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**AGENCY BILL ANALYSIS
2026 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

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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: 2026-01-29
Bill No: SB177

Sponsor: Munoz, George K
GENERAL FUND
Short Title: TRANSFERS TO OTHER FUNDS

Agency Name and Code NMHED
Number: _____
Person Writing: Gallegos, Brittany
brittany.
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
N/A	\$1,212,000	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue	Recurring	Fund Affected

FY26	FY27	FY28	or Nonrecurring	
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

Senate Bill 177 (SB177) allocates large General Fund transfers and appropriations totaling one billion two hundred sixty-two million dollars (\$1,262,000,000) to support economic development initiatives across New Mexico, with a focus on advanced technology sectors.

The bill directs funding to the New Mexico Economic Development Department (NMEDD) and state research universities for initiatives in:

- Artificial intelligence (AI)
- Quantum technology
- Advanced energy
- Aerospace and defense
- Bioscience

These include:

- Innovation hubs
- Workforce training
- Research infrastructure
- Commercialization efforts

SB177 also provides funding to match federal investments, support start-ups and industry partnerships, and expand laboratory capacity and faculty expertise in key research areas.

Additional appropriations support:

- Outdoor recreation
- Healthy food financing
- Marketing and promotion
- Other initiatives tied to economic growth

Finally, the bill includes funding for public safety initiatives and several transfers into existing economic development–related state funds.

The New Mexico Higher Education Department’s (NMHED’s) 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

SB177 has significant statewide fiscal implications. NMHED has attached an appendix to this fiscal impact report (FIR) with a complete list of transfers and appropriations, their dollar amounts, and the terms of their use. This appendix spreadsheet categorizes the transfers and appropriations into funds that may more appropriately fall under the purview of NMHED rather than NMEDD, funds directly appropriated to higher education institutions, funds unrelated to higher education, and funds that do not appear to align with the other primary focus areas of the bill.

SB177 distributes the appropriations as follows:

- One billion one hundred million dollars (\$1,100,000,000) to NMEDD
- Sixty million dollars (\$60,000,000) to the New Mexico Department of Finance and Administration (NMDFA)
- Twenty-six million dollars (\$26,000,000) to the University of New Mexico (UNM)
- Sixteen million dollars (\$16,000,000) to the New Mexico Institute of Mining and Technology (NMIMT)
- Sixteen million dollars (\$16,000,000) to New Mexico State University (NMSU)

SB177 also includes one hundred seventy million dollars (\$170,000,000) in General Fund transfers. These include transfers to the:

- Outdoor Equity Grant Program Fund
- Research, Development and Deployment Fund
- Site Readiness Fund
- Development Training Fund
- Local Economic Development Act Fund

SIGNIFICANT ISSUES

Several appropriations in SB177 appear to fall outside the core focus areas emphasized elsewhere in the bill and may warrant additional clarification regarding legislative intent and administrative alignment. These include the:

- Funding for the New Mexico Partnership
- Public safety initiatives
- Indigenous film festival
- Trails Plus Grant Program
- Healthy Food Financing Program

While each of these initiatives may have independent merit, their connection to SB177's primary emphasis on advanced technology, research commercialization, and innovation-driven economic development is less clear.

SB177 assigns NMEDD the responsibility for administering several appropriations that are traditionally within the purview of NMHED. These include funding for faculty endowments (Section 20), research assistant positions (Section 21), advanced technology workforce training (Section 22), and the Quantum New Mexico Institute (Section 25). These initiatives are closely tied to higher education governance, academic workforce development, and institutional research capacity, which are areas in which NMHED has statutory expertise and existing administrative capability. Assigning these responsibilities to NMEDD may create misalignment with established higher education oversight and coordination functions.

For other appropriations directed to higher education institutions (HEIs), NMHED could provide value in a limited advisory or coordinating capacity. NMHED's involvement could help support alignment across institutions, reduce duplication of effort, and ensure consistency and accountability with existing statewide higher education and workforce strategies. Inclusion of consultative language recognizing NMHED's coordinating role could strengthen statewide alignment while preserving institutional autonomy and existing fiscal control structures.

PERFORMANCE IMPLICATIONS

SB177 does not assign a direct implementation or oversight role to NMHED, so NMHED have no immediate performance implications under the structure currently outlined.

If responsibility for the higher education-related appropriations were assigned to NMHED, then NMHED would experience a significant increase in workload associated with program administration, coordination with public institutions, development of reporting frameworks, and oversight of multi-year initiatives. This would likely require additional staffing capacity and administrative capacity to ensure effective implementation and accountability.

ADMINISTRATIVE IMPLICATIONS

SB177 does not assign an administrative role to NMHED, so NMHED would experience no immediate administrative impact under the structure currently outlined.

If responsibility for the higher education-related appropriations in Sections 20, 21, 22, and 25 were assigned to NMHED, then NMHED would assume administrative oversight for approximately two hundred seventy-six million dollars (\$276,000,000) in multi-year funding. This would require staff time to establish funding distribution processes, manage flow-through funds to institutions, develop guidance and reporting frameworks, and coordinate implementation across multiple campuses. Additional administrative capacity may be needed to ensure appropriate fiscal oversight and program accountability.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

N/A

TECHNICAL ISSUES

SB177 assigns administration of several higher education-related initiatives to NMEDD, including faculty endowments, research assistant positions, workforce training programs, and the Quantum New

Mexico Institute. These initiatives fall within areas typically overseen by NMHED, including academic workforce development, research capacity, and coordination across public institutions. SB177 does not include a formal coordination role for NMHED, which may limit alignment with existing statewide higher education planning and oversight structures.

SB177 directs substantial appropriations to individual HEIs without an explicit coordination mechanism among institutions or with a statewide higher education strategy. While HEIs retain autonomy over their programs, the absence of consultative language may limit opportunities to reduce duplication, align workforce training efforts, and ensure consistency with statewide goals.

SB177 includes numerous multi-year appropriations with broad expenditure authority and reversion at the end of FY29. Clear reporting expectations, particularly related to workforce outcomes, enrollment impacts, research capacity, and credential attainment, may be necessary to support legislative oversight and evaluation of return on investment. No reporting or coordinating role is assigned to NMHED, which may limit the availability of consolidated postsecondary data for legislative and executive review.

Providing outcomes analysis across the range of higher education initiatives in SB177 would likely fall to NMHED, though NMHED is not called out in that role in this bill.

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If SB177 is not enacted, NMEDD, NMDFA, and several public HEIs would not receive the appropriations outlined in the bill, and the proposed General Fund transfers to economic development-related funds would not occur.

AMENDMENTS

N/A