

June 2015 Quarterly Update

Quarterly Status of Outstanding Capital Funds

- As of June 2015, approximately \$717.8 million from all funding sources for 1,942 projects remains outstanding excluding 991 projects totaling \$293.9 million authorized in the 2015 special session and does not include approximately \$438 million from supplemental severance tax bonds for public schools; total includes \$108.9 million earmarked fund balances for water (\$56.4 million), colonias (\$29 million), and tribal (\$23.5 million) infrastructure projects and \$167 million for 2014 general obligation bonds issued in March 2015.
- Since the March 2015 quarterly report, 154 projects closed with approximately \$70.3 million expended or reverted.
- Percentage of outstanding funding sources: general fund (GF) less than 1 percent, severance tax bonds (STB) 58 percent, general obligation bonds (GOB) 31 percent, and other state funds (OSF) 10 percent.

2009-2014 Capital Outlay All Fund Sources "Outstanding" Projects Only (in millions)

Year	Number of Projects	Amount Appropriated	Amount Expended	Amount Unexpended	Percent Expended for Year
2009	1	\$10.0	\$8.8	\$1.2	88%
2010	2	\$0.6	\$0.5	\$0.1	78%
2011	35	\$57.3	\$43.8	\$13.6	76%
2012	264	\$187.5	\$99.1	\$88.4	53%
2013	595	\$277.5	\$104.3	\$173.2	38%
2014	1,045	\$474.6	\$33.3	\$441.3	7%
Total	1,942	\$1,007.5	\$289.8	\$717.8	

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

Source: Capital Projects Monitoring System

- Of funds authorized from GF and STB only, \$128.3 million for state-owned projects and \$184.5 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	30	\$56.1	\$43.3	\$12.8	77.2%	0	\$0.0	\$0.0	\$0.0	*
2012	16	\$52.3	\$41.6	\$10.7	79.6%	84	\$17.5	\$9.3	\$8.2	53.1%
2013	95	\$102.5	\$48.7	\$53.8	47.5%	411	\$69.9	\$18.2	\$51.7	26.1%
2014	30	\$65.0	\$15.1	\$49.8	23.3%	671	\$133.2	\$8.7	\$124.6	6.5%
Total	172	\$285.9	\$157.5	\$128.3		1,166	\$220.6	\$36.2	\$184.5	

* No allocations made for local projects.

Source: Capital Projects Monitoring System

- LFC staff tracks all appropriations funded for \$1 million or greater totaling \$1.1 billion for 205 projects. Unexpended balances total \$582.2 million, 81.1 percent of all unexpended funds. Since the March 2015 report, 16 appropriations totaling \$37 million were fully expended.

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

Highlights of Major Projects

Department of Health Facilities Statewide

- The balances totaling nearly \$530,000 of \$2 million authorized from cigarette tax revenue bonds in 2013 for repairs to Department of Health (DOH) facilities statewide will be removed from the \$1 million or greater report. The DOH did not request an extension for use of the funds in hopes the Legislature would approve Senate Bill 435 in 2015 reauthorizing the continued use of cigarette tax revenues (CTR) for health facilities. The use of CTR for such purposes was first approved in 2007.

Eastern New Mexico University - Roswell

- Nearly \$971,000 of \$1.5 million authorized in 2012 from general obligation bond capacity remains unexpended. Since the fall 2014 quarterly report, the university continues to report they are still trying to determine which roofs to repair first.

Los Lunas Substance Abuse Center – Change of Purpose

- \$1.5 million was reauthorized in 2015 to change the original intent for the Los Lunas Substance Abuse Center to instead plan, design, construct, improve, equip and furnish a women’s transitional living facility in Valencia County. The Probation and Parole Division of the New Mexico Corrections Department is considering property currently owned by the Facility Management Division for the program. The three buildings under consideration are located at 735 Don Pasqual in Los Lunas.

Mora County Complex

- Mora County officials and the Administrative Office of the Courts (AOC) recently held a working session to develop next steps to complete phase 2 of the engineering assessment for the complex. The available funding of \$2 million will be used to complete the surveys and master grading and drainage plan, to complete the lateral system evaluation and will address build out options for use by the court. Mora County is also under the advisement of RBC Capital Markets to possibly enact additional government gross receipt increments to contribute more funding toward completion of the complex. The Department of Finance and Administration assisted Mora County and the AOC in developing a Fiscal Agent Agreement approving AOC to serve as fiscal agent for the funds.

Tribal Secondary Schools

- Tribal institutions report a lack of progress with their projects is due to waiting times for approvals by the Department of Indian Affairs (DIA) and the federal Bureau of Indian Affairs. The DIA is experiencing staff turnover and recently contracted additional help to assist in reconciling capital projects appropriations and expenditures.

Major Projects Completed

➤ NMBHI – Meadows Long-Term Care Facility – Phase 2	\$12.2 million
➤ Manuel Lujan Jr. Building Renovation	\$6 million
➤ San Juan College School of Energy Center	\$5.1 million
➤ DPS Law Enforcement Academy Dorms	\$3.6 million
➤ DOH Facility Patient Health and Safety Improvements Statewide	\$2.4 million
➤ Rio Rancho All-Inclusive Regional Park Facility	\$1.6 million

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| ➤ AOC Security and Safety Enhancements Statewide | \$1 million |
| ➤ EDD – MainStreet (<i>11 projects from 2011 appropriation</i>) | \$1 million |
| ➤ UNM – Taos Core Student Success Center | \$1 million |

Local Issues

- LFC staff has developed two “draft” prototype reports for the purpose of tracking local projects funded in the range between \$300,000 and \$999,999.
- The first report lists outstanding project in all 33 counties, including the name of the county, number of projects, and total outstanding amount. (See Attachment A)
- The second report contains the year of appropriation, identification number, project title, administering agency, total appropriation, total expended, and total balance. The status columns include data provided in the Capital Projects Monitoring System (CPMS) by the state agency and the local entity as of June 15, 2015. For future reports, LFC staff will work with the Association of Counties, the Municipal League and local entities to obtain more current information for reporting purposes, including LFC comments. (See Attachment B)