

January 10, 2022

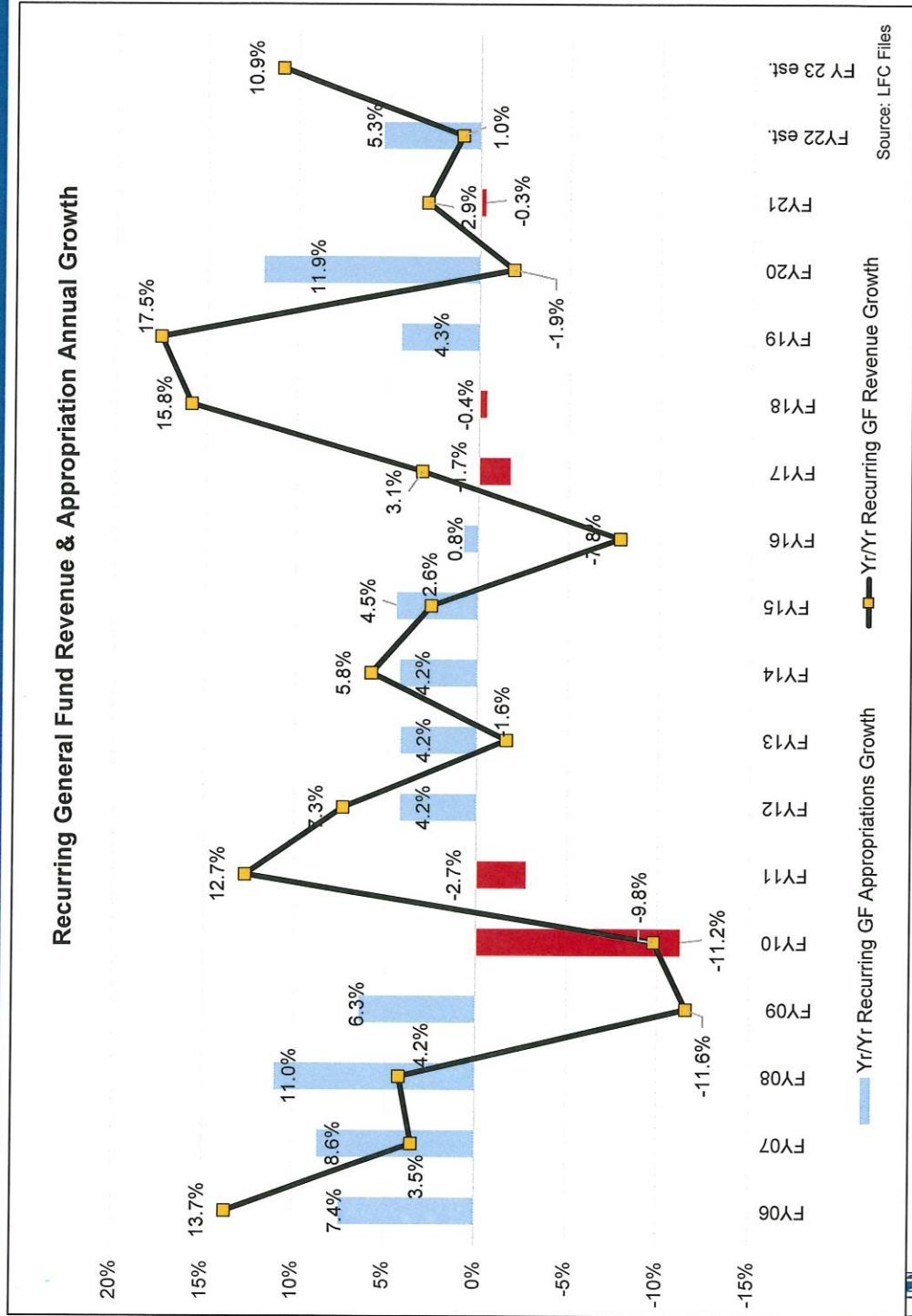
LFC and Exec. Recommendations: Key Take Aways

- For the last two decades, New Mexico has experienced a boom or bust every 2 or 3 years. Booms are nice but downturns require painful cuts, sometimes to start off a session or at a special session. For this boom, some caution is in order.

At First Glance

- The 14 percent increase in the LFC recommendation doesn't look cautious, but 8 percent, or more than half, of the increase is to backfill one time revenue, such as federal Medicaid funds, other state funds for improved fund solvency (like ERB) and to keep work pay competitive.
- There's a lot more non-recurring funding than recurring, so this isn't a time to short change existing programs. But the executive recommendation uses a \$115 million special appropriation from the general fund nonrecurring surplus to cover Medicaid. Aside from Medicaid, higher education and compensation, the executive recommendation is \$100 million higher for agencies.
- The executive has dozens of special appropriations from general fund reserves to expand recurring programs. The executive general fund specials total almost \$727 million.
- The U.S. and New Mexico economies are effectively at full employment - - especially for higher skilled professional occupations like health care, education, engineering, accounting, information technology and project management. Practically, government managers will be hard pressed to hire staff to expand operations.
- The executive budget recommendation doesn't address elements of the budget defined in NMSA 6-3-10 and 11, notably recommendations for uses of including general obligation bonds, STBs and ARPA revenue.
- Workload is down in many areas, public and higher education enrollment, youth in juvenile facilities, adult corrections prison population, and childcare.

Significant volatility in revenues impedes on the state's ability to plan and execute based on stable budgeting.



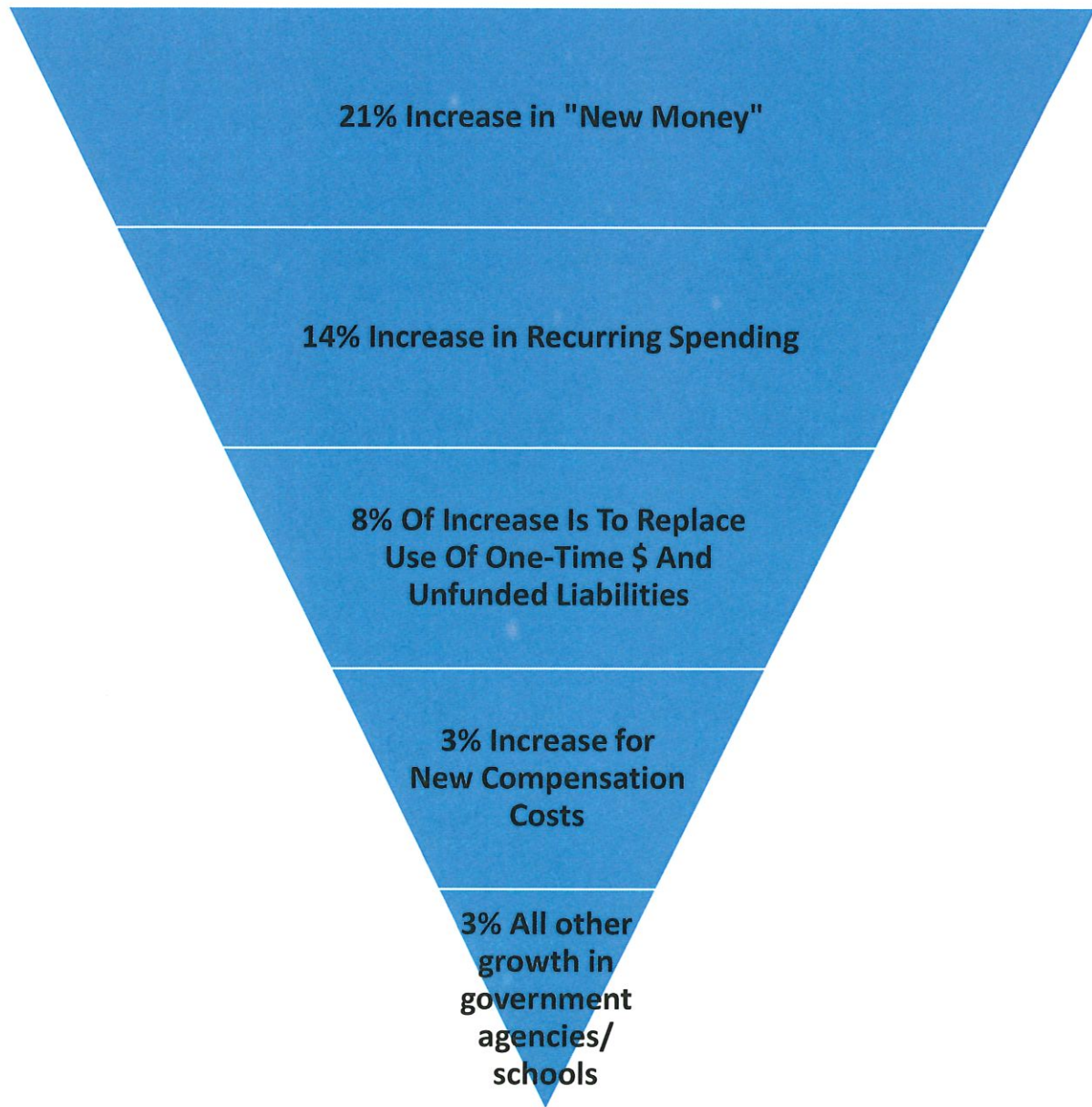


NEW MEXICO
LEGISLATIVE
FINANCE
COMMITTEE

HB 2- FY23 General Fund
High Level
Appropriations Summary
(In millions)

1	AGENCY	FY22 General Fund Adj. OpBud	FY23 EXEC Rec	FY23 LFC Rec	LFC Over/ (Under) Exec	1
2	General Fund Revenue					2
3	Tax/Revenue Changes					3
4	December Update					4
5	Total		\$ -	\$ -		5
6	Public Education					6
8	993 SEG	\$ 3,288.3	\$ 3,637.5	\$ 3,680.5	\$ 43.0	8
9	993 Categorical	\$ 122.9	\$ 166.4	\$ 140.7	\$ (25.7)	9
10	925 Related	\$ 20.5	\$ 45.7	\$ 26.8	\$ (18.9)	10
11	924 Public Education Dept.	\$ 14.5	\$ 16.5	\$ 19.5	\$ 2.9	11
12	Total Public Education	\$ 3,446.3	\$ 3,866.2	\$ 3,867.5	\$ 1.3	12
14	950+ I&G	\$ 702.4	\$ 715.7	\$ 721.8	\$ 6.1	14
15	950+ Other Categorical	\$ 151.3	\$ 159.8	\$ 167.3	\$ 7.5	15
16	950+ Higher Education Department	\$ 40.9	\$ 135.3	\$ 46.3	\$ (89.0)	16
17	Total Higher Ed.	\$ 894.7	\$ 1,010.8	\$ 935.5	\$ (75.3)	17
18	200 Courts	\$ 188.4	\$ 194.6	\$ 197.4	\$ 2.8	18
19	250 District Attorneys	\$ 81.5	\$ 85.8	\$ 85.7	\$ (0.1)	19
20	280 Public Defender	\$ 57.8	\$ 60.0	\$ 60.8	\$ 0.8	20
21	333 TRD	\$ 65.3	\$ 72.0	\$ 68.0	\$ (4.0)	21
22	341 Department of Finance & Admin	\$ 16.7	\$ 32.6	\$ 17.5	\$ (15.1)	22
23	344 DFA (Special Approps)	\$ 5.5	\$ 8.3	\$ 8.1	\$ (0.2)	23
24	350 General Services Department	\$ 16.7	\$ 17.9	\$ 17.8	\$ (0.1)	24
25	370 Secretary of State	\$ 16.6	\$ 14.4	\$ 13.9	\$ (0.5)	25
26	418 Tourism	\$ 16.7	\$ 29.0	\$ 19.2	\$ (9.8)	26
27	419 Economic Development Dept	\$ 14.2	\$ 18.6	\$ 15.6	\$ (3.0)	27
28	505 Cultural Affairs Department	\$ 33.5	\$ 36.8	\$ 35.2	\$ (1.6)	28
29	521 Energy, Minerals & Natural Res Dept	\$ 24.1	\$ 31.2	\$ 26.0	\$ (5.2)	29
30	550 State Engineer	\$ 20.6	\$ 29.2	\$ 24.7	\$ (4.4)	30
31	611 Early Childhood Education & Care Dept.	\$ 191.8	\$ 195.1	\$ 198.6	\$ 3.5	31
32	624 Aging & Long-Term Care Dept.	\$ 48.9	\$ 52.0	\$ 51.4	\$ (0.5)	32
33	630 Medicaid & Medicaid BH	\$ 1,031.7	\$ 1,162.7	\$ 1,278.4	\$ 115.7	33
34	630 Other Human Services	\$ 123.7	\$ 142.7	\$ 138.6	\$ (4.1)	34
35	631 Workforce Solutions Dept	\$ 9.5	\$ 11.2	\$ 9.8	\$ (1.4)	35
36	665 Department of Health	\$ 316.0	\$ 358.2	\$ 342.8	\$ (15.4)	36
37	667 Environment Department	\$ 16.1	\$ 23.8	\$ 17.1	\$ (6.7)	37
38	690 Children, Youth & Families Dept	\$ 213.4	\$ 240.9	\$ 228.5	\$ (12.3)	38
39	770 Department of Corrections	\$ 329.3	\$ 335.1	\$ 327.7	\$ (7.4)	39
40	790 Department of Public Safety	\$ 129.7	\$ 139.8	\$ 143.7	\$ 3.9	40
41	All Other Agencies^	\$ 140.2	\$ 175.1	\$ 153.4	\$ (21.7)	41
42	Undistributed Comp	\$ 0.5				42
43	Subtotal	\$ 7,449.7	\$ 8,344.0	\$ 8,283.1	\$ 60.9	43
44	\$13.50/hr Public Minimum Wage-Y1	\$ -	\$ -	\$ 11.5	\$ -	44
45	Compensation- 7%	\$ -	\$ 102.6	\$ 122.6	\$ 20.1	45
46	ERB Employer Contribution- 2%	\$ -		\$ 18.7		46
47	5% State Agency Health Premiums	\$ -		\$ 4.2		47
48	Supplemental GAA*	\$ -		\$ 25.2		48
50	Grand Total	\$ 7,449.7	\$ 8,446.6	\$ 8,465.3	\$ (18.7)	50

FY23 LFC RECOMMENDATION BREAKDOWN





General Revenues High Level
Non-Recurring Appropriation Summary- 2022 GAA Intro
(In Millions)

1	2	3	4	5	6	7
AGENCY	LFC Total	SS Converted ARPA/ Capital ARPA	Total Need for LFC Rec	Total	Description	
Economic Recovery						
Transportation Dept.	\$ 350.0	\$ 142.5	\$ 207.5	\$ 207.5	For Major Infrastructure Projects - State Roads. See attached list.	
Transportation Dept.	\$ 80.0	\$ -	\$ 80.0	\$ 80.0	For Local Roads	
Transportation Dept.	\$ 20.0	\$ -	\$ 20.0	\$ 20.0	For Rest Stop upgrades statewide.	
Transportation Dept.	\$ 10.0	\$ 10.0	\$ -	\$ -	For charging stations statewide plan/design	
Transportation Dept.	\$ 15.0	\$ 10.0	\$ 5.0	\$ 5.0	For regional airport upgrades plan/design	
Transportation Dept.	\$ 9.0	\$ -	\$ 9.0	\$ 9.0	For Heavy Equipment. \$1.5M for each District	
Transportation Dept.	\$ 10.0	\$ 10.0	\$ -	\$ -	For roadway beautification	
Subtotal Transportation	\$ 494.0	\$ 172.5	\$ 321.5	\$ 321.5		
Dept. of Information Technology	\$ 149.1	\$ 123.1	\$ 26.0	\$ 26.0	For broadband statewide (\$50M). For alternative broadband, including satellite (\$100M)	
Public Education Department	\$ 10.0	\$ 10.0	\$ -	\$ -	For tribal library planning, design & construction; expands access to broadband	
Tourism Department	\$ 15.0	\$ 15.0	\$ -	\$ -	For Advertising and Industry Assistance	
Economic Development Dept.	\$ 40.0	\$ -	\$ 40.0	\$ 40.0	For LEDA, including speculative business space (\$30M). For LEDA focused on R&D (\$10M)	
DFA/NMFA	\$ 150.0	\$ -	\$ 150.0	\$ 150.0	For P3 hydrogen energy hubs. NMFA to administer. Contingent on legislation.	
DFA/NMFA	\$ 230.0	\$ -	\$ 230.0	\$ 230.0	Repurpose unspent LEDA recovery funds. \$125M held for future economic diversification in an account at DFA subject to future appropriation. \$105M for NMFA for seed and venture capital funding contingent on legislation.	
Higher Education Department	\$ 50.0	\$ -	\$ 50.0	\$ 50.0	For state matching funds on federal R&D grants to close funding gaps. Section 21-1-27.2 Tech Enhancement Fund. See attachment.	
Energy Minerals and Natural Resources	\$ 3.5	\$ 3.5	\$ -	\$ -	Orphan well planning and implementation to leverage federal funds.	
Subtotal Economic Development	\$ 647.6	\$ 151.6	\$ 496.0	\$ 496.0		
NM Finance Authority	\$ 39.0	\$ -	\$ 39.0	\$ 39.0	For the Water Project Funds. See STB for additional \$76.3M	
NM Finance Authority	\$ 19.5	\$ -	\$ 19.5	\$ 19.5	For water projects in the Colonias Fund. See STB list for additional \$38.1	
Indian Affairs Department	\$ 19.5	\$ -	\$ 19.5	\$ 19.5	For water projects in the Tribal Infrastructure Fund. See STB list for additional \$38.1M	
State Engineer	\$ 37.0	\$ -	\$ 37.0	\$ 37.0	For completion of water projects for the Aamodt Water Settlement. See STB list for additional \$10.6M	
Subtotal Water Infrastructure	\$ 115.0	\$ -	\$ 115.0	\$ 115.0		
Department of Cultural Affairs	\$ 10.0		\$ 10.0	\$ 10.0	For the Rural Library Endowment Fund.	
Rural Jobs and Natural Resource Improvement	\$ 93.0	\$ 40.0	\$ 53.0	\$ 53.0	EMNRD- State Parks (\$20)/Red Rock Park (\$5M); EDD - Outdoor Rec matching grants (\$10M); EMNRD- Watershed restoration/forestry/fire fighting teams (\$25M); NMED Rivers (\$10M); NMDA Soil Districts (\$10M); DCA outside of Santa Fe (\$5M); Cumbres & Toltec (\$3M); DGF lands (\$5M)	
Department of Finance and Admin.	\$ 55.0		\$ 55.0	\$ 55.0	Regional recreation centers/quality of life projects - planning/design	
Subtotal Rural Jobs, Natural Resources and Quality of Life	\$ 158.0	\$ 40.0	\$ 118.0	\$ 118.0		
Subtotal Economic Recovery	\$ 1,414.6	\$ 364.1	\$ 1,050.5	\$ 1,050.5		
Post Pandemic Workforce Development						
Higher Education Department	\$ 150.0		\$ 150.0	\$ 150.0	For the Lottery Scholarship Fund	
Higher Education Department	\$ 43.0		\$ 43.0	\$ 43.0	For the Opportunity Scholarship contingent on legislation.	
Higher Education Department	\$ 25.0		\$ 25.0	\$ 25.0	For work study for students in high demand degree fields.	
Higher Education Department	\$ 150.0	\$ 15.0	\$ 135.0	\$ 135.0	For faculty endowments for behavioral health, nursing and education. Includes \$15M nurse enhancement. Education from PERF.	
Human Services Department	\$ 20.0		\$ 20.0	\$ 20.0	For evidence based behavioral health and child welfare capacity building and training.	



General Revenues High Level
Non-Recurring Appropriation Summary- 2022 GAA Intro
(In Millions)

1	AGENCY	LFC Total	SS Converted ARPA/ Capital ARPA	Total Need for LFC Rec	Total	Description	1
37	Workforce Solutions Department	\$ 10.0		\$ 10.0	\$ 10.0	Evidence-based re-employment case management (\$5M); youth re-employment & apprenticeships (\$5M)	37
38	Higher Education Department	\$ 20.0		\$ 20.0	\$ 20.0	For the teacher preparation affordability scholarship fund. Section 21-21O-7 NMSA. From the PERF.	38
39	Higher Education Department		\$ 2.0	\$ -	\$ -	For the teacher loan repayment fund.	39
40	Subtotal Workforce Development	\$ 418.0	\$ 17.0	\$ 403.0	\$ 403.0		40
41							41
42	Respond to COVID -19 Related Costs						42
43	DFA/Mortgage Finance Authority	\$ 22.0	\$ 25.0	\$ -	\$ -	For housing homeless (\$10M) contingent on 100 percent local matching funds. For energy efficient affordable housing at MFA Housing Trust Fund (\$15M)	43
44	DFA		\$ 50.0	\$ -	\$ -	To construct a hospital in a county with less than 100k residents.	44
45	Human Services Department	\$ 5.0	\$ 5.0	\$ -	\$ -	For food banks	45
46	Human Services Department	\$ 12.0	\$ -	\$ 12.0	\$ 12.0	For hospitals response to COVID induced labor costs to be matched with Medicaid for a total of \$60M	46
47	General Services Dept.	\$ 15.0	\$ 15.0	\$ -	\$ -	For employee health care COVID costs & testing	47
48	Public School Insurance Authority	\$ 15.0	\$ -	\$ 15.0	\$ 15.0	For employee health care COVID costs & testing	48
49	State Fair	\$ 5.0	\$ -	\$ 5.0	\$ 5.0	For lost revenue due to COVID closures	49
50	Subtotal Respond to COVID-19	\$ 74.0	\$ 95.0	\$ 32.0	\$ 32.0		50
51							51
52	Other Non-Recurring						52
53	Admin Office of the Courts	\$ 1.0	\$ 0.5	\$ 0.5	\$ 0.5	For Pretrial services monitoring	53
54	Admin Office of the Courts	\$ 20.0	\$ -	\$ 20.0	\$ 20.0	Judges Retirement Solvency	54
55	Admin Office of the Courts	\$ 20.0	\$ -	\$ 20.0	\$ 20.0	State matching funds for district court upgrades, contingent on legislation.	55
56	Superintendent of Insurance	\$ 30.0	\$ -	\$ 30.0	\$ 30.0	Patients' Compensation Fund Solvency	56
57	Department of Finance and Admin.	\$ 1.0	\$ 0.9	\$ 0.1	\$ -	For accounting and reporting activities associated with ARPA federal funds.	57
58	General Services Department	\$ 70.0	\$ -	\$ 70.0	\$ 70.0	For an executive office building in Santa Fe. See STB list for additional \$15M.	58
59	Specials, Supplementals	\$ 191.0	\$ -	\$ 191.0	\$ 191.0	Includes \$30M for Impact Aid potential liability. Other from HIX Fund for GSD Health & Medicaid Deficit. Includes \$10M for EMNRD energy saving/carbon reduction grants to agencies/local governments.	59
60	Information Tech Projects	\$ 57.1		\$ 57.1	\$ 57.1		60
61	Legislative Council Service		\$ 1.0	\$ -	\$ -	For a legislative processing system	61
62	Other GF Spending	\$ 5.4	\$ -	\$ 5.4	\$ 5.4		62
63	Supplemental GAA	\$ 25.0	\$ -	\$ 25.0	\$ 25.0		63
64	Subtotal Other Non-Recurring	\$ 420.5	\$ 2.4	\$ 419.1	\$ 419.0		64
65	Grand Total	\$ 2,327.1	\$ 478.5	\$ 1,904.6	\$ 1,904.5		65

All appropriations available FY22-FY25, except rows 53,54, 57 which are available through FY23.

**General Fund Financial Summary:
December 2021 Revenue Estimate**

(millions of dollars)

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	Unaudited FY2021	Estimate FY2022	Estimate FY2023
APPROPRIATION ACCOUNT			
REVENUE			
Recurring Revenue			
August 2021 Consensus Revenue Forecast	\$ 8,045.7	\$ 8,108.6	\$ 8,841.7
December 2021 Consensus Revenue Update	\$ 39.4	\$ 54.4	\$ 207.4
2022 Recurring Revenue Legislation Scenario	\$ -	\$ -	\$ (250.0)
Total Recurring Revenue	\$ 8,085.1	\$ 8,163.1	\$ 8,799.1
Percent Change in Recurring Revenue	2.9%	1.0%	7.8%
Nonrecurring Revenue			
Federal Stimulus Funds	\$ 750.0	\$ 1,069.2	\$ -
2021 Nonrecurring Revenue Legislation (post-veto)	\$ (148.8)	\$ (8.2)	\$ -
August 2021 Consensus Revenue Forecast	\$ 82.6	\$ -	\$ -
December 2021 Consensus Revenue Update	\$ 32.0		
2022 Nonrecurring Revenue Legislation Scenario			\$ (150.0)
Total Nonrecurring Revenue	\$ 715.8	\$ 1,061.0	\$ (150.0)
TOTAL REVENUE	\$ 8,801.0	\$ 9,224.0	\$ 8,649.1
APPROPRIATIONS			
Recurring Appropriations			
2020 Regular Session Legislation & Feed Bill	\$ 7,621.4	\$ -	
2020 Special Session Solvency Savings ¹	\$ (411.9)	\$ -	
2021 Regular and Special Sessions Legislation & Feed Bill (pre-veto)	\$ 10.0	\$ 7,450.4	
2022 Regular Session Recurring Legislation & Feed Bill	\$ -	\$ 6.2	\$ 8,465.3
Total Recurring Appropriations	\$ 7,219.5	\$ 7,456.6	\$ 8,465.3
2020 Special Session Federal Funds Swaps	\$ (146.6)		
Total Operating Budget	\$ 7,072.9	\$ 7,456.6	\$ 8,465.3
Nonrecurring Appropriations			
2020 Session Nonrecurring Appropriations & Legislation	\$ 320.0	\$ -	
2020 First Special Session Solvency Savings ¹	\$ (20.0)	\$ -	
2020 Second Special Session Appropriations	\$ 329.2	\$ -	
2021 Regular and Special Session Nonrecurring Appropriations (post-veto)	\$ 931.0	\$ 345.4	
2022 Regular Session Nonrecurring Legislation Scenario	\$ -	\$ 1,685.7	\$ -
Total Nonrecurring Appropriations	\$ 1,560.2	\$ 2,031.1	\$ -
Subtotal Recurring and Nonrecurring Appropriations	\$ 8,633.1	\$ 9,487.7	\$ 8,465.3
Audit Adjustments			
2021 GAA Audit Adjustment	\$ 11.5		
2020 GAA Undistributed Nonrecurring Appropriations ²	\$ 259.5		
2019 GAA Undistributed Nonrecurring Appropriations ³			
TOTAL APPROPRIATIONS	\$ 8,904.1	\$ 9,487.7	\$ 8,465.3
Transfer to (from) Reserves	\$ (103.2)	\$ (263.7)	\$ 183.8
GENERAL FUND RESERVES			
Beginning Balances	\$ 2,513.5	\$ 2,504.8	\$ 2,333.5
Transfers from (to) Appropriations Account	\$ (103.2)	\$ (263.7)	\$ 183.8
Revenue and Reversions	\$ 589.0	\$ 2,055.3	\$ 585.0
Appropriations, Expenditures and Transfers Out	\$ (504.5)	\$ (1,962.9)	\$ (483.1)
Ending Balances	\$ 2,504.8	\$ 2,333.5	\$ 2,619.3
Reserves as a Percent of Recurring Appropriations	35.4%	31.3%	30.9%

Notes:

1) Laws 2020 First Special Session, Chapter 3 and Chapter 5

2) Many nonrecurring appropriations, including specials and supplementals in the 2020 GAA, had authorization to spend in FY20 or FY21 - amounts that were not allotted in FY20 become encumbrances for FY21

* Note: totals may not foot due to rounding

**General Fund Financial Summary:
December 2021 Revenue Estimate**

RESERVE DETAIL
(millions of dollars)

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	Unaudited FY2021	Estimate FY2022	Estimate FY2023
OPERATING RESERVE			
Beginning Balance	\$ 507.2	\$ 347.5	\$ 94.9
BOF Emergency Appropriations/Reversions		\$ (2.5)	\$ (2.5)
Transfers from/to Appropriation Account	\$ (103.2)	\$ (263.7)	\$ 183.8
Transfers to Tax Stabilization Reserve	\$ -	\$ -	\$ -
Disaster Allotments ¹	\$ (6.7)	\$ -	\$ -
Transfer from (to) ACF/Other Appropriations	\$ (50.0)	\$ -	\$ -
Revenues and Reversions	\$ 0.1	\$ -	\$ -
Transfers from tax stabilization reserve	\$ -	\$ -	\$ -
Transfers from tax stabilization reserve to restore balance to 1 percent ⁴	\$ -	\$ 13.6	\$ -
Ending Balance	\$ 347.5	\$ 94.9	\$ 276.2
APPROPRIATION CONTINGENCY FUND			
Beginning Balance	\$ 6.7	\$ 55.5	\$ 47.5
Disaster Allotments	\$ (13.0)	\$ (16.0)	\$ (16.0)
Other Appropriations	\$ -	\$ (1,069.2)	\$ -
Transfers In ⁹	\$ 50.0	\$ 1,069.2	\$ -
Revenue and Reversions	\$ 11.7	\$ 8.0	\$ 8.0
Ending Balance	\$ 55.5	\$ 47.5	\$ 39.5
STATE SUPPORT FUND			
Beginning Balance	\$ 29.1	\$ 4.0	\$ 10.4
Revenues ²	\$ -	\$ 15.5	\$ -
Appropriations to State Support Reserve Fund ⁷	\$ 20.9	\$ 30.0	\$ -
Impact Aid Liability FY20	\$ (20.9)	\$ (39.1)	\$ -
Impact Aid Liability FY21	\$ (35.1)		\$ -
Audit Adjustments ⁶	\$ 10.0	\$ -	\$ -
Ending Balance	\$ 4.0	\$ 10.4	\$ 10.4
TOBACCO SETTLEMENT PERMANENT FUND (TSPF)			
Beginning Balance	\$ 243.2	\$ 285.3	\$ 301.0
Transfers In ³	\$ 36.3	\$ 12.0	\$ 32.5
Appropriation to Tobacco Settlement Program Fund ³	\$ (36.3)	\$ (12.0)	\$ (16.3)
Gains/Losses	\$ 42.1	\$ 15.7	\$ 16.6
Additional Transfers to/from TSPF	\$ -	\$ -	\$ -
Ending Balance	\$ 285.3	\$ 301.0	\$ 333.8
TAX STABILIZATION RESERVE (RAINY DAY FUND)			
Beginning Balance	\$ 1,727.3	\$ 1,812.6	\$ 1,879.8
Revenues from Excess Oil and Gas Emergency School Tax	\$ 342.7	\$ 824.1	\$ 448.3
Gains/Losses	\$ 85.3	\$ 80.8	\$ 79.7
Transfers In (From Operating Reserve)	\$ -	\$ -	\$ -
Transfer Out to Operating Reserve ^{4,5}	\$ -	\$ (13.6)	\$ -
Transfer Out to Early Childhood Trust Fund ⁸	\$ (342.7)	\$ (824.1)	\$ (448.3)
Ending Balance	\$ 1,812.6	\$ 1,879.8	\$ 1,959.5
Percent of Recurring Appropriations	25.1%	25.2%	23.1%
TOTAL GENERAL FUND ENDING BALANCES	\$ 2,504.8	\$ 2,333.5	\$ 2,619.3
Percent of Recurring Appropriations	35.4%	31.3%	30.9%

Notes:

- 1) DFA using operating reserve to cover disaster allotments due to low balance in the appropriation contingency fund. FY20 includes \$35.5 million for COVID-19 related responses.
- 2) Laws 2021, Chapter 137 (HB2, Section 10-11) includes a \$15.5 million transfer from the repealed K-3 Plus Program Fund to the state support reserve.
- 3) Laws 2020 First Special Session, Chapter 5 (HB1, Section 6-A) allows for use of 100% of FY21 revenue for tobacco program fund. DFA and LFC estimate \$12 million in TSPF revenue due to expected arbitration ruling to affect FY22; Laws 2021, Chapter 60 (SB 187) allows use of 100% of revenue for tobacco program fund in FY22.
- 4) Laws 2020, Chapter 34 (House Bill 341) transfers from the tax stabilization reserve to the operating reserve if operating reserve balances are below one percent of appropriations, up to an amount necessary for the operating reserve to be at least one percent of total appropriations for the current year.
- 6) Laws 2020 First Special Session, Chapter 5 (HB1) provided for a reversion from the state equalization guarantee to the state support reserve fund - this reversion (\$9.9 million) was supposed to occur at the end of FY20, but was not submitted before the audit, therefore is expected to book to FY21.
- 7) Laws 2021, Chapter 137 (HB2, Section 6-16) includes a \$20.9 million appropriation to the state support reserve fund.
- 8) Laws 2020, Chapter 3 (HB83, Section 4) provides that oil and gas school tax revenue in excess of the five-year average be transferred to the Early Childhood Trust Fund instead of the tax stabilization reserves if reserve balances exceed 25 percent of recurring appropriations

* Note: totals may not foot due to rounding