

Tuesday, May 19 ([click here for webcast](#))

The following members and designees were present on Tuesday, May 19, 2026: Chairman Nathan P. Small; Vice Chairman George K. Muñoz; Representatives Meredith A. Dixon, Jack Chatfield, Derrick J. Lente, Joseph Sanchez, Harlan Vincent, Rebecca Dow, and Susan K. Herrera; and Senators Michael Padilla, Roberto “Bobby” J. Gonzales, Pat Woods, Nicole Tobiassen, Linda M. Trujillo, Steve D. Lanier, and Pete Campos. Guest legislators: Representatives Joseph Franklin Hernandez, Tara L. Lujan, Brian G. Baca, Debra M. Sariñana, Randall T. Pettigrew, Mark Duncan, Sarah Silva, and Charlotte Little.

Welcoming Remarks (8:54 AM, [click here for meeting materials](#)). Central New Mexico Community College (CNM) Vice President Olivia Padilla-Jackson highlighted the FY27 budget investments focused on student success and workforce development, including implementation of a new student information system, expansion of student support services, and continued use of New Mexico GRO—Government Results and Opportunity--funds to support internships, apprenticeships, and career pathways. CNM plans to open several new facilities, including the Film and Digital Media Center, Transportation Technology Center, and Brillante Early Learning Center, to strengthen workforce training and educational opportunities. The college is expanding advanced manufacturing and quantum workforce programs through a \$1 million share of statewide appropriation and partnerships with industry, national laboratories, and other higher education institutions. Ms. Padilla-Jackson identified permanent funding for workforce training and work-based learning in high-demand sectors, such as quantum computing, aerospace, energy, and cybersecurity as its top legislative priority, while also seeking support for recruiting and retaining highly specialized technical instructors and access to the technology enhancement fund to expand industry-aligned training programs.

Overview of NM Economy and Workforce (9:02 AM, [click here for meeting materials](#)). LFC Chief Economist Ismael Torres presented an overview of New Mexico’s economic landscape, highlighting persistent challenges, including high childhood poverty, low wages, low educational attainment, and one of the nation’s lowest prime-age employment rates. Mr. Torres emphasized that economic growth alone does not guarantee improved living standards and that the committee’s focus has been on increasing income earned through higher employment and wages. Mr. Torres identified six strategies to improve economic outcomes: growing the workforce, increasing labor force participation, expanding labor demand, improving job quality, raising productivity and skills, and increasing the share of economic activity captured by New Mexico residents. Mr. Torres noted New Mexico’s economy remains heavily concentrated in oil and gas and government sectors, while manufacturing, finance, information, and professional services comprise smaller shares of the economy than nationally. Staff concluded that state investments should prioritize high-return workforce and productivity strategies supported by performance measures, legislative oversight, and evaluation to maximize income growth and economic opportunity for New Mexicans.

Impact of New Mexico Tax Expenditures (11:01 AM, [click here for meeting materials](#)). LFC Program Evaluator Drew Weaver and LFC Economist Brendon Gray reported to the committee

on New Mexico's economic development tax expenditures, which have grown significantly, increasing from \$131 million in FY21 to \$520 million in FY25, with the state spending approximately \$1.7 billion over the last five years. While the expenditure generated a modest positive economic return, increasing state gross domestic product by an estimated 1.4 cents for every dollar spent, all 24 incentives produced negative returns in state revenue, with the state recapturing only 9 cents for every dollar forgone. Manufacturing-related incentives accounted for most spending growth but produced mixed results, and one-third of expenditures had negative economic returns. The report also found most incentives lack key accountability measures, including expenditure caps, sunset dates, targeting for economically distressed areas, limiting legislative oversight, and increasing general fund risk. The report recommends prioritizing higher-performing incentives, strengthening reporting requirements, and adding expiration dates and spending caps to improve accountability and effectiveness.

Economic Development Department LegisStat (1:21 PM, [click here for meeting materials](#)).

Economic Development Department Secretary Rob Black reported the Legislature has made significant investments in economic development, appropriating \$306 million in nonrecurring funding to the Economic Development Department (EDD) between the 2023 and 2025 legislative sessions, of which approximately \$166.2 million, or 54 percent, has been expended or encumbered. Major investments support science and technology, infrastructure, workforce development, and economic diversification initiatives. EDD highlighted progress in strategic sectors, including technology and innovation, site readiness, job training, outdoor recreation, and film, while reporting continued efforts to attract private investment and expand economic opportunities. However, approximately \$139.8 million remains unencumbered, largely within recently established nonreverting funds for research and development, trade ports, and site readiness, underscoring the need for continued monitoring of implementation, outcomes, and return on investment.

Health Care Authority LegisStat (3:15 PM, [click here for meeting materials](#)).

Health Care Authority Secretary Kari Armijo reported, despite more than \$2.4 billion in Medicaid provider rate increases since 2022, New Mexico continues to face challenges improving healthcare access and health outcomes, and the state lacks sufficient data to determine whether these investments are producing measurable improvements. While the Health Care Authority reports growth in Medicaid providers, increased behavioral health utilization, expanded rural healthcare infrastructure, and progress on behavioral health reform implementation, key outcome measures, such as maternal mortality, low birth weight, behavioral health access, and appointment availability, show limited improvement. Behavioral health spending has increased significantly, but access barriers remain, including long waiting times for appointments and gaps in evidence-based services, particularly in rural areas. Additionally, approximately \$80 million of the \$196 million appropriated for the rural health care delivery fund remains unspent, raising questions about sustainability, accountability, and the effectiveness of ongoing investments.

Wednesday, May 20 ([click here for webcast](#))

The following members and designees were present on Wednesday May 20, 2026: Chairman Nathan P. Small; Vice Chairman George K. Muñoz; Representatives Meredith A. Dixon, Jack Chatfield, Joseph Sanchez, Harlan Vincent, and Susan K. Herrera; and Senators Michael Padilla, Roberto "Bobby" J. Gonzales, Pat Woods, Nicole Tobiassen, Linda M. Trujillo, Steve D. Lanier,

and Pete Campos. Guest legislators: Representatives Joseph Franklin Hernandez, Tara L. Lujan, Brian G. Baca, Randall T. Pettigrew, Mark Duncan, and Charlotte Little.

Next Steps: UNM Medical School Building (PM, [click here for meeting materials](#)). Executive Vice President of University of New Mexico (UNM) Health Science Center Mike Richards reported affordable housing developers emphasized that long-term ownership models help preserve affordability, support workforce participation, and stabilize communities. Mr. Richards highlighted the importance of coordinating housing investments with transportation, infrastructure, and community services, while leveraging state, local, federal, and private funding sources to maximize impact. Mixed-use projects, such as West Mesa Ridge, incorporate early childhood education facilities, community gardens, transit connectivity, and social service supports to address broader community needs. UNM Health Sciences presented plans for a new 350,000-square-foot School of Medicine facility supported by \$636 million in state and university funding. The project will expand medical education and research capacity, support larger class sizes, and strengthen New Mexico's healthcare workforce pipeline. UNM estimates the project will generate significant economic benefits through job creation, increased tax revenue, and improved retention of healthcare professionals statewide.

Status of 2025/2026 Housing Appropriations and Albuquerque Gateway Center (PM, [click here for meeting materials](#)). A panel consisting of Albuquerque Health, Housing and Homelessness Department Director Gilbert Ramirez, Bernalillo County Manager Cindy Chavez, Lisa Auval with Workforce Solutions Department, and YES Housing Inc. CEO Chris Baca highlighted ongoing efforts to address housing affordability and homelessness through coordinated investments in affordable housing, supportive housing, and homelessness services. Albuquerque's Gateway system expanded to more than 1,200 beds, including housing navigation, medical respite, recovery housing, sobering services, and a young adult housing center, while serving more than 3,000 individuals and advancing plans for transitional living facilities. State and local investments supported the development of nearly 1,000 affordable housing units in Bernalillo County and Albuquerque, including West Mesa Ridge, Wells Fargo Building redevelopment, and other mixed-use developments. It was emphasized that housing remains a significant statewide need despite more than \$500 million in recent state appropriations, citing rising housing costs, increasing homelessness, housing shortages, and the need for continued coordination among state agencies, local governments, nonprofit developers, and housing finance partners. Developers noted affordable housing functions as critical economic infrastructure that supports workforce participation, neighborhood stability, and long-term economic growth.

Building on Energy Research Development and Deployment (3:49 PM, [click here for meeting materials](#)). Pacific Fusion Chief Financial Officer Mindy Eihusen, CNM Ingenuity Quantum Instructor Shawn Morales, and Sandia National Laboratory Manager of Technology and Economic Development David Kistin highlighted New Mexico's growing role in advanced technology, quantum science, and energy innovation. CNM reported its nationally recognized Quantum Technician Bootcamp provides intensive workforce training that has placed graduates with quantum and defense companies while supporting the state's emerging quantum ecosystem. Sandia emphasized technology transfer and industry partnerships as key drivers of economic development, noting thousands of agreements with private-sector, academic, and government partners and continued investments in energy, quantum, and advanced manufacturing

technologies. Pacific Fusion announced plans to establish a research and manufacturing campus at Mesa del Sol, supported by approximately \$1 billion in private investment, creating an estimated 200 permanent jobs and hundreds of construction jobs. All three presenters cited New Mexico's research institutions, workforce pipeline, business incentives, and collaboration among higher education, national laboratories, and industry as critical factors positioning the state as a leader in advanced energy and quantum technology development.

State-Funded Local Roads Projects (4:47 PM, [click here for meeting materials](#)). LFC Analyst Cally Carswell and LFC Analyst Joseph Simon reported state and local governments face a significant transportation infrastructure funding gap, with local and tribal entities reporting \$5.7 billion in unfunded road and transportation needs through FY29. While the transportation project fund (TPF) and local government road fund (LGRF) incorporate structured application, review, and project-readiness processes that align with best practices, available funding remains insufficient to meet demand, funding only 39 percent and 27 percent of requested amounts, respectively. TPF generally performs better than capital outlay and LGRF in funding projects at levels that support completion, but rising construction costs, workforce shortages, and limited local administrative capacity continue to delay projects and reduce completion rates. Recommendations made to the committee included prioritizing transportation dollars through programs with strong project vetting and readiness requirements to maximize the effectiveness of limited state resources and improve road conditions statewide.

Thursday, May 21 ([click here for webcast](#))

The following members and designees were present on Thursday May 21, 2026: Vice Chairman George K. Muñoz; Representatives Meredith A. Dixon, Jack Chatfield, Joseph Sanchez, Harlan Vincent,, Rebecca Dow, and Susan K. Herrera; and Senators Roberto “Bobby” J. Gonzales, Pat Woods, Nicole Tobiassen, Linda M. Trujillo, Steve D. Lanier, and Pete Campos. Guest legislators: Representatives Joseph Franklin Hernandez, Randall T. Pettigrew, and Mark Duncan.

Miscellaneous Business (8:33 AM)

Action Items. Senator Campos moved to adopt the LFC May 2026 meeting minutes, seconded by Representative Dixon. The motion carried.

Senator Campos moved to adopt the LFC 2026 Interim Workplan, seconded by Representative Dow. The motion carried.

Senator Lanier moved to adopt the LFC Policies and Procedures, seconded by Representative Dixon. The motion carried.

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

Capital Outlay Quarterly Reports (8:47 AM, [click here for meeting materials](#)). LFC Analyst Cally Carswell reported outstanding capital balances totaling approximately \$6 billion across more than 5,000 active projects at the end of the third quarter of FY26, reflecting continued growth in the state's capital pipeline despite an estimated \$890 million in expenditures and reversions since the previous report. Local projects account for 75 percent of outstanding legislative projects and

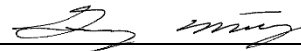
continue to spend down balances more slowly than state agency and earmarked projects. The 2026 legislative session authorized more than \$2 billion in capital funding, including \$1.3 billion through the capital outlay bill and approximately \$390 million in general obligation bonds. Requests, however, approached \$6 billion, resulting in continued piecemeal funding for many projects. Ms. Carswell implementation of major capital outlay reforms enacted through House Bill 247, including limits on reauthorizations, new project eligibility requirements tied to infrastructure capital improvement plans, and mechanisms to identify and repurpose inactive balances. Additional reforms established a new higher education major projects fund and expanded eligibility for certain higher education infrastructure projects. Despite progress in project oversight, significant balances remain in projects approaching reversion, and hundreds of appropriations continue to face delays, limited activity, or other implementation challenges.

Government Results and Opportunity Overview of Investments and Interim Planning (9:56 AM, [click here for meeting materials](#)). LFC Program Evaluator Sarah Dinces and Department of Finance and Administration Analyst Simon Miller provided an overview of the Government Results and Opportunity (GRO) program, which funds pilot initiatives and requires evidence-based evaluation to determine whether programs should receive ongoing funding. Since 2024, the state has appropriated more than \$634 million through the GRO and public education reform fund (PERF) to support initiatives across multiple agencies. Legislation enacted in 2026 strengthened accountability requirements by mandating evaluation plans, annual progress reviews, and outcome assessments for GRO-funded programs. Fiscal year 2027 appropriations total \$64.5 million and support initiatives in behavioral health, workforce development, early childhood education, child welfare, transportation safety, and public defense. LFC and DFA emphasized that evaluation results, research quality, and program outcomes will be used to inform future funding decisions and ensure state investments are directed to programs demonstrating measurable results.

With no further business, the meeting adjourned at 10:24 a.m.



Nathan P. Small, Chairman



George K. Muñoz, Vice Chairman