

September 2014 Quarterly Update

Quarterly Status of Outstanding Capital Funds

- As of September 2014, approximately \$611.7 million from all funding sources for 1,845 projects remains outstanding (excludes \$167 million waiting for voter approval and earmarked funds).
- Since the June 2014 quarterly report, 249 projects closed and approximately \$103.8 million was expended or reverted.
- Percentage of outstanding funding sources: general fund (GF) less than 1 percent, severance tax bonds (STB) 71 percent, general obligation bonds (GOB) 16 percent, and other state funds (OSF) 13 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	3	\$1.1	\$0.3	\$0.8	30%
2011	46	\$69.5	\$47.2	\$22.3	68%
2012	286	\$227.4	\$91.6	\$135.7	40%
2013	606	\$251.2	\$59.2	\$192.0	24%
2014	903	\$269.9	\$10.2	\$259.7	4%
Total	1,845	\$829.1	\$217.3	\$611.7	

Source: Capital Projects Monitoring System

- For 1,636 projects funded from only GF and STB, \$230.4 million for state projects and \$206 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	41	\$68.3	\$46.8	\$21.5	68.5%	0	\$0.0	\$0.0	\$0.0	*
2012	19	\$61.6	\$35.4	\$26.2	57.5%	110	\$22.9	\$10.4	\$12.4	45.6%
2013	115	\$126.5	\$31.3	\$95.1	24.8%	476	\$77.7	\$10.6	\$67.0	13.7%
2014	100	\$95.6	\$9.2	\$86.4	9.6%	774	\$126.8	\$0.2	\$126.6	0.2%
Total	276	\$362.0	\$131.5	\$230.4		1,360	\$227.4	\$21.2	\$206.0	

* No allocations made for local projects.

Source: Capital Projects Monitoring System

- LFC staff tracks \$1 million or greater projects totaling initial appropriations of \$768.5 million for 182 projects. Unexpended balances for these projects total \$437.1 million, 71.5 percent of all unexpended funds. Since the June 2014 report, 17 projects closed.
- Note the Capital Project Monitoring System is used to obtain the needed data for expenditures, milestones achieved last quarter, projected milestones, and the status of projects for the quarterly and \$1 million or greater reports. 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>.

- The following table demonstrates balances of earmarked funds totaling 184.7 million for 278 projects authorized in 2012, 2013 and 2014:

Earmarked Senior Severance Tax Bonds

(in millions)

Fund	2012 Allocations			2013 Allocations			2014 Allocations		
	# Projects Awarded	Amount	Balance	# Projects Awarded	Amount	Balance	# Projects Awarded	Amount	Balance
Water	22	\$26.8	\$12.5	36	\$36.9	\$34.1	24	\$33.0	\$33.0
Colonias	40	\$13.2	\$7.0	37	\$16.6	\$16.6	43	\$14.2	\$14.2
Tribal	28	\$13.2	\$3.6	19	\$16.6	\$14.4	29	\$14.2	\$14.2
Total	90	\$53.2	\$23.1	92	\$70.1	\$65.1	96	\$61.4	\$61.4

Source: New Mexico Finance Authority and Indian Affairs Department

Highlights of Major Projects

Mora County Complex

- \$1.8 million (STB) was authorized in 2013 and an additional \$245,000 (STB) was authorized in 2014 to continue construction of phase II of the complex. As of October 2014, the Administrative Office of the Courts and Mora County representative indicate approximately \$2.3 million is needed to address site drainage issues and to complete the interior shell of the first floor. Completion of the first floor would complete space for the court and the sheriff’s offices. Both are currently housed in unsafe, substandard conditions.

New Mexico Veterans’ Home

- \$11.1 million of \$13.8 million (STB) authorized between 2007 and 2011 to plan, design, construct, and equip an Alzheimer’s skilled nursing unit at the New Mexico Veterans’ Home in Truth or Consequences remains unexpended. The Department of Health (DOH) received a letter from the Secretary of Veteran’s Affairs on September 25, 2014, indicating that the federal grant for construction of the Alzheimer’s skilled nursing unit will be forthcoming once DOH complies with the remaining federal requirements within the 180 calendar days from receipt of the letter. Construction documents are currently under review and the RFP will be issued by early January 2015. The timeline to meet all the federal requirements is on target and DOH anticipates ground breaking to begin in early 2015.

Executive Office Building (EOB)

- Laws 2009 (Chapter 114) amended the State Building Bonding Act to raise the limit for state office building tax revenue bonds from \$100 million to \$115 million and authorized the NMFA to issue and sell the revenue bonds to plan, design, construct, equip and furnish an executive office building estimated to cost \$26 million. To date, the FMD expended \$654,435 for site selection and programming for the 50,000 sq. ft. executive building to be built adjacent to the parking structure. The site and programming services were completed in July 2010, and an RFP for scope for construction was developed but never issued. The General Services Department maintains their interest in constructing the EOB. According to the department, the construction may require additional funds.

Los Lunas Substance Abuse Center

- \$6 million (STB) authorized in 2012 and 2013 to construct phase II for a residential treatment will not move forward; the Facilities Management Division of the General Services Department did not certify readiness to proceed and bonds were not issued in June. In 2014 the expenditure period was extended until 2018.

General Services Department/Department of Agriculture

- \$2.8 million (STB) authorized in 2013 to replace a tissue digester at the State Scientific Laboratory was reauthorized in 2014 to expand the language to allow for contracting with a consultant to oversee the purchase and proper installation of the digester. According to the Facilities Management Division, RFP process, contractual agreements, removal of the non-functional digester, purchase and installation of the new digester may not be complete until late 2016.

Health & Human Services Complex at Las Soleras

- Currently pending for the land acquisition is \$2 million in bond anticipation notes authorized for issuance by NMFA, the trade of state-owned Galisteo property (4.451 acres) valued at \$1.9 million, and \$2.2 million gifted by Paseo Nuevo, Ltd. Company for the Las Soleras property. An additional \$4 million in new monies would be required for the land purchase.
- In 2010, FMD approved final review of the purchase agreement and cash option with Paseo Nuevo, Ltd. Co., contingent on final purchase occurring 90 days after approval by the attorney general and Board of Finance. On December 4, 2012, the governor approved the fifth extension expiring in 2013 for the purchase and land trade agreement between the state and the company. According to FMD, an agreement or purchase option no longer exists between the state and the developer.

MAJOR CLOSED PROJECTS

➤ 2010 GOB public school, academic, public & tribal library allocations	\$7.0 million
➤ Court of Appeals building	\$6.0 million
➤ Correctional facilities HVAC & kitchen renovations	\$4.0 million
➤ GSD - Facilities Management – statewide facility repairs	\$3.5 million
➤ Las Cruces State Police District Office	\$3.3 million
➤ DoIT Two-Way Radios	\$3.0 million
➤ New Mexico School for the Deaf – Dillon Hall renovation	\$2.6 million
➤ 2010 GOB Public education instructional materials	\$2.0 million
➤ University of New Mexico roof improvements	\$1.2 million
➤ Department of Cultural Affairs statewide repairs	\$1.1 million
➤ Office of State Engineer dam emergency repairs	\$1.0 million
➤ New Mexico Junior College infrastructure improvements	\$1.0 million