

# Legislative Finance Committee

October 23, 2024



New Mexico DEPARTMENT OF  
**TRANSPORTATION**  
MOBILITY FOR EVERYONE

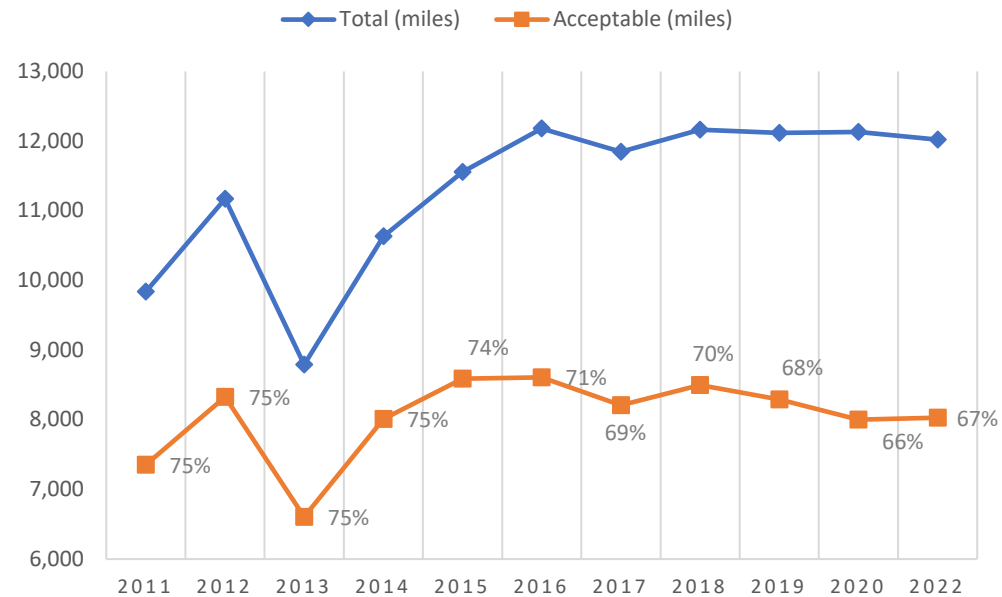


# NM Road Conditions



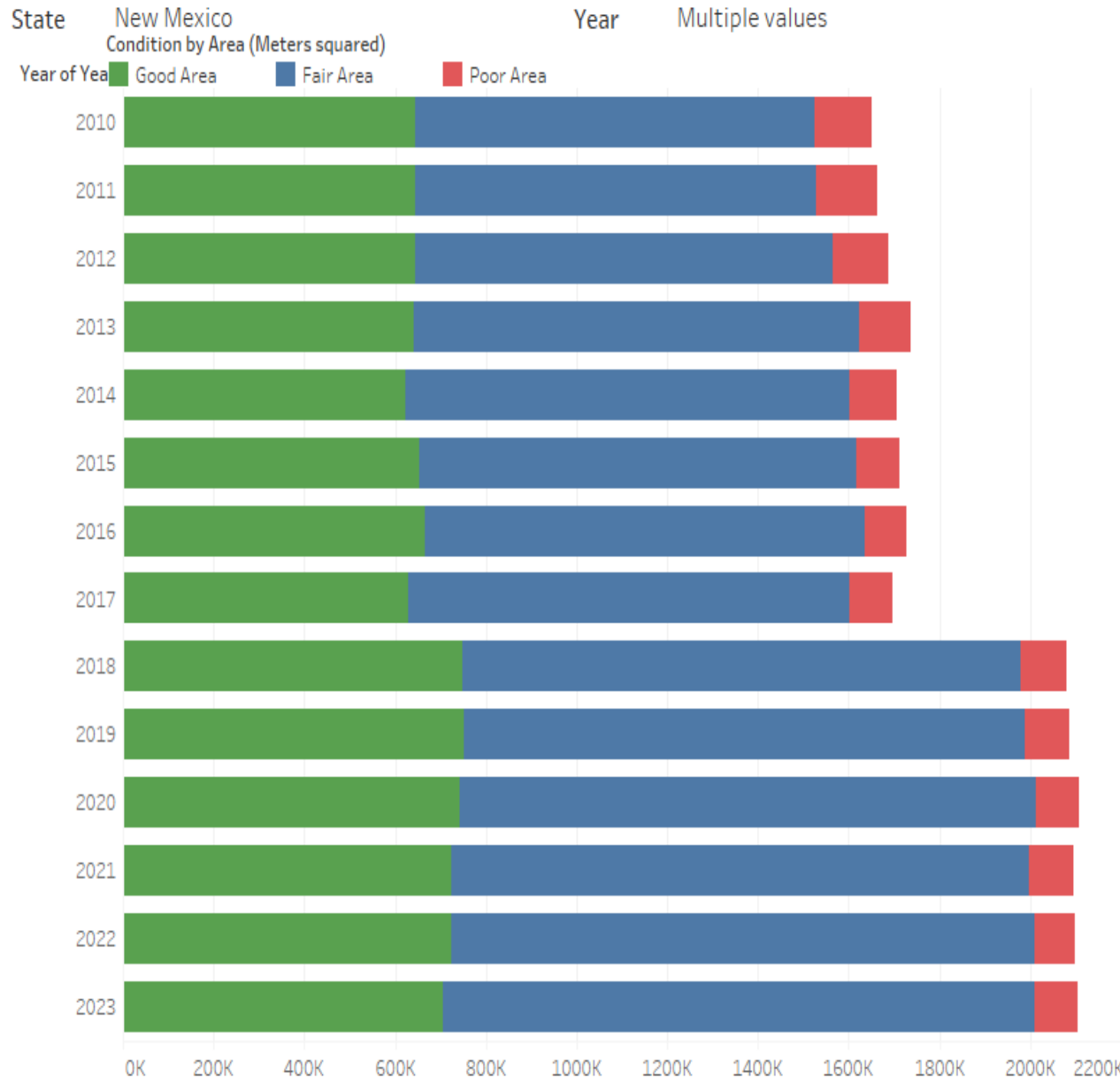
- ❖ 2024 New Mexico TRIP report, found that New Mexico’s deteriorated roads cost New Mexicans **\$3.3 billion annually** (\$1.4 billion in vehicle operating costs; \$919 million in safety costs; and \$1 billion in congestion costs).
- ❖ **\$6.6 billion** in needed but unfunded transportation projects.

TOTAL VS ACCEPTABLE ROADS, NM



- ❖ The percentage of acceptable roads in New Mexico has decreased from **75% in 2011** to **67% in 2022**.

# NM Bridge Conditions



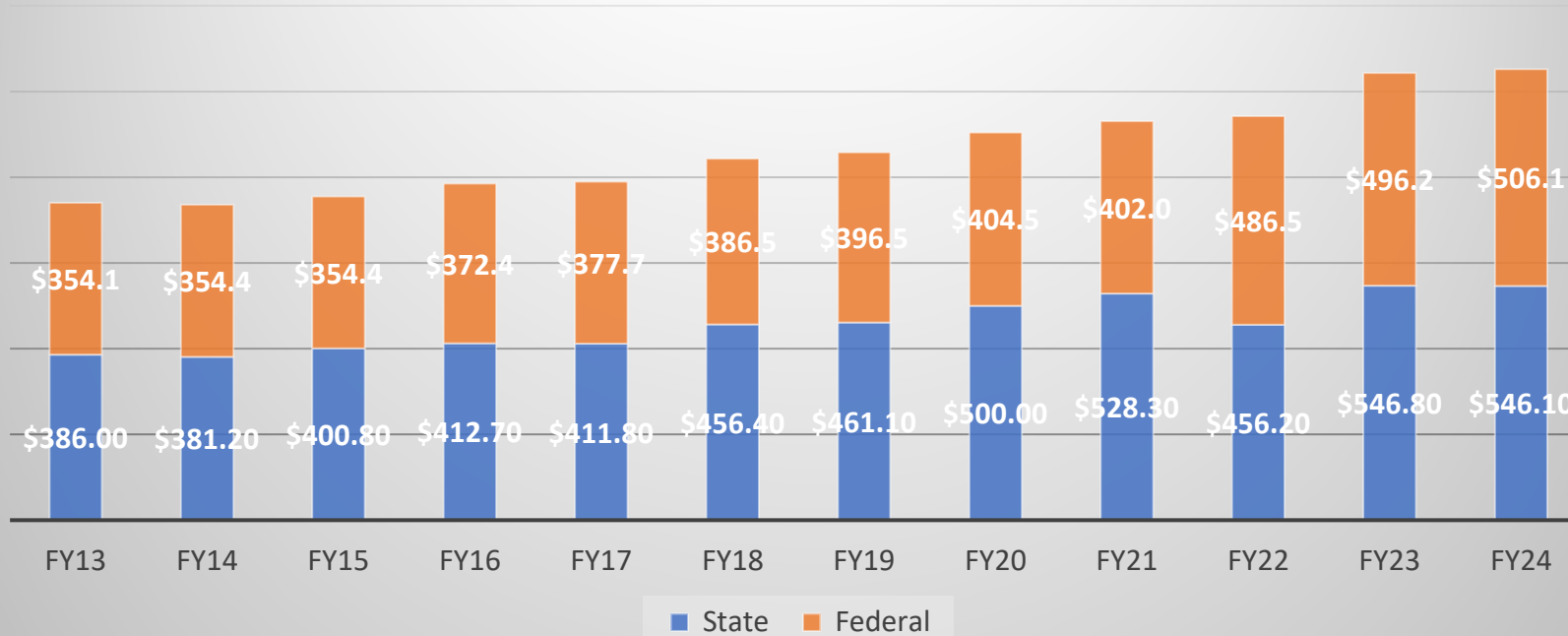
## •2018-2023 Trends:

- Gradual decrease in the **Good Area**.
  - Stability in the **Fair Area** but with a slight reduction toward 2023.
  - Noticeable increase in the **Poor Area** in 2019 and 2023, signaling areas requiring urgent maintenance.
- 2024 TRIP report found that of New Mexico's 4,037 bridges
    - **5%** were in **Poor** condition
    - **60%** were in **Fair** condition
    - **35%** were in **Good** condition

# Operating Budget – State and Federal



## Op Bud Revenue FY13 - FY24 In Millions



NMDOT’s operating budget is the sum of state tax distributions and federal apportionments.

NMDOT’s operating budget for FY24 was about \$1.2B



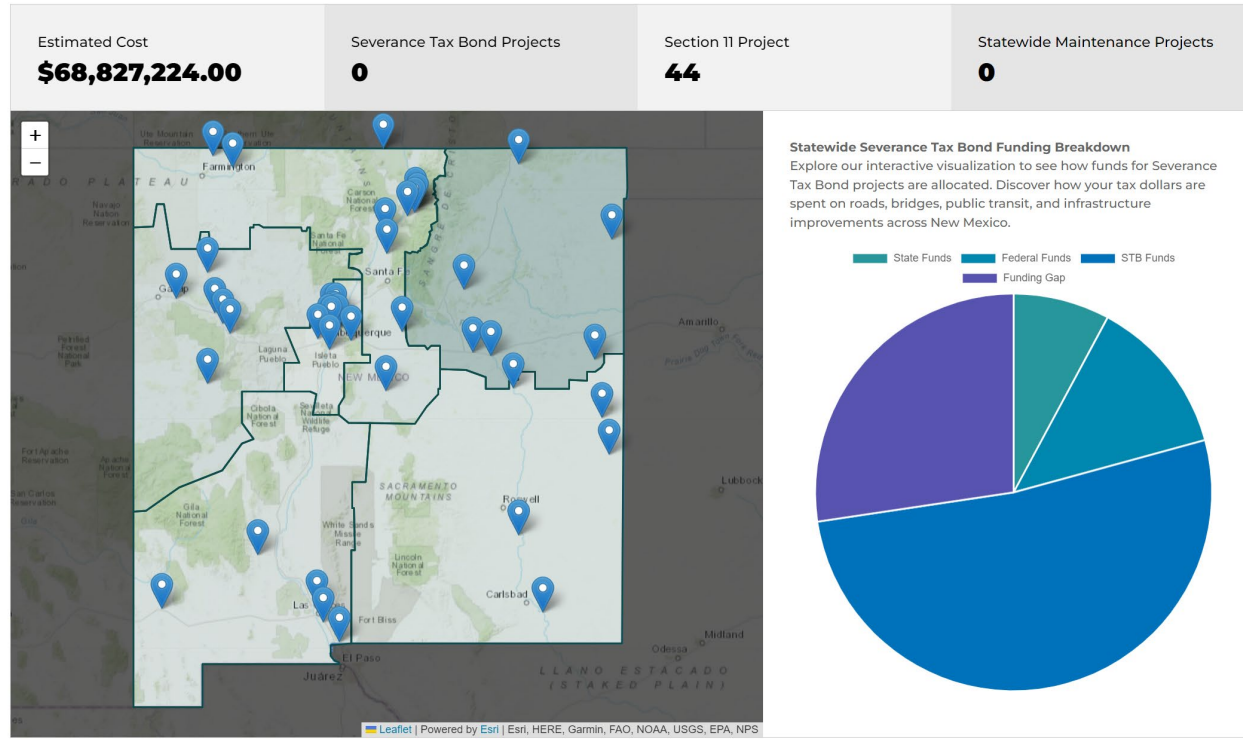
# One-Time Appropriations (GF/ARPA) 2019 - 2024



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1	Laws	Original Budget	Budget	Encumbrance	Expense	Remaining	% Committed	Bill Notes
2	Laws of 2019	\$250,000,000.00	\$175,000,000.00	\$10,381,339.47	\$153,833,127.27	\$10,785,533.26	94%	HB2- Construction Projects
3	Laws of 2019	\$89,000,000.00	\$89,000,000.00	\$0.00	\$89,000,000.00	\$0.00	100%	HB2-Maintenance Projects
4	Laws of 2019	\$11,000,000.00	\$11,000,000.00	\$0.00	\$11,000,000.00	\$0.00	100%	HB2-Maintenance
5	Laws of 2019	\$50,000,000.00	\$50,000,000.00	\$0.00	\$50,000,000.00	\$0.00	100%	HB2- Transportation Project Fund
<b>6</b>		<b>\$400,000,000.00</b>	<b>\$325,000,000.00</b>	<b>\$10,381,339.47</b>	<b>\$303,833,127.27</b>	<b>\$10,785,533.26</b>	<b>97%</b>	
7								
8	Laws of 2020	\$180,000,000.00	\$135,000,000.00	\$0.00	\$135,000,000.00	\$0.00	100%	HB2- Maintenance Projects
<b>9</b>		<b>\$180,000,000.00</b>	<b>\$135,000,000.00</b>	<b>\$0.00</b>	<b>\$135,000,000.00</b>	<b>\$0.00</b>	<b>100%</b>	
10								
11	Laws of 2021	\$170,000,000.00	\$170,000,000.00	\$15,259,010.91	\$101,950,846.66	\$52,790,142.43	69%	HB2- Construction Projects
12	Laws of 2021	\$121,000,000.00	\$121,000,000.00	\$11,235,874.62	\$108,192,655.57	\$1,571,469.81	99%	HB2- Transportation Project Fund
13	Laws of 2021	\$9,000,000.00	\$9,000,000.00	\$2,638,695.99	\$6,361,304.01	\$0.00	100%	HB2- Aviation
<b>14</b>		<b>\$300,000,000.00</b>	<b>\$300,000,000.00</b>	<b>\$29,133,581.52</b>	<b>\$216,504,806.24</b>	<b>\$54,361,612.24</b>	<b>82%</b>	
15								
16	Laws of 2021- SS	\$10,000,000.00	\$10,000,000.00	\$795,054.67	\$9,204,945.33	\$0.00	100%	ARPA- EV Stations
17	Laws of 2021- SS	\$10,000,000.00	\$10,000,000.00	\$5,529,396.00	\$4,470,604.00	\$0.00	100%	ARPA- Aviation
18	Laws of 2021- SS	\$10,000,000.00	\$10,000,000.00	\$447,170.81	\$9,552,829.19	\$0.00	100%	ARPA- Litter Program
19	Laws of 2021- SS	\$142,500,000.00	\$142,500,000.00	\$61,235,609.26	\$80,683,270.58	\$581,120.16	100%	ARPA- Construction Projects
20	Laws of 2022	\$20,000,000.00	\$20,000,000.00	\$2,632,880.90	\$3,737,868.84	\$13,629,250.26	32%	ARPA- Rest Area Improvements
<b>21</b>		<b>\$192,500,000.00</b>	<b>\$192,500,000.00</b>	<b>\$70,640,111.64</b>	<b>\$107,649,517.94</b>	<b>\$14,210,370.42</b>	<b>93%</b>	
22								
23	Laws of 2022	\$5,000,000.00	\$5,000,000.00	\$5,000,000.00	\$0.00	\$0.00	100%	HB2- Aviation
24	Laws of 2022	\$25,000,000.00	\$25,000,000.00	\$21,519,548.14	\$1,028,137.88	\$2,452,313.98	90%	HB2- I10/I40
25	Laws of 2022	\$5,000,000.00	\$5,000,000.00	\$4,787,791.90	\$112,208.10	\$100,000.00	98%	HB2- Upgrade Airports
26	Laws of 2022	\$9,000,000.00	\$9,000,000.00	\$1,015,853.20	\$7,938,235.29	\$45,911.51	99%	HB2- Equipment
27	Laws of 2022	\$60,000,000.00	\$60,000,000.00	\$13,940,584.17	\$46,059,415.83	\$0.00	100%	HB2- Transportation Project Fund
28	Laws of 2022	\$247,500,000.00	\$247,500,000.00	\$48,219,272.50	\$135,502,929.23	\$63,777,798.27	74%	HB2- Construction Projects
29	Laws of 2022	\$2,000,000.00	\$2,000,000.00	\$1,884,936.76	\$115,063.24	\$0.00	100%	HB2- Wildlife
<b>30</b>		<b>\$353,500,000.00</b>	<b>\$353,500,000.00</b>	<b>\$96,367,986.67</b>	<b>\$190,755,989.57</b>	<b>\$66,376,023.76</b>	<b>81%</b>	
31								
32	Laws of 2023	\$55,000,000.00	\$55,000,000.00	\$39,512,420.54	\$14,151,313.46	\$1,336,266.00	98%	HB2- Aviation
33	Laws of 2023	\$7,000,000.00	\$7,000,000.00	\$2,299,168.60	\$505,962.29	\$4,194,869.11	40%	HB2- Ports of Entry
34	Laws of 2023	\$306,000,000.00	\$232,000,000.00	\$48,969,241.79	\$81,101,743.73	\$101,929,014.48	56%	HB2- Construction
35	Laws of 2023	\$5,000,000.00	\$5,000,000.00	\$1,739,983.00	\$0.00	\$3,260,017.00	35%	HB2- Wildlife
<b>36</b>		<b>\$373,000,000.00</b>	<b>\$299,000,000.00</b>	<b>\$92,520,813.93</b>	<b>\$95,759,019.48</b>	<b>\$110,720,166.59</b>	<b>63%</b>	
37								
38	Laws of 2024	\$5,000,000.00	\$5,000,000.00	\$0.00	\$0.00	\$5,000,000.00	0%	HB2- Wildlife
39	Laws of 2024	\$10,000,000.00	\$10,000,000.00	\$2,931,046.05	\$657,955.74	\$6,410,998.21	36%	HB2- Beautification
40	Laws of 2024	\$70,000,000.00	\$70,000,000.00	\$32,807,492.34	\$5,002,958.91	\$32,189,548.75	54%	HB2- State Roads
41	Laws of 2024	\$120,000,000.00	\$120,000,000.00	\$55,511,596.21	\$39,923,918.84	\$24,564,484.95	80%	HB2- Maintenance Projects
42	Laws of 2024	\$15,000,000.00	\$15,000,000.00	\$0.00	\$13,954,265.00	\$1,045,735.00	93%	HB2- Aviation
<b>43</b>		<b>\$220,000,000.00</b>	<b>\$220,000,000.00</b>	<b>\$91,250,134.60</b>	<b>\$59,539,098.49</b>	<b>\$69,210,766.91</b>	<b>69%</b>	
<b>44</b>		<b>\$2,019,000,000.00</b>	<b>\$1,825,000,000.00</b>	<b>\$390,293,967.83</b>	<b>\$1,109,041,558.99</b>	<b>\$325,664,473.18</b>	<b>82%</b>	

# 2024 Leg. Funding Dashboard



FILTER PROJECTS BY DISTRICT

All

FILTER PROJECTS BY FUNDING SOURCE

Section 11

Currently viewing all SECTION 11 projects in all districts.

Name of Project	District	Project Type	Project Cost	More Details
Artisco Vista Blvd	3	Section 11	\$0.00	<a href="#">More Details</a>
Equipment Replacement	1	Section 11	\$1,500,000.00	<a href="#">More Details</a>
I-10	1	Section 11	\$1,500,000.00	<a href="#">More Details</a>
140 MM 33-37 Driving Lanes both directions	6	Section 11	\$1,800,000.00	<a href="#">More Details</a>

## 2024 Legislative Funding:

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

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

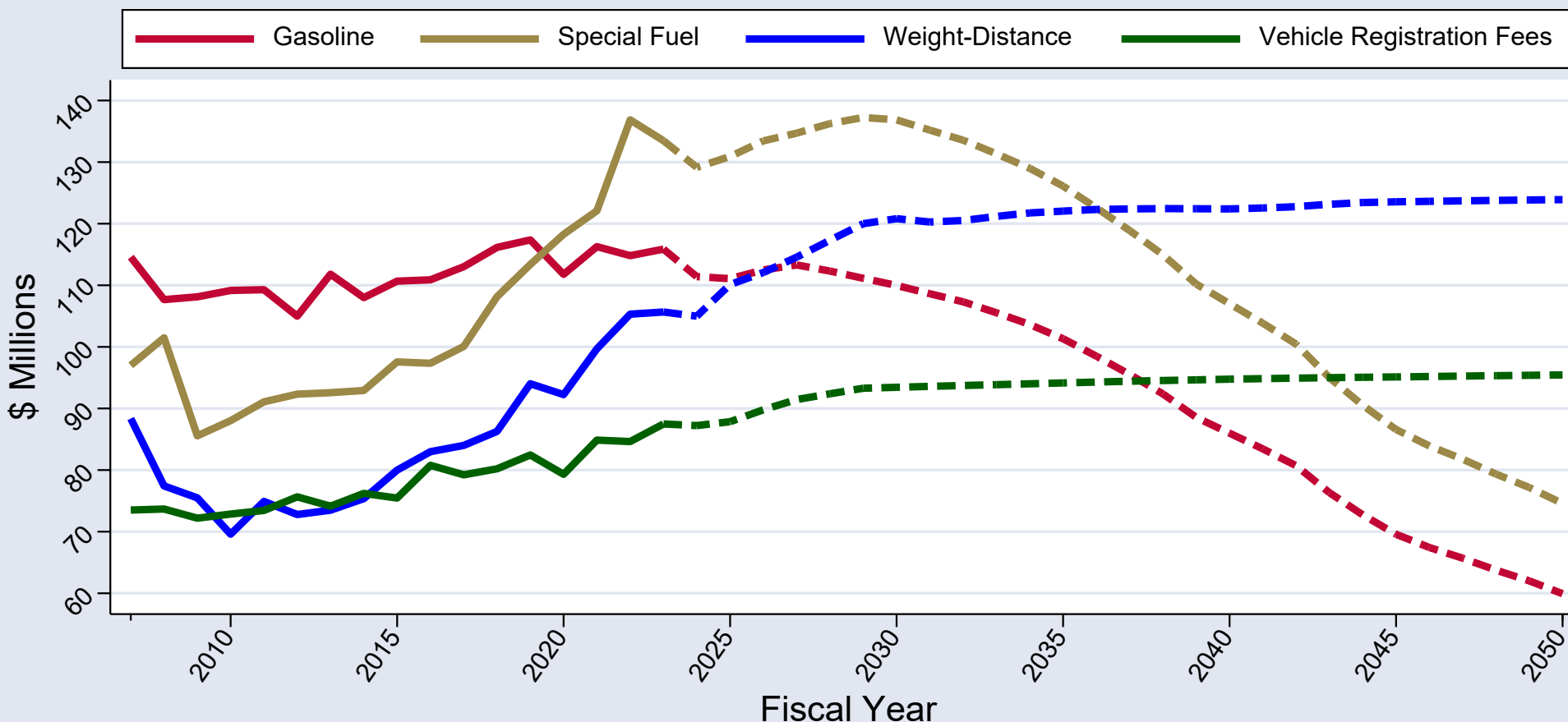
<https://www.dot.nm.gov/project-dashboard/>

# State Road Fund Long Run Forecast



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## Four Major State Road Fund Revenue Sources



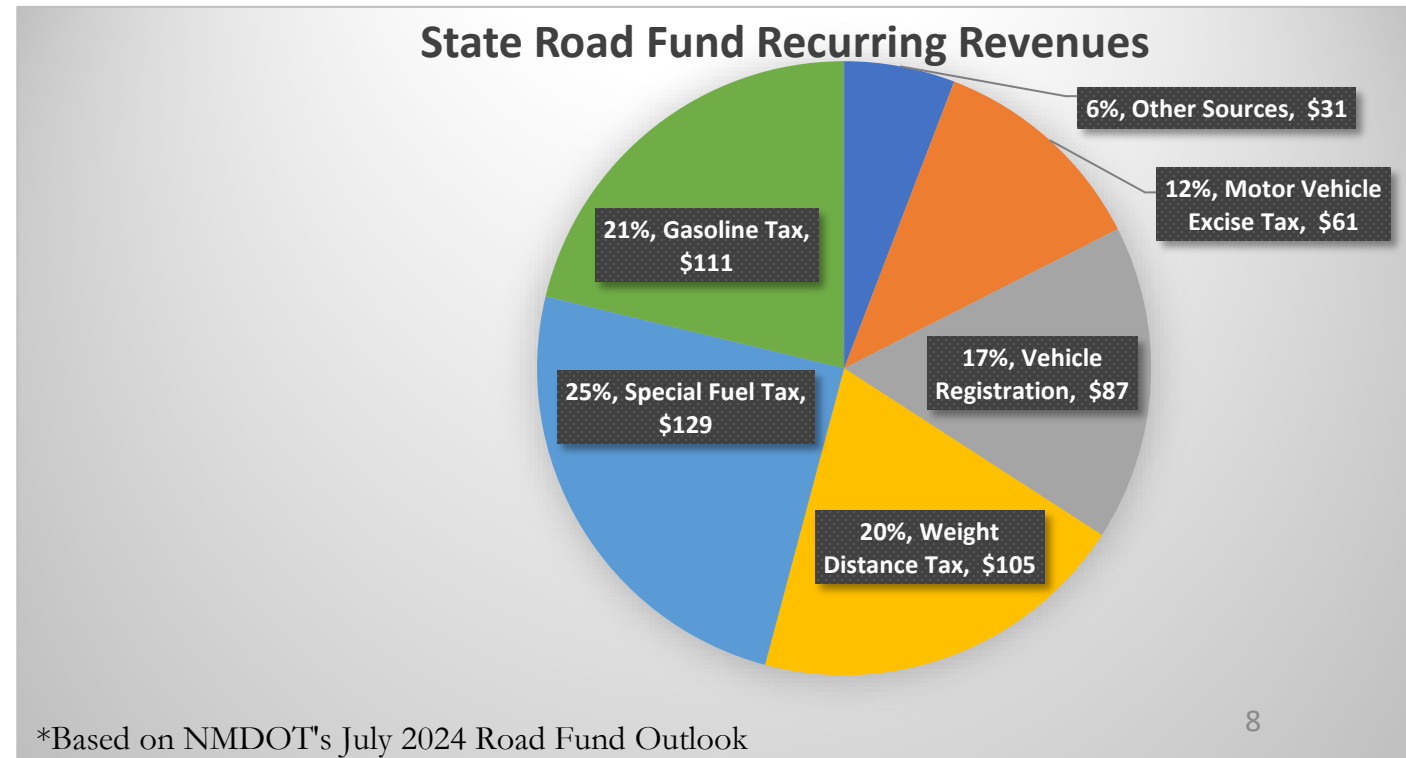
Short-term transition to more fuel-efficient vehicles, and long-term transition to alternative fuel vehicles will lead to declining gasoline and special fuels tax revenues.

Near term forecast based on NMDOT's July 2024 Road Fund Outlook.  
Longer term forecast based on projections from S&P Global.

# Funding Overview



- ❖ NMDOT receives funding from 2 main sources, the Federal Government and the State Road Fund.
  - In FY 24 the Department received about **\$506.1** million in Federal Funding
  - In FY 24 the State Road Fund received about **\$524.6** million in revenue from several state tax programs
    - Gasoline Tax
    - Special Fuel Tax
    - Weight Distance Tax
    - Vehicle Registration
    - And other sources



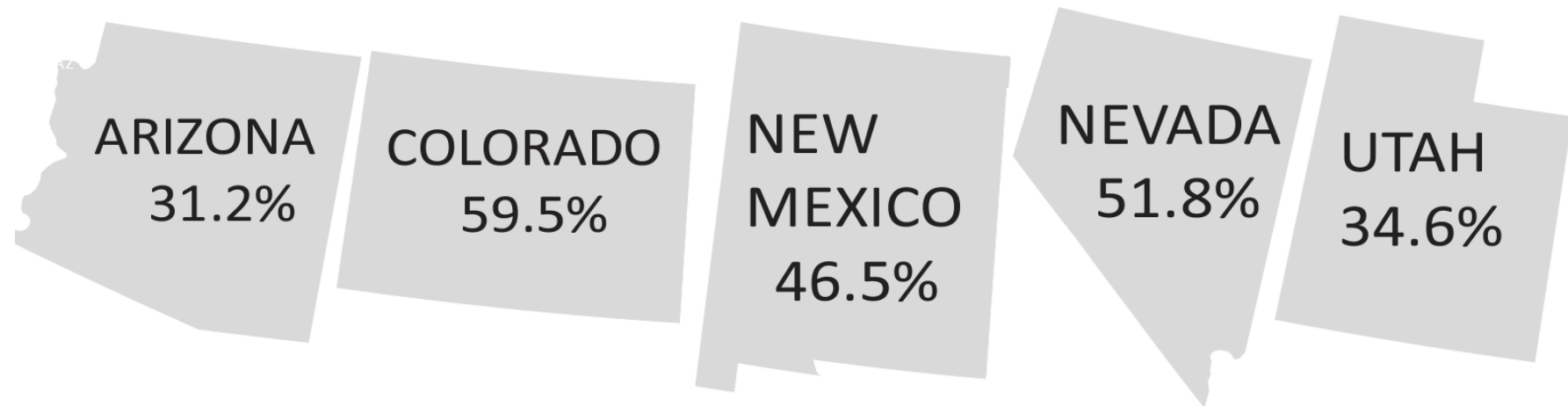


# Percentage of Transportation Fund Revenue from Gas Tax (Nationally)



Nationally, Motor Fuel Taxes comprised 41.1% of state transportation revenue in 2016, compared to 37.6% in 2023.

- License and Registration Fees = 19.7%
- Other Revenue = 30.1%
- Vehicle Sales and Use Tax = 11.2%
- Tolls = 1.4%

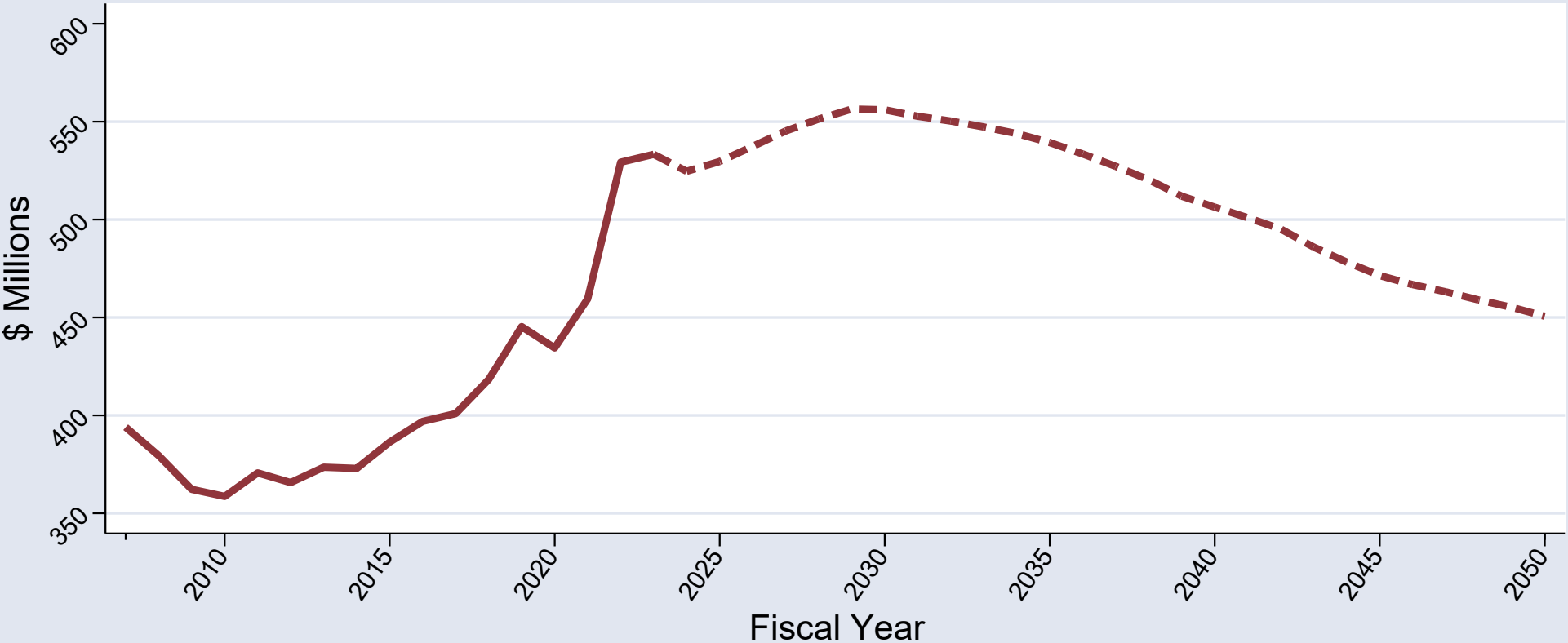


# State Road Fund Long Run Forecast



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### Total Road Fund Revenues



- ❖ State Road Fund revenues are expected to increase **6% by 2030**.
- ❖ Decline **9% from 2030 to 2040**.
- ❖ Decline another **11% between 2040 and 2050**.

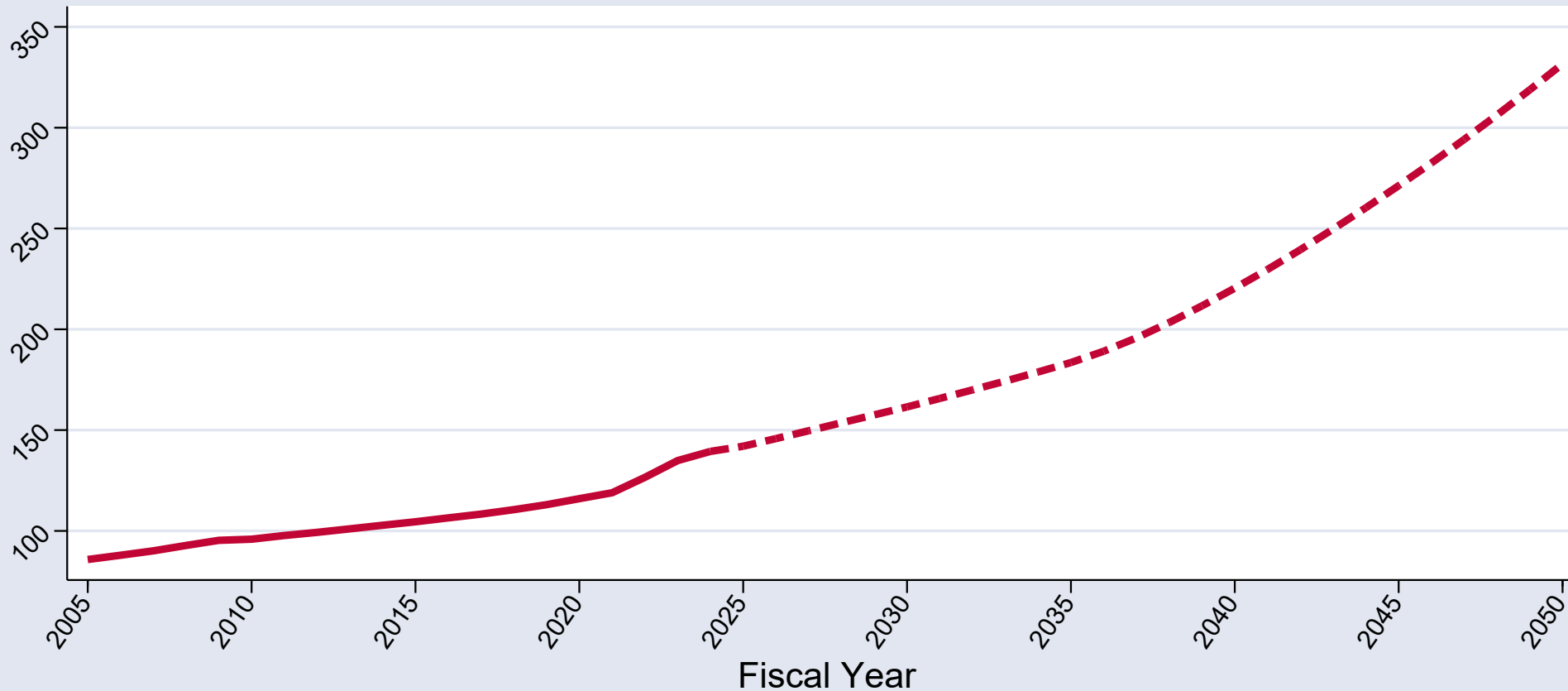
Near term forecast based on NMDOT's July 2024 Road Fund Outlook.  
Longer term forecast based on projections from S&P Global.

# Increasing Cost of Road Construction



Transportation Construction Price Index

Actual      Forecasted



2012=100, Source: BEA, S&P Global

- ❖ Road construction costs are expected to grow 160% between 2023 and 2050. 5.9% average annual growth rate.
- ❖ State Road Fund recurring revenue is expected to shrink 15% between 2023 and 2050. -0.6% average annual growth rate

# State Road Fund Challenges



- ❖ Weakening connection between road use and fuel use
  - Motor fuel taxes are New Mexico State Road Fund's largest revenue source
- ❖ New Mexico fuel taxes have not been revised since:
  - FY1996 – Gasoline Tax
  - FY2004 – Special Fuel Tax
- ❖ New Mexico's gasoline tax, at 17 cents per gallon,
  - 5<sup>th</sup> lowest in the nation
  - US average 31.2 cents per gallon
- ❖ New Mexico's Special Fuel (diesel) tax, at 21 cents per gallon,
  - 10<sup>th</sup> lowest in the nation
  - US average 33.64 cents per gallon
- ❖ New Mexico's passenger vehicle registration fees are significantly lower than the US average.
- ❖ Major concerns for future of State Road Fund – Increased fuel efficiency of vehicles and adoption of electric vehicles
- ❖ To mitigate the loss in fuel tax revenues, other states have explored:
  - Additional registration fees
  - Road User Charges