

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

**June 29-30, 2026
Board of County Commissioners Chambers
Sandoval County Administration Building
1500 Idalia Road, Building D
Bernalillo**

The second meeting of the Federal Funding Stabilization and Affordability Subcommittee was called to order by Senator Cindy Nava, co-chair, on June 29, 2026 at 9:13 a.m. at the Sandoval County Administration Building in Bernalillo.

Present

Rep. Patricia A. Lundstrom, Co-Chair
Sen. Cindy Nava, Co-Chair
Rep. Mark Duncan
Sen. George K. Muñoz (6/30)
Sen. James G. Townsend
Sen. Linda M. Trujillo
Sen. Pat Woods (6/29)

Absent

Rep. Cathrynn N. Brown
Rep. Susan K. Herrera
Rep. Raymundo Lara

Advisory Members

Sen. Linda M. López
Sen. Shannon D. Pinto (6/29)

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

(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
Domenica Nieto, Research Assistant, LCS

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.

Monday, June 29

Welcome and Introductions (9:13 a.m.)

Senator Nava welcomed everyone, and members of the subcommittee introduced themselves. Senator Nava announced that due to an ongoing fire in Sandoval County, the first and second agenda items would be presented in reverse order.

State Management of Federal Funds and National Developments (9:18 a.m.)

Rebecca Thiess, manager, Managing Financial Risks Program, The Pew Charitable Trusts, provided an overview of state responses to federal funding changes resulting from the passage of the 2025 federal budget reconciliation bill. Focusing on Medicaid and the federal Supplemental Nutrition Assistance Program (SNAP), Ms. Thiess reviewed actions taken by officials in other states to implement changes and prepare for future costs. She presented general recommendations, recent legislative actions and possible next steps for New Mexico. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=6/29/2026&ItemNumber=2>.

Overview and Outlook of Federal Impacts on Sandoval County (10:09 a.m.)

Wayne Johnson, county manager, Sandoval County, discussed the impact of federal funding on Sandoval County. He noted that the county receives approximately \$2 million annually in federal funding and discussed issues concerning delayed reimbursements, grant terminations, grant delays and uncertainty in grant compliance. He recommended that, to ensure county operations, enhanced grant tracking procedures and monitoring of infrastructure opportunities be implemented and stated that continued advocacy for Payments in Lieu of Taxes funding is needed. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=6/29/2026&ItemNumber=1>.

Department of Finance and Administration (DFA) Overview, Tracking of Federal Disbursements and Upcoming Federal Funding Issues (10:26 a.m.)

Mark Melhoff, acting state controller and acting director, Administrative Services Division, DFA, and Andrew Miner, D.P.A., deputy cabinet secretary, DFA, reviewed the types, characteristics and payment methods of federally funded grants used by New Mexico. The presenters outlined how the DFA established a federal working group in January of 2025 to coordinate funding changes, best practices and budgeting information among state agencies. They said that more than \$170 million in federal grants to state agencies have recently been terminated with future impacts expected in grant delays, cancellations and reductions, and they

provided information concerning state agency budgets and the contribution of federal funds for fiscal year 2027. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=6/29/2026&ItemNumber=3>.

Recap of Recent State Budget Actions, Fiscal Outlook and Federal Impact Highlights (10:58 a.m.)

Charles Sallee, director, Legislative Finance Committee (LFC), and Brendon Gray, economist, LFC, provided a review of the fiscal year 2027 state budget, with increases across nearly all government sectors, and said that the \$11.2 billion in general fund spending represents a 3.1 percent increase over fiscal year 2026. They discussed the impact of oil prices and changes in production on direct revenues and the impacts of inflation and income distribution evaluated in light of New Mexico's future economic outlook. They also provided a review of current federal budget deficits and potential federal budget changes, with an emphasis on Medicaid and SNAP funding. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=6/29/2026&ItemNumber=4>.

Approval of Minutes (11:59 a.m.)

On a motion duly made and seconded and without opposition, the minutes of the May 29, 2026 meeting were approved.

Recess

The meeting recessed at 12:01 p.m.

Tuesday, June 30

Reconvene

The meeting reconvened at 9:05 a.m.

Review of Major Housing Affordability Issues and Pending Federal Housing Actions (9:06 a.m.)

Alex Horowitz, project director, Housing Policy, The Pew Charitable Trusts, and Tara Roche, project director, Housing Policy, The Pew Charitable Trusts, presented an overview of housing affordability. Based on mortgage rates, rent growth, land contracts, housing stock and mobile and manufactured home trends from across the country, Mr. Horowitz and Ms. Roche emphasized national- and state-level economic barriers to homeownership and rent affordability. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=6/29/2026&ItemNumber=5>.

Developments and Update from the United States Department of Housing and Urban Development (HUD) (10:17 a.m.)

Ashlea Quinonez, regional administrator, Region VI, HUD; Leticia Ibarra, regional director, Community Planning and Development, Region VI, HUD; and Floyd Tortalita, deputy administrator, Southwest Office of Native American Programs, HUD, provided an introduction to HUD-administered programs aimed at increasing housing affordability. Community development grants, opportunity zone grants, investment partnerships, housing trust funds, tribal partnerships and policy changes were presented. Recent work requirement policy changes to public housing authorities and rental-based assistance programs were discussed. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=6/29/2026&ItemNumber=6>.

Welcoming Remarks and Update on Pueblo of Sandia Impacts (1:08 p.m.)

Stuart Paisano, governor, Pueblo of Sandia, discussed the pueblo's efforts to move approximately 10,000 acres of forest land to pueblo control. The federal T'uf Shur Bien Preservation Trust Area Act, which passed in 2003, placed the land under United States Forest Service management. Citing inadequate land management due to insufficient federal resources, the Pueblo of Sandia seeks to transfer the land to the United States Department of the Interior to be held in trust for the pueblo. The Pueblo of Sandia seeks to manage the land while maintaining public access.

Federal Education Issues Updates (2:10 p.m.)

John Sena, director, Legislative Education Study Committee (LESC), and Jessica Hathaway, deputy director, LESC, provided updates on federal policy and structural changes to the United States Department of Education. They also reviewed impacts on interagency agreements and kindergarten through twelfth grade federal funding contributions for New Mexico programs. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=ZFFSS&Date=6/29/2026&ItemNumber=8>.

Public Comment (2:59 p.m.)

A list of individuals making public comment is available in the meeting file.

Adjournment

There being no further business before the subcommittee, the meeting adjourned at 3:05 p.m.