

Large-Nonrecurring Federal and State Update

As documented in prior large-nonrecurring federal and state updates, the state, local governments, individuals, and businesses received significant federal funding since 2020 through pandemic assistance programs, such as the American Rescue Plan Act (ARPA) and the Coronavirus Aid, Relief, and Economic Security (CARES) Act. More recently, New Mexico’s governments, businesses, and individuals have started receiving funding from the federal government’s Infrastructure Investment and Jobs Act and the Inflation reduction Act. This brief will focus primarily on large federal and state appropriations from the general fund, ARPA state fiscal relief funds, and newer opportunities because of the IJJA and IRA.

Major State and Federal Appropriation Status

During the 2021 2nd special session and the 2022 regular sessions, the legislature appropriated a total of about \$1.6 billion in federal fiscal relief funds and state general funds, then during the 2023 session appropriated another \$352 million while also making technical changes to some prior year appropriations. These appropriations together comprise the major state and federal appropriations and were targeted at transportation, economic development, rural jobs and natural resources, quality of life, post pandemic workforce development, responding to covid-19 and improving healthcare, and other areas. Many of these appropriations originated from LFC recommendations after listening sessions were conducted in the summer and fall of 2021. Of the roughly \$2 billion appropriated, about 48 percent has been expended with about \$650 million expended or encumbered between September 2022 and September 2023. The \$1.1 billion in federal state fiscal relief funds must be obligated by December 31, 2024, and fully expended by December 31, 2026.

DATE: September 27, 2023

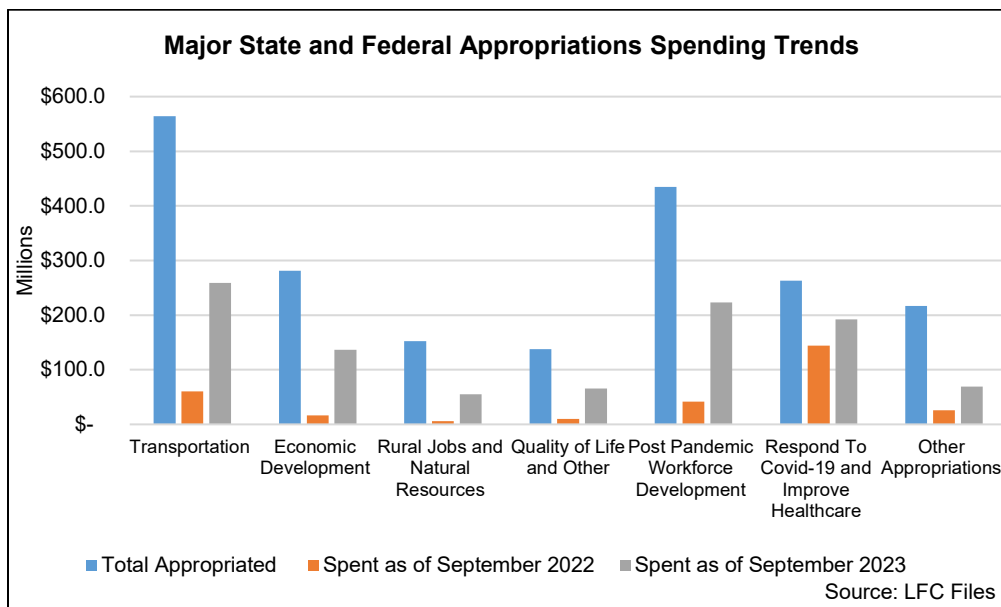
PURPOSE OF HEARING: Update on Federal Funds, Spending of Large Non-Recurring Appropriations, and Executive Transparency Efforts

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EXPECTED OUTCOME: Informational

ARPA State Fiscal Relief Fund Balance (Unappropriated)

ARPA SHARE	
Balance Dec 2021	\$1,069,169
2021 2nd SS Action	(\$345,435)
2022 HB2 Action	(\$583,734)
2023 HB2 Swap	
ARPA for GF	\$95,000
2023 HB2 Additional Spending	(\$180,500)
ARPA Balance	\$54,500



The LFC is closely monitoring the expenditure of ARPA funds to potentially sweep and repurpose funding in the event some agencies are unable to fully expend any or a large portion of the funding by the deadlines. The 2024 session will likely be the last opportunity to repurpose this funding.

Agencies have expended a portion of most of the appropriations monitored for this report. However, there are several notable exceptions. The \$20 million for behavioral health provider startup costs that went to the Human Services and the Children, Youth and Families Departments has not begun to be expended. The appropriation was intended to expand the number of providers and services for both adult and child behavioral health services. At CYFD's May 2023 LFC hearing, acting secretary Teresa Casados said that the departments are in the planning stages again and suggested they may look at trying to stand up crisis units in rural areas. However, the departments have provided multiple plans over the past year-and a-half but there still has not been any movement.

Also, the General Services Department has not spent any of the \$70 million for the Santa Fe executive office building. Spending from the appropriation was delayed because of the requirement the department seek approval from the city's historical review board. The review board downgraded some of the buildings needing to be demolished for the project and the department will go to the review board with demolition plans. Demolition would require the state engineer to move to leased space.

To see a full listing of funding and expenditures, see Appendix A at the end of this brief.

Other Federal Opportunities

The Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) are two additional bills enacted since ARPA that have the potential to significantly impact opportunities for investment in the state. The IIJA authorized \$1.2 trillion at the federal level for transportation and infrastructure spending over the next decade, increasing total spending by about \$550 billion. Much of the funding is in the form of grants to states and local governments. The \$750 billion IRA is less focused on direct grants to states and is more focused on increasing investment in clean energy and other objectives outside of the scope of this report.

Infrastructure Investment and Jobs Act in New Mexico

According to Federal Funds Information for States (FFIS), so far New Mexico has been awarded about \$5.2 billion from the IIJA. Many IIJA grants are competitive, and some have not been awarded yet, so this amount may increase over the next year or two. About \$2.1 billion was awarded in federal fiscal year 2022 with between \$770.1 million and \$858.3 million awarded between 2023 and 2026.

The largest increases to New Mexico were from federal Department of Transportation formula grants and several new transportation programs. According to FFIS, for formula grant programs, New Mexico will receive a total of \$2.3 billion over the next 4 years, with \$639 million available in federal FFY23. The bulk of this investment is from existing federal formula grant programs, of which New Mexico received about \$460 million per year prior to the IIJA enactment. Overall, transportation programs will see an estimated \$163.7 million, or 35 percent increase in federal FY22 allocations.

**New Mexico Allocations for Transportation Grant Programs in IJJA
(in thousands)**

Program	FY21 Enacted	FY22 Enacted	FY23 Enacted	FY24 Proposed	Change FY23 to FY24	
National Highway Performance Program	\$232,291.6	\$270,958.6	\$276,384.7	\$281,919.4	\$5,534.6	2.0%
Surface Transportation Block Grant	\$122,113.9	\$131,986.7	\$134,626.5	\$137,319.0	\$2,692.5	2.0%
Highway Safety Improvement Program	\$23,613.0	\$28,906.5	\$29,476.2	\$30,104.4	\$628.3	2.1%
National Highway Freight Program	\$13,843.0	\$12,735.6	\$12,990.3	\$13,250.1	\$259.8	2.0%
Congestion Mitigation and Air Quality	\$12,162.5	\$12,435.5	\$12,684.2	\$12,937.9	\$253.7	2.0%
Railway-Highway Crossings	\$1,850.4	\$1,857.0	\$1,903.3	\$1,903.3	\$0.0	0.0%
Metropolitan Transportation Planning	\$1,725.2	\$2,123.4	\$2,165.8	\$2,209.1	\$43.3	2.0%
Federal Transit Administration Formula	\$55,132.7	\$71,558.2	\$72,713.3	\$74,499.8	\$1,786.5	2.5%
Bridge Formula Program	**New**	\$45,000.0	\$45,000.0	\$45,000.0	\$0.0	0.0%
PROTECT Program	**New**	\$13,382.0	\$13,649.6	\$13,922.6	\$273.0	2.0%
FAA Airport Infrastructure	**New**	\$17,991.4	\$18,064.3	\$18,064.3	\$0.0	0.0%
Carbon Reduction Program	**New**	\$11,768.8	\$12,004.2	\$12,244.3	\$240.1	2.0%
National Electric Vehicle Formula	**New**	\$5,682.0	\$8,176.4	\$8,176.5	\$0.1	0.0%
Total	\$462,732.2	\$626,385.8	\$639,838.9	\$651,550.8	\$11,711.9	1.8%

Source: Federal Funds Information for States

Other significant grants New Mexico received from IJJA are related to broadband. The largest of which is a onetime \$675 million grant for broadband equity, access, and deployment and is available until expended. The grant requires a detailed spending plan, including maps, prior to the federal government releasing the bulk of the funding. To manage this funding, other federal grants, and significant state allocations for broadband, the state created the Office of Broadband Access and Expansion. The LFC FY23 fourth quarter performance report noted the agency continues to meet deadlines for state and federal broadband plans, including submission of the state digital equity plan, but impending staff and leadership changes and several upcoming federal grant deadlines pose risk. However, the office is using a grant tracking program and hired grant and compliance managers to ensure the office is staying on track.

New Mexico will also receive \$72.3 million from the Department of the Interior for orphaned well plugging, remediation, and restoration. In FY23, 63 orphaned wells were plugged using federal funds through the Energy, Minerals and Natural Resources Department's Oil Conservation Division (OCD). Because of the level of funding provided by the federal government during this fiscal year, along with their commitments to continue funding for several years into the future, the OCD was able to secure long-term access to multiple plugging rigs and crews, such that a greater number of wells can be plugged at an increased rate. OCD has a plan to fund additional rigs and crews as they become available in FY24.

The Inflation Reduction Act

The Inflation Reduction Act (IRA) included about \$72.1 billion in competitive grants nationally. According to FFIS data, New Mexico has received about \$13.5 million from these grants, or about 0.02 percent of the total, the largest was for \$11.1 million for the methane emissions reduction program. Some of the opportunities that states, local governments and tribes are eligible for are listed below:

Inflation Reduction Act, Select Grant Opportunities (thousands)

Department of Energy	Eligible recipients	FFY 2022-2026
Interstate electricity transmission lines (siting)	Siting authorities, states, locals, and tribes	\$760,000
Department of Interior		
Domestic Water Supply Projects	Not specified	\$550,000
Drought Mitigation in Reclamation States	Reclamation States and Tribes	\$4,000,000
Restoring State Wildlife Management Areas	State wildlife management areas	\$121,250
Department of Transportation (federal)		
Low-Carbon Transportation Materials Grant	States, locals, and tribes	\$2,000,000
Neighborhood Access and Equity Grant Program	States, locals, and tribes	\$3,205,000
Environmental Protection Agency		
Clean Heavy-Duty Vehicles	States, municipalities, and tribes	\$1,000,000
Environmental and Climate Justice Block Grants	Tribes and local governments	\$2,800,000
Greenhouse Gas Reduction Fund - Zero-Emission	States, municipalities, and tribes	\$7,000,000
Methane Emissions Reduction Program	States, locals, and tribes	\$1,550,000
U.S. Department of Agriculture		
Agricultural Conservation Easement Program	States, locals, and tribes	\$1,400,000
Forest Legacy Program	States	\$700,000
Powering Affordable Clean Energy (PACE)	States, locals, and tribes	\$1,000,000
Regional Conservation Partnership Program	States, locals, and tribes	\$4,950,000
Rural Energy for America Program	States, locals, and tribes	\$2,025,450
State and private forest landscape restoration	States and tribes	\$450,000
Urban and Community Forestry Program	States, locals, and tribes	\$1,500,000

Source: FFIS

Additionally, the federal government allocated about \$44 million for each of the high-efficiency electric home rebate program (HEEHRA) and the HOMES rebate program for a total of about \$88 million. HEEHRA is a voluntary program that covers the costs of electrifying homes for low-income and moderate-income households. The program covers up to \$14 thousand in costs, with 100 percent coverage for low-income households and 50 percent coverage for moderate-income households. There is also a maximum contractor rebate of \$500 for the installation. The grants are available to low- or moderate-income households, individuals or entities that own a multifamily building in which at least 50 percent of residents are low- or moderate-income households, and governmental, commercial, or nonprofit entities carrying out an electrification project on behalf of the above beneficiaries.

The \$44 million the state received for the HOMES rebate program helps homeowners make their homes more energy-efficient through retrofits. The program offers rebates based on the energy savings a home upgrade will achieve. The rebate amount is based on the predicted percentage of energy savings from the improvement. The rebate is available to households of any income level and rebates double for low- and moderate- income households. Allowed retrofits include insulation upgrades, HVAC installations, air sealing, installing efficient air conditioners, and installing smart thermostats.

IRA also included about \$5 billion at the federal level in competitive grants administered by the Federal Highway Administration. The largest program, the Neighborhood Access and Equity Grant Program provides funding to improve neighborhood walkability and transportation access, as well as planning and capacity building in disadvantaged and underserved communities. About \$3 billion is available for competitive grants, with applications due by September 28.

The Low-Carbon Transportation Materials Grant provides state and local transportation entities additional funding to purchase low-carbon materials

approved by the Environmental Protection Agency. The grant is available to cover the marginal cost between a traditional construction material and a low-carbon alternative. Congress included \$2 billion for this program. Congress also included \$100 million to facilitate environmental reviews nationwide. Funding will allow FHWA to provide guidance, technical assistance, and training to state and local transportation agencies and provide capacity building grants.

Oversight and Transparency of Federal Funds

To track current and future federal grant funding, the Department of Finance and Administration (DFA) currently operates two grant management dashboards and a grant management system. The systems, are operated by the agency’s new Federal Grants Bureau to provide oversight of federal funds for state agencies as well as providing grant accounting, audit, and monitoring assistance to agencies seeking federal funding. To develop the dashboards, DFA contracted with Carahsoft Technology Corporation.

DFA reports updating all aspects of its federal funds dashboard twice per week—on Tuesdays and Thursdays—using the state’s accounting system. However, the dashboard for IJA funds has not been refreshed since 2022. The dashboard does not include tracking of some appropriations from state general fund revenues or other federal grants administered directly by another receiving agency.

DFA sends out recommendations to state agencies and local governments on the grants they may be eligible for on a regular basis. The system shows which agencies were recommended a competitive grant opportunity and whether they accepted or denied the recommendation. DFA provides bi-weekly reports to LFC staff.

School Spending of Federal Relief

Of \$1.5 billion from three rounds of federal ESSER funding, New Mexico has spent the entire first round of ESSER, also known as the Coronavirus Aid, Relief, and Economic Security (CARES) amount. Schools spent nearly one-third of CARES funding on educational technology; other expenditures include \$5 million for school leaders, sanitization, and planning.

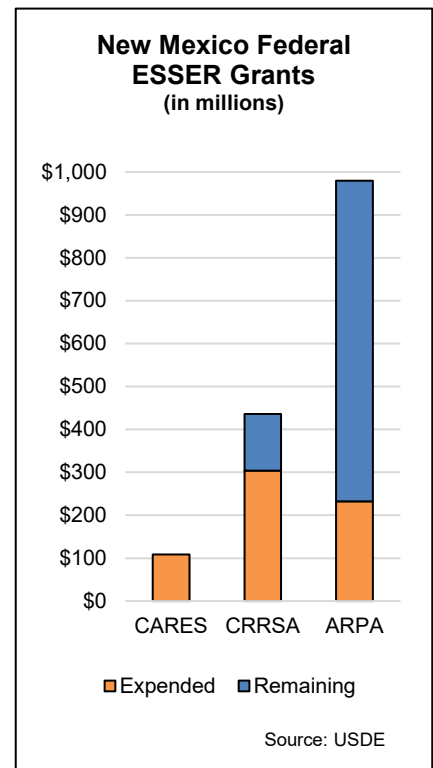
At the end of FY23, nearly 70 percent of the second round of ESSER, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA), was spent. Similar to CARES, schools mostly purchased educational technology and operational services but also planned to spend \$21.3 million to address learning loss and \$18.3 million for summer learning and afterschool programs. Schools have already obligated 24 percent of the third round of ESSER, or American Rescue Plan (ARPA) dollars, which must be spent by September 2025. However, recent guidance from the U.S. Department of Education will allow schools to continue spending ARPA funds for some multi-year services beyond that deadline.

In addition to ESSER aid, school districts and charter schools continued to grow unrestricted cash reserves, carrying over balances of \$623 million from FY23. Statewide cash balances grew by \$97.5 million, or 19 percent, from the prior year and now represent 17 percent of FY23 program cost.

Department of Finance and Administration Grants Management Appropriations

Purpose	Amount
Contract Management and Federal Grants Administration	\$1,500.0
Grants Management for Local Governments and Councils of Government	\$3,500.0
Grants to Local Governments for Federal Match	\$1,000.0
Transparency and Accountability of Pandemic Relief	\$935.0
2022 Jr. Bill Grants Management, various items	\$745.0
FY23 Recurring	\$300.0
Total	\$7,980.0

Source: LFC Files



Major Nonrecurring Funding Update

	Agency Name	Item	HB2 2021 SS From ARPA State Relief	2022 HB2 GF	2022 HB2 GF/ACF	2023 HB2 GF	2023 HB2 GF/ACF	Total Special Session, 2022 HB2, and 2023 HB2/w OSF	Total Encumbered, Expended, or Transferred	Comments
1	Economic Recovery									
2	Department of Transportation	Statewide Road Projects	\$ 142,500.0	\$ 247,500.0				\$ 390,000.0	\$ 115,976.4	Fifty-one road projects have been budgeted statewide. Nine projects are complete and 20 projects are under contract.
3	Department of Transportation	Local Road Projects (transportation project fund)		\$ 60,000.0	\$ -			\$ 60,000.0	\$ 60,000.0	Awards have been made to local governments and most projects are underway and the program remains in high demand for local road improvements.
4	Department of Transportation	I-10 and I-40 Planning		\$ 25,000.0				\$ 25,000.0	\$ 20,861.0	The Department has awarded \$19.6 million to local governments and \$1.2 million for a road drainage project on I-40.
5	Department of Finance and Administration	Santa Teresa Airport Improvements			\$ 20,000.0			\$ 20,000.0	\$ 20,000.0	Entirety of funds encumbered; grant agreement is in place with Dona Ana County. A pay request was submitted totaling \$204.1 thousand for an invoice with Bohannan and Houston for preliminary design.
6	Department of Transportation	Rest Areas (2023 HB2 Swapped \$20 million Revenue Source from GF to ACF)		\$ -	\$ -		\$ 20,000.0	\$ 20,000.0	\$ -	Allocations to districts were made for improvement projects but appropriation reauthorizations during the 2023 legislature delayed procurement for those projects.
7	Department of Transportation	Regional Airport Upgrades	\$ 10,000.0	\$ 5,000.0	\$ -			\$ 15,000.0	\$ 14,900.0	Awards to airports were made and projects are beginning to spend down balance. About \$600 thousand has been spent, \$500 thousand more than in April, but progress remains slow.
8	Department of Transportation	E-Vehicle Charging Stations	\$ 10,000.0	\$ -	\$ -			\$ 10,000.0	\$ 9,814.0	Electric vehicle charging station funds have been awarded and about 1/3rd has been spent.
9	Department of Transportation	Roadway Beautification	\$ 10,000.0					\$ 10,000.0	\$ 6,538.2	About half of the funding has been spent, with \$1.5 million unspent but budgeted for FY24. About \$3.5 million remains uncommitted and available to continue the program in FY25.
10	Department of Transportation	DOT Equipment Purchases		\$ 9,000.0	\$ -			\$ 9,000.0	\$ 8,954.1	The department reported long back-order times for heavy equipment, but most funds have been committed.
11	Department of Transportation	Essential Air Service		\$ 5,000.0				\$ 5,000.0	\$ 1,800.0	Two airports have been awarded grants to subsidize passenger air service and the airports are beginning to pull down funds from the department.
12	Subtotal Transportation		\$ 172,500.0	\$ 351,500.0	\$ 20,000.0	\$ -	\$ 20,000.0	\$ 564,000.0	\$ 258,843.7	
13	Economic Development Department	Business Space Development (Other State Funds Included \$70 Million)						\$ 70,000.0	\$ 70,000.0	The department transferred this amount to NMFA. NMFA expects to award the first opportunity Enterprise Awards in October 2023.
14	Higher Education Department	Research and Development at Higher Education Institutions		\$ 45,000.0	\$ -	\$ 30,000.0		\$ 75,000.0	\$ 14,265.1	The 2022 GAA contained a \$45 million appropriation of which \$20 million was authorized for expenditure in FY23. The 2023 GAA included an additional \$30 million for this purpose bringing the total research matching funds to \$75 million. HED made a first round of awards including: \$6.5 million for UNM; \$5.4 million for NMSU; \$2 million for NM Tech; and \$393 thousand for Navajo Technical University. A second round of project awards are anticipated in October, 2023.
15	Department of Finance and Administration	Venture Capital Program Fund		\$ 35,000.0				\$ 35,000.0	\$ -	Rules are in promulgation and soon to be adopted. Then applications will open.

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16	Department of Information Technology	Broadband and Cybersecurity		\$ 20,000.0				\$ 20,000.0	\$ 17,872.6	About \$19 million is being used for cybersecurity, including for penetration testing for state agencies, advisory and management support to the New Mexico Cybersecurity Planning Committee, and additional consulting on its vulnerability management program. The agency plans to spend the remaining balances on additional incident response and penetration testing, cybersecurity training for 18,000 users, an asset management program, and additional updates to its firewall and other security systems. The remaining \$1 million is being used for broadband, with \$266.6 thousand spent so far to support digital equity consultants, outside counsel, and supplies for broadband day and broadband training events for cities, counties, tribes, and pueblos.
17	Economic Development Department	Local Economic Development Act Fund				\$ 6,500.0	\$ 6,500.0	\$ 13,000.0	\$ -	The \$6.5 million from the general fund will be incorporated into LEDA balance. The department is figuring out how to track the ARPA funds.
18	Department of Cultural Affairs	Rural Library Endowment Fund (2023 HB2 Swapped 2022 \$10 million ACF to GF)		\$ -		\$ 25,000.0		\$ 25,000.0	\$ 10,000.0	The appropriation was transferred into the endowment fund. DCA expects the first rural library awards to be allocated in September 2023. DCA waited to make initial distributions to libraries to ensure a continuous level of funding. There are potentially 50 eligible entities for the fund.
19	Tourism Department	Tourism Marketing and Advertising	\$ 15,000.0	\$ -	\$ -	\$ 4,000.0	\$ 11,000.0	\$ 30,000.0	\$ 14,950.0	The agency has spent \$13.5 million and encumbered \$1.7 million for various media purchases for a spring and summer tourism marketing campaign.
20	Department of Cultural Affairs	Cultural Facility Improvements Outside Santa Fe.		\$ -	\$ 5,000.0			\$ 5,000.0	\$ 851.0	Cultural Affairs encumbered \$851 thousand for various small facility repairs. The agency will update LFC with plans to spend the remaining \$4.2 million.
21	Tourism Department	Local Event Marketing and Advertising			\$ 5,000.0			\$ 5,000.0	\$ 4,995.3	The appropriation encumbered for local tourism grants. The unencumbered amount will revert to the general fund since the department had one year to spend these funds.
22	Tourism Department	Tourism Enterprise Fund					\$ 3,500.0	\$ 3,500.0	\$ 3,500.0	The department encumbered this appropriation to support local events. The enterprise fund is a nonreverting fund for the agency that encompasses multiple revenue sources.
23	Subtotal Economic Development			\$ 15,000.0	\$ 100,000.0	\$ 10,000.0	\$ 65,500.0	\$ 21,000.0	\$ 281,500.0	\$ 136,433.9
24	State Engineer	Indian Water Rights Settlement		\$ 32,000.0	\$ -			\$ 32,000.0	\$ -	The department received full funding for the currently authorized state cost share for the three approved settlement agreements. Nothing has been encumbered or expended, but once final approval of other outstanding settlement agreements takes place, expenditures are expected soon after. The governor recently signed an agreement with the Ohkay Owingeh Pueblo which will likely use some of these funds, but final amounts have not been calculated.

Major Nonrecurring Funding Update

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25	State Engineer	Drought Mitigation		\$ -	\$ 30,300.0			\$ 30,300.0	\$ 9,786.5	The department encumbered \$8 million for the construction of water wells in the City of Gallup. Of this amount, \$1.9 million has been expended, and \$20.5 million of the appropriation remains available.
26	Department of Environment	Eastern New Mexico Water Utility Authority		\$ 10,000.0				\$ 10,000.0	\$ 8,615.7	The department expended \$6.2 million on construction costs and engineering consulting services and encumbered another \$2.4 million for similar costs. The remaining available budget of \$1.4 million will be encumbered or expended for similar services.
27	Energy, Minerals and Natural Resources Department	Forest Land Protection Revolving Fund		\$ 20,000.0				\$ 20,000.0	\$ -	The department budgeted funds but has not encumbered or expended any part of the \$20 million appropriation.
28	State Engineer	Dam Rehabilitation			\$ 10,000.0			\$ 10,000.0	\$ -	The department budgeted the funds but has not encumbered or expended any part of the \$10 million appropriation.
29	Energy, Minerals and Natural Resources Department	Wildfire prevention and Firefighting Equipment			\$ 5,000.0			\$ 5,000.0	\$ 2,235.0	Expenditures include \$1.4 million for trucks, firefighting, and communications equipment including portable radios, chainsaws, and tents. The agency also encumbered \$800 thousand for equipment purchases including crew carriers and advanced firefighting all terrain utility vehicles.
30	Department of Environment	Surface Water and River Habitat Improvements	\$ 10,000.0	\$ -				\$ 10,000.0	\$ 8,260.5	About \$178 thousand has been spent and another \$8.1 million encumbered for planning, design, construction and payroll costs associated with river habitat improvement projects throughout the state.
31	Border Authority	Columbus Port of Entry Berm		\$ -	\$ 9,500.0			\$ 9,500.0	\$ 9,500.0	Phase I of the project is complete, including purchasing all the necessary land from a private landholder to build the berm. The berm is part of a flood control project that will protect the Columbus Land Port of Entry. The proposed system entails a diversion berm of approximately 3.1 miles in length.
32	Department of Finance and Administration	Conservation of Species of Greatest Need			\$ 5,000.0			\$ 5,000.0	\$ 5,000.0	Transferred to Game and Fish (DGF) for the purchase of the L Bar Ranch. DGF has spent the money.
33	Department of Finance and Administration	Taos Green Corridor			\$ 5,000.0	\$ -		\$ 5,000.0	\$ 4,500.0	Expenditures to date include \$500 thousand for EV Charging Stations, \$1.5 million for the Valdez Erosion Control project to mitigate high cut slopes that are unstable due to erosion, \$1 million for wildfire risk reduction, \$250 thousand for the Rio Grande Cutthroat Trout Protection project, and \$750 thousand for water system repairs in Taos Ski Valley.
34	State Engineer	Acequia Improvements		\$ 5,000.0	\$ -			\$ 5,000.0	\$ 350.8	The agency has spent \$130 thousand on environmental consulting for post-fire analysis and reporting and has encumbered an additional \$220 thousand for the same purpose. The remaining \$4.6 million has been budgeted but not encumbered.

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35	New Mexico State University	Department of Agriculture for Various Projects		\$ 3,000.0	\$ 2,000.0			\$ 5,000.0	\$ 5,000.0	This appropriation includes \$3 million for soil and water conservation districts, \$1 million for the chile labor incentive program, and \$1 million for vineyard restoration. NMDA reports all funds encumbered or expended.
36	Energy, Minerals and Natural Resources Department	Orphan Wells	\$ 3,500.0	\$ -				\$ 3,500.0	\$ 1,739.7	EMNRD has expended or encumbered \$1.74 million out of \$3.5 million, the majority of the expended funds has been spent on either well plugging or grant compliance services. The remaining balances of \$1.76 million remain budgeted, but unencumbered.
37	Department of Transportation	Wildlife Corridors		\$ 2,000.0				\$ 2,000.0	\$ -	The amounts are not under contract but could be used for preliminary project design. The U.S. DOT secretary visited NM to discuss a national grant program, which could be used for construction of the corridors.
38	Subtotal Rural Jobs and Natural Resources		\$ 13,500.0	\$ 72,000.0	\$ 66,800.0	\$ -	\$ -	\$ 152,300.0	\$ 54,988.3	
39	Department of Finance and Administration	State Government Capital Outlay Project Cost Overruns.			\$ 8,000.0			\$ 8,000.0	\$ 118.8	Awards include \$47.2 thousand for Bernalillo County Metro Court for the elevator gripper install project, \$41.7 thousand to the Fourth Judicial District Court for the court safety and security equipment upgrades project, and \$8.8 thousand to the Taxation and Revenue Department for its scanner replacement project.
40	Department of Finance and Administration	Regional Recreation Centers		\$ 5,000.0	\$ 40,000.0		\$ 40,000.0	\$ 85,000.0	\$ 39,359.5	DFA received 147 requests totaling \$218.9 million for its recreation and quality of life grant program. Of the projects submitted, 128 were for rural areas. The agency has received one pay request so far for Curry County totaling \$27 thousand and reports more reimbursements will continue as pay requests are received. Other notices of obligation so far include Lordsburg (\$434 thousand), Deming (\$944.2 thousand), Curry County (\$760.7 thousand), Clayton (\$259 thousand), Truth or Consequences (\$240 thousand), Carlsbad (\$161.3 thousand), and Portales (\$688.4 thousand). No more than half of the appropriation is to be spent in a single fiscal year.
41	Energy, Minerals and Natural Resources Department	State Parks Improvements.	\$ 20,000.0	\$ -				\$ 20,000.0	\$ 12,166.1	EMNRD has expended or encumbered \$12.1 million of the \$20 million appropriation for infrastructure improvements at multiple state parks. Expenses have included payments for electrical work, deferred maintenance costs, and communications equipment.
42	Economic Development Department	Trail and Outdoor Infrastructure Grants					\$ 10,000.0	\$ 10,000.0	\$ -	EDD opened 2023's Trails grant program for application on July 1, 2023. The \$10 million appropriation will support the Outdoor Recreation Trails+ grant program. The program supports projects including trail design or construction, signage, river access, and more.
43	Economic Development Department	Outdoor Recreation Grants	\$ 7,000.0	\$ -				\$ 7,000.0	\$ 6,962.7	EDD has expended or encumbered \$6,962.7 million of the \$7 million appropriation for the Outdoor Recreation Grants. The grant has awarded 90 projects in New Mexico. The fund cycle for 2023 is open on a rolling basis until funds are expended.

Major Nonrecurring Funding Update

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44	Economic Development Department	Outdoor Equity Grants	\$ 3,000.0	\$ -	\$ -			\$ 3,000.0	\$ 1,955.3	EDD has expended or encumbered \$1.9 million of the \$3 million appropriation for the outdoor equity fund for grants that support youths' access to outdoor experiences. The fund has been awarded to 130 organizations. The fund cycle for 2023 is open and will award grants until the funds are expended.
45	Department of Finance and Administration	Navajo Preparatory School Dorm Upgrades			\$ 5,000.0			\$ 5,000.0	\$ 5,000.0	All funds are encumbered and a grant agreement is in place. The grant will support a new residential hall on school grounds, able to accommodate 30 to 45 additional students in the seven-day program. The agreement stipulates the building shall be built to house students no later than the 2024-2025 school year. Construction is planned to begin on June 1, 2023.
46	Subtotal Quality of Life and Other		\$ 30,000.0	\$ 5,000.0	\$ 53,000.0	\$ -	\$ 50,000.0	\$ 138,000.0	\$ 65,562.4	
47	Economic Recovery		\$ 231,000.0	\$ 528,500.0	\$ 149,800.0	\$ 65,500.0	\$ 91,000.0	\$ 1,135,800.0	\$ 515,828.3	
48										
49	Post Pandemic Workforce Development									
50	Higher Education Department	Lottery Tuition Fund		\$ -	\$ 130,000.0			\$ 130,000.0	\$ 31,931.6	This appropriation funds multiple years of the lottery scholarship program in advance. HED should use federal funds before state funds as federal funds revert in December 2026.
51	Higher Education Department	Opportunity Scholarship			\$ 63,000.0	\$ 5,000.0	\$ 40,000.0	\$ 108,000.0	\$ 102,629.0	FY24 awards will be made in November based on fall, 2023 enrollment. Remaining balances in the opportunity scholarship fund may be used in subsequent fiscal years for student financial aid.
52	Higher Education Department	Endowed Faculty Teaching Positions in Social Work (2023 Changed Revenue Source from ACF to GF)		\$ -	\$ -	\$ 50,000.0		\$ 50,000.0	\$ 50,000.0	HED funded all program requests and was left with a surplus. The 2023 GAA expands the purpose the remaining funds and they may be used for student financial aid and paid practicums. The department intends to make a second set of awards to expend the remaining balance of the appropriation.
53	Higher Education Department	Endowed Faculty Teaching Positions in Nursing and Program Expansion (2023 Changed Revenue Source From ACF to GF)	\$ 15,000.0		\$ -	\$ 40,000.0		\$ 55,000.0	\$ 27,500.0	HED distributed \$15 million for nurse expansion and much of this amount was converted to recurring appropriations in the 2023 GAA. The 2022 GAA included a nonrecurring appropriation of \$30 million and the 2023 GAA included an additional \$10 million appropriation for endowments.
54	Economic Development Department	Film School			\$ 20,000.0	\$ -		\$ 20,000.0	\$ 1,485.0	The department announced two sites for the film school, one in the Albuquerque Railyards and one at the DACC campus in Las Cruces. The department broke ground on the Las Cruces site in March 2023. The department expects to encumber the remaining line item by FY25.

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55	Higher Education Department	Work Study		\$ -	\$ 20,000.0			\$ 20,000.0	\$ 997.7	The 2023 GAA expanded the purpose of the remaining funds to be used for workforce training resulting in industry-recognized credentials, internships, and apprenticeships. A preliminary spending authorization has been sent to institutions and reimbursement of institution cost will begin in coming months.	
56	Higher Education Department	Teacher Preparation Affordability Scholarship Fund (OSF Includes \$20 Million)						\$ 28,000.0	\$ 3,700.0	This appropriation is from the public education reform fund made directly to the teacher preparation affordability scholarship fund. Funds will be awarded by HED on an annual basis in November. The FY24 GAA contains \$5 million in authority for fund expenditure.	
57	Higher Education Department	STEM Graduate Scholarships					\$ 10,000.0	\$ 10,000.0	\$ -	This scholarship program will begin in FY24. HED is currently working on the grant agreements with institutions prior to expenditure of funds.	
58	Workforce Solutions Department	Reemployment Case Management			\$ 5,000.0			\$ 5,000.0	\$ 1,529.2	The department has spent and encumbered a total of \$1.5 million, including \$1.1 million in personnel expenses. The department spent \$167 thousand for a contract with Dell to purchase computer equipment and \$100 thousand for a contract with NMCEO for BeProBeProud Licensing	
59	Workforce Solutions Department	Youth Reemployment and Apprenticeships		\$ -	\$ 5,000.0			\$ 5,000.0	\$ 1,706.1	The department entered two two-year sole source contracts with the New Mexico Center for Economic Opportunity (NMCEO) for \$1.2 million and SPEVCO Incorporated for \$1.5 million to launch its "Be Pro Be Proud" initiative. The NMCEO contract says "Be Pro Be Proud" is a workforce development initiative used to introduce students to technical careers.	
60	University of New Mexico	For Endowed Teaching Positions in Native American Studies			\$ -	\$ 5,000.0		\$ 5,000.0	\$ -	UNM is working with DFA to transfer appropriated funds to the endowment.	
61	Higher Education Department	Teacher Loan Repayment Fund (Other State Funds Includes \$5 million)				\$ -		\$ 5,000.0	\$ -	This is the amount authorized for expenditure in FY24. This amount is in the HED base budget of the student financial aid program.	
62	Higher Education Department	Teacher Loan Repayment Fund	\$ 2,000.0					\$ 2,000.0	\$ 1,973.6	Funds remaining will be awarded in subsequent fiscal years.	
63	Subtotal Post Pandemic Workforce Development			\$ 17,000.0	\$ -	\$ 243,000.0	\$ 100,000.0	\$ 50,000.0	\$ 443,000.0	\$ 223,452.2	
64											
65	Respond to Covid-19 Related Costs and Improve Healthcare										

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66	Department of Finance and Administration	Acute Care Hospital	\$ 50,000.0	\$ -	\$ -			\$ 50,000.0	\$ 45,000.0	An agreement is in place, and the full amount is committed to Valencia County. However, the county reports still being in negotiations with one potential provider. Five qualified bidders responded to the phase 1 design build solicitations and a selection committee is being formed to narrow it down to three bidders to respond to phase 2 of the solicitation, in which one bidder will be selected by August 2023. Legislation passed and signed by the Governor in April allowed the agency to use a portion of the appropriation for early operational needs.
67	Department of Finance and Administration	Affordable Energy Efficient Housing	\$ 15,000.0		\$ 10,000.0			\$ 25,000.0	\$ 25,000.0	A grant agreement for \$15 million was executed in September 2022. Twelve projects were awarded including \$3.7 million to North Central NM economic development district to provide housing for workforce and those exiting incarceration and senior home repair, \$3.3 million for weatherization, \$3.2 million for housing development in Dona Ana county, \$2.8 million for housing development and senior housing rehab in Bernalillo county, and \$1 million for down payment assistance, rehab expansion in Southwest NM, roof replacement in San Felipe, and youth housing. The grant agreement for \$10 million executed January 2023, \$8 million for down payment assistance and \$2 million for permanent supportive housing in Hidalgo and Bernalillo counties.
68	Office of Superintendent of Insurance	Patients' Compensation Fund		\$ 30,000.0	\$ -			\$ 30,000.0	\$ 30,000.0	Funds have been transferred. A new actuarial assessment will assess the fund deficit in August 2023.
69	Human Services Department	Hospital and Nursing Home Labor Costs (OSF includes \$10 million)		\$ 18,000.0				\$ 28,000.0	\$ 28,000.0	HSD reports all the appropriation was expended in FY22. No remaining balance.
70	Department of Finance and Administration	Homeless Housing Assistance	\$ 10,000.0		\$ 10,000.0			\$ 20,000.0	\$ 9,358.7	No remaining balance. The Casa Connection grant program distributed \$2 million to Crossroads for Women to renovate two buildings, Casa de Mariposa (a 15-unit Albuquerque apartment) and Maya's Place (a housing unit for women exiting incarceration). A contract for another Albuquerque project to purchase efficiency apartments was executed in February 2023 for \$2 million and \$2.5 million is in process for Luna County for the Deming and Luna County Economic Development Center, but a contract has yet to be executed. Another \$247 thousand is covering outstanding Local Government Division expenses, \$247 thousand will provide housing, including 8 RV trailers, in the Village of Columbus, and \$1 million will help develop 17 manufactured housing units in Ruidoso for the displaced families of the McBride fire.

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71	Department of Finance and Administration	Community Food, Agriculture, and Supply Chain Programs				\$ 3,665.0	\$ 7,500.0	\$ 11,165.0	\$ -	Not budgeted and no expenditures	
72	Department of Finance and Administration	Local Government Housing Infrastructure Grants					\$ 10,000.0	\$ 10,000.0	\$ -	Not budgeted and no expenditures	
73	Human Services Department	Behavioral Health Provider Startup Costs		\$ -	\$ 20,000.0			\$ 20,000.0	\$ -	No expenditures to date although there has been much collaborative discussion.	
74	Public School Insurance Authority	Employee Covid-19 Costs		\$ -	\$ 15,000.0			\$ 15,000.0	\$ 15,000.0	The Authority reports the funds were transferred	
75	General Services Department	Employee Covid-19 Costs	\$ 15,000.0	\$ -				\$ 15,000.0	\$ 15,000.0	The funds were transferred	
76	Human Services Department	Financial Assistance			\$ 10,000.0			\$ 10,000.0	\$ 10,000.0	HSD reports appropriations transferred to TRD to provide assistance for low-income residents. No remaining balance.	
77	University of New Mexico	School of Public Health			\$ 10,000.0			\$ 10,000.0	\$ 3,176.1	This appropriation is authorized through fiscal year 2024.	
78	New Mexico State University	School of Public Health			\$ 5,000.0			\$ 5,000.0	\$ 1,414.0	This appropriation is authorized through fiscal year 2024.	
79	New Mexico State Fair	For Lost Revenue			\$ 5,000.0			\$ 5,000.0	\$ 5,000.0	Nearly fully expended. Expo New Mexico used the funds to cover operational costs during the pandemic	
80	Human Services Department	Food Bank Services	\$ 5,000.0	\$ -				\$ 5,000.0	\$ 2,278.8	HSD reports there is \$2.7 million unexpended for food banks.	
81	Cumbres and Toltec Scenic Railroad Commission	For Lost Revenue and Railroad Repairs		\$ 566.0	\$ 2,434.0			\$ 3,000.0	\$ 3,000.0	The railroad has a full plan for the funds and is working with DFA to make sure all funding requests meet federal fund criteria.	
82	Department of Finance and Administration	Rental Assistance and Eviction Prevention					\$ 1,000.0	\$ 1,000.0	\$ -	New appropriation that has not yet been budgeted. The funds are intended to support rental assistance and eviction prevention, but no expenditure plans have been reported yet, and it is unclear if funds will be used to continue the existing emergency rental assistance program that was previously federally funded.	
83	Subtotal Respond to Covid-19 Related Costs and Improve Healthcare			\$ 95,000.0	\$ 48,566.0	\$ 87,434.0	\$ 3,665.0	\$ 18,500.0	\$ 263,165.0	\$ 192,227.6	
84											
85	Other										
86	General Services Department	Santa Fe Executive Office Building		\$ 70,000.0	\$ -			\$ 70,000.0	\$ -	Santa Fe Historic Review Board recently downgraded status of some buildings needing to be demolished for the project. The department reports they are preparing to go to the historic review board with demolition plans. Demolition would require the State Engineer to move to leased space.	
87	Department of Finance and Administration	Criminal Justice Reform and Police Salaries		\$ 67,000.0				\$ 67,000.0	\$ 36,585.9	On September 9, 2022, the Governor's Office announced the awarding of \$41.5 million from the fund over three years to 29 law enforcement agencies for the purpose of hiring over 300 new officers. Total awards in FY23 total \$20.7 million, including \$5 million to Albuquerque, \$5 million to Las Cruces, and nearly \$2.9 million to Hobbs.	

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88	General Services Department	Employee Group Health Benefits Fund (OSF includes \$41.5 million)					\$ 23,000.0	\$ 40,806.0	\$ -	Amounts from state agencies and the general fund have been transferred. Amounts appropriated from the appropriation contingency fund were taken from the general fund. GSD has invoiced local government and higher education entities, collecting \$9.8 million. Ongoing litigation has delayed payments for the remainder.
89	Administrative Office of the Courts	Judge Retirement Solvency		\$ 20,000.0	\$ -			\$ 20,000.0	\$ 20,000.0	Funding transferred to PERA, increasing funded ratio from 53.3 percent to 61.2 percent.
90	Higher Education Department	Building Renewal, Replacement, and Demolition			\$ 3,500.0		\$ 20,000.0	\$ 23,500.0	\$ 1,432.4	The appropriation has been budgeted with some of the funds expended.
91	Public Education Department	School for the Arts Dormitories		\$ 4,557.3	\$ -			\$ 4,557.3	\$ 4,547.3	The total amount has been encumbered.
92	Secretary of State	Statewide Election Costs			\$ 5,000.0			\$ 5,000.0	\$ 4,988.8	The \$4 million budgeted in the other costs category has been fully spent to provide election cost reimbursements to counties and \$76.9 thousand for IT support. Of the other \$1 million, funds have supported contracts for ongoing IT support, election ballot system support, general election test decks, and FY23 tribal language translation services, required for the 2022 constitutional amendments used in the 2022 General Election.
93	Higher Education Department	Equipment Renewal and Replacement				\$ 2,000.0	\$ 1,000.0	\$ 3,000.0	\$ -	Not Budgeted
94	Legislative Council Service	Legislative Processing System	\$ 1,000.0	\$ -				\$ 1,000.0	\$ -	Not budgeted
95	Administrative Office of the Courts	Pretrial Services Monitoring	\$ 500.0	\$ 500.0	\$ -			\$ 1,000.0	\$ 816.3	Ongoing expenditures continue from these appropriations, while an additional \$130.7 thousand or 19.1 percent was encumbered, expended or transferred.
96	Department of Finance and Administration	Accountability of Pandemic Relief	\$ 935.0	\$ -	\$ -			\$ 935.0	\$ 663.6	DFA has spent \$572.1 thousand to support grants management FTE and other personnel and employee benefits, \$71.8 thousand for contracts, primarily for information technology support for the agency's federal grants dashboards, and \$19.7 thousand for other expenditures, including office supplies and travel and other reimbursements.
97	Taxation and Revenue Department	Mail Processing Inserter		\$ 275.0				\$ 275.0	\$ 212.8	TRD reports The inserter was placed into service in July 2022, and is fully functional. On average it processes 1,636,302 mail items per year, 31,467 per week, 6,293 per day, based on a running total over the past 52 weeks. (double for both inserters)
98	Subtotal Other		\$ 2,435.0	\$ 162,332.3	\$ 8,500.0	\$ 2,000.0	\$ 21,000.0	\$ 237,073.3	\$ 69,247.0	
99										
100	Grand Total Other Nonrecurring General Fund		\$ 345,435.0	\$ 739,398.3	\$ 488,734.0	\$ 171,165.0	\$ 180,500.0	\$ 2,079,038.3	\$ 1,000,755.2	