

Tuesday, July 22 ([click here for webcast](#))

The following members and designees were present on Tuesday, July 22, 2025: Chairman Nathan P. Small; Representatives Meredith A. Dixon, Jack Chatfield, Derrick J. Lente, Harlan Vincent, and Jonathan Henry; and Senators Roberto “Bobby” J. Gonzales, Pat Woods, Nicole Tobiassen, Linda M. Trujillo, Steve D. Lanier, and Pete Campos. Guest legislators: Representatives Debra M. Sariñana, Charlotte Little, Mark Duncan, Tara L. Lujan, Janelle Anyanonu, Brian G. Baca, and Stefani Lord. Senator Michael Padilla

Welcoming Remarks (8:42AM, [click here for meeting materials](#)) Teresa Costantinidis, executive vice president of finance and administration with the University of New Mexico (UNM), welcomed the committee and highlighted the completion of the new College of Nursing and Public Health Excellence Building and the medical graduates coming from UNM that contribute to the \$5.2 billion in economic output each year.

Samantha Sengel with the city of Albuquerque briefed the committee about the \$200 million the Legislature invested into the city of Albuquerque that helped pay for housing for the homeless, crime-fighting technology, and the quality of life issues in the community.

Eric Olivas, Bernalillo County Commission chair, spoke about the housing, highways, and infrastructure that the Legislature funded, as well as noting the \$26 million in capital outlay that was allocated to Bernalillo County for important projects.

Eugene Jiron, governor of Isleta Pueblo, spoke about the impacts homelessness has had on the community and urged the committee to continue addressing the issue.

University of New Mexico Hospital Medical School Expansion (10:52 AM, [click here for meeting materials](#)) Dr. Michael Richards, executive vice president of the UNM Health Sciences Center and chief executive officer of the UNM Health System, discussed pressing healthcare workforce needs and the planned expansion of UNM’s School of Medicine. Dr. Richards highlighted the Health Sciences Center’s national recognition in pharmacy, nursing, and population health programs, noting significant enrollment growth due to recent investments. UNM’s School of Medicine’s growth has been limited by outdated facilities and a saturated clinical training system. A new \$600 million contemporary facility is proposed at University and Lomas, adjacent to UNM’s expanding hospital and critical care tower in Albuquerque, enabling a projected 70 percent increase in inpatient care and doubling of medical student capacity over the next decade. The plan is supported by federal and state partnerships, U.S. Department of Housing and Urban Development financing, and a strong business case showing major economic benefits, including increased tax revenue and workforce expansion. The new building is expected to be completed by 2029, with the first expanded class graduating by 2034, positioning UNM to meet statewide healthcare demands for decades.

Stuart Livsie, associate director of health sciences capital projects for UNM, provided an update on a \$30 million appropriation to begin a design phase, noting that planning and programming concluded on March 31, 2025, and led to a competitive request for proposal process with 11

responding firms, all of which included both local and national partners. After evaluations and interviews, a finalist was selected and is currently in contract negotiations, with the goal of executing the contract by the end of the month to officially begin the design phase. This phase will refine details, such as equipment needs for simulation and research spaces, working closely with UNM's Dean Patricia Finn and other stakeholders to ensure the facility supports modern medical education. To address construction cost inflation, the chosen firm proposed using bid lots, breaking the project into site work, structural components, interior build-outs, and other smaller components—an approach successfully implemented in cities like Phoenix, Denver, and Portland. This strategy aims to manage costs effectively while leveraging local expertise and ensuring the building reflects New Mexico's unique context.

Federal Funds: LFC Framework for Response [*\(12:02 PM, click here for meeting materials\)*](#)

LFC Director Charles Sallee provided an update on the potential impacts of the federal budget reconciliation bill on New Mexico's budget and federal funding streams. Director Sallee emphasized, although some funding reductions, especially to Medicaid, will not take effect until 2030, entities like rural hospitals and schools may begin making preemptive cuts now. Mr. Sallee noted federal Medicaid spending is still projected to grow over the next decade, although reductions in enrollment and provider payments will reduce spending compared to the Congressional Budget Office (CBO) baseline. However, the Senate added \$50 billion in new funding for rural providers, which could result in significant funding for New Mexico, potentially \$100 million annually over five years, though the formula for allocation is still unclear. Director Sallee also warned about political uncertainty, including possible rescission packages that could freeze or reclaim previously allocated funds, affecting areas like education and workforce development. Director Sallee highlighted the need for a proactive framework to address these federal funding risks, including using one-time or multiyear state funds to backfill gaps, and emphasized the importance of justifying any ongoing state support in the same way new recurring budget requests are handled. More detailed briefings and planning discussions are expected in the coming weeks.

Supporting Technological Innovation [*\(12:28 PM, click here for meeting materials\)*](#)

Casey Anglada DeRaad, founder and chief executive officer of NewSpace Nexus, introduced her organization's mission to grow New Mexico's space industry by supporting local companies, creating jobs, and strengthening the state's workforce. With a background in the Air Force and space systems, Ms. DeRaad launched NewSpace Nexus to provide faster access to resources, collaboration, and innovation through programs like the Launchpad, the Pathways to the Stars curriculum, and the New Space Ignitor. Recognized by the Economic Development Department as an aerospace business incubator, the organization has helped member companies secure \$59 million in investments and contracts within two years. Ms. DeRaad emphasized the state's rich space ecosystem, including Spaceport America, national labs, and research institutions, and praised the Legislature's support for technology initiatives. Ms. DeRaad outlined common industry challenges, such as access to funding, prototyping equipment, and secure facilities, and shared plans for a new \$12.5 million space center funded by the opportunity enterprise revolving fund. This center will include secure, rentable space and continued incubator operations to help space startups scale from concept to commercialization.

Maggie Newman, with Community and Studio Operations of the Roadrunner Venture Studios, introduced the organization as a venture fund backed by the State Investment Council (SIC) that

also operates a venture studio to support early-stage companies. Roadrunner provides hands-on assistance in product development, operations, and fundraising, with its employees acting as additional headcount for startups. The studio helps founders secure nondilutive funding, manage insurance and accounting, and access equipment and space. Its goal is to help companies secure a first check and customer before transitioning them to other growth-stage venture funds, many also backed by SIC. Roadrunner sources founders through various models, founders in residence, idea-stage founders, and companies in residence, focusing on sectors such as advanced manufacturing, advanced energy, and advanced computing. While they acknowledge the strength of NewSpace Nexus in aerospace, Roadrunner focuses on supporting other emerging industries, including quantum technology. Ms. Newman emphasized the benefits of operating in New Mexico, citing support from the national labs, SIC, and state grant programs, and noted Roadrunner's efforts to build out lab and facility space in collaboration with other local venture funds to strengthen the state's growing innovation ecosystem.

Denise Holmquist, senior director of Product Operations with Quantinuum, introduced the company as a global leader in quantum computing formed in 2021 through the merger of Honeywell Quantum Solutions and Cambridge Quantum Computing. With nearly 600 employees across nine international sites, over 400 of whom hold advanced degrees, Quantinuum is excited to establish its newest site in Albuquerque, thanks to support from the state, including the Economic Development Department and Albuquerque Regional Economic Alliance. The company operates four commercial quantum computers and holds over 130 patents, with a new generation system launching soon. As a full-stack quantum computing company, Quantinuum builds both hardware and software, providing developer tools and working on real-world applications, including quantum artificial intelligence. Its Albuquerque facility will focus on integrated photonics research and development, a key component to scaling quantum computing. Ms. Holmquist emphasized the company's commitment to workforce development, noting a growing need not only for physicists but for engineers, technicians, and business roles. Quantinuum plans to collaborate with New Mexico's universities, labs, and innovation ecosystem to offer hands-on training and internships, help mature quantum technologies, and strengthen the domestic supply chain. It aims to create jobs, develop talent, and serve as a catalyst in expanding New Mexico's high-tech and quantum landscape.

LegisStat: STEM and Apprenticeships, Workforce Solutions Department and Economic Development Department (2:55 PM, [click here for meeting materials](#)) LFC Analyst Julisa Rodriguez provided an overview of the LegiStat focused on economic development and workforce training in science and technology target sectors. Ms. Rodriguez noted these sectors, which make up about 6.6 percent of New Mexico's total employment, have grown by 11.6 percent (approximately 6,000 jobs) between 2023 and 2024. However, persistent skill gaps hinder business attraction and employment, prompting the state to invest significantly in building an innovation ecosystem. This includes over \$6.4 million in recurring funding for the newly established Technology and Innovation Office and numerous one-time appropriations supporting grants, incubators, and infrastructure. Ms. Rodriguez emphasized the need to evaluate how these investments are measuring up against national growth and delivering returns. On the workforce side, Ms. Rodriguez highlighted that most training investments come through public schools and higher education systems, with about \$135 million estimated for workforce training last year, mostly in higher education. The state has also allocated targeted nonrecurring funds, such as \$17

million from the community benefit fund and over \$10 million for apprenticeships and pre-apprenticeships through the Workforce Solutions Department.

Sarita Nair, secretary for the Workforce Solutions Department, highlighted ongoing efforts to expand apprenticeships, address skill gaps, and support job creation. The state has created a “Periodic Table of STEM Occupations” to guide tracking and data efforts, noting that healthcare is often excluded from STEM classifications in workforce data. While 70 percent of STEM jobs require a bachelor's degree, only 17 percent of New Mexicans over 25 have one, creating a significant mismatch. Since 2023, over 1,250 pre-apprenticeships have been completed, with 242 in STEM fields and 331 in skilled trades, particularly in construction and manufacturing. The MC3 program has been a standout model, blending classroom and work-based learning to transition students into apprenticeships. Over 2,500 apprentices are currently active, mostly in trades, with some in IT and geotechnical fields. Other initiatives include the Be Pro Be Proud truck, which introduces career options to youth, justice-involved individuals, and others, and the Infrastructure Career Pipeline, combining federal and state funds to train workers for transportation and clean energy sectors. Finally, a new foreign credential crosswalk program aims to help immigrants with international degrees transition into qualified roles in New Mexico's workforce.

Rob Black, secretary for the Economic Development Department, provided an update on the implementation of several new programs enacted just 22 days ago, highlighting rapid progress across multiple initiatives. The site readiness program (Senate Bill 169) is underway, with 28 sites already characterized and more in progress through contracted work and staff interviews currently taking place. Under the utility pre-deployment program (Senate Bill 70), one investor-owned utility has already submitted an application, and applications from the other two are expected soon. The \$50 million trade ports infrastructure fund is also being set up, with advisory councils forming and staff hiring in progress. Additionally, Nora Sackett is leading the Technology and Innovation Office, which received \$92 million from the Legislature. The office is preparing to announce its first \$25 million investment for the Quantum Innovation Hub in early August and is actively hiring staff and developing rules for effective fund deployment. The office also includes a \$40 million matching fund to support partnerships among universities, labs, and the private sector, with an advisory board set to begin work in late September. Significant steps are being taken to responsibly and quickly implement the legislature’s investments in economic development and innovation.

Wednesday, July 23 ([click here for webcast](#))

The following members and designees were present on Thursday June 26, 2025, 2025: Chairman Nathan P. Small; Vice Chairman George K. Muñoz; Representatives Meredith A. Dixon, Jack Chatfield, Derrick J. Lente, Joseph Sanchez, Harlan Vincent, Jonathan Henry; and Senators Roberto “Bobby” J. Gonzales, Pat Woods, Nicole Tobiassen, Linda M. Trujillo, Steve D. Lanier, and Pete Campos. Guest legislators: Representatives Mark Duncan, Charlotte Little, Janelle Anyanonu, Stefani Lord, Mark B. Murphy, and Eleanor Chávez; Senators Micaelita Debbie O’Malley and Michael Padilla.

Miscellaneous Business (10:06 AM)

Action Items. Senator Gonzales moved to adopt the LFC June 2025 meeting minutes, seconded by Representative Chatfield. The motion carried.

Representative Dixon moved to adopt the LFC June 2025 Child-Wellbeing subcommittee meeting

minutes, seconded by Senator Trujillo and Senator Tobiassen. The motion carried.

Representative Vincent moved to adopt the LFC June 2025 Natural Resources subcommittee meeting minute, seconded by Senator Woods. The motion carried.

Review of Monthly Financial Reports and Information Items. LFC Director Charles Sallee briefed the committee on information items.

Program Evaluation: MAT Public Health Offices [*\(1:07 PM, click here for meeting materials\)*](#)

LFC Program Evaluators John Valdez, Ph.D., and Maggie Klug presented an evaluation of the Department of Health’s (DOH) provision of medication-assisted treatment (MAT) for opioid and alcohol use disorders in public health offices. Despite expanding MAT services to over 30 offices in 2024, only 324 individuals have been treated, just 2–3 percent of the estimated 10.5 thousand Medicaid claims for MAT statewide. Barriers include limited outreach, lack of in-house therapy and prescribers, and fragmented oversight. Most MAT is delivered via telehealth, and nearly all patients are covered by Medicaid or a DOH program for the uninsured. The evaluation highlights a need for centralized leadership, performance tracking, and expanded outreach. It recommends DOH coordinate with LFC and the Department of Finance and Administration (DFA) to set performance targets for FY27, fill a state coordinator role, improve marketing, and consider MAT delivery via mobile health units. It also calls for increased use of screening, brief intervention, and referral to treatment screening to boost referrals. If performance targets are not met, the Legislature should consider reallocating funds to other effective MAT delivery options.

Secretary Gina DeBlasi, secretary for the Department of Health, provided a formal response to the LFC’s evaluation of the Department of Health’s medication-assisted treatment (MAT) program, expressing appreciation for the collaboration and agreement with the report’s recommendations. She highlighted progress made since the program’s expansion, including medication for opioid use disorders (MOUD) services now offered in 40 of 42 public health offices, expanded telehealth capacity, the creation of an Uninsured Access Program, and new medication-dispensing pilots in three counties. The department is hiring a MOUD expansion coordinator to centralize program oversight and improve marketing and outreach. Additional efforts include stronger coordination with the Corrections Department, statewide staff training, evaluation plans to track clinical outcomes, and expanding services to address alcohol use disorder. Ms. DeBlasi also discussed the potential for dispensing long-acting injectables via mobile health units, pending regulatory approvals, and emphasized the importance of billing efficiency and counseling services alongside treatment.

Thursday, July 24 [*\(click here for webcast\)*](#)

The following members and designees were present on Thursday June 26, 2025, 2025: Chairman Nathan P. Small; Vice Chairman George K. Muñoz; Representatives Meredith A. Dixon, Jack Chatfield, Joseph Sanchez, Harlan Vincent, and Jonathan Henry; and Senators Roberto “Bobby” J. Gonzales, Pat Woods, Nicole Tobiassen, Steve D. Lanier, and Pete Campos. Guest legislators: Representatives Mark Duncan, Charlotte Little, Janelle Anyanonu, Herndon, and Tara Lujan; Senator Michael Padilla.

Program Evaluation: Higher Ed Endowments [*\(8:35 AM, click here for meeting materials\)*](#)

LFC Program Evaluators Clayton Lobaugh and Josh Chaffin presented an evaluation of New

Mexico's \$170 million in higher education endowment appropriations intended to expand faculty and enrollment in nursing, education, and social work programs. While some colleges, like the University of New Mexico, Eastern New Mexico University, and Central New Mexico Community College, have successfully used endowment earnings to hire faculty and reach students, others have faced delays, underspending, and management issues. Currently, only 52 of the 87 faculty positions the funding could support are filled. Many institutions have accumulated, rather than spent, investment earnings, with some using funds for unintended purposes or excessive administrative fees. The evaluation highlights concerns about the system's limited capacity to absorb large appropriations quickly and recommends increased oversight, better spending alignment with legislative intent, and renegotiation of administrative fees to ensure funds are used effectively to grow New Mexico's higher education workforce.

Stephanie Rodriguez, secretary for the Higher Education Department, presented the department's response to the LFC's program evaluation of higher education endowments, highlighting both progress and challenges. Ms. Rodriguez acknowledged the Legislature's \$170 million investment from FY23 to FY25 in faculty positions and student financial aid for nursing, teacher education, and social work. While LFC noted delays in fund distribution, Ms. Rodriguez clarified that official memos and award letters indicate timely action, especially for FY23 and FY24. Ms. Rodriguez discussed how some institutions, particularly smaller or rural colleges, faced capacity challenges in managing endowments and building new programs. The department partnered with organizations like Falling Colors to better manage unique appropriations. Ms. Rodriguez also shared validated enrollment and completion data, showing growth in undergraduate enrollment across all three focus areas and improvements in teacher education graduation rates. However, completions in nursing and social work remain flat, indicating more time is needed for the investments to yield long-term results. She emphasized the department's commitment to improved coordination, accountability, and collaboration as they prepare for the upcoming legislative session.

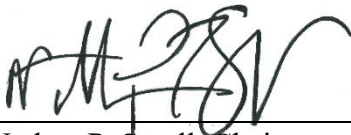
Land of Enchantment Legacy Fund Update [*\(10:07 AM, click here for meeting materials\)*](#) LFC Analysts Julisa Rodriguez and Austin Davidson presented an overview of the legacy fund. The presentation focused on the conservation legacy permanent fund ("permanent fund") and the land of enchantment legacy fund ("distribution fund"), both established in 2023 to support conservation programs across six agencies. The permanent fund, managed by the State Investment Council, distributes investment income above \$5 million to the distribution fund, which is managed by the Department of Finance and Administration. Agencies receive either \$12.5 million or 25 percent of the distribution fund annually. The Legislature has appropriated \$350 million to the permanent fund and \$50 million to the distribution fund. The FY25 agency allocations totaled \$12.6 million. However, there are concerns about "trapped balances" in the distribution fund, which grows at only 2 percent interest compared to the permanent fund's 7 percent return. Recommendations included transferring the distribution fund balance to the permanent fund for better investment performance, converting the distribution fund into a program fund, setting a standard 5 percent annual distribution from the permanent fund, and reverting unspent funds back to the permanent fund to ensure long-term sustainability and alignment with best practices.

Brittany Fallon with Western Resource Advocates presented on behalf of the Land of Enchantment Legacy Fund Coalition, highlighting the success and challenges of the fund's first year. Ms. Fallon

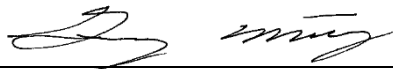
celebrated the bipartisan coalition's collaboration and released the first fiscal year report, showing that the fund has exceeded expectations by improving over 60 thousand acres of land and fully disbursing all funds across every New Mexico county. The programs supported watershed and soil health, helped combat wildfire and drought, leveraged over \$5 million in additional funding, and fostered partnerships with agencies, schools, businesses, and tribal entities. More than 120 jobs were created, and public engagement tools like project maps and signage were introduced. Challenges included delays from federal funding freezes, outdated statutes, application barriers for small organizations, and statutory ineligibility of tribes for certain grants. Ms. Fallon emphasized that demand greatly outpaced available funding, with over \$50 million in requests for only \$12.6 million available. Ms. Fallon echoed prior recommendations to restructure fund management in line with best practices, such as smoothing disbursements, addressing trapped balances, and updating statutory language, and called on the committee to partner with the coalition in the 2026 session to make necessary improvements for long-term impact and equity.

Review of Monthly Financial Reports and Information Items. LFC Director Charles Sallee briefed the committee on remaining information items.

With no further business, the meeting adjourned at 10:55 a.m.



Nathan P. Small, Chairman



George K. Muñoz, Vice Chairman