



AGENCY: New Mexico
Department of Transportation

DATE: July 29th, 2016

WITNESS: Tom Church, Secretary

PREPARED BY: Connor
Jorgensen

EXPECTED OUTCOME: Update on
revenue and road condition

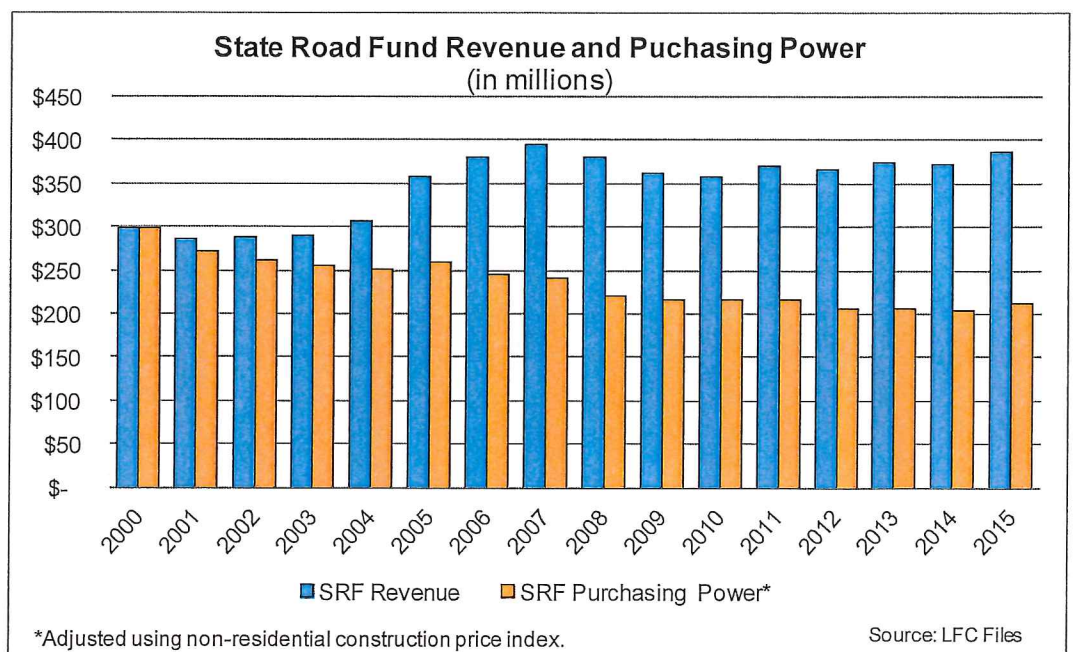
BACKGROUND INFORMATION

New Mexico’s statewide transportation infrastructure network, 30 thousand lane miles of interstate corridors and U.S. and state highways, is maintained by the New Mexico Department of Transportation (NMDOT). Construction needs of the transportation network have increased as routine maintenance has been deferred and expenses have increased. At the same time, road fund revenue growth is not keeping pace with inflation and debt service payments require a sizeable share of revenue.

Transportation Revenue

Over the past 15 years, the state road fund (SRF) had average annual growth of 1.9 percent. While the growth rate tracks with the consumer price index, or inflation rate, the non-residential construction price index increased by an average 4.1 percent over this period resulting in a 29 percent decrease in purchasing power of road user revenues since the year 2000. 91.3 percent of the road user revenues are directed to the SRF for use by NMDOT while 8.7 percent are directed to local governments for local infrastructure projects.

The slow growth in SRF revenue, forecast at 2.7 percent from FY17-FY18, is primarily attributable to gains in passenger and commercial vehicle fuel efficiency reducing demand for fuel, and slow population growth resulting in fewer drivers on New Mexico roadways. In addition to slow revenue growth, neither the gasoline nor special fuels taxes are indexed to inflation resulting in a constantly eroding revenue stream to the SRF.



Further diminishing NMDOT’s funding for construction and maintenance activity is annual debt service related to issuance of bonds to pay for road and transit infrastructure projects including the space port and the Rail runner train service. Annual debt service payments will average \$153 million through 2027.

NMDOT conducts an annual review of road conditions for all New Mexico roads. From FY13 to FY14, the review shows the percent of non-interstate lane miles in good condition fell from 70 percent to 68 percent. The continued deterioration of New Mexico roads will likely result in highway maintenance cost increases as road treatments become more expensive. For example, roads in fair condition typically require treatments costing between \$12 thousand and \$36 thousand per lane mile, while roads in poor condition requiring reconstruction can cost up to \$1.5 million per lane mile. The annual condition assessment helps NMDOT determine priority projects and the results of the assessment are shared with the legislature and are publicly available in NMDOT’s report card. However, there is no requirement that information collected in the road condition assessment be used to set priorities in the Statewide Transportation Improvement Program (STIP). NMDOT is in the process of implementing an asset management system that will provide project recommendations based, in part, on return on investment (ROI) concepts. This new system will rely heavily on road condition assessment data to set priorities.

Federal Revenue

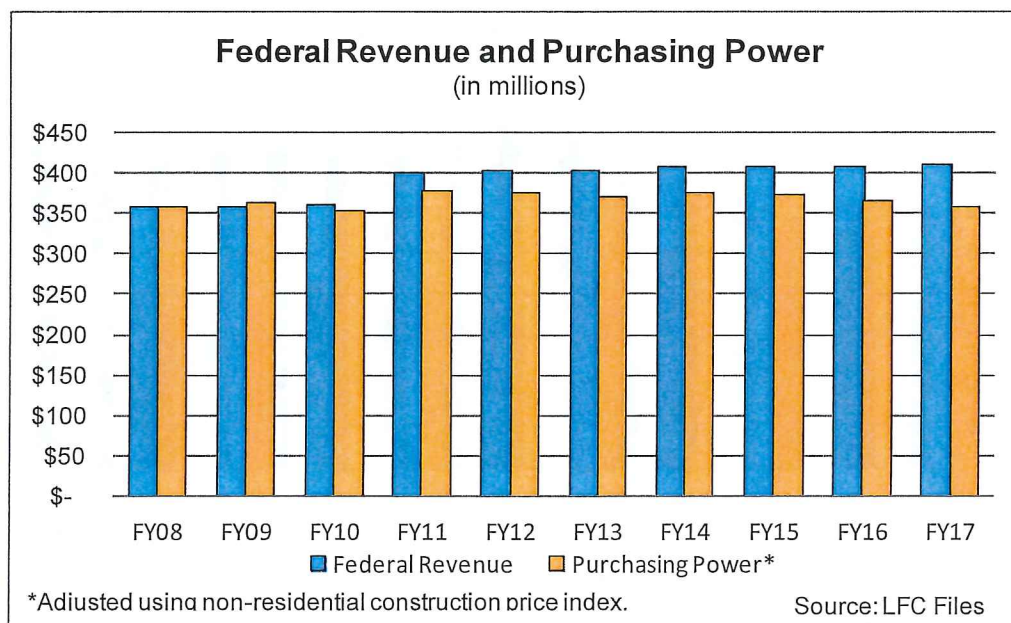
The Fixing America’s Surface Transportation Act, or FAST, is a five-year transportation funding authorization effective from 2016-2020. Though FAST will provide states with funding increases of approximately 2 percent through 2020, the purchasing power of federal road funds is expected to decline as consulting firm IHS Global Insight forecasts for non-residential construction anticipate price inflation of 2.6 percent over this period.

NMDOT Debt Service

(in millions)

Fiscal Year	Principal	Interest	Total
FY17	\$ 93.7	\$ 63.8	\$ 157.5
FY18	\$ 96.9	\$ 59.4	\$ 156.3
FY19	\$ 101.5	\$ 54.7	\$ 156.2
FY20	\$ 106.4	\$ 50.2	\$ 156.6
FY21	\$ 110.1	\$ 44.9	\$ 155.0
FY22	\$ 114.6	\$ 39.5	\$ 154.1
FY23	\$ 124.4	\$ 34.0	\$ 158.3
FY24	\$ 158.2	\$ 28.1	\$ 186.3
FY25	\$ 125.2	\$ 25.8	\$ 150.9
FY26	\$ 131.1	\$ 13.5	\$ 144.6
FY27	\$ 82.5	\$ 9.1	\$ 91.6
Total	\$1,244.6	\$ 422.8	\$ 1,667.5

Source: NMDOT



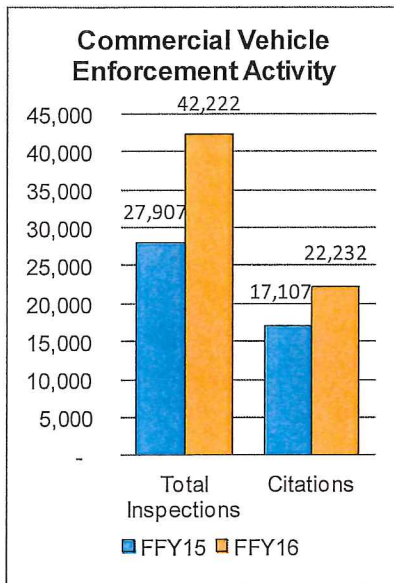
Historically, federal revenues make up between 45 percent and 50 percent of NMDOT's operating budget. Since FY08, nominal federal funding increased 14.2 percent, though purchasing power-adjusted federal funding decreased by 0.4 percent over this period. Federal funding increases helped to alleviate some of the budget pressure resulting from stagnant SRF revenue, but the increases have not kept pace with price increases resulting in constantly diminishing purchasing power.

Port of Entry Initiative

Port of Entry Initiative. A 2013 LFC evaluation and a 2014 study by the New Mexico Sentencing Commission revealed noncompliance and foregone revenue from weight-distance tax, trip tax, and oversize/overweight permit collection on commercial truckers. In response, the Legislature worked with the Taxation and Revenue Department (TRD), the Department of Public Safety (DPS), and NMDOT to transfer the operation of port of entry facilities from DPS to NMDOT and provide funding necessary to maintain a higher staffing level at port facilities throughout the state.

During the 2016 legislative session, NMDOT received budget adjustment authority allowing the department to accept up to \$700 thousand from TRD, up to \$1.3 million from DPS, and up to \$2 million from the state road fund to hire temporary workers to staff port facilities statewide. NMDOT used this authority to hire 44 additional staff to staff and support operations of the 12 active ports of entry.

Though there has been a slight increase in revenue in oversize/overweight and trip tax revenue, NMDOT is not ready to attribute the increase to improved enforcement efforts. However, enforcement activity has increased significantly and is largely attributable to motor transit officers spending more time on patrol since the transfer of port operations to NMDOT.



Attached Materials Include:

1. NMDOT construction and maintenance funding/needs gap assessment;
2. July 2015 State Road Fund forecast update;
3. Distribution of road user revenue;
4. Federal FAST Act targets by transportation district;
5. State Road Fund sources and uses;
6. NMDOT 3rd quarter report card.

Department of Transportation

Construction and Maintenance Funding and Needs (In millions of dollars)

Activity	Description	FY17 Current and Needed		
		Budget	Needs	Gap
Maintenance Costs				
Pavement and Roadway Maintenance	Blade patching, pothole repair, ditch clearing, drainage, mowing, guardrail repair and replacement.	\$ 17.7	\$ 31.5	\$ 13.8
Sign Maintenance	Inventory of 187,506 signs-approximately 13,400 need to be replaced at an average cost of \$440 per sign on a 14-year cycle.	\$ 7.1	\$ 12.7	\$ 5.6
Pavement Striping	benchmark of 188 million liner feet, striped at \$0.12 per liner foot.	\$ 8.8	\$ 24.5	\$ 15.7
Pavement Preservation	5 year average need for preservation for roadways system-wide.	\$ 68.0	\$ 95.4	\$ 27.4
Chip Seal	Based on a 2,500 lane mile per year benchmark.	\$ 12.3	\$ 28.4	\$ 16.1
Emergency Response	Snow removal, emergency repair, litter removal.	\$ 11.9	\$ 14.5	\$ 2.6
Equipment Replacement	Loaders, tractors, backhoes, mowers, etc.	\$ 20.0	\$ 34.7	\$ 14.7
Equipment Repair	Loaders, tractors, backhoes, mowers, etc.	\$ 6.3	\$ 8.5	\$ 2.2
Bridge Maintenance	preventative maintenance and other minor reconstruction and rehabilitation.	\$ 13.5	\$ 20.4	\$ 6.9
Total Maintenance		\$ 165.6	\$ 270.6	\$ 105.0
Construction				
Roadway reconstruction and rehabilitation	Estimated funding needed of \$1.9 billion, or \$595 million annually, over the next 20 years in.	\$ 274.0	\$ 595.0	\$ 321.00
Bridge maintenance and repair	To provide bridge treatments from preventive maintenance to major rehabilitation including deck replacement and super-and substructure work.	\$ 16.0	\$ 43.2	\$ 27.20
Bridge replacement	Need to replace 27 bridges per year at an average cost of 3.1 million per bridge to ensure all bridges are replaced by the end of their 50-year design life.	\$ 33.0	\$ 83.7	\$ 50.70
Total Construction		\$ 323.0	\$ 721.9	\$ 398.9
Grand Total		\$ 488.6	\$ 992.5	\$ 503.9

Source: NMDOT

July 2016 Road Fund Forecast

NMDOT State Revenue Sources - Fiscal Years 2007 thru 2020
Table 1

	A		B		C		D		E		F		G		H		I		J		K		L		M		N		(N-L)		(N/L)		O		P			
	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY16	FY17	Jul-16	Jan-16	FY17	Jul-16	FY18	FY17 to FY18	Budget Growth	FY18	FY16	Jul-16	Jan-16	FY17	Jul-16	FY18	FY17 to FY18	Budget Growth	FY19	FY18	Long Run	FY20	Long Run	FY20				
Road Fund -- Ordinary Revenue:																																						
1 Gasoline Tax	114,577	107,671	108,125	109,163	109,282	104,987	111,795	107,998	110,672	111,900	112,100	111,600	111,700	111,500	111,700	111,500	(100)	-0.1%	110,200	110,200	110,200	111,600	111,700	111,500	111,500	111,200	111,200	111,200	111,200	111,200	111,200	111,200	111,200	111,200	111,200	111,200		
2 Special Fuel Tax	97,008	101,483	85,559	88,029	91,078	92,326	92,563	92,923	97,566	97,200	98,200	101,300	99,330	103,410	99,330	103,410	2,110	2.1%	107,770	111,930	111,930	101,300	99,330	103,410	103,410	107,770	107,770	107,770	107,770	107,770	107,770	107,770	107,770	107,770	107,770	107,770		
3 Weight/Distance	88,365	77,424	75,485	69,598	74,916	72,786	73,489	75,367	79,985	81,600	83,290	84,100	83,070	85,770	83,070	85,770	1,670	2.0%	88,840	91,730	91,730	84,100	83,070	85,770	85,770	88,840	88,840	88,840	88,840	88,840	88,840	88,840	88,840	88,840	88,840	88,840		
4 Trip Tax	7,557	4,904	5,776	5,488	5,973	5,689	5,045	4,666	5,232	5,200	6,160	5,800	6,220	6,170	6,220	6,170	370	6.4%	6,140	6,130	6,130	5,800	6,220	6,170	6,170	6,140	6,140	6,140	6,140	6,140	6,140	6,140	6,140	6,140	6,140	6,140		
5 Vehicle Registration	73,512	73,679	72,190	72,863	73,445	75,626	74,135	76,218	75,455	77,900	80,530	79,400	83,920	85,490	79,400	83,920	6,090	7.7%	85,530	84,660	84,660	79,400	83,920	85,490	85,490	85,530	85,530	85,530	85,530	85,530	85,530	85,530	85,530	85,530	85,530	85,530	85,530	
6 Vehicle Transaction	1,191	1,165	1,070	1,041	1,065	1,114	1,163	1,200	1,173	1,200	1,300	1,250	1,350	1,350	1,250	1,350	100	8.0%	1,400	1,400	1,400	1,250	1,350	1,350	1,350	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	
7 Driver's License	4,329	4,738	4,622	4,493	4,718	4,424	4,227	4,193	4,158	4,500	4,370	4,600	4,500	4,500	4,600	4,500	(100)	-2.2%	4,600	4,300	4,300	4,600	4,500	4,500	4,500	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	4,600	
8 Oversize/Overweight	4,590	4,961	4,539	3,778	4,687	4,820	4,805	5,026	5,229	5,200	5,040	5,400	5,300	5,300	5,400	5,300	(100)	-1.9%	5,400	5,500	5,500	5,400	5,300	5,300	5,300	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
9 Public Regulatory Commission Fees (UCR)	377	866	2,286	1,420	2,740	881	3,191	3,362	3,362	2,000	3,300	3,300	3,300	3,300	3,300	3,300	-	0.0%	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
10 MVD Miscellaneous	2,452	2,570	2,569	2,735	2,725	2,991	3,100	3,302	3,509	3,400	3,950	3,400	4,000	4,120	3,400	4,000	720	21.2%	4,120	4,240	4,240	3,400	4,000	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	4,120	
11 Subtotal Ordinary Income	393,958	379,461	362,221	358,609	370,629	365,645	373,513	372,902	386,340	390,100	398,240	400,150	402,690	410,910	400,150	402,690	10,760	2.7%	418,300	423,390	423,390	400,150	402,690	410,910	410,910	418,300	418,300	418,300	418,300	418,300	418,300	418,300	418,300	418,300	418,300	418,300		
Road Fund -- Extraordinary Income:																																						
12 All Other (Reimbursements, Asset Sales, etc.)	4,140	2,240	4,758	6,568	6,584	10,375	10,354	6,493	12,365	2,700	2,200	2,200	2,200	2,200	2,200	2,200	-	0.0%	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200		
13 Rail Runner Track Maintenance Fees			4,080	2,000	2,350	17	2,014	1,782	2,143	2,100	2,100	2,000	2,000	2,000	2,000	2,000	-	0.0%	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000		
14 Road Fund Interest	708	0	19	16	95	108	209	80	39	440	140	450	450	810	450	450	360	80.0%	1,125	1,305	1,305	450	450	810	810	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	1,125	
15 Subtotal Extraordinary Income	4,848	2,240	8,857	8,584	9,029	10,500	12,576	8,355	14,547	5,240	4,440	4,650	4,650	5,010	4,650	4,650	360	7.7%	5,325	5,505	5,505	4,650	4,650	5,010	5,010	5,325	5,325	5,325	5,325	5,325	5,325	5,325	5,325	5,325	5,325	5,325		
16 TOTAL (Recurring) ROAD FUND	398,806	381,701	371,080	367,193	379,658	376,145	386,089	381,257	400,887	395,340	402,680	404,800	407,340	415,920	404,800	407,340	11,120	2.7%	423,625	428,895	428,895	404,800	407,340	415,920	415,920	423,625	423,625	423,625	423,625	423,625	423,625	423,625	423,625	423,625	423,625			
17 WIPP Settlement (Nonrecurring)										0	7,200	0	26,800		0	26,800																						
18 TOTAL ROAD FUND	398,806	381,701	371,080	367,193	379,658	376,145	386,089	381,257	400,887	395,340	409,880	404,800	434,140	415,920	404,800	434,140	11,120	2.7%	423,625	428,895	428,895	404,800	434,140	415,920	415,920	423,625	423,625	423,625	423,625	423,625	423,625	423,625	423,625	423,625	423,625			

- This estimate is one of two annual forecasts of NMDOT revenues. Another update will be released next January before the FY2018 budget is set.
- Current expectations for FY 2017 are pretty much in line with the last January forecast. This forecast update increases FY 2017 Road Fund revenues by \$2.5 million that represents a 0.6% increase.
- FY 2018 Road Fund revenues (recurring "ordinary" income) are currently estimated at \$410.9 million. This represents 2.7% or \$10.7 million in growth from the FY 2017 budget.
- The increases in revenue are primarily due to strong consumer spending and low gas prices that have boosted car and SUV sales.
 - Compared to FY 2017 budget, in FY 2018 both vehicle registration and vehicle transaction revenues are projected to grow by about 7.7% and 8%, respectively. In FY 2017, vehicle registration revenue is expected to become the third largest source of revenue after Gasoline and Special Fuel.
 - Strong consumer spending is foreseen to positively impact Weight Distance revenue, forecast to grow around 3% yearly with only a slowdown in FY 2017, while Special Fuel revenue is forecast around 1% in FY 2017 and 2018 and around 4% in the following years. Gasoline revenue is expected to be flat, because of increasing passenger vehicle efficiency and only modest increases in NM's population.

NMDOT State Revenue Sources - Fiscal Years 2007 thru 2020

Table 2

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	(N-L)	(N/L)	O	P
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Prelim. Actual	Jan-16 Leg. Bud. Estimate	Jul-16 Revenue Update	Jan-16 Leg. Bud. Estimate	Jul-16 Revenue Update	Jan-16 Long Run Estimate	FY17 to FY18 Budget Growth \$ Change % Diff	Jan-16 Long Run Estimate	Jan-16 Long Run Estimate	
Other Funds:																		
Highway Infrastructure Fund:																		
19 Leased Vehicle Gross Receipts	4,844	6,963	5,444	5,397	5,657	5,731	5,214	5,889	5,773	5,940	5,770	5,862	5,939	6,059	197	3.4%	6,091	6,127
20 Tire Recycling Fees	1,758	1,782	1,604	1,791	1,806	1,831	1,807	1,836	1,810	1,870	1,900	1,880	1,980	2,020	140	7.4%	2,040	2,020
21 Interest	164	164	99	18	16	16	25	7	7	70	13	77	77	140	63	81.8%	196	231
22 Total Highway Infrastructure Fund	6,766	8,909	7,147	7,206	7,479	7,579	7,047	7,047	7,589	7,880	7,683	7,819	7,996	8,219	400	5.1%	8,327	8,378
23 Total State Infrastructure Bank	540	135	300	597	83	29	45	15	17	180	41	203	203	365	162	79.8%	508	589
Local Government Road Fund:																		
24 From Interest	966	243	143	24	33	30	46	15	19	140	50	200	200	360	160	80.0%	500	580
25 From Special Fuel	10,105	10,489	8,980	9,200	9,546	9,659	9,709	9,753	10,218	10,200	10,190	10,633	10,310	10,740	107	1.0%	11,200	11,640
26 From PPL Fee	7,073	6,936	6,711	6,725	6,775	6,612	6,926	6,768	6,986	7,050	7,070	7,120	7,090	7,210	90	1.3%	7,320	7,380
27 From DWI reinstatement fees & ID cards	1,068	1,113	1,129	784	1,015	971	929	896	896	900	900	900	900	900	-	0.0%	900	900
28 From Gasoline Tax (MAP)	2,248	2,116	2,126	2,145	2,147	2,066	2,195	2,123	2,174	2,197	2,202	2,190	2,193	2,190	-	0.0%	2,183	2,166
29 Leased Vehicle Gross Receipts	1,615	2,321	1,815	1,799	1,886	1,910	1,738	1,963	1,924	1,980	1,923	1,954	1,980	2,020	66	3.4%	2,030	2,042
30 Total Local Government Road Fund	23,075	23,218	20,903	20,677	21,402	21,249	21,543	21,518	22,217	22,467	22,335	22,997	22,673	23,420	423	1.8%	24,133	24,708
Aviation Fund:																		
31 Gasoline Taxes (Aviation)	406	382	384	387	387	372	395	383	392	397	398	395	396	395	-	0.0%	394	391
32 Aviation Jet Fuel	826	932	1,314	1,852	1,667	2,808	1,952	1,542	1,243	1,070	620	1,000	800	1,000	-	0.0%	1,400	1,400
33 Aircraft License Fees	74	75	73	74	66	68	60	69	48	70	63	60	60	60	-	0.0%	70	70
34 0.046% General Fund GRT (Air Service)	883	891	783	779	855	747	0	1,106	1,009	1,040	950	1,075	1,019	1,079	4	0.4%	1,132	1,193
35 General Fund (2007 Enhancement)	960	1,917	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	-	0.0%	3,000	3,000
36 Aviation Fund Interest Earnings	107	34	8	8	16	20	36	12	14	97	32	100	100	180	80	80.0%	250	290
37 Total Aviation Fund Income	2,189	3,347	4,504	6,100	5,991	7,016	5,443	6,112	5,707	5,674	5,063	5,630	5,375	5,714	84	1.5%	6,246	6,344
Transportation Fund:																		
38 Motorcycle Registration (Fund 20600)	93	120	131	130	135	138	135	133	135	140	130	140	130	130	(10)	-7.1%	130	130
39 Motorcycle Train. Fund Interest (20600)	5	9	2	1	0	0	0	0	0	1	0	1	1	1	-	0.0%	1	1
40 Driver Improvement Fees (10020)	205	208	193	331	349	340	319	271	274	250	240	250	240	240	(10)	-4.0%	240	240
41 DWI Prevention (20700)	282	331	458	650	486	530	513	517	487	470	475	500	475	475	(25)	-5.0%	475	475
42 Traffic Safety Fees (Fund 20800)	412	474	473	469	446	419	390	526	404	500	950	500	500	500	-	0.0%	500	500
43 Traffic Safety Fees Interest (20800)	92	95	35	3	3	2	2	1	0	1	1	1	2	3	2	200.0%	4	4
44 Community DWI Prevention Fee (20800)	700	1,021	1,150	1,000	1,017	838	789	363	426	410	400	410	400	400	(10)	-2.4%	400	400
45 Red Light Fees (from AOC) (20800)	900	775	854	700	2,029	1,167	1,444	158	109	50	50	50	50	50	-	0.0%	50	50
46 Traffic Safety - Interlock Device (82600)	2,690	3,033	3,296	3,284	4,466	3,578	3,356	2,779	2,611	2,572	3,006	2,632	2,578	2,579	(53)	-2.0%	2,580	2,580
47 Total Transportation Fund Income	434,066	420,343	407,229	405,056	419,079	415,595	423,523	418,728	439,028	434,113	448,008	444,081	472,965	456,217	12,136	2.7%	465,419	471,494
48 TOTAL NMDOT STATE REVENUES																		

- Overall NMDOT State Funds are forecast at \$456 million in FY 2018 representing growth of 2.7% or \$12 million from the current FY2017 budget.

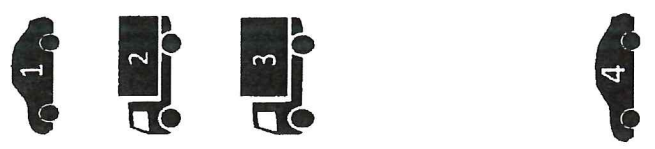
 - In FY2016 the Aviation Fund has been significantly revised down by about 11%, because low gas prices have impacted revenue coming from aviation jet fuel and have depressed the Oil and Gas sector and consequently the revenue coming from Gross Receipt Tax. In following years, the Aviation Fund is expected to increase again at a 6% rate per year.

Distribution of State Road User Revenues

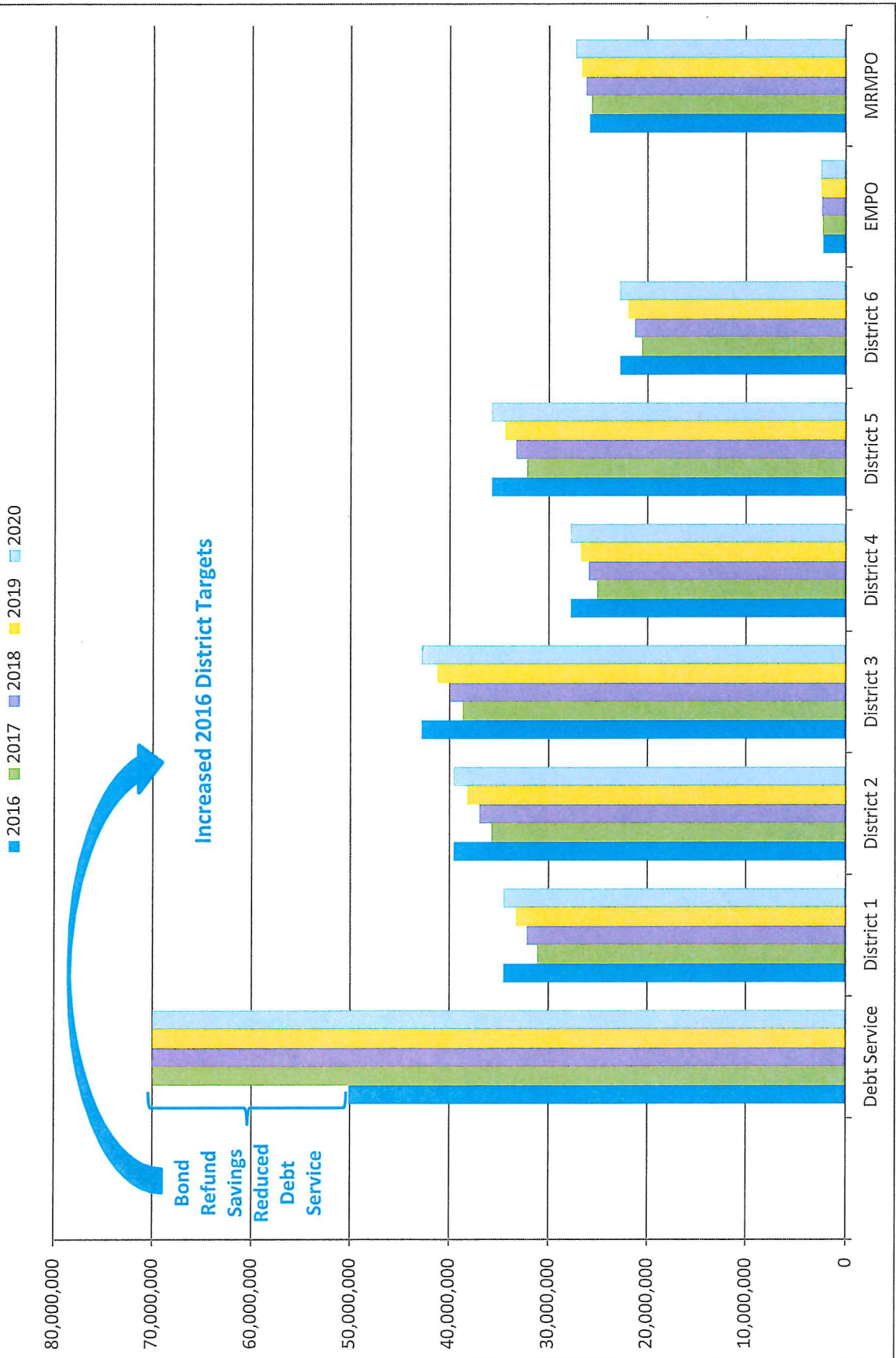
July 2016 Forecast

	Revenue to Road Fund by Fiscal Year (\$ Million)										% of total (FY 2017)	
	2010	2011	2012	2013	2014	2015	2016	2017	Road Fund	NMMDOT State Rev		
Gasoline Tax (17.0 cents / gallon)	8.6	8.6	8.2	8.8	8.5	8.7	8.8	8.8	24.4%	25.0%		
→ 5.76% to County Government Road Fund												
→ 0.13% to Motorboat Fuel Tax Fund												
→ 0.26% to State Aviation Fund												
→ 10.38% to Municipalities and Counties												
→ ~ 76.27% to State Road Fund - (~13 cents per gallon)												
→ 5.76% to Municipalities												
→ 1.41% to Municipal Arterial Program (MAP)												
Special Fuel (diesel) Tax (21.0 cents/gallon ~ effective 7/1/2004)	88.0	91.1	92.3	92.6	92.9	97.6	98.2	99.3	24.4%	22.3%		
→ 9.52% to Local Governments Road Fund												
→ 26.67% to Local Governments Road Fund												
→ 73.33% to Corrective Action Fund												
Weight Distance Tax (1¢-4¢/mile)	69.6	74.9	72.8	73.5	75.4	80.0	83.3	83.1	20.4%	18.6%		
→ 100% to State Road Fund												
Trip Tax (7¢-16¢/mile)	5.5	6.0	5.7	5.0	4.7	5.2	6.2	6.2	1.5%	1.4%		
→ 100% to State Road Fund												
Oversize / Overweight Fees	3.8	4.7	4.8	4.8	5.0	5.2	5.0	5.3	1.3%	1.2%		
→ 100% to State Road Fund												
Motor Trans. Regulatory Fees	1.4	2.7	0.9	3.2	2.0	3.4	3.3	3.3	0.8%	0.7%		
→ 50 cents on Each Registration to Beautification Fund												
→ \$2.00 of each Motorcycle Registration to Motorcycle Training Fund												
→ \$2.00 of each Motorcycle Registration to Taxation & Revenue Department												
→ 100% of Picard Fees to Taxation and Revenue Department												
→ 100% of Traffic Safety Training Fee (from Penalty Assessments) and Amateur Radio Fees to State Road Fund												
→ The Recycling Fee (effective 7/1/2003):												
→ \$ 1.00 Each Motorcycle → 50% to Highway Infrastructure Fund												
→ \$ 0.50 per wheel of each bus → 50% to Tire Recycling Fund												
→ \$ 1.50 each car or light truck → \$1.00 to Highway Infrastructure Fund												
→ \$ 1.50 each heavy truck → \$4.50 to Tire Recycling Fund												
→ Effective March 1, 2004 remaining revenues go to:												
→ ~ 74.65% to State Road Fund												
→ 7.60% to County General Funds (allocated by Registration Fees on Vehicles in Each County)												
→ 7.60% to County Road Funds (allocated by miles of public roads maintained)												
→ 4.06% to Municipal Street Funds (allocated by property Tax net Taxable value)												
→ 6.09% to County and Municipal General Funds (allocated by property Tax amounts due)												
→ \$5 or \$6 to Municipal, County or Fee AGENTS												
→ 50% to State Road Fund												
→ 50% to County Road Fund (allocated by miles of public roads maintained)												
→ Remaining revenues from Transaction Fees go to:												
→ \$6 or \$7 per License to Municipal, County or Fee Agents												
→ 100% of Remaining Drivers License Fee to S Road Fund												
→ 100% Limited License Fees to DWI Prevention and Education Fund												
→ 100% DWI Reinstatement Fee and remainder of ID Cards to Local Gov. Road Fund												
→ 100% Enhanced Drivers License Fee (\$3) to Taxation & Revenue Department												
→ 100% Driver Safety Fee (\$3) to public schools for DWI education												
Transaction Fees (\$3 per Title or Registration)	1.0	1.1	1.1	1.2	1.2	1.2	1.3	1.4	0.3%	0.3%		
→ 1.0												
Driver License Fees (\$10 per 4 year period + \$3 EDL + \$3 Driver Safety)	4.5	4.7	4.4	4.2	4.2	4.2	4.4	4.5	1.1%	1.0%		
→ 0.1												
→ 0.8												
→ 0.0												
→ 0.0												
Total Local Governments Road Fund	20.7	21.4	21.2	21.5	21.5	22.2	22.3	22.7	92.8%	84.7%		
Total of Gasoline, Diesel, W/D & Registrations NMMDOT	339.7	348.7	345.7	352.0	352.5	365.2	374.1	378.0	92.8%	84.7%		
Total State Road Fund Revenues	367.2	379.7	376.1	386.1	381.3	400.9	402.7	407.3	100.0%	91.3%		
Total NMMDOT State Revenues	405.1	419.1	415.6	423.5	418.7	439.0	440.8	446.2	NA	100%		

* no estimates available



FAST ACT Obligation Authority



NMDOT Sources and Uses, All Funds
(in thousands of dollars)

SOURCE	FY14			FY15			FY16			FY17 Appropriation Request		
	State	Federal	Total	State	Federal	Total	State	Federal	Total	State	Federal	Total
	Federal	\$0.0	\$407,425.6	\$407,425.6	\$0.0	\$408,612.5	\$408,612.5	\$0.0	\$408,591.7	\$408,591.7	\$0.0	\$408,919.5
State Road Fund	\$384,692.0	\$0.0	\$384,692.0	\$380,202.0	\$0.0	\$380,202.0	\$391,485.1	\$0.0	\$391,485.1	\$398,554.3	\$0.0	\$398,554.3
Restricted Funds	\$15,729.2	\$0.0	\$15,729.2	\$16,555.5	\$0.0	\$16,555.5	\$15,891.0	\$0.0	\$15,891.0	\$16,361.0	\$0.0	\$16,361.0
Local Gov't Road Fund	\$22,313.0	\$0.0	\$22,313.0	\$21,821.0	\$0.0	\$21,821.0	\$22,467.0	\$0.0	\$22,467.0	\$23,160.0	\$0.0	\$23,160.0
Fund Balance	\$34,400.0	\$0.0	\$34,400.0	\$34,883.4	\$0.0	\$34,883.4	\$26,229.5	\$0.0	\$26,229.5	\$2,800.2	\$0.0	\$2,800.2
TOTAL	\$457,134.2	\$407,425.6	\$864,559.8	\$453,461.9	\$408,612.5	\$862,074.4	\$456,072.6	\$408,591.7	\$864,664.3	\$440,875.5	\$408,919.5	\$849,795.0
USES												
Personnel	\$137,468.0	\$7,461.3	\$144,929.3	\$142,269.7	\$6,715.6	\$148,985.3	\$149,639.3	\$7,432.1	\$157,071.4	\$150,905.7	\$7,748.8	\$158,654.5
Contractual Category												
Road Construction	\$64,158.0	\$247,960.9	\$312,118.9	\$62,818.1	\$247,423.0	\$310,241.1	\$65,403.9	\$266,146.0	\$331,549.9	\$55,758.8	\$245,298.5	\$301,057.3
Road Maintenance	\$44,559.9	\$0.0	\$44,559.9	\$50,963.3	\$0.0	\$50,963.3	\$48,890.1	\$0.0	\$48,890.1	\$43,905.1	\$0.0	\$43,905.1
Other Category												
Road Construction	\$2,686.2	\$0.0	\$2,686.2	\$0.0	\$2,688.2	\$2,688.2	\$0.0	\$0.0	\$0.0	\$0.0	\$2,688.2	\$2,688.2
Road Maintenance	\$41,054.9	\$0.0	\$41,054.9	\$36,693.2	\$0.0	\$36,693.2	\$39,183.2	\$0.0	\$39,183.2	\$37,838.5	\$0.0	\$37,838.5
LGRF	\$22,313.0	\$0.0	\$22,313.0	\$26,921.0	\$0.0	\$26,921.0	\$23,967.0	\$0.0	\$23,967.0	\$23,160.0	\$0.0	\$23,160.0
Debt Service	\$48,664.0	\$118,725.0	\$167,389.0	\$38,511.8	\$117,729.8	\$156,241.6	\$41,740.6	\$101,748.6	\$143,489.2	\$41,770.8	\$119,907.9	\$161,678.7
Other	\$96,228.2	\$33,278.4	\$129,506.6	\$95,284.8	\$34,055.9	\$129,340.7	\$87,248.5	\$33,265.0	\$120,513.5	\$87,536.6	\$33,276.1	\$120,812.7
TOTAL	\$457,134.2	\$407,425.6	\$864,559.8	\$453,461.9	\$408,612.5	\$862,074.4	\$456,072.6	\$408,591.7	\$864,664.3	\$440,875.5	\$408,919.5	\$849,795.0

Source: NMDOT Department of Transportation



PERFORMANCE REPORT CARD
 Department of Transportation
 Third Quarter, Fiscal Year 2016

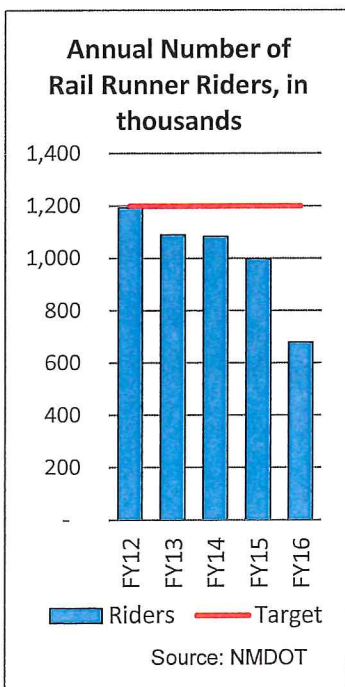
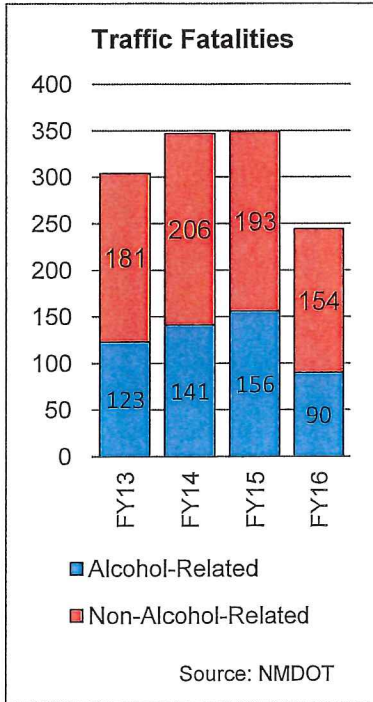
Department of Transportation

At the end of the third quarter, the New Mexico Department of Transportation (NMDOT) reports 244 total traffic fatalities, a 5 percent decrease from the 257 reported at the end of the third quarter, FY15. NMDOT continues to struggle to maintain the transportation system given strained resources; in FY14, the most recent year for which data is available, 68 percent of non-interstate miles in the state transportation network were rated good, down from 70 percent in FY13. After years of high vacancy rates, NMDOT stabilized vacancies at 12 percent, less than the statewide average of 13.2 percent.

Despite constrained resources, the U.S. Department of Transportation (USDOT) ranks New Mexico seventh out of 50 states in the percent of structurally deficient bridges in the system. Additionally, USDOT ranks New Mexico road conditions 17th in the nation.

Programs and Infrastructure

The decrease in traffic fatalities put NMDOT on track to achieve its targets for all categories except pedestrian fatalities. There were seven projects scheduled for letting in the third quarter, of which three were let according to schedule. NMDOT is increasing training for project development staff and has begun designing statewide transportation infrastructure improvement program (STIP) projects earlier to ensure more projects are let according to schedule. While NMDOT faced difficulty in letting projects on time, the agency completed 20 of 24 projects on time in the third quarter and reported the cost over bid at 0 percent. Ridership on the Park and Ride shuttle and the Rail Runner declined relative to FY15. The current low price of gasoline and diesel are rendering these transit services less competitive relative to driving. The downward trend in ridership, particularly on the Rail Runner, seems to signal less public demand for rail service between Belen and Santa Fe. Though NMDOT reports Rail Runner performance, it does not operate the passenger rail service.



Programs and Infrastructure		FY15 Actual	FY16 Target	Q1	Q2	Q3	Rating
Budget: \$587,989.2 FTE: 403							
1	Traffic fatalities	331	<345	81	85	78	G
2	Occupants not wearing seatbelts in traffic fatalities	131	<150	27	34	33	G
3	Projects put out for bid as scheduled	50%	>75%	50%	65%	43%	R
4	Pedestrian fatalities	60	<45	19	15	19	R
5	Percent of final cost-over-bid amount on highway construction projects	2.0%	<2.5%	5.0%	-1.0%	0%	G
6	Annual number of riders on park and ride, in thousands	291.9	>325.0	71.8	62.8	66.0	R
Program Rating		Y					G

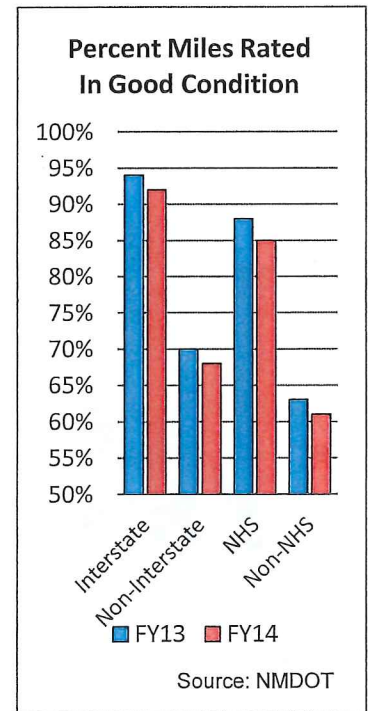
Transportation and Highway Operations

Between the FY13 and FY14 reporting periods, the percent of non-interstate miles rated in good condition decreased from 70 percent to 68 percent. The percent of miles in good condition decreased across all roadway types: interstate, non-



interstate, National Highway System (NHS), and non-National Highway System (non-NHS) The lack of regular maintenance contributes to the deteriorating condition of New Mexico roadways; for FY16, NMDOT anticipates a \$107 million gap in maintenance funding. As the condition of roads continues to deteriorate, the cost to repair them increases significantly. Annual maintenance costs for one lane mile of good condition road are between \$12 thousand and \$36 thousand. For a very poor condition road requiring reconstruction, the cost is as high as \$1.5 million per lane mile. The number of pavement preservation lane miles decreased due to weather and a change of focus of maintenance crews from summer to winter activities, in the second and third quarters.

Transportation and Highway Operations		FY15 Actual	FY16 Target	Q1	Q2	Q3	Rating
Budget: \$233,752.8 FTE: 1,850.7							
7	Number of statewide pavement preservation lane miles	2,611	>2,750	1,099	565	130	G
8	Amount of litter collected from NMDOT roads, in tons	6,484	>8,000	7,253	1,427	2,173	G
9	Customer satisfaction at rest areas	99%	99%	99%	99%	99%	G
Program Rating		G					G



Program Support

Since FY12, NMDOT reduced its vacancy rate from a peak of 18 percent. Over the past year, NMDOT stabilized employment at around 12 percent through aggressive recruitment and targeted salary increases for positions including highway maintenance workers and engineering technicians. FY16 is the third year NMDOT has given targeted increases to these employees. NMDOT provided salary increases to 354 FTE in FY16. The number of workzone injuries increased partially as the result of the tragic deaths of two NMDOT employees killed while on the job.

Program Support		FY15 Actual	FY16 Target	Q1	Q2	Q3	Rating
Budget: \$42,922.3 FTE: 233.8							
10	Vacancy rate in all programs	12%	<11%	11%	11%	12%	Y
11	Employee injuries	95	<90	16	23	19	G
12	Working days between expenditure of federal funds and request for reimbursement from federal treasury	7 days	<10 days	7 days	7 days	7 days	G
13	Employee injuries occurring in workzones	27	<45	10	3	9	G
Program Rating		Y					G

KEY ISSUES

Despite an estimated \$107 million shortfall in maintenance funding for FY16 and deteriorating road conditions, the U.S. Department of Transportation ranks the condition of New Mexico highways 17th in the nation with 44 percent of roadways in poor or mediocre condition.

IMPROVEMENT PLANS

Submitted by agency?	Yes
Timeline assigned?	No
Responsibility assigned?	No