

**MINUTES
of the
FIFTH MEETING
of the
FEDERAL FUNDING STABILIZATION AND AFFORDABILITY
SUBCOMMITTEE**

**October 7-8, 2026
State Capitol, Room 322
Santa Fe**

The fifth meeting of the Federal Funding Stabilization and Affordability Subcommittee was called to order by Representative Patricia A. Lundstrom, co-chair, on October 7, 2026 at 1:06 p.m. in Room 322 of the State Capitol in Santa Fe.

Present

Rep. Patricia A. Lundstrom, Co-Chair
Rep. Mark Duncan
Sen. George K. Muñoz (10/8)
Sen. Linda M. Trujillo
Sen. Pat Woods
Sen. Linda M. López*
Sen. Shannon D. Pinto*

Absent

Sen. Cindy Nava, Co-Chair
Rep. Cathrynn N. Brown
Rep. Raymundo Lara
Sen. James G. Townsend

Advisory Members

Rep. Meredith A. Dixon
Rep. Dayan Hochman-Vigil
Rep. Reena Szczepanski

*Appointed by the speaker of the house of representatives or the president pro tempore of the senate as a voting member for this meeting only.

(Attendance dates are noted for those members not present for the entire meeting)

Staff

Clinton Turner, Fiscal Policy Analyst, Legislative Council Service (LCS)
Nicole Waguespack, Researcher, LCS

Minutes Approval

Because the subcommittee will not meet again this year, the minutes for this meeting have not been officially approved by the subcommittee.

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file and posted on the legislature's website.

References to Webcast

The time reference noted next to each agenda item in this document is cross-referenced to the webcast of the subcommittee meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and subcommittee discussions for agenda items can be found on the recorded webcast for this meeting.

Wednesday, October 7

Welcome and Introductions (1:06 p.m.)

Representative Lundstrom welcomed everyone, and members of the subcommittee introduced themselves.

Review of 2025-2026 Federal Funding Actions, Responses, Information, Interim Committee Work and Possible Recommendations (1:10 p.m.)

Eric Chenier, principal analyst, Legislative Finance Committee (LFC), and Rachel Garcia, deputy director for program evaluation, LFC, presented a draft report summarizing the charge and actions of the subcommittee. With input from Representative Lundstrom, the panel summarized the federal funding landscape in New Mexico and provided an overview of the federal budgeting process. The panel reviewed the impact of the 2025 federal budget reconciliation bill, emphasizing changes to Medicaid and the federal Supplemental Nutritional Assistance Program (SNAP). The presenters provided recommendations for legislative action to stabilize and mediate federal funding changes. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=10/7/2026&ItemNumber=1>.

Federal Developments Impacting New Mexico and the 50 States (2:38 p.m.)

Lauren Kallins, senior legislative director for state-federal affairs, National Conference of State Legislatures (NCSL); Benjamin Nasta, senior legislative director for state-federal affairs, NCSL; and Austin Reid, federal affairs advisor, NCSL, provided an overview of state legislative trends concerning data centers, federal budget changes, education grants, Medicaid, rural health care and the SNAP. They provided background on the range of options available and the legislative actions taken by other states in

response to recent federal funding changes. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=10/7/2026&ItemNumber=2>.

Federal Education Issues Update and Outlook (3:20 p.m.)

John Sena, director, Legislative Education Study Committee, discussed what has and has not changed with federal education funding. He noted that federal agencies are shifting to a more decentralized organizational structure and emphasizing state and local flexibility. Mr. Sena reviewed the major sources of education funding and highlighted that federal funding levels for kindergarten through twelfth grade have not significantly changed in New Mexico. The subcommittee and Mr. Sena discussed a recent United States Department of Education memo requiring grant awardees to defend certain state spending, noting that the Public Education Department will be providing additional support to school districts to help meet this new requirement. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=10/7/2026&ItemNumber=3>.

Approval of Minutes (4:04 p.m.)

Upon a motion duly made and seconded and without any objections, the subcommittee approved the minutes of the August 18-19, 2026 meeting.

Recess

The meeting recessed at 4:05 p.m.

Thursday, October 8

Reconvene

The meeting reconvened at 9:04 a.m.

Outlook on State Responses to Federal Uncertainty (9:05 a.m.)

Rebecca Thiess, manager, Managing Fiscal Risks Program, The Pew Charitable Trusts, presented a suite of analytical tools, such as long-term budget assessments and stress tests, that New Mexico and other states have used to assess and mediate federal funding uncertainties. She reviewed cost reduction strategies implemented by other states. She summarized SNAP changes, such as number of claimants and payment error rates, for all states and discussed strategies for the successful implementation of SNAP work requirements. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=10/7/2026&ItemNumber=4>.

Economic Impacts of Artificial Intelligence (AI) Investments and Tariffs (10:00 a.m.)

Enrique Martínez García, assistant vice president, Federal Reserve Bank of Dallas, discussed global investment patterns in the AI sector. He presented an overview of investment in AI infrastructure, semiconductors, energy-transition technologies and critical minerals, establishing that high-income economies such as those of the United States and European Union countries are currently capturing the majority of investments. Mr. García and the subcommittee discussed the impact of tariffs, regulatory changes and supply networks, trends in AI investment and buildout for the nation and state. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=10/7/2026&ItemNumber=5>.

Affordability Indicators in Updated Release of United States Census Bureau Official and Supplemental Poverty Measures (11:06 a.m.)

Stephanie Schardin Clarke, secretary, Taxation and Revenue Department, and Sarah Grubbs, analyst, Taxation and Revenue Department, provided an overview of the United States Census Bureau's official poverty measure (OPM) and supplemental poverty measure (SPM). They discussed inadequacies in the calculation of OPM values and argued that the additional factors included in the calculation of SPM values provide a more comprehensive assessment of poverty. The presenters provided both OPM and SPM values for New Mexico from 2021 through 2025, showing marked improvements in the reduction of poverty levels, particularly as measured with SPM. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=10/7/2026&ItemNumber=6>.

Subcommittee Discussion of Key Findings and Recommendations (12:08 p.m.)

The subcommittee reviewed and discussed the preparation of a final report.

Approval of Report (1:11 p.m.)

Upon a motion duly made and seconded and without any objections, the subcommittee approved the preparation of a final report.

Adjournment

There being no further business before the subcommittee, the meeting adjourned at 1:12 p.m.