

LFC Requester: \_\_\_\_\_

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**

**[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto: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:** 1/23/2026 *Check all that apply:*  
**Bill Number:** SB124 Original  Correction   
Amendment  Substitute

**Sponsor:** Pete Campos **Agency Name and Code Number:** New Mexico Institute of Mining and Technology 962  
**Person Writing Analysis:** The VPAF Office  
**Short Title:** HIGHER ED. MAJOR PROJECTS FUND **Phone:** 575-835-5606 **Email:** VPAF@nmt.edu

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY27	FY28		

(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)**

	<b>FY27</b>	<b>FY28</b>	<b>FY29</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>	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 uses of the fund;
- Providing criteria for funding;
- Specifying requirements;
- Allowing the legislature to waive match requirements.

**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, for a smaller institution, matching requirements will make its financial situation more challenging, 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 for schools our size.

The financial impact on the Institute depends on the size of the projects. For example, assuming design phase cost is about 15% of the total project cost, under the current version of the bill, a \$50 million-level project could cost the institution approximately \$6.12 million if used for instruction and general (I&G) or research purposes, or \$12.25 million if used for student housing and student life purposes.

Match waivers (Section E of the bill) should be granted based on the proportional impact on the school's total operating budget, rather than just the lack of available cash. This protects rural schools from exhausting their limited reserves on a single match.

## **SIGNIFICANT ISSUES**

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.

A sliding scale threshold based on institutional size or a lower fixed threshold (e.g., \$25 million) for smaller institutions to ensure that a major project for a small rural school like NMT is not technically excluded from a fund meant for major projects.

## **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 non-state matching funds—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 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. Although this bill does not explicitly establish a threshold for student housing, it is possible that evaluators may still apply an informal threshold in practice. Consequently, when the state reviews applications, it should consider the aggregated costs of related projects. While individual projects may fall below a pre-expected amount, the combined cost of multiple projects can be significant and should be considered.

Similarly, 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 5,000 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.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.