

March 2015 Quarterly Update

Quarterly Status of Outstanding Capital Funds

- As of March 2015, approximately \$788.2 million from all funding sources for 2,146 projects remains outstanding; total includes \$125.8 million earmarked fund balances for water, colonias, and tribal infrastructure projects and \$167 million general obligation bond issues approved in November 2014.
- Since the December 2014 quarterly report, 156 projects closed with approximately \$80.1 million expended or reverted.
- Percentage of outstanding funding sources: general fund (GF) less than 1 percent, severance tax bonds (STB) 59 percent, general obligation bonds (GOB) 30 percent, and other state funds (OSF) 10 percent.

2009-2014 Capital Outlay All Fund Sources "Outstanding" Projects Only

(in millions)

Year	Number of Projects	Amount Appropriated	Amount Expended	Amount Unexpended	Percent Expended for Year
2009	1	\$10.0	\$8.8	\$1.2	88%
2010	2	\$0.6	\$0.5	\$0.1	78%
2011	41	\$64.7	\$50.3	\$14.4	78%
2012	343	\$239.4	\$130.1	\$109.3	54%
2013	648	\$301.7	\$104.0	\$197.7	34%
2014	1,111	\$481.5	\$16.0	\$465.5	3%
Total	2,146	\$1,097.9	\$309.7	\$788.2	

Note: Data includes projects for water, colonias and tribal earmarked funds.

Source: Capital Projects Monitoring System

- Of funds authorized from GF and STB only, \$162.6 million for state-owned projects and \$184.0 million for local projects remain unexpended. The following table demonstrates the percent expended by state and local entities by year.

2009-2014 Capital Outlay Funding "Outstanding" STB and GF Projects Only

(in millions)

Year	STATE ALLOCATIONS					LOCAL ALLOCATIONS				
	Number of Projects	Amount Appropriated	Amount Expended	Amount Unexpended	Percent Expended for Year	Number of Projects	Amount Appropriated	Amount Expended	Amount Unexpended	Percent Expended for Year
2009	1	\$10.0	\$8.8	\$1.2	88.1%	0	\$0.0	\$0.0	\$0.0	*
2010	0	\$0.0	\$0.0	\$0.0	100.0%	0	\$0.0	\$0.0	\$0.0	100.0%
2011	36	\$63.5	\$49.8	\$13.6	78.5%	0	\$0.0	\$0.0	\$0.0	*
2012	19	\$61.6	\$49.5	\$12.1	80.3%	95	\$19.7	\$10.2	\$9.5	51.9%
2013	106	\$114.6	\$50.4	\$64.2	44.0%	435	\$70.3	\$13.2	\$57.1	18.8%
2014	86	\$82.3	\$10.8	\$71.5	13.1%	680	\$121.3	\$4.0	\$117.4	3.3%
Total	248	\$332.0	\$169.3	\$162.6		1,210	\$211.3	\$27.4	\$184.0	

* No allocations made for local projects.

Source: Capital Projects Monitoring System

- LFC staff tracks all appropriations funded for \$1 million or greater totaling \$1.1 billion for 221 projects. Unexpended balances total \$628.6 million, 79.8 percent of all unexpended funds. Since the December 2014 report, five appropriations totaling \$34.6 million were fully expended.

- **Note:** Data for quarterly and \$1 million or greater reports is derived from the Capital Project Monitoring System operated and maintained by the Department of Finance and Administration; data includes expenditure, milestones achieved last quarter, projected milestones updated by state agencies responsible for oversight of the projects. The \$1 million or greater and quarterly reports are posted on the LFC website under “*Publications and Reports*” at <http://www.nmlegis.gov/lcs/lfc/lfccapital.aspx>.

Projects at Risk – Minimal or No Activity

	Year and Amount	
	<u>Appropriated</u>	<u>Balance</u>
❖ UNM – Chemistry Building	2012 – \$16 million	\$14.5 million
❖ Lincoln and Otero County Flood Damage Improvements	2008 – \$4.5 million	\$3.3 million
❖ GSD – Old Ft. Bayard Medical Center – demolition	2013 – \$4.3 million	\$4.3 million
❖ DOT – East Aztec Arterial Route	2014 – \$3.8 million	Bonds Not Sold
❖ GSD/NMDA – Tissue Digester	2013 – \$2.8 million	\$2.8 million
❖ DFA/LGD – Mora Co. Complex (<i>requires additional funds</i>)	2013 – \$1.9 million	\$1.8 million
❖ NMED – Santa Cruz Water Association water system improvements	2014 – \$1.6 million	\$1.6 million

Highlights of Major Projects

New Mexico Veterans’ Home

- On April 21, 2015, the Board of Finance approved a contract in the amount of \$23.6 million for construction of the Alzheimer and Skilled Nursing units at the New Mexico Veterans’ Home in Truth or Consequences. The funds include nearly \$17.2 million, a 65 percent match for construction only, from the federal Veterans’ Administration and \$13.8 million state severance tax bonds authorized between 2007 and 2011.

Los Lunas Substance Abuse Center

- \$6 million (STB) authorized in 2012 and 2013 to construct phase II for a residential treatment center was reauthorized in 2015; \$1.5 million reauthorized to plan, design, construct, improve, equip and furnish a women’s transitional living facility in Valencia County, and \$1.5 million was authorized to plan, design, construct, furnish and equip a crisis triage center facility in Valencia County, both operated by the New Mexico Corrections Department. The readiness to proceed must be certified by 2016 and the period for expenditure is June 2018.
- The \$3 million balance intended for a residential transitional substance abuse facility in Belen in Valencia County was vetoed. The \$3 million will revert in 2016 if not reauthorized in the next session.

Department of Homeland Security

- \$4.5 million authorized in 2008 to address flood damage that occurred in 2008 in Lincoln and Otero Counties was reauthorized in 2013 and again in 2015 to extend expenditure period for balances totaling nearly \$3.3 million. The unexpended funds were not detected until the 2015 reauthorization was approved. The department did not provide an update in CPMS for these monies, but staff will obtain for June report.

Mora County Complex

- On April 9, 2015, the governor vetoed \$1.8 million appropriated in the GAA Act to combine with more than \$2 million authorized in 2013 and 2014 to address drainage issues and complete the first floor to house the magistrate court and county sheriff office. Various funds invested to date include: state, \$5.3 million; Mora County, \$1.7 million GRT; and a \$1.5 million loan from the New Mexico Finance Authority (debt service paid by lease revenues by the Administrative Office of the Court).
- The court and sheriff personnel have been in recycled trailers since 2004 and the facilities are no longer safe for staff and the general public. The governor’s veto message indicates “some people” have indicated the complex may have structural issues, but a recent engineering assessment did not mitigate such findings. The Mora County officials and Administrative Office of the Courts have been encouraged to spend the

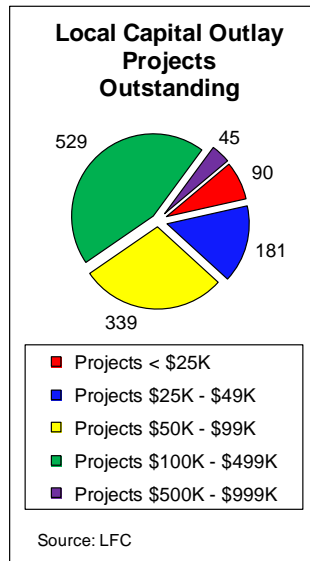
existing funds to address the drainage problems to prevent potential damage to the foundation of the complex until funding can be determined to complete the first floor.

Major Projects Completed

- NM Institute of Mining and Technology – Geology Building (2012 GOB) \$18.0 million
- Indian Water Rights Settlements \$10.0 million
- Public Education Department – Information Technology (68 Locations) \$3.1 million
- University of New Mexico – Biology Building (2012 GOB) \$3.0 million
- Santa Teresa Port of Entry \$2.5 million
- Rio Rancho Water System and Water Lines \$1.1 million

Local Issues

- For the next quarterly report, LFC staff will be developing a method to report on the outstanding balances by county and provide a status of “select” local projects within a certain dollar range. As the chart below demonstrates, as of March 15, 2015, there are 1,184 outstanding projects statewide totaling approximately \$136.5 million ranging between \$3,500 and \$999,000.



Transportation Issues

- The source of transportation funding was a major disagreement during the 2015 session. Although there was broad consensus about needs, the recent Waste Isolation Pilot Plant settlement may provide some alternatives. (See attachment)