

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Gonzales **ORIGINAL DATE** 01/30/11 **LAST UPDATED** 02/15/11 **HB** 4/aHTPWC
SHORT TITLE Dept. of Transportation Appropriation Act **SB** _____
ANALYST Soderquist

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	\$822,987.1	Recurring	State Road Fund, Transportation Funds, State Infrastructure Bank Funds, Aviation Funds, Highway Infrastructure Funds, Local Government Road Fund and Federal Funds

(Parenthesis () Indicate Expenditure Decreases)

Duplicates, Relates to, Conflicts with, Companion to: HB2 and HB7
 Duplicates/Relates to Appropriation in the General Appropriation Act: HB2 and HB7

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY11	FY12	FY13		
	\$822,987.1		Recurring	State Road Fund, Transportation Funds, State Infrastructure Bank Funds, Aviation Funds, Highway Infrastructure Funds, Local Government Road Fund and Federal Funds

(Parenthesis () Indicate Revenue Decreases)

Duplicates, Relates to, Conflicts with, Companion to HB 2 and HB 7

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY10	FY11	FY12	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Responses Received From:

New Mexico Department of Transportation (NMDOT)

SUMMARY

Synopsis of the HTPWC Amendment

The House Transportation and Public Works Committee (HTPWC) amendment to House Bill 4 appropriates \$822.9 million in Other State and Federal funds for the operations of the New Mexico Department of Transportation (NMDOT) in FY12 for the purposes of managing three programs: Programs and Infrastructure (P562), Transportation and Highway Operations (P563), and; Business/Program Support (P564). The amendment reflects an increase of \$19,953.7 thousand (or approximately 2.5 percent) over the FY11 NMDOT operating budget. The amended legislation reflects the consensus recommendation of legislative and executive branch staff.

Synopsis of the Original Bill

House Bill 4 appropriates \$827.8 million in Other State and Federal funds for the operations of NMDOT in FY12. The legislation reflects the recommendation of the Legislative Finance Committee (LFC), and contains recommended performance measures and targets.

FISCAL IMPLICATIONS

The HTPWC amendment to HB 4 adjusted the budget recommendation down from \$827.8 to \$822.9 million to reflect updated revenue projections. The new recommended funding level represents a \$19.9 million, or 2 percent increase over the FY11 operating budget. Changes of note made by the amendment compared to HB4 include:

- A slight increase in overall personnel costs and benefits to \$146.6 million, up from \$143.1 million. The revised funding level assumes a 4.5 percent vacancy rate and assumes continuation of the 1.5 percent retirement shift of the PERA contribution. The revised bill also reflects a minor FTE alignment requested by NMDOT as well as the deletion of two exempt positions and associated funding.
- A reduction in the proposed funding level for the 100% state program in the Programs and Infrastructure program from \$39.7 million to \$26.2 million, with a portion of the reduction being shifted to the Operations program to support other costs (field supplies, fuel, etc). Contract maintenance is funded at \$32.5 million.
- A reduction in Programs and Infrastructure other costs of approximately \$3.7 million (from \$210.7 million to \$206.9 million), reflecting lower debt service costs and a \$1.2

million reduction in federal Congestion Mitigation and Air Quality (CMAQ) funds available to support commuter rail.

In terms of recommended language, the amendment includes annual rollover authority to allow NMDOT to carry-forward prior year budget authority to fund multi-year federal projects as well as maintenance related funding. The amendment also includes language for NMDOT's 100% state and contract maintenance programs.

SIGNIFICANT ISSUES

None identified. The amendment reflects the consensus budget recommendation of both legislative and executive branch staff. Other significant issues related to appropriations for NMDOT are stated in the fiscal impact report for HB4.

PERFORMANCE IMPLICATIONS

None identified.

ADMINISTRATIVE IMPLICATIONS

None identified.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 4 relates to funding recommendations for NMDOT contained in HB 7 and HB 2.

AMENDMENTS

None.

RS/mew