



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

# NMDOT Financial Capacity

Transportation Infrastructure Revenue Subcommittee  
August 21, 2023





New Mexico DEPARTMENT OF  
**TRANSPORTATION**  
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## Agency Vision Statement

Set the standard for a safe, reliable, and efficient transportation system.

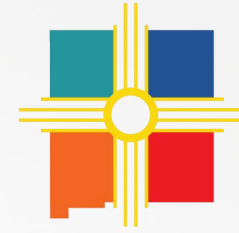
## Mission Statement

Provide a safe and efficient transportation system for the traveling public, while promoting economic development and preserving the environment of New Mexico.

## Department of Transportation, by the numbers:

- **More than 2,500 employees**
- **Budget for FY23 est. at \$1.8 billion**
- **90 active projects totaling more than \$1.2 billion**
- **16 rest areas**
- **82 patrols**
- **12,272 centerline lines of highway infrastructure statewide**
- **34 construction crews**
- **28 construction offices**

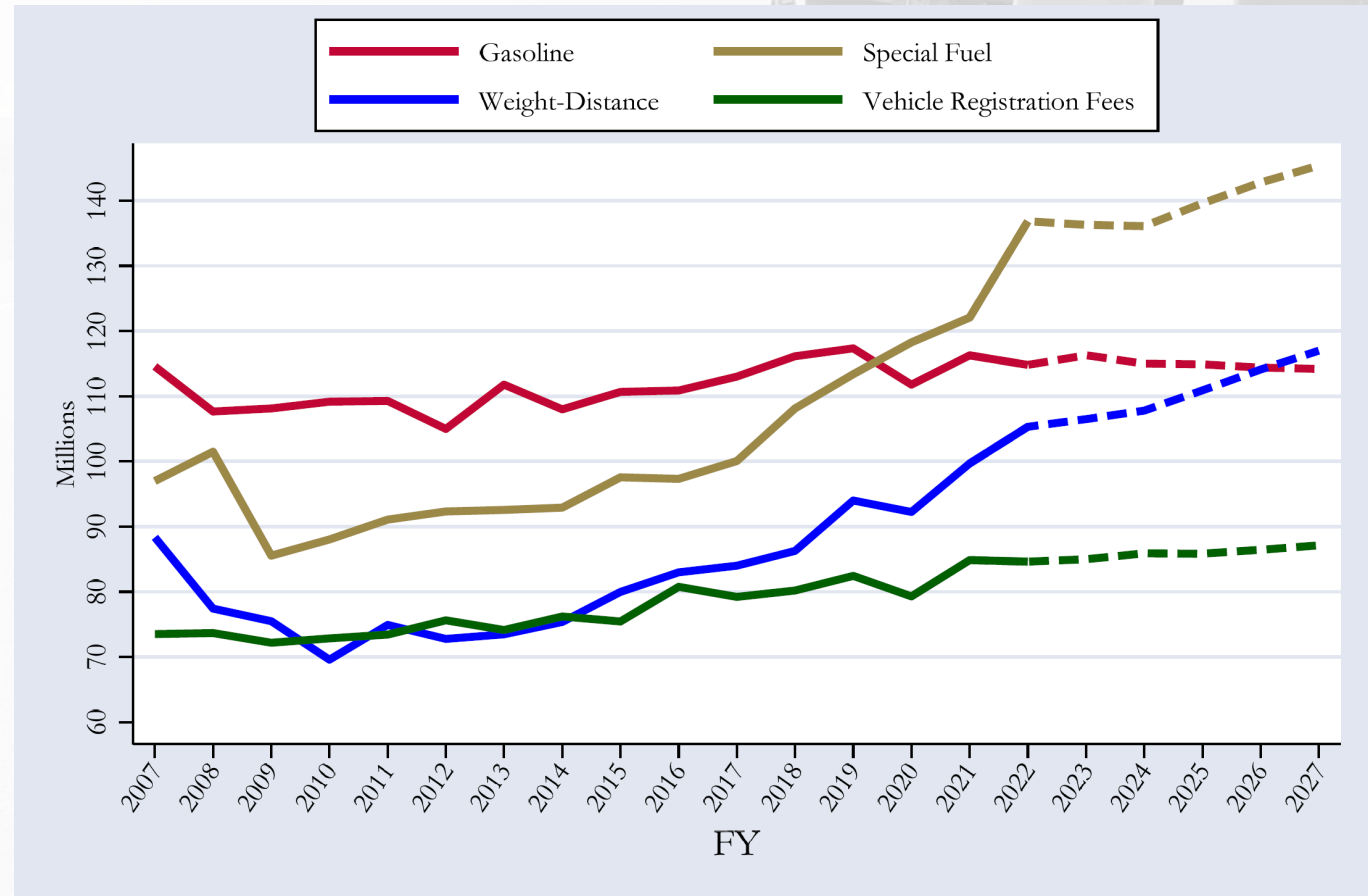
# Major Road Fund Revenue Sources



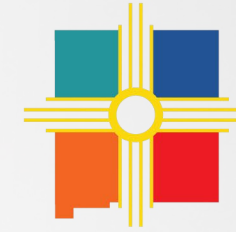
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The table to the right shows trend data for the NMDOT's top four state revenue sources.

The fifth largest revenue source is Motor Excise Tax (~\$60M in FY24)

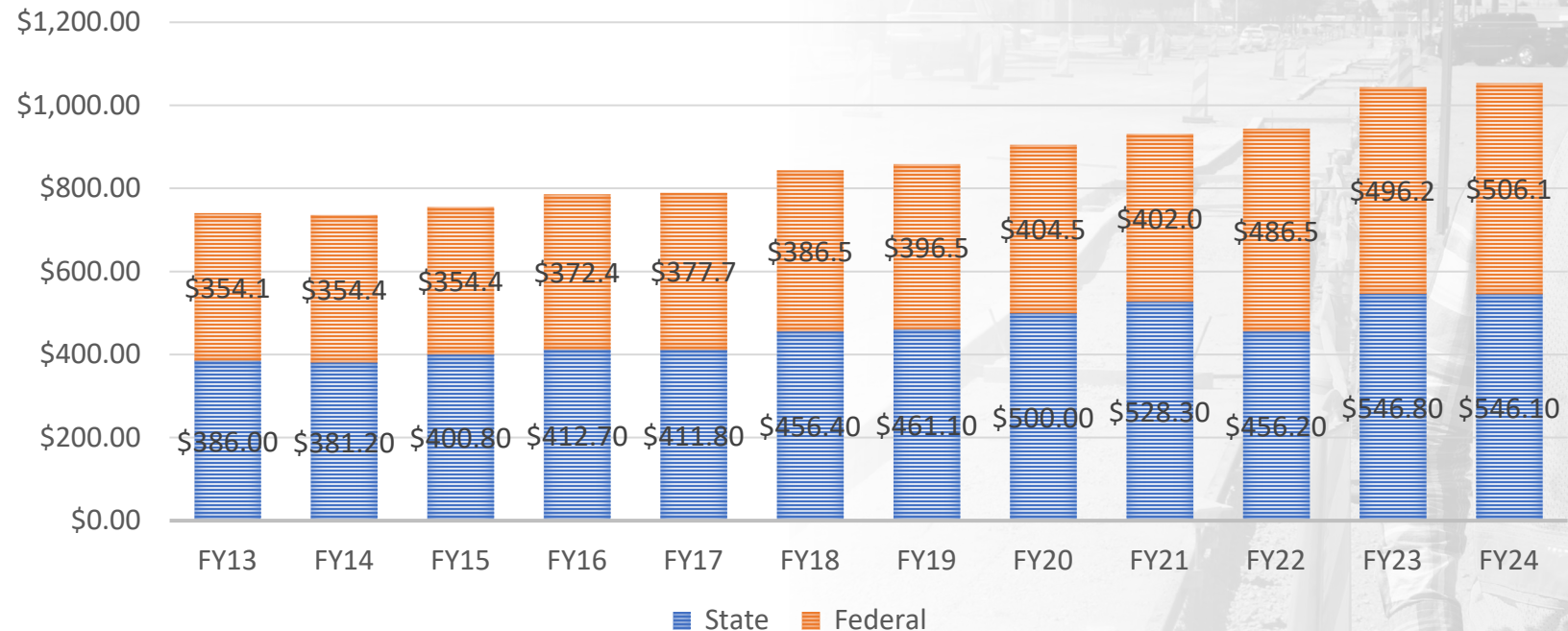


# Operating Budget



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## OP BUD REVENUE FY13 - FY24 IN MILLIONS



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

NMDOT does not receive any recurring General Fund from the State.

# Project and Funding Priorities



## NMDOT SECTION 9 GENERAL FUND REQUEST (DRAFT)

### FY 25 HB2 Section 9 (Draft)

Acquisition of ROW, planning, study, design, construction, field supplies, roadway preservation, roadway rehabilitaiton, preventive maintenance, roadway maintenance, reconstruction or new construction.

A. D1- NM 213/NM 404 Interchange	\$ 45,000,000.00
B. D2- US 380 to TX State Line Phase 1	\$ 45,000,000.00
C. D3- Rio Bravo	\$ 96,000,000.00
D. D4- I-25 Raton/Clayton Interchange Exit 452	\$ 25,000,000.00
F. D5- I-25 Cerrillos Rd. to Eldorado Exit	\$ 42,000,000.00
G. D6- I-40 Bridge MP29.7 East of Gallup	\$ 50,000,000.00

**Major Investment Project total: \$ 303,000,000.00**

Maintenance Improvements \$20M per District	\$ 120,000,000.00
Equipment	\$ 10,000,000.00
Statewide Litter Program	\$ 10,000,000.00

**Total Request \$ 443,000,000.00**

Since 2019, NMDOT has received more than \$1.5B in non-recurring GF to support a number of priorities, including:

- Maintenance priorities
- Litter pickup
- Construction projects
- Equipment purchases
- Local airport infrastructure
- Rest area improvements
- Wildlife corridors development
- Local road infrastructure support

# NMDOT's Financial Capacity



The table below shows the sum of Op. Bud. plus Section 9 allocations for construction, equipment, litter and maintenance.

Given cost escalations over the past few years, the agency's financial capacity for construction and maintenance remains relatively consistent with FY20.

	Revenue						
Fiscal Year	Op Budget	Section 9 Funding	Motor Excise Tax	Avg. Cost Escalation	Escalation Costs	Pay Increases since FY20**	Financial Capacity
FY25	\$1,203,800,000.00	\$300,000,000.00	\$145,000,000.00	20%	\$329,760,000.00	\$44,818,680.00	\$1,274,221,320.00
	Revenue						
Fiscal Year	Op Budget	Section 9 Funding*	Avg. Cost Escalation	Escalation Costs	Earmark Projects	Pay Increases	Financial Capacity
FY24	\$1,271,289,400.00	\$232,000,000.00	20%	\$300,657,880.00	\$109,500,000.00	\$37,348,900.00	\$1,055,782,620.00
FY23	\$1,217,400,300.00	\$301,500,000.00	20%	\$303,780,060.00		\$26,505,100.00	\$1,188,615,140.00
FY22	\$1,015,997,600.00	\$322,500,000.00	20%	\$267,699,520.00		\$13,151,500.00	\$1,057,646,580.00
FY21	\$989,945,600.00	\$135,000,000.00	20%	\$224,989,120.00		\$10,606,300.00	\$889,350,180.00
FY20	\$920,307,500.00	\$275,000,000.00	20%	\$239,061,500.00		\$5,026,300.00	\$951,219,700.00
	*Construction, Equipment, Litter, Rest Areas, Maintenance						
	**Assumes an increase = average of previous 5 years						

# Increase to Motor Excise Tax Distributions



In 2023, the Legislature considered legislation to increase distributions to the State Road Fund (SRF) and the Transportation Project Fund. The NMDOT is working on similar legislation that will increase SRF revenues by \$145M.

FY24 Motor Excise Tax Distributions		\$274,800,000.00			
7/1/2023					
Program	Current Rate	Current Distribution	New Rate	New Distribution	Diff.
State Road Fund	21.86%	\$60,071,280.00	49.25%	\$135,339,000.00	\$75,267,720.00
TPF	18.75%	\$51,525,000.00	18.75%	\$51,525,000.00	\$0.00
General Fund	59.39%	\$163,203,720.00	32%	\$87,936,000.00	-\$75,267,720.00
	100.00%	\$274,800,000.00	100.00%	\$274,800,000.00	
7/1/2025 (Proposed in 2023 Tax Bill)					
Program	Rates On 6/30/25	Distribution	New Rate	New Distribution	Diff.
State Road Fund	49.25%	\$135,339,000.00	75.00%	\$206,100,000.00	\$70,761,000.00
TPF	18.75%	\$51,525,000.00	25.00%	\$68,700,000.00	\$17,175,000.00
General Fund	32%	\$87,936,000.00	0%	\$0.00	-\$87,936,000.00
	100.00%	\$274,800,000.00	100.00%	\$274,800,000.00	

# Other Financial Considerations



In the absence of recurring GF appropriations, the NMDOT leverages the State Road Fund to close gaps in necessary expenditures. In the next few years, the following priorities will have a financial impact on the agency's financial capacity to address infrastructure needs.

- Transfer of the Transportation Regulation Division within the PRC
  - Increase in recurring revenues for increase FTE
- Strategic approach to increase tax distributions over time
  - Registration fees
  - Fuel tax rates
  - Motor Excise tax
- Increase in EV use and subsequent fuel tax loss
  - Registration surcharge
- NMDOT's capital improvements for facilities
- Ongoing increases in personnel-related costs
  - Legislative increases
  - Competitive recruitment and retention measures