

2025 State Legislative Session  
Legislative and Executive Budgetary Recommendations



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# 2025 State Legislative Session:

## Summary and Highlights of Legislative & Executive Budget Recommendations for FY26

The purpose of this report is to summarize and highlight the initial FY26 budgetary recommendations from both the Legislative and Executive branches of state government for fiscal year 2026, with a particular focus on proposed funding that impacts the University of New Mexico. These recommendations will be considered during the 60-day 2025 State Legislative Session, formally known as the First Session of the 57<sup>th</sup> Legislature. In 60-day sessions, as are held in odd-numbered calendar years in New Mexico, the Legislature considers budgetary policy but also all other policy changes affecting state law. In the intervening (even-numbered) calendar years, the Legislature meets with a more limited scope, focused mainly on budget policy. This year's 60-day session opened January 21<sup>st</sup> at noon and will close March 22<sup>n</sup>, at noon. The Governor's bill-signing period ends April 11, 2025.

The Legislative and Executive budgetary recommendations reviewed here will provide an initial sketch of what's to come in the legislative process for the major appropriations bills. Legislators will use the pre-session recommendations to craft a budget package by choosing one of the recommendations, a hybrid of the two recommendations, or an appropriations package different from both recommendations. In the highlights below, the Higher Education Department's (HED) recommendations are occasionally included for discussion purposes, but the Executive recommendation, compiled by the Department of Finance and Administration on behalf of the Governor, typically takes higher-order political precedence over any single executive agency or departmental budget recommendation, and are thus the typical comparison for the Legislative recommendation, where such information is available.

During annual legislative sessions, policymakers must assemble a new General Appropriations Act, commonly referred to as House Bill 2 (i.e., "HB 2"). HB 2 contains *recurring* appropriations for the annual operating budgets for state agencies and higher education institutions and will also contain *nonrecurring* appropriations for a wide range of purposes. Similarly, depending on the availability of funding and policymaker priorities, the Legislature may consider a tax package, capital outlay appropriations, or other appropriations in other stand along bills. This report focuses on recommendations related to HB 2 and capital outlay.

Most of the information in this report is derived from four publicly available documents, and also communications received from the New Mexico Council of University Presidents (NM CUP). The publicly available documents are as follows:

- UNM's [FY26 Legislative Priorities](#) brochure
- The [FY26 Executive Budget Recommendation](#);
- The [FY26 Higher Education Department's General Fund budget recommendation](#); and
- The Legislative Finance Committee's (LFC) FY26 budget recommendations as outlined in the committee's [Policy and Performance Analysis \(Volume 1\)](#), [Appropriation Recommendations \(Volume 2\)](#), and [Supplemental Charts and Graphs \(Volume 3\)](#)

This report is organized into five sections:

1. Instruction and General (I&G) budget recommendations (recurring): page 3
2. Research and Public Service Projects and Categorical Funds (recurring): page 9

3. Compensation (recurring): page 12
4. Nonrecurring appropriations in HB 2 (e.g., Specials, Supplementals, and Deficiencies) requested by higher education institutions & state agencies (nonrecurring): page 13
5. Priority capital outlay project funding recommendations: page 21

## 1. Instruction and General (I&G) Budget Recommendations

Instruction and General (I&G) funding are appropriations from the General Fund allocated to higher education institutions on a recurring basis through HB 2 each year, typically thought of as base operational funding. The statutory purpose of I&G funding is to provide education services designed to meet the intellectual, educational and quality of life goals associated with the ability to enter the workforce, compete and advance in the new economy and contribute to social advancement through informed citizenship. I&G funding is distinct from Research and Public Service Projects (RPSPs) and categorical funding, the only other sources of recurring funding for higher education institutions contained in HB 2.

- For FY26, the New Mexico higher education institutions (HEIs), under the banner of the “[unified priorities](#)” agreed upon by the New Mexico Council of University Presidents (**CUP**), the New Mexico Association of Community Colleges (**NMACC**), and the New Mexico Independent Community Colleges (**NMICC**), jointly requested a 5.0% increase (\$42.1 million) in I&G funding subject to the state’s higher ed performance based funding formula, a “minimum 4%” compensation increase, and an additional \$4.0 million statewide to support student services/basic needs, and an additional \$8.0 million statewide for supplemental faculty compensation.
- For FY26, the [Executive Budget Recommendation](#) requests \$18.9 million, or 2.0% above FY25, in “new” I&G funds to be distributed via the higher ed funding formula *statewide*, and a 2.0% increase for UNM Health Sciences Center (UNM HSC), a non-formula-funded entity.
- By contrast, the FY26 [LFC Budget Recommendation](#) includes an increase of \$29.4 million or an increase of 3.1% above FY25 for higher education institutions *statewide*. The LFC recommendation includes an increase of 2.9% for the formula-funded institutions statewide (2.5% formula funding plus an additional 0.4 percent for non-formula adjustments). UNM HSC is not a formula-funded institution, and those budget recommendations appear below. The LFC recommendation includes “[targeted investments](#)” (i.e., additional amounts outside the normal higher ed funding formula) of \$3,000,000 *statewide* for student support, and \$750,000 *statewide* for graduate assistant compensation, to be shared across all eligible schools.
- I&G increases for UNM Central (i.e., “Main”) Campus and branch campuses within the **Executive Budget Recommendation** range from a 2.1% to 1.2%. (see **Table 1** for details)
- I&G increases for UNM Central (i.e., “Main”) Campus and branch campuses within the **LFC Budget Recommendation** range from a 3.1% to 1.8%, inclusive of targeted non-formula adjustments recommended by LFC for student support and graduate student compensation. (see **Table 2** for details)

**Table 1. FY26 Executive Budget I&G Recommendation for UNM's Formula-Funded Institutions (Reflective of a 2.0% I&G Increase Statewide)**

Institution	FY 2025 Base	Formula					Non-Formula Adjustments	Grand Total Change	Grand Total FY26	Grand Total FY26 Rounded	% Change
		Shared	Mission Specific	Total Change	Total FY26 Formula	FY25 % Change					
UNM	264,831,400	4,780,764	699,161	5,479,926	270,311,326	2.1%	-	5,479,926	270,311,326	270,311,300	2.1%
UNM-GA	11,155,400	109,275	21,455	130,730	11,286,130	1.2%	-	130,730	11,286,130	11,286,100	1.2%
UNM-LA	2,417,800	22,836	9,182	32,017	2,449,817	1.3%	-	32,017	2,449,817	2,449,800	1.3%
UNM-TA	4,930,300	49,220	20,971	70,191	5,000,491	1.4%	-	70,191	5,000,491	5,000,500	1.4%
UNM-VA	7,262,600	50,897	38,523	89,420	7,352,020	1.2%	-	89,420	7,352,020	7,352,000	1.2%

**Table 2. FY26 LFC Budget I&G Recommendation for UNM's Formula-Funded Institutions (Reflective of a 2.5% I&G Increase Statewide, plus \$3.0 million Additional Statewide for Student Support, and \$718,400 Additional Statewide for Grad Student Comp, with 50% Formula Funding Allocated for an Institutional Performance Premium)**

Institution	FY 2025 Base	Formula					Non-Formula Adjustments	Grand Total Change	Grand Total FY26	Grand Total FY26 Rounded	% Change
		Shared	Mission Specific	Total Change	Total FY26 Formula	FY25 % Change					
UNM	264,831,400	5,902,573	873,952	6,776,525	271,607,925	2.6%	1,317,000	8,093,525	272,924,925	272,924,900	3.1%
UNM-GA	11,155,400	133,796	26,818	160,614	11,316,014	1.4%	39,700	200,314	11,355,714	11,355,700	1.8%
UNM-LA	2,417,800	23,036	11,477	34,513	2,452,313	1.4%	8,600	43,113	2,460,913	2,460,900	1.8%
UNM-TA	4,930,300	62,366	26,214	88,580	5,018,880	1.8%	17,500	106,080	5,036,380	5,036,400	2.2%
UNM-VA	7,262,600	53,784	48,154	101,938	7,364,538	1.4%	25,800	127,738	7,390,338	7,390,300	1.8%

**Table 3. Comparison of HED vs. Executive vs. LFC FY26 Budget Recommendation for UNM Health Sciences Center I&G (\$ in thousands)**

Institution / Program	FY25 Opbud	HED Rec	Executive Rec	LFC	HED Rec Over/Under FY25	Exec Rec Over/Under FY25	HED % Change	Exec % Change	LFC % Change
<b>UNM HEALTH SCIENCE CENTER</b>									
Health Science Center I&G	89,430.5	92,113.4	91,219.1	93,697.9	2,682.9	1,788.6	3.0%	2.0%	4.8%

**Table 4. FY26 UNM MAIN AND BRANCH CAMPUS – GENERAL FUND RECURRING – HB 2, Sec. 4 Funding (I&G plus RPSPs)**

(\$ in thousands)

Institution / Program	FY25 Opbud	HED Rec	Executive Rec	LFC	HED Rec Over/Under FY25	Exec Rec Over/Under FY25	HED % Change	Exec % Change	LFC % Change
<b>UNIVERSITY OF NEW MEXICO</b>									
<i>Main Campus I&amp;G</i>	264,831.4	273,051.3	270,311.3	272,924.9	8,219.9	5,479.9	3.1%	2.1%	3.1%
Athletics	8,467.9	8,467.9	8,467.9	8,467.9	0.0	0.0	0.0%	0.0%	0.0%
Educational television	1,325.0	1,325.0	1,325.0	1,325.0	0.0	0.0	0.0%	0.0%	0.0%
Main Campus- Tribal education initiatives	1,060.1	1,060.1	1,060.1	1,272.5	0.0	0.0	0.0%	0.0%	20.0%
Main Campus -Teacher pipeline initiatives	100.0	275.0	275.0	100.0	175.0	175.0	175.0%	175.0%	0.0%
<i>Gallup Branch - I&amp;G</i>	11,155.4	11,351.5	11,286.1	11,355.7	196.1	130.7	1.8%	1.2%	1.8%
Gallup Branch - Tribal education initiatives	102.0	100.0	100.0	102.0	-2.0	-2.0	-2.0%	-2.0%	0.0%
<i>Los Alamos Branch - I&amp;G</i>	2,417.8	2,465.8	2,449.8	2,460.9	48.0	32.0	2.0%	1.3%	1.8%
<i>Valencia Branch - I&amp;G</i>	7,262.6	7,396.7	7,352.0	7,390.4	134.1	89.4	1.8%	1.2%	1.8%
<i>Taos Branch - I&amp;G</i>	4,930.3	5,035.6	5,000.5	5,036.4	105.3	70.2	2.1%	1.4%	2.2%
<i>Research and Public Service Projects</i>									
Judicial selection	53.4	53.4	53.4	175.0	0.0	0.0	0.0%	0.0%	227.7%
Southwest research center	831.7	831.7	831.7	831.7	0.0	0.0	0.0%	0.0%	0.0%
Resource geographic information system	68.4	68.4	68.4	68.4	0.0	0.0	0.0%	0.0%	0.0%
Southwest Indian law clinic	211.9	211.9	211.9	211.9	0.0	0.0	0.0%	0.0%	0.0%
Geospatial and population studies/BBER	400.3	400.3	400.3	400.3	0.0	0.0	0.0%	0.0%	0.0%
Manufacturing engineering program	551.9	551.9	551.9	551.9	0.0	0.0	0.0%	0.0%	0.0%
Wildlife law education	97.8	97.8	97.8	97.8	0.0	0.0	0.0%	0.0%	0.0%
Community-based education	559.6	559.6	559.6	559.6	0.0	0.0	0.0%	0.0%	0.0%
Corrine Wolfe children's law center	167.8	167.8	167.8	167.8	0.0	0.0	0.0%	0.0%	0.0%
Mock trial program and high school forensics	411.6	411.6	411.6	411.6	0.0	0.0	0.0%	0.0%	0.0%
Utton transboundary resources center	440.7	440.7	440.7	440.7	0.0	0.0	0.0%	0.0%	0.0%
Gallup Branch - nurse expansion	803.5	803.5	803.5	803.5	0.0	0.0	0.0%	0.0%	0.0%
Valencia Brach - nurse expansion	427.2	480.0	480.0	427.2	52.8	52.8	12.4%	12.4%	0.0%
Taos Branch - nurse expansion	884.6	884.6	884.6	884.6	0.0	0.0	0.0%	0.0%	0.0%
University of New Mexico press	467.5	467.5	467.5	467.5	0.0	0.0	0.0%	0.0%	0.0%
New Mexico bioscience authority	325.2	750.0	750.0	325.2	424.8	424.8	130.6%	130.6%	0.0%
Natural heritage New Mexico database	52.3	52.3	52.3	52.3	0.0	0.0	0.0%	0.0%	0.0%
Border justice initiative	188.2	188.2	188.2	188.2	0.0	0.0	0.0%	0.0%	0.0%
Wild friends program	77.4	77.4	77.4	77.4	0.0	0.0	0.0%	0.0%	0.0%
School of public administration	100.0	100.0	100.0	100.0	0.0	0.0	0.0%	0.0%	0.0%
Teacher education at branch colleges	60.0	60.0	60.0	60.0	0.0	0.0	0.0%	0.0%	0.0%
Judicial Education Center	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%

**Table 5. FY26 UNM HEALTH SCIENCES – GENERAL FUND RECURRING – HB 2, Sec. 4 Funding (I&G plus RPSPs)**  
 (\$ in thousands)

Institution / Program	FY25 Opbud	HED Rec	Executive Rec	LFC	HED Rec Over/Under FY25	Exec Rec Over/Under FY25	HED % Change	Exec % Change	LFC % Change
<b>UNM HEALTH SCIENCE CENTER</b>									
<i>Health Science Center I&amp;G</i>	89,430.5	92,113.4	91,219.1	93,697.9	2,682.9	1,788.6	3.0%	2.0%	4.8%
<i>Research and Public Service Projects</i>									
ENLACE	976.3	1,250.0	1,250.0	976.3	273.7	273.7	28.0%	28.0%	0.0%
Graduate medical education/residencies	2,444.1	2,434.6	2,434.6	2,444.1	-9.5	-9.5	-0.4%	-0.4%	0.0%
Office of medical investigator	10,624.8	14,000.0	12,000.0	11,374.8	3,375.2	1,375.2	31.8%	12.9%	7.1%
Native American suicide prevention	96.6	96.6	96.6	96.6	0.0	0.0	0.0%	0.0%	0.0%
Children's psychiatric hospital	11,356.4	11,356.4	11,356.4	11,356.4	0.0	0.0	0.0%	0.0%	0.0%
Carrie Tingley hospital	9,011.3	9,011.3	9,011.3	9,011.3	0.0	0.0	0.0%	0.0%	0.0%
Newborn intensive care	3,523.0	3,523.0	3,523.0	3,523.0	0.0	0.0	0.0%	0.0%	0.0%
Pediatric oncology	1,622.7	1,622.7	1,622.7	1,622.7	0.0	0.0	0.0%	0.0%	0.0%
Poison and drug information center	2,685.9	2,766.5	2,766.5	2,685.9	80.6	80.6	3.0%	3.0%	0.0%
Cancer center	8,159.4	8,159.4	8,159.4	8,159.4	0.0	0.0	0.0%	0.0%	0.0%
Genomics, biocomputing and environmental health research	937.4	937.4	937.4	937.4	0.0	0.0	0.0%	0.0%	0.0%
Trauma specialty education	250.0	250.0	250.0	250.0	0.0	0.0	0.0%	0.0%	0.0%
Pediatrics specialty education	250.0	250.0	250.0	250.0	0.0	0.0	0.0%	0.0%	0.0%
Native American health center	329.5	329.5	329.5	329.5	0.0	0.0	0.0%	0.0%	0.0%
Nurse expansion	951.6	951.6	951.6	951.6	0.0	0.0	0.0%	0.0%	0.0%
Graduate nurse education	4,824.2	4,824.2	4,824.2	4,824.2	0.0	0.0	0.0%	0.0%	0.0%
Child abuse evaluation center	160.0	160.0	160.0	160.0	0.0	0.0	0.0%	0.0%	0.0%
Hepatitis community health outcomes	9,949.9	9,949.9	9,949.9	9,949.9	0.0	0.0	0.0%	0.0%	0.0%
Comprehensive movement disorders clinic	423.7	423.7	423.7	423.7	0.0	0.0	0.0%	0.0%	0.0%
Office of the medical investigator grief services	330.8	330.8	330.8	330.8	0.0	0.0	0.0%	0.0%	0.0%
Physician assistant program and nurse practitioners	653.0	653.0	653.0	653.0	0.0	0.0	0.0%	0.0%	0.0%
Special Needs Dental	500.0	500.0	500.0	500.0	0.0	0.0	0.0%	0.0%	0.0%
Undergraduate nursing education	1,500.0	1,500.0	1,500.0	1,500.0	0.0	0.0	0.0%	0.0%	0.0%

- Some specific FY26 recommendations for UNM Health Sciences (HSC) I&G, as found in **Table 3**, are highlighted below—note that some numbers below have been rounded to the nearest \$100:
  - **UNM HSC – I&G**
    - Current (FY25) I&G operating budget (“OpBud”) is \$89,430,500
    - HED recommended an increase of \$2,682,900 over the FY25 I&G OpBud
    - The Executive recommended an increase of \$1,788,600 over the FY25 I&G OpBud
    - LFC recommended an increase of \$4,267,400 over the current (FY25) OpBud, for a new total of \$93,697,900, an increase of 4.8%
    - Included in the LFC recommendation for HSC base operations above is a 2.5% base increase plus a \$2.0 million targeted set-aside for “medical faculty compensation”; See [page 428 of LFC FY26 Budget Recs, Vol. 2](#) for more details regarding the HSC budget rec breakdown as provided by LFC
  - Also included in the base budget funding recommendations for HSC, as recommended in both legislative and executive budget recommendations, is \$500,000 in new recurring money for [dental residency programs](#).
  - Similar to FY25, [LFC again recommends](#) UNM HSC receive two appropriations in FY26 whose fund source is the Opioid Crisis Recovery Fund:
    - UNM ECHO: \$800,000
    - UNM Child Psychiatric Hospital: \$1,000,000
- Additional details of the FY26 recommendations for UNM Main Campus and branches campuses’ I&G, as found in **Table 4**, are highlighted below—note that some numbers below have been rounded to the nearest \$100:
  - **Main Campus – I&G**
    - Current (FY25) I&G OpBud is \$264,831,400
    - HED recommended an increase of \$8,219,000 over the FY25 I&G OpBud
    - The Executive recommended an increase of \$5,479,900 over the FY25 I&G OpBud
    - LFC recommended an increase of \$8,093,500 over the FY25 I&G OpBud, for a new FY26 total of \$272,924,900, an increase of 3.1%
  - **Gallup Branch – I&G**
    - Current (FY25) I&G OpBud is \$11,155,400
    - HED recommended an increase of \$196,100 over the FY25 I&G OpBud
    - The Executive recommended an increase of \$130,700 over the FY25 I&G OpBud
    - LFC recommended an increase of \$200,300 over the FY25 I&G OpBud, for a new FY26 total of \$11,355,700, an increase of 1.8%
  - **Los Alamos Branch – I&G**
    - Current (FY25) I&G OpBud is \$2,417,800
    - HED recommended an increase of \$48,000 over the FY25 I&G OpBud
    - The Executive recommended an increase of \$32,000 over the FY25 I&G OpBud
    - LFC recommended an increase of \$43,100 over the FY25 OpBud, for a new FY26 total of \$2,460,900, an increase of 1.8%

- **Taos Branch – I&G**
  - Current (FY25) I&G OpBud is \$4,930,300
  - HED recommended an increase of \$105,300 over the FY25 I&G OpBud
  - The Executive recommended an increase of \$70,200 over the FY25 I&G OpBud
  - LFC recommended an increase of \$106,100 over the FY25 OpBud, for a new FY26 total of \$5,036,400, increase of 2.2%
- **Valencia Branch – I&G**
  - Current (FY25) I&G OpBud is \$7,262,600
  - HED recommended an increase of \$134,100 over the FY25 I&G OpBud
  - The Executive recommended an increase of \$89,400 over the FY25 I&G OpBud
  - LFC recommended an increase of \$127,738 over the FY25 I&G OpBud, for a new FY26 total of \$7,390,400, an increase of 1.8%
- The FY26 LFC Budget Recommendation includes a general discussion of “[college readiness and student success](#)” on pages 42-43 of Vol. 1; in that narrative, LFC relays its stance on funding for student support services across the state:
  - *The Legislature has recognized the need for additional student support services and has provided recurring appropriations in each of the past two legislative sessions to address this. The funding has been utilized by institutions for a variety of purposes, including mental health counseling, tutoring, advisement, and basic needs initiatives. Higher education leaders will be challenged to track the impact of student support interventions on retention and graduation rates to prioritize support spending.*
- The FY26 LFC recommendation does not include increased funding requested by HED (\$511,700) for graduate scholarship programs, noting ([on page 415, Vol. 2](#)) the following rationale:
  - *The Legislature appropriated \$10 million per year in 2023 and 2024 to support graduate education in science, technology, engineering, and mathematics programs in addition to including student financial aid as an eligible use of newly created endowment funds. These investments in graduate student aid come in addition to massive investments to reduce the cost of undergraduate education and provide New Mexico residents with access to affordable higher education.*
- The FY26 LFC recommendation does not support HED’s specific recommendation for \$4 million to be distributed statewide for student basic needs; [page 415 of Vol. 2](#) provides LFC’s rationale:
  - *The LFC does not recommend additional funding for a basic needs initiative. The Legislature provided an additional \$6 million in recurring appropriations over the past two years directly to higher education institutions for student support and recommended an additional \$3 million for FY26. Additionally, the significant increases in student financial aid through the opportunity scholarship have made significant progress in reducing the student cost of college.*
- The FY26 LFC recommendation notes that the Opportunity Scholarship and Lottery Scholarship revenues vs. expenses budgetary equation has been stabilized—and is projected to remain solvent through FY30—thanks to last year’s creation of the \$1 billion Higher Education Endowment Fund; discussion of this issue appears on [page 416 of Vol. 2](#).
- As a proposed means of alleviating future budgetary pressure on the Opportunity and Lottery Scholarship programs, the FY26 LFC recommendation proposes HB 2 language be inserted as part of HED’s budget requiring higher education students to opt-out of completing the FAFSA



(free application for federal financial aid) instead of the current situation whereby students must elect to pursue federal financial aid; LFC states their rationale at the bottom of [page 428 of Vol. 2](#).

- The FY26 LFC recommendation includes [additional language that constructs new performance targets](#) for different types of higher education institutions. Note the following paragraphs, excerpted from the FY26 LFC Budget Recommendations, Vol. 2:
  - **Persistence and Completion.** *Compared to the national average, students in New Mexico are more likely to begin college but less likely to complete a degree. Despite high college-going rates, the proportion of the workforce with a bachelor's degree ranks 40th in the nation, highlighting challenges in student retention; since 2016, New Mexico's freshman retention rate has ranked 50th in the nation, and New Mexico's graduation rate has ranked 49th or 48th for the past five years.*
  - *For FY26, LFC recommends targets for graduation within 150 percent of normal time be set at 60 percent for research institutions, 50 percent for comprehensive colleges, and 35 percent for two-year colleges. The national graduation rate within 150 of normal time is 59.2 percent for public four-year institutions and 31.2 percent at two-year schools. New Mexico four-year colleges report a graduation rate of 47.1 percent while two-year colleges report a 26.2 percent rate. The LFC recommendation increases the proportion of funding formula dollars tied to performance, includes additional funding for student support, and makes changes to financial aid award practices to directly address the state's persistently low retention and graduation rates.*

## 2. Budget Recommendations for Research and Public Service Projects and Categorical Funds

Research and Public Services Projects (RPSPs) and Categorical Funds are recurring state general funds directly appropriated to the University for the specific programs and purposes identified in individual line items in HB2, in essence added on to I&G. "Categorical Funds" are line items that often appear across a range of higher education institutions, such as Athletics.

- UNM and UNM HSC's existing RPSP line items may be found in **Table 4** and **Table 5**. No budget cuts were recommended by the Executive or the Legislature for UNM's existing RPSPs.
- For FY26, UNM proposed a series of ["new" and "expansion" RPSP requests](#), seeking to increase funding for those prioritized items and accelerate our work to meet the needs of the community. (see **Table 6**)
- A handful of UNM and UNM HSC's new and expanded RPSP requests received positive budget recommendations from HED; see [HED's FY26 Budget Recommendation](#) for details, page 3 ff.
- Requests for new and expanded RPSPs continue to face stiff headwinds at the state level, particularly with the appropriators in the legislature; [LFC offers some rationale for their rejection](#) of some new RPSPs that had been positively recommended by HED and/or the Executive on pages 427 and 428 of Vol. 2 of the FY26 LFC Budget Recommendations, including their statement that "LFC will continue prioritizing new resources on base I&G appropriations" (as opposed to supporting significant numbers of new or expanded RPSP line items).
- No *new* RPSPs at UNM were recommended for funding by LFC.

**Table 6. Detail of HED, Exec, & LFC FY26 Budget Recommendations for UNM-requested New RPSPs and RPSP/Categorical Funding Expansions**

	Institution / Program	UNM FY26 Request (Recurring)	FY25 OpBud	Amount of Increase Over FY25 Requested by UNM	HED Rec	Executive Rec	LFC Rec	
72	<b>Research and Public Service Projects - UNM NEW PROPOSALS for FY26</b>							72
73	Office of Substance Use Disorders (SUD) - <i>NEW</i>	\$4,250,000	\$0	\$4,250,000	\$4,000,000	\$4,000,000	\$0	73
74	Quantum NM - <i>NEW</i>	\$3,000,000	\$0	\$3,000,000	\$2,900,000	\$2,900,000	\$0	74
75	Accelerating Resilience Innovations in Drylands Institute (ARID) - <i>NEW</i>	\$2,997,610	\$0	\$2,997,610	\$0	\$0	\$0	75
76	College of Population Health - <i>NEW</i>	\$5,700,000	\$0	\$5,700,000	\$2,500,000	\$0	\$0	76
77	Graduate Assistantship Compensation Increase - <i>NEW</i>	\$1,233,000	\$0	\$1,233,000	\$0	\$0	\$0	77
78	UNM-Los Alamos Early Childhood Education Pathway - <i>NEW</i>	\$210,279	\$0	\$210,279	\$200,000	\$200,000	\$0	78
79	UNM-Gallup Community Health Worker Program - <i>NEW</i>	\$106,250	\$0	\$106,250	\$100,000	\$100,000	\$0	79
80								80
81	<b>Research and Public Service Projects - UNM EXPANSION PROPOSALS for FY26</b>							81
82	Office of the Medical Investigator	\$14,695,895	\$10,624,800	\$4,071,095	\$14,000,000	\$12,000,000	\$11,374,800	82
83	New Mexico Poison & Drug Information Center	\$3,180,512	\$2,685,900	\$494,612	\$2,766,500	\$2,766,500	\$2,685,900	83
84	ENLACE & Communities to Careers: Pathways Statewide Collaborative	\$3,000,000	\$976,300	\$2,023,700	\$1,250,000	\$1,250,000	\$976,300	84
85	Utton Transboundary Resource Center	\$898,555	\$440,700	\$457,855	\$440,700	\$440,700	\$440,700	85
86	Center for Regional Studies (a sub-program within the SW Research Center RPSP)	\$853,680	\$744,209	\$109,471	\$744,209	\$744,209	\$744,209	86
87	UNM Valencia Nursing Expansion Funds	\$487,418	\$427,200	\$60,218	\$480,000	\$480,000	\$427,200	87
88	New Mexico Judicial Selection	\$147,064	\$53,400	\$93,664	\$53,400	\$53,400	\$175,000	88
89								89
90	<b>Categorical Funds - UNM EXPANSION PROPOSALS for FY26</b>							90
91	Athletics	\$12,050,900	\$8,467,900	\$3,583,000	\$8,467,900	\$8,467,900	\$8,467,900	91
92	Tribal Education Initiatives: AI Lx Resources Project (AILRP) (a subprogram of Tribal Ed Init.)	\$613,932	\$400,001	\$213,931	\$613,932	\$613,932	\$612,401	92
93	NM Teacher Pipeline: Research Opportunities for Science Educators (ROSE)	\$466,883	\$100,000	\$366,883	\$275,000	\$275,000	\$100,000	93

- Statewide, only 3 new RPSPs were recommended by LFC across all higher education institutions; together, those totaled less than \$800,000 in recurring dollars; two were related to nursing, the other being focused on teleaudiology screening services at the New Mexico School for the Deaf.
- Several of UNM and UNM HSC's RPSP "expansion" requests received recommended increases from LFC, including Tribal Education Initiatives on Main Campus (specifically, a subprogram related American Indian Language Resources), Judicial Selection, and Office of the Medical Investigator:
  - Main Campus – Tribal Education Initiatives categorical funding
    - Current (FY25) OpBud is \$1,060,100
    - HED recommended flat funding for FY26
    - LFC recommended an increase of \$212,400 over the FY25 OpBud
  - Judicial Selection RPSP
    - Current (FY25) OpBud is \$53,400
    - HED recommended flat funding for FY26
    - LFC recommended an increase of \$121,600 over the FY25 OpBud
  - Office of the Medical Investigator (UNM HSC) RPSP
    - Current (FY25) OpBud is \$10,624,800
    - HED recommended an increase of \$3,375,200 over the FY25 OpBud
    - LFC recommended an increase of \$750,000 over the FY25 OpBud, specifying the increase is "for salary increases and additional staff" (see [page 428 of LFC FY26 Budget Recs, Vol. 2](#) for details)
- UNM Athletics was recommended for flat funding in FY26 by both HED and LFC, as was the case with all higher ed athletics programs statewide; for this budget purpose, the state currently spends \$28,321,800 as a statewide total (FY25) for all participating higher education institutions.
  - Specific to UNM Athletics, we see the following budget recommendations:
    - Current (FY25) OpBud is \$8,467,900
    - For FY26, HED recommended flat funding compared to the FY25 OpBud
    - For FY26, LFC recommended flat funding compared the FY25 OpBud
- Also worth highlighting are a handful of new/proposed UNM RPSP line items that were recommended for an increase by HED for FY26 *but received a zero-recommendation* (i.e., no new or increased funding) *from LFC*, including the following:
  - Office of Substance Use Disorders (new RPSP)
    - HED recommended \$4,000,000 recurring in new money for this program
    - LFC recommended no new funding for this specific request
  - Quantum New Mexico (new RPSP)
    - HED recommended \$2,900,000 recurring in new money for this program
    - LFC recommended no new funding for this specific request
  - UNM-Gallup Community Health Worker Program (new RPSP)
    - HED recommended \$100,000 recurring in new money for this program
    - LFC recommended no new funding for this specific request
  - UNM-Los Alamos Early Childhood Program (new RPSP)
    - HED recommended \$200,000 recurring in new money for this program
    - LFC recommended no new funding for this specific request

- College of Population Health (new RPSP)
  - HED recommended \$2,500,000 recurring in new money for this program
  - LFC recommended no new funding for this specific request

### 3. Compensation Recommendations

Increases in employee compensation are typically handled by the state as a one-time outlay of state funding applicable to the upcoming fiscal year (in this case, FY26), with those final determinations made by budget policymakers during the legislative session in concert with legislative and executive leadership. The one-time increase is then typically rolled into the state agency base budgets for the subsequent fiscal years.

The [FY26 Executive Budget Recommendation, page 38](#) recommends an allocation of \$164.5 million for a 3% across-the-board public employee compensation increase. Few other details regarding state employee compensation appear in the FY26 Executive Rec.

In the FY26 LFC Budget Recommendation, similar to recent years, LFC funds a compensation increase based on a *percentage* of the increase that the state is willing to cover, with the assumption being furthermore that these budget calculations are intended to provide state support for compensation increases *specifically for I&G-funded employee positions*. This year, LFC's recommendation is for an *average 4% increase*, with LFC indicating the Legislature is willing to cover an 80% share (same as FY25) specifically for higher education employees, relative to their FY26 recommended 4% increase statewide. This approach requires LFC to allocate \$271,470,400 for the upcoming session to support this 4% increase statewide for all sectors of state employees. For more details, see **Table 7**, or else [page 171 of the FY26 LFC Budget Recommendation, Vol. 3](#)

**Table 7. LFC Recommendation for Public Employee Compensation, FY26**  
(in thousands)

	Salary	Benefits	Total	GF Proportion	1% GF Cost	LFC Rec.*
Legislative	\$18,346.2	\$5,219.8	\$23,565.9	100.0%	\$235.7	\$942.6
<b>Judicial</b>						
Court Employees	\$156,922.7	\$43,265.2	\$200,187.9	93.3%	\$1,867.8	\$7,471.0
DA Employees	\$71,920.9	\$20,662.3	\$92,583.2	95.9%	\$887.9	\$3,551.5
PD Employees	\$36,758.6	\$10,518.2	\$47,276.8	100.0%	\$472.8	\$1,891.1
<b>Total Judiciary</b>	<b>\$265,602.2</b>	<b>\$74,445.6</b>	<b>\$340,047.8</b>	<b>94.9%</b>	<b>\$3,228.4</b>	<b>\$12,913.6</b>
<b>Executive</b>						
All Agencies (Pay)	\$1,398,831.8	\$400,841.0	\$1,799,672.8	48.8%	\$8,782.4	\$35,129.6
SPO Classified Service Study Adjustments						\$17,000.0
Liability Insurance (GSD)						\$17,000.0
<b>Total State</b>	<b>\$1,682,780.2</b>	<b>\$480,506.3</b>	<b>\$2,163,286.5</b>	<b>56.6%</b>	<b>\$12,246.5</b>	<b>\$82,985.8</b>
<b>Higher Education</b>						
Faculty	\$437,362.3	\$121,586.7	\$558,949.0	80.0%	\$4,471.6	\$17,886.4
Staff	\$662,513.7	\$184,178.8	\$846,692.5	80.0%	\$6,773.5	\$27,094.2
Special Schools	\$42,579.4	\$11,837.1	\$54,416.4	100.0%	\$544.2	\$2,176.7
Insurance Increases						\$3,856.9
<b>Total Higher Ed.</b>	<b>\$1,142,455.4</b>	<b>\$317,602.6</b>	<b>\$1,460,057.9</b>		<b>\$11,789.3</b>	<b>\$51,014.2</b>
<b>Total State and HEIs</b>	<b>\$2,825,235.6</b>	<b>\$798,108.9</b>	<b>\$3,623,344.5</b>	<b>66.3%</b>	<b>\$24,035.8</b>	<b>\$134,000.0</b>
<b>Public Education</b>						
Teachers	\$1,776,619.7	\$493,900.3	\$2,270,520.0	100.0%	22,705.2	\$90,820.8
Transportation	\$45,790.3	\$12,729.7	\$58,520.0	100.0%	585.2	\$2,340.8
Other School	\$866,760.6	\$240,959.4	\$1,107,720.0	100.0%	11,077.2	\$44,308.8
<b>Total Public Education</b>	<b>\$2,689,170.6</b>	<b>\$747,589.4</b>	<b>\$3,436,760.0</b>		<b>\$34,367.6</b>	<b>\$137,470.4</b>
<b>Grand Total</b>	<b>\$5,514,406.2</b>	<b>\$1,545,698.3</b>	<b>\$7,060,104.5</b>		<b>\$58,403.4</b>	<b>\$271,470.4</b>

Source: LFC Files

\*4% average increase

#### 4. Non-Recurring Appropriations (e.g., Special, Supplemental, and Deficiency Appropriations)

The non-recurring appropriations highlighted here include Special, Supplemental, and Deficiency Appropriations that typically appear in Section 5 (“Special Appropriations”), Section 6 (“Supplemental and Deficiency Appropriations”) or, as appeared in 2024, in Section 9 “Government Results and Opportunity Expendable Trust”) of House Bill 2.

**Table 8** summarizes the status of UNM’s requests for Special, Supplemental, and Deficiency one-time appropriations. HED supported all of UNM’s proposals of this type in a memo to the Department of Finance and Administration (DFA) which serves as the budget office for the executive branch as a whole. Due to variance in both language and funding amounts in these types of requests, it is sometimes difficult to cross-compare HED, DFA, and LFC recs and track single requests, apples-to-apples, throughout the appropriations process over time. Regardless, we have included a range of UNM-driven, state agency-driven, and LFC-driven Special Appropriation requests, comparing the recommendations for individual nonrecurring requests to the extent possible. Notably, a significant number of LFC-driven Special, Supplemental, and Deficiency budget recommendations appear to have no obvious antecedents within either the HED requests or the DFA requests, suggesting that LFC made a significant number of additions to many of those nonrecurring priorities flagged by the Executive.

A strong number of other agency requests for nonrecurring appropriations have some bearing on UNM’s priorities for the session. Highlights of those third-party, UNM-relevant Special, Supplemental, and Deficiency appropriations recommendations are also included in **Table 8**.

Notably for the UNM Research enterprise, the LFC FY26 Budget Recommendation includes significant growth in one-time funding spread across three different state agencies, signaling distinct but complementary purposes, that can serve as sources of *state matching funds* to help make New Mexico-based federal grant applications more competitive in the national sphere:

- The Technology Enhancement Fund (\$20 million), administered by HED, which was created in 2003 but didn’t received its first appropriation until FY23; HED and LFC are both recommending \$20 million for the TEF for FY26.
- The New Mexico Match Fund, administered by DFA, which was created in the 2024 session and received its first appropriation in FY25; the Executive has recommended \$110,000,000 for the NM Match Fund for FY26, while LFC has recommended \$75,000,000 for the same purpose.
- The (new, proposed) New Mexico Research, Development, and Deployment Fund, to be administered by the Economic Development Department (EDD), for which LFC is recommending \$25,000,000 in FY26, contingent on adoption of new legislation to create the fund.

**Table 8.**  
**University of New Mexico: Special, Supplemental, and Deficiency Appropriation Requests for the 2025 Session**  
(including highlights of other UNM-relevant state agency requests)

	Description of UNM Request (or other agency, where specified)	FY26 request	HED Submission to DFA	DFA Rec	LFC Rec	Notes
1	Emergency Telecommunications Replacement for UNM and UNM Hospitals	\$16,250,000	\$16,250,000	\$0	\$0	Special Appropriation - House Bill 2 Sec. 5 request
2	DH Lawrence Ranch Utility Survey	\$52,609	\$52,600	\$0	\$0	Special Appropriation - House Bill 2 Sec. 5 request
3	UNM Campus wide Circulation and Safety Survey	\$450,000	\$450,000	\$0	\$0	Special Appropriation - House Bill 2 Sec. 5 request
4	UNM KNME/KUNM Public Media Facility	\$500,000	\$500,000	\$0	\$0	Special Appropriation - House Bill 2 Sec. 5 request
5	UNM Space Utilization System	\$800,000	\$800,000	\$0	\$0	Special Appropriation - House Bill 2 Sec. 5 request
6	UNM health sciences center for the center of Native American health for Native American faculty teaching and research endowments.	\$2,500,000	\$2,500,000	\$0	\$5,000,000	Special Appropriation - House Bill 2 Sec. 5 request; the "description" here is LFC's language, not UNM's exact language, but it's nearly what UNM proposed; LFC recommended this as a House Bill 2, Sec. 5 Special Appropriation
7	Transfer of \$2.5 million in endowment funding to the UNM Institute of American Indian Education (IAIE) from NM Indian Affairs Department	N/A	\$2,500,000	N/A	N/A	Interagency transfer of \$2.5 million executed via MOU between UNM and IAD.
8	UNM - Developing an AI workforce in NM	\$3,973,495	\$3,973,500	\$0	\$0	Special Appropriation - House Bill 2 Sec. 5 request
9	Technology Enhancement Fund- with NMSU and NMT	\$50,000,000	\$50,000,000	Unspecified	See appropriation to the TEF as recommended by LFC below	Special Appropriation - House Bill 2 Sec. 5 request to cover the next 2 fiscal years; this was a request for an appropriation to the TEF, not directly to HED or the research institutions.
10	UNM Partnerships for Transfer Student Success Pilot	\$350,000	\$350,000	\$0	\$0	Special Appropriation - House Bill 2 Sec. 5 request
11	UNM Student Health and Counseling	\$1,516,157	\$1,516,200	\$0	\$0	Special Appropriation - House Bill 2 Sec. 5 request
12	Support for accessibility needs for deaf/hard of hearing medical students at UNM	\$525,000	\$525,000	\$525,000	\$0	Special Appropriation - House Bill 2 Sec. 5 request (originally proposed by UNM as a Supplemental Appropriation request)
13	UNM Supplemental Request-Support for Student Athlete Academic Merit Awards	\$443,000	\$443,000	\$0	\$0	Supplemental/Deficiency - House Bill 2 Sec. 6 request (originally proposed by UNM as a Supplemental Appropriation request)

14	Support for additional costs incurred in FY24 for accessibility needs for deaf and hard of hearing medical students at UNM	\$461,000	\$461,000	\$461,000	\$0	Supplemental/Deficiency - House Bill 2 Sec. 6 request (originally proposed by UNM as a Deficiency Appropriation request)
15	UNM health sciences center and the department of health for mobile health units, medication-assisted treatment and other health outreach for homeless persons, including telemedicine.	N/A	\$0	\$0	\$2,000,000	This first appeared in the LFC recs; LFC recommended this as a House Bill 2, Sec. 5 Special Appropriation.
16	(to TEF) To the technology enhancement fund for distribution (by HED) to eligible higher education institutions	N/A	\$20,000,000	\$10,000,000	\$20,000,000	LFC recommended this as a House Bill 2, Sec. 5 Special Appropriation. Given the fact that HED reverted over \$16 million back to the General Fund that was allocated to HED for distribution to the HEIs for this purpose in FY24 (due to some administrative issues), this is a positive recommendation.
17	(to HED) To establish an endowment to supplement the school of medicine's student recruitment and retention via financial aid and stipends of individuals who graduated from a New Mexico high school or completed a high school equivalency in New Mexico at the university of New Mexico health sciences in Bernalillo county.	N/A	\$25,000,000	\$25,000,000	\$0	Special Appropriation - House Bill 2 Sec. 5 request by HED for HED
18	(to HED) To establish an endowment to supplement UNM School of Medicine faculty recruitment, development, compensation, and retention at the University of New Mexico Health Sciences.	N/A	\$25,000,000	\$25,000,000	\$0	Special Appropriation - House Bill 2 Sec. 5 request by HED for HED
19	(to HED) For distribution to the higher education institutions of New Mexico for building renewal and replacement and facility demolition. A report of building renewal and replacement transfers must be submitted to the higher education department before funding is released. In the event of a transfer of building renewal and replacement funding to cover institutional salaries, or any other ineligible purpose as defined in the New Mexico higher education department space policy, funding shall not be released to the higher education institutions. Up to ten million dollars (\$10,000,000) may be used for facility demolition.	CUP/NMACC/NMICC requested >/= \$30 million	\$30,000,000	\$25,000,000	\$40,000,000	LFC recommended this as a House Bill 2, Sec. 5 Special Appropriation.



20	(to HED) For distribution to the higher education institutions of New Mexico for equipment renewal and replacement. A report of equipment and renewal and replacement transfers must be submitted to the higher education department before funding is released. In the event of a transfer of equipment renewal and replacement funding to cover institutional salaries, funding shall not be released to the higher education institution.	CUP/NMACC/NMICC requested >= \$5 million	\$5,000,000	\$5,000,000	\$3,000,000	LFC recommended this as a House Bill 2, Sec. 5 Special Appropriation.
21	(to HED) For New Mexico community colleges and regional universities for program development costs and to purchase equipment supporting noncredit workforce training programs resulting in industry recognized certificates or credentials. Higher education institutions shall submit an application to the higher education department including the certificates or credential to be supported and equipment to be purchased as applicable. The higher education department shall distribute funds to institutions based on the application by July 1, 2025.	N/A	\$0	Unspecified	\$2,700,000	LFC recommended this as a House Bill 2, Sec. 5 Special Appropriation.
22	(to HED) For the health professional loan repayment program, with priority for professionals working in a behavioral health setting, including certified community behavioral health clinics, working in a criminal justice setting or serving homeless populations.	N/A	\$25,000,000	\$25,000,000	\$15,000,000	LFC recommended this as a House Bill 2, Sec. 5 Special Appropriation.
23	(to HED) To the teacher loan repayment fund.	N/A	\$10,000,000	\$10,000,000	\$5,000,000	LFC recommended this as a House Bill 2, Sec. 5 Special Appropriation.
24	(to DoIT) For cybersecurity initiatives, including initiatives for public schools and institutions of higher education, to govern, identify, protect, detect, respond, and recover including cybersecurity insurance coverage for the state. The appropriation includes up to \$10m for distribution to higher education institutions statewide and shall not be used for administrative overhead expenses.	CUP/NMACC/NMICC requested \$11.7 million; HED requested \$10 million	N/A	\$10,000,000	\$15,000,000	LFC recommended this as a House Bill 2, Sec. 5 Special Appropriation.
25	(to EDD) To establish a research, development and deployment fund, contingent on enactment of legislation creating a research and development fund to offer matching grants for federal research funding.	N/A	N/A	Unspecified	\$25,000,000	LFC recommended this as a House Bill 2, Sec. 5 Special Appropriation.

26	(to EDD) For science and technology commercialization proposals from faculty and student teams at New Mexico Universities.	N/A	N/A	Unspecified	\$800,000	LFC recommended this as a House Bill 2, Sec. 5 Special Appropriation.
27	(to the Office of the Superintendent of Insurance) For implementation of the Health Care Consolidation Oversight Act, contingent on the enactment of the Health Care Consolidation Oversight Act or similar legislation	N/A	N/A	\$1,500,000	\$1,500,000	LFC recommended this as a House Bill 2, Sec. 5 Special Appropriation.
28	(to the Health Care Authority) For a pilot to integrate medication-assisted treatment into primary care settings	N/A	N/A	Unspecified	\$2,500,000	LFC recommended this as a House Bill 2, Sec. 5 Special Appropriation; DFA rec included a nonspecific \$100,000,000 recommendation "for behavioral health expansion initiatives statewide" under the Health Care Authority
29	(to the Health Care Authority) For grants to counties and municipalities for regional transitional acute care facilities and certified community behavioral health clinics <i>that are located in a municipality with a state institution of higher education</i> and remain eligible for Medicaid. The health care authority shall consult with the department of health when making grants to counties and municipalities. Funding may be used to cover services and lease costs, including community-based services and supports	N/A	N/A	Unspecified	\$43,000,000	LFC recommended this as a House Bill 2, Sec. 5 Special Appropriation; DFA rec included a nonspecific \$100,000,000 recommendation "for behavioral health expansion initiatives statewide" under the Health Care Authority
30	(to the Health Care Authority) For grants to integrate behavioral health incentive-based treatment into other substance use disorder treatment modalities including medication-assisted treatment, prioritizing criminal justice involved and homeless populations	N/A	N/A	Unspecified	\$2,500,000	LFC recommended this as a House Bill 2, Sec. 5 Special Appropriation; DFA rec included a nonspecific \$100,000,000 recommendation "for behavioral health expansion initiatives statewide" under the Health Care Authority
31	(to the Health Care Authority) To study the merits, feasibility, costs and likely enrollment in a proposed new Medicaid waiver for people with serious mental illness or substance dependency leading to regular confinement in county jails or intensive overuse of hospital emergency rooms or other emergency or crisis services versus continuing with the current service array for people with serious mental illness	N/A	N/A	Unspecified	\$1,000,000	LFC recommended this as a House Bill 2, Sec. 5 Special Appropriation; DFA rec included a nonspecific \$100,000,000 recommendation "for behavioral health expansion initiatives statewide" under the Health Care Authority

32	(to the Corrections Department) To continue hepatitis-C treatment and program monitoring. Any unexpended balances from this appropriation remaining at the end of fiscal year 2026 shall not revert and may be expended through fiscal year 2027. The other state funds appropriation is from penitentiary income fund	N/A	N/A	\$25,000,000	\$40,000,000	LFC recommended that \$22,200,000 of this would be drawn from General Fund and \$17,800,000 from Other State Funds. The recommendation was as a House Bill 2, Sec. 5 Special Appropriation.
33	(to PED) For the career technical education pilot project, including career technical student organizations, innovation zones and work-based learning initiatives	N/A	N/A	\$40,000,000	\$40,000,000	LFC recommended this as a House Bill 2, Sec. 5 Special Appropriation.
34	(to the Health Care Authority) For medical services for incarcerated individuals up to 90 days prior to release including case management, medication assisted treatment, 30-day supply of prescription drugs and other medical services	N/A	N/A	Unspecified	\$17,776,200	LFC recommended this as a House Bill 2, Sec. 9 NM-GRO statewide framework pilot project; this appropriation would be from Other State Funds; DFA rec included a nonspecific \$100,000,000 recommendation "for behavioral health expansion initiatives statewide" under the Health Care Authority
35	(to PED) For training educators in evidence-based math instruction, contingent on legislation of the first session of the fifty-seventh legislature requiring evidence-based program evaluation for projects receiving appropriations from the public education reform fund. Up to one million two hundred forty thousand dollars (\$1,240,000) may be used by the public education department to conduct a randomized controlled trial to evaluate and monitor outcomes. The other state funds appropriation is from the public education reform fund.	N/A	N/A	\$15,000,000	\$38,439,000	LFC recommended this as a House Bill 2, Sec. 9 NM-GRO statewide framework pilot project; this appropriation would be from Other State Funds; DFA included a \$15 million rec for related purposes
36	(to PED) For training secondary educators in evidence-based reading instruction, contingent on legislation of the first session of the fiftyseventh legislature requiring evidence-based program evaluation for projects receiving appropriations from the public education reform fund. Up to five hundred thousand dollars (\$500,000) may be used by the public education department to conduct a randomized controlled trial to evaluate and monitor outcomes. The other state funds appropriation is from the public education reform fund.	N/A	N/A	See notes	\$15,500,000	LFC recommended this as a House Bill 2, Sec. 9 NM-GRO statewide framework pilot project; this appropriation would be from Other State Funds; DFA rec included \$14 million in recurring funds to PED to continue training elementary educators in the science of reading, \$5 million to expand structured literacy professional development into secondary schools, and \$30 million to support a second year of the summer reading intervention program.

37	(to HED) For a distribution to state-controlled four-year degree granting higher education institutions for student retention initiatives. The distributions shall be determined by a formula created by the department in consultation with the legislative finance committee. To qualify for a distribution, the current year retention rate for first time, full-time students retained to the second year must exceed the retention rate for the prior year. The formula shall provide an equal per student distribution provided that no institution shall receive an award greater than one and one-half percent of the general fund appropriation for instruction and general expenses for fiscal year 2025	N/A	N/A	Unspecified	\$20,000,000	This recommended appropriation covers the next 3 fiscal years. LFC recommended this as a House Bill 2, Sec. 9 NM-GRO statewide framework pilot project; this appropriation would be from Other State Funds; it is reasonable to assume this Legislative rec is (at least in part) related to some FY26 Executive recs that were focused on higher education student basic needs, here broadly recast as "student retention." The DFA rec included \$8 million for higher ed student basic needs.
38	(to HED) For distribution to public post-secondary institutions statewide to support dual credit programs for New Mexico high school students	CUP/NMACC/NMICC requested \$10 million	\$10,000,000	\$10,000,000	\$0	Dual credit is not mentioned in LFC FY26 budget recs, Vol. 1, Vol. 2, or Vol. 3
39	(to DFA) For the New Mexico Match Fund	N/A	N/A	\$110,000,000	\$75,000,000	LFC recommended this as a House Bill 2, Sec. 5 Special Appropriation.
40	For the consortium of higher education computing communication services (CHECCS)	CHECCS request	\$10,000,000	\$10,000,000	\$0	See related appropriation recommendation above to DoIT

## 5. Priority Capital Outlay Recommendations

Capital outlay requests support infrastructure projects at higher education institutions and other government agencies, seeking funding through a special type of nonrecurring legislative appropriation. Capital outlay requests are handled in a stand-alone bill, and the bill number for that legislation is different each year. The request process is managed by the state in two separate, formal tracks:

- the statewide framework, for which the HED Capital Committee convened hearings last summer with additional staff representation from both LFC and DFA, and also the state’s Energy, Minerals, and Natural Resources Department; versus
- “individually-sponsored” (or as it is sometimes labeled, “discretionary”) capital outlay requests that may be selected by each and every House and Senate member, with *ad hoc* rules announced during the session that will dictate what discretionary funding will be available for capital outlay requests to benefit the legislators’ individual hometown districts.

**Table 9** provides a comparison of HED vs. LFC budget recs for those (generally larger-scale) capital outlay requests that went through this summer hearings process. Please note that the “estimated project cost” column represents the total project costs *that were forecasted as of last summer*. Since that time, some of those original estimated costs may have changed, based on a number of dynamic factors.

The criteria used by Legislative and Executive decision-makers to evaluate requests include considerations such as the planned programmatic use of the facility, student enrollment trends, availability of funding from other sources, and space utilization for instructional and general needs. In addition, for FY26, HED encouraged institutions to submit requests for a limited number of *supplemental* funding for active projects faced with cost increases.

<b>Table 9. Capital Outlay Recommendations</b>						
<b>University of New Mexico</b>						
<b>FY26 / for the 2025 Session: Statewide Framework Capital Requests</b>						
	Estimated Project Cost	Institution Matching Funds	2025 UNM Appropriation Request	HED Rec (October)	LFC Rec (January)	2025 Capital Outlay Bill (session)
1	<b>UNM Central Campus</b>					
2	Humanities and Social Sciences Complex (HSSC) Supplemental	\$ 124,862,000	\$ 11,862,000	\$ 59,000,000	\$ 50,000,000	\$ 40,000,000
3	Title IX Improvements (softball, soccer, track, tennis, golf, basketball)	\$ 18,500,000	\$ -	\$ 18,500,000	\$ -	\$ -
4	Integrated Computing Research, Education & Data Center	\$ 17,250,000	\$ 50,000	\$ 17,200,000	\$ -	\$ -
5	NM Law Center Building Renovation	\$ 16,051,031	\$ 595,303	\$ 15,455,728	\$ -	\$ -
6	Police Department Headquarters	\$ 17,000,000	\$ 9,000,000	\$ 8,000,000	\$ 1,700,000	\$ -
7	<b>UNM Central Campus Totals</b>	<b>\$ 193,663,031</b>	<b>\$ 21,507,303</b>	<b>\$ 118,155,728</b>	<b>\$ 51,700,000</b>	<b>\$ 40,000,000</b>
8	<b>UNM Health Sciences</b>					
9	School of Medicine / Fitz Hall Facility Plan & Design	\$ 370,000,000	\$ -	\$ 37,000,000	\$ 30,000,000	\$ 30,000,000
10	College of Pharmacy Renovation Phase 2	\$ 66,800,000	\$ 3,300,000	\$ 28,500,000	\$ 25,000,000	\$ 25,000,000
11	Domenici Hall MRI	\$ 5,800,000	\$ 3,000,000	\$ 2,800,000	\$ -	\$ -
12	Simulation & Research Equipment	\$ 1,500,000	\$ 150,000	\$ 1,350,000	\$ -	\$ -
13	<b>UNM Health Sciences Totals</b>	<b>\$ 444,100,000</b>	<b>\$ 6,450,000</b>	<b>\$ 69,650,000</b>	<b>\$ 55,000,000</b>	<b>\$ 55,000,000</b>
14	<b>UNM-Gallup Facilities Repair &amp; Renewal</b>	<b>\$ 1,500,000</b>	<b>\$ 375,000</b>	<b>\$ 1,125,000</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>
15	<b>UNM-Los Alamos Student Services Center Renovation</b>	<b>\$ 3,000,000</b>	<b>\$ 300,000</b>	<b>\$ 2,700,000</b>	<b>\$ -</b>	<b>\$ -</b>
16	<b>UNM-Los Alamos Open Space Design &amp; Upgrade Phase 2</b>	<b>\$ 3,000,000</b>	<b>\$ 750,000</b>	<b>\$ 2,250,000</b>	<b>\$ 1,500,000</b>	<b>\$ 1,000,000</b>
17	<b>UNM-Taos Observ &amp; Space STEM Center Supplemental</b>	<b>\$ 17,780,617</b>	<b>\$ 821,775</b>	<b>\$ 12,855,617</b>	<b>\$ 5,525,000</b>	<b>\$ -</b>
18	<b>UNM-Taos Taos Workforce Center</b>	<b>\$ 7,187,500</b>	<b>\$ 937,500</b>	<b>\$ 6,250,000</b>	<b>\$ 650,000</b>	<b>\$ 650,000</b>
19	<b>UNM-Valencia Wrkfrce Training Ctr Classroom Modifications</b>	<b>\$ 5,000,000</b>	<b>\$ 1,500,000</b>	<b>\$ 3,500,000</b>	<b>\$ 1,250,000</b>	<b>\$ -</b>
20	<b>UNM Capital Request Totals</b>	<b>\$ 654,450,531</b>	<b>\$ 31,519,803</b>	<b>\$ 200,930,728</b>	<b>\$ 111,100,000</b>	<b>\$ 97,650,000</b>

More details about the state funding sources (e.g., General Fund vs. Severance Tax Bonds) that LFC proposes to leverage for each of UNM's requests appear on [page 126](#) ff. of Vol. 3 of the FY26 LFC Budget Recommendations. In summary, the only UNM capital outlay proposals that LFC recommends using the issuance of Severance Tax Bonds to support is the Humanities and Social Science Complex (\$40 million) and the College of Pharmacy Renovation Phase 2 (\$25 million). Other projects supported by LFC in **Table 9** above are recommended by LFC to be funded from the state's General Fund.

LFC includes a general discussion of "right-sizing physical space" for higher education institutions and, on a somewhat related topic, "online enrollment in higher education" [on page 35](#) of Vol. 1 of the FY26 LFC Budget Recommendations.