Quarterly Update as of June 2016
Local Outstanding Capital Outlay Appropriations
$300,000 to $999,999

BACKGROUND

- The LFC tracks state funds appropriated between $300,000 and less than $1 million for local capital projects with data derived from the Capital Project Monitoring System (CPMS) operated and maintained by the Department of Finance and Administration (DFA).

- "Local" capital projects are sponsored by individual legislators or the governor and funded with allocations set aside for these types of projects. In some years, individual legislators may also support funding for state-owned facilities such as museums and universities.

- Entities responsible for oversight of the project are required to update CPMS monthly; agencies are required to update quarterly.

- Since the March 2016 report, the number of entities and agencies providing updates has increased. However, there continues to be a number of discrepancies and contradictions between the entity and agency updates, e.g. line six $335,000 to plan, design and construct a library serving the SW and NW areas of Albuquerque; line 18 $322,000 to renovate a transitional living and substance abuse recovery center in Bernalillo County; and line 51 $420,750 to plan, design and construct a multipurpose municipal building in Anthony.

REPORTS

- **Attachment A** summarizes "by county" for "all" 1,490 outstanding local projects authorized between 2012 and 2015 totaling $235.5 million; the September quarterly report will include an additional 682 local projects funded or reauthorized in 2016 totaling approximately $88.8 million.

- Projects with a "red" highlight have a high percentage of unspent funds; 30 percent of funds authorized in 2012 remain unexpended, 61 percent of funds authorized in 2013 remain unexpended, and 81 percent of funds authorized in 2014 remain unexpended.

- Funding authorized in 2012 for all local projects located within Eddy, Lea, Rio Arriba, Taos, and Valencia Counties continue to have large unspent balances.

- Funding authorized in 2013 for all local projects located within Chaves, Cibola, Colfax, Guadalupe, Harding, Hidalgo, Lea, Mora, Rio Arriba, San Miguel, Socorro, and Taos Counties continue to have large unspent balances.

- Funding authorized in 2014 for all local projects located within Catron, Cibola, Colfax, Curry, Dona Ana, Grant, Guadalupe, Harding, Hidalgo, Lea, Lincoln, Los Alamos, Luna, McKinley, Mora, Rio Arriba, Roosevelt, San Juan, San Miguel, Sandoval, Sierra, Taos, Torrance, and Union Counties have large unspent balances.

- **Attachment B** is a detailed report of local projects between $300,000 and less than $1 million; including 152 projects appropriated between 2012 and 2015 with $51.2 million unexpended.

- The red circle identifies state and local entities that are not updating CPMS as required by the grant agreement between the state and the local governmental entity.

- Of the 152 projects reported, 35 are coded red due to no activity or the bonds have not sold and 35 projects are coded yellow indicating the projects are behind schedule or have little activity.

- Since the March 2016 quarterly report, nine projects closed with nearly $8.3 million expended or reverted.

- 10 projects included in Attachment B were reauthorized during the 2016 legislative session:

  o Approximately $1.5 million for five projects to extend the reversion date;

  o Approximately $2.8 million for four projects to change or expand the purpose; and

  o Approximately $375 thousand for one project to change the purpose and agency.

- Six projects in Attachment B totaling nearly $2.7 million have anti-donation issues:

  o $973,600 appropriated in 2014 and 2015 for an addition to the building and exhibits at the Explora Science Center in Albuquerque;

  o $643,000 appropriated in 2015 to equip medical and dental rooms and purchase IT equipment at the Las Cruces Central-Cervantes complex;

  o $505,000 appropriated in 2015 for improvements to a health facility at the Mesilla Valley Community of Hope Health Complex in Las Cruces; and

  o $555,000 appropriated in 2015 for a facility and related infrastructure to be owned by the City of Las Cruces for film, digital media and entertainment arts production.

MAJOR PROJECTS COMPLETED FOR THE QUARTER

- Albuquerque - Fire Department Ladder Truck Purchase (2014 STB) $874,400
- Dona Ana County – 11 Center Construction (2012 STB) $845,000
- Peralta – Sewer Line Construction (2015 STB) $500,000
- Albuquerque – Martinez Town Gateway Landscape (2013 STB) $400,000
- Tijeras – Water System Construction (2012 STB) $400,000
- SSCAFCA – Upper Dam Flood Control Facility (2015 STB) $375,000
- Hagerman – Water Storage Tank (2012 STB) $370,000
- Zuni Pueblo – Commercial Development Area (2014 STB) $370,000
- Anthony – 4th Street Road and Drainage Improvements (2014 STB) $300,000

HIGHLIGHTS OF SELECT PROJECTS - NO ACTIVITY

- $570,000 (STB) originally authorized in 2012 and reauthorized in 2014 for the Albuquerque S.E. Heights Library expansion; no expenditures to date and third party obligations have not been submitted to Local Government Division (LGD), DFA; fourth consecutive quarter with no progress and no update by entity to CPMS.

- $430,000 (STB) appropriated in 2013 to improve Zuni Road in Albuquerque; no expenditures to date, no progress due to right of way issues and is tied to federal funds. The Department of Transportation (DOT) has indicated a reauthorization to extend the time maybe necessary.

- $400,000 (STB) appropriated in 2014 for improvements to the San Mateo Dam; a grant agreement has not been executed for this project.

- $303,000 (STB) appropriated in 2013 to improve and remediate the rail yards in Albuquerque; no expenditures to date; fourth consecutive quarter with no progress and no update by entity to CPMS.

HIGHLIGHTS OF SELECT PROJECTS – SLOW OR LITTLE PROGRESS

- $564,000 (STB) appropriated in 2014 to construct and equip a welcome center at the entrance of the national Hispanic Cultural Center; no expenditures to date, but a scope of work has been prepared for the project.

- $500,000 (STB) appropriated in 2014 to improve and extend the Ramah Chapter's water system; no expenditures to date, but the design is underway.

- $400,000 (STB) appropriated in 2014 to construct drainage improvements for flood control for the Southern Sandoval County Arroyo Flood Control Authority; there have been no expenditures to date, the authority is in the process of locating their utilities to obtain required certifications to move forward with the project.

- $325,000 (STB) appropriated in 2013 for road improvements in Roswell; there have been no expenditures to date, the project is in the design phase, and will bid fall 2016.

OTHER ISSUES

- The report demonstrates local entities are certifying to the Board of Finance (BOF) readiness to proceed with a project triggering bond issuance; however, two years later the project status indicates the project is still in the planning phase.

- The BOF certification form has been modified over the years to minimize the issuance of bonds when projects aren't ready or when entities do not meet compliance with Executive Order 2013-006 requiring updated audits.

- Grantees of the project have the sole responsibility for certifying readiness of projects and for meeting audit compliance and have two years to certify readiness before the authorized funding is voided.

- Anti-donation issues arise after capital legislation is passed causing delays to start the project; anti-donation issues could be resolved and cleared with the DFA and BOF prior to funding a capital project; perhaps modifying the Capital Outlay Request form completed by the requestor and signed by sponsors could improve the timelines.

- Projects with anti-donation issues are at times delayed awaiting review and the setting of contingency requirements by the Office of Attorney General or due to failure to meet audit compliance requirements.

- If CPMS were to provide detail as to what was stalling or delaying projects, LFC staff could provide technical assistance and help agencies and local entities move their projects forward.