

Tracking Federal Stimulus Funds

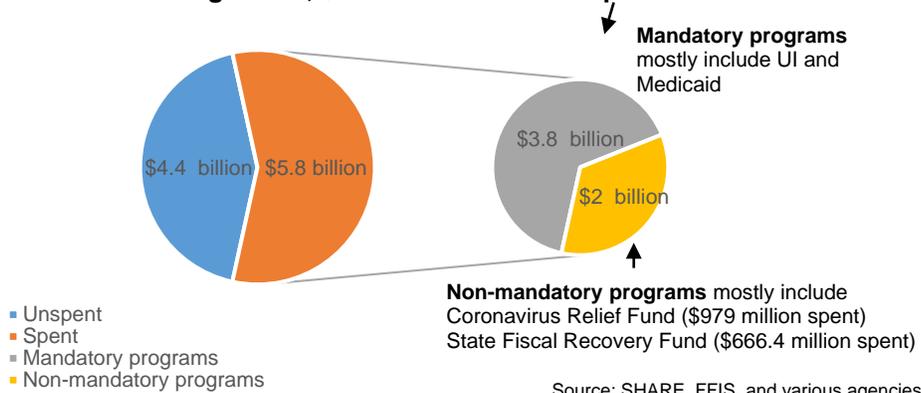
This brief provides information on state agency spending trends associated with federal Covid-19-related relief funding including state fiscal recovery funds, the Department of Health, K-12 and higher education, broadband, and workforce development. The Bipartisan Infrastructure Bill currently being considered by congress is also previewed.

Overall Expenditures of Federal Funds

State agencies have spent \$5.8 billion or roughly half of the \$10.1 billion received through 130 federal pandemic relief grants.¹ To date, about 65 percent of the grant spending or \$3.8 billion was for programs considered mandatory by the federal government such as unemployment insurance or Medicaid. These programs offer direct benefits to individuals and are required to be paid out if applicants meet qualification criteria. Much of this funding is set to expire in September when federal pandemic unemployment insurance program funding ends. However, the enhanced benefit under the Supplemental Nutrition Assistance Program (SNAP) was revised and made permanent and the Medicaid program run by the Human Services Department could lose its enhanced match rate in December 2021.

Approximately \$2 billion has been spent by state agencies from non-mandatory grant programs. The largest non-mandatory programs are the Coronavirus Relief Fund, of which \$979 million has been spent of \$1.1 billion, and the State Fiscal Recovery Fund, of which \$666.4 million has been spent of \$1.75 billion. In many cases, grant programs did not exist prior to the pandemic and require subject matter experts to conduct pilot projects and submit detailed applications, budgets, and plans prior to full funding of awards. Many of the non-mandatory projects include large complex purchases requiring requests for information and proposals.

Chart 1. Of the \$10.1 Billion awarded to New Mexico agencies, \$5.8 billion has been spent



DATE: August 25, 2021

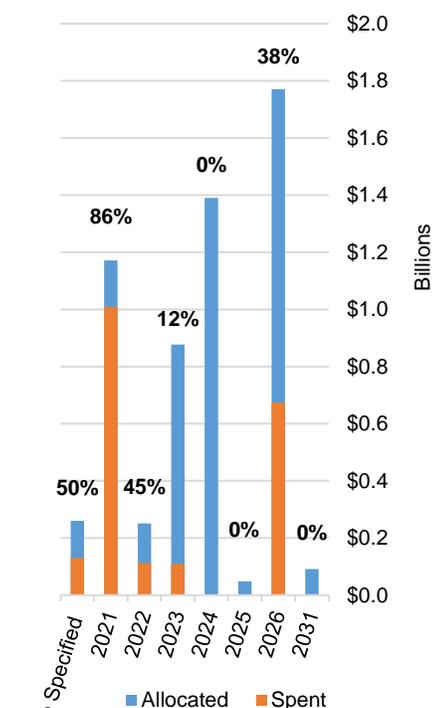
PURPOSE OF HEARING:
Update on budgeting and use of federal stimulus funds

WITNESS: LFC staff

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EXPECTED OUTCOME:
Informational

Chart 2. Of \$5.8 Billion in Non-Mandatory Federal Covid-19 Grant Allocations to State Agencies: Year of Expiration, Percentage Spent, and Amount



¹ Higher education institutions received an additional \$374 million in direct aid.

United States Department of Treasury emphasizes the use of funding on evidence-based programs, performance measures, and evaluation. Some required reporting items for state and local fiscal recovery funds include:

- Amounts of expenditures allocated to evidence-based interventions,
- Equitable outcome promotion activities,
- Community engagement efforts,
- Expenses by category,
- Project inventories, and
- Output and outcome performance indicators used.

Source: US Department of Treasury

Additionally, while grants may have expiration dates well in the future, they require applications for funding in the near-term. The challenge for state agencies over the next five years will be to expend the remaining \$3.8 billion in non-mandatory federal dollars efficiently and before they expire (see appendix A for a list of stimulus funding for all New Mexico governments, businesses, individuals, and other entities).

Pressure to spend down these grants may lead to uncompetitive procurement practices. For example, the emergency rental assistance program was established using an IT vendor from the statewide price agreement list costing at least \$400 thousand. DFA also entered into \$5.6 million in marketing and advertising contracts using procurement exemptions and the emergency procurement process for the rental assistance program. Prior LFC reports recommended setting price limits for contracts such as advertising to avoid circumvention of competitive procurement.

Additionally, although DFA has previously reported that they are standing up a federal funds tracking office of up to 8 FTE to track and report on stimulus spending, there has been no progress reported by DFA in establishing such an office.

Focus Area: State Agency Expenditures

State agencies received \$10.1 billion in federal pandemic relief with 64 percent of these funds allocated to DFA and the Workforce Solutions Department (WSD). Much of WSD’s federal funding, as noted above, flowed directly to individuals in the form of supplemental insurance benefits. State and local fiscal recovery funds received by DFA and federal funds allocated to the Department of Health (DOH) are reviewed in more detail below.

Table 1. Stimulus Funding by New Mexico State Government Agency

(As of August 2021, in thousands)

Agency	Allocated	Spent
Administrative Office of the Courts	\$117	\$0
Department of Finance and Administration	\$3,288,363	\$1,680,469
Department of Information Technology	\$1,500	\$500
Secretary of State	\$3,890	\$3,890
Economic Development Department	\$57,734	\$1,500
Department of Cultural Affairs	\$5,554	\$277
Early Childhood Education and Care Department	\$436,483	\$31,820
Aging and Long-Term Services Department	\$18,652	\$5,061
Human Services Department	\$786,261	\$705,222
Workforce Solutions Department	\$3,215,272	\$3,081,629
Department of Health	\$354,104	\$140,709
Children, Youth and Families Department	\$5,761	\$400
Department of Public Safety	\$6,059	\$2,666
Department of Homeland Security and Emergency Management	\$81,964	\$73,257
Department of Transportation	\$261,498	\$56,938
Public Education Department	\$1,634,983	\$84,517
Total	\$10,158,197	\$5,868,856
Higher Education Institutions	\$358,900	\$121,900
Grand Total	\$10,517,097	\$5,990,756

* Allocations include both mandatory and non-mandatory programs. Higher education institution expenditures as reported by the Pandemic Response Accountability Committee. Approximately 90 percent of allocations to PED went to Local Education Agencies.

Source: FFIS, SHARE and Various State Agencies

State and Local Fiscal Recovery Funds. Of the \$1.75 billion in state fiscal recovery funds granted to the State of New Mexico through ARPA, about 38 percent has been expended to date. Most of the spending replenished the unemployment insurance (UI) trust fund and paid back federal loans. The Department of Finance and Administration (DFA) directly spent about \$1.3 million on advertising and the \$3 million transferred to the Department of Health was likely also spent on advertising.

Table 2. Spending from ARPA State Fiscal Recovery Fund as of 8/17/2021

Spent or Encumbered	Amount	Purpose
Spent	\$656.6 million	Replenish the UI trust fund (\$460.2 m) and payback federal loans
Spent	\$3 million	Vaccine incentive funds to DOH
Spent/Encumbered	\$1.4 million/ \$4 million	Agenda LLC \$100 vaccine cash incentive
Spent	\$4 million	Vaccine sweepstakes winners
Spent	\$88.5 thousand	VAX to Max gift cards
Spent	\$1.3 million	Vax to Max Advertising
Spent/Encumbered	\$666.4 million	Total Spent/Encumbered
	\$1.1 billion	Balance

Source: SHARE

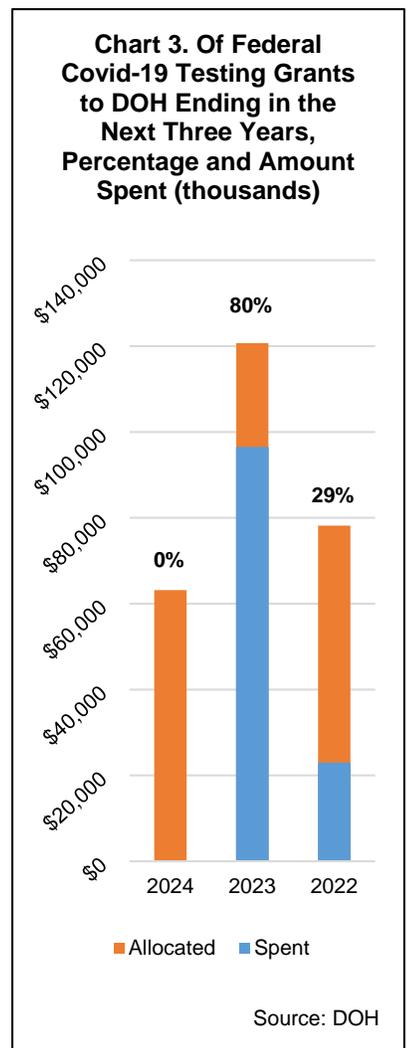
In addition, DFA transferred \$63 million to smaller towns and cities for local fiscal recovery via the American Rescue Plan Act (ARPA; see appendix B for a list of allocations to smaller towns and cities). This transfer represented the first half of federal funds and the second half is due July 2022. Land grants or unincorporated municipalities such as leasehold communities were not included in these funds.

States, cities, and counties with populations over 250 thousand are required to submit interim, quarterly and annual reports on the use of their fiscal recovery funds. Governments must explain planned usage of funds, spending so far, and how expenditures support a “strong and equitable recovery from the COVID-19 pandemic and economic downturn.” The first recovery plan report is due August 31, 2021.

Lastly, the state’s accounting system (SHARE) notes there are \$134.3 million of unspent funds from the first round of state relief funds, the Coronavirus Relief Fund authorized through CARES.

Department of Health (DOH). The DOH received \$348 million in grants from various federal relief bills. These grants include Covid-19 testing, crisis response, Women, Infants and Children, rural provider relief, and hospital preparedness.

DOH could improve prioritization of federal Covid-19 grant spending by focusing on grant timelines and seeking full reimbursement of costs. The department spent more from vaccine related grants ending in FY23 (at 80 percent) than of grants ending this fiscal year (at 29 percent). Additionally, DOH received \$61.2 million in Federal Emergency Management Agency (FEMA) aid and spent \$10 million on marketing and advertising, \$4.2 million on professional services, \$13.6 million on other services, \$12 million on IT hardware and software, and the remainder on medical supplies and rent of land and buildings. Of the \$61.2 million in FEMA aid, none of the funding was used to offset the department’s personnel costs. However, all FEMA public assistance aid was made 100 percent reimbursable and much of DOH’s personnel expenditures are reimbursable.



Focus Area: K-12 and Higher Education

The federal government has made historic investments in education as a result of the pandemic, with particular focus on children enrolled in K-12 schools. Through the Elementary and Secondary School Emergency Relief (ESSER) Fund, K-12 schools in New Mexico received \$1.5 billion in funding, a 50 percent increase over the \$3 billion schools receive annually in program costs through the state equalization guarantee (SEG) formula. It is both an opportunity and a challenge for districts to spend all of the federal funds before they revert and, as a result, districts may increase their unrestricted cash balances from unspent SEG funds.

Addressing learning loss is a particular focus of both the federal funds and of the state. ESSER includes close to \$200 million for New Mexico for this purpose and the state provided \$191.4 million in FY21 for extended learning time through the K-5 Plus and extended learning time programs (ELTP). Both programs have been found to be effective at reducing achievement gaps. LFC staff will present findings during the upcoming September LFC hearing on PED, district, and charter school efforts to combat learning loss. Lastly, educational technology has been the largest category of budgeted funds for schools in New Mexico with approximately \$101 million budgeted from ESSER funds authorized through CARES and CRRSA.

Table 3. New Mexico Education Stabilization Funds Available, Expended and Remaining
(in thousands)

Fund	Available	Expended	Remaining
Elementary and Secondary School Emergency Relief (ESSER)	\$1,500,000	\$77,800	\$1,422,200
Higher Education Emergency Relief Fund (HEERF)	\$358,900	\$121,900	\$237,000
Governor's Emergency Education Relief Fund (GEER)	\$69,000	\$6,100	\$62,900
Total	\$1,927,900	\$205,800	\$1,722,100

Sources: FFIS, PRAC, OBMS, SHARE

K-12. The U.S. Department of Education recently approved New Mexico's plan for federal ARPA dollars from ESSER and released the remaining third of ARPA funding (\$327 million) to schools and PED. The agency's top priorities include: (1) improving students' and schools' access to technology; (2) addressing learning gaps in critical content areas, particularly early literacy and mathematics; and (3) recruiting and retaining a quality educator workforce. The department will use \$22 million of its state ARPA ESSER funds for tutoring and professional development, \$6 million for internships and at-risk youth re-engagement, and \$3.8 million for summer learning programs. PED also plans to allocate ARPA funds for community school initiatives and an evaluation on pre- and post-pandemic lost instructional time. According to the state's K-12 budgeting system, districts have spent \$11.4 million of the ARPA ESSER funds. They have until September 2023 to spend all of the funds.

Table 4. New Mexico's ESSER Allocations
(in thousands)

CARES	\$108,575
CRRSA	\$435,939
ARPA	\$979,762
Total	\$1,524,275

Source: FFIS

Higher Education. Higher education institutions received federal funds across the three major bills (CARES, CRRSAA and ARPA) to support their institutional needs and also provide aid to students. Schools were required to spend at least half of their distribution on student aid but were encouraged to allocate some of their institutional portion to students as well. For example, a group of historically black colleges and universities (HBCU) have been working to cancel existing student debt. In the first round of funds (HEERF I), the Department of Education allowed aid to be spent on all students except online, DACA or international students. In the subsequent rounds (HEERF II and III), all students were eligible but the federal government encouraged schools to prioritize domestic students. Funds allocated to higher education institutions in New Mexico totaled \$358.9 million and institutions were required to grant a minimum of \$170.9 million in aid to students.

Student Aid. The Department of Education allowed higher education institutions flexibility in determining the methodology to allocate grants to students as well as the amount awarded. Award size was in part a function of student demographics (such as income and full- versus part-time enrollment status), the overall size of the student body at the institution as well as the institution’s approach to distributing aid. Higher education institutions in New Mexico took different approaches. At the University of New Mexico, 15.1 thousand students received aid and 9.2 thousand received an award of \$2,100. At Central New Mexico (CNM), 15.9 thousand students received awards with an average award of \$1,165. (See appendix C for table on student aid allocations by school).

At CNM, high school students enrolled in dual credit courses were eligible to receive student aid. Clovis Community College, San Juan College and New Mexico Military Institute did not provide aid to high school students.

Students attending higher education institutions in New Mexico received federal aid in awards ranging from \$100 to \$2,100.

At CNM, 809 high school students enrolled in dual credit courses received a total of \$323,600 in federal student aid through pandemic relief funds.

Table 5. Overview of Federal Stimulus Funds for Higher Education

	HEER I	HEER II	HEER III
Stimulus Bill	CARES	CRRSA	ARPA
Funds available through	~May 2021	~February 2022	~May 2023
Total amount to New Mexico	\$358.9 million		
Minimum portion of awards to students	\$170.9 million		
Allowable Uses	Defray expenses due to significant changes to the delivery of instruction due to the coronavirus, or to make additional awards to students		Same as HEER 1, but Institutions must use “a portion” to implement evidence-based practices to monitor and suppress Covid and to conduct direct outreach to financial aid applicants
Eligibility	DACA students, undocumented students, international students, students ineligible for federal student aid, and 100% online students are NOT eligible to financial aid grants.	No eligibility requirements for students to receive emergency financial aid.	

Source: USDE, FFIS

Tribal Higher Education Institutions. Institute of American Indian Arts, Navajo Technical University and Southwestern Indian Polytechnic Institute received a total of approximately \$36 million from CARES, CRSSA and ARPA. Like all higher education institutions that received these funds, these tribal institutions are required to spend at least half of their allocations on financial aid for students.

Table 6. Higher Education Emergency Relief Funds (I,II,III) for Tribal Higher Education Institutions from CARES, CRSSA and ARPA

School	CARES	CRRSA	ARPA	Total
Institute Of American Indian Arts	\$1,790,334	\$713,431	\$3,619,080	\$6,122,845
Navajo Technical University	\$5,616,533	\$3,109,240	\$12,146,324	\$20,872,097
Southwestern Indian Polytechnic Institute	\$2,778,637	\$1,017,848	\$5,329,592	\$9,126,077
Total	\$10,185,504	\$4,840,519	\$21,094,996	\$36,121,019

Source: FFIS

Focus Area: Broadband

New Mexico has over \$352.6 million already allocated for broadband infrastructure and other services from state and federal sources. ARPA provided for an emergency connectivity fund and emergency broadband benefit program to provide support for schools, libraries and families in obtaining access to connected devices and to the internet. The Bipartisan Infrastructure Bill, if passed, would provide a minimum allocation of \$100 million over five years for broadband deployment and affordability.

Table 7. Total Funding Allocations by Use, State & Federal

Purpose/Use	State	Federal	Total Sources
General Infrastructure	\$96.3 million	\$176.8 million	\$273.1 million
Libraries	\$5 million	\$0	\$5 million
Schools & Students	\$35.1 million	\$16 million	\$51.1 million
Tribal Broadband	\$6.8 million	\$0	\$6.8 million
Planning & Technical Assistance	\$5 million	\$1.5 million	\$6.5 million
LEDA for Broadband Providers	\$10 million	\$0	\$10 million
Total Appropriated:	\$158.3 million	\$194.3 million	\$352.6 million
Estimated Broadband funds from Bipartisan Bill		\$100 million	
TOTAL			\$452.6 million

Source: LFC Files

Broadband in the Bipartisan Infrastructure Bill. If passed, the Bipartisan Infrastructure Bill (discussed in more detail below) will contain an estimated minimum of \$100 million for New Mexico to support both broadband deployment and affordability. Funded projects would have to meet a minimum download/upload build standard of 100/20 megabits per second. States must have an enforceable plan to address all unserved areas before funding projects in underserved areas and finally projects with anchor institutions. The bill also includes more broadband subsidies although at a lower \$30 per month rate than what was allowed under CARES.

The Emergency Connectivity Fund (ECF). The ECF is an expanded version of the existing e-Rate program, which helps schools and libraries support remote learning. The program covers the reasonable costs associated with both equipment and services for students, teachers, and library patrons who lack connected devices such as laptops or tablet computers, Wi-Fi hotspots, modems, and routers. Schools and libraries had to apply for the funds by August 13 of this year. According to CTC Technology & Energy, 127 applications were submitted by New Mexico schools and school districts for almost \$66.7 million. Some school districts submitted multiple applications. Fifteen applications covered hotspot connectivity (\$7.2 million), 16 covered laptops (\$1.8 million) and 6 covered Chromebooks specifically (\$324 thousand). Applications represented 19 school districts, 15 public schools and academies, 11 charter schools, 10 community schools, two international schools, and one independent department of education (Laguna).

127 applications were submitted by New Mexico schools and school districts for almost \$66.7 million in federal Emergency Connectivity Funds

The Emergency Broadband Benefit (EBB). The EBB also provides funds to increase access to the internet through a discount of up to \$50 per month towards broadband service for eligible households and up to \$75 per month for households on qualifying Tribal lands. Eligible households can also receive a one-time discount of up to \$100 to purchase a laptop, desktop computer, or tablet from participating providers. Eligibility criteria are broad, allowing many households in New Mexico to benefit, including those with a low-income or people who participate in SNAP, Medicaid or the free and reduced-price school lunch program or are a recipient of a federal Pell Grant, among other criteria. Through the EBB, approximately \$25 million has been spent on internet subscriptions, roughly \$2.2 million per month.

The Benton Institute for Broadband & Society found low enrollment rates across the country with three major outliers with particularly high adoption: McKinley County, New Mexico; Apache County, Arizona; and a pocket of eastern Kentucky. All three areas are home to small, locally-focused internet service providers that appear to be more actively enrolling people in the program. The EBB program will end when the fund runs out of money or six months after the Department of Health and Human Services declares an end to the COVID-19 health emergency, whichever is sooner.

Focus Area: Workforce Development

The unemployment landscape is due to shift in early September in New Mexico, and nationwide, when federally-funded unemployment insurance benefits expire. This will impact the approximately 78 thousand New Mexicans who filed for these federal benefits in the last week of July 2021. Ten states are addressing the issue by allocating \$100 million or more of their state fiscal recovery funds from ARPA to workforce development. For example, Wisconsin chose to invest \$130 million, including grants to organizations to address systemic barriers to employment, such as transportation and childcare. Connecticut, a state tied with New Mexico for the highest unemployment rate in the country (7.9 percent for June 2021), earmarked \$3.3 million for workforce development including \$1.5 million to help long-term unemployed citizens return to work.

New Mexico runs the reemployment services and eligibility assessment (RESEA) program which has been found to be effective in getting people back to work.

State fiscal recovery funds from ARPA could be used to fund the evidence-based reemployment services and eligibility assessment program to help get people back to work.

As noted in a May 2021 LFC spotlight on the unemployment insurance system, the program has a \$17 return on investment for every dollar spent in New Mexico. During the 2021 Legislative session, the Legislature appropriated \$5 million of ARPA state fiscal recovery funds for RESEA to serve up to 46 thousand New Mexicans, but it, along with all ARPA appropriations, was vetoed. Following the May 2021 LFC report, WSD reported they planned to increase the number of people served by the RESEA program through group sessions. Group sessions, however, are not part of the researched model and their effectiveness is unknown. State fiscal recovery funds from ARPA could be used to help connect unemployed New Mexicans to one of the nearly 72 thousand jobs reported as available in June 2021.

Lastly, the Department of Treasury announced it will allocate \$240 million in grants to states to bolster fraud detection and prevention efforts. Grants can be used to strengthen identity verification for those filing for unemployment insurance, enhance fraud detection and prevention strategies, improve data management and analytic capabilities, increase cybersecurity, or expand overpayment recovery efforts. The May 2021 report found that growing program risks contributed to significant overpayments in unemployment insurance benefits. New Mexico has already received some of these fraud detection funds and can apply for additional amounts.

Table 8. Proposed Spending in the Bipartisan Infrastructure Investment and Jobs Act and Estimated New Mexico Allocations

(In thousands)

Spending Area	Cost	Estimated NM Allocation (over 5 years)
Roads, bridges, and major projects	\$110,000,000	\$2,725,000
Passenger and freight rail	\$66,000,000	
Public transit	\$39,000,000	\$366,000
Airports	\$25,000,000	\$90,000
Ports and waterways	\$17,000,000	
Electric vehicles	\$15,000,000	\$38,000
Road safety	\$11,000,000	
Reconnecting communities	\$1,000,000	
Power infrastructure	\$73,000,000	
Broadband	\$65,000,000	\$100,000
Water infrastructure (including lead pipes)	\$55,000,000	\$355,000
Resiliency and western water storage	\$50,000,000	\$51,000
Environmental remediation	\$21,000,000	
Total, Spending Provisions	\$548,000,000	\$3,725,000

Source: Bipartisan Infrastructure Investment and Jobs Act summary from the U.S. Chamber of Commerce, White House

Focus Area: Bipartisan Infrastructure Bill

On August 10, the Senate passed the \$1.2 trillion Infrastructure Investment and Jobs Act (known as the Bipartisan Infrastructure Bill) which would provide an estimated \$3.7 billion for New Mexico. The 2,702-page bipartisan deal includes \$550 billion in new investments for the country’s top infrastructure priorities – roads and bridges, rail, transit, water systems, and broadband. The bill also includes measures to prepare the country for the effects of global warming. A memo from the White House estimates that New Mexico could receive \$3.7 billion in federal aid over five to eight years for highways, bridge replacement, public transportation improvement, airports, the expansion of the electric vehicle charging network, broadband, water infrastructure, climate resiliency, and western water storage. These estimates are based on formula funding alone. There is additional funding in the bill for competitive grants. The bill contains a patchwork of funding mechanisms including sweeping unused money from previous pandemic programs enacted in 2020, funding from recouped, fraudulently-paid benefits from enhanced federal unemployment insurance supplements, and new cryptocurrency reporting requirements. The Congressional Budget Office concluded that the legislation is not self-financing and would increase deficits by \$256 billion over the next decade. Funding for roads, bridges and major projects as well as public transit are the two largest categories of funding New Mexico is estimated to receive, totaling approximately \$3.1 billion. Opportunities and challenges associated with these funds are presented below for New Mexico.

Roads, bridges, and major projects. New Mexico’s estimated allocation includes \$2.5 billion for roads and \$225 million for bridge repairs and replacement. Currently, there is an estimated gap of \$568.8 million per year in road and bridge maintenance and construction costs in New Mexico. There are numerous unfunded major investment projects that could also be targeted (see appendix D for list of New Mexico’s Department of Transportation’s unfunded major investment projects). Ongoing costs associated with these projects would also need to be budgeted. Lastly, since states across the country will be pursuing road and bridge projects with federal funds, New Mexico could face bottlenecks from contractors pursuing work elsewhere.

Public transit. The Bipartisan Infrastructure Bill provides new funding to address the infrastructure needs of the nation’s public transport assets. Federal stimulus already provided \$269 million to the state, airports, and local entities to address transportation needs including \$63.9 million for the Rail Runner. Federal guidance directed states to use funds for payroll and operations of public transit to the maximum extent possible. Rio Metro’s spending of federal funds has largely been on operations with the exception of \$600 thousand to reupholster car seats with an easier-to-clean material. As a result, state funds can be used to address key capital projects associated with public transit.

Earmarks for New Mexico. The earmark process returned to Congress this year after being absent since 2011. Each lawmaker could submit up to 10 requests for earmarks — officially called “community project funding” — to their chamber’s appropriations committee. Three of New Mexico’s five-member congressional delegation submitted earmarks associated with the Bipartisan Infrastructure Bill totaling \$87.5 million with 77 percent or \$67.3 million directed to the Navajo-Gallup Water Supply Project (see appendix E for full list of New Mexico’s earmarks). The Navajo-Gallup regional water project is a federal-state effort to deliver drinking water from the San Juan River to northwestern New Mexico and the Navajo Nation. The U.S. Bureau of Reclamation estimates the project will cost \$1.7 billion. If the bill is passed, the project will have an approximate \$263 million shortfall, although it isn’t expected to impact construction until 2024.

On The Horizon - \$3.5 Trillion Infrastructure Bill

The Senate passed a blueprint budget for a second, much larger \$3.5 trillion package that includes child care, elder care, efforts to fight climate change and other programs. The House of Representatives is expected to consider both infrastructure packages when it returns in September.

Appendix A. Stimulus Funding by Category to All New Mexico Governments, Businesses, Individuals, and Other Entities

(as of August 17, 2021, in thousands)

	ARPA	CRRSA	CARES	Other Acts	Grand Total
Direct Payments to Individuals	\$2,585,638		\$1,787,812	\$258,892	\$4,632,342
Business Support	\$56,234		\$3,533,608		\$3,589,842
Additional Unemployment Benefits	\$275	\$650	\$3,060,368	\$233,000	\$3,294,293
State General	\$1,751,543		\$1,250,000		\$3,001,543
K-12	\$1,018,675	\$463,069	\$130,837		\$1,612,581
Local General	\$704,730				\$704,730
Healthcare Providers	\$942		\$579,498	\$1,176	\$581,617
Housing and Rental Assistance	\$269,237	\$205,061	\$71,656		\$545,954
Higher Education	\$244,927	\$120,661	\$75,316		\$440,904
Childcare and Early Ed	\$323,727	\$82,158	\$29,443		\$435,328
Covid Testing And Vaccination	\$183,365	\$140,301	\$8,632	\$86,071	\$418,369
Airports, Roads and Other Transportation	\$72,951	\$105,036	\$158,846		\$336,832
Food Assistance	\$18,848	\$4,125	\$31,590	\$189,880	\$244,443
Medicaid FMAP				\$436,822	\$136,822
State Capital	\$133,950				\$133,950
Broadband	\$104,676				\$104,676
DOH: Other	\$25,914	\$47,940	\$5,650	\$10,783	\$90,287
FEMA	\$1,129		\$86,070		\$87,199
Substance Use / Mental Health Grants	\$16,426	\$16,852	\$2,000		\$35,278
Older Americans Support	\$9,726	\$1,866	\$6,585	\$1,556	\$19,733
Head Start	\$8,306	\$2,064	\$6,192		\$16,562
Econ. Development			\$15,940		\$15,940
UI Admin and Reemployment			\$5,430	\$5,263	\$10,693
Justice and Courts		\$117	\$9,451		\$9,568
Income Supports for TANF Recpt.	\$6,385				\$6,385
Museum, Arts and Library Supports	\$3,927		\$1,325		\$5,252
Abuse and Violence Prevention	\$3,270	\$798	\$610		\$4,677
Election Support			\$3,890		\$3,890
Foster Care Supports		\$2,147			\$2,147
UNM HSC other			\$191		\$191
Grand Total	\$7,544,801	\$1,192,845	\$10,860,938		\$20,522,027

* Staff estimates the increased FMAP at approx. \$75 million per quarter. FFIS estimates show \$136.8 million in increased FMAP to New Mexico through 6/2020. The estimate in the table adds an additional four quarters at \$75 million each to this estimate.

Source: FFIS

Appendix B: Funds Received by Smaller Cities and Municipalities from ARPA

City/Municipality	Gross Amount	City/Municipality	Gross Amount	City/Municipality	Gross Amount
City Of Roswell	\$5,875,751	Town Of Peralta	\$441,312	Town Of Tatum	\$100,872
City Of Hobbs	\$4,835,516	City Of Eunice	\$378,267	Village Of Cuba	\$94,567
City Of Clovis	\$4,734,645	Village Of Tularosa	\$371,963	Village Of Cloudcroft	\$88,263
City Of Alamogordo	\$3,952,892	Town Of Clayton	\$334,136	Town Of Kirtland	\$75,654
City Of Carlsbad	\$3,681,801	City Of Santa Rosa	\$327,832	Village Of Melrose	\$75,654
City Of Gallup	\$2,654,175	City Of Ruidoso Downs	\$315,223	Village Of Tijeras	\$63,045
City Of Sunland Park	\$2,219,168	City Of Lordsburg	\$296,310	Town Of Red River	\$56,740
Village Of Los Lunas	\$1,985,903	City Of Bayard	\$264,787	Village Of Williamsburg	\$50,436
City Of Deming	\$1,714,812	City Of Jal	\$264,787	Town Of Lake Arthur	\$50,436
City Of Las Vegas	\$1,595,027	Town Of Mesilla	\$226,961	Town Of Vaughn	\$50,436
City Of Artesia	\$1,525,678	City Of Moriarty	\$226,961	Village Of Wagon Mound	\$37,827
City Of Portales	\$1,437,416	Village Of Santa Clara	\$220,656	Village Of Eagle Nest	\$31,523
City Of Lovington	\$1,418,502	Village Of Questa	\$214,352	Village Of Jemez Springs	\$31,523
Town Of Bernalillo	\$1,292,413	Village Of Columbus	\$201,743	Village Of Reserve	\$31,523
City Of Espanola	\$1,241,978	Village Of Hatch	\$201,743	Village Of Willard	\$31,523
Town Of Silver City	\$1,160,020	Town Of Estancia	\$195,438	Village Of Corona	\$25,218
City Of Anthony	\$1,141,106	Village Of Capitan	\$176,525	Town Of Elida	\$25,218
Town Of Grants	\$1,103,280	Village Of Loving	\$170,221	Village Of Maxwell	\$25,218
Village Of Corrales	\$1,071,757	City Of Elephant Butte Nm	\$163,916	Village Of Roy	\$25,218
City Of Socorro	\$1,033,931	Village Of Pecos	\$163,916	Village Of San Jon	\$25,218
Village Of Ruidoso	\$977,191	Town Of Dexter	\$151,307	Village Of San Ysidro	\$25,218
City Of Bloomfield	\$951,973	Town Of Hagerman	\$151,307	Village Of Des Moines	\$18,914
City Of Belen	\$914,146	Town Of Hurley	\$145,003	Village Of Dora	\$18,914
City Of Aztec	\$788,057	Village Of Angel Fire	\$132,394	Village Of Floyd	\$18,914
Town Of Edgewood	\$756,535	City Of Texico	\$132,394	Village Of Virden	\$18,914
Village Of Los Ranchos De Albuquerque	\$756,535	Village Of Chama	\$119,785	Village Of Causey	\$12,609
City Of Raton	\$731,317	Village Of Logan	\$119,785	Village Of Encino	\$12,609
Town Of Taos	\$731,317	Town Of Carrizozo	\$113,480	Village Of Grady	\$12,609
City Of Truth Or Consequences	\$712,404	Village Of Fort Sumner	\$113,480	Village Of Hope	\$12,609
City Of Tucumcari	\$598,923	Town Of Springer	\$113,480	Village Of Mosquero	\$12,609
City Of Rio Communities	\$561,097	Village Of Cimarron	\$107,176	Village Of Taos Ski Valley	\$6,305
Village Of Bosque Farms	\$479,139	Village Of Magdalena	\$107,176	Village Of House	\$6,305
Village Of Milan	\$453,921	Town Of Mountainair	\$107,176	Village Of Grenville	\$6,305
Total					\$63,038,235

Appendix C: Student Aid Allocations from Federal Funds at New Mexico Schools

HEI	Minimum portion of award to students	Average Student payment	Number of Students Served	Total Awarded to Date	Selected Methodologies to Allocate Student Awards
NMHU	\$4,725,260	Unknown	Unknown	\$1,699,974	First round of funding was based on credits taken (\$40/credit) for a total of \$850,000. Subsequent rounds were based on Pell award with a max of \$600 if Pell award was above \$3,000 and a min of \$100 for a Pell award below \$500.
CCC	\$3,090,459	\$612	1,714	\$1,049,810	Pell students received an award equal to Pell grant. Others receive \$325 award.
ENMU	\$8,808,002	Average payment at 3 campuses ranged from \$994 to \$1057	8,504	\$5,900,000	Students received \$100 for each enrolled credit (max of 12) plus \$300 "bonus" if Pell eligible. ENMU added an additional \$1.5 million of institutional funding
WNMU	\$4,494,448	For CARES, awards ranged from \$155 to \$751. For CRRSA, fully-enrolled students received \$494; part-time students \$223.44	3,422	\$1,550,038	Students who met basic eligibility criteria (as determined by FAFSA) for federal financial aid were considered for funds with a focus on lower income students.
CNM	\$28,439,762	\$1165 (average CARES award); \$400 (CRRSA award)	15,989	\$9,410,232	Pell eligible students awarded funds first. Second round of funds awarded less money per student to serve more students. CNM added \$1 million from their institutional allotment of funds.
Tech	\$3,226,864	\$1,500	600	\$1,766,374	NMT invited students to apply and Pell recipients received funding first
SFCC	\$4,052,813	CARES awards ranged from \$305 to \$1,225 depending on enrollment status (less than part time to full time). For CRRSA, grant awards ranged from \$285 to \$1,750 also based on enrollment status.	2,792	\$2,296,818	Awards based on enrollment status, FAFSA completion and academic status
UNM	\$45,079,215	75% of students received an award of \$2100; 16% received \$1300 and 8% received \$800	15,114	\$25,679,100	Distributed based on "Expected Family Contribution" with those able to pay less receiving more.
NMJC	\$3,207,099	\$1161 (CARES); \$982 (CRRSA); \$794 (ARPA)	1,161	\$1,206,000	Pell eligible students and those who have submitted a FAFSA form and those with an Estimated Family Contribution of \$100 or less both received \$1000. Remaining funds are available for those who have additional expenses or incurred covid-related hardships via an application process.
NMSU	\$39,152,009	Average award \$728	7,416	\$19,404,380	ARPA awards determined by need based on FAFSA as well as Expected Family Contribution and Pell eligibility.

Note: NNMC, LCC and MCC either did not provide information or it was incomplete

Source: LFC analysis of information from higher education institutions

Appendix D: NMDOT Unfunded Major Investment Projects

District	Location	Scope of Work	Cost	Design completion Date	Est. Completion Date
1	I-25 MP 3.0-9.5	6-lane, reconstruction w/ added capacity	\$75,000,000	2022	not in STIP
1	I-25 at Nogal Canyon	Bridge replacement	\$30,000,000	2024	not in STIP
1	US180 Deming to Bayard	Reconstruction (4-lane or alternating passing lanes depending on study)	\$90,000,000	2022	not in STIP
1	I-10	Corridor Reconstruction	\$850,000,000		not in STIP
1	I-25 MP 0-1	6-lane	\$30,000,000	2025	not in STIP
2	US 380 MM 158 to 242 Roswell to TX Stateline	Roadway reconstruction/rehabilitation, addition of passing lanes	\$200,000,000	2023 Phase I, II	Phase A/B Study in STIP
2	NM 18 MM 58 to 71 Lovington to Hobbs	Minor/Major pavement rehabilitation	\$25,000,000	TBD	TBD
2	NM 18 MM 9.5 to 48 Hobbs to Jal	Major pavement rehabilitation, full depth reclamation	\$75,000,000	TBD	TBD
2	US 54 MM 0 to 55 South of Alamogordo	Minor pavement rehabilitation	\$55,000,000	TBD	TBD
2	US 82 MM 139 to 171 West of Lovington	Roadway reconstruction, addition of shoulders, passing lanes and drainage improvement	\$64,000,000	TBD	TBD
3	I-40 MM 152 to 155.5	Reconstruction	\$30,500,000	2020	TBD
3	I-40 MM 170.2 to 180.2	Minor pavement rehabilitation, 3" mill and inlay	\$40,000,000	Oct-21	TBD
3	I-40 WB Wyoming to Pennsylvania	Reconstruction/geotechnical	\$15,000,000	TBD	TBD
3	NM 500 MM 4.75 to 7.5 from NM45 Coors to 118th street	Roadway reconstruction, addition of shoulders, turn lanes and drainage improvement, bridge widening	\$40,000,000	TBD	TBD
3	I-25 Sunport to Cesar Chavez	Reconstruction	\$90,000,000	TBD	TBD
3	I-25 Cesar Chavez to Central	Reconstruction to correct S-Curve I-25	\$200,000,000	TBD	TBD
4	NM 39, MP 14.6 to MP 30	Pavement reconstruction/rehabilitation.	\$21,000,000	Nov-21	2 years after letting
4	NM 434, MP 21.1 to MP 25.8	Reconstruction and widening thru Coyote Creek Canyon.	\$20,000,000	Jan-22	3 years after letting
4	I-25, MP 455.10 to MP 459.30	Roadway Rehabilitation/ reconstruction	\$20,000,000	Jan-21	2 years after letting
4	I-25/US64-87 Interchange	Reconstruction of interchange at exit 451 in Raton.	\$20,000,000	Jan-23	2 years after letting
4	US 64/87, MP 349.4 to MP 404	Rehabilitation from Raton to Clayton.	\$120,000,000	Jan-23	2-3 years after letting
4	BL-15, MP 2.37 to MP 3.06	Roadway Rehabilitation, ADA	\$15,000,000	Jan-23	2 years after letting
4	US 54, MP 306.1 to MP 356.2	Reconstruction or major rehabilitation	\$80,000,000	Jan-23	2-3 years after letting
5	US 550, MP 99 to MP 150 (51 mi.)	Roadway centerline wall barrier	\$56,600,000	8/5/2021	6/1/2024
5	NM 76, NM 68 to NM 503, MP 0 to MP 10 (10 mi.)	Roadway rehabilitation and drainage improvements	\$27,100,000	9/1/2021	5/1/2023
5	NM 96, NM 512 to US 84 (35.5 mi)	Roadway rehabilitation / widening to add shoulders	\$38,400,000	5/1/2021	6/1/2023
5	Cerrillos Road in Santa Fe / St. Michael's to St. Francis	Roadway Reconstruction	\$40,000,000	7/1/2022	6/1/2025
5	NM 599 at Via Vetaranos in Santa Fe	Interchange construction	\$15,000,000	7/1/2021	6/1/2023
6	Allison Corridor - NM 118, NM 547, MP 4 to 13.6	BNSF, & I-40 overpasses and connection	\$34,200,000	2021	2024
6	I-40 at various locations MP 18.4 - 54.0, MP 96.1 - 101.4	Widening, Drainage Improvements, Design and Construct	\$34,000,000	2021	2023
6	I-40 at various locations MP 18.4 - 54.0, MP 96.1 - 101.4	Design and Reconstruction	\$96,000,000	9/15/2021	12/15/2023
6	NM 264, MP 0 - 16, Reconstruction	Design and Reconstruction	\$42,000,000	9/15/2021	12/15/2023
6	I-40 and NM 118 , I-40 MP 35 - 36.3 and NM 118 MP 30.1 - 35.7	Phase 2, 3, 4 & 5, Drainage and Flood mitigation Project	\$33,000,000	9/15/2021	12/15/2023
Total			\$2,621,800,000	Source: NMDOT	

Appendix E. Earmarks Announced by NM Delegation in Bipartisan Infrastructure Bill
(in thousands)

Representative Theresa Leger Fernandez	
Broadband for Española	\$879.5
San Felipe Community Center	\$1,500.0
Navajo-Gallup Water Supply Project	\$67,342.0
Big Brothers, Big Sisters and Boys and Girls Clubs mentoring services & social programs	\$225.0
Roosevelt Special Hospital Expansion	\$600.0
San Juan College Student for Health Center	\$1,100.0
Broadband Expansion for the Curry County Fairgrounds	\$250.0
Historic Taos County Courthouse	\$1,264.0
Santa Fe Public Housing Re-Roofing Project	\$1,044.2
Representative Melanie Stansbury	
Upgrades to Moriarty Fire Station	\$5,250.0
Enhancements to the University of New Mexico's research facilities	\$1,500.0
Improvements for Indian Pueblo Cultural Center Opportunity	\$1,032.8
Creation of a New Mexico Trauma and Recovery Center, City of Albuquerque	\$1,000.0
Early Childhood Development and Family Programs	\$850.0
Completion of the Daniel Webster Park	\$500.0
Support for the Delivery of Youth, Multicultural Preparatory Programing	\$125.0
Senator Martin Heinrich	
NMSU Initiative on Carbon Management and Soil Health in Arid and Semi-Arid Environments	\$995.0
Broadband for New Mexico's state and Tribal libraries	\$890.0
Ben Archer Health Center Telemedicine	\$104.0
Sunland Park public safety complex	\$950.0
Indigenous Farm Hub regenerative farming	\$100.0
Total	\$87,501.5

Note: Senator Ben Ray Lujan has not announced funding and Representative Yvette Herrell did not participate in the earmark process.

Source: Press releases from congressional delegation

Addendum – Federal K-12 Funds and New Mexico School District Plans

K-12 schools received three rounds of federal funding through the Elementary and Secondary School Emergency Relief Fund (ESSER).

Round 1: CARES (Mar. 2020)	Round 2: CRRSA (Dec. 2020)	Round 3: ARP (Mar. 2021)
\$108.6 million	\$435.9 million	\$979.1 million
<ul style="list-style-type: none"> • Deadline for expenditure: Sep. 30, 2022 • For operational costs and Covid-19 emergencies • Includes a provision requiring allocations to nonpublic schools • Includes maintenance of effort (MOE) requirements 	<ul style="list-style-type: none"> • Deadline for expenditure: Sep. 30, 2023 • For operational costs, Covid-19 emergencies, <u>and facility improvements</u> • Nonpublic school allocation earmarked in GEER funding • Includes MOE requirements 	<ul style="list-style-type: none"> • Deadline for expenditure: Sep. 30, 2024 • For operational costs, Covid-19 emergencies, facility improvements, <u>and addressing learning loss</u> • Nonpublic school allocation earmarked in GEER funding • Includes MOE and maintenance of equity (MEQ) requirements

The federal government outlined eligible uses for the federal K-12 ESSER funds. At least 90 percent of ESSER funds flow through PED directly to districts and charters based on federal Title I (poverty) rates for:

- Activities authorized by federal education law,
- Covid-19 response systems and procedures,
- School leader support,
- Activities to support at-risk student populations,
- Training on sanitation and minimizing infections,
- Supplies to sanitize and clean facilities,
- Planning during long-term closures,
- Educational technology for students,
- Mental health services and supports,
- Facility improvements and systems to reduce virus transmission. (Note: This eligible use was added for CRSSA and ARPA but was not included in CARES).
- Extended learning programs to address learning loss, and
- Other activities that are necessary to maintain LEA operations and continue employment of existing staff.

Table 1. Covid-19 Stimulus Funding Overview for K-12
(in millions)

N.M. Education Stabilization Funds (in millions)	CARES	CRRSA	ARPA
Elementary and Secondary School Emergency Relief (ESSER)	\$108.6	\$435.9	\$979.1

New Mexico school districts only plan to spend 9 percent of their CARES and CRRSA stimulus funds on activities to address learning loss. Over the course of the pandemic, LFC published two policy spotlights on the effects of learning loss due to in-person school closures and recovering lost learning time. Both spotlights found that pandemic-related in-person school closures and remote education could have cost New Mexico students up to a year of learning, particularly in math. Research also indicates the pandemic disproportionately affected at-risk students, with students of color and low-income students more likely to be attending school remotely.

Schools have yet to budget for the \$979.1 million coming through the American Rescue Plan Act and have just begun spending down their March 2020 CARES funding. However, district and charter school budgets submitted to PED in July show that for the CARES and CRRSA funding (\$490 million in total), schools are prioritizing spending on educational technology (23 percent) and facility air quality and repairs (15 percent). Districts and charters seem to be preferentially budgeting for those items instead of activities to address learning loss (only 9 percent) or provide at-risk student interventions (8 percent).

A few large school districts, including Las Cruces and Rio Rancho, are budgeting an even smaller percentage of their CRRSA funds to address learning loss, 4 and 6 percent, respectively. Los Alamos Public Schools is the only district allocating 100 percent of its CRRSA ESSER funds to address student learning loss and implement summer and after-school programs.

Districts will be required to use 20 percent of their \$979.1 million in ARPA ESSER funds towards evidence-based interventions to address this learning loss. LFC have prepared a list of the most effective evidence-based interventions for districts and charter schools to help them plan for the best use of that ARPA funding.

Chart 1. How Districts and Charter Schools are Budgeting thier CARES and CRRSA Federal Stimulus Funding (\$490 million total)

