

LFC Requester: _____

AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov

(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Date Prepared: 2/2/2026 *Check all that apply:*
Bill Number: HB0008 Original Correction
Amendment Substitute

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Agency Name and Code Number: New Mexico Institute of Mining and Technology
962

Short Title: HIGHER ED. MAJOR
PROJECTS FUND

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY27	FY28		
\$300,000.0		Nonrecurring	General Fund

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY27	FY28	FY29		

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY27	FY28	FY29	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Depends on Project Size	Depends on Project Size	Depends on Project Size			

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

- Relating to capital improvements;
- Creating the higher education major projects fund;
- Specifying eligible use of the fund;
- Providing criteria for funding;
- Specifying requirements;
- Allowing the legislature to waive match requirements;
- Specifying initial priorities;
- Making a transfer from the general fund to the higher education major projects fund.

FISCAL IMPLICATIONS

NMIMT is in support of the bill. The institution believes this is a type of the state investment needed to improve the underlying academic and research infrastructure at higher education institutions.

However, the required institutional match presents challenges for smaller and rural institutions. Meeting higher match thresholds may place additional financial strain on limited operating resources, and using the reserves will leave the Institute financially vulnerable in times of economic volatility. While we appreciate the potential waiver, a smaller match may be more appropriate and sustainable for institutions of our size.

Current match expectations may disproportionately impact small and rural campuses, particularly for student housing and student life projects that require a 50% institutional match at the design phase. Small institutions typically do not have:

- large auxiliary surpluses,
- significant unrestricted reserves, or
- extensive private fundraising capacity.

Although the bill provides for match waivers, legislative approval is required before a project may begin. For small institutions, this requirement:

- introduces additional uncertainty,
- extends planning timelines, and
- increases administrative and advocacy burden.

SIGNIFICANT ISSUES

While the institution supports the bill's intent to strengthen academic and research infrastructure, the \$50 million minimum project threshold may unintentionally limit access for smaller and rural campuses. For institutions with more modest campus size and enrollment, most legitimate academic, laboratory, and modernization projects fall well below this level.

In addition, the \$50 million floor is even harder to reach fairly for rural schools because a higher percentage of our project budget is consumed by logistics and mobilization costs, which are higher in rural areas, rather than the square footage of the facility itself.

Small and rural public universities:

- serve rural and place-bound students,
- anchor regional workforce pipelines, and
- support key state priorities in science, engineering, and applied research.

However, current threshold may restrict their ability to participate equitably. Consideration of a sliding scale or lower eligibility threshold (e.g., \$25 million) based on institutional size could help ensure more equitable access to statewide capital funding for small and rural institutions.

PERFORMANCE IMPLICATIONS

If this bill is enacted, the Institute recommends including language that provides additional flexibility for smaller institutions and those located in rural New Mexico. Consideration of additional flexibility may help ensure more equitable access and better alignment with statewide higher education needs.

Smaller institutions and those located in rural New Mexico may face greater challenges accessing funding under the proposed framework due to reasons including, but not limited to the following:

High Project Cost Thresholds

The bill requires projects to cost at least \$50 million to qualify for funding. Small rural institutions often have smaller capital needs and may be unable to reach this threshold, which may exclude many of their projects from eligibility.

Matching Fund Requirements

The bill requires substantial matching funds from sources other than the state—25% for design and 10% for construction phases of I&G projects, and even higher matches for student housing and student life projects. Small rural institutions typically have limited access to such funds, making it difficult to meet these requirements.

Competition with Larger Institutions

Larger institutions with bigger projects and more resources are likely to dominate the available funds, making it harder for smaller rural institutions to compete.

Exclusion from Certain Project Types

Athletics-related projects are limited to institutions meeting Division 1 NCAA status and graduation rate criteria, which small rural institutions may not satisfy, excluding them from this funding category.

ADMINISTRATIVE IMPLICATIONS

NM HED currently provides space and design guidelines to institutions. If this bill is enacted, the Institute respectfully requests to include language that would provide additional flexibility for smaller schools and for those located in rural New Mexico.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None for NMIMT.

TECHNICAL ISSUES

Not expected.

OTHER SUBSTANTIVE ISSUES

NMIMT does not have a traditional athletics department. Rather, we have several programs that compete at Division III or club sport level along with many students participating in intramural sports. Additionally, NMIMT does not receive funding for athletics as other NM Institutions of Higher Education do.

An amendment to Section G (which limits athletic funding to D1 schools with specific graduation rates); for non-D1 rural schools, these funds should be accessible for multi-use wellness and community centers that serve both the student body and the surrounding rural community.

ALTERNATIVES

The institution recommends additional flexibility in the planning and execution of major capital projects to better reflect the practical situations in project delivery. The institution has significant needs across multiple student housing facilities that are outdated and no longer meet the expectations of today's students for privacy and functionality. While matching requirements for individual renovation efforts may appear modest, the combined need across multiple facilities can be substantial and merits consideration.

To support equitable participation, the institution recommends adopting a scaled eligibility threshold for academic and research facilities based on enrollment size or institutional classification. This approach would:

- preserve fiscal discipline,
- maintain project quality standards, and
- ensure that small public universities can participate meaningfully in statewide capital investment.

In addition, capital research and instruction projects where total costs exceed \$50M should be eligible for this support even though institutions may need to secure funding over multiple fiscal years and legislative sessions. Providing additional flexibility would support phased, cost-effective approaches, demonstrate responsible stewardship of public funds, and allow critical infrastructure needs to be addressed in a strategic manner.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The institution may still be unable to replace or renovate certain critical capital assets due to insufficient funds.

AMENDMENTS

§1.A. ADD NEW SUBSECTION: For any four-year educational institution with a total student head count of fewer than 7,000 students, 'major capital outlay project' shall mean a project for instruction and general or research purposes costing twenty-five million dollars (\$25,000,000) or more.

§1.E. ADD: In determining the appropriateness of a match waiver, the department shall consider the proportional financial impact of the required match on the institution's total annual operating budget. For institutions located in rural areas or those with limited bonding capacity, the department may recommend a sliding scale match or a full waiver if the required match exceeds five percent (5%) of the institution's unrestricted year-end fund balance.

§1.G. ADD: For four-year educational institutions that do not participate in NCAA Division 1 athletics, or for those located in rural areas as defined by the department, the fund may be used for the construction or renovation of multi-use wellness centers and community facilities.

§1. ADD a new subsection to Section 1 to read:

SMALL INSTITUTION SET - Of the total funds transferred to the Higher Education Major Projects Fund, not less than *<insert an appropriate percentage here, e.g., 30%?>* shall be reserved for major capital outlay projects at four-year public educational institutions with a total student headcount of fewer than seven thousand (7,000) students. If the department determines that there are insufficient qualifying applications in a given fiscal year, any unexpended balance may be carried forward to the following fiscal year for the same purpose.

§1.A.3. ADD: Student life projects' and 'instruction and general projects' may include aggregated or phased improvements. If an institution submits a comprehensive plan for the modernization of multiple related facilities (such as student housing clusters or campus-wide utility infrastructure), the combined total cost of those related components shall be used to determine eligibility for the Higher Education Major Projects Fund.

§3.C MODIFY: Revise the language in this section to specify that the remaining \$100 million shall be prioritized or reserved for major capital outlay projects at four-year public educational institutions with a total student headcount of fewer than seven thousand (7,000) students.