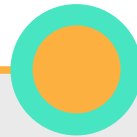


NEW MEXICO
FINANCE AUTHORITY



Consideration of Endorsed Legislation

Marquita D. Russel, CEO

November 2, 2023

Proposed Legislation: WTB Authorization Bill



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- ◆ 66 projects were considered for authorization
 - Multi-agency Project Management Team evaluated applications using WTB-approved policies
 - Only one project not recommended. It did not have the required planning document
- ◆ List recommended by WTB at its October 24, 2023 Meeting
- ◆ Authorizes 65 vetted projects for 55 entities representing
 - List includes a variety of applicants from 24 counties:
 - 20 Municipalities
 - 17 MDWCAs
 - 6 Soil & Water Conservation Districts
 - 4 Counties
 - 3 Water Authorities
 - 3 Water & Sanitation District
 - 1 Conservancy District
 - 1 Flood Control District

List includes Projects located in 24 Counties

Bernalillo (4)
Colfax (1)
Curry (1)
Dona Ana (4)
Eddy (1)
Guadalupe (2)
Harding (1)
Lea (2)
Lincoln (3)
Luna (1)
McKinley (3)
Mora (1)
Otero (1)
Quay (1)
Rio Arriba (7)
Roosevelt (2)
San Juan (3)
San Miguel (1)
Sandoval (3)
Santa Fe (3)
Sierra (1)
Socorro (1)
Taos (7)
Torrance (1)

Proposed Legislation: WTB Authorization Bill



◆ **Expected 2024 Funding: \$133,110,000:**

□ Expected STB Funding (9%)	\$143,900,000
□ Water Trust Fund Distribution	<u>4,000,000</u>
□ Total	147,900,000
□ Less 10% Adjudication (OSE & AOC)	<u>(14,790,000)</u>
□ Total Expected Funding	\$133,110,000

◆ **List includes a variety of projects types**

□ Project Type	Policy Target	#	Total Requests
□ Water Conservation	15% - 30%	7	\$49,068,000
□ Flood Prevention	Up to 10%	8	18,488,589
□ Water Storage	50% - 70%	45	205,987,071
□ Watershed	10% - 20%	<u>5</u>	<u>1,750,000</u>
□ Total Requests		65	\$275,293,660

◆ **Total requested funds equals 207% more than is expected to be available**

Proposed Legislation: PPRF Authorization Bill

◆ PPRF Authorization Bill

- List represents a broader mix of qualified entities than historically experienced
 - Anticipation of Charter School funding becoming available in the next year
 - NMFA is seeing more infrastructure being developed through public/private collaboration
- Allows 100 qualified entities to apply to PPRF for a variety of qualified projects:
 - 32 Charter Schools
 - 19 School Districts
 - 14 Municipalities
 - 8 Public Improvement Districts & Tax Increment for Development Districts
 - 7 Tribal entities
 - 6 Water Districts
 - 5 Counties
 - 5 Public Higher Education Institutions
 - 2 State projects
 - 1 Hospital District
 - 1 Water Utility

List includes Entities located in 27 Counties

Bernalillo (35)
Chaves (1)
Cibola (1)
Colfax (4)
De Baca (1)
Dona Ana (9)
Eddy (1)
Grant (2)
Guadalupe (2)
Lea (1)
Lincoln (4)
Los Alamos (1)
McKinley (1)
Mora (1)
Quay (2)
Rio Arriba (5)
Roosevelt (1)
San Juan (3)
San Miguel (4)
Sandoval (3)
Santa Fe (2)
Sierra (3)
Socorro (1)
Statewide (1)
Taos (5)
Torrance (1)
Union (3)
Valencia (2)

Proposed Legislation: PPRF Appropriation Bill



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- ◆ NMFA Act § 6-21-6.1 provides that at the end of the fiscal year after all debt service is made, reserve requirements are satisfied, and administrative costs paid, an amount not to exceed 35% of the previous year's Governmental Gross Receipt Tax may be appropriated by the legislature to one of seven funds. FY2023 GGRT totaled \$35,671,017
 - Three administered by NMFA
 - Drinking Water State Revolving Fund (for 20% state match)
 - Local Government Planning Fund
 - Water & Wastewater Project Grant Fund
 - Three administered by NMED
 - Wastewater Facility Construction Loan Fund (operated as federal Clean Water State Revolving Fund)
 - Rural Infrastructure Revolving Loan Fund
 - Solid Waste Facility Grant Fund
 - One administered by Department of Cultural Affairs: Cultural Affairs Facilities Infrastructure Fund
- ◆ PPRF Appropriation Bill – **request to transfer \$13 million from the PPRF to:**
 - NMFA for Drinking Water State Revolving Loan Fund State Match -- \$6 million
 - Department of Cultural Affairs for its Infrastructure Fund -- \$5 million
 - NMFA for Local Government Planning Fund -- \$2 million
 - NMED seeking Clean Water State Revolving Fund state match from General Fund this year because its request would have put the amount requested at more than 50% of the GGRT

Senate Bill 423

NMFA Operating Capital



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- ◆ **SB 423 - NMFA Operating Capital Bill** (2023 Session, Sen. Nancy Rodriguez) expanded the use of three programs to including working capital. These changes were sought in response to community service providers needing working capital in addition to capital for traditional bricks and mortar projects
 - Primary Care Capital Fund
 - Behavioral Health Capital Fund
 - Child Care Revolving Loan Fund
- ◆ With the critical changes provided by the enactment of SB 423, NMFA is now prepared to offer programming that fully meets the needs of these critical care providers. **NMFA just needs funding.**
- ◆ **Requesting \$60 million in General Fund appropriations:**
 - \$25 million General Fund appropriation to the Primary Care Capital Fund
 - \$25 million General Fund appropriation to the Behavioral Health Capital Fund
 - \$10 million General Fund appropriation to the Child Care Revolving Loan Fund

- ◆ **Insufficient Program Funding** has resulted in NMFA responding to periodic requests for funding rather than helping care providers plan and fund their projects
 - Primary Care Capital Fund
 - Total net general fund appropriations since 1995 = ~(\$900,000)
 - The Primary Care Association reports that its members operate 175 clinic sites in 90 NM communities – 80% of the sites are located in rural and frontier areas with limited or no other service providers and that demand continues to grow
 - Clinics frequently use a one-stop shop model that provides dental and behavioral health with primary care
 - Behavioral Health Capital Fund
 - One-time capitalization of \$2,500,000 from the sale of bonds
 - Change made in 2019 to allow county-owned clinics has increased demand for program as counties work to establish substance abuse facilities
 - Child Care Revolving Loan Fund
 - One-time net capitalization of federal funds = \$50,000
 - Experience with ECECD's recently completed \$13 million federally funded Supply Building Grant Program shows that new and expanding child care need low-cost funding. More than 2,500 slots are expected to be created through that program
 - ECECD reports that 15,000 new child care slots are needed to meet current demand