

June 2019 Quarterly Update

Quarterly Status of Outstanding Capital Funds

- As of June 2019, approximately \$1.4 billion from all funding sources for 3,060 projects remains outstanding, including \$46.3 million of earmarked fund balances for water (\$19.2 million), colonias (\$13.2 million), and tribal (\$13.8 million) infrastructure projects. Additionally, about \$291 million remains outstanding from supplemental severance tax bonds for public schools.
- More than half of the unexpended balance is from over 1,500 new 2019 appropriations totaling \$735 million, with \$628 million unspent from appropriations in 2009 through 2018. These projects were added to the June quarterly report because the general fund and other state fund appropriations in Senate Bill 280 were effective when the bill was signed by the governor.
- Since the March 2019 quarterly report, 242 projects closed and approximately \$109 million was expended or reverted.
- About 18 percent of the total unexpended balance is from STBs, while GOBs account for 16 percent, other state funds (OSF) are 12 percent, and general fund (GF) appropriations are 53 percent.

2009-2019 Capital Outlay All Fund Sources "Outstanding" Projects Only (in millions)

Year	Number of Projects	Amount Appropriated	Amount Expended	Amount Unexpended	Percent Expended for Year
2009	1	\$10.0	\$8.8	\$1.2	88.1%
2014	1	\$1.4	\$1.3	\$0.1	91.7%
2015	231	\$130.5	\$102.4	\$28.1	78.5%
2016	351	\$271.7	\$135.7	\$136.1	49.9%
2017	86	\$24.2	\$11.9	\$12.3	49.3%
2018	869	\$520.9	\$70.5	\$450.4	13.5%
2019	1,521	\$734.6	\$2.5	\$732.2	0.3%
Total	3,060	\$1,693.3	\$333.0	\$1,360.3	19.7%

Note: Data includes projects for water, colonias and tribal earmarked funds; 2009 balances are for Indian water rights matching funds.

Source: Capital Projects Monitoring System

- Of funds authorized from GF and STB, \$381 million for state-owned projects and \$543 million for local projects remains unexpended, with the majority of the unspent funds being from 2019 appropriations.

2009-2019 Capital Outlay Funding "Outstanding" STB and GF Projects Only (in millions)

Year	STATE ALLOCATIONS					LOCAL ALLOCATIONS				
	Number of Projects	Amount Appropriated	Amount Expended	Amount Unexpended	Percent Expended for Year	Number of Projects	Amount Appropriated	Amount Expended	Amount Unexpended	Percent Expended for Year
*2009	1	\$10.0	\$8.8	\$1.2	88.1%	0	\$0.0	\$0.0	\$0.0	*
2015	54	\$83.5	\$70.2	\$13.4	84.0%	149	\$21.4	\$11.9	\$9.5	55.7%
2016	25	\$86.8	\$53.2	\$33.6	61.3%	186	\$31.7	\$16.3	\$15.4	51.4%
2017	6	\$6.4	\$4.0	\$2.4	62.7%	60	\$8.0	\$3.2	\$4.8	39.6%
2018	67	\$159.2	\$35.4	\$123.7	22.3%	622	\$82.6	\$18.9	\$63.7	22.9%
2019	67	\$207.4	\$0.2	\$207.2	0.1%	1,436	\$452.1	\$2.2	\$449.8	0.5%
Total	220	\$553.3	\$171.8	\$381.5	31.1%	2,453	\$595.8	\$52.5	\$543.2	8.8%

* No allocations made for local projects.

Source: Capital Projects Monitoring System

\$1 Million and Greater Report

LFC staff tracks all capital appropriations of \$1 million or more, for 310 projects which totaled \$1.5 billion at the end of June 2019. The unexpended balances for those projects is just over \$1 billion, or 74 percent, of all unexpended funds. Since the March 2019 report, 7 appropriations totaling \$58 million were fully expended or reverted.

HIGHLIGHTS OF SELECT PROJECTS

Energy, Minerals and Natural Resources Department

- **Line 150**, \$37.2 million, (2018 GF, OSF, STB), to remediate the Carlsbad brine well cavern. EMNRD reports it will need at least \$8.8 million in additional funding to complete the project. This amount includes \$1.9 million for an access agreement with the owners of Circle S Feed Store and \$3.8 million for gross receipts tax. It does not include access agreements with remaining property owners, which are still being negotiated. LFC staff communicated to EMNRD, the City of Carlsbad, and Eddy County that it would be very challenging for the Legislature to make additional appropriations for the project and suggested other supplemental revenues including local government revenues, local capital outlay, and a redirection of road funding to cover the budget shortfall. The state has been unable to reach access agreements with two property owners at the site, preventing the project from moving forward.

Indian Affairs Department

- **Line 237**, \$14.3 million (2016 STB), from the tribal infrastructure fund for grants to Native American communities for infrastructure and facilities projects. The remaining balance of \$1.1 million will revert to the severance tax bonding fund. Six projects reverted more than half of the grant amount. Some of the reversions were due to projects costs coming in much below estimate. For example, Laguna Pueblo was able to complete design for onramps and approaches to I-40 for \$80 thousand and reverted \$120 thousand. Other reversions were due to an inability from grantees or their contractors to timely complete projects; two grants to Santo Domingo Pueblo totaling \$240 thousand were fully reverted due to staff vacancies and turnover.

New Mexico Institute of Mining and Technology

- **Line 289**, \$5.5 million (2016 GOB), to renovate Jones Hall. NMIMT is requesting an additional \$2 million after receiving multiple bids over the available budget. The request is for a general fund appropriation because the current funding expires in June 2021, which is before 2020 GOB funds would become available.

General Services Department / Department of Health

- The new long-term care facility for veterans in Truth or Consequences has closed two units due to HVAC and structural issues with the foundation. This closure represents more than 20 beds the facility is now unable to operate. The Department of Health is currently assessing the foundation issue to provide a timeline for remediation. LFC staff has a site visit scheduled for September 5.

MAJOR PROJECTS COMPLETED FOR THE QUARTER

Agency	Project Description	Year	Fund	Appropriation Amount
Administrative Office of the Courts	Critical Safety and Security Enhancements	2015	OSF	\$2,500,000
General Services Department	CYFD - Child Wellness Center	2016/2018	STB	\$20,500,000
General Services Department	DOH - Behavioral Health Institute and Facilities Statewide Patient Health & Safety Upgrades	2015	STB	\$1,200,000
Indian Affairs Department	2015 Tribal Infrastructure Fund	2015	STB	\$14,273,958
New Mexico Finance Authority	2015 Colonias Infrastructure Project Fund	2015	STB	\$14,000,875
New Mexico Military Institute	Science Laboratory Renovation	2015	STB	\$1,500,000
University of New Mexico	UNMTaos - STEMH Career Technical Center	2016	GOB	\$4,000,000

RED RATED PROJECTS

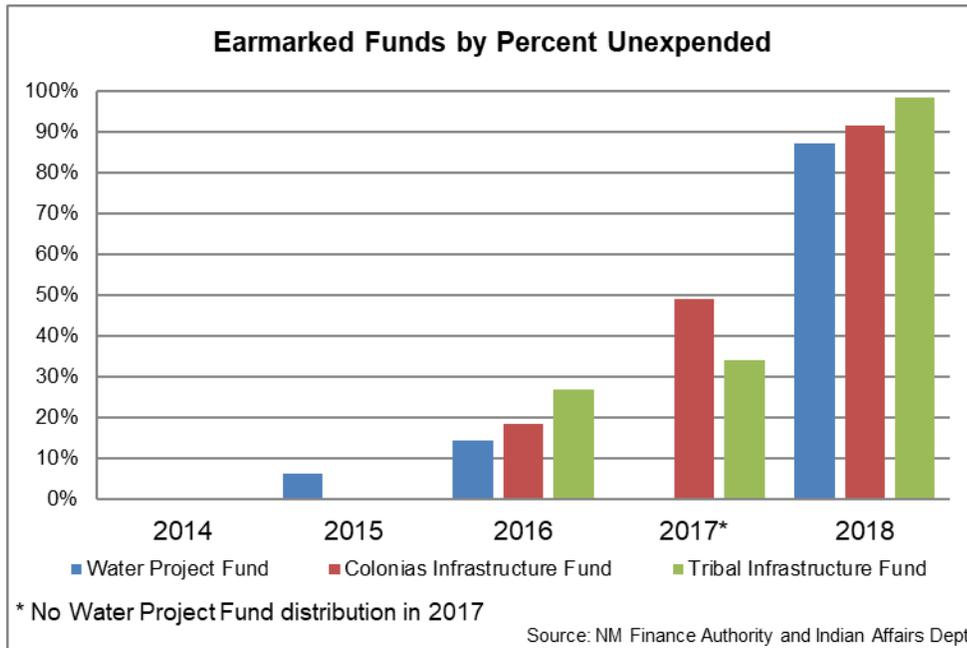
Agency	Project Description	Year	Appropriation Amount	Percent Unexpended
Aging & Long-Term Services Department	2015 Senior Center Renovation - Code Compliance, Other Alterations, Equipment, Major Construction, & Vehicles (Multiple Projects)	2015	\$10,799,950	16%
Aging & Long-Term Services Department	Albuquerque Atrisco Adult Daycare and Respite Facility	2010	\$1,041,693	99%
Corrections Department	Offender Management Information System	2016	\$2,400,000	72%
Department of Cultural Affairs	2016 Tribal Libraries Acquisitions	2016	\$750,000	80%
Department of Cultural Affairs	National Hispanic Cultural Center Welcome Center	2014	\$564,000	89%
Department of Transportation	D3 South Urban Patrol Salt Dome	2016	\$450,000	100%
Department of Transportation	Statewide Rest Area Improvements	2018	\$4,000,000	59%
Department of Transportation	Paseo Del Volcan	2014 2015 2016 2018	\$6,328,100	99%
Department of Transportation	East Aztec Arterial Route Construction	2014 2015	\$5,319,775	89%
Energy, Minerals and Natural Resources Department	Pecos Canyon State Park	2016	\$250,000	100%
Energy, Minerals and Natural Resources Department	Carlsbad Brine Well Remediation	2018	\$37,208,800	87%
Environment Department	Pecos Water/Wastewater Improvements	2014	\$1,995,000	53%
General Services Department	EMNRD - Oil Conservation District Office Artesia	2016	\$1,000,000	72%
Higher Education Department	LCC - Media Center	2015	\$2,800,000	10%
Higher Education Department	MCC - Paving and Site Improvements	2016	\$2,000,000	92%
Higher Education Department	NTU - Learning Innovation Center	2016	\$850,000	93%
Higher Education Department	SFCC - Roofing and Infrastructure Improvements	2016	\$1,500,000	71%
Higher Education Department	SIPI - Library and Buildings Renovation	2016	\$2,000,000	99%
Miners' Colfax Medical Center	Alzheimer's Unit Courtyard	2016	\$250,000	98%
Miners' Colfax Medical Center	Long Term Care Facility Electrical and Mechanical Upgrades	2016	\$1,000,000	100%
New Mexico Institute of Mining and Technology	Jones Hall Renovation	2016	\$5,500,000	96%
Office of the State Engineer	San Acacia Levee	2016	\$2,000,000	70%
Office of the State Engineer	Pecos River Compact Settlement	2014	\$1,000,000	53%
Spaceport Authority	Spaceport - Aerospace Satellite Testing and Development Hangar	2018	\$10,000,000	100%

Authorized but Unissued Status (Attachment A)

- Following the most recent bond sale, only three projects authorized for \$80 thousand remain unissued. All of the projects received appropriations in 2018.
- The sale included 11 projects totaling \$777.7 thousand that were removed from the January 2019 authorized but unissued list.
- In the summer of 2016, BOF reassigned funding for projects if funds were not encumbered or if there were no expenditures within 18 months following issuance of severance tax bonds. This action affected 69 projects totaling \$6.4 million. The most recent sale included 12 of these projects totaling \$260.8 thousand, leaving two projects totaling \$223.9 thousand on the reassigned list.

Status of Earmarked Funds (Attachments B, C and D)

- The chart below summarizes, by year, the percent of all unexpended awards from earmarked funds (water project fund, colonias infrastructure fund, and tribal infrastructure fund). The water project fund's 2017 STB distribution was suspended as part of solvency efforts during the special legislative session.



Note: Data for quarterly and \$1 million or greater reports is derived from CPMS, which is operated and maintained by DFA. Data is updated quarterly by state agencies and monthly by local entities responsible for oversight of the projects and includes expenditures, project status, milestones achieved last quarter, and projected milestones. The \$1 million or greater and quarterly reports are posted on the LFC website under “Publications and Reports” at <http://www.nmlegis.gov/lcs/lfc/lfccapital.aspx>.

BOF Official Authorized but Unissued and Reassigned Balances Following 6/27/19 Bond Sale

Authorized but Unissued

Approp ID	Title	County	Approp Amount	EO Eligibility	Anti-Donation	BOF Status *	Agency	Certification Deadline
C2373	SANTA ROSA SWAMP DITCH PIPELINE GUADALUPE CO	Guadalupe	10,000	Non-Compliant			OSE	6/30/2020
C2408	BERN CO CHILDREN/FAMILY SUPPORT SERVICES FCLTY	Bernalillo	50,000			Not Ready	DFA	6/30/2020
C2410	BERN CO HOMELESS COMMUNITY CENTER	Bernalillo	20,000			Not Ready	DFA	6/30/2020
TOTAL AUTHORIZED BUT UNISSUED (3 PROJECTS)			\$80,000					

Reassigned

Approp ID	Title	County	Approp Amount	Agency	REVERSION Date	EO Eligibility	Anti-Donation	BOF Status *
15-0476	BELEN HIGH SCHL FOOTBALL STADIUM PRESS BOX	Valencia	150,000	PED	6/30/2019			Reassigned
15-0659	BERN CO AMISTAD YOUTH CRISIS CTR IMPROVE	Bernalillo	73,920	LGD-DFA	6/30/2019			Reassigned
TOTAL REASSIGNED (2 PROJECTS)			\$223,920					

* **BOF Status:** Missing = BOF and bond counsel didn't receive a questionnaire; Not Ready = BOF and bond counsel determined project not ready for bonds to be sold; Reassigned = BOF and bond counsel determined entity failed to meet the 5% encumbrance requirement by having no encumbrances made for a full 18 months following issuance of the bond. Grant agreement is frozen.