



New Mexico Department of Transportation

State of the Transportation System

Tom Church
Cabinet Secretary

July 2016 Road Fund Forecast

NMDOT State Revenue Sources - Fiscal Years 2007 thru 2020

Table 1

(Dollars in thousands)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	(N-L)	(N/L)	O	P
	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16		FY17		FY18	FY17 to FY18		FY19	FY20
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Jan-15 Leg. Bud. Estimate	Jul-16 Revenue Update	Jan-16 Leg. Bud. Estimate	Jul-16 Revenue Update	Jul-16 Bud. Req. Estimate	Budget Growth \$ Change	% Diff	Jul-16 Long Run Estimate	Jul-16 Long Run Estimate
Road Fund:																		
Road Fund -- Ordinary Revenue:																		
1 Gasoline Tax	114,577	107,671	108,125	109,163	109,282	104,987	111,795	107,998	110,672	111,900	112,100	111,600	111,700	111,500	(100)	-0.1%	111,200	110,200
2 Special Fuel Tax	97,008	101,483	85,559	88,029	91,078	92,326	92,563	92,923	97,566	97,200	98,200	101,300	99,330	103,410	2,110	2.1%	107,770	111,930
3 Weight/Distance	88,365	77,424	75,485	69,598	74,916	72,786	73,489	75,367	79,985	81,600	83,290	84,100	83,070	85,770	1,670	2.0%	88,840	91,730
4 Trip Tax	7,557	4,904	5,776	5,488	5,973	5,689	5,045	4,666	5,232	5,200	6,160	5,800	6,220	6,170	370	6.4%	6,140	6,130
5 Vehicle Registration	73,512	73,679	72,190	72,863	73,445	75,626	74,135	76,218	75,455	77,900	80,530	79,400	83,920	85,490	6,090	7.7%	85,530	84,660
6 Vehicle Transaction	1,191	1,165	1,070	1,041	1,065	1,114	1,163	1,200	1,173	1,200	1,300	1,250	1,350	1,350	100	8.0%	1,400	1,400
7 Driver's License	4,329	4,738	4,622	4,493	4,718	4,424	4,227	4,193	4,158	4,500	4,370	4,600	4,500	4,500	(100)	-2.2%	4,600	4,300
8 Oversize/Overweight	4,590	4,961	4,539	3,778	4,687	4,820	4,805	5,026	5,229	5,200	5,040	5,400	5,300	5,300	(100)	-1.9%	5,400	5,500
9 Public Regulatory Commission Fees (UCR)	377	866	2,286	1,420	2,740	881	3,191	2,009	3,362	2,000	3,300	3,300	3,300	3,300	-	0.0%	3,300	3,300
10 MVD Miscellaneous	2,452	2,570	2,569	2,735	2,725	2,991	3,100	3,302	3,509	3,400	3,950	3,400	4,000	4,120	720	21.2%	4,120	4,240
11 Subtotal Ordinary Income	393,958	379,461	362,221	358,609	370,629	365,645	373,513	372,902	386,340	390,100	398,240	400,150	402,690	410,910	10,760	2.7%	418,300	423,390
Road Fund -- Extraordinary Income:																		
12 All Other (Reimbursements, Asset Sales, etc.)	4,140	2,240	4,758	6,568	6,584	10,375	10,354	6,493	12,365	2,700	2,200	2,200	2,200	2,200	-	0.0%	2,200	2,200
13 Rail Runner Track Maintenance Fees			4,080	2,000	2,350	17	2,014	1,782	2,143	2,100	2,100	2,000	2,000	2,000	-	0.0%	2,000	2,000
14 Road Fund Interest	708	0	19	16	95	108	209	80	39	440	140	450	450	810	360	80.0%	1,125	1,305
15 Subtotal Extraordinary Income	4,848	2,240	8,857	8,584	9,029	10,500	12,576	8,355	14,547	5,240	4,440	4,650	4,650	5,010	360	7.7%	5,325	5,505
16 TOTAL (Recurring) ROAD FUND	398,806	381,701	371,080	367,193	379,658	376,145	386,089	381,257	400,887	395,340	402,680	404,800	407,340	415,920	11,120	2.7%	423,625	428,895
17 WIPP Settlement (Nonrecurring)										0	7,200	0	26,800					
18 TOTAL ROAD FUND	398,806	381,701	371,080	367,193	379,658	376,145	386,089	381,257	400,887	395,340	409,880	404,800	434,140	415,920	11,120	2.7%	423,625	428,895

- This estimate is one of two annual forecasts of NMDOT revenues. Another update will be released next January before the FY2018 budget is set.
- Current expectations for FY 2017 are pretty much in line with the last January forecast. This forecast update increases FY 2017 Road Fund revenues by \$2.5 million that represents a 0.6% increase.
- FY 2018 Road Fund revenues (recurring "ordinary" income) are currently estimated at \$410.9 million. This represents 2.7% or \$10.7 million in growth from the FY 2017 budget.
- The increases in revenue are primarily due to strong consumer spending and low gas prices that have boosted car and SUV sales.
 - Compared to FY 2017 budget, in FY 2018 both vehicle registration and vehicle transaction revenues are projected to grow by about 7.7% and 8%, respectively. In FY 2017, vehicle registration revenue is expected to become the third largest source of revenue after Gasoline and Special Fuel.
 - Strong consumer spending is foreseen to positively impact Weight Distance revenue, forecast to grow around 3% yearly with only a slowdown in FY 2017, while Special Fuel revenue is forecast around 1% in FY 2017 and 2018 and around 4% in the following years. Gasoline revenue is expected to be flat, because of increasing passenger vehicle efficiency and only modest increases in NM's population.

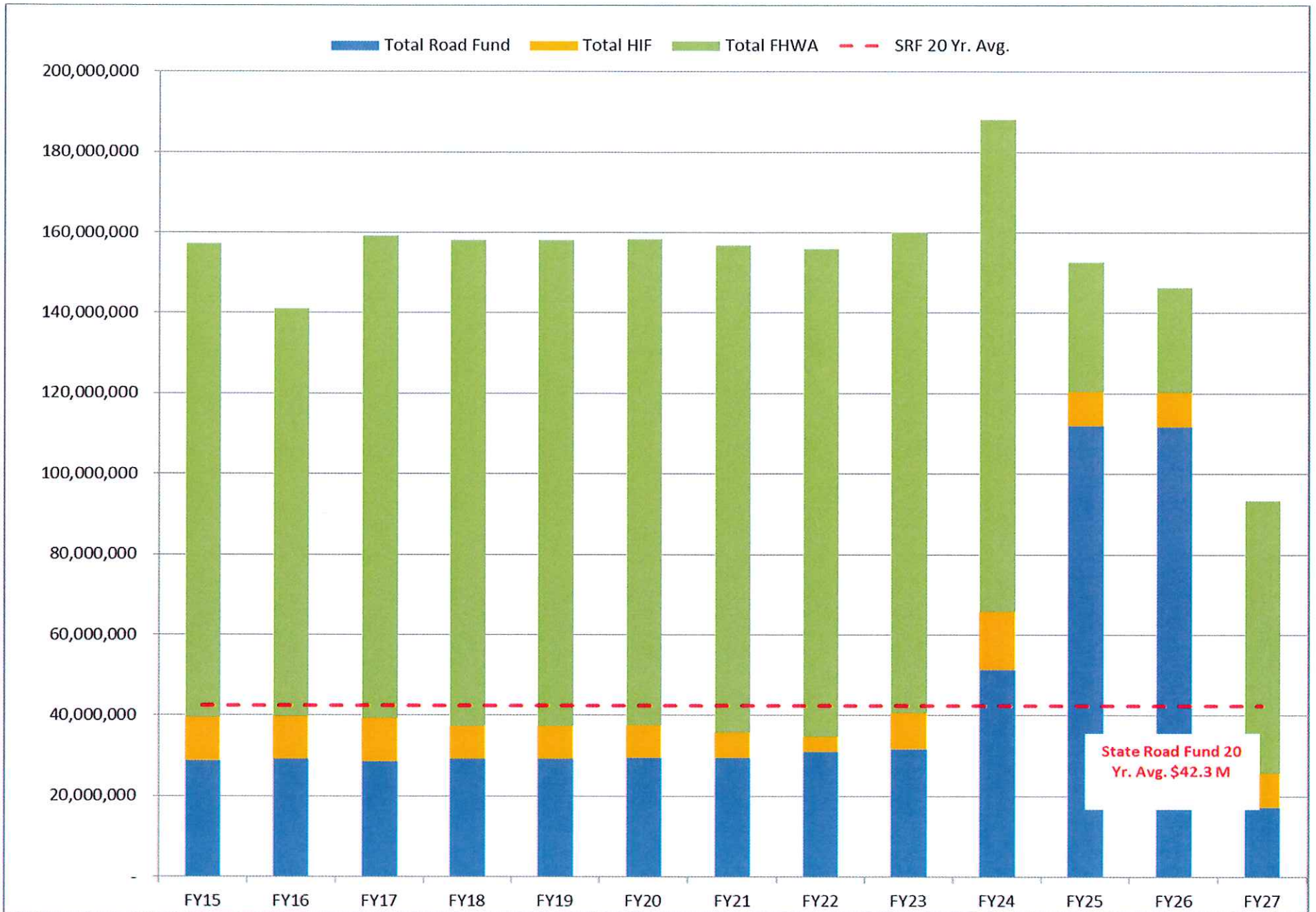
NMDOT State Revenue Sources - Fiscal Years 2007 thru 2020

Table 2

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	(N-L)	(N/L)	O	P
	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16		FY17		FY18	FY17 to FY18		FY19	FY20
										Jan-15	Jul-16	Jan-16	Jul-16	Jan-16	Budget Growth		Jan-16	Jan-16
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Prelim. Actual	Leg. Bud. Estimate	Revenue Update	Leg. Bud. Estimate	Revenue Update	Long Run Estimate	\$ Change	% Diff	Long Run Estimate	Long Run Estimate
Other Funds:																		
Highway Infrastructure Fund:																		
19 Leased Vehicle Gross Receipts	4,844	6,963	5,444	5,397	5,657	5,731	5,214	5,889	5,773	5,940	5,770	5,862	5,939	6,059	197	3.4%	6,091	6,127
20 Tire Recycling Fees	1,758	1,782	1,604	1,791	1,806	1,831	1,807	1,836	1,810	1,870	1,900	1,880	1,980	2,020	140	7.4%	2,040	2,020
21 Interest	164	164	99	18	16	16	25	7	7	70	13	77	77	140	63	81.8%	196	231
22 Total Highway Infrastructure Fund	6,766	8,909	7,147	7,206	7,479	7,579	7,047	7,047	7,589	7,880	7,683	7,819	7,996	8,219	400	5.1%	8,327	8,378
23 Total State Infrastructure Bank	540	135	300	597	83	29	45	15	17	180	41	203	203	365	162	79.8%	508	589
Local Government Road Fund:																		
24 From Interest	966	243	143	24	33	30	46	15	19	140	50	200	200	360	160	80.0%	500	580
25 From Special Fuel	10,105	10,489	8,980	9,200	9,546	9,659	9,709	9,753	10,218	10,200	10,190	10,633	10,310	10,740	107	1.0%	11,200	11,640
26 From PPL Fee	7,073	6,936	6,711	6,725	6,775	6,612	6,926	6,768	6,986	7,050	7,070	7,120	7,090	7,210	90	1.3%	7,320	7,380
27 From DWI reinstatement fees & ID cards	1,068	1,113	1,129	784	1,015	971	929	896	896	900	900	900	900	900	-	0.0%	900	900
28 From Gasoline Tax (MAP)	2,248	2,116	2,126	2,145	2,147	2,066	2,195	2,123	2,174	2,197	2,202	2,190	2,193	2,190	-	0.0%	2,183	2,166
29 Leased Vehicle Gross Receipts	1,615	2,321	1,815	1,799	1,886	1,910	1,738	1,963	1,924	1,980	1,923	1,954	1,980	2,020	66	3.4%	2,030	2,042
30 Total Local Government Road Fund	23,075	23,218	20,903	20,677	21,402	21,249	21,543	21,518	22,217	22,467	22,335	22,997	22,673	23,420	423	1.8%	24,133	24,708
Aviation Fund:																		
31 Gasoline Taxes (Aviation)	406	382	384	387	387	372	395	383	392	397	398	395	396	395	-	0.0%	394	391
32 Aviation Jet Fuel	826	932	1,314	1,852	1,667	2,808	1,952	1,542	1,243	1,070	620	1,000	800	1,000	-	0.0%	1,400	1,400
33 Aircraft License Fees	74	75	73	74	66	68	60	69	48	70	63	60	60	60	-	0.0%	70	70
34 0.046% General Fund GRT (Air Service)	883	891	783	779	855	747	0	1,106	1,009	1,040	950	1,075	1,019	1,079	4	0.4%	1,132	1,193
35 General Fund (2007 Enhancement)		960	1,917	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	-	0.0%	3,000	3,000
36 Aviation Fund Interest Earnings		107	34	8	16	20	36	12	14	97	32	100	100	180	80	80.0%	250	290
37 Total Aviation Fund Income	2,189	3,347	4,504	6,100	5,991	7,016	5,443	6,112	5,707	5,674	5,063	5,630	5,375	5,714	84	1.5%	6,246	6,344
Transportation Fund:																		
38 Motorcycle Registration (Fund 20600)	93	120	131	130	135	138	135	133	135	140	130	140	130	130	(10)	-7.1%	130	130
39 Motorcycle Train. Fund Interest (20600)	5	9	2	1	0	0	0	0	0	1	0	1	1	1	-	0.0%	1	1
40 Driver Improvement Fees (10020)	205	208	193	331	349	340	319	271	274	250	240	250	240	240	(10)	-4.0%	240	240
41 DWI Prevention (20700)	282	331	458	650	486	530	513	517	487	470	475	500	475	475	(25)	-5.0%	475	475
42 Traffic Safety Fees (Fund 20800)	412	474	473	469	446	419	390	526	404	500	950	500	500	500	-	0.0%	500	500
43 Traffic Safety Fees Interest (20800)	92	95	35	3	3	2	2	1	0	1	1	1	2	3	2	200.0%	4	4
44 Community DWI Prevention Fee (20800)	700	1,021	1,150	1,000	1,017	838	789	363	426	410	400	410	400	400	(10)	-2.4%	400	400
45 Red Light Fees (from AOC) (20800)						144	153	158	109	50	50	50	50	50	-	0.0%	50	50
46 Traffic Safety - Interlock Device (82600)	900	775	854	700	2,029	1,167	1,054	810	777	750	760	780	780	780	-	0.0%	780	780
47 Total Transportation Fund Income	2,690	3,033	3,296	3,284	4,466	3,578	3,356	2,779	2,611	2,572	3,006	2,632	2,578	2,579	(53)	-2.0%	2,580	2,580
48 TOTAL NMDOT STATE REVENUES	434,066	420,343	407,229	405,056	419,079	415,595	423,523	418,728	439,028	434,113	448,008	444,081	472,965	456,217	12,136	2.7%	465,419	471,494

- Overall NMDOT State Funds are forecast at \$456 million in FY 2018 representing growth of 2.7% or \$12 million from the current FY2017 budget.
 - In FY2016 the Aviation Fund has been significantly revised down by about 11%, because low gas prices have impacted revenue coming from aviation jet fuel and have depressed the Oil and Gas sector and consequently the revenue coming from Gross Receipt Tax. In following years, the Aviation Fund is expected to increase again at a 6% rate per year.

State and Federal Debt Service



NMDOT Pavement Conditions Rating

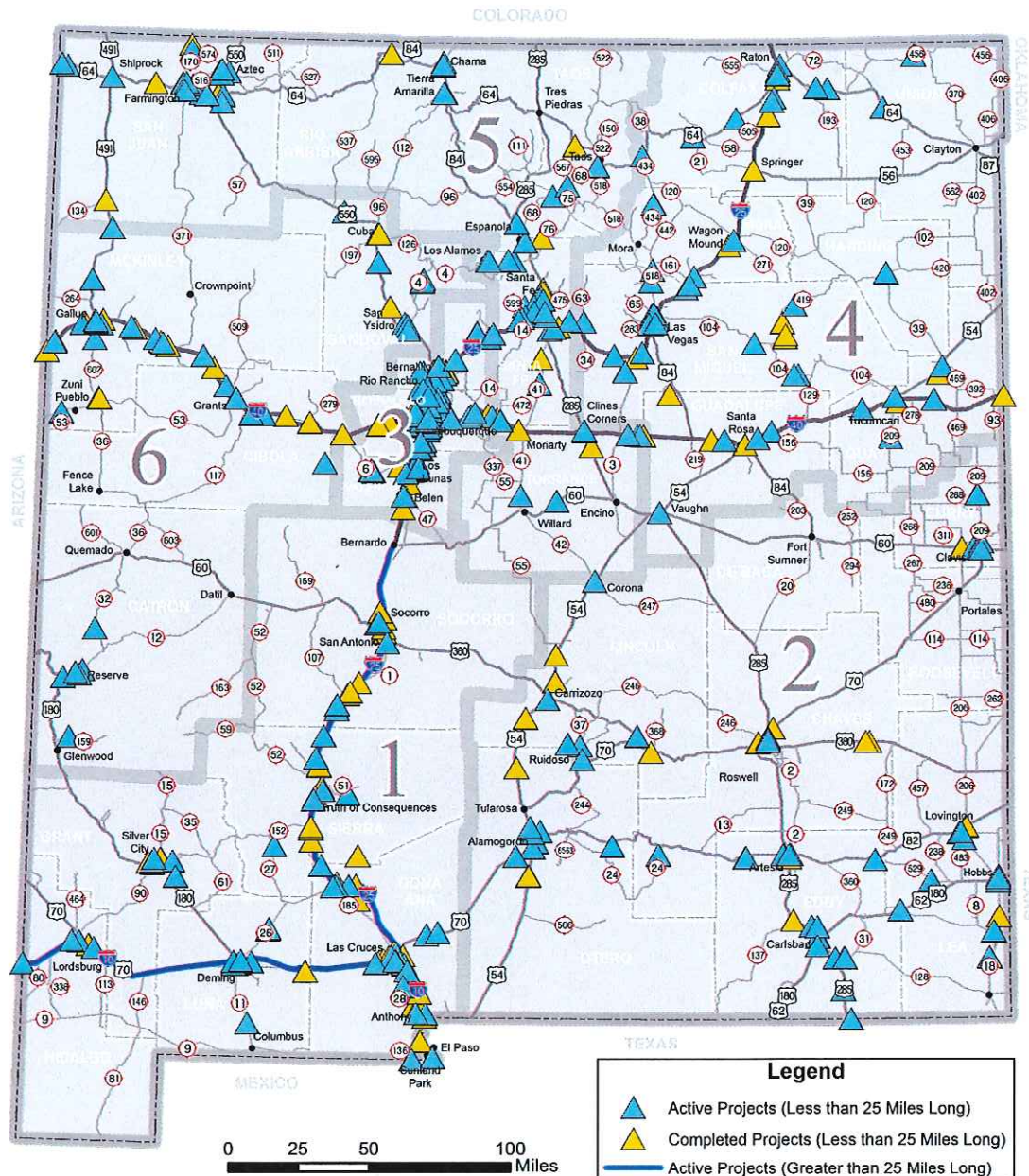
FY 15

Route Type	Total Mileage	Good Condition Mileage	Need Minor Rehab to Reconst.	% of Good Condition
Interstate	4,065	3,537	528	87%
US	8,380	6,060	2,320	72%
NM & Other Routes	18,008	12,606	5,402	70%
Total		22,204	8,250	

FY 16

Route Type	Total Mileage	Good Condition Mileage	Need Minor Rehab to Reconst.	% of Good Condition
Interstate	4,428	4,001	427	90%
US	8,497	7,562	935	89%
NM & Other Routes	18,008	11,705	6,303	65%
Total		23,268	7,665	

Active and Completed Construction Projects 2016-Present



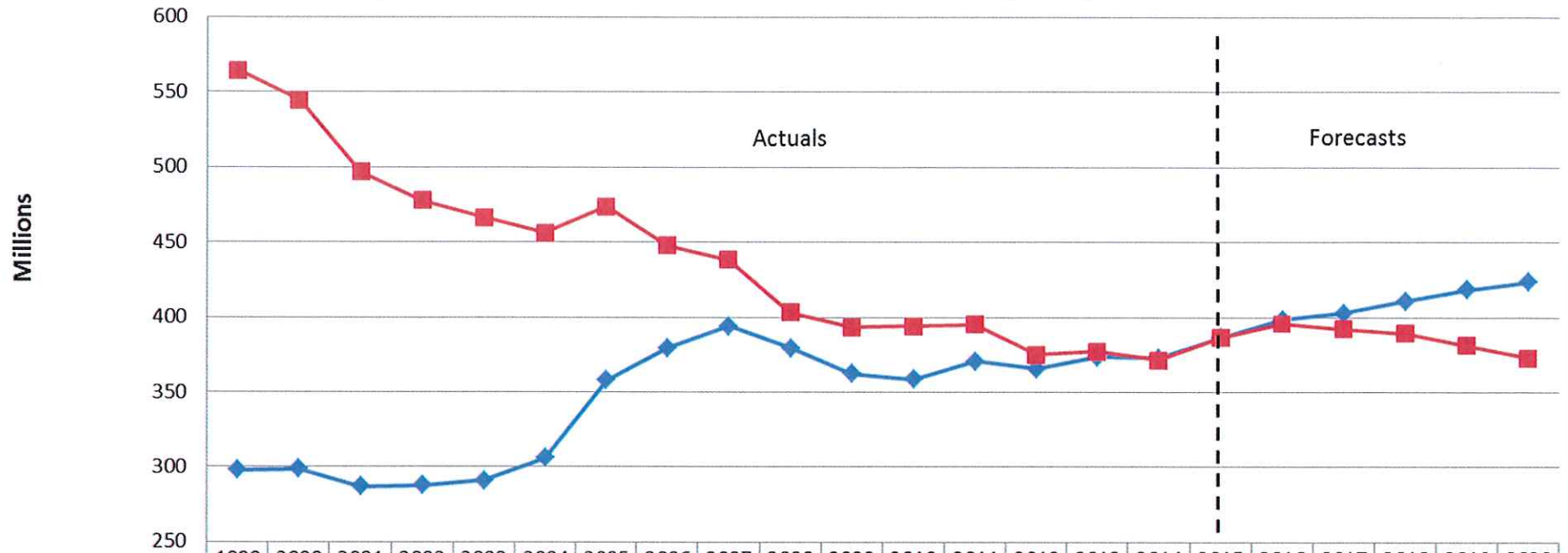
Construction Gaps

Fiscal Year 2017 Approved Operating Budget Compared to Estimated Need

		Budget	Needs	Gap
Roadway Reconstruction and Rehabilitation	Estimated need of 11.9 billion over the next 20 years or an average of \$595 million per year. Performing 75 percent of the estimated requirement would address the most critical needs.	\$ 288,500,317	\$ 446,250,000	\$ 157,749,683
Bridge Preventive Maintenance and Minor Rehabilitations	Preventive maintenance and minor rehabilitation projects on existing inventory.	\$ 11,561,462	\$ 31,713,980	\$ 20,152,518
Bridge New Construction/Bridge Rehabilitation - No Added Capacity	Major rehabilitation projects on bridges that require deck replacements and minor superstructure and substructure work.	\$ 16,520,978	\$ 26,200,000	\$ 9,679,022
Bridge Replacements - Added & No Added Capacity	Structurally deficient bridges that have met their service life. Based on optimal spending with a goal of satisfying all needs in a 10 year period. Need to replace approximately 27 bridges per year based upon an average 50 year design life at an average cost of 3.1 million per bridge.	\$ 33,452,481	\$ 127,800,000	\$ 94,347,519
Major Bridge Projects	Functionally obsolete bridges and other capacity projects such as major intersections. Based on estimated cost of Rio Bravo. Currently a backlog of \$287 million in FO projects.	\$ -	\$ 25,000,000	
Total		\$ 350,035,238	\$ 656,963,980	\$ 306,928,742

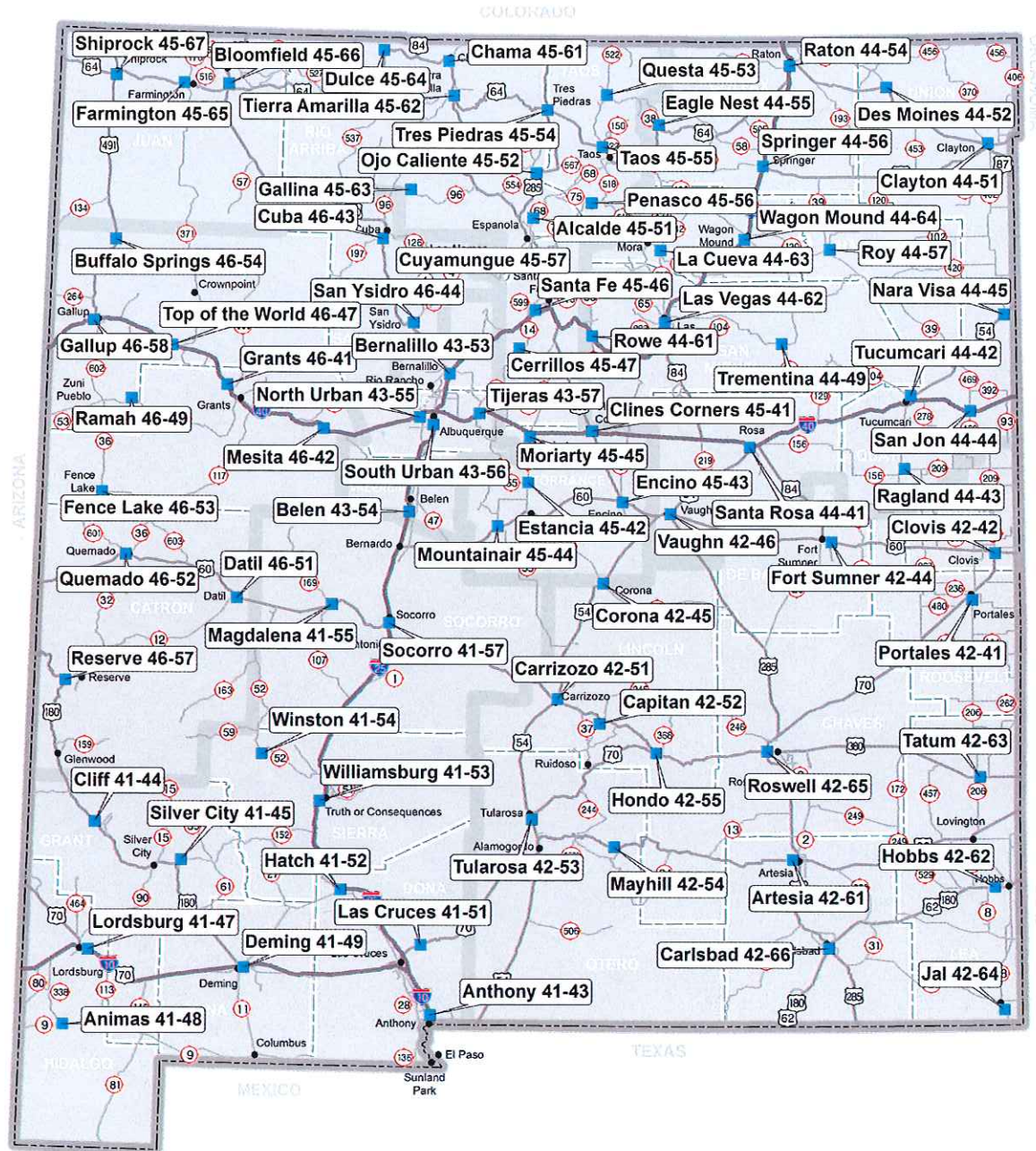
Forecasts

Real and Nominal State Road Fund Revenue (Construction Price Index, 2015 base year)



	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
◆ SRF Nominal Revenue	298	299	287	288	291	306	358	379	394	379	362	359	371	366	374	373	386	398	403	411	418	423
■ SRF Real Revenue	564	544	497	478	466	456	474	448	438	403	393	394	395	375	377	371	386	396	392	389	381	373

NMDOT Maintenance Patrols



Maintenance Gaps

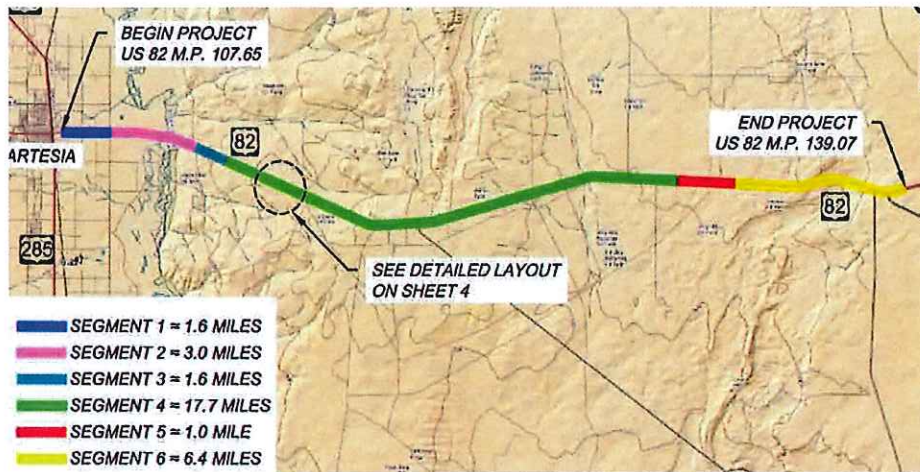
Fiscal Year 2017 Approved Operating Budget Compared to Estimated Need

Routine Maintenance		Budget	Needs	Gap
Routine Pavement & Roadway Maintenance	Blade Patching, Pothole Repair, Ditch Cleaning, Drainage, Mowing, Guardrail Repair & Replacement, Post & Cable Repair & Replacement.	\$ 17,744,964	\$ 32,464,580	\$ 14,719,616
Routine Sign Maintenance	Inventory of 188,605 Signs - approximately 14,421 need to be replaced at an average cost of \$450 per sign on a 14 year cycle.	\$ 6,886,165	\$ 13,152,954	\$ 6,266,789
Routine Pavement Striping	Benchmark of 188.0M liner foot, striped at \$0.16 per liner foot.	\$ 8,890,588	\$ 30,139,321	\$ 21,248,733
Pavement Preservation	5 Year Average Need - Preventive Maintenance, Preservation Minor, Preservation Major. 30 year cycle at 15% or 3,000 lane mile benchmark	\$ 69,587,000	\$ 100,242,894	\$ 30,655,894
Chip Seal Program	5-6 Year cycle or 2,500 lane mile benchmark	\$ 11,000,000	\$ 25,400,000	\$ 14,400,000
Emergency Response	Snow Removal, Emergency Repair, Litter Removal	\$ 11,923,639	\$ 14,975,782	\$ 3,052,143
Equipment Replacement	Loaders, Tractors, Backhoes, Mowers, etc.	\$ 10,043,003	\$ 35,741,000	\$ 25,697,997
Equipment Repair	Loaders, Tractors, Backhoes, Mowers, etc.	\$ 6,254,600	\$ 8,755,000	\$ 2,500,400
Natural Disasters (Event Specific)		\$ -	\$ -	\$ -
Natural Disasters (Event Specific)		\$ -	\$ -	\$ -
Bridge Maintenance	Preventative Maintenance and other minor rehab.	\$ 16,468,502	\$ 31,713,980	\$ 15,245,478
Total		\$ 158,798,461	\$ 292,585,511	\$ 133,787,050

Report on Major Investment Projects

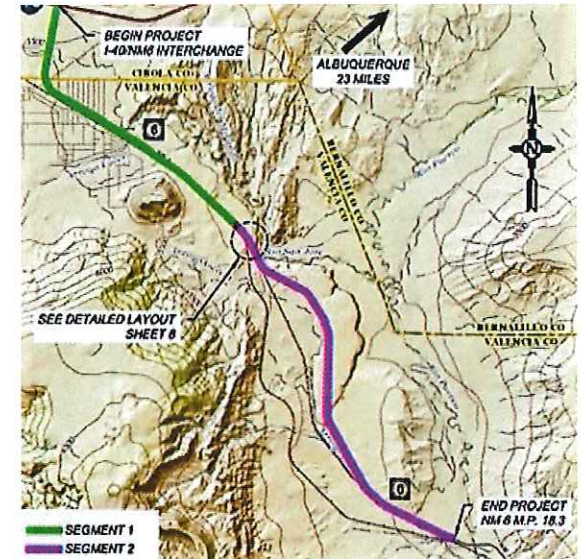
US 82 — Artesia to Lovington

Reconstruct and widen 31 miles of US 82 from Artesia to NM 529. The project improves safety by building 4 lanes and enhanced 2 lanes in an area that is both heavily traveled and experiencing high rates of vehicle accidents. \$20 million Capital Outlay and \$38 million FHWA funds. Design complete, planned letting date of December 2016.



NM 6 — I-40 to I-25 bypass

This portion of NM 6 serves as a freight relief route connecting south-bound traffic from I-40 east of Laguna Pueblo to I-25 south towards Los Lunas. The project will improve safety through redesign and reconstruction of road segments to modern design standards as well as adding shoulders and guardrails. \$31 million Capital Outlay and \$9 million FHWA funds. Final design is complete and the project is planned to let in January 2017.



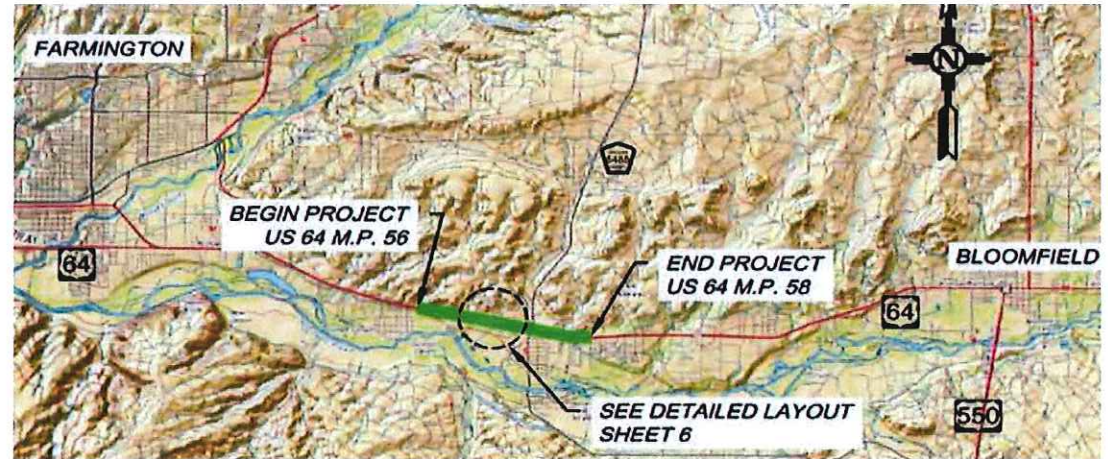
I-25 — Albuquerque Rio Bravo Interchange

Interchange reconstruction, bridge and ramp replacement, roadway reconstruction, drainage improvements and signal upgrades. The project improves the safety and relieves congestion on this section of the I-25 metro-area interstate. \$2.5 million Capital Outlay and \$49.5 million FHWA funds. Final design 90% complete with a letting planned for April 2017.



US 64 — Farmington to Bloomfield

Altogether this project has 6 phases, which began construction in 2009, rebuilding an interchange in Bloomfield and widening heavily traveled roadway sections from 4 lanes to 6 lanes between Bloomfield and Farmington. Phases I to IV have been completed for approximately \$52 million with an additional \$30 million programmed to complete Phases V and VI. These projects improve safety and capacity for the increasing traffic demands between Farmington and Bloomfield. \$5.8 million Capital Outlay and \$9.2 million FHWA funds. Final design is at 90% complete, environmental clearance and right of way acquisition are underway with a planned letting date of September 2017.



NM 68 — Town of Taos

This project consists of two phases that will improve alignment, coordinate traffic signaling, widen the roadway and add ADA compliant sidewalks through the town of Taos.

Phase I is from NM 518 to La Posta Road and is planned to be let in February 2017. \$4 million Capitol Outlay and \$1 million FHWA funds.

Phase II is in final design with planned construction in summer 2018. \$7 million Capitol Outlay and \$1.5 million FHWA funds.

