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**AGENCY BILL ANALYSIS
2026 REGULAR SESSION**

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{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

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

Click all that apply:

Original **Amendment**
Correction **Substitute**

Date Prepared: 2026-02-02
Bill No: HB248

Sponsor: Lente, Derrick J.
GENERAL OBLIGATION
Short Title: BONDS

Agency Name and Code NMHED
Number: _____
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
N/A	\$280,000.00	Nonrecurring	General Obligation Bond Capacity

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue	Recurring	Fund

FY26	FY27	FY28	or Nonrecurring	Affected
N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(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

House Bill 248 (HB248) authorizes the issuance of General Obligation Bonds (GOBs) totaling approximately two hundred eighty million dollars (\$280,000,000). The bill proposes bond issuances during the 2026 General Election and includes funding for capital expenditures for senior citizen facilities statewide in the amount of thirty million dollars (\$30,000,000); for academics, public schools, Tribal and public library resource acquisitions statewide in an amount not to exceed twenty million dollars (\$20,000,000); and for higher education, special schools, and Tribal colleges and universities' capital improvements in an amount not to exceed two hundred thirty million dollars (\$230,000,000).

The bill provides the legal framework for the State Board of Finance (SBOF) to issue, sell, and administer the bonds and establishes the associated property tax levy to repay principal, interest, and issuance costs. HB248 also includes provisions related to bond terms, election procedures, reversion of unexpended balances, and the inclusion of art in public places funding, where applicable.

HB248 also includes a provision in Section 12 authorizing money for the Art In Public Places Fund pursuant to Section 13-4A-4 NMSA 1978 from appropriations authorized in the bill.

Section 15 includes an emergency clause authorizing the act to take effect immediately.

The New Mexico Higher Education Department's (NMHED) analysis of this bill focuses on the higher education implications of the proposed legislation. Additional insight may be obtained from other agencies' analyses.

FISCAL IMPLICATIONS

HB248 outlines bond terms within Section 3. This includes the issuance and sale of GOBs requiring approval by the electorate in the November 2026 General Election, the fact that GOBs are payable from ad valorem (property) taxes levied on all property in the state subject to property taxation, and that the bonds are backed by the full faith and credit of the state. If ratified by the voters, GOBs are approved for issuance by the State Board of Finance in Spring 2027 following the General Election. The funds authorized in this bill will be available to the recipients in late spring of 2027.

NMHED will administer the appropriations associated with the academic library acquisitions and for capital improvements and acquisitions at independent two-year colleges and Tribal colleges and universities. NMHED will be the administrator for these funds in accordance with FIN 9.2 Grants Management - Funding Criteria and Oversight Requirements, which establishes uniform funding criteria for grantees to receive State capital outlay appropriations and grant management and oversight requirements as issued by the New Mexico Department of Finance and Administration (NMDFA).

SIGNIFICANT ISSUES

The NMHED Capital Outlay Committee, chaired by Mr. Luis Campos and comprised of representatives from the NMHED, NMDFA, the New Mexico Energy Minerals and Natural Resources Department (NMEMNRD), and the New Mexico Legislative Finance Committee (NMLFC) held capital outlay hearings throughout the state in 2025. During these hearings, higher education institutions (HEIs) presented a total of 53 capital outlay funding requests totaling one billion fifty-eight million one hundred ninety-two thousand six hundred sixty-seven dollars (\$1,058,192,667) in capital needs statewide. After the hearings, each of the requests was reviewed and scored by each committee member using the Department Capital Funding Request and Management System (CFRMS). The CFRMS system is used by the Department to develop the statewide higher education funding recommendation. Thirty-one (31) projects were recommended in the NMHED capital recommendation at a total of two hundred ninety-eight million, one hundred and twenty-four thousand four hundred and twenty-five dollars (\$298,124,425). At the time of this analysis, NMHED could not verify what specific appropriations from its recommendation are included in HB248.

Also of note, at the time of this analysis, the bill does not include the specific amount allocated to HEI academic libraries.

NMHED recognizes that New Mexico's HEIs are increasingly facing capital needs that exceed the scale, timing, and funding capacity of the annual Capital Projects Division (CPD) recommendation process. Many four-year institutions manage academic and research facilities that are more than 50 years old and require comprehensive replacement or major modernization to remain competitive, meet accreditation and workforce demands, and support current instructional models. These conditions have resulted in a growing number of extraordinary capital requests that exceed fifty million dollars (\$50,000,000) and require multi-year, multi-source financing strategies. As a result, these requests exceed traditional funding thresholds.

PERFORMANCE IMPLICATIONS

Across the four most recent general obligation bond cycles between 2018 and 2025, HEIs submitted an average of approximately 61 capital requests totaling six hundred seventy point three million dollars (\$670,300,000), of which CPD recommended approximately 36 projects totaling two hundred forty million seven hundred thousand dollars (\$240,700,000), representing approximately thirty-five point nine percent (35.9%) of requested projects funded annually on average.

A similar pattern exists in non-general obligation bond years during the same time frame, where institutions submitted an average of approximately 63 capital requests totaling three hundred seventy-four million dollars (\$374,000,000), of which CPD recommended approximately 38 projects totaling ninety-four million (\$94,000,000), representing approximately twenty-five point one percent (25.1%) of requested projects funded annually on average.

ADMINISTRATIVE IMPLICATIONS

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB248 relates to capital appropriations included in the General Appropriation Act (House Bill 2 / HB133), NMHED's higher education capital outlay recommendation, and other statewide capital funding mechanisms, including general obligation bonds and other state funds supporting major higher education projects.

HB248 also relates to SB6, which proposes full funding for the University of New Mexico School of Medicine (UNM SOM) facility, as both measures address financing strategies for this large-scale higher education capital project.

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The primary source of funding for capital projects at New Mexico colleges, universities, special schools, and Tribal colleges and universities is GOBs. The goal established by NMHED in its work with NMDFA and NMLFC to develop the funding recommendations provided in this bill has been to provide a predictable level of tax rate so voters know that by approving bonds for the amounts provided, the tax rate will not increase. If HB248 fails to pass, or subsequently if it passes the legislature and is not approved by the voters in November, there will continue to be a significant need for capital improvements for senior citizen facilities, institutions of higher education, state special schools, and Tribal colleges statewide.

In addition, failure to enact HB248 would impact the UNM SOM project. The UNM SOM would face a significant funding gap, placing completion timelines and scope at risk unless alternative funding sources were identified. More broadly, the loss of these funding actions would reduce the state's ability to advance large-scale, high-priority academic and health-related capital investments in a coordinated and timely manner.

AMENDMENTS

N/A