

Legislative Impacts on Public School Capital Outlay

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2025 Legislative Session Recap

- Approximately 1,328 legislative items introduced; 195 items passed.
 - Approximately 126 K-12 education-related bills were introduced.
 - Approximately 48 K-12 education-related bills passed.
 - Appendix A of the [LESC 2025 Post-Session Review](#) includes a comprehensive list of all K-12 related bills and accounts for the actions taken during the legislative session.

Public School Capital Outlay Related Bills

- [Laws 2025, Chapter 141 \(Senate Bill 48\)](#), Community Benefit Fund
- [Laws 2025, Chapter 16 \(Senate Bill 82\)](#), Public School Capital Outlay Changes
- [Laws 2025, Chapter 123 \(Senate Bill 280\)](#), NMMI in Capital Outlay Act
- [Laws 2025, Chapter 82 \(Senate Bill 401\)](#), Broadband for Education
- [Laws 2025, Chapter 96 \(House Bill 128\)](#), NMFA Local Solar Access Fund
- [Laws 2025, Chapter 159 \(House Bill 450\)](#), Capital Outlay Projects

SB48, Community Benefit Fund

SB48 established the Community Benefit Fund, to be administered by the Department of Finance and Administration (DFA), and authorizes eight project types aimed at achieving the following goals:

- Cut greenhouse gas emissions and boost clean energy by reducing methane from extractive industries, expanding grid capacity, increasing renewable energy use, and improving energy efficiency;
- Support sustainable transportation through EV infrastructure, public EV purchases, and enhanced bicycle and pedestrian projects;
- Address climate impacts on health, agriculture, land, and ecosystems through assessment and mitigation efforts;
- Promote a green economy by developing climate-resilient industries, reducing resource consumption, encouraging recycling, and transitioning away from fossil fuel revenue; and
- Invest in workforce training to support climate and sustainability goals across sectors.

SB48, Community Benefit Fund

- Subsection A, paragraph 6 allows for the assistance of “public entities in the purchase of electric vehicles and related charging infrastructure to reduce the use of combustion engine vehicles.”
- SB48 also requires DFA to consult with the Energy, Minerals, and Natural Resources Department for the utilization of a data tool to identify communities “experiencing disproportionate burdens in climate change, energy, health, housing, legacy pollution, transportation, water and wastewater, and workforce development.”
- [Laws 2025, Chapter 160 \(House Bill 2\)](#), General Appropriation Act of 2025, allocates \$60 million to the PSFA from the community benefit fund “for electric vehicle charging infrastructure for school districts, including the cost of upgrading from diesel-fueled school buses to electric school buses for expenditure in fiscal years 2026 through 2028.”
- This allocation was made contingent on the passage of SB48.

SB82, Public School Capital Outlay Changes

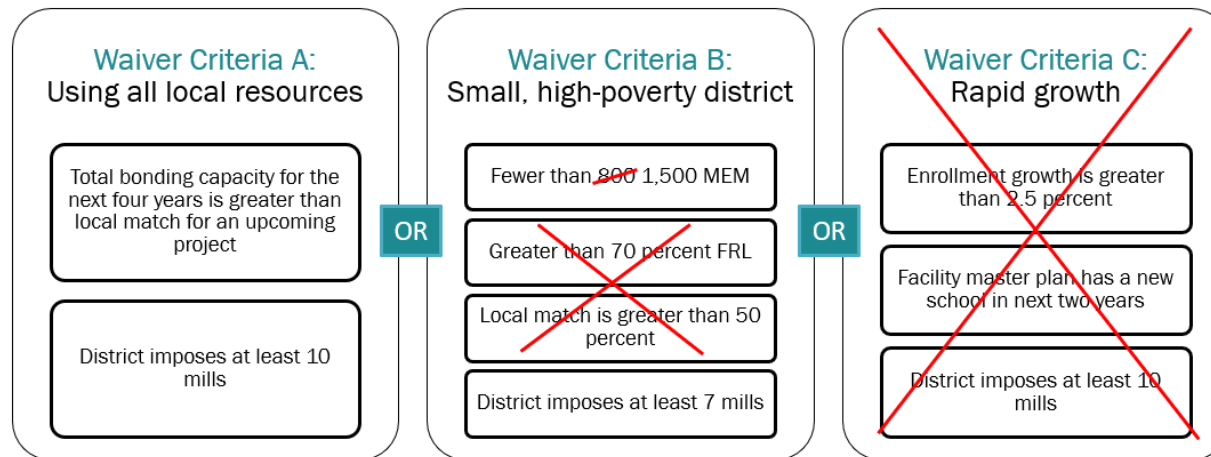
SB82, endorsed by both PSCOOTF and LESC, made several amendments to the [Public School Capital Outlay Act](#). The bill was designed to extended fiscal relief to school districts to support facility construction and to enable continued work by LESC, LFC, and PSFA to improve the state-local match formula.

- SB82 extends the temporary local match reductions of 33 or 50 percent for districts with less than 200 student membership (MEM) established by Laws 2023, Chapter 98 (Senate Bill 131), through fiscal year 2027. Continued temporary local match reductions and waiver changes will help districts move forward with school infrastructure projects.
- SB82 also amends and eliminates certain statutory waiver eligibility criteria school districts must meet to apply to the PSCOC for a local match waiver or reduction.

SB82, Public School Capital Outlay Changes

- School districts may now qualify for a local match waiver under two sets of criteria:
 - A: The school district cannot afford its local match using all its resources, has an insufficient bonding capacity over the next four years to provide the local match necessary to complete the project, and has levied a residential tax rate of 10 mills; or
 - B: The school district has fewer than 1,500 MEM and has levied a residential tax rate of at least seven mills.

Waiver Criteria Changes



Source: LESC and LFC Files

SB280, NMMI in Capital Outlay Act

SB280 granted the New Mexico Military Institute (NMMI) eligibility for public school capital outlay funding through the Public School Capital Outlay Council (PSCOC).

- SB280 amended the Public School Capital Outlay Act by adding NMMI to the definition for “constitutional special schools,” which also includes the New Mexico School for the Deaf and the New Mexico School for the Blind and Visually Impaired.
- This addition makes NMMI eligible for capital outlay funding through the PSCOC award process.
- PSCOC funding for school infrastructure based on standards- or systems-based awards, in which qualifying projects will receive state support to cover a portion of their project costs.
- NMMI does not currently follow New Mexico’s [Statewide Adequacy Standards](#) or Special Purpose School Educational Facility Adequacy Standards [Special Purpose School Educational Facility Adequacy Standards](#), as it does not serve students with disabilities outlined in the latter. Applicable standards will need to be created to address NMMI’s unique purpose and structure.

SB280, NMMI in Capital Outlay Act

Standards and Systems-Based Awards

- Standards-based awards follow a statewide process that uses the New Mexico Condition Index (NMCI) to rank and fund school facility replacements based on building condition criteria (standards).
- Systems-based awards are funds provided to schools to repair or replace specific building systems such as HVAC, roofs, or plumbing, with the goal of extending a facility's lifespan, prevent further damage, and improve overall building condition.

SB401, Broadband for Education

SB401 transfers the Broadband Deployment and Connectivity Program (BDCP) from the PSCOC to the Department of Information Technology's (DOIT) Office of Broadband Access and Expansion (OBAE). The transfer of BDCP includes all associated responsibilities such implementation of the Statewide Education Network (SEN), along with personnel and resources.

- SB401 authorizes the use of severance tax bond proceeds for education technology infrastructure.
- The bill requires OBAE and PSCOC to develop related statewide standards and establish a statewide education technology network with grant support for school districts.
- Allows OBAE to certify up to \$10 million in severance tax bonds annually for education technology infrastructure projects.
- SB401 carries a sunset date for the fund of July 1, 2030.

HB128, NMFA Local Solar Access Fund

HB128 establishes the local solar access fund under the New Mexico Finance Authority (NMFA) to provide grants for solar energy systems, including those with energy storage, to eligible local governments, school districts, land grants-mercedes, and Native American communities.

- HB128 includes criteria for NMFA to prioritize projects, including minimum eligibility requirements, grant caps, and a focus on hiring New Mexico workers.
- HB128 allows for grants to be awarded to eligible entities or the various New Mexico Councils of Government.

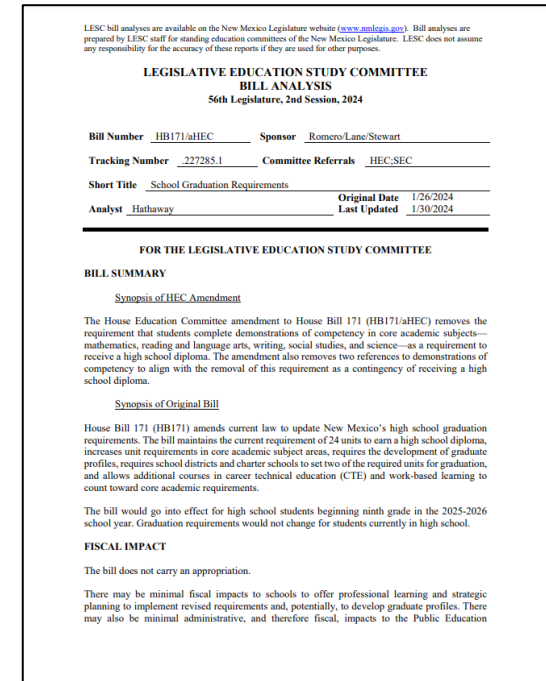
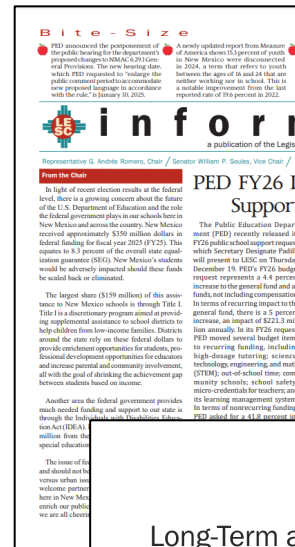
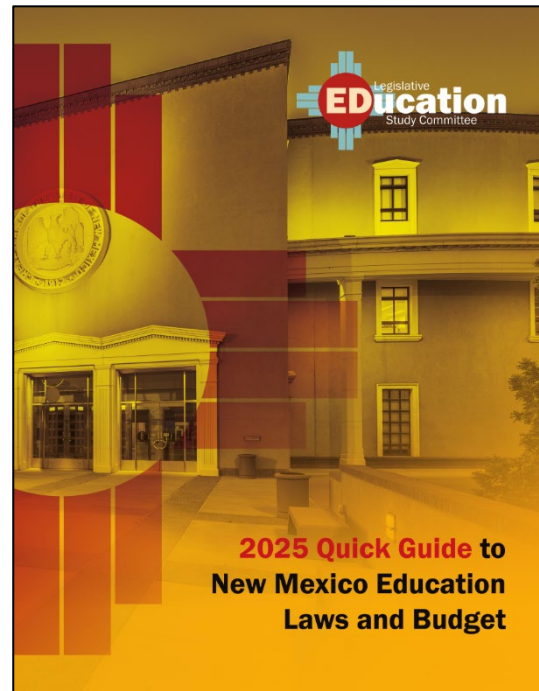
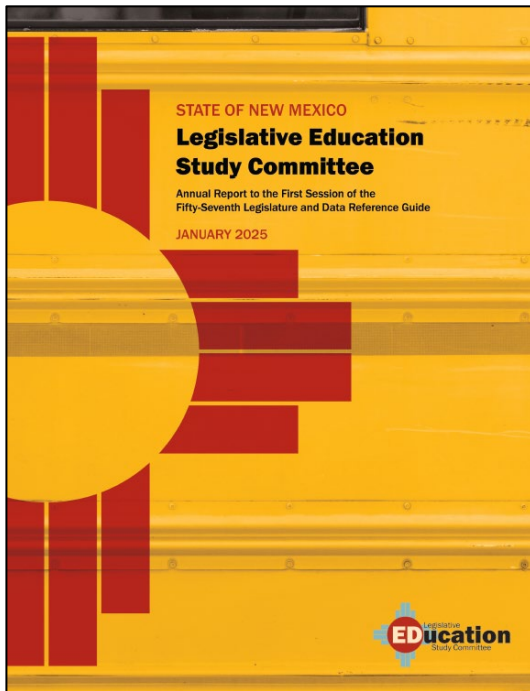
HB450, Capital Outlay Projects

HB450 made a total of \$120.4 million in direct capital outlay appropriations to public schools, Public Education Department (PED), and Higher Education Department. HB450 includes a \$50 million appropriation to PSFA for school security, career and technical education equipment, school maintenance, and repair.

- The distribution methodology of the \$50 million allocation will be proportional to the FY26 SB9 distribution amount calculated by PED, with a \$100 thousand minimum distribution to each school district.
- PSFA will administer the distribution and communicate each school district's calculated distribution amount.
- The distribution will not affect the local match of any school district for any potential PSCOC funding award.

Key LESOC Work Products

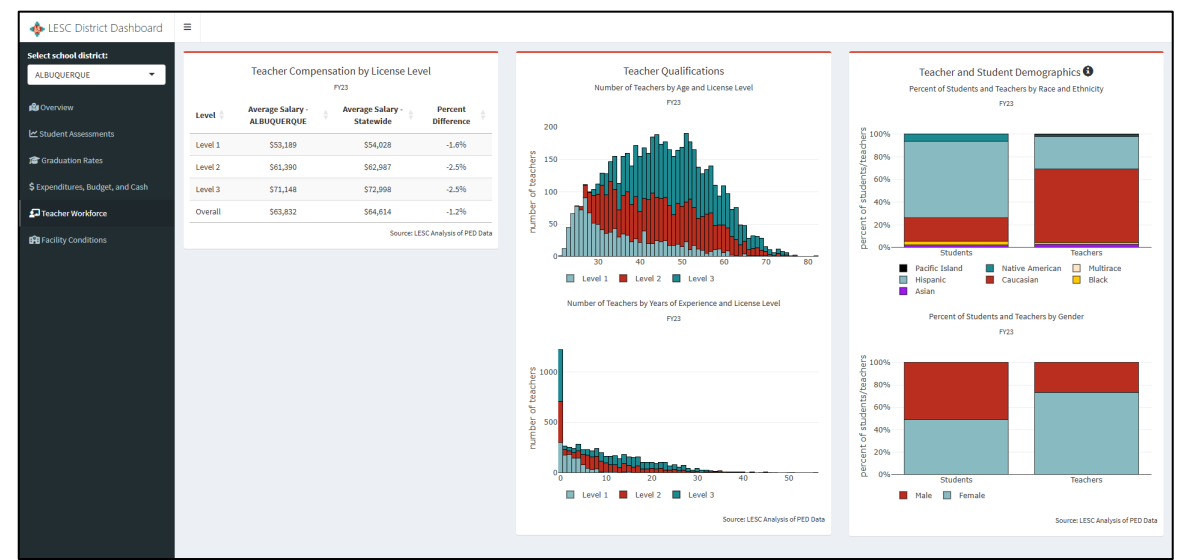
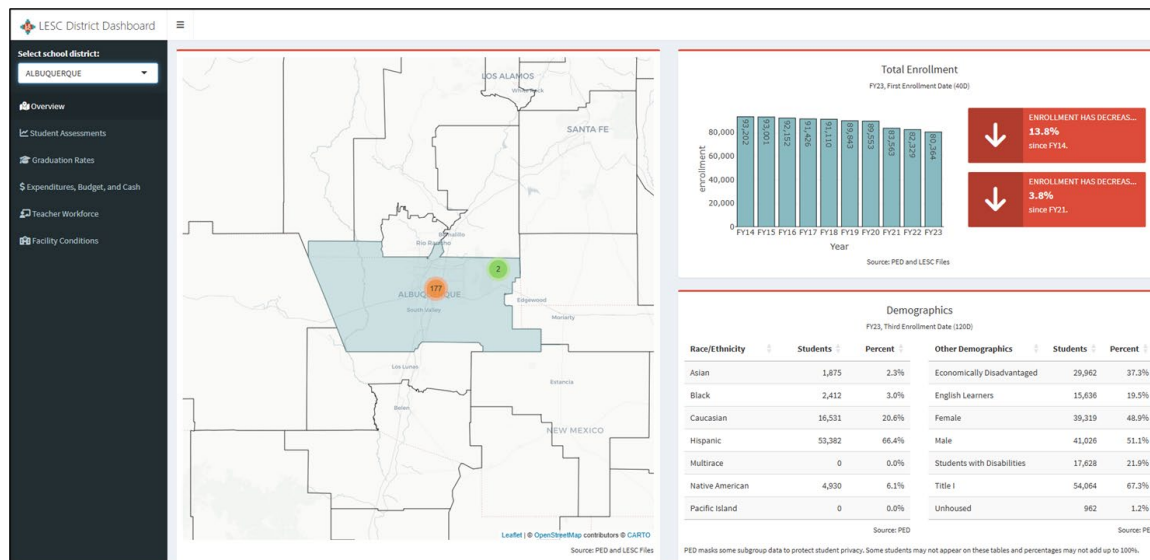
All LESOC work products are publicly available at www.nmlegis.gov/Entity/LESC/Default



LESC District Dashboard

LESC maintains a publicly accessible **school district dashboard** that includes key enrollment, assessment, graduation rate, financial, teacher workforce, and school facilities information. It is available at:

<https://newmexicolesc.shinyapps.io/DistrictDashboard/>





For More Information

<https://www.nmlegis.gov/Entity/LESC/Default>

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