

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:** 2/2/2026 *Check all that apply:*  
**Bill Number:** SB0204 Original  Correction   
Amendment  Substitute

**Sponsor:** William P. Soules **Agency Name and Code Number:** New Mexico Institute of Mining and Technology 962  
**Person Writing**  
**Short Title:** FUNDING FOR TERMINATED RESEARCH PROJECTS **fsdfs Analysis:** The VPAF Office  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY27	FY28		
\$100,000.0	Spend Through	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)**

	<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>						

(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:

- Making an appropriation to the Higher Education Department to supplement reduced or terminated federal funding for existing research projects at the University of New Mexico, New Mexico State University and the New Mexico Institute of Mining and Technology that are feasibly able to be completed but for the reduction or termination of such funding.

**FISCAL IMPLICATIONS**

The Institute is in support of the bill. This funding would help maintain research continuity, preserve workforce capacity, and minimize disruptions to ongoing academic and sponsored activities.

Losses of projects due to Federal change in priorities have multiple impacts on Research, Researchers, and the communities impacted by the research.

Foremost, New Mexico Tech (NMT), lost about \$55,000,000 in federally funded projects and was left to support post-doctoral researchers, and graduate and undergraduate students who had been conducting research towards their MS theses or PhD dissertations. Of the total federal funding reductions within the State of New Mexico, the majority of the impact was concentrated at NMT.

Community and Industry partners were relying on the results of the research, and projects were left hanging with subcontractors and stakeholders facing economic impacts. In particular, the loss of federal funding directly affected NMT’s projects involving Navajo communities. Moreover, because NMT’s funding was partnered with other NM research universities, the loss resulted in broader statewide impacts.

The fiscal implications of this bill are immense. For modest investments from the state, students can continue their education, communities and companies can continue to pursue promised opportunities, and researchers can maintain their employment while waiting for new federal

opportunities to present, and the time needed to apply, win, and receive new awards.

This bill represents an essential safety net for the state's research universities, and provides an appropriation to supplement reduced or terminated federal research funding, helping to offset known losses and support the completion of existing projects of importance to New Mexico and associated personnel costs.

### **SIGNIFICANT ISSUES**

These funds should require an application which outlines the funds lost, the impact to students, staff, and external partners, and a minimum budget to complete in progress tasks as well as follow-up tasks which should be pursued. While unlikely that the budget of \$100 million could cover all impacted research, it should allow for key tasks and deliverables needed to advance a subset of project goals that have a measurable benefit to the state.

### **PERFORMANCE IMPLICATIONS**

The State may need to establish an ad hoc review process or committee to provide oversight for the projects supported with these state funds.

Clarification may be helpful regarding eligibilities, allocation methodology, allowable uses of funds, and treatment of multi-year awards. Clear guidance on timing, allowable expenditures, and reporting expectations would support efficient administration and continuity of affected projects.

### **ADMINISTRATIVE IMPLICATIONS**

Implementation may require additional administrative coordination to document eligibility, track qualifying projects, and comply with any reporting or monitoring requirements. Sponsored Projects Administration and research support offices may experience some increased workload related to compliance and oversight activities.

It could be suggested that a portion of the funds be set aside for universities to fill those oversight roles.

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None for NMIMT.

### **TECHNICAL ISSUES**

It is important to make sure that there is project oversight that has an appropriate level of knowledge on the subject matter.

### **OTHER SUBSTANTIVE ISSUES**

None for NMIMT.

### **ALTERNATIVES**

Consider allowing reasonable flexibility in the use and timing of funds, including carryforward authority, to allow projects to proceed without interruption and to accommodate multi-year planning and implementation. Additionally, allow institutions to use these funds to supplement any loss of federal support for long-standing research projects that have historically received continuously funding (e.g., 10 years), but no longer anticipated to continue. Such flexibility would help preserve research continuity, maximize prior state and federal investments, and support responsible project completion.

## **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Without this funding, institutions will experience disruptions to ongoing research activities, including potential delays or termination of projects, loss of employment for researchers, loss of funding for students, lost business and community benefit opportunities, and impacts to the capacity of the state's research universities to perform key research topics that could provide long-term benefits to the state.

## **AMENDMENTS**

Suggest an amendment to set a small portion of the funds (1-3%) aside for administrative purposes such as project oversight, final reporting of results, tracking of progress, and a financial impact analysis.

Amend Section 1 (Appropriation) by designating the existing language on page 1, line 19 through page 2, line 3 as Subsection A. Add a new Subsection B to read:

§1.B. Up to three percent of the appropriation authorized in Subsection A may be used by the Higher Education Department for administrative purposes, including project oversight, monitoring of project progress, final reporting of research results, and a financial impact analysis of the supplemented research projects.