

Monday, January 19 ([click here for webcast](#))

The following members and designees were present on Monday, January 19, 2026: Chairman Nathan P. Small; Vice Chairman George K. Muñoz; Representatives Meredith A. Dixon, Jack Chatfield, Derrick J. Lente, Joseph Sanchez, Harlan Vincent, and Rebecca Dow; and Senators Benny Shendo, Roberto “Bobby” Gonzales, Pat Woods, Nicole Tobiassen, Steve Lanier, Linda Trujillo, and Pete Campos . Guest legislators: Representatives Mark Duncan, Cathrynn N. Brown, Randall T. Pettigrew, Joy Garratt, Sarah Silva, Charlotte Little, Debra M. Sarinana, Tara L. Lujan, and Joseph Franklin Hernandez.

Program Evaluation Update: SNAP Administration and Performance (8:33 AM, [click here for meeting materials](#)).

LFC Program Evaluators Alma Kassim and Clayton Lobaugh presented to the committee an evaluation on the administration of the Supplemental Nutrition Assistance Program (SNAP) following the 2025 second special session, which authorized \$162.5 million in state contingency funding and required a full evaluation by July 1, 2026. SNAP, administered federally by the U.S. Department of Agriculture and in New Mexico by the Health Care Authority (HCA), provided approximately \$1 billion in benefits to 460 thousand New Mexicans in federal fiscal year 2024. While SNAP benefits remain fully federally funded, recent federal changes under H.R.1 (the budget reconciliation bill) increase state administrative costs and require states with high payment error rates to share benefit costs. New Mexico’s timeliness improved to 98 percent in FY25; however, the payment error rate increased to 16.7 percent in the first quarter of FY25, among the highest in the nation. Overpayments—primarily driven by unreported or misreported client information—account for most errors. If the state does not reduce its error rate by October 2026, it could incur up to approximately \$173 million in additional benefit costs. Data indicate SNAP fraud is relatively rare, with 12 criminal charges filed from 2019 through mid-2025, and about 1.8 percent of households receiving reimbursement for stolen electronically transferred benefits over two years. LFC staff have initiated the evaluation and are reviewing SNAP performance, administrative processes, staffing, technology investments, and program integrity, with a final report due before July 1, 2026.

Policy Brief: Physician Survey to Inform Shortages (9:40 AM, [click here for meeting materials](#)).

LFC analyst Allegra Hernandez, Ph.D., presented to the committee a report detailing New Mexico’s persistent shortage of health professionals, with 32 of 33 counties designated as health professional shortage areas and an estimated need for at least 5,000 additional healthcare workers. In December 2025, LFC staff surveyed 1,215 physicians to assess the causes and impacts of shortages. Results show 94 percent of physicians currently practicing in New Mexico report that provider shortages affect their daily work, and 65 percent are considering leaving the state. Among those considering relocation, 83 percent cite punitive damages associated with medical malpractice as a primary factor. Physicians who have already left report compensation, malpractice risk, and quality of life as the main reasons, although wage data indicate New Mexico physician salaries are comparable to or exceed regional averages. Most physicians who relocate remain in the region, while those who move to or stay in New Mexico most often cite family ties and cultural preferences.

Health Note: Rural Healthcare Delivery Fund (10:16 AM, [click here for meeting materials](#)).

LFC program evaluators Drew Weaver and Danielle Ceballes presented a report on the rural health care delivery fund (RHCFD), created by the Legislature in 2023 to expand healthcare access in rural New Mexico by offsetting operating losses for providers establishing or expanding services. Since inception, the Legislature has appropriated \$196 million to the program, with \$146 million obligated across three funding cycles and about \$69.4 million disbursed as of fall 2025. Most funding has supported behavioral health, primary care, and maternal health services, and providers report using the majority of funds for staffing costs. While the program has increased service capacity and supported approximately 270 thousand reported patient encounters since 2024, LFC analysis finds limited evidence linking funding levels to improved access outcomes due to inconsistent and self-reported provider data and the absence of standardized program-level performance measures. The Health Care Authority (HCA), which administers the program, has improved application and reporting processes but still lacks clear statewide goals, standardized metrics, and reliable verification of expenditures and outcomes, limiting legislative oversight and the state's ability to assess program effectiveness or sustainability. The report recommends establishing standardized reporting requirements, clearer performance metrics, improved data verification processes, and stronger contract-based oversight to better evaluate whether investments are improving rural healthcare access and supporting long-term sustainability.

Miscellaneous Business.

Action Items. Senator Gonzales moved to adopt the LFC November and December 2025 meeting minutes, seconded by Representative Sanchez. The motion carried.

Review of Monthly Financial Reports and Information Items. LFC Director Charles Sallee briefed the committee on information items.

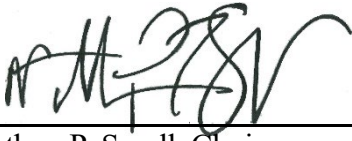
Proposed LFC-Endorsed Legislation (11:10 AM, [click here for meeting materials](#)). LFC staff proposed 10 bills for the committee to consider endorsing in the 2026 legislative session. Fiscal impact reports on the proposed legislation were provided.

1. *GRO Fund Accountability.* The bill amends the Accountability in Government Act to require the submission of accountability and evaluation plans to DFA and LFC from agencies with Government Results and Opportunity (GRO) appropriations. Vice Chairman Muñoz moved to adopt endorsement of the bill, seconded by Senator Campos. Representative Dow voted in opposition.
2. *Higher Education Major Capital Projects Fund.* The bill creates a new fund to support major higher education capital projects related to research, instruction, and workforce development, such as a new medical school, that are difficult to fund through the current capital process, as well as auxiliary projects not otherwise eligible for statewide capital outlay. A new fund could relieve pressure on biannual general obligation funds, which have not kept pace with the rising cost of construction. Vice Chairman Muñoz moved to adopt endorsement of the bill, seconded by Senator Campos. Representative Dow voted in opposition.

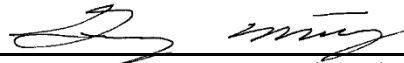
3. *State Investment Council Venture Capital Investments.* The bill updates statute to match current SIC rules that authorize the council to make venture capital investments. Vice Chairman Muñoz moved to adopt endorsement of the bill, seconded by Senator Campos. Representative Dow voted in opposition.
4. *Land of Enchantment Legacy Fund.* The bill amends the land of enchantment legacy fund to prevent trapped balances in the distribution fund, increase distributions to beneficiaries over time, and improve investment performance. Vice Chairman Muñoz moved to adopt endorsement of the bill, seconded by Senator Campos. Representative Dow voted in opposition.
5. *Capital Outlay Changes.* The bill limits reauthorizations, limits capital outlay for certain water projects for which other state grant programs exist, and requires projects over a certain dollar threshold to appear on an infrastructure capital improvement plan to be eligible for funds. Vice Chairman Muñoz moved to adopt endorsement of the bill, seconded by Senator Campos. Representative Dow voted in opposition.
6. *School Employer Insurance Contribution Increase.* The bill increases the employer contribution for insurance premiums for public school personnel to 80 percent. The bill also requires all school districts, including Albuquerque, to participate in Public School Insurance Authority (NMPSIA) by FY28, and requires state agencies, including NMPSIA, to establish a reference-based pricing program for hospital services. Vice Chairman Muñoz moved to adopt endorsement of the bill, seconded by Senator Campos. Representative Dow voted in opposition.
7. *Financial Cleanup.* The bill is an omnibus bill making fiscal-related clean ups of investment fund language, capital development fund changes, BOF changes, audit rules, and more. Vice Chairman Muñoz moved to adopt endorsement of the bill, seconded by Senator Campos. Representative Dow voted in opposition.
8. *Disaster Funding Updates.* The bill revises and consolidates multiple statutory mechanisms for disaster-related financing and emergency response funding. The bill amends provisions governing the general fund operating reserve, appropriation contingency fund, and the federal reimbursement revolving fund to prevent over drafting of funds. The bill authorizes the governor, on declaration of a disaster or martial law, to expend appropriation contingency fund balances for emergency resources and services, subject to new reporting requirements. Vice Chairman Muñoz moved to adopt endorsement of the bill, seconded by Senator Campos. Representative Dow voted in opposition.
9. *Tax Sharing Data.* The bill allows TRD to share data with LFC only for professional analysis of tax and income programs. Vice Chairman Muñoz moved to adopt endorsement of the bill, seconded by Senator Campos. Representative Dow voted in opposition.
10. *Health Professional Loan Repayment Program.* The bill increases the maximum annual award for loan repayment from \$25 thousand per year for three years to \$75 thousand per year for four years for physicians and \$40 thousand for three years for other health

professionals. The bill creates a formula to calculate the maximum allocation for non-physician occupations based on the number of years of education required for licensure and prioritizes 50 percent of available funding for physician awards. The bill is related to a \$25 million special appropriation to fund the program in FY27. Vice Chairman Muñoz moved to adopt endorsement of the bill, seconded by Senator Campos. Representative Dow voted in opposition.

With no further business, the meeting adjourned at 11:30 a.m.



Nathan P. Small, Chairman



George K. Muñoz, Vice Chairman