

# Project Oversight Division

## Local Government Road Fund & Transportation Project Fund

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# Local Government Road Fund (LGRF)

- Created for Local Entities to take the lead in developing and contracting construction and maintenance projects.
- Funding used for project development, construction, reconstruction, improvement, maintenance or repair of public highways, streets and public-school parking lots, acquisition of right-of-way, and in place material for construction or improvement.
- LGRF Funding
  - 75% State Match
  - 25% Local Entity Match
- LGRF is a “Disbursement” program, not a “Reimbursement” program so funds can be requested and disbursed before work has been completed.

# LGRF Funding Types

- **Cooperative Program – SP (or Coop)**
  - 42% of LGRF funds
  - Counties, Municipalities, School Districts, Universities and Tribal
  - 18-Month Project Timeframe-Agreement Terminates December 31<sup>st</sup>.
- **County Arterial Program – CAP**
  - 26% of LGRF funds
  - Counties Only – (Funding based on road miles maintained)
  - 18-Month Project Timeframe-Agreement Terminates December 31<sup>st</sup>.
- **School Bus Route Program – SB**
  - 16% of LGRF funds
  - Counties Only
  - 18-Month Project Timeframe-Agreement Terminates December 31<sup>st</sup>.
- **Municipal Arterial Program – MAP**
  - 16% of LGRF funds
  - Municipalities Only
  - 24-Month Project Timeframe-Agreement Terminates June 30<sup>th</sup>.

# Call for Projects

## (Dec-Jan)

- NMDOT District Coordinators will send out a letter to Local Entities asking for their project proposals for the new LGRF year for Coop, CAP and SB projects.
- The letter must include ***Project Tracking Guide***, ***Project Proposal Letter*** and the ***Preliminary Cost Estimate***.
- Project Proposals are due by March 15<sup>th</sup>.
- Incomplete proposals or late proposals will not be accepted.

# Municipal Arterial Program (MAP)

- In January, the Call for Projects is distributed by the Project Oversight Division.
- Local Entities should submit a complete project proposal to the Project Oversight Division. The proposal should include:
  - ❑ **Map of project limits (including proposed phasing).**
  - ❑ **Current and 20-year projected traffic volumes.**
  - ❑ **Pavement design criteria (10-year min.).**
  - ❑ **Typical section.**
  - ❑ **Major intersection & traffic signal analysis.**
  - ❑ **Drainage reports.**
  - ❑ **Preliminary cost estimate (include State share & Municipality share).**
  - ❑ **Local Government resolution of support for the project.**
  - ❑ **Project data sheet summarizing existing & proposed project information.**

# Submitting Project Proposals

## (Coop, CAP and SB)

- Proposals must include:
  - ❑ **Letter of intent** from governing body or agency head. Must list scope, termini & reference estimated project cost.
  - ❑ **Location** of proposed project including route designation & termini – **include a map** showing the location.
  - ❑ **Scope of work** to be performed.
  - ❑ **Project estimate**, including the amount of State participation requested.
  - ❑ **Justification** for project construction.
  - ❑ **Certification** that proposed work is on a public highway and necessary for the public good and convenience and to serve the public of the municipality, county and/or school district.
- Must be submitted to NMDOT District Office
- Due March 15<sup>th</sup> yearly

# Budget Recommendations (cont.)

## (March-April)

### **Coop, CAP, SB**

- Based on available funding, District Coordinators prepare budget recommendations.

### **MAP**

- Districts receive MAP applications and provide recommendations.

# State Transportation Commission (STC) Approval/Agreements (May/June)

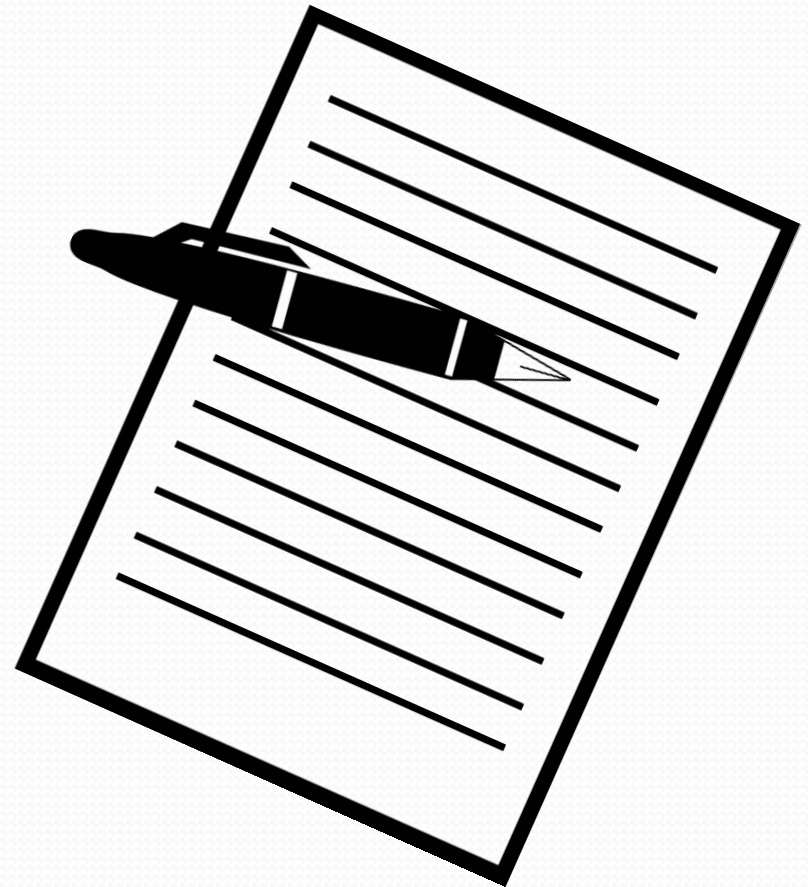
- NMDOT presents projects to State Transportation Commission approval/denial. (May)
- NMDOT informs Local Entities of project approval/denial. (May)



# Agreement Signature Process

## (June – October)

- District Coordinators begin drafting agreements and distributing to Local Entities for coordination of signatures.
- Upon receipt of signed agreement and resolution District Coordinator submits to Project Oversight for Cabinet Secretary Approval
- **All Agreements Must Be Fully Executed by October 31st.**
- **NO WORK can begin before a fully executed agreement and purchase order.**



# Transportation Project Fund

# Transportation Project Fund (TPF)

- New Mexico Legislature 2019.
  - Passed HB 694 to create the Local Government Transportation Project Fund (LGTPF).
  - Transportation Project Funding
    - 95% State Match
    - 5% Local Entity Match
- Eligible projects include environmental and other studies, planning, design, construction and acquisition of rights of way necessary for the development of transportation infrastructure, and includes highways, streets, roadways, bridges, crossing structures, parking facilities, including all areas for vehicular, transit, bicycle or pedestrian use for travel, ingress, egress and parking.
- New Mexico Legislature 2020-
  - Passed HB 207 shortened to Transportation Project Fund (TPF).
  - Included language that Tribes/Pueblos are allowed funding through TPF.
- New Mexico Legislature 2021-
  - Passed SB 20 making the TPF program a recurring fund.

# Call for Projects 2021

- April 19, 2021, Call for Projects letter sent to Metropolitan Planning Organizations (MPO) and Rural Transportation Planning Organizations (RTPO).
- Deadline to submit applications, June 15, 2021.
- Local Entities were to submit their applications to MPO/RTPO for review and ranking.
- Estimated amount of FY22 is \$161 million.
  - General Fund HB2 \$120 million.
  - Transportation Project Fund \$41 million.
- Future fiscal years approximately \$40 million per year.

# Application Packets

- Application packets should include the following:
  - Cover letter including:
    - brief overview of project
    - whether grantee intends to apply for match waiver
    - the timeframe in which grantee is prepared to spend the grant funds, if received
    - verification that funding requested will be enough to complete the phase of work submitted
    - whether the project falls into category (a) or (b):
      - A) Project is located on or within locally-owned right-of-way and the project does not include federal funds; or
      - B) Project is located within or on NMDOT owned right-of-way or is an NHS route and/or may include federal funds(only if continuation of a 2019 TPF project).

# Application Packet cont.

- Project Feasibility Form (PFF) signed by District Engineer.
- Resolution of Sponsorship from their governing body, indicating the availability of the 5% match.
  - Alternatively, the grantee may submit an official letter signed by the potential grantee's chief executive or official with budget authority, indicating the availability of the 5% match.
- Map of project location including mile posts.
- **Required if local entity does not own the right of way;** A letter of support from owners of the project right-of-way or NMDOT District if the project is within NMDOT right-of-way.

# Project Review Process

- NMDOT District Engineers review and rank projects.
- NMDOT District Engineers submit project recommendations, July 19, 2021.
- Secretary Sandoval submits the final recommendations to the State Transportation Committee, August 1, 2021.
- State Transportation Committee approval of projects, August 26, 2021.
- Project Oversight Division notifies Local Entity of approval/denial, September 2021.

# Agreement Signature Process

- Agreements are drafted by the Project Oversight Division, September 2021.
- Upon receipt of signed agreement and resolution District Coordinator submits to Project Oversight for Cabinet Secretary Approval.
- **All Agreements Must Be Fully Executed by November 30th.**
- **NO WORK can begin before a fully executed agreement and purchase order.**



# Disbursements

- The TPF program is a “Disbursement” program, not a “Reimbursement” program so funds can be requested and disbursed before work has been completed.



# FAQ

- **What is the definition of “Shovel Ready”?**
  - Shovel Ready is defined as- the project is advertisement ready, regardless of the phase the funding is being applied for.
- **Does a project have to be on an RTIPR to be eligible for funding?**
  - No, projects do not have to be on an RTIPR to be submitted for consideration. However, if a project is on the RTIPR local entities must ensure that no federal funds have or will be used on the project. If a project does have federal funds, it will need to be de-federalized to be eligible for TPF funding.
- **Can an application be submitted with the same scope of work as a project that has already been awarded federal funding?**
  - No, the scope of work being submitted cannot be identical to a federally funded project. Per the final rule, federal funds may not be used as part of a TPF funded project.