

## March 2019 Quarterly Update

### Quarterly Status of Outstanding Capital Funds

- As of March 2019, approximately \$737.4 million from all funding sources for 1,621 projects remains outstanding, including \$63.5 million of earmarked fund balances for water (\$26.5 million), colonias (\$17.2 million), and tribal (\$19.8 million) infrastructure projects. Additionally, about \$361 million remains outstanding from supplemental severance tax bonds for public schools.
- New 2019 appropriations will add 1,566 projects totaling nearly \$995 million to the list, including 1,515 projects for \$925 million from SB280 (the capital outlay bill), nine projects for \$65 million from HB2 (the General Appropriation Act), and 42 projects for \$4.7 million from HB548 and SB536 (the “junior” appropriation bills). Finally, HB2 also appropriated at least \$389 million for road projects statewide.
- Since the December 2018 quarterly report, 89 projects closed and approximately \$45.1 million was expended or reverted.
- STBs make up 43.4 percent of the total unexpended balance, while GOBs account for 32.5 percent, other state funds (OSF) 13.6 percent, and general fund (GF) 10.4 percent.

### 2009-2018 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	\$9.5	\$0.5	94.5%
2014	3	\$5.7	\$3.5	\$2.2	62.0%
2015	257	\$142.6	\$79.2	\$63.4	55.5%
2016	380	\$312.5	\$138.6	\$173.9	44.4%
2017	93	\$26.9	\$9.4	\$17.5	35.0%
2018	887	\$517.3	\$37.4	\$479.9	7.2%
<b>Total</b>	<b>1,621</b>	<b>\$1,015.1</b>	<b>\$277.7</b>	<b>\$737.4</b>	<b>27.4%</b>

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 only, \$221.4 million for state-owned projects and \$112.1 million for local projects remains unexpended. The table below demonstrates the amount and percent expended by state and local entities by year.

### 2009-2018 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	\$9.5	\$0.5	94.5%	0	\$0.0	\$0.0	\$0.0	*
2015	57	\$84.8	\$47.8	\$37.0	56.4%	163	\$22.8	\$11.0	\$11.8	48.3%
2016	25	\$86.8	\$39.3	\$47.5	45.2%	199	\$33.8	\$15.2	\$18.5	45.0%
2017	7	\$6.9	\$5.2	\$1.7	75.0%	65	\$8.4	\$2.0	\$6.4	24.0%
2018	67	\$154.2	\$19.6	\$134.6	12.7%	640	\$83.9	\$8.5	\$75.4	10.2%
<b>Total</b>	<b>157</b>	<b>\$342.7</b>	<b>\$121.3</b>	<b>\$221.4</b>	<b>35.4%</b>	<b>1,067</b>	<b>\$148.8</b>	<b>\$36.7</b>	<b>\$112.1</b>	<b>24.7%</b>

\* 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, 169 projects which totaled over \$1.1 billion at the end of March 2019. The unexpended balance for those projects is nearly \$624.1 million, or 85 percent, of all unexpended capital outlay funds. Since the December 2018 report, 14 appropriations totaling \$105.4 million were completed and closed.

### **HIGHLIGHTS OF SELECT PROJECTS**

#### **2015 Senior Center Renovations** (multiple appropriations)

- **Line 6**, \$10,799,950 (2015 STB) Of the 24 projects currently active, two closed this quarter. Five projects have not yet expended any funds, but have encumbrances that should prevent the funds from reverting without being used. The Pueblo Pintado project was reauthorized through FY20 during the 2019 legislative session:

➤ Pueblo Pintado Chapter Senior Center Construction	\$100,000
➤ Santa Clara Pueblo Senior Center Code Improvements	\$72,700
➤ Albuquerque Palo Duro Senior Sports Fitness Facility Renovations	\$45,000
➤ Deming Senior Center Renovations	\$34,000
➤ Santo Domingo Senior Center Code Improvements	\$33,000

#### **Pecos Canyon State Park**

- **Line 78**, \$250,000 (2016 STB), the Energy, Minerals and Natural Resources (EMNRD) and the Department of Game and Fish (DGF) are still working to develop preliminary designs for this project and plans to transfer properties from DGF to EMNRD. Until that transfer receives the proper legislative authorization and is finalized, the State Game Commission retains final authority over any use of the funding.

#### **Child Wellness Center and DPS Evidence Center and Crime Lab**

- **Lines 96 and 108**, \$20,000,000 (2018 SBB) and \$7,500,000 (2016 STB/GOB), these major projects received significant additional funding from the 2019 Legislature. Specifically, \$29.3 million more for the Child Wellness Center and \$33 million for the evidence center and crime lab.

#### **Indian Water Rights Settlement**

- **Line 203**, \$57,200,000, New Mexico has met its cost sharing obligations under the Navajo-Gallup and Taos water rights settlements, and, after appropriating another \$20 million in 2019, has \$21 million remaining on the Aamodt settlement. New Mexico agreed to contribute \$65 million (current dollars) for the Aamodt settlement which will continue to increase due to indexing until construction begins, and has contributed \$44 million to date. However, construction cost estimates on the regional water system called for by the have nearly doubled since 2006, from \$220 million (current dollars) to \$421 million, due to required design changes and other unanticipated costs. Although the settlement explicitly provides that New Mexico is not obligated to contribute toward cost overruns, other parties are urging the state to increase its cost share amount by an additional \$27 million and argue that not doing so would put successful implementation of the settlement in jeopardy. This would increase the state's outstanding share to \$55 million.

#### **Oil Conservation Division – Artesia District Office**

- **Line 114**, \$1,000,000 (2016 STB), project was initially delayed by bill language but 2017 reauthorization corrected that issue. Plans to let the project for design and construction, with an expectation that designs are completed in six months and construction could begin in 2020. However, with a scope of 5,000 square feet, it is likely this project will require additional funds for construction.

## RED RATED PROJECTS

Atrisco Adult Daycare and Respite Facility, **Line 8**, \$1,041,693 (2010 STB), 99 percent unspent  
2016 Tribal Libraries Acquisitions, **Line 27**, \$750,000 (2016 GOB), 91 percent unspent  
NHCC Welcome Center, **Line 30**, \$564,000 (2014 STB), 89 percent unspent  
D3 South Urban Patrol Salt Dome, **Line 53**, \$450,000 (2016 SRF), 100 percent unspent  
Paseo Del Volcan, **Line 57**, 6,328,100 (multiple), 99 percent unspent  
East Aztec Arterial Route Construction, **Line 62**, \$5,319,775 (2014 STB), 89 percent unspent  
MCC - Paving and Site Improvements, **Line 125**, \$2,000,000 (2016 GOB), 98 percent unspent  
NTU - Learning Innovation Center, **Line 126**, \$850,000 (2016 GOB), 98 percent unspent  
SIPI - Library and Buildings Renovation, **Line 136**, \$2,000,000 (2016 GOB), 99 percent unspent  
Dine College - Roadway Improvements, **Line 137**, \$500,000 (2016 GOB), 100 percent unspent  
Alzheimer's Unit Courtyard, **Line 148**, \$250,000 (2016 MTF), 100 percent unspent  
Pecos River Compact Settlement, **Line 207**, \$1,000,000 (2014 AGCSF), 53 percent unspent  
NMSBVI Cottages, Dorm, Campuswide, **Line 222**, \$2,294,411 (2014 PSCOF), 100 percent unspent  
NMSBVI Garrett Dorm, **Line 27**, \$1,200,000 (2016 GOB), 91 percent unspent

## MAJOR PROJECTS COMPLETED FOR THE QUARTER

➤ UNM Main Campus – Interdisciplinary Science Building (2016 GOB)	\$27,000,000
➤ Bradner Dam (2013 STB, 2014 STB & AGSF ret. 2018)	\$11,800,000
➤ Allison Road Bridge Replacement (2015/2016 STB)	\$4,500,000
➤ Bernalillo County Metro Court 4 <sup>th</sup> Floor Expansion (2018 STB)	\$1,000,000
➤ Santa Teresa Airport Fire Station (2016 FPF)	\$1,100,000
➤ Las Cruces Septic System Remediation (2015 STB)	\$2,420,000

### Authorized but Unissued Status (Attachment A)

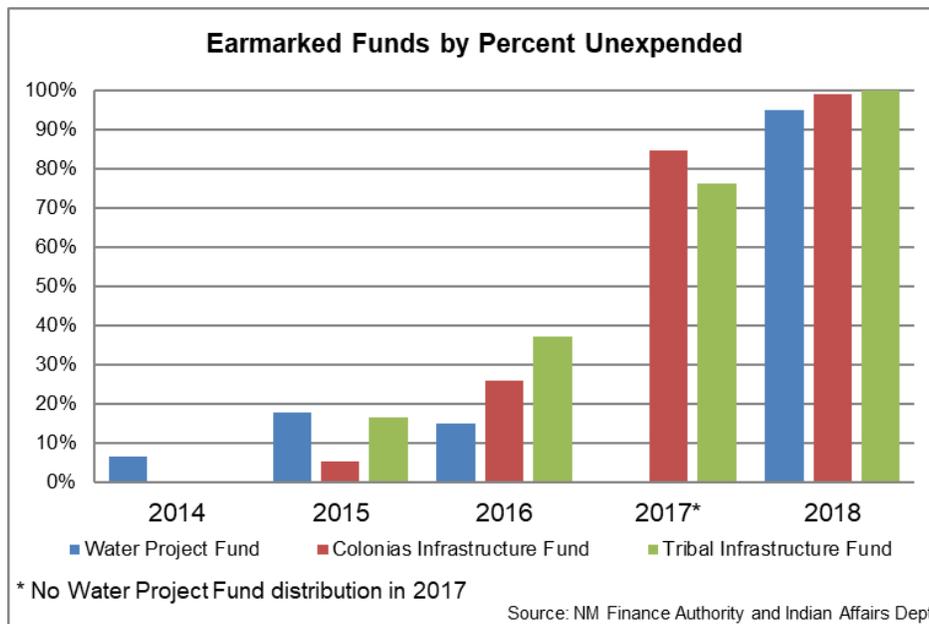
- The December sale included 46 projects totaling \$17.4 million that were removed from the June 2018 authorized but unissued list.
- Following the December 2018 bond sale, 14 projects authorized for \$857.7 thousand remain unissued, all of which were authorized in 2018.
- In the summer of 2016, BOF 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 December bond sale included five of these projects totaling \$350 thousand, leaving nine projects totaling \$484.7 thousand on the reassigned list on Attachment A.

### 2019 Reauthorizations

- Chapter 280 (House Bill 568) reauthorized 113 projects funded in previous years. The reauthorizations vary and include changing the administering agency, changing or expanding the purpose of the project, or extending the reversion date.
- The appropriation balances of the reauthorized projects as of December 2018 indicate approximately \$45.1 million is being reauthorized for projects originally authorized between 2007 and 2018. The bill includes 13 projects originally funded in 2014 or earlier with remaining balances of \$5.4 million.

## Status of Earmarked Funds

- 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 12/27/2018 Bond Sale**

**Authorized but Unissued**

Approp ID	Title	County	Approp Amount	EO Eligibility	Anti-Donation	BOF Status *	Agency	Certification Deadline
C2261	AGUA PURA MDWC & MSWA WATER SYS IMPROVE	Mora	35,000	Non-Compliant			NMED	6/30/2020
C2267	CANJILON MDWC & MSWA WATER SYSTEM IMPROVE	Rio Arriba	100,000	Non-Compliant			NMED	6/30/2020
C2269	EL RITO RWVA WASTEWATER SYSTEM	Rio Arriba	50,000	Non-Compliant			NMED	6/30/2020
C2373	SANTA ROSA SWAMP DITCH PIPELINE GUADALUPE CO	Guadalupe	10,000	Non-Compliant			OSE	6/30/2020
C2374	EAST PUERTO DE LUNA ACEQUIA PIPE	Guadalupe	30,000	Non-Compliant			OSE	6/30/2020
C2377	ACEQUIA DEL DISTRICTO IMPROVE-CHIMAYO	Multiple Co	13,810	Non-Compliant			OSE	6/30/2020
C2378	ACEQUIA DE CHAMITA IMPROVE	Rio Arriba	10,000	Non-Compliant			OSE	6/30/2020
C2380	ACEQUIA DE LOS SALAZARES IMPROVE	Rio Arriba	20,000	Non-Compliant			OSE	6/30/2020
C2386	ACEQUIA DE LOS SEGURAS IMPROVE SAN MIGUEL CO	San Miguel	20,000	Non-Compliant			OSE	6/30/2020
C2400	ACEQUIA DE LOS RANCHOS IMPROVE	Santa Fe	148,070	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
C2435	ALB MAINSTREET COMMERCIAL KITCHEN	Bernalillo	300,800			Not Ready	DFA	6/30/2020
C2541	RIO ARRIBA CO DISABILITIES FCLTY DESIGN REN	Rio Arriba	50,000			Anti-Donation	DFA	6/30/2020
<b>TOTAL AUTHORIZED BUT UNISSUED (14 PROJECTS)</b>			<b>\$857,680</b>					

**Reassigned & Unfunded**

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
15-0571	SANTA FE VETERANS AFFORDABLE HOUSING INFRA IMPR	Santa Fe	30,000	LGD-DFA	6/30/2019			Reassigned
15-0659	BERN CO AMISTAD YOUTH CRISIS CTR IMPROVE	Bernalillo	73,920	LGD-DFA	6/30/2019			Reassigned
15-0671	SOUTH VALLEY PUBLIC LIBRARY EXTERIOR & STUCCO	Bernalillo	55,000	LGD-DFA	6/30/2019			Reassigned
15-0714	ALB WELLS PARK COMMUNITY CTR BASKETBALL FLOOR	Bernalillo	25,000	LGD-DFA	6/30/2019			Reassigned
15-0798	LINCOLN CO RESIDENTIAL CARE FCLTY/STORAGE BLDGS	Lincoln	70,810	LGD-DFA	6/30/2019			Reassigned
15-0856	SANTA FE BOYS & GIRLS CLUB HVAC SYS	Santa Fe	30,000	LGD-DFA	6/30/2019			Reassigned
15-0938	CORONA STREETS IMPROVE	Lincoln	25,000	DOT	6/30/2019			Reassigned
15-0945	SHONDEEN DR IMPROVE ROCK SPRINGS CHP	McKinley	25,000	DOT	6/30/2019			Reassigned
<b>TOTAL REASSIGNED (9 PROJECTS)</b>			<b>\$484,730</b>					

\* **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.