NEW MEXICO FINANCE AUTHORITY

Progress Report on the New Mexico Finance Authority 2025 -2027 Strategic Plan

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NEW MEXICO FINANCE AUTHORITY

NMFA Governance

- **Kathy Keith, *Chair***
- **Martin Suazo, *Vice Chair***
- **AJ Forte, *Secretary***
  Executive Director, New Mexico Municipal League
- **Rob Black**
  Secretary, NM Economic Development Dept
- **Andrew Burke**
- **Teresa Costantinidis**
  Executive Vice President for Finance & Administration
  University of New Mexico
- **Joy Esparsen**
  Executive Director, New Mexico Counties
- **James Kenney**
  Secretary, NM Environment Dept
- **Ronald Lovato**
- **Wayne Propst**
  Secretary, NM Dept of Finance & Administration
- **Erin Taylor**
  Acting Secretary, Energy, Minerals and Natural Resources

- NMFA broad-based public-finance agency created in 1992.
- NMFA's quasi-governmental structure allows it to combine public purpose, statutory authority, capital-market access, financial discipline, and cross-agency partnerships in ways that traditional state agencies, private lenders, and individual local governments cannot do on their own.
- Borrowers rely on NMFA for access to capital, technical financing capacity, and continuity. State partners rely on NMFA to turn policy priorities into workable financing tools. Investors and rating agencies rely on NMFA for transparency, predictability, and strong portfolio management.
- Governed by an 11-member independent Board
  - Approves rules, policies, and projects
  - Oversees operations and approves budget
  - Active Committee process provides high level of oversight of NMFA's diverse and complex operations
- Administrator of four other Boards and their respective committees and one Executive Task Force
- Overseen by 24-Member NMFA Oversight Committee

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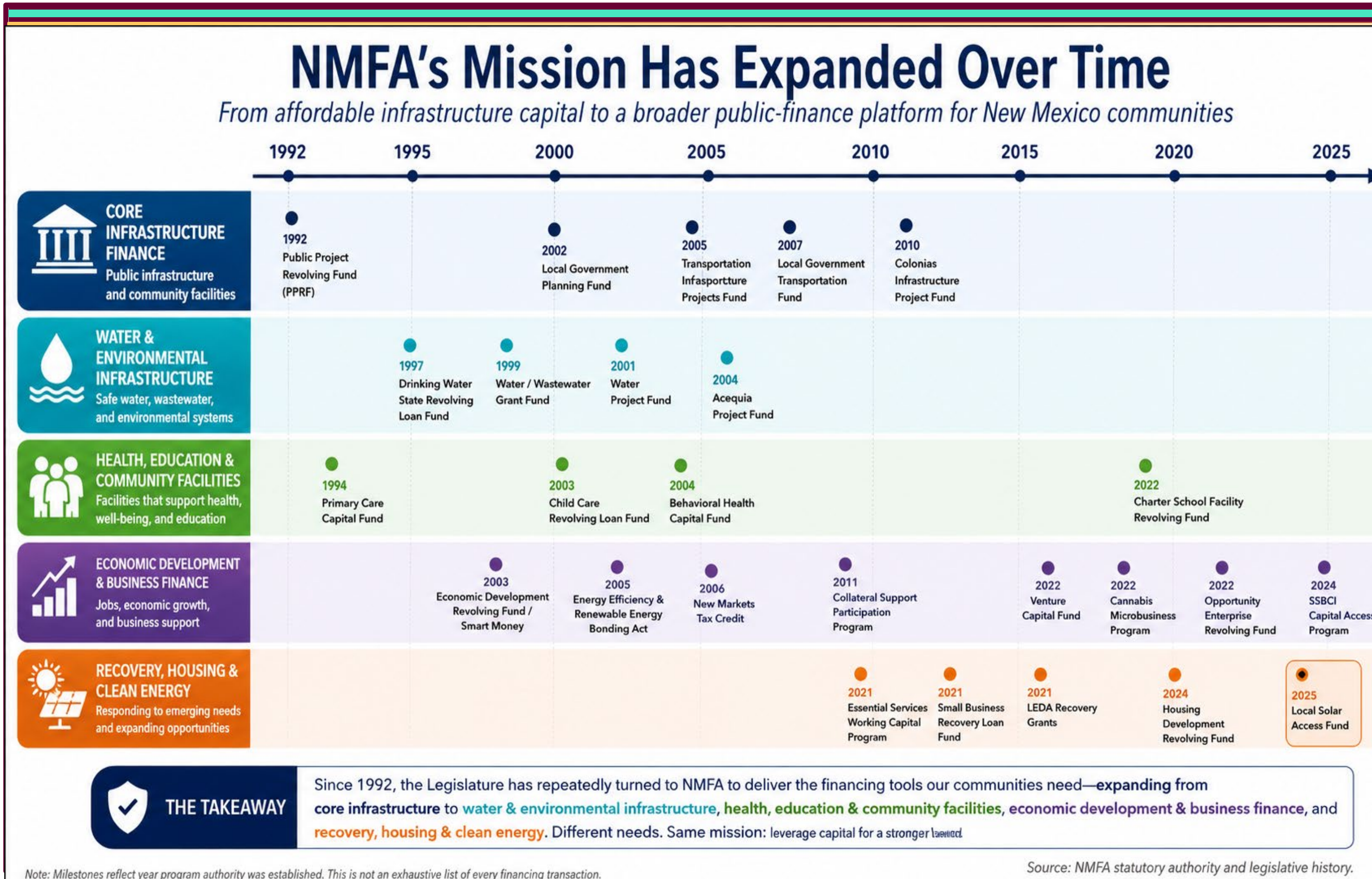
Strategic Partnerships

NMFA effectively leverages capital and policy expertise for public purpose impact.

Policy Partner	+	NMFA	=	Together
▪ policy expertise ▪ technical review ▪ Impact expertise ▪ access to funding streams ▪ sector relationships (often regulatory)	+	▪ Financial systems ▪ underwriting discipline ▪ bond-market access ▪ loan administration ▪ portfolio management ▪ grant and project oversight	=	▪ less duplication ▪ priority-aligned funding ▪ stronger project review ▪ support for borrowers

Expansive Programming



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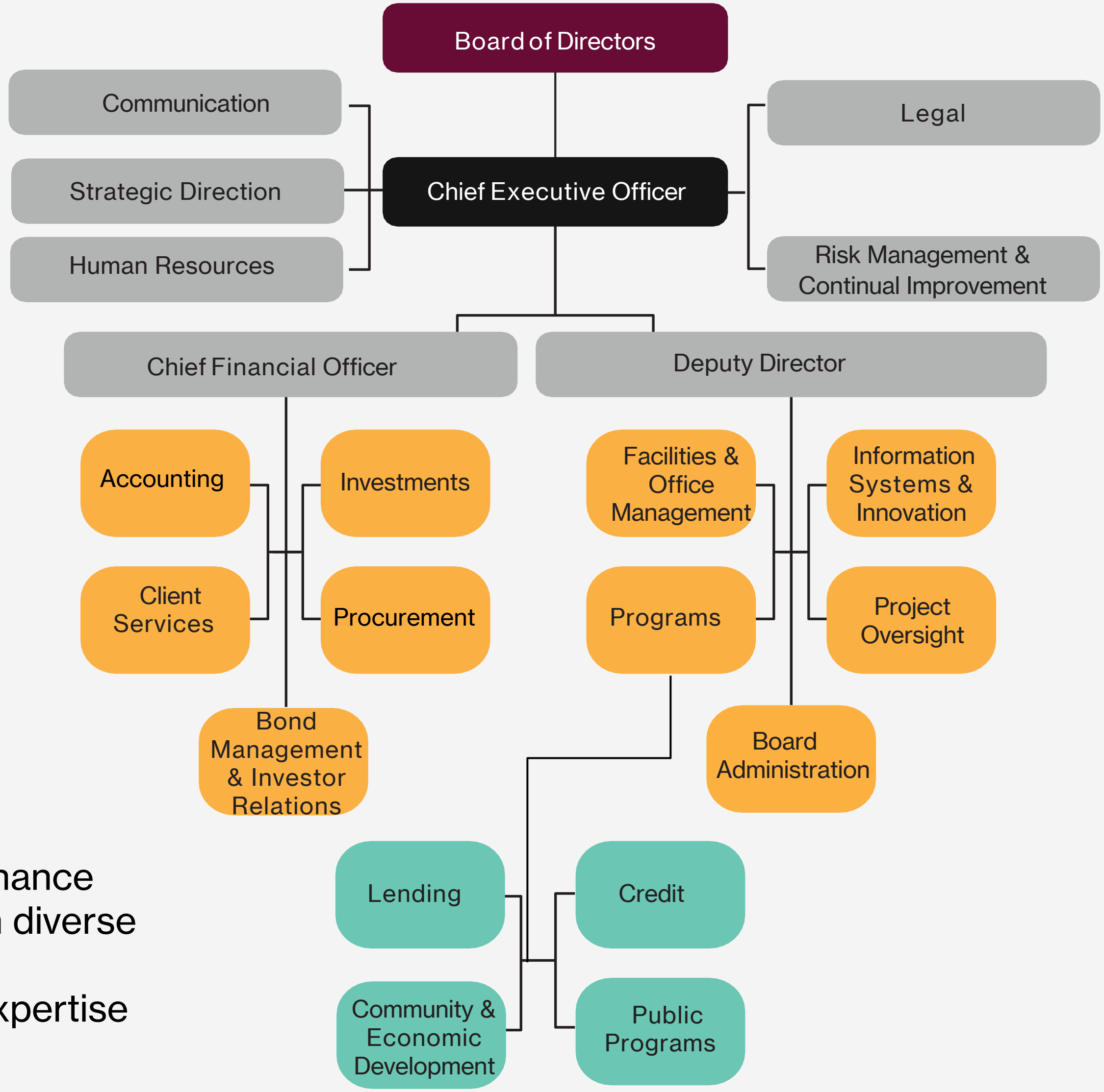
Rapid Growth Required Retooling of Systems

- NMFA’s growth from 2020 - 2024 is unsustainable without increasing efficiencies wherever possible
  - Streamlining applications and eligibility processes
  - Standardizing program processes and procedures (a loan is a loan, a grant is a grant)
  - Scrutinizing statutes, rules and policies to ensure all requirements are value-based
- Integration of systems developed during the recovery programs is needed to ensure all business systems work cohesively across customer management, lending operations, financial management, and human resources to achieve organizational objectives.
- NMFA’s Integrated Business Application (“IBA”) project to provide a comprehensive enterprise architecture framework that unifies key business systems and processes with four goals:
  - Standardization and simplification: processes, language
  - Reducing manual processes
  - Trustworthy data and actionable reporting
    - Golden source of data
  - Sustainability and scalability
- The first phase of the IBA is slated to be complete in the fall of 2026 with additional phases to enhance user experience, efficiency, and reporting capability expected through calendar year 2027.

NMFA Structure



Staffed with 80 finance professionals with diverse backgrounds and, experience and expertise

FY 2025 – FY 2027 Strategic Plan
Mission, Values and Competencies

Financial discipline, transparency, partnership and trust are at the heart of NMFA's policies.

MISSION : New Mexico's partner in building economic prosperity and stronger communities.

VALUES:

- Integrity – We are honest, ethical, and reliable.
- Client Focus – We help clients reach their goals with respect, timeliness, and creativity.
- Professionalism – We promote a culture of accountability, quality, continuous learning, and adaptability.
- Great Place to Work – Our employees are our greatest asset. We provide a diverse, rewarding, respectful, and collaborative work environment.

COMPETENCIES

- Create access to low-cost capital for infrastructure and economic development.
- Attract investor capital to New Mexico.
- Respond to challenges with a dedicated, solutions-focused Board and staff and agile, effective systems.
- Provide trusted stewardship and effective oversight of programs and funds. s

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FY 2025 – FY 2027 Strategic Plan Objectives

GOAL ONE	**Advance community and economic development** Objective: Effectively deploy funds from the State Small Business Credit Initiative. Objective: Obtain funding for Behavioral Health Capital Fund, Primary Care Capital Fund, and Child Care Revolving Fund.
GOAL TWO	**Strengthen New Mexico's infrastructure to promote healthy communities** Objective: Improve water systems through regionalization, and technical assistance. Objective: Meet the need for capital for infrastructure.
GOAL THREE	**Maximize community impact by leveraging strategic partnerships** Objective: Establish a system of determining needs and priorities of strategic partners. Objective: Assist strategic partners in meeting their goals. Objective: Complete a metric study of NMFA's and its partners' impacts to inform future objectives.
GOAL FOUR	**Optimize organizational effectiveness and efficiency** Objective: Implement the Integrated Business Application project Objective: Maintain/improve financial reporting standards; implement risk rating system. Objective: Maximize use of technology. Objective: Improve data collection and reporting. Objective: Modernize document and data management to support increased scale.

Final-Strategic-Plan-low-res-version.pdf

GOAL ONE	**Advance Community and Economic Development**	
Objective	**Effectively deploy funds from the State Small Business Credit Initiative (SSBCI).**	
	✓	Hired experienced lenders and credit analysts to support the origination, evaluation and monitoring of loan participations
	✓	Met tranche 3 funding requirements
		Secure extension or elimination of prior legislative authorization for Economic Development Revolving Fund (June 30, 2027 sunset)
Objective	**Obtain future funding for Behavioral Health Capital Fund, Primary Care Capital Fund, and Childcare Revolving Fund.**	
	✓	Child Care Funding of $10 million
		PCCF Funding of $25 million
		BHCF Funding of $25 million
GOAL TWO	**Strengthen New Mexico's infrastructure to promote healthy communities**	
Objective	**Improve water systems through regionalization of water systems, technical assistance.**	
	✓	Establish Pilot Regionalization and Small System Planning Program
Objective	**Meet need for capital for infrastructure.**	
	✓	Secured temporary suspension of legislative authorization for Water Trust Board and Public Project Revolving Fund to eliminate long lead times to apply for funding
	✓	Create a model/heat map of areas in NM most likely in need of infrastructure improvements
	✓	Provide off-cycle WTB application for design grants to accelerate more shovel ready projects
GOAL THREE	**Maximize community impact by leveraging strategic partnerships**	
Objective	**Complete a metric study of NMFA's impacts and partners' impacts to inform future objectives.**	
	✓	Complete evaluation of statutes, rules and policies to create a framework for economic and programmatic impacts
	✓	Create a model to project the direct and indirect impacts stemming from NMFA funding.
Objective	**Establish a system of determining needs and priorities of strategic partners.**	
	✓	Collaborate with policy partners in reviewing and updating policies to ensure policies are meeting intended targets
		Enhance policy and strategic initiative staffing
Objective	**Assist strategic partners in meeting their goals.**	
	✓	Identify partners greatest financing issues and align their interest in partnering
	✓	Design and pilot intiatives intended to catalyze desired impact
		Secure capital if needed to meet the demand

GOAL FOUR **Optimize organizational effectiveness and eiciency**

Objective **Implement the Integrated Business Application.**

- ✓ Complete planning process and RFPs
- ✓ Complete Minimal Viable Product phase
- **Plan and execute Enhance and Elevates phases**

Objective **Maintain/improve financial reporting standards; implement risk rating system.**

- ✓ Complete Risk Rating System -- December 31, 2025
- ✓ Fully integrate Risk Rating in loan presentations and financials

Objective **Maximize use of technology.**

- ✓ Identify redundant software; identify manual processes; identify non-system reporting and tracking
- ✓ Removal of redundant software
- ✓ Develop standard loans and grant document templates for automated generation from IBA
- **Evaluate time saved from IBA and direct resources to value added activities**

Objective **Improve data collection and reporting.**

- ✓ Establish KPIs and financial metrics (from currently collected data) to guage effectiveness of NMFA personnel, systems, policies and reporting
- ✓ Create dash board that tracks KPIs that are currently collected
- ✓ Identify metrics that require additional technology or system implementation
- **Review data**

Objective **Implement the document and data management project.**

- ✓ Complete planning and design of new system
- ✓ Implement system Train employees on system use
- **Audit compliance with document management**