

## March 2012 Quarterly Update

### Status of Outstanding Capital Funds

- As of March 2012, approximately \$329.2 million for 879 projects remains outstanding, compared to \$364.2 million for 935 projects reported in December 2011 (includes \$86 million authorized in 2011 Special Session, but excludes 2012 authorizations).
- Percentage of outstanding funding sources: General Fund (GF) 4 percent, Severance Tax Bonds (STB) 76 percent, General Obligation Bonds (GOB) 17 percent, and Other State Funds (OSF) 3 percent.
- An additional \$114.4 million for 287 projects was appropriated in the 2012 session. The projects will be incorporated into the system following the bond issuance in May 2012.
- Since the December 2011 capital outlay report, 56 projects closed and approximately \$35.1 million was expended. The major closed projects include the following:
  - NMSU Dona Ana East Mesa Center – Phase VI \$6.0 million
  - San Juan College Health Sciences Center \$5.0 million
  - Energy Innovation and Clean Energy projects \$1.9 million
  - NM Farm and Ranch Museum construction and renovation \$1.6 million
  - Grant County Health Facility land acquisition, plan and design \$1.0 million

### 2008-2011 Capital Outlay Funding Outstanding Projects Only

(in millions)

Year	Number of Projects	Amount Appropriated	Amount Expended	Amount Unexpended	Percent Expended by Year
2008	350	\$ 360.0	\$ 269.9	\$ 90.1	75%
2009	192	\$ 152.6	\$ 84.8	\$ 67.8	56%
2010	164	\$ 82.4	\$ 27.2	\$ 55.1	33%
2011	173	\$ 121.5	\$ 5.3	\$ 116.2	4%
<b>Total</b>	<b>879</b>	<b>\$ 716.5</b>	<b>\$ 387.3</b>	<b>\$ 329.2</b>	

Source: Capital Projects Monitoring System

- Currently, 323 projects totaling approximately \$51.2 million are scheduled to revert June 30, 2012.
- The \$1 million or greater balances currently tracked by LFC staff total more than \$265.2 million for 171 projects (80.6 percent of all current outstanding funds).
- Approximately \$9 million for 92 “local” projects appropriated between 2008 and 2011 reveal no activity. Of the inactive projects, 23 totaling approximately \$3.3 million were reauthorized in 2012 and 26 projects totaling approximately \$1 million will revert June 30, 2012.

**2012 Capital Outlay Funding**

- Chapter 64 (House Bill 191) authorized \$107.5 million from STB capacity for 280 capital outlay projects statewide; an additional seven projects for \$6.9 million is authorized from OSF (game and fish retirement fund, game protection fund, miners’ trust fund, state road fund, equipment replacement revolving fund, public school capital outlay fund, and public project revolving fund).
- House Bill 191 reauthorized unexpended balances from previous year appropriations to provide funding to complete or provide funds for ongoing or critical projects. The reauthorizations include: \$4 million originally authorized in 2009 to acquire land for a health and human services complex was reauthorized to complete renovation of the Manuel Lujan, Jr., building; \$5.5 million from unused balances for the Income Support Division information system was reauthorized to provide \$3 million to complete two-way radio narrow banding statewide; and \$2.5 million to replace state-owned school buses.
- The State Board of Finance (BOF) is currently reviewing questionnaires submitted for project readiness to determine certification approval. Currently one project from 2011 and seven projects from 2012 are not ready for certification.

<b>State Board of Finance STB Projects Not Ready for Certification</b>		
<b>Approp ID</b>	<b>Approp Amt</b>	<b>Project Title</b>
11-1298	\$8,100,000	HSD INFO TECH
12-1281	\$5,000,000	STW-HSD LOS LUNAS DRUG & SUBSTANCE ABUSE CTR
12-1433	\$100,000	GRADY FIRE TRUCK PURCHASE
12-1501	\$100,000	8TH STREET IMPROVE/COAL-BRIDGE
12-1502	\$2,268,000	PASEO DEL NORTE BLVD/I-25 INTERCHANGE
12-1522	\$100,000	SANTA FE CO LA TIERRA ROADS IMPROVE
12-1529	\$100,000	ENMU SOUTH AVENUE N IMPROVE
12-1545	\$27,500,000	STW-DOT/SRF PASEO DEL NORTE
<b>TOTAL</b>	<b>\$43,268,000</b>	

- According to the Property Control Division, the \$5 million funding for the Los Lunas drug & substance abuse center was not sufficient to plan, design, and construct phase 2 of the project. Therefore, the project was not certified as ready for issuance of the bonds.
- Chapter 54 (Senate Bill 66) authorizes the issuance of GOB totaling approximately \$139.3 million for three bond issues for senior centers, library acquisitions, and higher education facilities. Issuance and sale of general obligation bonds requires approval by the electorate in the 2012 November general election.
- Chapter 63 (House Bill 190) reauthorizes 107 projects funded from previous years. An estimated \$53.5 million reauthorized (including an estimated \$27.2 million for spaceport infrastructure) will allow the projects to progress through June 30, 2014.
- Reauthorized projects funded from STB require review and certification for readiness by the BOF.
- All reauthorized projects, regardless of fund source, will require state agencies to certify balances, establish new budget documents, and issue new grant agreements – an activity that could take three to four months before funds are ready for expenditure.