

**NEW MEXICO STATE BOARD OF FINANCE**

**REGULAR MEETING**

**Santa Fe, New Mexico**

**May 19, 2026**

A regular meeting of the New Mexico State Board of Finance was called to order on this date at 9:05 a.m. in the Governor's Cabinet Room, 4th Floor, State Capitol Building, Santa Fe, New Mexico.

**1. ROLL CALL -- QUORUM PRESENT**

**Members Present:**

The Hon. Laura M. Montoya, New Mexico State Treasurer [virtual] 9:05-10:45 a.m.

Mr. Michael Sanchez, Secretary

Mr. Paul Cassidy, Public Member

Ms. Wendy Trevisani, Public Member

Mr. Joseph Lujan, Public Member

**Members Excused:**

The Hon. Michelle Lujan Grisham, President

The Hon. Howie Morales, Lt. Governor

**Staff Present:**

Ms. Ashley Leach, Director

Ms. Jeannette Gallegos, Deputy Director

Mr. Roberto Vasquez, Board Administrator

Mr. Zachary Shandler, Board Legal Counsel

**2. APPROVAL OF AGENDA**

**Member Trevisani moved for approval. Member Lujan seconded the motion, which passed unanimously.**

**3. APPROVAL OF MINUTES: March 17, 2026, Regular Meeting**

**Member Cassidy moved for approval of the March 17, 2026, minutes. Member Trevisani seconded the motion, which passed unanimously.**

**CONSENT AGENDA (Items 4-10)**

Presented by: Ashley Leach, Director, State Board of Finance

Submitted by: Joe Brown, Director of Capital Projects & Interim Director of Institutional Finance Divisions, Higher Education Department

4. **New Mexico State University—Requests Approval of Capital Expenditures for Shop Replacement at Farmington Agricultural Science Center (\$2,547,000)**

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5. **New Mexico State University—Requests Approval of Capital Expenditures for Office Replacement at the Artesia Agricultural Science Center (\$3,960,000)**

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6. **University of New Mexico—Requests Approval of Capital Expenditures for Reconfiguration of Space in the Student Union Building for a Starbucks (\$1,200,000)**

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7. **University of New Mexico, Los Alamos—Requests Approval of Capital Expenditures for Los Alamos Open Space infrastructure Improvements Phase II (\$3,162,247)**

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8. **University of New Mexico, Gallup—Requests Approval of Capital Expenditures for Gurley Hall Renovations and Improvements (\$5,500,000)**

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9. **Northern New Mexico College—Requests Approval of Capital Expenditures For Infrastructure Upgrades to Safety and Accessibility (\$4,281,332.34)**

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Submitted by: William Hawkins, Superintendent, Silver Consolidated Schools

10. **Silver Consolidated Schools—Requests Approval of the Sale of Real Property, Located at 1625 Little Walnut Road in Silver City, to Aldo Leopold Charter School (\$1,675,000)**

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- Contingent on director and counsel receipt of a fully executed purchase agreement and a fully executed quitclaim deed

**Member Cassidy moved for approval of the Consent Agenda, with the contingency. Member Lujan seconded the motion, which passed unanimously.**

## **STAFF UPDATES**

Presenter: Ashley Leach, Director, State Board of Finance

### **11. Director's Report**

#### **-- Update on the Transition of State Education Network Funding and Management from the Public Schools Facilities Authority to the Office of Broadband Access and Expansion**

Ms. Leach stated that SB 401 from the 2025 legislative session moved all funding and oversight of the State Education Network (SEN) to the Office of Broadband Access and Expansion (OBAE). The SEN was overseen and administered by the Public School Facilities Authority (PSFA) and included the availability of up to \$10 million annually from supplemental severance tax note proceeds for education technology infrastructure. Previously, the funding need was certified by PSFA. Beginning this June, the Board will receive a certification directly from OBAE and the administration of funds will flow through OBAE. Previous uses of the funds were less transparent, with the full \$10 million being certified under one lump sum. DFA has advised OBAE that it will require a more detailed certification, including information on specific grants to schools as well as projects funded directly by OBAE.

#### **-- Administrative Code Rule Updates**

Ms. Leach said she was happy to announce that 2.61.2 NMAC, the Board's MRA rule, was published and filed in March, without protest.

#### **-- Staffing Updates**

Ms. Leach reported that Nicholas Gonzales, the division's financial coordinator, who has been with the Board since 2020, is now working for former Board Deputy Director Marcos Trujillo, who is now with PSFA. Staff is actively working to fill that position soon.

## **PRESENTATIONS**

Presenter: David Paul, Fiscal Strategies Group

### **12. Presentation of the Annual Debt Affordability Study**

Mr. Paul made a slide presentation.

Treasurer Montoya commented that there has been a lot of conversation at the national level by individuals wanting to manipulate or shift credit ratings. She asked Mr. Paul how that would impact New Mexico. Mr. Paul responded that the letters that he has seen in terms of galvanizing political activity with respect to the rating agencies have been less about forward-looking financials than things like DEI and ESG. This is a very political issue, but the irony is

that the war in Iran has done more to accelerate national focus on alternatives than any rating agency evaluation. If one were to look down the road ten years from now, dependency on the Gulf will be significantly less than it is currently, and similarly on fossil fuels.

### **BONDING PROGRAMS**

Presenter: Luis Carrasco, Bond Counsel, Rodey, Dickason, Sloan, Akin & Robb P.A.

**13. Authorizing & Delegating Resolution for State of New Mexico Severance Tax Bonds, Series 2026 (Maximum Principal Amount of \$385,000,000)**

Mr. Carrasco reviewed highlights from this resolution. He stated that this issuance would fund projects appropriated by the legislature during the 2026 session as well as one project remaining from the 2025 session. The resolution includes a blank project list that will be brought back to the Board at the June meeting for finalization following the due diligence process and determination of project readiness.

**Member Cassidy moved for approval. Member Trevisani seconded the motion, which passed unanimously.**

**14. Authorizing Resolution for State of New Mexico Severance Tax Bonds, Series 2026S-A1 and Series 2026S-A2 (Maximum Principal Amount of \$850,000,000)**

Mr. Carrasco stated that this series of short-term notes will fund projects authorized by the 2026 legislature, including statutory set-asides for water, colonias infrastructure, tribal infrastructure and (since 2023) the NM Housing Trust Fund. These are traditional projects funded with severance tax notes over the last several decades and will be funded to the extent possible with the proceeds of the 2026S-A1 note up to a maximum amount of \$652,900,000. In addition, in accordance with HB 253, passed in the 2024 legislature, the Series 2026S-A2 note in the maximum total amount of \$197,100,000 is to provide funding for the Capital Development Reserve Fund.

**Treasurer Montoya moved to adopt the authorizing resolution for the State of New Mexico Severance Tax Bonds, Series 2026S-A1 in the total maximum principal amount of \$652,900,000 and Series 2026S-A2 in the total maximum principal amount of \$197,100,000. Member Cassidy seconded the motion, which passed unanimously.**

**15. Authorizing Resolution for State of New Mexico Supplemental Severance Tax Bonds, Series 2026S-B (Maximum Principal Amount of \$700,000,000)**

Mr. Carrasco stated that these supplemental notes have historically funded only capital outlay projects and public school capital improvements, however, in the 2026 legislature, the legislature authorized and directed the Board to issue supplemental severance tax bonds of up to \$280,000,000 to plan, design, construct, equip, furnish and landscape a new School of

Medicine at the University of New Mexico. This resolution authorizes up to \$420,000,000 for the purposes to be certified by the PSCOC and \$280,000,000 for the School of Medicine project for a combined amount not to exceed \$700,000,000.

Ms. Leach stated that tax revenue projections right now are closer to \$300,000,000, but because of the timing of the increase in oil prices, they are not sure how the revenues will come in. They did add some extra room on this note, but they are looking more at a cash balance of closer to \$1.1 billion to \$3 billion at the time of the sale, so they are looking at probably an issuance much lower than the \$700,000,000.

**Member Cassidy moved for approval. Member Lujan seconded the motion, which passed unanimously.**

Presenter: Kenneth Guckenburger, Partner, Kutak Rock LLP

**16. Preliminary Official Statement for State of New Mexico Severance Tax Bonds, Series 2026A**

Mr. Guckenburger made this presentation.

**Member Lujan moved for adoption. Member Cassidy seconded the motion, which passed unanimously.**

**STATE INSTITUTION & COMMISSION BONDS**

Presenters: David Quintana, Acting Cabinet Secretary, NM Department of Transportation; Darren Hodge, Managing Director PFM Advisors; Luis Carrasco, Bond Counsel, Rodey, Dickason, Sloan, Akin & Robb, P.A.; Erik Harrigan, RBC Capital Markets

**17. New Mexico Department of Transportation—Requests Approval of the Issuance of State Transportation Bonds, Series 2026A (maximum principal Amount of \$220,000,000)**

Mr. Carrasco, bond counsel for the New Mexico Finance Authority, stated that this would authorize and direct NMFA to issue these bonds in an amount up to \$220,000,000 to secure associated federal grant funding for state transportation projects planned by the NM Department of Transportation. He detailed the bond provisions.

Ms. Leach stated that approval would be contingent upon director's receipt of (1) evidence and confirmation that all bond issuance parameters have been met, as outlined in the resolution authorizing the issuance of the NHU Series 2026 Bonds, and (2) fully executed legal documents, including the NMFA Authorizing and Delegating Resolution the STC Authorizing Resolution; the 27th Series indenture of Trust; and the Bond Purchase Agreement.

**Member Trevisani moved for approval, with the contingencies. Member Cassidy seconded the motion, which passed unanimously.**

[Treasurer Montoya signed off from the meeting.]

## **HIGHER EDUCATION REQUESTS**

### **CAPITAL EXPENDITURES**

Presenters: Gerald Hoehne, Chief of Staff, Higher Education Department; Joe Brown, Director of Capital Projects & Interim Director of Institutional Finance Divisions, Higher Education Department; Ryan Trosper, President ENMU-Ruidoso; Dr. Karen Massey, Chief Business Officer, ENMU-Ruidoso; Melissa Walker, Project Manager/Architect, Parkhill; Tony Major, CFO, ENMU-Ruidoso; Secretary Stephanie Rodriguez

**18. Eastern New Mexico University, Ruidoso—Requests Approval of Capital Expenditures for Construction of Phase I of a New Workforce Training Center Addition (\$10,006,982.22)**

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Mr. Hoehne stated that ENMU, Ruidoso, is requesting approval of capital expenditures totaling \$10,006,982.22 for a new workforce training center. The first phase of this project would involve construction of a 14,878-square foot facility to support workforce development in trades such as welding, electrical, plumbing, and HVAC. The first floor would include multi-use training spaces, specialized equipment areas, a cyber range, classrooms and support spaces, while the second floor would remain unfinished for future instructional expansion. The project is designed to meet regional workforce needs, expand program capacity, and enhance training opportunities without disrupting existing campus operations.

Mr. Hoehne stated that this project includes \$3,000,000 from a 2024 GOB appropriation, \$375,000 from a 2025 general fund appropriation, \$2,969,585.25 from a local general obligation bond, and \$3,662,395.97 from local funds.

Responding to Member Lujan, Dr. Massey said she believed these would be degree programs, but they would definitely be certificate programs. All would be licensed by the state to work in their field.

Responding to Member Trevisani, Dr. Massey stated that, as a branch community college, most of their students are local or regional, and they expect most of the enrollees in this program will be local people because of the lack of available housing. There will be plenty of employment for the graduates because of the demand for these skills in the area.

Responding to Member Cassidy, Mr. Hoehne said the department has been very successful in securing BR&R money as a non-recurring appropriation each year by the legislature. The funding started out in 2018 as \$8 million and has grown to \$32.5 million. That particular funding is really designed to address these recurring needs that institutions have

that can be placed on lifecycle replacements, such as HVAC units and boilers. It is also available for roof replacements and other types of building renewals that are necessary that relieve the capacity of capital outlay.

Member Cassidy asked if the Board ought to be more focused on square footage and is \$32.5 million adequate. Mr. Hoehne responded that square footage is reviewed on a project-by-project basis, so they always look for opportunities to utilize, reuse or renovate existing space. They also look for opportunities to partner with other institutions to better utilize square footage. Holistically, they have asked the institutions to do master planning to ensure they are fully utilizing existing space. As to whether \$32.5 million is adequate, the answer is no. Higher Education has roughly \$1+ billion of deferred maintenance needs across all of the campuses, although the funding they have received over the last five or six years has been extremely helpful.

**Member Lujan moved for approval. Member Trevisani seconded the motion, which passed unanimously.**

Presenters: Gerald Hoehne, Chief of Staff, Higher Education Department; Joe Brown, Director of Capital Projects & Interim Director of Institutional Finance Divisions, Higher Education Department; Dr. Michael Richards, Executive Vice President, UNM Health Sciences; Joseph Wrobel, Chief Budget & Facilities Officer, UNM Health Sciences; Stewart Livsie, Director HSC Capital Projects, UNM Health Sciences; Rodney Martinez, Chief Financial Officer, UNM Comprehensive Cancer Center

**19. University of New Mexico Health Science Center—Requests Approval of Capital Expenditures for Phase III of the Comprehensive Cancer Center Tenant Improvement Radiation Oncology and cGMP Lab Expansion (\$19,617,601)**

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Mr. Hoehne stated this project request continues the buildout of unfinished shell space at the UNM Cancer Center in Albuquerque. This new phase includes 3,693 gross square feet for a cellular therapy laboratory, 10,884 gross square feet for clinical trials and hematology support space, and 12,320 gross square feet to support clinical administrative care coordination, research administration, and programmatic operations directly associated with the expanded Radiation Oncology, Hematology, Cellular Therapy and Clinical Trials programs. The funding for this project includes \$15 million from state general fund appropriations and \$4,617,601 of Health Science Center internal funds.

Mr. Livsie said they anticipate finishing this project in May 2027.

Member Trevisani asked if there is a best practices sharing opportunity across cancer centers in New Mexico, and will this initiative require the addition of more oncologists and related staff.

Mr. Martinez responded there are opportunities to initiate a best practices and share across the state, and this is part of their mission. He stated that recruitment is always a challenge for any health facility, but they have faculty members to advance these projects, and they have been recruiting and hiring since 2017, so this has been a longstanding project for them.

**Member Cassidy moved for approval. Member Trevisani seconded the motion, which passed unanimously.**

Presenters: Gerald Hoehne, Chief of Staff, Higher Education Department; Joe Brown, Director of Capital Projects & Interim Director of Institutional Finance Divisions, Higher Education Department; Dr. Michael Richards, Executive Vice President, UNM Health Sciences; Joseph Wrobel, Chief Budget & Facilities Officer, UNM Health Sciences; Stewart Livsie, Director HSC Capital Projects, UNM Health Sciences

**20. University of New Mexico Hospital—Requests Approval of the Initial Phase of the Site Preparation for the Planned School of Medicine (\$150,000,000)**

Mr. Hoehne stated that UNMH is requesting approval of \$150,000,000 of capital expenditures for site preparation related to the planned new School of Medicine. This phase includes demolition of existing Facilities Management and support structures within the project footprint. Eleven buildings, totaling 35,000 square feet, will be demolished.

Mr. Hoehne stated that the new UNM School of Medicine facility will comprise 867,338 gross square feet at an estimated cost of \$636,000,000, representing the largest investment of state capital outlay funding to a higher education institution in the state's history. The funding package spans two legislative cycles alongside significant institutional commitment. During the 2025 legislative session, \$30 million was appropriated from the state general fund. During the 2026 session, funding includes \$150 million from the state general fund, \$280 million in supplemental severance tax bonds, and \$160 million in state general obligation bonds, which will go on the ballot for voter approval in November 2026. UNM is also set to contribute \$60 million to the project. Funding for this initial phase will come from the \$150 million appropriated from House Bill 2 in the 2026 legislative session.

Mr. Livsie said UNMH will return to the Board of Finance in February 2027 to request approval of the final construction project. They estimate construction will take a total of 30 months.

Dr. Richards reviewed slides. They anticipate being in the building by July 2030 with the first graduating class in 2034.

Member Sanchez asked how many medical students they will accept in the next ten years. Dr. Richards responded that they anticipate doubling the size of the undergraduate medical

school class, which is currently 103, so they will be aiming for 200-210 students, for which they will seek accreditation. The national average is 150, which gives them a buffer above and beyond that. They anticipate the doubling of other health profession students that are trained in the school of medicine, which is another 1,000 students. They have about ten other health profession programs, including the master's and Ph.D. biomedical science training programs. This includes physical therapy, occupational therapy, radiation science, EMS, and anesthesia assistants.

Member Sanchez asked if UNMH is working toward attracting students from New Mexico and stressing the advantages of practicing within the state from a business perspective. Dr. Richards responded that they have multiple strategies to grow the workforce using students from New Mexico and creating opportunities for them to stay in New Mexico. This is central to their mission. They have a host of K-12 programs across the state designed to give individuals the opportunity to learn about health profession careers.

Mr. Hoehne stated that, under the leadership of Secretary Rodriguez, they have embarked on a comprehensive outreach effort in order to establish a communications team for HED. The communications team has been working closely with UNM on the Health Sciences side to ensure they are promoting all of their health professional repayment programs that the department offers. They provide for loan repayment for people who participate in workforce programs in the state, which have been very beneficial in helping build the workforce. During the last legislative session, HB66 opened up that program to out-of-state physicians, bringing them into New Mexico for a commitment of a certain number of years. It allows for the doctors to later relocate, practice here, and with the hope they will stay in NM.

**Member Cassidy moved for approval. Member Lujan seconded the motion, which passed unanimously.**

## **SYSTEM REVENUE BONDS**

Presenters: Joe Brown, Director of Capital Projects & Interim Director of Institutional Finance Divisions, Higher Education Department; Dr. Jonathan Fuentes, President, Clovis Community College; Bob Dart, VP IT & Operations, Clovis Community College; Chris Muirhead, Bond Counsel, Modrell Sperling Law Firm

**21. Clovis Community College—Requests Approval of the Issuance of System Improvement Revenue Bonds Series 2026 for the Purchase of the Chase Gentry Building in Clovia (maximum principal amount of \$3,547,544)**

Mr. Brown stated that the bonds would be used to purchase the Chase Gentry Building in Clovis from Clovis Economic Development. This 35,000-square-foot building is conveniently across the street from Clovis Community College (CCC) and will provide space for workforce training. CCC plans to offer programs such as CDL, electrical, HVAC, construction and plumbing.

Dr. Fuentes stated that they are very excited about this program. He said this is a joint venture between CCC, Clovis Economic Development, and Clovis Chamber of Commerce. The building was appraised at \$3.8 million, and the purchase price has been set at \$3 million thanks to a gift of \$900,000 from Clovis Economic Development. CCC plans to borrow \$200,000 to connect the building to the campus infrastructure and to purchase furniture, fixtures, and equipment. The building has 22,250 square foot of open areas and 12,450 square feet of offices, with a training room, large and small conference rooms, a cafeteria, and necessary infrastructure.

Responding to Member Sanchez, Dr. Fuentes stated that CCC has 4,000 students every academic year, and 2,500 in the fall semester are credit students. They serve many non-credit (workforce education) students.

Responding to Member Cassidy, Dr. Fuentes said they expect that the loan from New Mexico Finance Authority would mostly come from tuition fees generated from the CDL program. With additional programs being added such as electrical, they expect the tuition fees alone would cover the entire cost of the loan.

Ms. Leach stated that purchase would be contingent upon director's receipt of evidence and confirmation that all bond issuance parameters have been met, as outlined in the resolution authorizing the issuance of the Series 2026 bonds.

Ms. Leach read the parameters.

**Member Lujan moved for approval, with the contingencies. Member Trevisani seconded the motion, which passed unanimously.**

## **GRADUATE PROGRAMS**

Presenters: Dr. Jody Weber, Education Administrator, Higher Education Department; Dr. Michael Richards, Executive Vice President, UNM Health Sciences; Shelly McLaughlin, MS, EMT-1, Associate Dean for UNM Health Professions Programs; Jen Panhorst, DSW, LCSW, UNM MSW Interim Director; Janelle Torres-Groover, LCSW, MPH, UNM MSW Field Director; Mark Chisholm, Policy Director, Higher Education Department; Todd Hynson, Health Sciences Center Registrar and Student Services Officer, UNM

### **22. University of New Mexico—Requests Approval of the Master of Social Work Degree Program**

Ms. Panhorst made a slide presentation.

Member Trevisani commented that there seems to be a dichotomy between the demand for social workers and the supply of behavioral health centers or recovery centers. S

Ms. Panhorst responded that one of the goals of the Behavioral Health Reform and Investment Act enacted in 2025 is to make sure that there are successful services that are available throughout the state. This can certainly be a mission of UNM.

Dr. Richards stated that the Act was designed to rebuild and regionally localize the state's behavioral health and substance use care systems. As part of the Act, there is a requirement for the HED institutions to line up their workforce training programs to cover some of the workforce needs to be identified in the needs assessments for the regions, which UNM will be addressing through residency training programs and initiatives like their advance practice nursing program.

Responding to Member Cassidy on their ability to meet demand, Ms. Panhorst stated that, once they are fully built out by fall 2028, they expect to have roughly 85 students. If there are demands that exceed that, they would certainly look into building out further while staying in line with accreditation standards.

**Member Trevisani moved for approval. Member Sanchez seconded the motion, which passed unanimously.**

## **GENERAL SERVICES DEPARTMENT**

### **CONTRACTS**

Presenter: Anna Silva, Cabinet Secretary, General Services Department

**23. General Services Department—Requests Approval of an Amendment (Change Order #6) to the Contract with Jaynes Corporation for the Construction of a New Forensic Facility at the New Mexico Behavioral Health Institute Campus, Located at 3695 Hot Springs Blvd in Las Vegas (\$37,912,013.05)**

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Ms. Silva stated New Mexico GSD is requesting approval of Change Order #6 to its contract with Jaynes Corporation for construction of the 123,000-square-foot forensic facility for the Department of Health's New Mexico Behavioral Health Institute campus in Las Vegas. The amendment includes an additional \$37,912,013.65. This request includes the change order in the amount of \$35,598,134.31 as well as an increase to contingency in the amount of \$2,313,878.13. This request includes alternate 1, which will be complete in October 2027. Total budget is \$218 million, and it will be complete in November 2028.

Ms. Silva presented drone footage of the subject property and construction.

Ms. Leach stated that approval is contingent upon director and counsel receipt of a fully executed change order #6.

**Member Cassidy moved for approval. Member Trevisani seconded the motion, which passed unanimously.**

## **PROPERTY ACQUISITIONS**

Presenter: Anna Silva, Cabinet Secretary, General Services Department

### **24. General Services Department—Requests Approval of the Acquisition of Real Property, Located at 114 Carlisle Blvd SE in Albuquerque, known as the Immanuel Presbyterian Church (\$0 Donation)**

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Ms. Silva requested approval of the donation of the Immanuel Presbyterian Church in Albuquerque. The property includes the 38,000-square-foot church, a parking lot, and two cell phone towers that are under long-term leases. The property was appraised at \$2,465,000 and GSD will receive it as a donation from the Presbyterian Church. The church was designed by John Gaw Meem and is listed on the New Mexico Register of Cultural Properties and the National Register of Historic Places. In December 2025, the congregation voted to donate the building to the state, based on high maintenance cost and the high cost of preserving the facility.

Member Lujan asked if there are any environmental concerns connected with the building. Ms. Silva responded that a facility condition assessment will be done once the property is received.

Member Cassidy asked if there are resources in place in the budget to cover maintenance, asbestos rehab, etc. He asked if there is sufficient budget to operate the facility. Ms. Silva responded that they have not been appropriated maintenance costs for the facility, as they do not own it at this point. If approved, budget would be addressed in September. They would use existing money and ask for an additional appropriation in the next fiscal year.

Member Cassidy asked what it would cost to operate this facility. He noted that there is no identified use for it. Ms. Silva responded that a master plan is currently underway for Albuquerque and should be done by June. GSD does need office space in Albuquerque for employees, which is the purpose of the master plan. She said no decision has been made on the use of the facility.

Ms. Silva said her office would be requesting \$50 million in capital outlay to make improvements to the facility.

Ms. Leach stated that approval is contingent upon director and counsel receipt of a fully executed donation agreement and a fully executed warranty deed.

Member Cassidy asked if there is precedent for accepting something like this without an authorized budget. Ms. Silva responded that GSD often accepts land and buildings as donations. They received the PRC building, which included an exchange of money, but they

accepted it without an appropriation for improvements and had to return to the legislature for additional funding.

Member Sanchez commented that this is an asset to the state regardless, although the value is not yet known. If there are future problems with it, the state could sell it. The other benefit would be having state employees who are currently in crowded spaces being able to move to a facility where there is potential office space.

Member Sanchez asked Ms. Silva if this property is considered to be an asset for the state. Ms. Silva responded yes, because there is a need for office space and it is possible they would be moving employees from leased space to state space. If it was the intention to postpone the decision until receipt of a \$50 million appropriation, the ask would come from GSD in June, and they would have go through the capital outlay process in October, and it would go to the legislature until 2027. Since they don't know if the appropriation would be approved, it would delay the approval until 2027.

**Member Sanchez moved to postpone this item until the next meeting. Member Lujan seconded the motion, which passed unanimously.**

### **EMERGENCY FUNDING**

Presenter: Joseph P. Turk, Legal Director, NM Office of Guardianship

#### **25. New Mexico Office of Guardianship—Requests Approval of an Emergency Operating Grant for an F26 Budget Shortfall (\$200,000)**

Mr. Turk stated that this emergency grant is being requested to cover an FY26 budget shortfall for the Office of Guardianship (OOG), which provides guardianship services for income-eligible adults adjudicated by courts as legally incapacitated. He stated that the deficiency is in salaries and benefits, and this is not new to the agency. For the last several years, they have had a deficiency in these categories of between \$270,000 and \$380,000. They address this by moving money from the contracts category to salaries and benefits, which allows them to pay staff for the fiscal year. This year, the legislature added a provision to HB2 that states that they have to spend at least \$7.4 million on providing legal and other services to their clients, and their contract budget is \$7.531 million, leaving them \$131,000 they can borrow from the contracts category to pay for other salaries. They learned about this provision in February when they attempted to borrow money from the 400 category for other services in an amount of about \$140,000.

Mr. Turk said they have implemented a number of cost-saving measures, including delaying critical hires and leaving positions vacant, as well as reclassifying a few positions to lower pay grades. They have five vacancies this year, which is significant given that they have a staff of eleven. Their deficit is currently \$189,000.

Mr. Turk stated that they are requesting a grant rather than a loan because of their limited budget going forward in the contracts category. They have 1,070 cases at the current time, which is a built-in monthly expense. Guardians are paid \$445 a month for each case, which adds up to \$5.9 million from their \$7.6 million budget. They also have a waitlist they have to process. They also manage the treatment guardianship program, and guardians are paid \$175 a month, and the number of them has risen from 475 to 665 each month, and they anticipate about \$1.25 million out of their budget next year, which is a total of over \$7 million in their contracts category.

**Member Sanchez moved for approval of this request. Member Cassidy seconded the motion, which passed, with Member Lujan abstaining.**

### **INFORMATIONAL ITEMS**

Presenter: Vikki Hanges, Chief Investment Officer, State Treasurer's Office

**26. State Treasurer's Office Quarterly Investment Report for Quarter-Ended March 31, 2026**

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Ms. Leach presented this report.

Presenter: Ashley Leach, Director, State Board of Finance

**27. General Services Department Capital Buildings Repair Fund Financial Status and Legislative Capital Projects Financial Status Reports for Month-Ended April 30, 2026**

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Ms. Leach reported that, for the month ended April 30, 2026, GSD has expended \$37 million in awards YTD. The fund's uncommitted balance was \$29.6 million. Expenditures FYTD totaled almost \$10 million.

Reporting on the Legislative Capital Projects Financial Status Report, Ms. Leach stated that a total of \$230 million was expended.

**28. State Treasurer's Office Investment Report for Months-Ended February 28, 2026, and March 31, 2026**

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Ms. Leach reported that, at the end of March, STO managed \$18.9 billion in assets and earned \$60.2 million from its investment positions. Portfolios decreased by \$78 million due to volatility in the markets.

**29. State Board of Finance Emergency Funding Updates**

Emergency Balances – May 19, 2026

	<u>Balance</u>	<u>Appropriation</u>
Operating Reserve Fund	\$ 908,553.57	\$4,000,000.00
FY25-26 Special Appropriation	\$0.00	\$2,000,000.00
Emergency Water Fund	\$0.00	\$ 109,900.00

Ms. Leach reported these balances.

**30. Fiscal Agent and Custodial Bank Fees Report**

Ms. Leach reported that, in April, SBOF saw positive fiscal agent fees for the first time since April 2024. Fees totaled \$13,500.90. Gross fees, prior to application of the earnings credit, totaled \$117,785.35. Positive fees were driven primarily by an increase in gross fees and a comparatively lower balance subject to earnings.

Ms. Leach stated that fees for the custodial bank services remain at about \$15,000 per month.

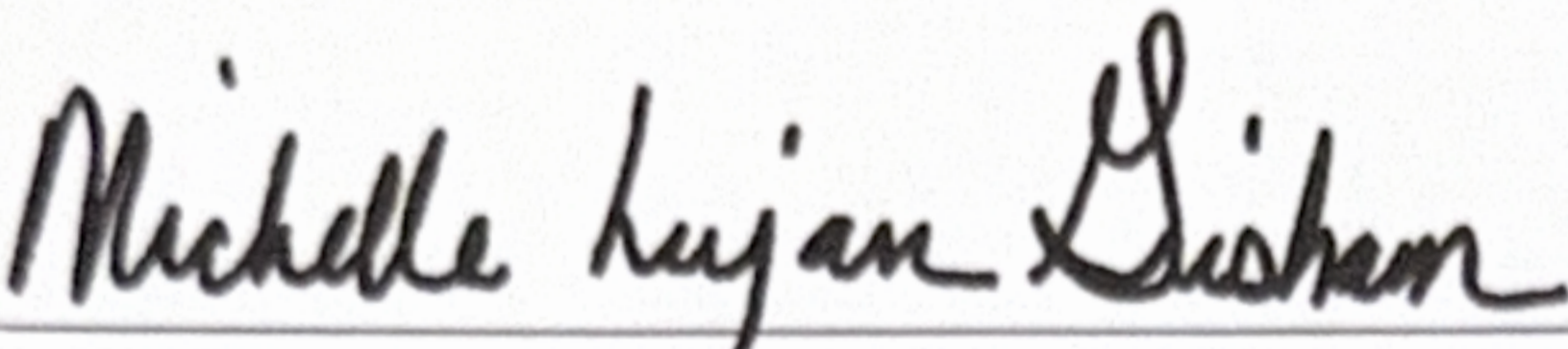
**31. Department of Finance & Administration Approved Joint Powers Agreements for Months-Ended March 31, 2026, and April 30, 2026**

Ms. Leach reported that there were six JPAs during the March and April period:

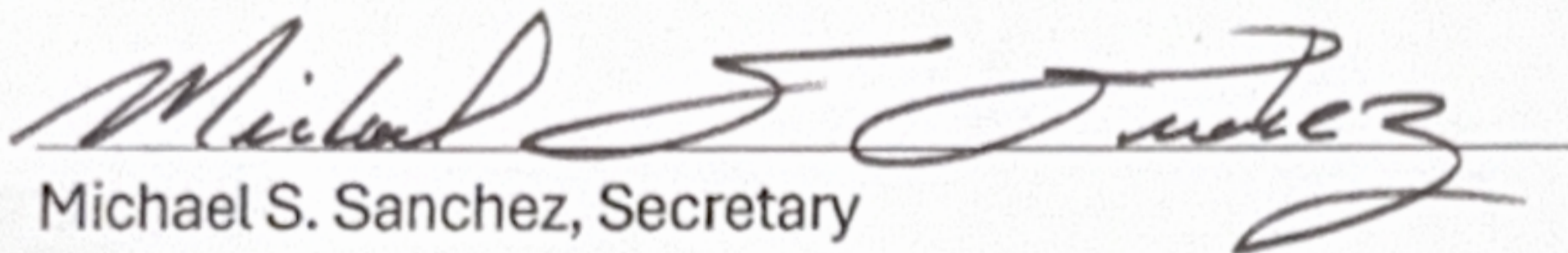
- City of Albuquerque and Middle Rio Grande Conservancy District: To effectuate the provisions of the Rio Grande Valley State Park Act, which are to define board objectives and responsibilities to identify the need to incorporate recreational, educational, and environmental uses of the park.
- Curry County/Curry County Sheriff’s Office and the Village of Melrose: Request from the village for assistance from the sheriff’s office to provide sufficient coverage of law enforcement to the village.
- Curry County/Curry County Sheriff’s Office and the Village of Grady: Request from the village for assistance from the sheriff’s office to provide sufficient coverage of law enforcement to the village.
- New Mexico Department of Transportation and the Navajo Nation: Intergovernmental Agreement for NMDOT to reconstruct NM 371 and Navajo Route 36 Intersection.
- State of New Mexico Public Charter Schools and Equip Academy: Equip Academy’s Governing Board approved the Resolution to become a party to the NM Charter School Educational Service Association for the cooperative purchase of goods and services.

- State of New Mexico Public Charter Schools and Inspira Steam Academy: Inspira Steam Academy's Governing Board approved the Resolution to become a party to the NM Charter School Educational Service Association for the cooperative purchase of goods and services.

**ADJOURNMENT: 1:20 p.m.**

  
Michelle Lujan Grisham, President

6/17/26  
Date

  
Michael S. Sanchez, Secretary

June 17, 2026  
Date