

# Memorandum

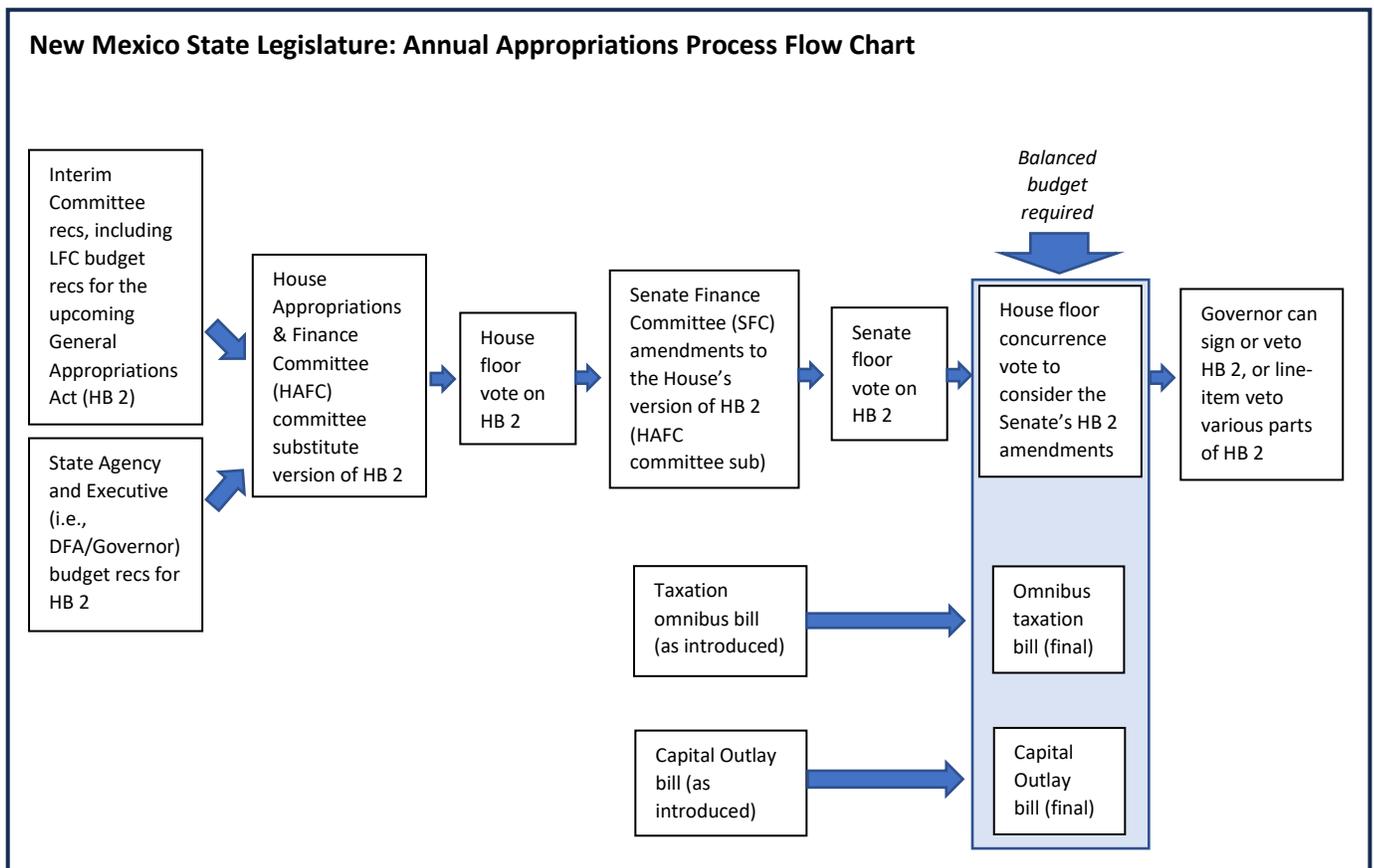
**Re: 2026 HB2 HAFC/committee substitute: General Appropriation Act Highlights**

**Date: February 10, 2026**

**From: Office of UNM Government & Community Relations**

This memo is focused on state budgetary issues for the 2026 State Legislative Session and is intended to be an update to the January 20, 2026 report by the UNM Government Relations Team entitled “**2026 State Legislative Session: Comparison of Legislative and Executive Budgetary Recommendations.**” For reference, that report may be found [here](#). Much of the discussion and analysis below simply highlights *new information* contained in the House of Representatives’ initial drafting of the state budget (i.e., General Appropriation Act, also known as House Bill 2, or simply “HB 2”), specifically in regard to those earlier, competing legislative and executive budget recommendations.

The version of HB 2 now in play, as analyzed here, is the House Appropriations and Finance Committee (HAFC) “Committee Substitute” version (i.e., HB 2 HAFC/cs) which (by-and-large) reflects the fact that HAFC adopted the Legislative Finance Committee’s budget recommendation for higher education-related issues, disfavoring the Executive administration recommendations, by comparison. This version (HB 2 HAFC/cs) was adopted and passed on the House floor on Wednesday, February 4, sending it over to the Senate for their consideration in the final two weeks of this 30-day legislative session.



UNM is also tracking a wide range of other, non-budgetary bills that were ruled “germane” for this 30-day session, with a particular eye towards UNM community impacts.

**Primary data sources for this memo include:**

- [House Bill 2 HAFC/committee substitute](#)
- The [FY27 Executive Budget Recommendation](#);
- The Legislative Finance Committee’s FY27 (LFC) [Policy and Performance Analysis \(Volume 1\)](#), [Appropriation Recommendations \(Volume 2\)](#), and [Supplemental Charts and Graphs \(Volume 3\)](#)
- [Legislative and Budgetary Recommendations](#) for FY27 as summarized and analyzed by UNM Government Relations
- New Mexico Council of University Presidents (CUP) member communications

We are providing an informal table of contents below as a quick-reference guide. All page numbers are *as they appear on the actual published document* (and not the page numbers from your PDF reader).

Key points of interest for UNM constituencies in HB 2:

- Section 4: Higher education recurring line items (HED language/restrictions; HED Agency; then HEIs): p. 138 ff.
- Section 5: Special Appropriations (p. 183 ff.)
  - EDD Special Appropriations (nonrecurring): p. 195 ff.
  - HCA Special Appropriations (nonrecurring): p. 202 ff.
  - HED Special Appropriations (nonrecurring): pg. 214 ff.
  - UNM Special Appropriations (nonrecurring): p. 216 ff.
- Section 7: IT Appropriations: p. 222 ff.
- Section 8: Compensation Increase appropriations: p. 228 ff.
- Section 9: GRO (nonrecurring) appropriations: p. 230 ff.
- Section 11: Fund Transfers

Also included in this memo is an update on UNM capital projects requests in relation to two legislative vehicles, the General Obligation (GO) Bond bill and also the state’s annual capital outlay (appropriations) bill. A brief discussion of those types of bills occurs at the end of this report.

**HB 2, Section 4: Recurring Appropriations Updates ([House Bill 2 HAFC Committee Sub](#)):**

There were no changes to appropriations amounts for *recurring* spending line items at UNM and UNM HSC as those recurring amounts in appear in House Bill 2, Section 4, recognizing that HB 2 is now carrying the LFC budget recommendation unedited for all those *recurring* items. A full list of UNM and UNM HSC recurring appropriations as recommended by LFC appears in the aforementioned Legislative vs. Executive Budget Recommendations [comparison document](#) from UNM Gov Rel, pages 7-8.

In HB 2, Sec. 4, new controlling language directed at HED appears, related to financial aid distributions to higher education institutions. This language is cut-and-pasted below and suggests a significant administrative impact to HEIs across the state, now codified in HB 2 as currently drafted (pg. 139):

19 The department shall not distribute lottery or opportunity scholarship reimbursement go higher  
20 education institutions for tuition and fees over the rates charged in the fall semester 2025.

A total of \$186 million is appropriated to HED for the Opportunity Scholarship Program for FY27 in the current version of HB 2. The Legislature continues to express concerns about budgetary cost increases of higher education financial aid programs, and the above language is one example of how appropriators are proposing to implement additional cost controls borne by state government.

In other portions of HB 2, Section 4, the UNM Health Sciences recurring appropriations include the following language:

The internal service funds/interagency transfers appropriation to the health sciences center research and public service projects for the university of New Mexico includes one million eight hundred thousand dollars (\$1,800,000) from the opioid crisis recovery fund from monies from settlements, judgments, verdicts and other court orders relating to claims regarding the manufacturing, marketing, distribution or sale of opioids. (pgs. 150-151)

The general fund appropriation to the hepatitis community health outcomes research and public service project of the university of New Mexico health sciences center includes one million five hundred thousand dollars (\$1,500,000) to facilitate training for behavioral health providers and provide behavioral health services to patients in accordance with the Behavioral Health Reform and Investment Act. (pg. 151)

Related to the state's Medical Assistance Program (i.e., Medicaid) recurring appropriations managed by the New Mexico Health Care Authority, HB 2 HAFC/cs includes the following directional language (pg. 94)

9 The internal service funds/interagency transfers appropriations to the medical assistance program  
10 of the health care authority include two million dollars (\$2,000,000) to provide salary adjustments to  
11 graduate medical education residents and fellows at the university of New Mexico health sciences center  
12 through medicaid directed payments to the university of New Mexico health sciences center.

### **HB 2, Section 5: Nonrecurring "Special Appropriations" Updates ([HB 2 HAFC Committee Sub](#)):**

As a general budgeting approach, the State relies on Special Appropriations to essentially deploy pilot projects (or "seed funding", it's sometimes called) with *one-time* funding because new, specific recurring appropriation requests are limited to a single mechanism, namely Research and Public Service Projects (or "RPSPs"). Due to their perennial nature and recurring impact on the General Fund, RPSPs continue to be seriously disfavored in the current political and economic climate.

It should be noted that Section 5 controlling language for this year deviates slightly from past years because it does *\*not\** allow special appropriations to start to be spent in the remainder of the current fiscal year (FY 2026); rather, it provides that spending of special appropriations should commence at the beginning of state FY27.

**Section 5. SPECIAL APPROPRIATIONS.**--*The following amounts are appropriated from the general fund or other funds as indicated for the purposes specified. Unless otherwise indicated, the appropriation may be expended in fiscal years 2027. Unless otherwise indicated, any unexpended balances of the appropriations remaining at the end of fiscal year 2027 shall revert to the appropriate fund.*

- a. **Department of Finance & Administration (DFA) Special Appropriations** start on page 189. Items with potentially heightened UNM relevance are listed below. Parentheses indicate special appropriation line item number, in sequence. Amounts listed are *in thousands*.

(32) DEPARTMENT OF FINANCE AND ADMINISTRATION 2,750.0  
For educational television and public radio for expenditure in fiscal years 2027 and 2028.

(35) DEPARTMENT OF FINANCE AND ADMINISTRATION 25,000.0  
To the New Mexico match fund.

(36) DEPARTMENT OF FINANCE AND ADMINISTRATION 30,000.0  
For distribution to the New Mexico mortgage finance authority, including ten million dollars (\$10,000,000) for a mortgage finance authority program contingent on enactment of House Bill 200 or similar legislation creating a program in the authority, including five hundred thousand dollars (\$500,000) for administration of the Affordable Housing Act and including one million dollars (\$1,000,000) for down payment assistance for graduate medical education student residents at the university of New Mexico.

(39) DEPARTMENT OF FINANCE AND ADMINISTRATION 1,000.0  
For medications for opioid use disorder programming for incarcerated individuals in Bernalillo county, including funds for additional nursing capacity and an injectable monthly extended release buprenorphine pilot project.

- b. **Department of Information Technology (DoIT) Special Appropriations** start on page 193. Items with potentially heightened UNM relevance are listed below. Parentheses indicate special appropriation line item number, in sequence. Amounts listed are *in thousands*.

(52) DEPARTMENT OF INFORMATION TECHNOLOGY 21,000.0  
To support cybersecurity initiatives for executive branch agencies, public education institutions, institutions of higher education, municipalities, counties and other public entities.

(54) DEPARTMENT OF INFORMATION TECHNOLOGY The period of time for expending the twenty million dollars (\$20,000,000) appropriated from the general fund in Subsection 65 of Section 5 of Chapter 160 of Laws 2025 for cybersecurity initiatives, including initiatives for public schools and institutions of higher education to govern, identify, protect, detect, respond and recover, and cybersecurity insurance coverage and subscriptions for the state, including up to seven million five hundred thousand dollars (\$7,500,000) for the consortium of higher education institutions statewide that shall not be used for administrative overhead expenses, is extended through fiscal year 2027.

c. **Economic Development Department Special Appropriations** start on page 195. Items with potentially heightened UNM relevance are listed below. Parentheses indicate special appropriation line item number, in sequence. Amounts listed are *in thousands*.

- (64) ECONOMIC DEVELOPMENT DEPARTMENT 500.0  
To the technology and innovation division for account managers for targeted sectors.
- (65) ECONOMIC DEVELOPMENT DEPARTMENT 4,000.0  
For creative industries grants.
- (66) ECONOMIC DEVELOPMENT DEPARTMENT 32,800.0  
For the quantum benchmarking initiative to match funds from the federal defense advanced research projects agency. Any unexpended balances remaining at the end of fiscal year 2027 shall not revert and may be expended in fiscal year 2028.
- (67) ECONOMIC DEVELOPMENT DEPARTMENT 11,600.0  
For grants supporting small businesses, entrepreneurs, startups and research and development in the science and technology target sectors.
- (68) ECONOMIC DEVELOPMENT DEPARTMENT 4,500.0  
For distribution to New Mexico higher education institutions for endowed faculty positions and postdoctoral researchers for the education ecosystem.
- (69) ECONOMIC DEVELOPMENT DEPARTMENT 2,000.0  
For the healthy food financing program.
- (70) ECONOMIC DEVELOPMENT DEPARTMENT 30,000.0  
For innovation hubs, including seven million dollars (\$7,000,000) for startup costs and six hundred thousand dollars (\$600,000) for aerospace.
- (71) ECONOMIC DEVELOPMENT DEPARTMENT 215.0  
For information technology hardware and software.
- (72) ECONOMIC DEVELOPMENT DEPARTMENT 3,500.0  
For outdoor equity grants.
- (73) ECONOMIC DEVELOPMENT DEPARTMENT 15,000.0  
For a single centralized open user facility for applied quantum information science research, including capabilities that meet national security needs for full collaboration with national laboratories and including workforce training space and equipment.
- (74) ECONOMIC DEVELOPMENT DEPARTMENT 3,000.0  
For the quantum New Mexico institute.
- (75) ECONOMIC DEVELOPMENT DEPARTMENT 40,000.0  
For the research, development and deployment fund contingent on performance outcomes, including research spending, jobs created and business scaling.
- (76) ECONOMIC DEVELOPMENT DEPARTMENT 200.0  
For a space commission working group.
- (77) ECONOMIC DEVELOPMENT DEPARTMENT 1,000.0  
For the technology innovation prize program.
- (78) ECONOMIC DEVELOPMENT DEPARTMENT 5,000.0  
For economic development and tourism.

(79) ECONOMIC DEVELOPMENT DEPARTMENT 10,000.0  
For trails plus grants.

- d. **Energy, Minerals, and Natural Resources Special Appropriations** start on page 198. Items with potentially heightened UNM relevance are listed below. Parentheses indicate special appropriation line item number, in sequence. Amounts listed are *in thousands*.

(95) ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT 2,000.0  
For grants and loans for a wildfire mapping database and artificial-intelligence-enabled mitigation technologies.

(98) ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT 10,000.0  
To the geothermal projects development fund to advance geothermal projects in New Mexico and expand state level investments in geothermal energy.

(99) ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT 10,000.0  
To the grid modernization grant fund including for micro-grid development and deployment.

- e. **Indian Affairs Department Special Appropriations** start on page 201. Items with potentially heightened UNM relevance are listed below. Parentheses indicate special appropriation line item number, in sequence. Amounts listed are *in thousands*.

(117) INDIAN AFFAIRS DEPARTMENT 429.6  
For public television and radio for expenditure in fiscal year 2027 through 2028.

- f. **Health Care Authority Special Appropriations** start on page 202. Items with potentially heightened UNM relevance are listed below. Parentheses indicate special appropriation line item number, in sequence. Amounts listed are *in thousands*.

(124) HEALTH CARE AUTHORITY 2,000.0  
For costs associated with competency to stand trial examinations, testing and court-ordered testimony provided by contracted forensic examiners.

(125) HEALTH CARE AUTHORITY 7,000.0  
To implement development, delivery and support for a new training infrastructure for statewide screening, brief intervention and referral to treatment as mandated by Chapter 156 of Laws 2025.

(126) HEALTH CARE AUTHORITY 1,500.0  
For healthcare providers to connect to a unified health care information system.

(127) HEALTH CARE AUTHORITY 38,100.0  
To offset the expiration of enhanced federal premium tax credits enacted in the Inflation Reduction Act of 2022 that removed the four hundred percent of the federal poverty level income limitation for eligibility for advance premium tax credits for coverage purchased through the health insurance exchange, contingent on the federal government not extending the enhanced federal premium tax credits. If the enhanced federal premium tax credits are extended by the federal government at any time during fiscal year 2027, any unexpended funds in this appropriation shall revert to the health care affordability fund. The other state funds appropriation is from the health care affordability fund.

(132) HEALTH CARE AUTHORITY 15,000.0

To transfer to the board of regents of the university of New Mexico to establish rural residencies and rural residency rotations and for other costs associated with rural graduate medical education. Any unexpended balances remaining at the end of fiscal year 2027 shall not revert and may be expended through fiscal year 2029. The federal funds appropriation comes from the federal rural health transformation grant program.

(133) HEALTH CARE AUTHORITY 9,000.0

For grants to rural clinics to establish rural residencies, rural residency rotations and other costs associated with rural graduate medical education. The federal funds appropriation comes from the federal rural health transformation grant program.

(134) HEALTH CARE AUTHORITY

The period of time for expending the four million nine hundred seventy-three thousand four hundred dollars (\$4,973,400) appropriated from the general fund and the seventeen million one hundred sixty thousand dollars (\$17,160,000) in federal funds in Subsection 115 of Section 5 of Chapter 160 of Laws 2025 to continue the capacity building for the criminal justice medicaid waiver initiative is extended through fiscal year 2027.

(135) HEALTH CARE AUTHORITY

The period of time for expending the eight million one hundred twenty-nine thousand four hundred dollars (\$8,129,400) appropriated from the general fund and twenty-eight million six hundred thirty-eight thousand and six hundred dollars (\$28,638,600) in federal funds in Subsection 162 of Section 5 of Chapter 160 of Laws 2025 to continue startup costs to build capacity for housing providers for people experiencing homelessness and to build capacity for medical services for people involved with the criminal justice system is extended through fiscal year 2027.

(137) HEALTH CARE AUTHORITY 2,500.0

For the supplemental nutrition assistance education program, in consultation with the higher education department for distribution to higher education institutions in fiscal year 2027.

(138) WORKFORCE SOLUTIONS DEPARTMENT 100.0

For a pilot program to provide professional development toward licensure of bilingual behavioral health care professionals and culturally and linguistically specific trauma-informed mental health, case management, prevention and social work services in Bernalillo county.

- g. Workforce Solutions Department Special Appropriations** start on page 204. Items with potentially heightened UNM relevance are listed below. Parentheses indicate special appropriation line item number, in sequence. Amounts listed are *in thousands*.

(140) WORKFORCE SOLUTIONS DEPARTMENT 1,500.0

For a health care recruitment program.

- h. Department of Health Special Appropriations** start on page 205. Items with potentially heightened UNM relevance are listed below. Parentheses indicate special appropriation line item number, in sequence. Amounts listed are *in thousands*.

(145) DEPARTMENT OF HEALTH 1,500.0

For an opioid addiction prevention program that addresses the root of the opioid crisis by improving pain management protocols for surgical patients and providing personalized nurse navigation and evidence-based clinical implementation support.

(147) DEPARTMENT OF HEALTH

The period of time for expending the one million dollars (\$1,000,000) appropriated to the department of health in Subsection 195 of Section 5 of Chapter 160 of Laws 2025 for operational expenses for enacting the Medical Psilocybin Act is extended through fiscal year 2027.

(149) DEPARTMENT OF HEALTH 165.0

For a public service campaign on shaken baby syndrome.

- i. **Corrections Department Special Appropriations start on page 209. Items with potentially heightened UNM relevance are listed below. Parentheses indicate special appropriation line item number, in sequence. Amounts listed are *in thousands*.**

(173) CORRECTIONS DEPARTMENT

The period of time for expending the eleven million three hundred thousand dollars (\$11,300,000) appropriated from the government results and opportunity program fund in Paragraph 25 of Subsection A of Section 9 of Chapter 160 of Laws 2025 for medication-assisted treatment is extended through fiscal year 2027.

- j. **Public Education Department (PED) Special Appropriations start on page 210. Items with potentially heightened UNM relevance are listed below. Parentheses indicate special appropriation line item number, in sequence. Amounts listed are *in thousands*.**

(184) PUBLIC EDUCATION DEPARTMENT 2,000.0

To implement a comprehensive action plan pursuant to a final court order in Martinez v. state of New Mexico No. D-101-CV-2014-00793 and Yazzie v. state of New Mexico No. D-101-CV-2014-02224. The other state funds appropriation is from the public education reform fund.

(204) PUBLIC EDUCATION DEPARTMENT 3,000.0

For science, technology, engineering, arts and mathematics initiatives.

(205) PUBLIC EDUCATION DEPARTMENT 3,000.0 3,000.0 For a science, technology, engineering and mathematics network.

(185) PUBLIC EDUCATION DEPARTMENT 500.0

For purposes pursuant to the Bilingual Multicultural Education Act.

(186) PUBLIC EDUCATION DEPARTMENT 500.0

For purposes pursuant to the Black Education Act.

(187) PUBLIC EDUCATION DEPARTMENT 17,000.0

For evidence-based career technical education pilot programs, including work-based learning.

(188) PUBLIC EDUCATION DEPARTMENT

The period of time for expending the twenty-eight million five hundred thousand dollars (\$28,500,000) appropriated from the general fund in Subsection 246 of Section 5 of Chapter 160 of Laws 2025 for the career technical education pilot project, including career technical student organizations, innovation zones and work-based learning initiatives is extended through fiscal year 2027.

(189) PUBLIC EDUCATION DEPARTMENT 20,000.0

For the recruitment and retention of educator fellows and grow your own teacher programs, including one million dollars (\$1,000,000) for teacher recruitment pilots and programs to improve the teacher workforce pipeline. The public education department shall prioritize awards to

school districts and charter schools that provide local matching funds for participating educators.

(190) PUBLIC EDUCATION DEPARTMENT 500.0  
For purposes pursuant to the Hispanic Education Act.

(191) PUBLIC EDUCATION DEPARTMENT 200.0  
To expand the instructional materials resource library to provide comprehensive, standards-aligned resources supporting heritage language and bilingual multicultural education programs statewide.

(196) PUBLIC EDUCATION DEPARTMENT 29,000.0  
For student reading and math intervention programs.

(197) PUBLIC EDUCATION DEPARTMENT 5,600.0  
For principal and superintendent preparation, coaching and residencies pursuant to the School Personnel Act.

(200) PUBLIC EDUCATION DEPARTMENT 500.0  
For a community-centered behavioral health and social work and behavioral health workforce student pipeline. Any unexpended balance remaining at the end of fiscal year 2027 shall not revert and may be expended in fiscal year 2028.

**k. Higher Education Department (HED) Specials Appropriations start on page 214. Items with potentially heightened UNM relevance are listed below. Parentheses indicate special appropriation line item number, in sequence. Amounts listed are *in thousands*.**

(211) HIGHER EDUCATION DEPARTMENT 3,250.0  
For programs, including two million dollars (\$2,000,000) for adult education to continue the current level of workers enrolled in the workforce economic support pilot and one million two hundred fifty thousand dollars (\$1,250,000) for high school equivalency exams.

(212) HIGHER EDUCATION DEPARTMENT 2,000.0  
For athletics projects and higher education institutions other than the university of New Mexico and New Mexico state university.

(213) HIGHER EDUCATION DEPARTMENT 20,000.0  
For distribution to the higher education institutions of New Mexico for building renewal and replacement and facility demolition for expenditure in fiscal year 2027. 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.

(214) HIGHER EDUCATION DEPARTMENT 3,000.0  
For distribution to the athletics departments of comprehensive colleges based on the proportional size of state athletics appropriations to each college, provided that no more than one million dollars (\$1,000,000) shall be distributed annually in fiscal years 2027, 2028 and 2029.

(215) HIGHER EDUCATION DEPARTMENT 16,000.0  
For defense research, commercialization and student supports.

(216) HIGHER EDUCATION DEPARTMENT 3,000.0  
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.

(217) HIGHER EDUCATION DEPARTMENT The period of time for expending the twenty million dollars (\$20,000,000) appropriated from the general fund in Subsection 222 of Section 5 of Chapter 210 of Laws 2023 for endowments to support financial aid, including scholarships and paid practicums, for New Mexico residents who are graduates of New Mexico high school currently enrolled in a master's level social work program at a state institution of higher education as enumerated in Article 12 Section 11 of the constitution of New Mexico and for clinical supervision services for licensed social workers post-graduation is extended through fiscal year 2027.

(218) HIGHER EDUCATION DEPARTMENT 25,000.0  
For the health professional loan repayment program, contingent on enactment of house bill 66 or similar legislation of the second session of the fifty-seventh legislature to increase the maximum annual amount of loan repayment for physicians.

(219) HIGHER EDUCATION DEPARTMENT 1,500.0  
To support the implementation of Laws 2025 Chapter 53 in encouraging retention and recruitment of large animal veterinarian services in underserved areas of New Mexico.

(220) HIGHER EDUCATION DEPARTMENT 1,500.0  
For a partnership with a New Mexico college of osteopathic medicine to improve a comprehensive outreach program to increase interest in the healthcare field within the state of New Mexico.

(221) HIGHER EDUCATION DEPARTMENT  
Any unexpended balance from the ten million dollars (\$10,000,000) appropriated from the general fund in Subsection 283 of Section 5 of Chapter 160 of Laws 2025 to the technology enhancement fund remaining at the end of fiscal year 2026 shall not revert to the general fund and shall be distributed in equal amounts to the university of New Mexico, New Mexico state university and the New Mexico institute of mining and technology to support research activities.

**I. Special Appropriations to individual higher education institutions start on page 216.**

(222) UNIVERSITY OF NEW MEXICO 3,000.0  
To the health sciences center for an actuarial study on health care, including cost drivers.

(223) UNIVERSITY OF NEW MEXICO 14,000.0  
For improvements to athletics facilities.

(224) UNIVERSITY OF NEW MEXICO 200.0  
For the college of education for student teachers in underserved communities as defined by the court order in Martinez v. state of New Mexico No. D-101-CV-2014-00793 and Yazzie v. state of New Mexico No. D101-CV-2014-02224.

(225) UNIVERSITY OF NEW MEXICO 250.0  
For the community engagement office.

(226) UNIVERSITY OF NEW MEXICO The period of time for expending the five hundred thousand dollars (\$500,000) appropriated from the general fund in

Subsection 299 of Section 5 of Chapter 160 of Laws 2025 for the psychedelic-assisted therapy research program in the department of family medicine is extended through fiscal year 2027.

(227) UNIVERSITY OF NEW MEXICO 1,937.0

For information technology systems necessary to integrate and format data sets regarding air quality, ground water, methane gas and carbon emissions and sequestration.

(228) UNIVERSITY OF NEW MEXICO 750.0

For the health sciences center learning environment office.

(229) UNIVERSITY OF NEW MEXICO 150,000.0

For planning, design and construction of the school of medicine. The other state funds appropriation is from the higher education major projects fund.

(230) UNIVERSITY OF NEW MEXICO 5,000.0

To the university of New Mexico school of medicine to provide faculty supports and tuition supports to medical students.

(231) UNIVERSITY OF NEW MEXICO 750.0

For a comprehensive movement disorders clinic.

(232) UNIVERSITY OF NEW MEXICO 6,800.0

For a behavioral health technical assistance center to support the Behavioral Health Reform and Investment Act. Any unexpended balances remaining at the end of fiscal year 2027 shall not revert and may be expended through fiscal year 2029.

(233) UNIVERSITY OF NEW MEXICO 12,000.0

For the athletics department for expenditure through fiscal year 2029, provided that no more than four million dollars (\$4,000,000) shall be expended annually in fiscal years 2027, 2028 and 2029.

(234) UNIVERSITY OF NEW MEXICO 114.2

For the office of the medical investigator at the university of New Mexico for surgical lighting and equipment for a health radio frequency identification body management system.

(235) UNIVERSITY OF NEW MEXICO 100.0

To the bureau of business and economic research for a study of utility affordability.

(236) UNIVERSITY OF NEW MEXICO 450.0

For the Utton transboundary resources center. Any unexpended balances remaining at the end of fiscal year 2027 shall not revert and may be expended in fiscal year 2028.

## **HB 2, Section 7: Nonrecurring Information Technology Appropriations Updates ([House Bill 2 HAFC Committee Sub](#)):**

It should be noted that Section 5 controlling language for this year includes additional administrative oversight mechanisms regarding the spend-down of appropriations in this section.

**Section 7. INFORMATION TECHNOLOGY APPROPRIATIONS.**--*The following amounts are appropriated from the computer systems enhancement fund, or other funds as indicated, for the purposes specified. Unless otherwise indicated, the appropriation may be expended in fiscal*

*years 2027 and 2028. Unless otherwise indicated, any unexpended balances remaining at the end of fiscal year 2028 shall revert to the computer systems enhancement fund or other funds as indicated. For each executive branch agency project, the state chief information officer shall certify compliance with the project certification process prior to the allocation of thirty-eight million five hundred thousand dollars (\$38,500,000) by the department of finance and administration from the funds for the purposes specified. The judicial information systems council shall certify compliance to the department of finance and administration for judicial branch projects. For executive branch agencies, all hardware and software purchases funded through appropriations made in Sections 4, 5, 6 and 7 of this act shall be procured using consolidated purchasing led by the state chief information officer and state purchasing division to achieve economies of scale and to provide the state with the best unit price. (p. 222)*

Information Technology Appropriations not included elsewhere in HB 2 start on page 222, generally listed by state agency. Items with potentially heightened UNM relevance are listed below. Parentheses indicate special appropriation line item number, in sequence. Amounts listed are *in thousands*.

(29) HIGHER EDUCATION DEPARTMENT 24,364.4  
To complete the collaborative for the higher education shared services project. The other state funds appropriation is from the higher education shared services colleges' operational fund balances.

(30) HIGHER EDUCATION DEPARTMENT  
The period of time for expending the four million five hundred and eighty-nine thousand dollars (\$4,589,000) from the computer systems enhancement fund in Subsection 54 of Section 7 of Chapter 69 of Laws 2024 to continue the longitudinal data system project is extended through fiscal year 2027.

## **HB 2, Section 8: Compensation Appropriations ([House Bill 2 HAFC Committee Sub](#)):**

HB2 HAFC/cs adopted the LFC compensation recommendation for a **1% compensation increase**, broken down generally as follows, and with the associated directional language details—see p. 228 ff. for additional details:

### **Section 8. COMPENSATION APPROPRIATIONS.—**

A. Twenty-six million five thousand one hundred dollars (\$26,005,100) is appropriated from the general fund to the department of finance and administration for fiscal year 2027 to pay all costs attributable to the general fund of providing a salary increase of one percent to employees in budgeted positions who have completed their probationary period subject to satisfactory job performance. The salary increases shall be effective the first full pay period after July 1, 2026, and distributed as follows: ...

*(4) twelve million twenty-three thousand eight hundred dollars (\$12,023,800) to the higher education department for nonstudent faculty and staff of two-year and four-year public postsecondary educational institutions*

**HB 2, Section 9: Government Results and Opportunity Appropriations (House Bill 2 HAFC Committee Sub):**

As a part of its initial work on HB 2, the House of Representatives inserted only a limited number of GRO (“Government Results and Opportunity”) nonrecurring appropriations line items before sending the bill over to the Senate—see p. 230 ff. for additional details. All of those GRO line items in HB 2 HAFC/cs are directed to non-HEI state agencies. For example, see below:

**Section 9. GOVERNMENT RESULTS AND OPPORTUNITY EXPENDABLE TRUST.—**

A. The following amounts are appropriated from the government results and opportunity program fund or other funds as indicated in fiscal year 2027 for the purposes specified. The department of finance and administration and the legislative finance committee shall approve performance measures for agencies, including those specified in this section, and any independent impact evaluation plans and results of the evaluation, for the items in this section. Appropriations included in this subsection include sufficient funds for evaluation. Any unexpended balances of the appropriations remaining at the end of fiscal year 2027 shall revert to the government results and opportunity expendable trust fund or the appropriate fund. Appropriations are contingent on enactment of house bill 158 or similar legislation of the second session of the fifty-seventh legislature updating accountability provisions.

(9) PUBLIC EDUCATION DEPARTMENT 5,100.0

To conduct a randomized controlled trial of high impact tutoring during the school day to improve student reading proficiency and math proficiency. Up to one hundred thousand dollars (\$100,000) may be used by the public education department to evaluate and monitor outcomes. The other state funds appropriation is from the public education reform fund.

(10) PUBLIC EDUCATION DEPARTMENT 11,500.0

To conduct a randomized controlled trial of out-of-school time programs to improve student reading proficiency, math proficiency and attendance. Up to two hundred thousand dollars (\$200,000) may be used by the public education department to evaluate and monitor outcomes. The other state funds appropriation is from the public education reform fund.

(11) PUBLIC EDUCATION DEPARTMENT 7,200.0

To conduct a randomized controlled trial of innovation zones to improve student attendance, graduation and employability. Up to one hundred thousand dollars (\$100,000) may be used by the public education

For the PED line items noted above, similar GRO funding is currently included in HB 2 for additional fiscal years 2028 and 2029. This type of multi-year, however technically *nonrecurring* approach, is a signature characteristic of HB 2 GRO appropriations.

We anticipate that GRO-funded projects sponsored by individual legislators will be revealed in HB 2 via forthcoming Senate Finance Committee amendments, reflecting legislators’ i.e., House and Senate members) allocation of GRO funding as was made available to each member back in 2024. Importantly, this year, there was no public announcement of GRO funding opportunities for individual legislators to share with constituents. The process (compared to 2024) was decidedly legislative member-initiated and member-controlled.

## HB 2, Section 10: Fund Transfers

Section 10 of HB 2 outlines movement of state funding being transferred from one fund to another. In this section of the bill, HB 2 includes \$300 million for a new Higher Education Major Projects Fund, contingent on the passage of authorizing legislation.

(12) HIGHER EDUCATION MAJOR PROJECTS FUND 300,000.0  
The general fund transfer is in fiscal year 2027 contingent on enactment of house bill 8 or similar legislation of the second session of the fifty-seventh legislature creating the higher education major projects fund.

## House Bill 248 (2026): General Obligation Bonds:

In even-numbered years (i.e., those with short 30-day sessions), the New Mexico Legislature packages up a General Obligation (“GO”) Bond” bill covering three areas of major capital outlay and related infrastructure requests: higher education facilities, public library acquisitions, and senior services-related facilities. The bill must be passed by the Legislature, signed (or otherwise vetoed) by the Governor, and then its approved questions are placed on the statewide General Obligation ballot as part of the general election the following November.

[HB 248](#) (Rep. Derrick Lente) as introduced is this session’s legislative vehicle for providing funding amounts and language for consideration by New Mexico voters in the statewide election. These GO Bond requests all started their long arc of State consideration back in July with annual “summer hearings” hosted by the HED capital committee, including staff from DFA and LFC. This bill will be amended or substituted in the final week of the session to carry the state’s final slate of GO-backed capital outlay projects to be funded through the GO Bond voter approval process.

## Senate Bill 240 (2026): Other Capital Outlay

Each year, the legislature funds a miscellaneous capital outlay bill, in coordination with the Governor’s administration, for physical infrastructure and facilities projects that are to be funded by General Fund or state bonding/borrowing mechanisms, e.g., severance tax bonds that are backed by extractive industry state tax receipts.

- The Capital Outlay projects bill for 2026 will be [SB 240](#) (Sen. Benny Shendo and Sen. Pete Campos, co-sponsors). Details of the bill, including a full list of funded projects, have not yet been released. More information is below.
  - For this bill that also includes individual legislators’ capital outlay allocations, UNM submitted 25 individual/discretionary capital outlay requests to the state system for legislators to review and select from. Legislators were provided guidance from UNM Government Relations, UNM Institutional Support Services, and also from many of the campus units who proposed each of those requests.
- As a reminder, this is a discretionary process for legislators and the Governor that is focused heavily on districts that are directly relevant to UNM Albuquerque and branch campuses

because the legislature publishes reports that list how each legislator spent their individual allocation of capital outlay funds. UNM's statewide footprint helps in this regard, but capital project allocations in this bill tend to revolve around Albuquerque metro-area legislative districts and those of our UNM branch campuses.

- Appropriators and their staffs are still working to compile a list of adopted/sponsored projects and final capital outlay appropriations as of today. Details have not yet been released.
- A separate **Capital Outlay Reauthorizations** bill (also sponsored by Rep. Derrick Lente: [HB 332](#)) will be populated with significant additional detail towards the end of the legislative session. This is the bill that allows for extensions of time, changes in funding recipient, or changes in scope for existing capital outlay appropriations that were enacted in prior years.