

# FY26 Budget Request

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New Mexico Legislative Finance Committee

Senator George K. Muñoz, *Chair*  
Representative Nathan P. Small, *Vice Chair*

## DFA FY26 Request (High level)

<b>\$227,169,100</b>	<b>\$215,440,700</b>	<b>-5.2%</b>
<b>FY25 Operating</b>	<b>FY26 Request</b>	<b>Change</b>

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<b>\$35,490,200</b>	<b>\$38,293,200</b>	<b>+7.9%</b>
<b>FY25 GF Operating</b>	<b>FY26 GF Request</b>	<b>GF Change</b>

# DFR FY26 Request (Details)

## TOTAL FY26 REQUEST (ALL FUNDING SOURCES)

*Number in thousand*

SOURCES:	FY24	FY24	FY25	FY26	Change: FY26 Over FY25	
	Budget	Actual	Operating	Request	\$	%
General Fund	54,237.6	54,237.6	35,490.2	38,293.2	2,803.0	7.9%
Other Transfers	16,250.0	14,689.5	30,105.8	22,756.3	-7,349.5	-24.4%
Federal Revenue	21,755.2	17,718.1	21,935.7	21,200.5	-735.2	-3.4%
Other Revenue	113,039.4	122,925.7	139,637.4	122,637.3	-17,000.1	-12.2%
Fund Balance	16,277.0	21,420.7	-	10,553.4	10,553.4	0.0%
<b>TOTAL</b>	<b>221,559.2</b>	<b>230,991.6</b>	<b>227,169.1</b>	<b>215,440.7</b>	<b>-11,727.4</b>	<b>-5.2%</b>
<b>USES:</b>						
200 - PSEB	15,794.7	15,645.3	18,707.4	23,707.6	5,000.2	26.7%
300 - Contracts	10,257.6	11,071.0	10,953.4	15,121.9	4,168.5	38.1%
400 - Other	76,033.1	82,921.9	84,568.7	84,628.8	60.1	0.1%
500 - Other Financing Uses	119,473.8	121,102.9	112,939.6	91,982.4	-20,957.2	-18.6%
<b>TOTAL</b>	<b>221,559.2</b>	<b>230,741.1</b>	<b>227,169.1</b>	<b>215,440.7</b>	<b>-11,727.40</b>	<b>-5.2%</b>

# FY26 DFA Request (GF Details)

## FY26 REQUEST (General Fund)

Number in thousand

SOURCES:	FY24	FY24	FY25	FY26	Change: FY26 Over FY25	
	Budget	Actual	Operating	Request	\$	%
General Fund	54,237.6	54,237.6	35,490.2	38,293.2	2,803.0	7.9%
Other Transfers	-	-	-	-	-	-%
Federal Revenue	-	-	-	-	-	-%
Other Revenue	-	-	-	-	-	-%
Fund Balance	-	-	-	-	-	-%
<b>TOTAL</b>	<b>54,237.6</b>	<b>54,237.6</b>	<b>35,490.2</b>	<b>38,293.2</b>	<b>2,803.0</b>	<b>7.9%</b>
<b>USES:</b>						
200 - PSEB	13,879.1	13,664.6	17,029.1	19,570.9	2,541.8	14.9%
300 - Contracts	9,174.8	8,644.8	10,023.1	10,172.3	149.2	1.5%
400 - Other	8,586.9	8,577.1	8,408.0	8,520.0	112.0	1.3%
500 - Other Financing Uses	22,596.8	22,596.8	30.0	30.0	-	-%
GF Reversions	-	754.3	-	-	-	-%
<b>TOTAL</b>	<b>54,237.6</b>	<b>54,237.6</b>	<b>35,490.2</b>	<b>38,293.2</b>	<b>2,803.0</b>	<b>7.9%</b>



## Policy Development, Fiscal Analysis, Budget Oversight and Education Accountability (P541)

*Program includes Office of the Secretary, State Budget Division, Board of Finance*

**\$6,388,400**

**FY25 Operating**

**\$6,981,100**

**FY26 Request**

**+9.3%**

**Change**



The DFA legal unit requires additional support due to a significant rise in both state and federal funding, which has led to a substantial increase in the demand for legal guidance, research, and support for DFA and another agencies.

- \$385,700 - Base Expansion request, 3 FTE, 2 legal, 1 Exec Budget/Policy Analyst (STRN to Classified)
- Agency wide rate increase for fixed unemployment Insurance
- Increase to Budget Formulation Management System (BFM)
- Increase to State Board of Finance for General Obligation Bonds program expenses.



## Program Support (P542)

*Program includes Administrative Services Division and the Human Resources and IT Bureaus*

**\$3,000,200**

**FY25 Operating**

**\$3,249,100**

**FY26 Request**

**+8.3%**

**Change**



*Administrative Services Division provides fiscal, human resources and IT support for the Department and all programs funded with state and federal appropriations. DFA can not grow without a capacity investment in ASD.*

- \$214,000 - Fully fund all positions with an applied 5% vacancy rate.
- \$34,900 – Published GSD audit rate increase

## Local Government Division (P543)

Program includes the Local Government Division, E-911 Program, DWI Bureau, Community Development Bureau, and the Special Services Bureau, Budget and Finance Bureau

**\$52,075,200**                      **\$51,271,200**                      **-0.9%**  
**FY25 Operating**                      **FY26 Request**                      **Change**



*LGD has experienced a significant surge in legislative appropriations and programs, with funding increasing from the 2024 Legislative Session.*

- \$155,400-Fully fund all positions with a 10% vacancy.
- (\$735,200) - Reduction of CDBG Federal Grant.
- \$541,000 - Increase in E911 projected revenue.
- (\$783,300) - Decrease in DWI projected revenue.
- (\$4,286,100) Civil Legal Services Program (CLS), (\$469,200) Federal Taylor Grazing, (\$9,488,200) Federal Forest Reserve have been moved to P545.

	FY25 Operating	FY26 Request	Change
<b>LGD Opr.</b>	<b>3,684,200</b>	<b>3,839,600</b>	<b>4.2%</b>
<b>CDBG</b>	<b>11,977,600</b>	<b>11,242,400</b>	<b>-6.1%</b>
<b>E-911</b>	<b>12,648,200</b>	<b>13,189,200</b>	<b>4.3%</b>
<b>DWI</b>	<b>23,765,200</b>	<b>23,000,000</b>	<b>-3.2%</b>
	<b>52,075,200</b>	<b>51,271,200</b>	<b>-0.9%</b>

## Financial Control Division (P544)

Program includes the Statewide Financial Reporting and Accountability Bureau, Cash Control Bureau, Central Payroll Bureau, and the Audit & Vendor Relations Bureau

**\$7,806,900**

**FY25 Operating**

**\$13,577,800**

**FY26 Request**

**+73.9%**

**Change**



The volume of oversight duties has increased in recent years due to increased funding around the state. The FY25 budget to support salaries and benefits was reduced by 20%. It is imperative that FCD is fully funded.

- \$514,600 - Fully fund all positions with a 6% vacancy rate.
- \$5,256,300 - Other state fund transfers from DoIT to provide the fiscal support for the SHARE support team.

		FY26 Request		
	FY25 Operating	General Fund	Other transfers	Net Increase
<b>FCD</b>	7,806,900	8,321,500	-	514,600
<b>SHARE</b>	-	-	5,256,300	5,256,300
	<b>7,806,900</b>	<b>8,321,500</b>	<b>5,256,300</b>	<b>5,770,900</b>
				<b>73.9%</b>



## Infrastructure, Planning and Development Division (P556)

*Program includes the Capital Planning and Policy Mgmt. Bureau, Capital Navigation and Funding Assistance Bureau, Federal Grants Management Bureau, Infrastructure Task Force Bureau*

**\$1,434,600**

**FY25 Operating**

**\$2,664,300**

**FY26 Request**

**+85.7%**

**Change**



*IPDD is a newly created Division to support all state agencies, the legislative branch, the judicial branch and local public bodies to provide planning and funding assistance for all capital projects.*

- \$750,000 - FY26 Request includes FY25 special appropriation.
- \$1,434,600 - Moved Federal Grants Bureau & Infrastructure from P541 & P543.
- \$954,300 - Expansion request 8 FTE.

# Membership and Dues Requests (P545)

	FY25 Budget	FY26 Request	Difference	
Emergency water supply fund	109,900	109,900	-	
Fiscal agent contract	1,200,000	1,200,000	-	
State planning districts	693,000	693,000	-	
Statewide teen court	137,900	137,900	-	
Law Enforcement Protection*	22,000,000	22,000,000	-	
Leasehold Community Assistance	180,000	236,000	56,000	
Acequia and community ditch education	498,200	498,200	-	
New Mexico acequia commission	88,100	88,100	-	
Land grant council	262,900	626,900	364,000	
County detention of prisoners	5,000,000	5,000,000	-	
National Association of State Budget Officers	24,000	24,000	-	
Western Governors' Association	40,000	40,000	-	
National Governors' Association	84,000	89,700	5,700	
Intertribal Indian Ceremonial Association (IICA)	328,000	328,000	-	
Civil Legal Services*	5,286,100	5,614,000	327,900	
Federal Taylor Grazing*	469,200	469,200	-	
Forest Reserve*	9,488,900	9,488,900	-	
County Supported Medicaid*	73,000,000	66,330,000	(6,670,000)	
Tobacco Settlement*	20,082,700	19,097,400	(985,300)	
Opioid Crisis Recovery Fund*	17,126,900	4,000,000	(13,126,900)	
				<b>FY25 BUDGET TOTAL:</b>
				<b>\$156,099,800</b>
				<b>FY26 REQUEST TOTAL:</b>
				<b>\$136,071,200</b>
				<b>DIFFERENCE:</b>
				<b>(\$20,028,600)</b>

\*other revenue/fund balance

# FY26 Special Appropriation Requests

**\$1,000,000.00** - FY26 System and Organization Controls (SOC) Audit

**\$860,000.00** - Civil Legal Service Fund

**\$500,000.00** - Litigation Judgement/Settlements (AOC lawsuit against DFA)

**\$250,000.00** - Digital system improvement, security and ongoing maintenance

**\$250,000.00** - New Mexico Infrastructure Finance Conference FY25-26

**\$200,000.00** - Inflation Reduction Act of 2022 (IRA) tax consulting services



# Supplement Information

## Current Vacancy (FY25)

	Total	Filled	Vacant	Vacancy Rate
P541	31	29	2	6.5%
P542	21	19	2	9.5%
P543	49	40	9	18.4%
P544	54	49	5	9.3%
P556	17	10	5	29.4%
	172	147	23	13.4%

## FY24 Reversions

	200	300	400	Total
P541	87,132.00	741.00	-	87,873.00
P542	35,741.00	-	-	35,741.00
P543	57,336.00	-	-	57,336.00
P544	22,453.00	-	5.00	22,458.00
Operating Fund	202,662.00	741.00	5.00	203,408.00
P545*	5,900.00	533,058.00	11,924.95	550,882.95

*\*Dues and membership fees/special appropriations*