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FISCAL IMPACT REPORT

BILL NUMBER: Senate Bill 99

SHORT TITLE: Rural Libraries Endowment Fund

SPONSOR: Stefanics/Campos

LAST ORIGINAL
UPDATE: 2/17/2026 **DATE:** 1/23/2026 **ANALYST:** Rodriguez

APPROPRIATION* (dollars in thousands)

| FY26 | FY27 | Recurring or Nonrecurring | Fund Affected |
|------|------------|---------------------------|---------------|
| | \$29,500.0 | Nonrecurring | General Fund |

*Amounts reflect most recent analysis of this legislation.

REVENUE* (dollars in thousands)

| Type | FY26 | FY27 | FY28 | FY29 | FY30 | Recurring or Nonrecurring | Fund Affected |
|---------------|--------------|-------|------------------|--------------------|--------------------|---------------------------|------------------------------|
| Distributions | \$0.0 | \$0.0 | At least \$361.0 | At least \$1,198.0 | At least \$1,649.0 | Recurring | Rural Libraries Program Fund |
| Distributions | \$0.0 | \$0.0 | At least \$19.0 | At least \$63.0 | At least \$87.0 | Recurring | Cultural Affairs Department |

Parentheses indicate revenue decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to Senate Bill 61 and duplicates Senate Bill 62

Relates to an appropriation in the General Appropriation Act

Sources of Information

LFC Files

Agency or Agencies Providing Analysis

Cultural Affairs Department

State Investment Council

SUMMARY

Synopsis of Senate Bill 99

Senate Bill 99 (SB99) appropriates \$29.5 million from the general fund to rural libraries endowment fund for expenditure in fiscal year 2027 and subsequent fiscal years.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, which is May 20, 2026.

FISCAL IMPLICATIONS

The \$29.5 million appropriation contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY27 shall not revert to the general fund.

The endowment is managed by the State Investment Council (SIC). SIC notes that the fund is invested using a high-growth allocation strategy, which is projected over a full market cycle to earn a compound return of 7.19 percent annually. SIC notes that an infusion of \$29.5 million would accelerate the fund’s growth trajectory and increase the fund’s distribution in FY28.

As noted by SIC, by FY30, annual payouts under this bill could exceed \$3.5 million, compared to less than \$2 million under current law. Over the long term, the \$29.5 million appropriation could generate cumulative additional distributions of more than \$47 million by FY50.

| RLEF Est. Ending Balance (\$MM) | | | | RLEF Distributions to DCA (\$MM) | | | 95% | 5% | |
|---------------------------------|---------|---------|------------|----------------------------------|----------|----------|----------|--------------|----------|
| CY | Current | SB62 | Difference | FY | Current | SB62 | Diff. | Program Fund | DCA |
| 2025 | \$ 35.7 | \$ 35.7 | \$ - | FY25 | \$ 0.772 | \$ 0.772 | \$ - | | |
| 2026 | \$ 36.8 | \$ 67.3 | \$ 30.6 | FY26 | \$ 1.469 | \$ 1.469 | \$ - | | |
| 2027 | \$ 37.6 | \$ 70.3 | \$ 32.8 | FY27 | \$ 1.787 | \$ 1.787 | \$ - | \$ - | \$ - |
| 2028 | \$ 38.4 | \$ 73.1 | \$ 34.7 | FY28 | \$ 1.839 | \$ 2.220 | \$ 0.380 | \$ 0.361 | \$ 0.019 |
| 2029 | \$ 39.2 | \$ 75.1 | \$ 35.9 | FY29 | \$ 1.879 | \$ 3.140 | \$ 1.261 | \$ 1.198 | \$ 0.063 |
| 2030 | \$ 40.0 | \$ 76.7 | \$ 36.7 | FY30 | \$ 1.919 | \$ 3.655 | \$ 1.736 | \$ 1.649 | \$ 0.087 |
| 2031 | \$ 40.9 | \$ 78.3 | \$ 37.5 | FY31 | \$ 1.959 | \$ 3.755 | \$ 1.795 | \$ 1.706 | \$ 0.090 |
| 2032 | \$ 41.7 | \$ 80.0 | \$ 38.3 | FY32 | \$ 2.001 | \$ 3.835 | \$ 1.834 | \$ 1.743 | \$ 0.092 |
| 2033 | \$ 42.6 | \$ 81.7 | \$ 39.1 | FY33 | \$ 2.043 | \$ 3.917 | \$ 1.873 | \$ 1.780 | \$ 0.094 |
| 2034 | \$ 43.5 | \$ 83.4 | \$ 39.9 | FY34 | \$ 2.086 | \$ 3.999 | \$ 1.913 | \$ 1.817 | \$ 0.096 |
| 2035 | \$ 44.4 | \$ 85.2 | \$ 40.7 | FY35 | \$ 2.131 | \$ 4.084 | \$ 1.953 | \$ 1.856 | \$ 0.098 |
| 2036 | \$ 45.4 | \$ 87.0 | \$ 41.6 | FY36 | \$ 2.176 | \$ 4.170 | \$ 1.995 | \$ 1.895 | \$ 0.100 |
| 2037 | \$ 46.3 | \$ 88.8 | \$ 42.5 | FY37 | \$ 2.222 | \$ 4.259 | \$ 2.037 | \$ 1.935 | \$ 0.102 |
| 2038 | \$ 47.3 | \$ 90.7 | \$ 43.4 | FY38 | \$ 2.269 | \$ 4.349 | \$ 2.080 | \$ 1.976 | \$ 0.104 |
| 2039 | \$ 48.3 | \$ 92.6 | \$ 44.3 | FY39 | \$ 2.317 | \$ 4.441 | \$ 2.124 | \$ 2.018 | \$ 0.106 |
| 2040 | \$ 49.3 | \$ 94.6 | \$ 45.2 | FY40 | \$ 2.366 | \$ 4.535 | \$ 2.169 | \$ 2.061 | \$ 0.108 |

Source: SIC

SIGNIFICANT ISSUES

Rural Libraries Endowment Fund. The fund was created in 2019 to support rural libraries throughout the state by providing funding for operational and capital needs and funding for the delivery of specialized services to rural libraries. The Rural Libraries Endowment Fund (RLEF) was created in 2019, seeded with a \$1 million appropriation and since receiving additional appropriations of \$2 million in 2020, \$10 million in 2022, \$15 in 2023, and \$2.5 million in

2024—a total of \$30.5 million. As of 2026, the fund has a balance of \$35.7 million.

Laws 2019, Chapter 165 outline distributions from the endowment fund. Five percent of earnings are disbursed to the libraries each year. Earnings will be averaged over a five-year period starting FY27.

Program Fund and Grants. The rural libraries program fund consists of distributions from the endowment fund. The rural libraries grant program directs the state librarian to annually disburse grants to developing and established rural libraries. The state librarian has previously identified approximately 60 rural libraries in New Mexico. The statute also provides that the state librarian can use funds for specialized services, such as professional development opportunities, program support, IT support, and other capacity building services, to rural libraries. The fund also provides grant funds to communities wishing to establish a library.

Recent Distribution. So far in FY26, the state librarian has distributed \$1.3 million from the rural library endowment fund, including \$24.9 thousand to 53 rural libraries and \$5 thousand to 3 other libraries to help them become recognized as a state-funded library.

In FY25, the state librarian distributed \$901.1 thousand to 60 rural libraries, approximately \$15.3 thousand per library.

The first round of grants was distributed in FY24. The state librarian distributed \$157.9 thousand—approximately \$2.6 thousand per rural library. The state librarian also set aside approximately \$15 thousand for establishing grants—which are for libraries not yet recognized as state-funded libraries to help them become established and eligible for other state grants.

The state librarian did not distribute any grants to rural libraries in FY22 and FY23—noting that the amounts were too small to pay out.

Other Public Library Funding. DCA administers four funding programs for public and tribal libraries: state grants-in-aid (SGIA), tribal library program grants, rural library endowment fund, and general obligation bonds.

FY25 distributions include:

- State-grants-in-aid: \$1.0 million to 95 libraries
- Tribal library program grants: \$96 thousand to 20 tribal libraries
- General obligation bonds: Current GO Bond 2022 program includes \$6 million for public libraries and \$1 million for tribal public libraries, which can be used through April 1, 2026.
 - As of August 6, 2025, public libraries have requested \$1.2 million in reimbursements, or 21 percent of funds, and tribal libraries have requested \$132.8 thousand, or 13 percent of funds.
 - The 2024 GO bond funding includes \$6 million for public libraries and \$1 million for tribal libraries, available through April 1, 2029.

Additionally, during the 2025 session, the Legislature appropriated \$2.5 million to DCA for grants for rural libraries. The state librarian has fully granted out the amount, awarding an average of \$43.9 thousand to 57 libraries.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The General Appropriation Act as amended by Senate contains a nonrecurring appropriation of \$2 million for the rural library endowment fund.

Senate Bill 62 is a duplicate of SB99. Both bills transfer \$29.5 million from the general fund to the rural libraries endowment fund.

Senate Bill 61 (SB61) is related to SB99. SB61 appropriates \$5 million to DCA to support the operation of rural libraries between FY27 and FY28. The funding in SB61 is not directed to the rural libraries endowment fund.

JR/ct/dw/ct