

LFC CAPITAL OUTLAY QUARTERLY REPORT

AGENCY: LFC Staff

DATE: July 15, 2008

PURPOSE OF BRIEF:
Capital Outlay Quarterly Report

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EXPECTED OUTCOME:
Informational

BACKGROUND INFORMATION

The purpose of the Capital Outlay Quarterly Report is to present the Legislative Finance Committee (LFC) and members of the Legislature with the most current financial accountability of all outstanding capital projects appropriated between 2002 and 2008. The report demonstrates appropriations, expenditures, and balances for all active capital projects and contains a progress report of select projects funded for \$1 million or greater through June 15, 2008. The reports are developed quarterly, draw-downs for expenditures or completion of projects that occurred after June 15, 2008 may not be reflected in the report. The report also provides a snapshot of project and grant agreement timelines for 2008 projects as provided by Local Government Division.

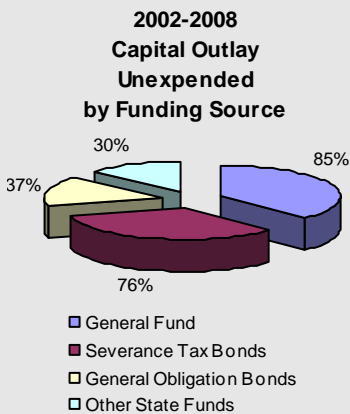
CAPITAL OUTLAY MANAGEMENT

The data for this reporting period is derived from the Capital Project Monitoring System (CPMS). The staff of the Local Government Division and LFC have worked together to significantly refine the data within CPMS. As of this date, all general fund projects with reversion dates of June 30, 2007, or earlier have been closed. Only 39 severance tax bond and general obligation bond projects totaling \$44.4 million remain to be reconciled and closed by next reporting period. CPMS reports indicate 665 projects totaling approximately \$103 million should have reverted by June 30, 2008. The \$103 million is not necessarily an amount that will revert to capacity, but may only be a system adjustment. It is anticipated this figure will be significantly reduced by next reporting period.

As reflected within this report, LFC staff continues their efforts to report the progress of those projects funded for \$1 million or greater. The Legislature's approval of an additional FTE for capital project management will allow for more in-depth project assessments, site visits, and reporting of larger funded projects. LFC staff will also begin tracking smaller projects that have had little or no activity within the first 2-3 years of the appropriated monies.

CAPITAL OUTLAY FUNDING UPDATE

Quarterly Report Results: Analysis of CPMS data for outstanding capital funding authorized between 2002 and 2008 demonstrates the following:



LFC Capital Outlay Quarterly Report, July 15, 2008.

PROGRESS OF 2008 PROJECTS (Provided by LGD)

General Fund:

- Budgets for 1,362 (475 to LGD; 887 to other agencies) projects established on May 20, 2008.
- Of 475 projects to LGD, only 193 grant agreements have been approved, signed, and returned by local entities.

Severance Tax Bonds:

- 81 projects authorized.
- Certification of project readiness submitted on June 13, 2008 for 79 projects.
- Bond sale approved on June 27, 2008.
- Bonds sold July 8, 2008.
- STB grant agreements scheduled for mailing on July 18, 2008.
- Funds available upon execution of agreements.

Reauthorizations:

- 442 projects reauthorized in 2008.
- 226 impact DFA; 116 impact other agencies.
- Project readiness questionnaires mailed on July 11, 2008.
- Questionnaire responses due back July 18, 2008.

LEGEND (\$1 Million or Greater)

LEGEND		
█	Project on schedule	249
█	Behind schedule or little activity	102
█	No activity or bonds not sold	32
Total Active Projects > \$1		383
Other report information:		
█	Appropriation expended or project complete	14
X	Additional funds needed	25

Validation for Color Coding (>\$1 million projects)

- \$3.7 billion was authorized or appropriated for 19,140 projects between 2002 and 2008.
- \$1.9 billion for 8,223 projects remains unexpended (does not include \$233.4 million for 194 projects authorized from general obligation bonds awaiting voter approval).
- Unexpended balances by fund: general fund (\$933.5 million), severance tax bonds (\$638.5 million), general obligation bonds (\$149 million), other state funds (\$75 million), state road fund (\$6.2 million), supplemental severance tax bonds (\$28 million).

Capital Outlay Funding "Active" Projects Only

2002-2008
(in millions)

Year	Number of Projects	Amount Appropriated	Amount Expended	Amount Unexpended	Percent Expended by Year
2002	25	\$ 37.1	\$ 28.1	\$ 9.0	76%
2003	269	\$ 59.0	\$ 38.1	\$ 20.9	65%
2004	620	\$ 200.4	\$ 113.7	\$ 86.7	57%
2005	962	\$ 274.3	\$ 130.8	\$ 143.5	48%
2006	1,661	\$ 641.8	\$ 121.4	\$ 520.4	19%
2007	2,836	\$ 802.5	\$ 62.6	\$ 739.9	8%
2008	1,850	\$ 383.7	\$ 3.6	\$ 380.1	1%
Total	8,223	\$ 2,398.8	\$ 498.3	\$ 1,900.5	

Note: figures do not include General Obligation Bond projects authorized in 2008.

Capital Projects \$1 Million or Greater. The \$1 million or greater report is posted on the LFC website. The report is compiled based on information provided to LFC by state agencies and higher education institutions responsible for overseeing the projects. Agencies rate (green, yellow, or red) the progress of projects based on criteria established by LFC staff. However, based on the quality of information provided, LFC staff may adjust the color code. Once posted on the LFC website, agencies will have 10 days to submit additional information that may change the progress rating or project description. The report, including 2008 appropriations of \$1 million or greater illustrates the following:

- \$914.5 million, including \$188.8 million appropriated in 2008, remains unexpended for 383 projects funded for \$1 million or greater.
- \$89.1 million was expended and 14 projects closed since the last quarter.

- **Green – Project on schedule:** Project is progressing as planned according to budget and timeline.
- **Yellow – Behind schedule:** Project is not progressing on schedule; timelines not being met; unforeseen issues have delayed project, etc.
- **Red – No activity or bonds not sold:** Grant agreements not executed, funds have not been budgeted, language or anti-donation issues, no progress reported by entities involved with the project; Bond not certified for sale.

Projects Authorized in 2007 with No Activity

- East Mesa Road Improvements - \$1 million
- North Belen Interchange Improvements - \$1 million
- Statewide Rodeo Facilities (Local Facilities) - \$1 million
- Santa Fe St. Vincent Medical Center - \$1.2 million
- Los Alamos County Road 501 Improve - \$2 million
- Equestrian Facility Construct- \$7 million

Projects Requiring Additional

- As of this date, 25 projects may require additional funds for completion; legislators can expect funding requests in 2009 for projects listed in the sidebar. (LFC staff will estimate funding needs by December 2008).
- Projects rated “red” primarily due to lack of pre-planning or insufficient funds for completion.

HIGHLIGHT OF SELECT PROJECTS:

The selection of the following \$1 million or greater projects was based on major milestones achieved since last quarter, completed projects or significant expenditures since last quarter, projects requiring additional funds, and projects with no activity since the last report, or inactive projects due to a lack of staff for project management:

Major Milestones Achieved in Last Quarter.

Wildfire Protection and Equipment

- \$4 million STB appropriated in 2006; 16 Community Wildfire Protection Plans completed and three are in final draft. All will be submitted for approval to Fire Planning Task Force September 2008.

New Mexico Institute of Mining and Technology

- \$10 million GOB appropriated in 2004 for Kelly and Jones Hall plan and design for renovation is completed and the bid has been awarded to start construction.

New Mexico State Fair

- \$1.5 million general fund appropriated in 2006 for renovation of Palomino Barn/Tingley horse show arena; project is completed and awaiting completion of punch list.

Completed Projects or Significant Expenditures in Last Quarter.

Albuquerque Small Business Incubator

- \$2.2 million general fund appropriated in 2006; \$1.6 million expended in last quarter to move construction to 70 percent complete. Construction completion projects for September 2008.

National Hispanic Cultural Center Education Complex

- \$3 million in general fund and STB appropriated since 2004; \$1.2 million expended in last quarter to move project to 80 percent of completion. Building is expected to be in use by August or early September 2008.

Funds:

Albuquerque Senior Center Central Kitchen
Santa Clara Pueblo Adult Daycare Facility
NM Farm & Ranch Museum Renovate & Construct
Museum of Natural History & Science Construct
North Belen Interchange Improve
Elephant Butte Lake State Park Improvements
Lake Roberts Dam Spillway Improve
Santa Teresa Port of Entry Phase 2
NM State Police Crime Lab
Lordsburg Port of Entry
Los Lunas Substance Abuse Treatment Center
Luna Community College Education Building
Pecos Wastewater Project
Eunice Wastewater Treatment Plant
Pojoaque Valley W&WW
Valencia County W&WW
Rio Rancho Water Project Reuse/Distribution Facilities
Eastern Navajo Nation Water Pipeline
Ruidoso Downs Regional Wastewater Treatment Plant
Ute Pipeline
NMHU Student Services Center
NMMI Dow Hall
Moriarty High School Cultural Arts Center
UNM Hodgin Hall
UNM Pit Sports Arena

New Mexico History Museum

- \$13.5 million in general fund, STB, and GOB appropriated since 2003; \$3.9 million expended in last quarter. Tower crane has been removed and roof is 90 percent complete. Completion of the project has been moved from late summer to the end of November, 2008.

Eastern New Mexico University

- \$1.5 million general fund appropriated in 2006 for Science Lab construction is fully expended and project is complete.

Projects Requiring Additional Funds.

UNM Hodgin Hall Renovate & Repair

- \$1.1 million STB appropriated in 2007 has not been expended. It is estimated an additional \$6 million is required to complete the project.

NMHU Student Services Center

- \$6.5 million in STB, GOB and general fund appropriated since 2005; estimated \$9.5 to \$12 million is required for completion.

Eunice Wastewater Treatment Plant

- \$1 million in STB appropriated in 2005 to plan, design, and construct a wastewater treatment plant in Eunice in Lea County requires an estimated \$8.5 million for completion.

Albuquerque Senior Affairs Office

- \$1 million STB appropriated in 2007; \$4.3 million available. Phase 1 estimated cost is \$11.6 million; costs could escalate while waiting for additional funds. The City of Albuquerque Department of Senior Affairs has requested \$7.2 million from its 2009 GOB issuance which is under review, but not yet approved. Additional funds will be requested in the Aging Network Package for the 2009 Legislative Session.

Luna Community College Education Building

- \$2 million GOB authorized in 2006; awaiting approval by voters in 2008 General Election for additional \$4.5 million before construction can move forward to.

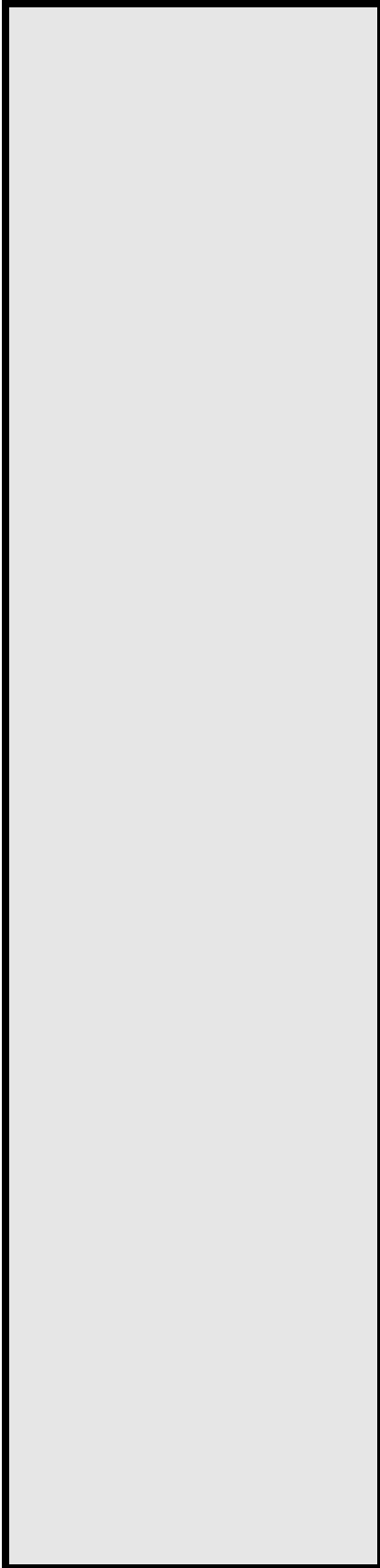
Red Flag “No Activity” Projects Since Last Quarter.

Film/ Media Training Facilities

- \$5.7 million general fund appropriated in 2007; awaiting project assignments to be determined, no funds expended.

Film Education and Training

- \$10 million general fund appropriated in 2005; \$3 million remains uncommitted with no activity since last quarter.



Los Alamos County Road Improve

- \$2 million general fund appropriated in 2007; project requires reauthorization in 2009 to correct language to allow for improvements to the West Jemez Bypass.

Economic Development Department

- \$1.5 million general fund appropriated in 2007 for Mainstreet Central Business District Improvement was to be transferred from EDD to LGD for administration; however, funds could not be transferred due to the 5 percent BAR rule. The funds will remain at EDD, but administered and awarded by LGD in FY09.

Office of State Engineer/Interstate Stream Commission

- \$2 million STB appropriated in 2008 for dam emergency repairs and \$2 million general fund appropriated in 2007 for acequia water storage unable to move forward due to staff vacancies or lack of staff.

LMK/JL:KB

