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FISCAL IMPACT REPORT

ORIGINAL DATE 1/31/2008

SPONSOR Jennings LAST UPDATED _____ HB _____

SHORT TITLE Complete Authorized Transportation Projects SB 530

ANALYST Moser

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$50,000.0	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

NM Department of Transportation (NMDOT)

SUMMARY

Synopsis of Bill

Senate Bill 530 appropriates \$50 million from the general fund to NMDOT for expenditure in fiscal years 2009 through 2011 for the purpose of completing those projects in GRIP excluding commuter rail. The distribution of this money shall be based upon a plan developed by NMDOT that encompasses all six districts and includes consideration of the total highway mileage in each district.

FISCAL IMPLICATIONS

The appropriation of \$50 million contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2011 shall revert to the general fund.

SIGNIFICANT ISSUES

Due to inflationary rates, rising costs in the construction industry and unforeseen project scope changes The GRIP program is under-funded by \$494 million. The \$50 million appropriated in this bill would be distributed to projects in the six transportation commission districts, based on a distribution methodology developed by NMDOT that takes into account the total highway

mileage in each district. The funds will supplement remaining available GRIP funds in order to continue construction of identified projects within each of the districts.

The \$50 million appropriated by this bill would allow for completion of some projects; however, the GRIP program corridors would still face an approximate \$450 million shortfall at current industry prices.

OTHER SUBSTANTIVE ISSUES

Senate Bill 530 will address approximately 10 percent of the under funding being experienced.

GM/nt