

HOUSE BILL 8

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

INTRODUCED BY

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AN ACT

RELATING TO CAPITAL IMPROVEMENTS; CREATING THE HIGHER EDUCATION
MAJOR PROJECTS FUND; SPECIFYING ELIGIBLE USES OF THE FUND;
PROVIDING CRITERIA FOR FUNDING; SPECIFYING REQUIREMENTS;
ALLOWING THE LEGISLATURE TO WAIVE MATCH REQUIREMENTS;
SPECIFYING INITIAL PRIORITIES; MAKING A TRANSFER FROM THE
GENERAL FUND TO THE HIGHER EDUCATION MAJOR PROJECTS FUND.

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

SECTION 1. A new section of Chapter 21 NMSA 1978 is enacted to read:

"[NEW MATERIAL] HIGHER EDUCATION MAJOR PROJECTS FUND--
CREATED--ELIGIBLE USES--MATCH REQUIREMENTS.--

A. As used in this section:

(1) "department" means the higher education department;

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(2) "four-year educational institution" means a university enumerated in Article 12, Section 11 of the constitution of New Mexico;

(3) "student life projects" means major capital outlay for nonacademic purposes that enhances students' college experience, including recreation centers, dining halls, athletic facilities for state universities participating in division 1 athletics and in good standing with the national collegiate athletic association and other campus amenity facilities; and

(4) "two-year educational institution" means a community college, including branch community colleges, northern New Mexico state school and the New Mexico military institute for its junior college program.

B. The "higher education major projects fund" is created as a nonreverting fund in the state treasury. The fund consists of appropriations, income from investment of the fund, gifts, grants, donations and other money credited to the fund. The fund shall be administered by the department, and money in the fund is subject to appropriation by the legislature for major capital outlay projects at educational institutions. Expenditures shall be by warrant of the secretary of finance and administration pursuant to vouchers signed by the secretary of higher education or the secretary's authorized representative.

C. Eligible uses of the fund include:

(1) for the four-year educational

institutions, major capital outlay projects for:

(a) research and instruction and general purposes costing fifty million dollars (\$50,000,000) or more; and

(b) student housing and student life projects; and

(2) for the two-year educational institutions located wholly within New Mexico, student life projects.

D. Except as provided in Subsection E of this section, major capital outlay projects shall meet the following match requirements from sources other than the state before expenditures are made from the fund:

(1) for design phase funding:

(a) for the four-year educational institutions, at least twenty-five percent for research and instruction and general purposes and at least fifty percent for student housing and student life projects; and

(b) for the two-year educational institutions, at least fifty percent for student housing and student life projects: and

(2) for construction phase funding:

(a) for the four-year educational

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1 institutions, at least ten percent for research and instruction
2 and general purposes and at least twenty percent for student
3 housing and student life projects; provided that for athletic
4 facilities, the project cost is at least fifty million dollars
5 (\$50,000,000) and the match requirement, which is not waivable,
6 is at least fifty percent of project cost; and

7 (b) for the two-year educational
8 institutions, at least fifty percent for student housing and
9 student life projects.

10 E. A required match may be eligible to be waived
11 upon a finding by the department that the educational
12 institution cannot reasonably afford the match with
13 institutional reserves, institutional bonds in accordance with
14 the Institution Bond Act, property tax levies, federal or
15 tribal support, student fees or other applicable nonstate
16 revenue. The department shall promulgate rules to specify
17 requirements and procedures for waivers. The secretary of
18 higher education shall notify the secretary of finance and
19 administration and the director of the legislative finance
20 committee of the waiver findings by November 1 of the year
21 preceding the regular legislative session in which funding may
22 be sought to cover a match waiver. Waivers must be approved by
23 the legislature before they are granted by the department.

24 F. Money from the fund shall not be appropriated
25 for construction phase funding prior to the completion of at

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1 least fifty percent of the design phase and the submission of
2 design documents to the department and the legislative finance
3 committee.

4 G. To receive funding, a state university applying
5 for division 1 athletic facilities shall provide data that
6 shows that the most recent six-year graduation rate for
7 first-time full-time freshmen is sixty-five percent or higher
8 or that the graduation rate for students in the most recent
9 year is higher than the average rate of the previous three
10 years.

11 H. In addition to other requirements in this
12 section, an educational institution shall provide to the
13 department and the legislative finance committee documentation
14 showing historic on-campus student populations and the expected
15 number of on-campus students to be served by a new facility and
16 documentation demonstrating the new facility's compliance with
17 existing institutional space standards and policies."

18 **SECTION 2. TRANSFER TO HIGHER EDUCATION MAJOR PROJECTS**
19 **FUND.**--Three hundred million dollars (\$300,000,000) is
20 transferred from the general fund to the higher education major
21 projects fund in fiscal year 2027.

22 **SECTION 3. TEMPORARY PROVISION--INITIAL PRIORITIES.**--
23 Subject to appropriation by the legislature, the following
24 projects shall be initial priorities for expenditures from the
25 higher education major projects fund:

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1 A. up to one hundred fifty million dollars
2 (\$150,000,000) to plan, design, construct, equip and furnish
3 the new school of medicine at the university of New Mexico;
4 B. up to fifty million dollars (\$50,000,000) to
5 plan, design, construct, equip and furnish a multidisciplinary
6 building at New Mexico state university; and
7 C. up to one hundred million dollars (\$100,000,000)
8 to plan, design, construct, equip and furnish student life and
9 housing projects statewide.

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