



A GUIDE TO NEW MEXICO'S STATE BUDGET

HOW THE STATE SPENDS MONEY AND WHY IT MATTERS

Updated 2023



WHAT IS OUR STATE BUDGET?

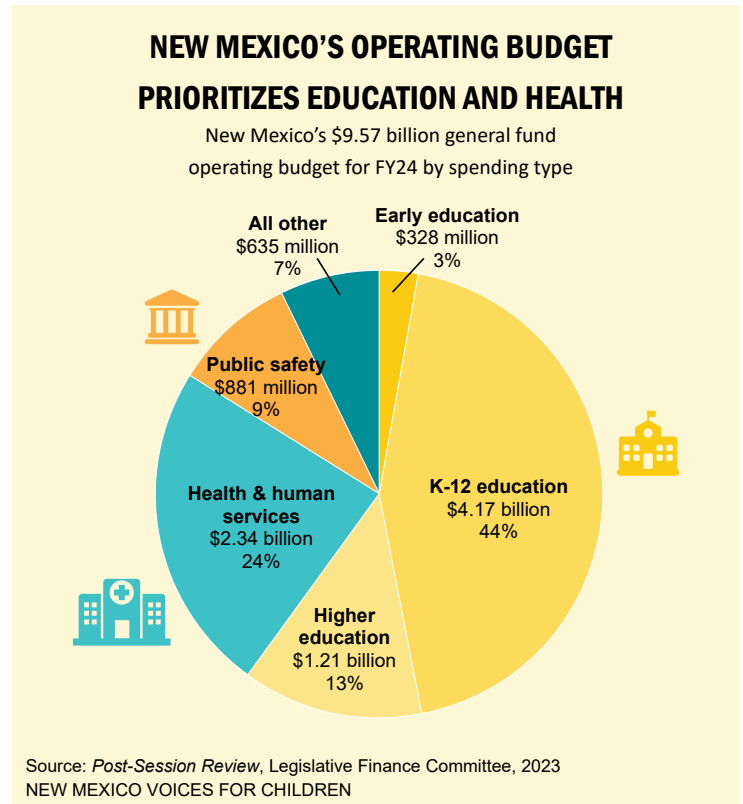
Our state budget is a reflection of what we value most and an illustration of the kind of communities we wish to create. How we spend and allocate funding – basically, how we make our values a reality – is decided by the lawmakers we elect to represent us in Santa Fe. They create the annual budget that the state uses to provide services that benefit us collectively, like education and health care.

Our budget is important because it determines whether all New Mexicans – no matter our zip code or the color of our skin – can access the same opportunities and quality of services throughout the state. While we may differ on what size we think the budget should be, we probably all agree that the budget should represent smart, targeted investments that best achieve our goals.

The annual spending for ongoing programs and services such as schools and colleges, public health and hospitals, our court system, and more, is called the state general fund operating budget, often referred to simply as the state budget. If we look at New Mexico's state budget as a pie, it is clear that we value education, health care, and public safety, as those are the three largest slices – or spending categories (see our full budget guide for more details on these spending categories).

The revenue for the state budget comes from the state's general fund, which is made up of the money we all pay in taxes, fees for things like drivers licenses and entrance to parks and museums, the money that's paid by the oil and natural gas producers for the minerals they extract from public lands, earnings and interest on state money that's been invested, and other sources, like casinos (see our tax guide for more on that).

The state budget is actually made up of many smaller operating budgets – one for each of the state's agencies. The agencies – for example, the departments of Public Education and Public Safety – determine how much money they will need in the coming year in order to pay for the services that are provided by employees like teachers and state police officers and to purchase the tools they need, like paper, computers, and squad cars. This process begins a full year in advance of the fiscal year for which the budget will be used (which begins on July 1). The state budget is then created, revised, and approved by the Legislature during their annual legislative session and signed by the governor following the end of the session.



ECONOMIC IMPLICATIONS

The state budget helps drive our economy because the money flows right into our communities.

The state budget helps our economy by:



paying wages and salaries for teachers, first responders, judges, and others;

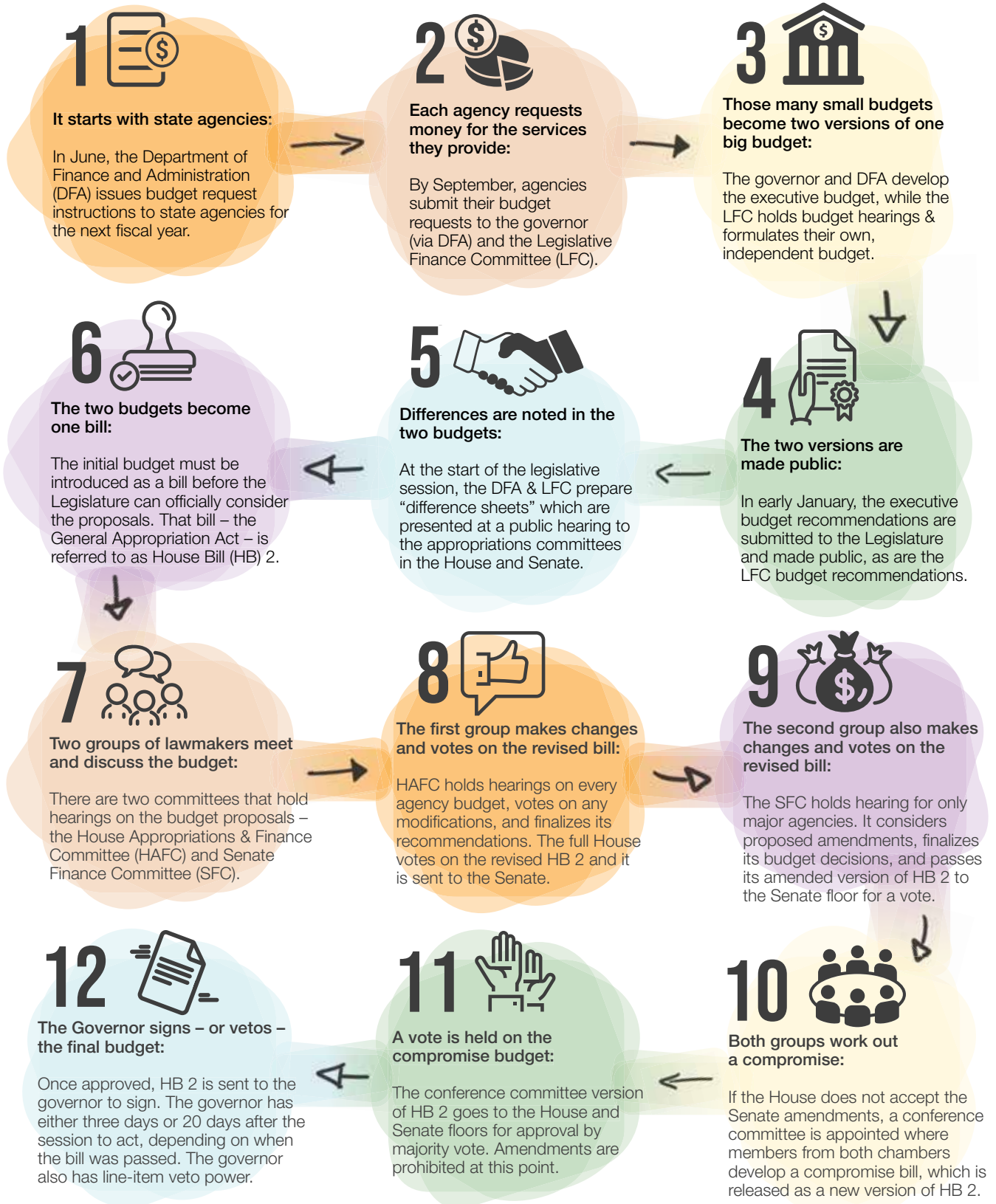


purchasing goods like computers, office supplies, squad cars, building materials, and more; and



purchasing services like IT, health care, upkeep of state buildings, and more.

THE BUDGET: FROM START TO FINISH



BUDGETS PAST AND FUTURE

While the state budget is created every year, many of the services and programs it pays for will benefit New Mexicans for years to come – much in the same way that we still benefit today from money the state spent decades ago.

We still benefit from money spent years ago on:

- school and university buildings – and the education we received in them that allows us to do our jobs,
- court buildings – and the justice that was administered within them,
- programs that helped us finish school, stay out of trouble, and see a doctor – all of which helped us become contributing members of our communities, and state parks and museums.

We will continue to benefit from money being spent now on:

- educating today's children – who are tomorrow's workforce,
- helping those children to grow up strong and healthy by ensuring they have enough food, can see a doctor, and have safe and nurturing child care, and
- keeping our state parks healthy and sustainable.

Our state budget is an opportunity to build a more equitable and prosperous society now and for future generations. While our spending decisions are important, so too are our decisions on how we raise revenue to support the programs and services that benefit us collectively. For more information on how the state raises revenue for the state budget, see *A Guide to New Mexico's Tax System*.



OUR BUDGET AT WORK

More than **21,000** teachers in nearly **1,000** public schools educate more than **308,000** students.



More than **26,000** children receive child care assistance so their parents can work.



More than **250,000** of New Mexico's hard-working families get more than **\$100 million** in tax rebates thanks to the Working Families Tax Credit.



Each year, **5 million** visitors enjoy **34** state parks – **191,600** acres of land and water, which are managed by the state.



8 museums and **7** historic sites – all overseen by the state – welcome **855,000** visitors a year.



NEW MEXICO
VOICES
FOR CHILDREN