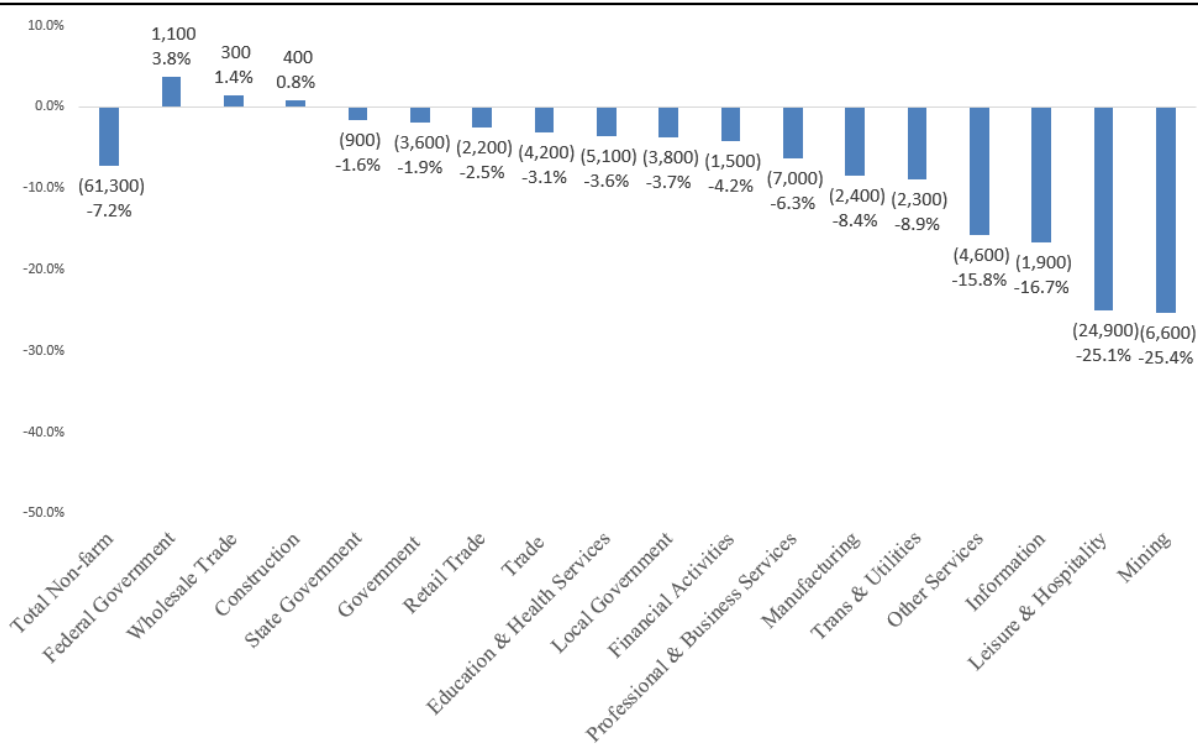
Notes: Monthly Employment Figures from July 2020 to December 2022 are based on Moody's Analytics Scenarios

- Job losses occurred at a rapid pace.
  - Over 100 thousand jobs in three months
- From February to April New Mexico lost over 104 thousand jobs.
- From April to June New Mexico gained just over 26 thousand jobs.
- In June, on a year-over-year basis, New Mexico is down 61,300 jobs or 7.2%.
- The July baseline forecast is slightly better in the near term than the June baseline.
- Recovery depends on national trends:
  - Epidemiological path of virus.
  - When and if a vaccine is available
  - Consumer and Business Confidence returning.
  - Fiscal Policy - Federal Stimulus
  - Monetary Policy - Fed continued support



# New Mexico Employment by sector

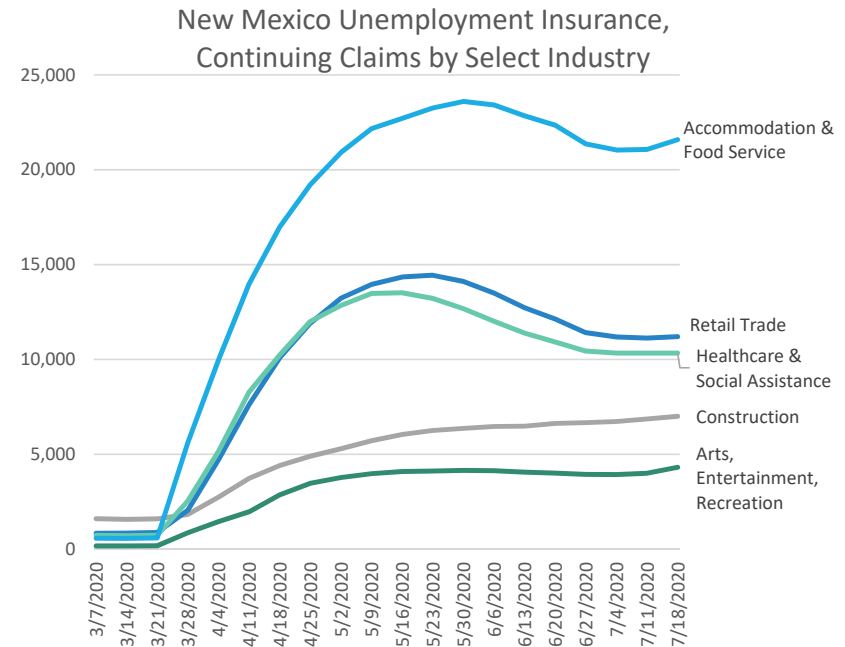
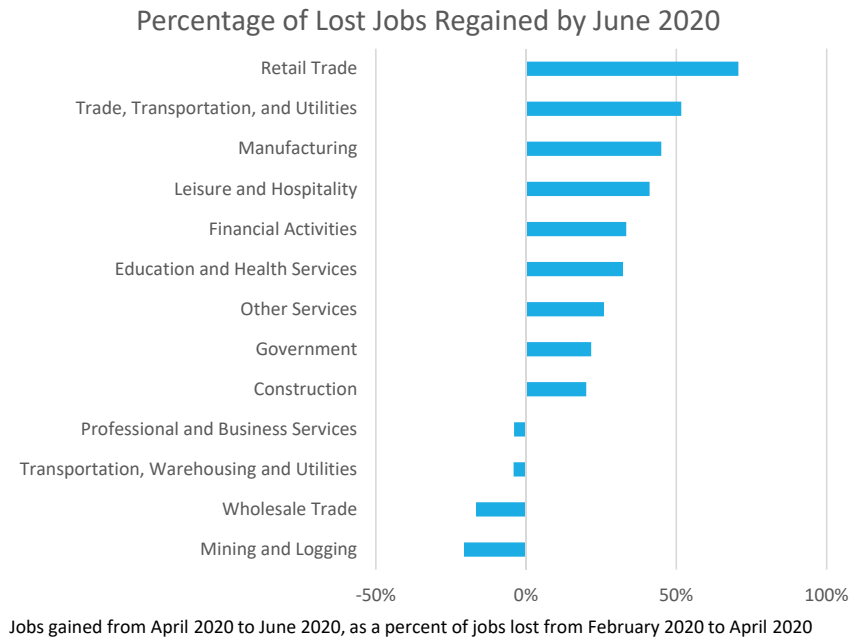
Percent Change and Level Change in Non-Farm Employment in New Mexico by Sector  
June 2019 to June 2020



Source: bls.gov, CES seasonally adjusted

- Year-over-year total non-farm employment declined 7.2% or 61,300 jobs in June.
- Since the pandemic began most sectors have been negatively impacted.
- In June, the most severe employment declines occurred in the following sectors.
  - Leisure & Hospitality
  - Mining
- Sectors which gained jobs were Federal Government and Construction.
  - Census employment
  - Continued construction projects

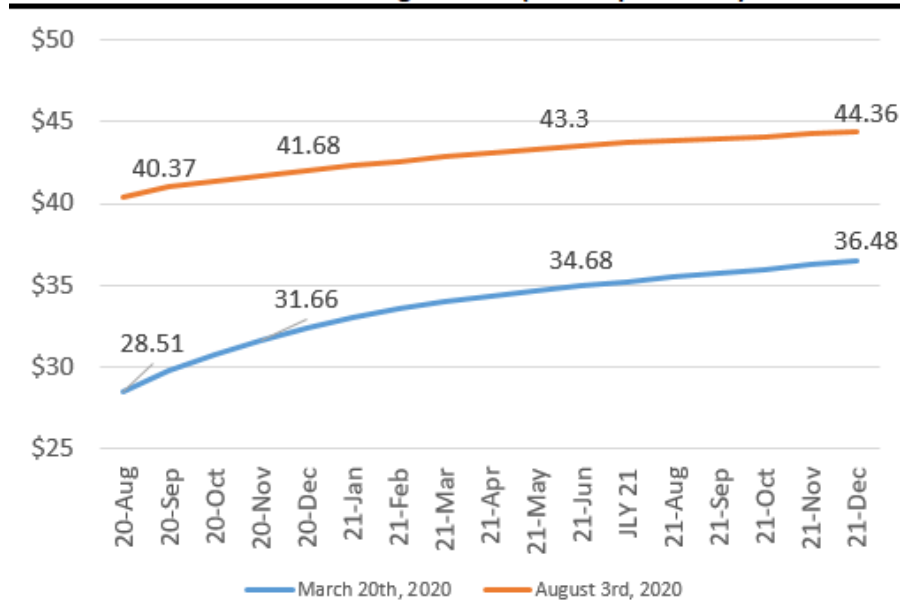
# New Mexico Job Recovery by Industry



- By June, the state had regained about 75% of lost retail jobs and about 40% of lost leisure and hospitality jobs, but job recovery appears to have stalled in July.

## NYMEX WTI Futures March vs. August

**NYMEX Oil Futures March vs August 2020 (dollars per barrel)**



Source: CME Group

- NYMEX futures indicate oil traders positions and where they expect oil prices to be headed in the near term.
- NYMEX futures expectations have changed since March.
- In March NYMEX futures indicated WTI prices would end 2020 at just over \$31/barrel.
- In August NYMEX futures indicate WTI prices are estimated to end the calendar year at just over \$41/barrel.
- There is currently a \$8 to \$10 upward revision in oil traders expectations for WTI prices compared to expectations in March.
- Stronger than anticipated oil price recovery is driven by OPEC+ cuts, inventory drawdowns, and upticks in global oil demand.

# New Mexico Oil Prices

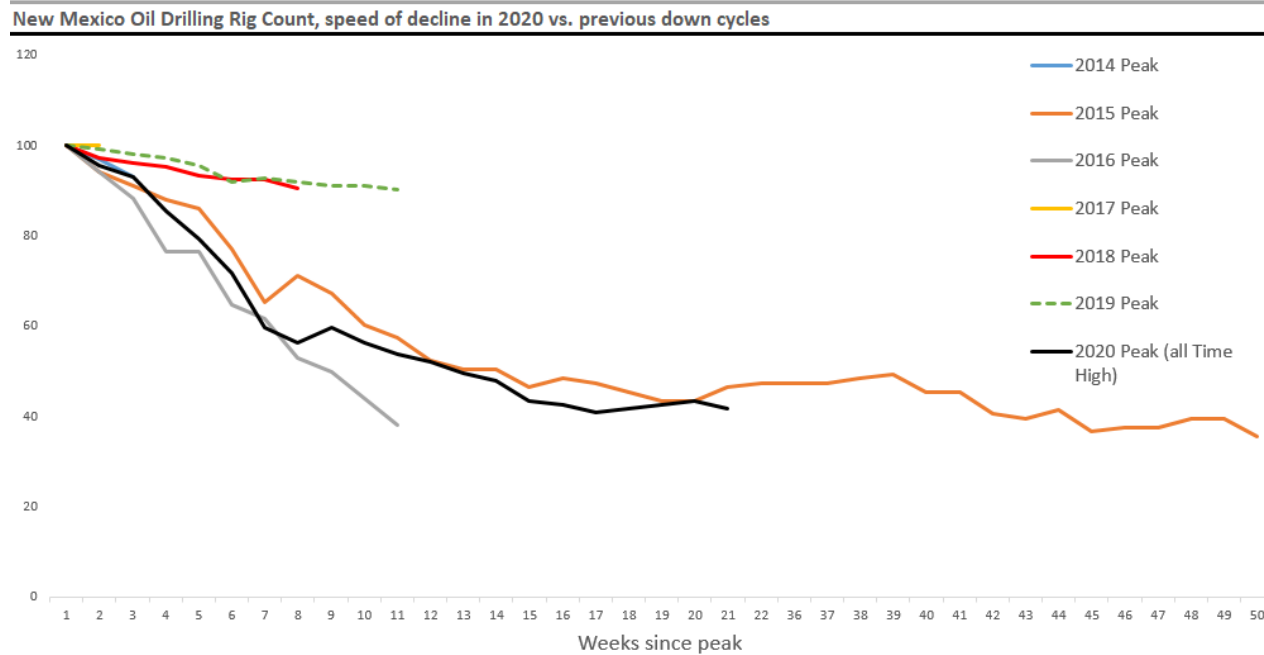
New Mexico's Monthly Oil Price July 2018 to May 2020, WTI Futures w/differential June 2020 to June 2021



Source: TRD GenTax System, Weighted WTI derived from EIA, NYMEX, Phillips 66, and Moody's Forecasts

- New Mexico oil prices are tracking higher than the CREG's June consensus forecast.
- Updated estimates for weighted WTI futures with New Mexico differentials illustrate oil prices closing the 2020 calendar year at just under \$40/barrel.
- The estimates also show weighted WTI oil prices closing FY21 at just over \$40/barrel.
- CREG oil price estimates incorporate different assumptions, weights, and inputs from Moody's Analytics and Global insight.
- Oil prices are inherently volatile. Oil prices are dependent on demand recovery, OPEC+ decisions, inventory builds/drawdowns.

## As New Mexico Oil Prices declined – Rigs followed



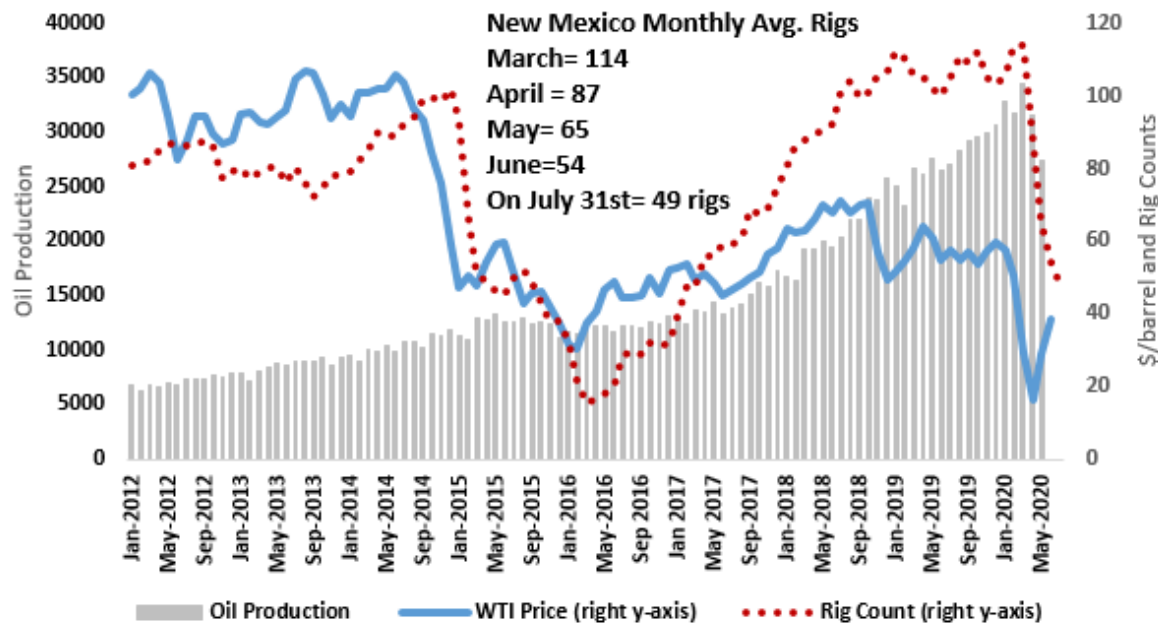
Source: Baker Hughes Rig Count Summary

Note: Peak week is week 1, All peak weeks indexed to 100

- In 2015, NM rigs peaked at 101 rigs before declining to 36 rigs by the end of the year.
- In 2016, NM rigs peaked 34 rigs before declining to 13 rigs within three months.
- In 2020, NM rig counts initially declined at a faster rate than the decline experienced in 2015 but not quite as fast as decline in 2016.
- In 2020, NM rig counts peaked at 117 rigs in March and have declined to 49 rigs by the end of July.
- It is unlikely we will see substantial increases in rig counts while oil is in the low \$40s/barrel.

# New Mexico Oil Production, WTI price, and Rig Counts

**NM Oil Production (1000 barrels), WTI Price (\$ per barrel), & NM Rig Count (number)**  
**January 2012 to July 2020**

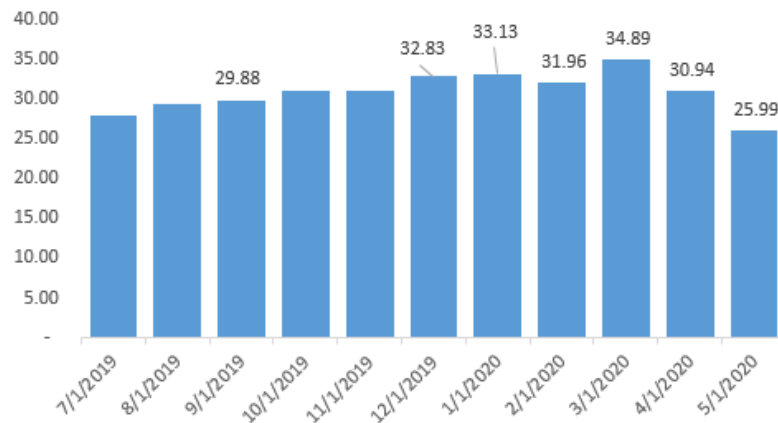


Source: Baker Hughes, EIA (Production through May, 2020, Price through June 2020, Rigs through July 31, 2020)

- On March 8<sup>th</sup> Saudi Arabia initiated an oil price war with Russia.
  - The price war impacted the oil market with a supply side shock.
  - WTI Prices declined from \$41.14/barrel to \$31.05/barrel.
  - This represented a 24.5% drop in WTI prices.
- As Covid-19 containment measures were implemented in March, the oil market began to experience a demand side shock.
- The price of oil collapsed further through April. Rig counts substantially declined.
- NM Rigs peaked during a week in March at 117 rigs. Rigs have declined to 49 rigs at the end July.
  - This represents a 58% decline in NM rigs.

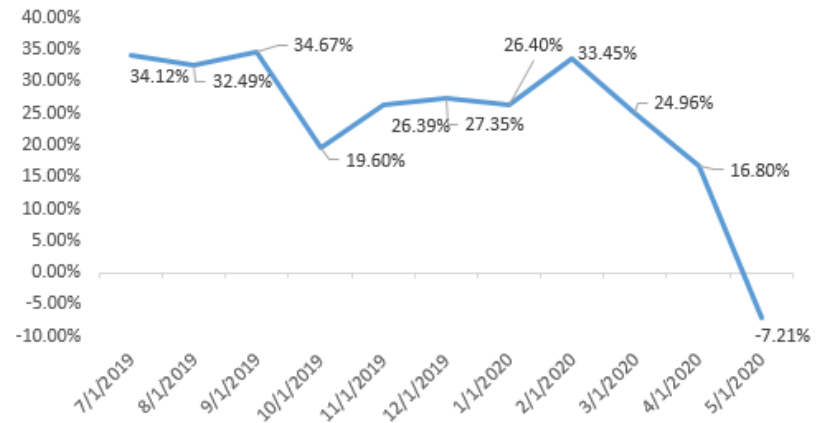
# New Mexico Monthly Oil Production

**New Mexico Oil Production (levels in millions of barrels)**



Source: NM TRD GenTax System

**New Mexico Oil Production (YoY Pct. Chg.)**

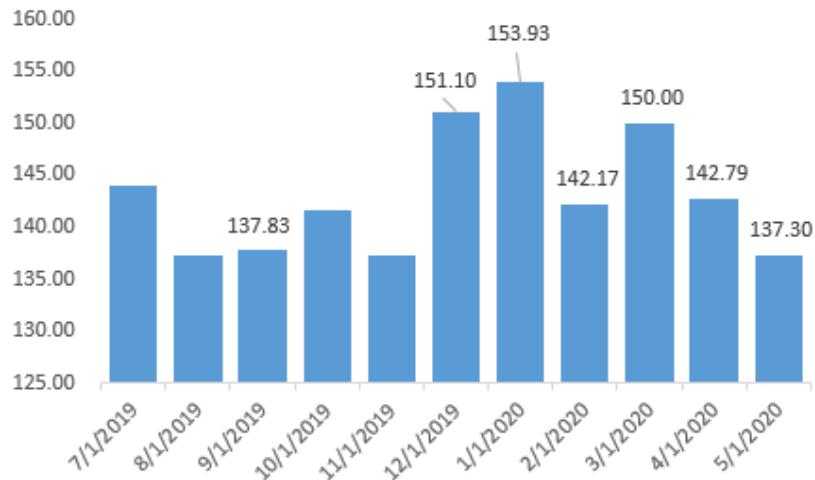


Source: NM TRD GenTax System

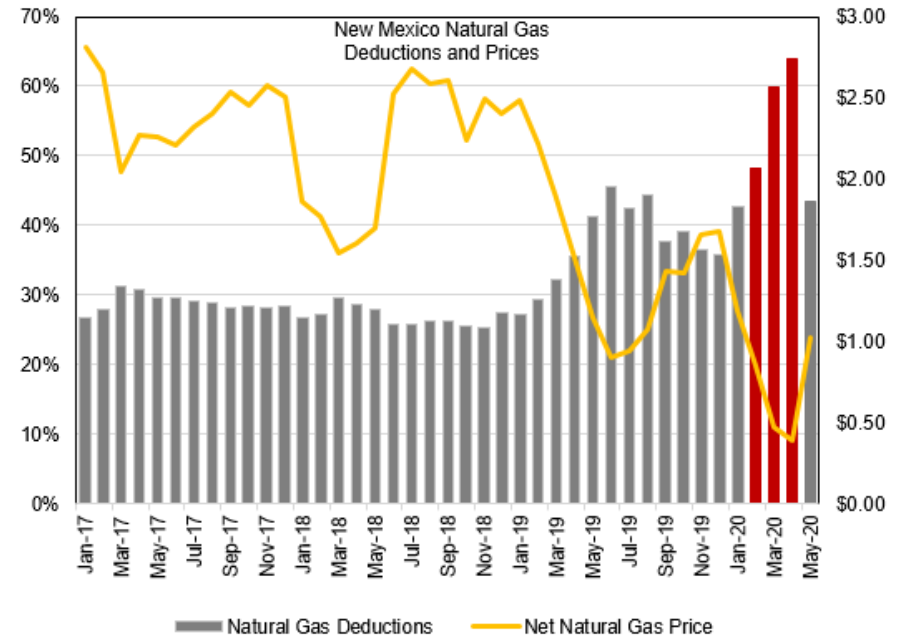
- New Mexico oil production in April and May is on par with the CREG's June consensus forecast.
- New Mexico oil production is slowing beginning in April.
- In May 2020, on year-over-year basis, NM oil production declined by 7.2% compared to the same month in 2019.

# New Mexico Monthly Natural Gas Production

**New Mexico Natural Gas Production (levels in billion cubic feet)**



Source: NM TRD GenTax System



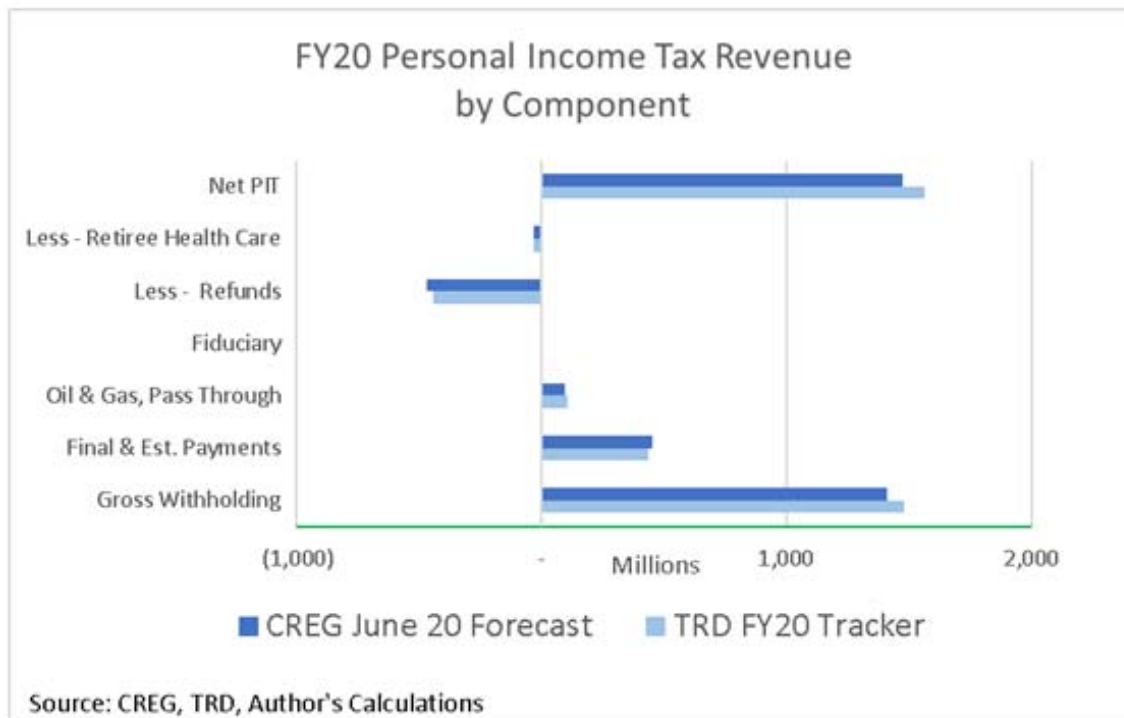
- New Mexico gas production began to decline in February.
- Natural gas transportation and processing deductions jumped in March and April, and net prices fell below \$1/mcf.



# Personal Income Taxes

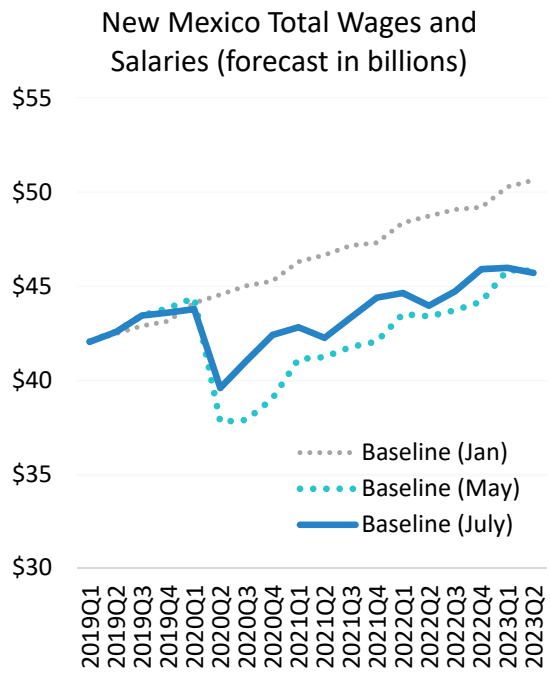
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# Personal Income Tax (PIT) – FY20 revenue impacted by current economic conditions and administrative action

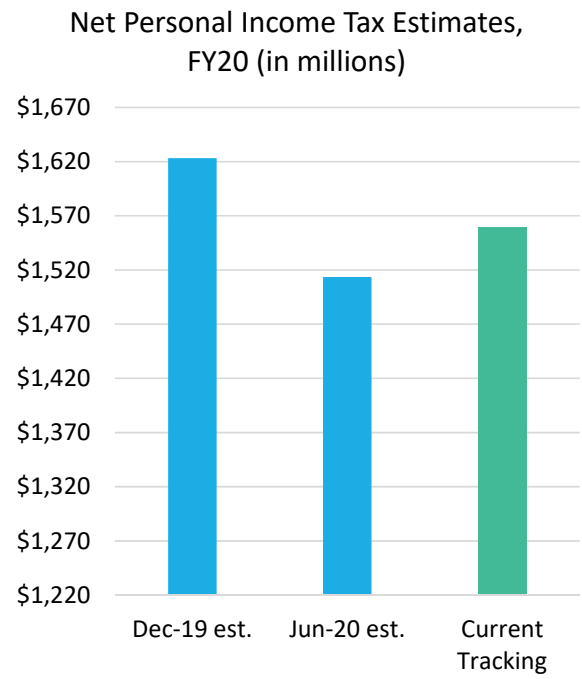


- Administration Action
  - Federal extension of Tax Year 2019 Filing from April 15 to July 15
  - New Mexico automatic extension
  - Legislative action to waive penalty and interest if tax liability paid by April 15, 2021
  - Great uncertainty to forecast refunds and final settlements due to taxpayer behavior

# Current tracking shows strength in withholding compared to the forecast...



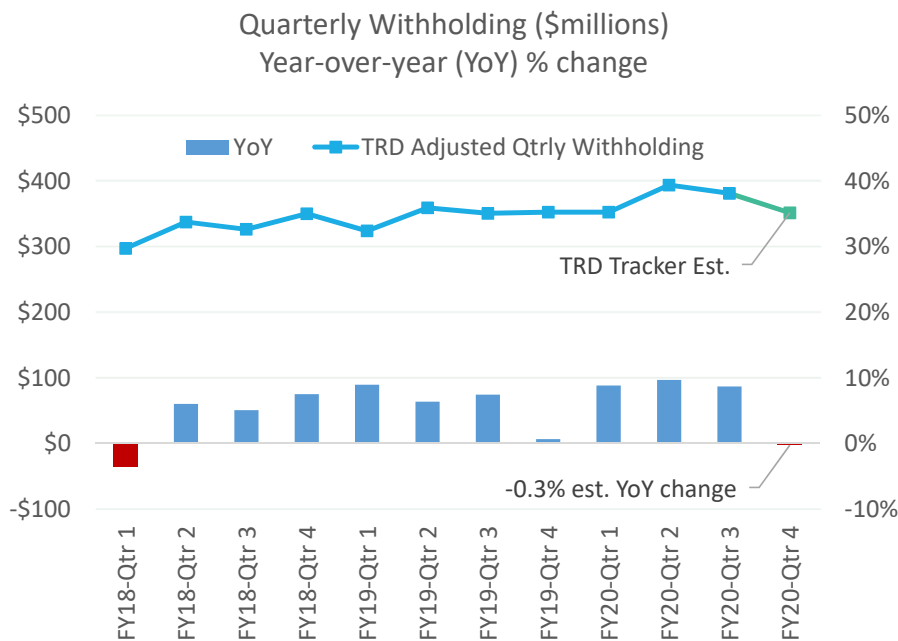
Source: UNM Bureau of Business and Economic Research



Source: Consensus Revenue Estimates; TRD Revenue Tracker

- Stronger-than-expected withholding accounts for most of the strength in PIT revenues compared to the consensus forecast
- Forecasted drop in employment/wages and salaries not as deep as expected
  - Majority of jobs lost were in low-wage sectors
  - Decline in unemployment May and June
- Companies with CARES ACT–Paycheck Projection Program (PPP) loans
  - Approximately 250,000 jobs in New Mexico (Source: U.S. Department of the Treasury)

## ...but the full quarter for withholding will tell the complete story

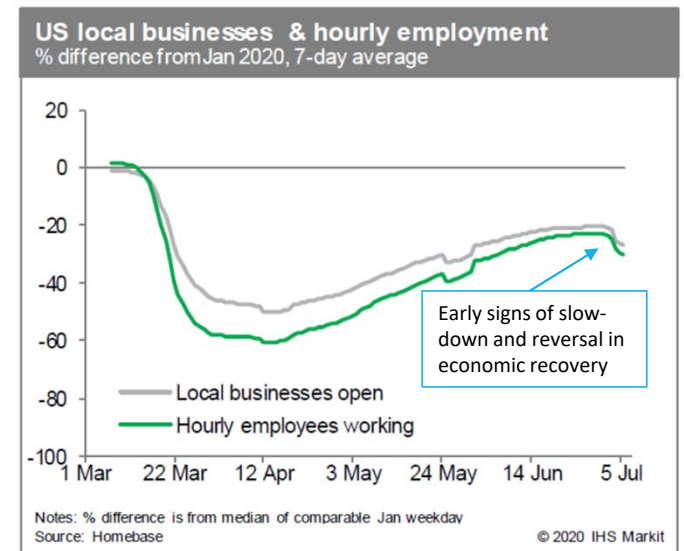
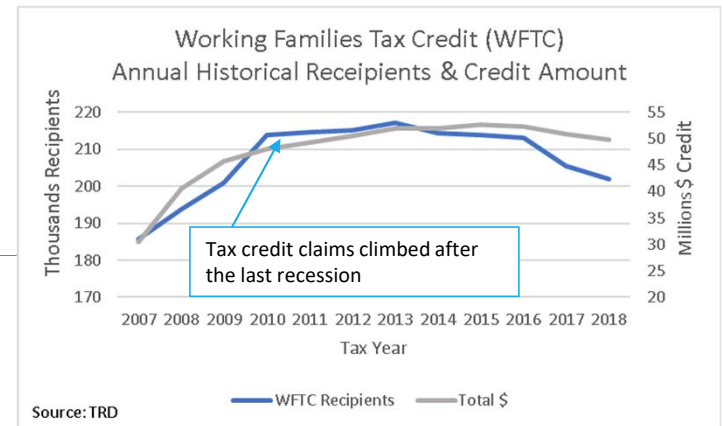


Source: DFA GF Accrual Report with TRD Author's Calculations, TRD FY20 Tracker

- Full quarter informs full economic activity
- Monthly filers tend to be larger and more stable, whereas smaller businesses tend to file quarterly
  - Between 5,000 and 7,000 filers who meet lower threshold of Withholding and GRT requirements for quarterly or semi-annual filing
  - These filers will show up in June data, unless those payments are delayed
  - Assume majority of these taxpayers less likely to have received CARES – PPP loans
- Prior to the pandemic, withholding showed three quarters of 8% growth year-over-year, but current tracking shows the final quarter of FY20 with no growth above the same quarter in FY19

## Uncertainty in the PIT outlook

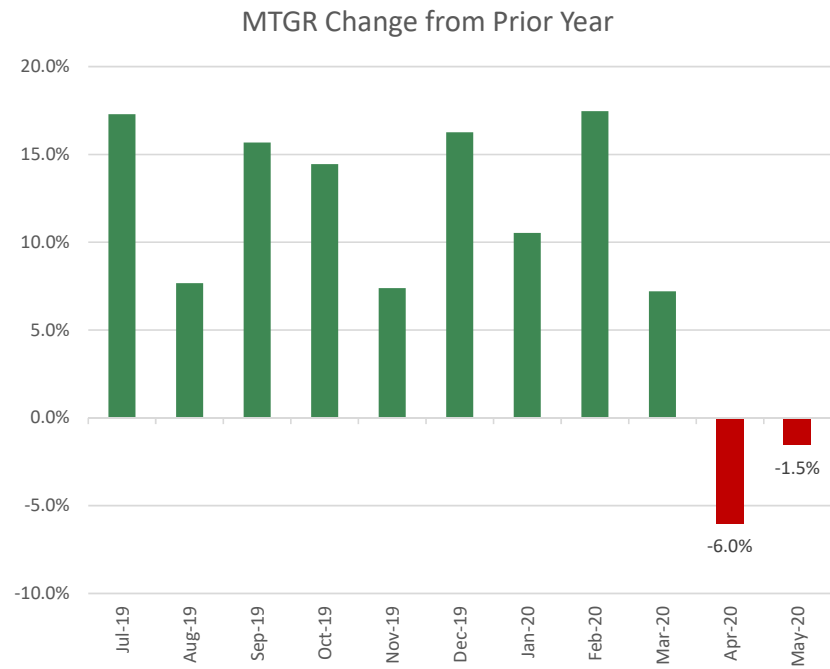
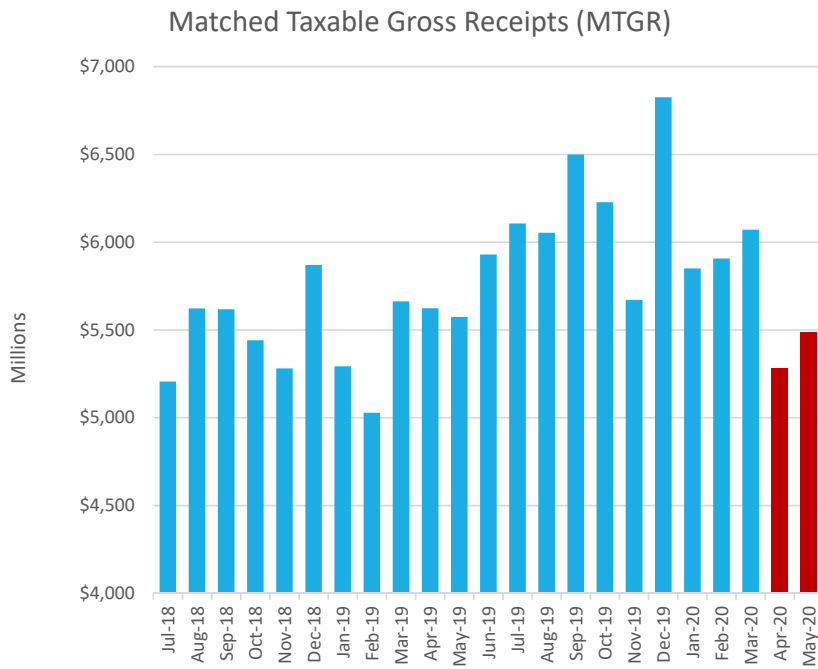
- Businesses previously supported by PPP loans may struggle to stay open or retain employees if sales do not return to prior levels
- Recovery for local businesses and hourly employment began slowing in June and shows early signs of decline in July
  - Continuing claims for unemployment benefits remain high; uptick in initial claims in July
  - Increases in self-employed and gig workers claiming unemployment benefits could be an early sign of reduced final and estimated payments
- Possible increase in eligibility for WFTC and other low-income credits



# Gross Receipts Taxes

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# April and May economic activity declined less than expected...



## ...supported by ongoing construction projects and federal stimulus programs

- Large declines in leisure and hospitality, mining, manufacturing, and wholesale trade
- Continued growth in construction, retail, and other services
  - Construction boosted by ongoing projects that continued despite the pandemic
  - Retail and other services boosted by online sales
- Federal stimulus likely propped up consumer spending
  - Paycheck Protection Program
  - Unemployment benefits for self-employed and independent contractors
  - One-time \$1,200 stimulus checks
  - Extra \$600/week unemployment benefit

Matched Taxable Gross Receipts by Industry - April and May 2020				
Industry	April		May	
	MTGR Growth	Percent Growth	MTGR Growth	Percent Growth
Mining, Quarrying, and Oil and Gas Extraction	-\$91,247,605	-15.4%	-\$195,385,900	-37.3%
Leisure and Hospitality Services	-\$161,585,586	-40.0%	-\$158,943,426	-35.1%
Utilities	-\$12,091,941	-5.5%	\$31,546,806	16.8%
Construction	\$211,250,729	32.4%	\$131,492,399	20.1%
Manufacturing	-\$61,361,529	-30.3%	-\$39,750,688	-22.6%
Wholesale Trade	-\$51,909,747	-19.6%	-\$136,549,801	-39.7%
Retail Trade	\$29,324,131	2.6%	\$172,775,214	14.8%
Transportation and Warehousing	\$8,363,599	9.9%	-\$33,438,308	-36.1%
Information	\$23,345,229	10.8%	\$45,326,818	21.0%
Real Estate and Rental and Leasing	-\$14,634,016	-9.6%	-\$34,796,193	-22.7%
Professional, Scientific, and Technical Services	-\$2,267,563	-0.4%	\$14,254,986	2.9%
Administrative/Support & Waste Management/Remediation	-\$214,683,626	-67.6%	\$108,184,457	51.4%
Health Care and Social Assistance	-\$9,724,018	-3.5%	-\$21,629,788	-7.5%
Other Industries	\$9,853,037	14.5%	\$31,229,497	21.9%
<b>Total</b>	<b>-\$337,368,906</b>	<b>-6.0%</b>	<b>-\$85,683,927</b>	<b>-1.5%</b>

Note: compared to same month in 2019

Source: RP500



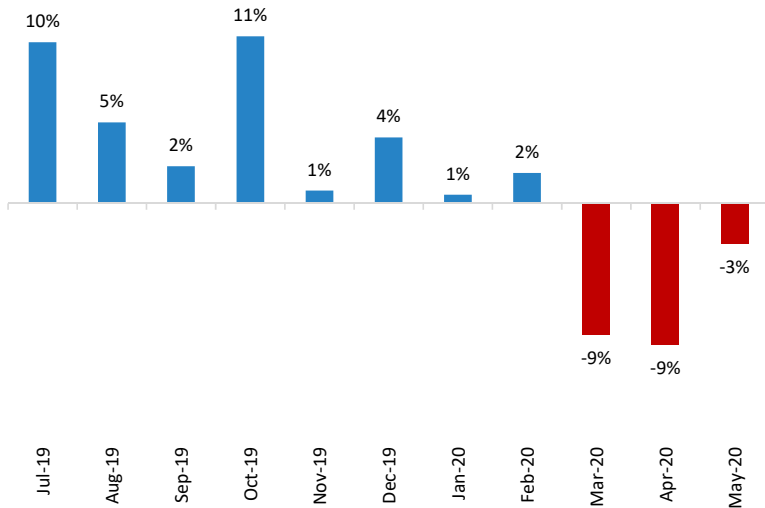
# Other Economic Supports

- SBA Paycheck Protection Program
  - Forgivable loans as incentive to keep workers on payroll
  - New Mexico companies received 21,924 loans totaling \$2.2 billion (as of June 30<sup>th</sup>)
  - At least partially supported about one-quarter of the workforce (about 250 thousand jobs) and helped keep businesses open
- Economic Injury Disaster Loan Program (EIDL)
  - Covers array of capital and normal operating expenses
  - New Mexico businesses received 9,650 loans totaling \$566 million
- SIC's New Mexico Recovery Fund - \$100 Million
- NMFAs Essential Services Working Capital Program
- Economic Development Department Initiatives
  - No-Interest LEDA Loans
  - COVID-19 Emergency Loan Guarantee Program
- SIC/NMFA Small Business Recovery Loans passed in the 2020 special session - \$400 Million

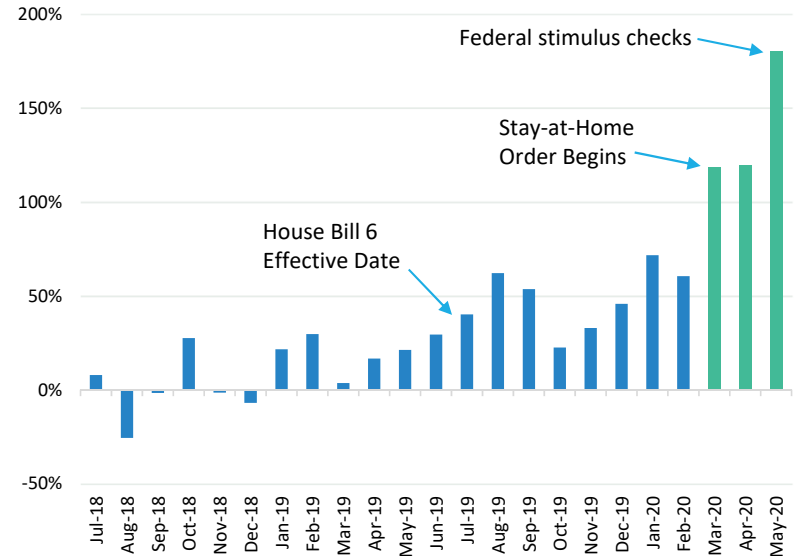
SBA Paycheck Protection Program		
Type of Company	% Awarded	% Awarded
	Under \$150K	\$150K Plus
Agriculture	3%	4%
Mining	2%	8%
Utilities	0.2%	0.53%
Construction	10%	15%
Manufacturing	4%	6%
Wholesale Trade	2%	3%
Retail Trade	10%	9%
Transportation and Warehousing	3%	2%
Information	1%	1%
Finance and Insurance	3%	1%
Real Estate and Rental and Leasing	5%	2%
Professional, Scientific, and Technical Services	12%	9%
Management of Companies and Enterprises	0.1%	0%
Administrative	4%	4%
Educational Services	2%	2%
Health Care	11%	15%
Arts, Entertainment and Recreation	3%	2%
Accommodation and Food Services	9%	10%
Other	12%	5%
Public Admin	0.3%	0.4%
Unclassified	1%	0.30%
Blank	2%	0.30%

# In-state retail declined with the stay-at-home order, but online sales increased.

**In-State Retail Trade MTGR**  
Year-Over-Year Change



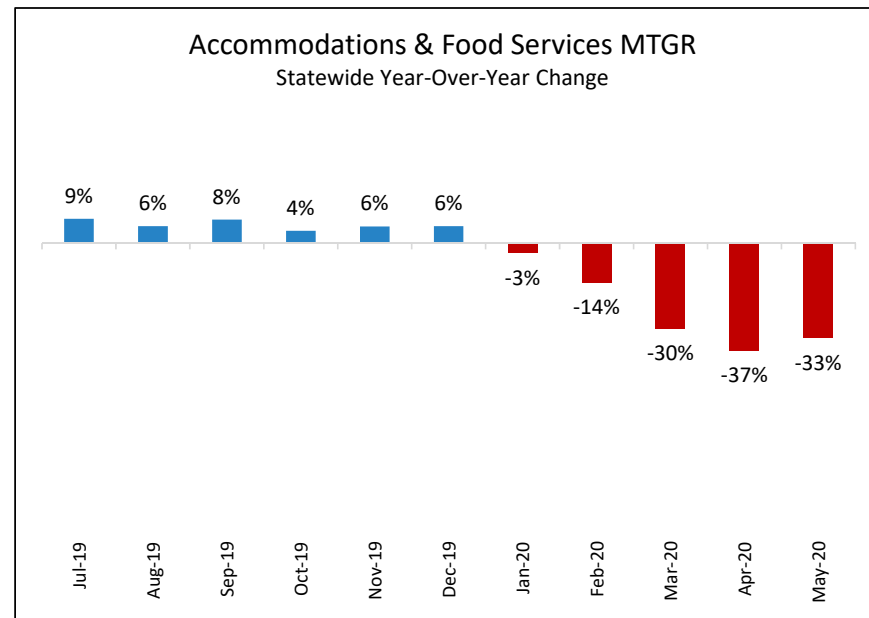
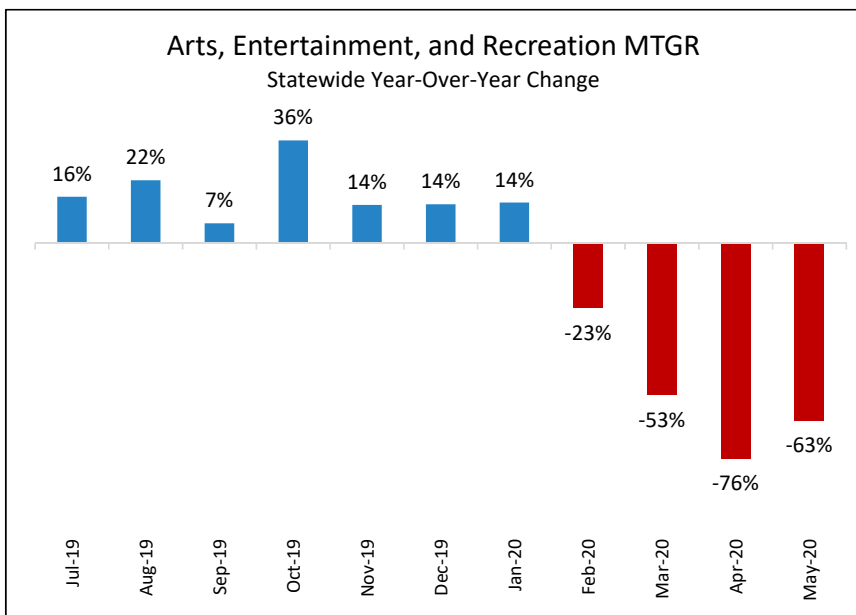
**Out-of-State Retail Trade MTGR**  
Year-Over-Year Change



- Five counties still experienced declines over 20% in May (Harding, Santa Fe, Lea, Eddy, Hidalgo)

Charts reflect percent change from same month prior year

# Leisure and hospitality industries experienced the largest declines in economic activity.

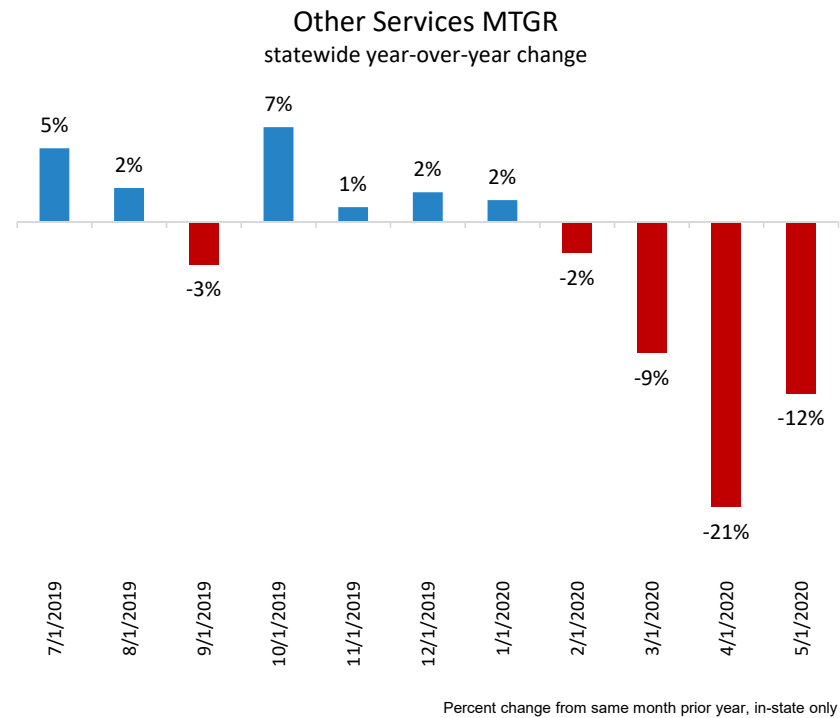


- Fifteen counties experienced over 50% declines in arts, entertainment and recreation in May
  - Eight counties experienced declines over 75% (Torrance, McKinley, Rio Arriba, Eddy, Lincoln, Doña Ana, Santa Fe, Lea)

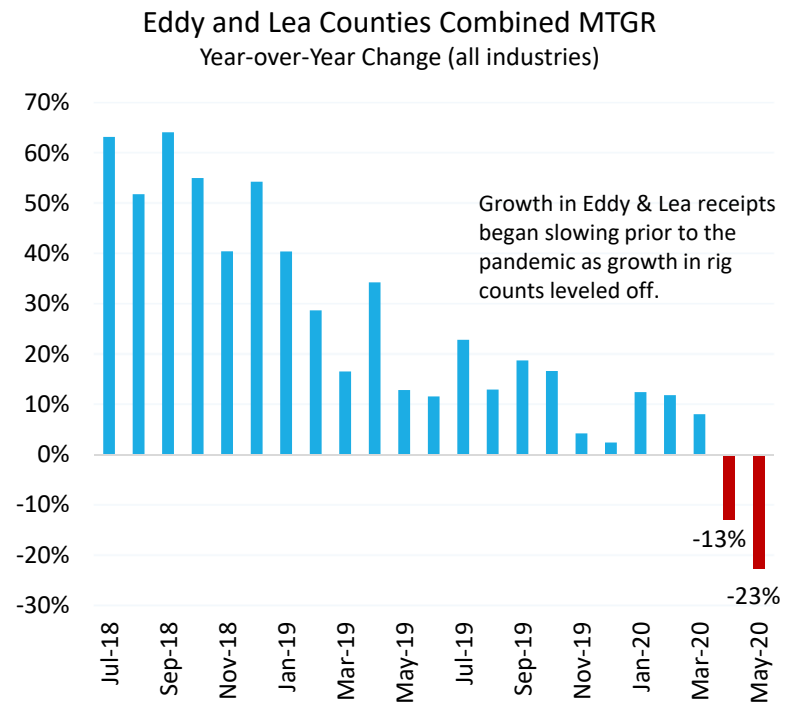
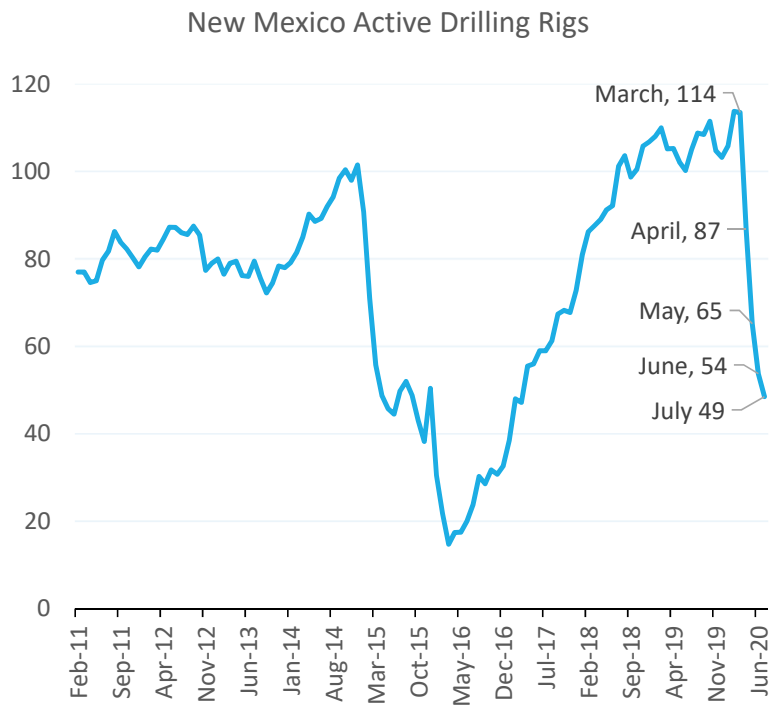
- Sixteen counties experienced over 20% declines in accommodation and food services in May
  - Six counties experienced declines over 40% (De Baca, Santa Fe, Taos, Eddy, Socorro, Los Alamos)

## In-state “other services” also saw significant declines in April with some recovery in May.

- Category captures repair and maintenance services, personal care services (e.g. salons, barbershops, etc.), laundry services, civic and religious organizations
- Ten counties experienced declines over 20% in May
  - Grant, Cibola, Colfax, Catron, Lea, Santa Fe, Taos, Los Alamos, Bernalillo

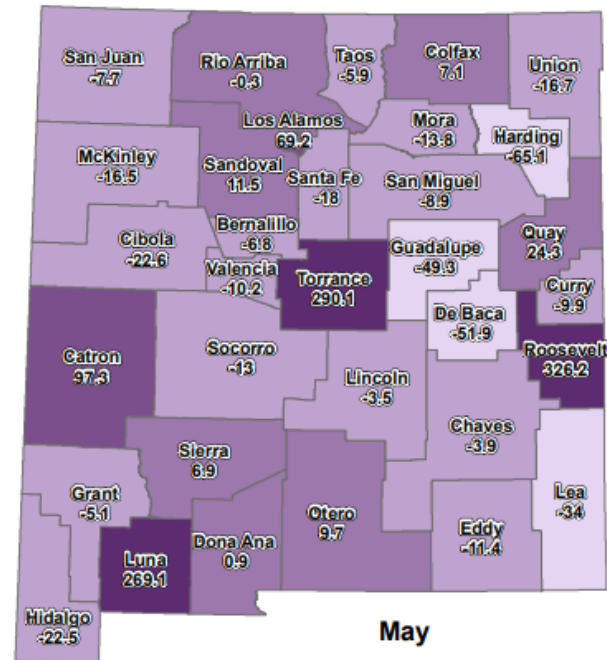
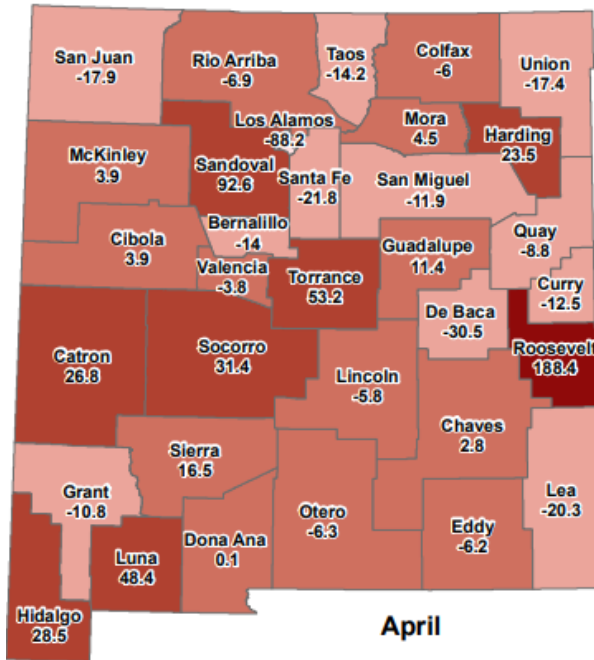


Low oil prices and falling rig counts fueled a sharp decline in gross receipts in Eddy and Lea counties in April and May, with continued declines expected in June and July.

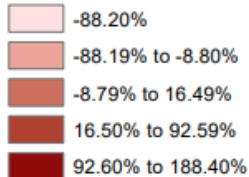


Percent change from same month prior year

# Matched Total Gross Receipts YoY Growth By County

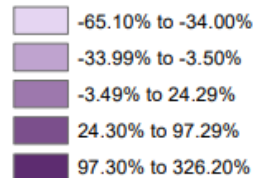


April 2019 to April 2020



Percent change from same month prior year

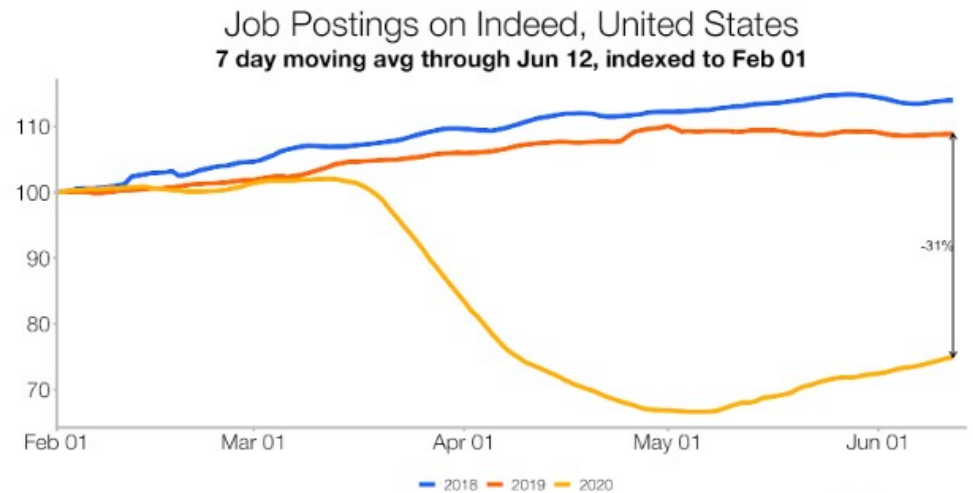
May 2019 to May 2020



- Selected counties MTGR percent change on YoY basis in May:
  - Dona Ana flat at 0.9%
  - Bernalillo down 6.8%
  - Santa Fe down 18%
  - San Juan down 7.7%
  - Eddy down 11.4%
  - Lea down 34%
- There are a few temporary construction projects offsetting the MTGR declines in:
  - Roosevelt up 326%
  - Torrance up 290%
  - Luna up 269%

# A long road ahead....

- People are starting to return to their old jobs, but there is still a long way to go.
- Four in 10 lost jobs may never return.
- Many businesses will permanently close.
- Jobs in retail, warehouses, factories, and transportation face long-term endangerment.
- The virus path is the leading economic indicator of this recession.
- Federal response is critical, particularly support for unemployed workers and state and local governments.



## ...and the Future is Uncertain

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- Business uncertainty makes companies avoid big decisions and delay hiring, and leads to layoffs and furloughs; the longer this crisis lasts the more likely temporary layoffs become permanent
- Too early to know whether/how people and businesses will return to their old patterns
  - How long will it take for consumers to feel comfortable traveling, or attending a conference or concert?
  - How many people will continue to work from home? How would continued teleworking shape consumer spending patterns in the long-run?
- Long-term megatrends in jobs likely to continue (e.g. shorter supply chains, automation, teleworking, shift to online sales, healthcare for an aging population, etc.)
- Small businesses unable to borrow will be replaced by larger businesses better positioned to weather the storm
- Will New Mexico see delayed effects on the economy, particularly if current federal supports change or expire?



# June Forecast Recap and General Fund Revenue Tracking

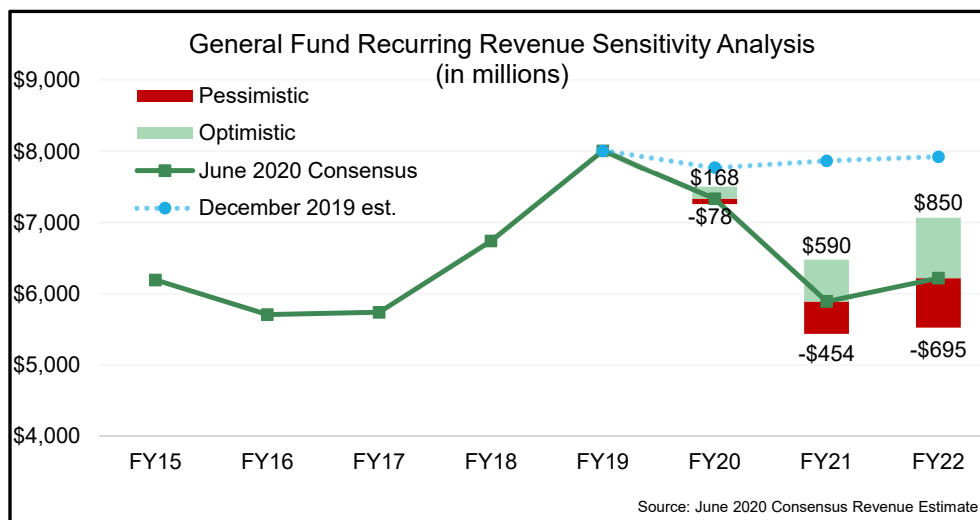
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# June 2020 Consensus Recurring Revenue Outlook & Stress Test

Consensus Baseline	FY20	FY21	FY22
December 2019 Consensus*	\$7,776.4	\$7,870.5	\$7,925.6
June 2020 Adjustments	(\$439.0)	(\$1,979.0)	(\$1,705.0)
<b>June 2020 Consensus</b>	<b>\$7,337.5</b>	<b>\$5,891.5</b>	<b>\$6,220.5</b>
Annual Percent Change	-8.4%	-19.7%	5.6%

\*2020 legislation adjusted

- Following the June 2020 Special Session:
  - FY20 ending general fund reserves estimated at \$1.5 billion (21%)
  - FY21 reserves estimated at \$818 million (11%)
    - Assumed \$750 million in federal funding to backfill lost revenue
  - FY22 recurring revenue projected to be \$991 million below FY21 recurring appropriations (-14%)
- **Stress-Testing:** Optimistic and pessimistic scenarios based on depth and duration of economic decline and alternative oil price/production assumptions



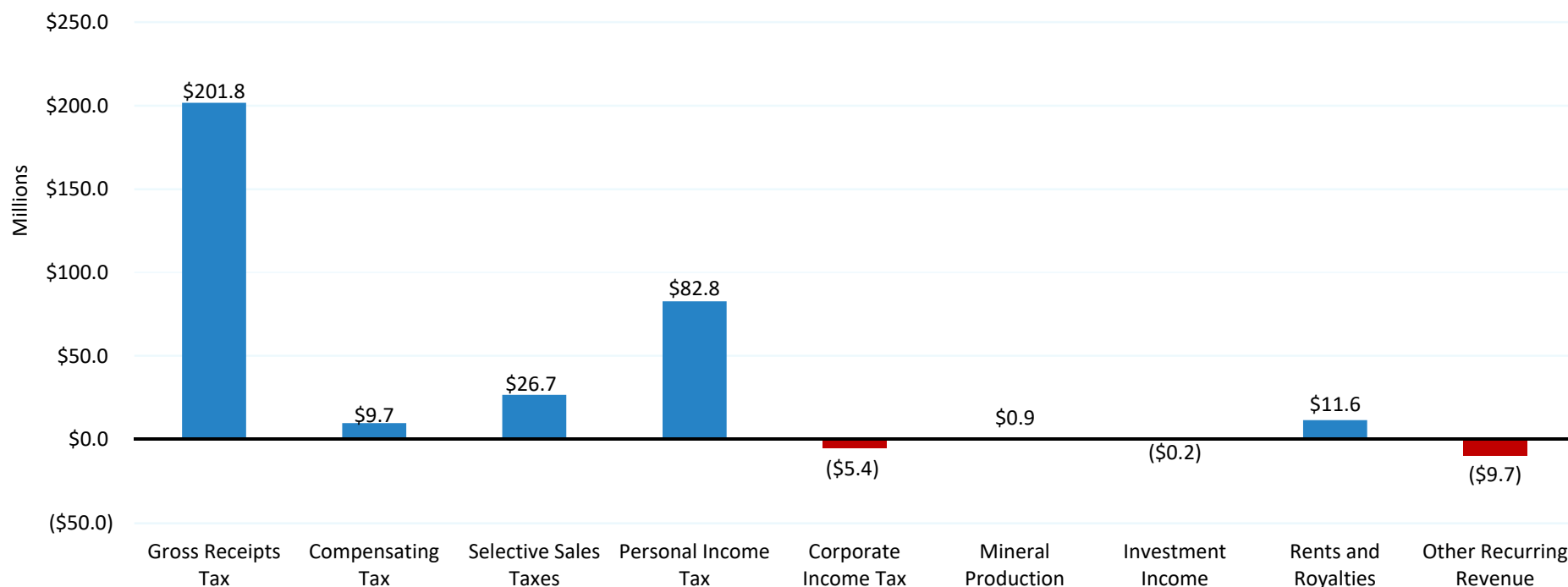
Source: June 2020 Consensus Revenue Estimate

Revenue Scenarios, Difference from Baseline Forecast	Optimistic			Pessimistic		
	FY20	FY21	FY22	FY20	FY21	FY22
Severance Taxes	\$0	\$111	\$119	-\$2	-\$110	-\$146
Federal Mineral Leasing	\$12	\$147	\$281	-\$8	-\$115	-\$174
Gross Receipts Taxes	\$39	\$124	\$187	-\$37	-\$149	-\$256
Income Taxes	\$46	\$164	\$220	-\$2	-\$52	-\$94
Other Revenues	\$71	\$44	\$44	-\$28	-\$28	-\$24
<b>Total Difference from Baseline</b>	<b>\$168</b>	<b>\$590</b>	<b>\$850</b>	<b>-\$78</b>	<b>-\$454</b>	<b>-\$695</b>
Difference from Dec 2019 est.	-\$271	-\$1,389	-\$930	-\$517	-\$2,433	-\$2,475

Note: dollars in millions

# FY20 revenues currently tracking about \$315 million to \$360 million above the June 2020 consensus estimate (legislation-adjusted)

**FY20 Revenue Tracking vs. Forecast**

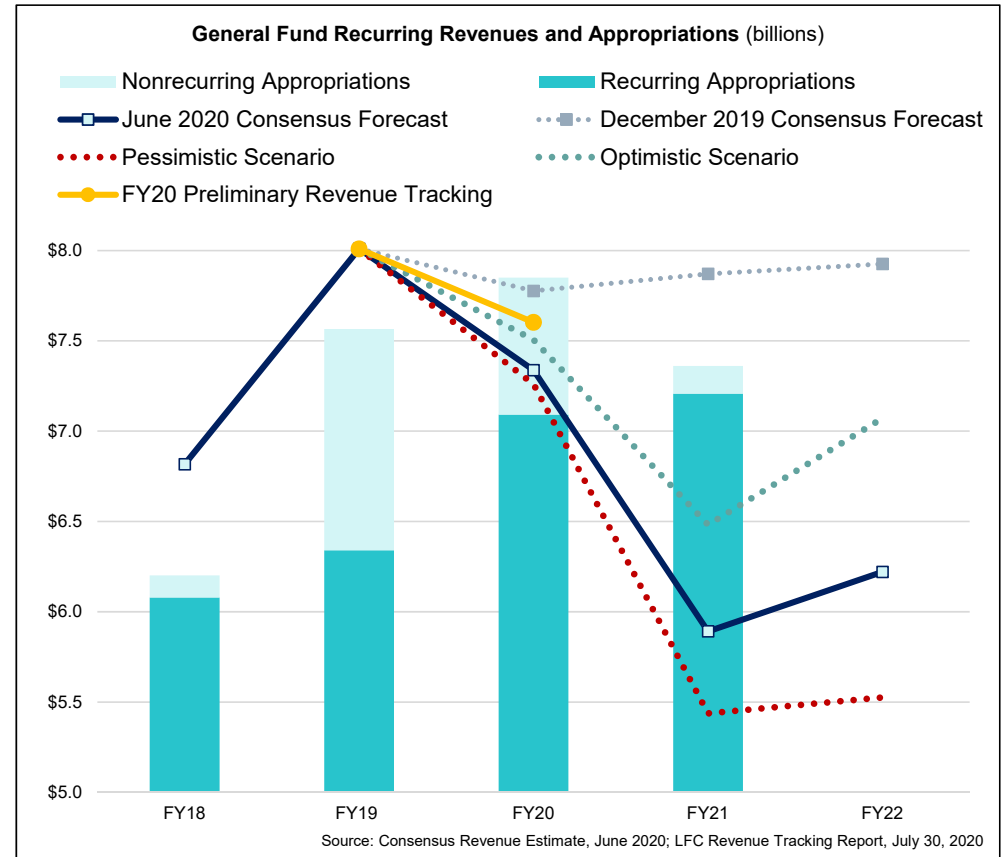


\*Mineral production taxes only include those distributed to the general fund

Source: LFC Revenue Tracking Report (July 30, 2020)

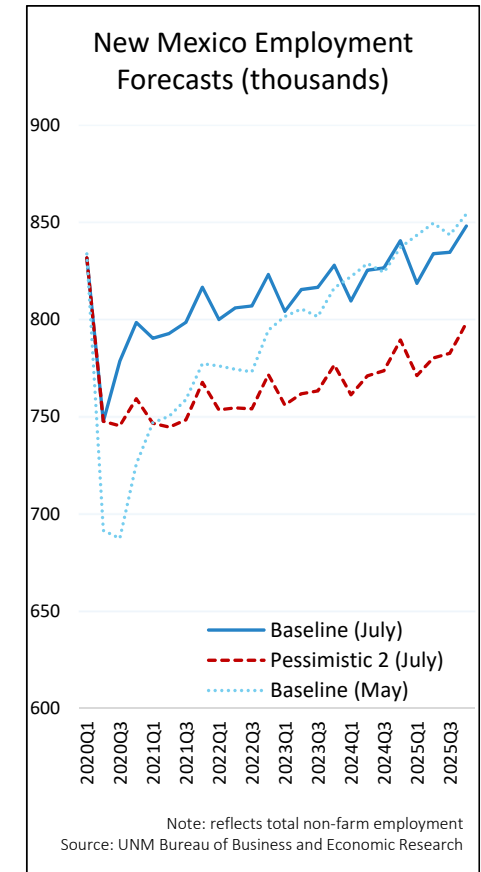
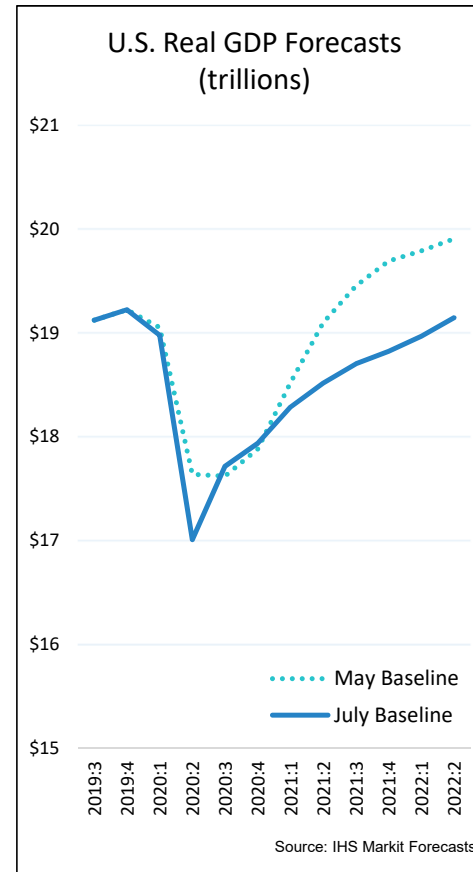
# The Good News

- Current data suggests FY20 general fund revenues may be on track for the 'optimistic' scenario of the June 2020 forecast
  - Employment in Q2-2020 did not fall as far as projected (loss of 100K jobs vs. 150K projection)
    - Unemployment lower in June than in April
  - Gross receipts and income tax collections fell less than expected in April and May
  - Federal fiscal policy softened the blow to businesses and unemployed workers
  - Permian basin more resilient to low oil prices than other US basins
    - Significant declines in drilling activity, but still less than other basins
  - Oil prices tracking higher than expected in the baseline forecast



# Reasons for Caution

- Recent uptick in transmission rate of the virus and potential for resurgence in the fall
- Economic growth showing signs of slowing down
- Businesses may not be able to sustain reduced capacity operations
  - Payroll employment supported by the federal paycheck protection program may not be sustainable once funding expires
- BLS employment surveys tend to undercount employment losses
- New Mexico employment still expected to take years to recover
- Consumer spending may have been propped up by additional unemployment insurance, which expired at the end of July
- Oil prices dependent on oil demand recovery and OPEC+ production cuts
- Capital markets dependent on federal reserve actions; large amounts of corporate debt
- What will happen with federal stimulus?



# Budget Outlook Moving Forward

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# New Mexico Budget Outlook

- 2020 Special Session was held on June 18th to address anticipated shortfalls in revenue for fiscal years 2020 and 2021
- FY20 revenue was adjusted downward by \$439 million,
  - Addressed by non-recurring revenue of \$94 million, reductions in one-time spending and usage of operating reserves
- FY21 revenue was adjusted downward by \$1.98 billion;
  - addressed by targeted sanding from 1 to 4%,
  - elimination of 4% salary increases for state employees
  - usage of \$750 million of CRF funding for those agencies providing coronavirus response
- FY21 Adjusted General Fund recurring budget is \$7,207.8 a reduction of \$413.6 in recurring spending

# New Mexico Budget Outlook

- FY20
  - FY20 revenue tracking above the CREG's June 2020 Forecast by \$315 million to \$360 million.
  - FY20 reversions are currently estimated at \$92 million.
  - Revenue tracking is higher than expected for FY20 means ending reserves will be stronger
- FY21
  - New Mexico entering FY21 with higher than expected revenue and reserves means the state has added resources in FY21
  - FY21 will still be a challenging year for New Mexico.
- Fed stimulus update
  - Fourth round of a federal stimulus is currently being negotiated.
  - Many details may change by the time agreement is reached.
  - Moody's Analytics and UNM BBER have both stated Fed stimulus is key for national recovery.
  - Congress negotiating
    - Another round of stimulus checks.
    - Expansion of unemployment benefits at a reduced level.
    - This benefit was at \$600/week maybe reduced to \$200/week determined by formula rather than flat rate.
  - Change of language that allows some of the Corona Virus Relief (CRF) funds to be used by states for revenue shortfalls
    - States can use CRF appropriations 90 days after "state fiscal year 2021"
    - "Allows 25% of the CRF to be used for revenue replacement while requiring states to certify that 25% of CFR payments have been provided to local governments"