

NEW MEXICO STATE BOARD OF FINANCE

REGULAR MEETING

Santa Fe, New Mexico

July 21, 2026

A regular meeting of the New Mexico State Board of Finance was called to order on this date at 9:15 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. Howie Morales, Lt. Governor [leaving at 10:15 a.m.]

The Hon. Laura M. Montoya, New Mexico State Treasurer

Mr. Michael Sanchez, Secretary [virtual attendance, signing off at 10:20 a.m.]

Mr. Paul Cassidy, Public Member

Ms. Wendy Trevisani, Public Member [virtual attendance, signing off at 11:05 a.m.]

Mr. Joseph Lujan, Public Member

Members Excused:

The Hon. Michelle Lujan Grisham, President

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 Cassidy moved approval of the agenda. Treasurer Montoya seconded the motion, which passed unanimously.

3. APPROVAL OF MINUTES: June 16, 2026, Regular Meeting

Member Lujan moved for approval of the June 16, 2026, minutes. Member Cassidy seconded the motion, which passed, with Treasurer Montoya abstaining.

CONSENT AGENDA (Items 4-13)

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

Submitted by: Gerald Hoehne, Chief of Staff, New Mexico Higher Education Dept.

4. **Eastern New Mexico University—Requests Approval of Capital Expenditures for New Construction of the Animal Production Facility (\$2,418,204)**
5. **University of New Mexico Hospital—Requests Approval of Capital Expenditures for Expansion of the 1301 Lomas Workstation (\$1,800,000)**
6. **University of New Mexico Hospital—Requests Approval of Capital Expenditures for Expansion of the Lands West Parking (\$2,850,000)**
7. **Western New Mexico University—Requests Approval of Capital Expenditures for the Acquisition of the Sixth Street Elementary School (\$1,411,983.43)**

- Contingent upon director and counsel receipt of (1) a fully executed joint resolution of the Board of Education of Silver Consolidated Schools District and the Board of Regents of Western New Mexico University and (2) a fully executed quitclaim deed

Submitted by: Ashley Sisneros, Real Property Specialist, Santa Fe County

8. **Santa Fe County—Requests Approval of Amendment #5 to the Lease of Real Property, Located at 1318 Luana Street in Santa Fe to Life Link, Inc. (\$45,781 / year)**

Submitted by: Bayard Roberts, Attorney, Modrell Sperling

9. **Albuquerque Public Schools—Requests Approval of the Amendment to the Lease of Real Property, Located at 800 Odelia Road NE in Albuquerque with Clear Channel Outdoor, LLC**
10. **Albuquerque Public Schools—Requests Approval of an Amendment to the Lease of Real Property Located at 1100 Texas Street NE in Albuquerque with Clear Channel Outdoor, LLC**
11. **Albuquerque Public Schools—Requests Approval of an Amendment to the Lease of Real Property Located at 807 Mountain Road NE in Albuquerque With Clear Channel Outdoor, LLC**
12. **Albuquerque Public Schools—Requests Approval of an Amendment to the Lease of Real Property Located at 915 Locust Street SE in Albuquerque with Clear Channel Outdoor, LLC**

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

13. Request for Approval to Procure Financial Advisor Services for December 2026 through December 2030

Treasurer Montoya moved approval of Items 4-13, with the contingency as noted. Member Cassidy seconded the motion, which passed unanimously.

PRIVATE ACTIVITY BONDS

Presenters: Isidoro (Izzy) Hernandez, Executive Director/CEO, Housing New Mexico; Alex Lundy, Finance Manager, Housing New Mexico; Jacobo Martinez, Assistant Director of Housing Development, Housing NM; Jeanne Redondo, Tax Credit Program Manager II, Housing New Mexico; Ada Mendez, Tax Credit Program Analyst, Housing New Mexico; Steve Likes, Bond Counsel, Kutak Rock; Leandro Cordova, Deputy County Manager, Santa Fe County; Megan Adams, Regional Development Director, TWG

14. Housing New Mexico—Requests a Private Activity Bond Volume Cap Allocation for the Nueva Acequia Project, Located at 1355 Camino de Jacobo In Santa Fe (\$10,970,624)

Mr. Hernandez presented an update on some of Housing New Mexico's accomplishments as a result of the Board's allocation of private activity bond volume cap to Housing New Mexico. On the single-family development side, they are having record reservations this year, averaging \$3.6 million on a weekly basis. They are on pace to do over \$570 million in over 2,200 families. On the multifamily side, they currently have over 50 developments statewide in one phase of construction or another in 19 municipalities and 14 counties, comprising 5,200 units. The impact is \$1.4 billion.

Mr. Martinez stated that today's request is for new construction consisting of 106 rental units, 27 of which are reserved for households with children and 33 for disabled individuals and/or victims of domestic violence. The project is designed to provide quality affordable housing for households earning 80% or less of the area median income (AMI). The project will include a community room with a residential kitchen, food pantry, mini library, laundry room, supportive services office, and a large outdoor courtyard. The development is a partnership between Santa Fe County and TWG Development, an experienced affordable housing developer with projects across the country. If approved, the bonds would be issued in September with construction to begin shortly after.

Mr. Cordova stated that multiple funding sources are responsible for this project, including the Department of Workforce Solutions, the Santa Fe County Commission, and the Executive

branch of state government. He commented that this was a partnership that brought many people together.

Responding to Treasurer Montoya, Ms. Adams said one of the greatest amenities is a very large outdoor shared courtyard, multiple playgrounds for different age groups for the family side, and on the senior side they have planters for gardening, benches with chairs for gaming, and other amenities. Each building has a shared food room, where tenants can access free food, including fresh fruits and vegetables and canned goods that are delivered every few days. There is a gym in the senior building, and there are great views from all sides.

Treasurer Montoya moved for approval. Member Cassidy seconded the motion, which passed unanimously.

HIGHER EDUCATION DEPARTMENT

CAPITAL EXPENDITURES

Presenters: Gerald Hoehne, Chief of Staff, New Mexico Higher Education Department; Scott Eschenbrenner, Associate Vice President of Facilities & Services, NMSU; Jose Loera, Executive Director, NMSU; Berta Zubiate, University Architect, NMSU; David Jauregui, Interim Dean, College of Engineering, NMSU; Associate Dean of Research, College of Engineering, NMSU; Joe. Fields, Director of Athletics, NMSU; Allen Bottorff, Vice President, Administration & Finance and CFO, NMSU; Eric Crawford, Senior Associate Athletic Director, NMSU

15. New Mexico State University—Requests Approval of Capital Expenditures for Improvements for the Stadium Press Box (\$18,225,000)

Mr. Hoehne said the funding sources for this project are \$17 million in non-recurring general fund appropriations provided during the 2026 legislative session in HB2; and \$1,225,000 in general fund capital outlay in SB240.

Mr. Eschenbrenner made a slide presentation. Planned improvements include upgraded broadcasting and communications space, event management areas, new equipment and furnishings, infrastructure upgrades, hazardous material abatement as needed, and partial demolition of deteriorated building components.

Mr. Eschenbrenner said the project is in the design stage right now. There is a one-year reversion on the funding, which will revert in June 2027, so they are on a tight timeline. They are moving aggressively and will be going through contract negotiations in a few days. Construction will begin in November 2026 and end in June 2027.

Responding to Member Cassidy, Mr. Fields said there will be four new premium suites and a big club area. They are looking at adding two additional suites, for a total of six. He said

sponsorship is at an all-time high in the fundraising. They are keeping a watchful eye on costs in the event they have to revert some of those funds to cover any shortfall, however, they are currently on track to finish this project within the existing operating budget.

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

Presenters: Gerald Hoehne, Chief of Staff, New Mexico Higher Education Department; Scott Eschenbrenner, Associate Vice President of Facilities & Services, NMSU; Alicia Giron, Associate VP for Research Administration, NMSU; Dr. Jay Misra, Associate Dean of Research, College of Engineering, NMSU; Dr. Olga Lavrova, founder and lead Director of IDEAL

16. New Mexico State University—Requests Approval of Capital Expenditures For New Construction of the Integrated Digital Enterprise Accelerator Lab (IDEAL) (\$31,150,585)

[Lt. Governor Morales left the meeting in the course of this presentation.]

Mr. Hoehne stated that this project will replace outdated photovoltaic research facilities at the Southwest Technology Development Institute with a new 14,385 gross square-foot state-of-the-art research and demonstration facility. The funding sources for this project are \$31,125,585 from New Mexico Energy Conservation and Management and \$25,000 from the NMSU Foundation. The reversion date on both funding sources has been updated to June 30, 2027.

Mr. Hoehne stated that the project includes demolition of approximately 7,543 square feet of obsolete research structures, along with associated utility relocation and site. Preparation, followed by construction of the new facility. The Integrated Digital Enterprise Accelerator Lab (IDEAL) will provide flexible laboratory space, power systems integration and energy storage laboratories, a grid simulation control room, a high-performance computing and data center, office and collaboration space, workforce training areas, and a public demonstration space.

Mr. Eschenbrenner made a slide presentation.

Dr. Lavrova stated that they look forward to working not only with Arrowhead but see this as a collaboration with other industrial representatives from large and small companies, including startups, Sandia, LANL and other labs around the country. She added that they have received inquiries from Google's energy division.

Treasurer Montoya moved for approval. Member Lujan seconded the motion, which passed unanimously.

[Member Sanchez signed off from the meeting.]

Presenters: Gerald Hoehne, Chief of Staff, New Mexico Higher Education Department; Teresa Costantinidis, Executive VP, Finance & Administration, UNM; Ed Manzanares, Strategy Associate, Campus Environments & Services, UNM; Kurt Schlough, Director, Facilities Design & Construction, UNM; Jennifer Malat, Dean, Arts and Sciences, UNM; Dr. Barbara Rodriguez, Provost and Executive Vice President of Academic Affairs, UNM; Shawna Wolfe, Vice President for Campus Environments and Services, UNM

17. University of New Mexico—Requests Approval of Capital Expenditures for New Construction of the Humanities and Social Sciences Facility (\$111,500,000)

Dr. Rodriguez introduced herself and spoke to the importance of higher education institutions delivering on the basic promise to students and the state. The College of Arts and Sciences is UNM's largest college, and there have been increases in enrollment over the last five years. The College of Arts and Sciences has experienced a 6% increase in enrollment over that period, and UNM itself has experienced a 10% enrollment increase.

Mr. Hoehne said UNM approached the Higher Education Department early on. They had discussions about the importance of replacing the existing facilities on campus. They knew the price tag would be high. They also discussed how square footage could be appropriately offset or maintained to ensure that long-term operational costs are kept low. UNM stepped up to that challenge. This project is a brand-new facility that replaces the former Humanities Building at Ortega Hall, and the construction supports the evolving academic instruction and research space solutions that are being seen in higher ed today.

Ms. Wolfe and Mr. Schlough made a slide presentation.

Ms. Wolfe noted that there have been funding intention changes from the beginning of the planning effort, but what hasn't changed is the amount of money needed for the facility. The funds in hand total \$111,500, which include a \$10 million internal bridge loan through fundraising. There is a \$19 million funding gap because a previously anticipated funding source (bond financing) did not materialize. This will be addressed through an FY28 State Capital supplemental request, and they plan to return to the Board for approval once they are prepared to move that amount forward.

Responding to Member Cassidy, Mr. Hoehne said the \$10 million internal loan has been approved by HED, and UNM has assured them that this is a fiscally sound decision. Regarding the \$19 million funding gap, because of the way UNM has phased this into bid lots, and knowing that the summer hearings start next week, when the educational institutions present requests for the upcoming session, HED has worked closely with UNM in figuring out opportunities to secure the funding. HED is comfortable with the way this has been set up along with opportunities for securing the \$19 million.

Regarding increases and decreases in enrollment, Treasurer Montoya observed on page 4 that there is a 4% decrease over a five-year period, which was inconsistent with Dr.

Rodriguez's figures presented earlier. It lists the headcount as 23,406 and the FTE at 19,521, 2% growth from the previous year but a negative 3.97% average growth in the previous 5-year period. Mr. Hoehne responded that this included COVID years, and there was a headcount decrease during COVID, which was a drop-off of in-person enrolled individuals. That will clear itself up as the years move ahead.

Treasurer Montoya referred to the funding numbers and asked if UNM's fundraising is robust enough to cover the \$10 million internal loan as well as the \$2 million for the Provost Department reserve. She asked how much UNM receives annually in fundraising.

UNM representative Nicole Thompson said the \$2 million from the Provost Department has already been set aside. Regarding the \$10 million, she said those funds are internal funds and have already been earmarked. They will pay themselves when the fundraising comes in. Last year, they raised \$8 million, and this year the amount is \$9.7 million. She said this is a three-year project, however, so they are confident that they will have the funding.

Treasurer Montoya moved for approval. Member Trevisani seconded the motion, which passed unanimously.

SYSTEM REVENUE BONDS

Presenters: Gerald Hoehne, Chief of Staff, New Mexico Higher Education Department; Teresa Constantinidis, Executive VP, Finance & Administration, UNM; Vahid Staples, Associate Director, Budget Office, UNM; George Williford, Financial Advisor, Hilltop Securities, Inc.; Katherine McKinney, Bond Counsel, Modrall Sperling

18. University of New Mexico—Requests Approval of Capital Expenditures for System Refunding and Revenue Improvement Bonds, Series 2026 (Not to Exceed \$114,200,000)

Mr. Hoehne stated that this is a request for \$114,200,000 for system refunding and revenue improvement bonds, including \$8 million in new money. The new issuance will fund the development of a low-carbon heating system in four buildings on the main campus. The geothermal project will replace existing steam heat exchangers and will include the installation of a battery storage system. UNM anticipates a par amount of \$7,723,000 for the new money bonds and \$90,25,000 for the refunding bonds. UNM is pledging a broad category of revenues, including tuition and fees, gross income and revenues of university operations, and investment income on its permanent and other funds. UNM reports net operating revenues for the last five years between \$295 million and \$489 million annually.

Mr. Staples said the resolution has an upper limit of \$114.2 million, which covers the bond, cost of issuance, and allows some flexibility which was originally built in there. He received notification this morning that they received a notice of qualification from several issuers of the surety, so they will get that. The estimated debt service on the \$8 million is about \$501,000 annually. The source of repayment will be utilities revenues. A bond just rolled off at the end

of FY26 that utilities were paying, and that is now gone, so they can absorb the new bond issuance within that revenue stream.

Mr. Stables said the second portion is the funding. He noted that there has obviously been a number of interest rate changes in the market. The minimum present value savings is required to be 3%, and they are still above that, even given where rates have moved. They will continue to monitor the interest rates and would only do the refunding portion if it meets the minimum requirement per the resolution. If approved today by the Board, they would price the bonds in early August.

Mr. Williford stated that if rates do not cooperate, they could downsize somewhat or eliminate to meet the 3%.

Ms. Leach stated that approval is contingent upon director and counsel receipt off the following: (1) confirmation as to whether a surety bond was secured and revised debt service schedules reflecting either a secured surety bond or not; (2) receipt of the official statement; (3) receipt of bond purchase agreement; (4) receipt of pricing certificate, and (5) evidence and confirmation that all bond issue parameters have been met, as outlined in the resolution authorizing the issuance of the UNM System Refunding and Revenue Improvement Bonds, Series 2026.

Ms. Leach read the parameters of the resolution.

Treasurer Montoya moved for approval, with the contingencies. Member Lujan seconded the motion, which passed unanimously.

[Member Trevisani signed off from the meeting.]

INFORMATIONAL ITEMS

Presenter: Ashley Leach, Director, State Board of Finance

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

Ms. Leach reported that, at the end of June, GSD expended \$39.6 million out of a total of \$72.5 million in awards year to date. The fund's uncommitted balance is \$35 million.

For the Legislative Capital Projects report, Ms. Leach said there was a total of \$255.7 million expended out of \$508.7 million in total appropriation.

**20. State Treasurer's Office Investment Report for Month-Ended
May 31, 2026**

Ms. Leach reported that, at the end of May, STO managed \$20.1 billion in assets. During the month, the office earned about \$63.3 million in investment positions. On an unrealized mark to market basis, the portfolios decreased by \$17.9 million.

21. State Board of Finance Emergency Funding Updates

Emergency Balances – July 21, 2026

	<u>Balance</u>	<u>Appropriation</u>
Operating Reserve Fund	\$6,000,000.00	\$6,000,000.00
Emergency Water Fund	\$ 109,900.00	\$ 109,900.00

Ms. Leach reported these balances.

22. Fiscal Agent and Custodial Bank Fees Report

Ms. Leach reported that, in June, fiscal agent fees were about \$2,600, largely because of the purchase of scanners by state agencies. Quarterly fees remained negative.

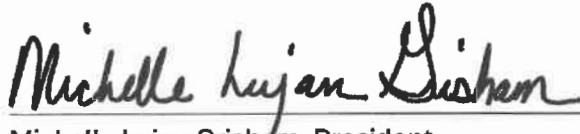
Ms. Leach said custodial bank fees have remained steady at about \$15,000.

**23. Department of Finance & Administration Approved Joint Powers Agreements
for Month-Ended June 30, 2026**

Ms. Leach reported that the following JPAs were approved by the Department of Finance & Administration for the month of June:

- New Mexico Department of Finance & Administration and New Mexico Mortgage Finance Authority: Establishes a perpetual framework for coordinating, collaborating, and implementing appropriations from the DFA to the MFA by the New Mexico Legislature.
- Santa Fe County and the Town of Edgewood: Defines the terms and conditions under which the Santa Fe County will provide fire and rescue services, fire suppression, emergency medical services and fire prevention services for Estancia within the exterior boundaries of the county.

ADJOURNMENT: 11:12 P.M.



Michelle Lujan Grisham, President

9-18-26

Date



Michael S. Sanchez, Secretary

September 28, 2026

Date