



October 16, 2025

2026 Statewide Capital Outlay Requests

Prepared By: Cally Carswell, Principal Analyst – Capital Outlay

Table 1. 2026 Statewide Capital Outlay Requests vs. Capacity by Fund Source

A	B	C	D	E	F	G
	State Agency & Judicial Requests	Higher Education Requests	Other Requests	Total Requests	Capacity	Capacity Over/(Under)
Severance Tax Bonds	\$1,113.4	\$0.0	\$0.0	\$1,113.4	\$494.7	(\$618.7)
General Obligation Bonds	\$54.0	\$298.1	\$24.0	\$376.1	\$363.7	(\$12.4)
General Fund		\$552.2	\$0.0	\$552.2		(\$552.2)
Total	\$1,167.4	\$850.3	\$24.0	\$2,041.7	\$858.4	(\$1,183.3)

Source: LFC files

2026 State Agency and Judicial Requests – Overview

- Executive agencies and judicial entities requested approximately \$1.2 billion for more than 100 projects. Total requests are roughly flat with last year. [Attachment A](#)
- **Four agencies are requesting capital appropriations totaling \$100 million or more:**
 - Department of Finance & Administration (DFA) - \$100 million;
 - Department of Health (DOH) - \$106.6 million;
 - Department of Public Safety (DPS) - \$108 million; and
 - General Services Department (GSD) - \$230 million.
- **Several major requests are to continue or complete projects to which the Legislature has already made major appropriations, including:**
 - \$130 million to supplement \$85 million in existing funding to construct the executive office building in Santa Fe (GSD). The request is \$30 million more than previous requests to complete the project;
 - \$80 million to supplement \$143 million in existing funding to construct a new forensic unit at the New Mexico Behavioral Health Institute in Las Vegas (DOH);
 - \$60 million to supplement \$119.6 million in existing funding to continue the statewide buildout of the P25 public safety radio system (DoIT);

- \$80 million to supplement \$20 million in existing funding to construct an Albuquerque administrative building for the Department of Public Safety (DPS). The request is \$70 million more than the previous request to complete the project; and
- \$10.5 million for a wildfire response facility for State Forestry in Santa Fe. The Legislature appropriated \$40 million for the project to be designed and constructed with a new Department of Homeland Security and Emergency Management fire training academy.

New Construction & Major Renovation Requests

- **DOH's \$80 million request for the NMBHI forensic unit** is on top of \$143 million appropriated from 2022 to 2025. The department's cost estimate for the project nearly doubled from 2023 to 2024 and nearly doubled again in 2025. The original scope of work was for a 75 thousand square foot facility with 100 beds. DOH now intends to build a 125 thousand square foot facility with 90 beds. The project was put out to bid last fall and Jaynes is constructing the first phase.
- **GSD's \$130 million request for the executive office building** is \$30 million higher than previous requests to complete the project. The project is in the early stages of design and demolition of the casitas has not yet been approved by the City of Santa Fe.
- **A \$40 million 2025 appropriation was intended to complete the Energy, Minerals and Natural Resources Department's wildfire response facility.** In capital outlay negotiations with the Legislature, the executive agreed to combine design and construction of the project with a new fire training academy for the Department of Homeland Security and Emergency Management, an initiative of the governor's office. The projects were planned for the same site but were being pursued separately and design had not been completed to support the \$40 million request for the fire training academy. Meanwhile, the EMNRD wildfire response facility needed to proceed immediately because the program was losing its leased space in Santa Fe. LFC was recently informed that none of the \$40 million appropriation would be put toward the wildfire response facility and the funding would only support the fire training academy, contrary to legislative intent.
- **The Legislature appropriated \$20 million to the DPS Albuquerque metro building in 2022.** The project only recently entered design after completion of a land swap with the City of Albuquerque for the site. According to LFC files, the original appropriation was intended to fully fund the project as it was proposed in 2022, as a 53 thousand square-foot facility with a total cost of \$21 million. Last year, the agency requested \$10 million to complete the project and reported a total cost of \$30 million. The new request proposes an \$85 million cost for an 85 thousand square-foot facility. It is unclear why DPS is requesting \$100 million in total for an \$85 million project.
- **The State Parks Division of EMNRD is requesting \$40 million for state park improvements.** The Legislature appropriated \$40 million for state park capital projects in 2025 and \$16 million in 2024. Roughly a third of the 2024 funds have been spent down.

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- **DFA is requesting \$30 million to acquire or build office space in Albuquerque.** The agency requested \$20 million for the project last year, which was not funded pending completion of an Albuquerque master plan for state agencies and additional detail on tenancy of the executive office building in Santa Fe. The master plan is still in progress.
 - **GSD is requesting \$30 million in flexible funding for state agency projects.** The Legislature appropriated \$40.4 million to GSD for these purposes from 2021 to 2024. LFC analysis identified approximately \$11.1 million in expenditures related to landscaping and beautification projects in Santa Fe and Albuquerque. The other major uses were for small projects at the State Veterans' Home in Truth or Consequences (\$1 million) and for repairs to the Epi Duran building in Las Vegas (\$966 thousand), also a DOH facility. The capital buildings repair fund (CBRF) is also available to GSD for small projects in Santa Fe and the fund is receiving increased revenues from the land grant permanent fund. The uncommitted balance in the fund at the end of September was \$21.9 million. Additionally, GSD statewide appropriations dating to 2022 had balances remaining as of LFC's last quarterly report.

Requests to Benefit Local Entities

- **The Administrative Office of the Courts is requesting an additional \$20 million for a county matching fund for improvements to district courthouses.** The Legislature has appropriated \$30 million over the last three years to the program, which has been fully committed.
- **The Department of Finance and Administration is requesting:**
 - \$20 million for emergency capital needs for local entities;
 - \$20 million for local project cost escalations; and
 - \$20 million for public safety infrastructure.
- **The Aging and Long-Term Services Department is requesting \$54 million for senior center projects statewide.** These projects are typically funded with general obligation bonds when available. LFC continues to have concern about significant balances remaining on existing projects, including \$20.6 million of \$24.2 million in 2022 GOB appropriations.
- **The Economic Development Department is requesting \$6 million for the MainStreet capital outlay program.** EDD did not make a request for the program last year.

Higher Education & Library Requests

- Higher education institutions requested \$1.1 billion in capital outlay for the 2026 session. **The Higher Education Department has recommended funding \$788.9 million of those requests, including \$298.1 million with general obligation bonds and \$490.8 million with general fund.** Additionally, HED is requesting \$46.1 million for security enhancements and \$15.3 million for childcare projects that were not requested by

institutions. LFC does not have detail on the scope of these projects, planning and design stage, basis for cost estimates, or operational implications. [Attachment B](#)

- **\$472.5 million of the HED general fund recommendation is related to the new School of Medicine at UNM.**
- **Major projects in HED’s recommendation include:**
 - \$542.5 million for the new School of Medicine at UNM;
 - \$55 million for a new multidisciplinary building at NMSU;
 - \$40 million for a major renovation of the Mineral Science and Engineering Complex at New Mexico Tech;
 - \$15 million for the Center for Technical Innovation and Entrepreneurial Development at CNM; and
 - \$10 million for ag science center improvements and \$10 million for infrastructure at NMSU; and
 - \$10 million for renovations of the library at New Mexico Highlands.
- **The New Mexico Library Association is requesting \$24 million** for public, school, tribal, and academic libraries, a \$6 million increase from the \$18 million library appropriation in past GOB packages. The \$24 million would provide \$7 million each for public, academic, and school libraries, and \$3 million for tribal libraries.