



New Mexico DEPARTMENT OF
TRANSPORTATION
MOBILITY FOR EVERYONE

New Mexico Department of Transportation

Report to Transportation Infrastructure Revenue Subcommittee (TIRS)

June 18, 2024

Secretary Ricky Serna and NMDOT Staff



2024 Leg. Session Timeline Recap



Below is an overview of NMDOT legislative presentations

Interim: NMDOT presented at a total of 6 TIRS committee gatherings

December 11: NMDOT presented FY25 budget to LFC

January 4: Executive budget rec. issued

January 5: LFC budget rec. issued

January 16: LFC/DFA/NMDOT Consensus Meeting #1 took place

January 17: LFC /DFA/NMDOT Consensus Meeting #2 took place

January 23: House Transportation debated and approved HB3

January 25: NMDOT had SFC budget presentation (\$1B bonding discussion)

January 25: House Trans presented HB3 to HAFC (NMDOT requested HAFC budget hearing)

January 26: NMDOT presented to SFC -- follow-up on bonding discussion

February 3: NMDOT met w/Senator Munoz to discuss STBs and non-recurring GF

February 5: SFC and DFA determined capacity for non-recurring and STBs not sufficient

February 6: SFC asked Senate members to identify project priorities for HB2 funding

February 7: SB300 (authorized sponge bonds for major construction) passed SFC

February 8: SB300 passed Senate Floor

Week of February 12: NMDOT funding materialized between Capital (STBs) and HB2 Section 11

February 15: Session ended

HB3 Budget Development



HB3 serves as the mechanism through which NMDOT funding and performance measures are incorporated into HB2. Appropriations stem from:

- Federal apportionments
- State tax distributions
- Rollover, as agreed upon between NMDOT, LFC and DFA

HB3 presents the agency's budget in the following categories:

- Project Design and Construction
- Highway Operations
- Program Support
- Modal Division

HB3 development includes the following steps:

- NMDOT FY budget development
- Budget consensus between NMDOT, DFA, LFC
- House Trans presentation, debate and action
- House Appropriations presentation and action
- Senate Finance review
- Incorporation into HB2 on House side

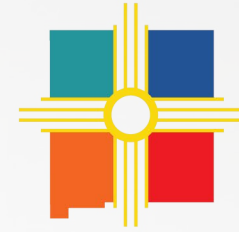
2024 Leg. Session Request vs. Recs



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<u>Projects</u>	<u>Exe Rec.</u>	<u>LFC Rec.</u>
<p>For right-of-way acquisitions, planning, study, design and construction, field supplies, roadway rehabilitation, prevention maintenance, roadway maintenance, reconstruction, or new construction. Funds appropriated in this section may be used to match state funds or federal funds and may be used for: projects including New Mexico</p> <p>1 Highway 213 and New Mexico Highway 404 Interchange in District One; United States Route 380 from Roswell to Texas State Line in District Two; Rio Bravo in District Three; Interstate 25/United States Route 64 in Raton to Clayton Interchange Exit 452 in District Four; Interstate 25 Cerrillos Road to Eldorado Exit in District Five and Interstate 40 Bridge east of Gallup in District Six.</p>	<p>\$200.0 million General Fund; Section 9</p>	<p>\$40.0 million General Fund; Section 5</p>
<p>2 For clean up New Mexico roadway beautification program.</p>	<p>\$10.0 million General Fund; Section 9</p>	<p>None</p>
<p>For planning, design, right-away and construction of wildlife corridors to mitigate wildlife-vehicle collisions on state-managed roads.</p> <p>3</p>	<p>\$30.0 million General Fund; Section 9</p>	<p>\$50.0 million State Road Fund Balance; Capital Outlay</p>
<p>For statewide electric vehicle infrastructure build-out, including state agencies, and local government partnerships.</p> <p>4</p>	<p>\$60 million ARPA/Capital</p>	<p>\$10 Million Capital Outlay</p>

NMDOT Funding Outcomes



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The 2024 Legislative Session yielded \$555M in infrastructure support for the New Mexico Department of Transportation.

- \$320 million in STBs for major construction projects
 - Nine projects totaling \$547M
 - STBs must be issued by June 2025
- \$5 million for Wildlife Corridors
- \$10 million for roadway beautification and litter pickup
- \$120 million for roadway maintenance
- \$15 million for enhancing the Rural Air Service Enhancement Fund
- \$70 million for roadway projects identified by legislators
 - Total of 40 projects, cost estimates in process
- \$15 million for Electric Vehicle Charging infrastructure

2024 Leg. Funding Dashboard



What are you looking for?
You can use the filters below to refine your project search. These filters will also give you a comprehensive viewpoint of current projects in different districts throughout New Mexico.

FILTER PROJECTS BY DISTRICT: FILTER PROJECTS BY FUNDING SOURCE:

Currently viewing all projects in District 1.

Estimated Cost \$260,730,481.00	Severance Tax Bond Projects 2	Section II Project 5	Statewide Maintenance Projects 6
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District 1 Severance Tax Bond Funding Breakdown
Explore our interactive visualization to see how funds for Severance Tax Bond projects are allocated. Discover how your tax dollars are spent on roads, bridges, public transit, and infrastructure improvements across New Mexico.

FILTER PROJECTS BY DISTRICT: FILTER PROJECTS BY FUNDING SOURCE:

Currently viewing all projects in District 1.

Name of Project	District	Project Type	Project Cost	More Details
BLTI Exit 75 to Exit 79	1	Statewide Maintenance	\$600,000.00	More Details
BLTI Exit 75 to Exit 80	1	Statewide Maintenance	\$5,400,000.00	More Details
Equipment Replacement	1	Statewide Maintenance	\$200,000.00	More Details
Equipment Replacement	1	Section II	\$1,500,000.00	More Details

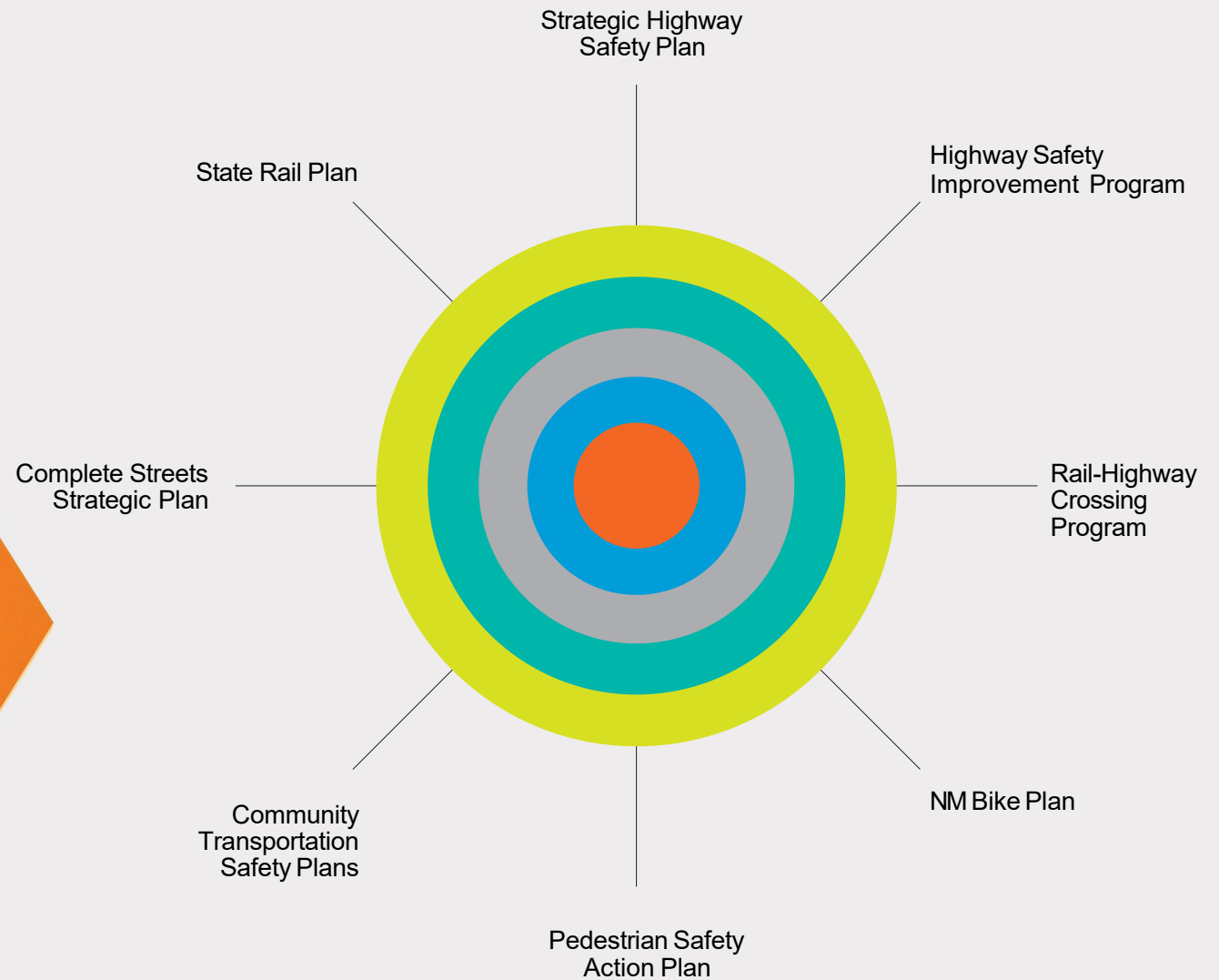
2024 Legislative Funding:

- \$320M for STB Projects
- \$70M for Special Projects
- \$120M for Maintenance Projects

NMDOT is finalizing a public-facing dashboard to track 2024 appropriations by project. Data includes project locations, funding sources and gaps, and letting dates.

TARGET ZERO

Target Zero is a transformative initiative that will coordinate all the transportation safety work currently underway and sharpen the department's focus on safety in all our work. Target Zero visions a transportation system where every journey is completed safely, with zero driving-related deaths or serious injuries. Target Zero is our commitment to:



TARGET ZERO ACTIVITIES



- Coordinate efforts across NMDOT to connect safety planning and activities
- Coordinate efforts across NMDOT to quicken project development timelines
- Coordinate efforts across NMDOT to make safety policy and standards more robust
- Conduct Road Safety Audits to identify root issues
- Convene gatherings of stakeholders to learn and commit to Safe Systems approach
- Identify Policy Recommendations to bring forward legislation
- Support across state agencies and local governments opportunities for broader safety approaches
- Identify and implement education and campaigns for a Traffic Safety Culture
- Coordinate across organizations for post-crash care
- Evaluate and improve, where needed, the data and data-driven decision making
- Developing toolkits that support others in leading in their areas

Workforce Development



NMDOT's current vacancy rate is 15.2% which is 4.4% lower than it was in July 2023. The agency has made strides to increase compensation, ramp up employee engagement, institute referral programs and expedite HR actions.

NMDOT has identified critical roles, some of which require existing postsecondary credentials, other which will require the development of an industry credential.

1. **Develop Career Pathways:** Create clear pathways from K-12 education to college and credential programs. Integrate internships and on-the-job learning at various stages:
 - **Paid Internships:** NMDOT intends to offer both summer and year-round internship opportunities to high school and postsecondary students.
 - **Customize Training Programs:** Work with a training provider, for example a postsecondary institution, to design training programs aligned with specific DOT occupations leading to industry recognized credentials.
 - **Curriculum Development:** Training provider will partner with NMDOT to determine if curricula currently exists or if one will need to be created.
 - **Credentialing Programs:** Develop industry-recognized credentials for targeted roles. NMDOT will work with the SPO to accept the credentials in lieu minimum requirements for employment.
 - **Funding:** NMDOT will provide funding for curriculum development, and course tuition.
2. **Work-based Learning:** Introduce postsecondary students to NMDOT work related to their field of study, to provide foundational knowledge, and relevant years of experience needed to meet minimum qualifications for employment.
3. **Secondary Recruitment:** Partnerships between NMDOT, DWS and secondary institutions (high schools an high school equivalency programs) will allow NMDOT to conduct onsite recruitment and hiring events for entry-level jobs.

Increase to Motor Excise Tax Distributions



Transferring 100% of MET to NMDOT would yield a \$163M increase to its recurring revenues, impacting both the State Road Fund and Transportation Project Fund.

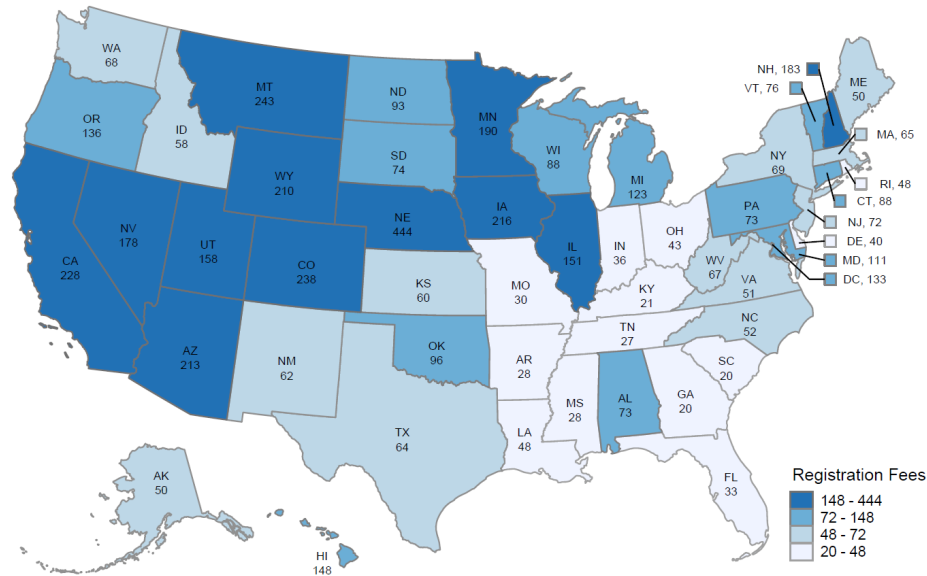
		FY24 Motor Excise Tax Distributions				
				7/1/2025 (Proposed Legislative Priority)		
Program	Current Rate	Current Distribution	New Rate	New Distribution	Diff.	
State Road Fund	21.86%	\$60,071,280.00	75.00%	\$206,100,000.00	\$146,028,720.00	
TPF	18.75%	\$51,525,000.00	25.00%	\$68,700,000.00	\$17,175,000.00	
General Fund	59.39%	\$163,203,720.00	0%	\$0.00	-\$163,203,720.00	
	100.00%	\$274,800,000.00	100.00%	\$274,800,000.00		

Priority for the additional SRF resources is maintenance in all six transportation districts.

Consider Changes to Vehicles Registration Fees

Currently, vehicle registration fees raise an estimated \$114 million for the state road fund and local governments, with annual fees varying from between \$21 per year and \$56 per year for passenger vehicles and between \$32 per year and \$172 per year for trucks, tractors, and buses

Registration Fees on Newer Passenger Vehicles as of June 2022

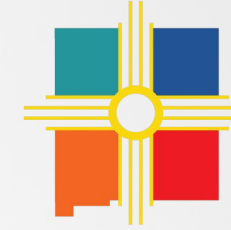


Notes:
U.S. Average Registration Fees are \$101
Where applicable, fees are for a 4 years old passenger vehicle, weighing 4,000 lbs, and priced at \$20,000.

NMDOT's elaboration on data from other states' Departments of Transportation

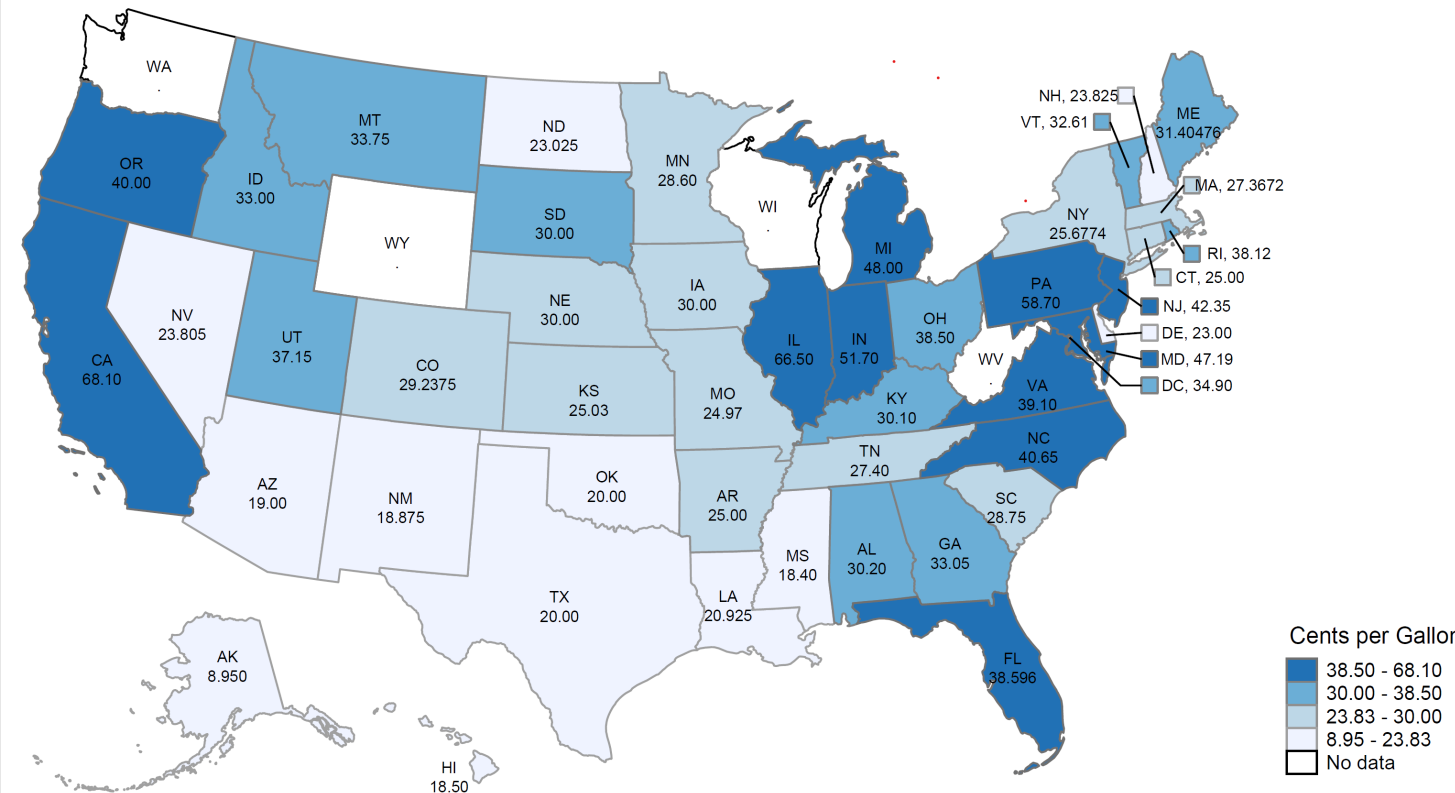
- Assess registration fees to account for inflation
- Consider surcharge for EV registrations
- Consider distribution committed to statewide beautification, and litter prevention and pickup activities
 - Support the current TD distribution

Explore Changes to Fuel Tax



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Gasoline Motor Fuel Taxes per Gallon as of January 1, 2024

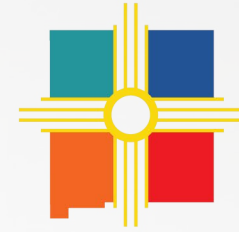


New Mexico has the 4th lowest gas tax rate in the nation at 18.875 cents per gallon . The average gas tax rate in the U.S. is 32.1 cents per gallon, while the average gas tax rate in the western U.S. is 26 cents per gallon.

NM gas tax rate hasn't been adjusted since 1995

- **To keep up with general inflation from 1995 to 2026**, the gas tax rate would need to be **32.5 cents per gallon**, an increase of 15.5 cents. The **average impact** from FY26 to FY28 on gas tax revenues would be **about \$142 million per year**.
- **To keep up with street and highway inflation from 1995 to 2026**, the gas tax rate would need to be **59.2 cents per gallon**, an increase of 42.2 cents. The **average impact** from FY26 to FY28 on gas tax revenues would be **about \$386.6 million per year**.

Capital Outlay Priorities



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Priority	Request
Facility improvements at district offices <ul style="list-style-type: none">• Upgrade HVAC Systems• Upgrade Electrical infrastructure• Address dilapidated Roofing issues• Upgrade Elevator systems• Install solar panels to offset Electrical cost• Replace all Lighting with LED• Necessary interior remodeling and bathroom upgrades	\$12M
Facility renovations at Patrol yards. <ul style="list-style-type: none">• Replace and Repair Septic systems• Develop potable water for employee & operational use• Address molding from leaking Roofs• Address deteriorating beams supporting structures• Enhance exterior lighting for night-time operations	\$20M

- Historically, NMDOT has not received Capital Outlay funds for facility maintenance and repairs.
- Currently, all facility expenditures are funded by State Road Fund.
- NMDOT has leveraged ESCO contracts to address some issues at the GO and at district offices, but patrol yards need major investments.