

September 23, 2022

Federal Funds Update

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Large Nonrecurring Federal and State Appropriations

- As of September 19, 2022, state agencies committed a total of \$304.3 million or about \$27.1 million more than was reported expended for the last federal funds update in mid-August 2022. Spending so far accounts for about 15 percent of the \$2 billion in large nonrecurring appropriations that are being tracked in this report.
- State agencies spent \$92.7 million of \$1.2 billion allocated for post-pandemic economic recovery. Larger unspent economic recovery items include \$70 million for business space development, \$348 million for statewide road projects, and \$45 million for research and development at higher education institutions.
- For post pandemic workforce development, of \$390 million appropriated, state agencies spent about \$41.4 million. The Higher Education Department has not transferred the \$130 million it received for the lottery tuition fund.
- Of the \$95 million in higher education faculty teaching endowments for social workers and nurses, \$60.5 million in notices of awards have been sent out.
 - Eleven awards for a total of \$30 million were made to nursing programs including \$6.5 million to the University of New Mexico Health Sciences Center, \$3 million to Central New Mexico Community College, and more to New Mexico Highlands University (NMHU), New Mexico State University (NMSU), and Western New Mexico University (WNMU). The endowments will support 14.5 new faculty and 169 new student slots.
 - Three awards, for a total of \$30.5 million were made for social work endowments comprising \$8 million to NMHU, \$16.5 million to NMSU, and \$6 million to WNMU. The endowments will support 14 new faculty and 200 new student slots.
- For pandemic response and improving healthcare, \$144.3 million, or about 57 percent was spent. Larger unspent items include \$34 million for affordable energy efficient housing, and \$20 million for behavioral health provider startup costs.
- For other appropriations, about \$25.8 million, or 14 percent has been spent. Larger unspent items include \$70 million for the Santa Fe executive office building and \$67 million for criminal justice reform and police salaries.

Appendix A: Nonrecurring ARPA and General Fund Matched with STB and GOB

Agency Name	Item	HB2 SS From ARPA State Relief	HB2 Regular Session GF Final	HB2 Regular Session GF/ACF Final	HB2 Regular Session OSF Final	2022 GOB/STB	Total Special Session and Regular Session	Total Encumbered, Expended, or Transferred	Comments
Economic Recovery									
2	Department of Transportation	Statewide Road Projects	\$ 142,500.0	\$ 247,500.0	\$ -		\$ 390,000.0	\$ 41,614.7	The department allocated almost \$200 million to specific projects. These projects are still in the planning stages and not encumbered. Recently New Mexico received a competitive federal grant for the Santa Teresa road project, funded during the 2022 legislative session. Funding is authorized through FY25.
3	Department of Transportation	Local Road Projects (transportation project fund)		\$ 60,000.0	\$ -		\$ 60,000.0	\$ -	The Transportation Commission awarded \$106.7 million for FY23 (the fund receives other recurring revenue accounting for the difference). Encumbrances are expected soon.
4	Department of Transportation	I-10 and I-40 Planning		\$ 25,000.0			\$ 25,000.0	\$ -	Funds were budgeted, no expenditures. Funding is authorized through FY25.
5	Department of Finance and Administration	Santa Teresa Airport Improvements			\$ 20,000.0		\$ 20,000.0	\$ -	Not yet budgeted.
6	Department of Transportation	Rest Areas		\$ 20,000.0	\$ -		\$ 20,000.0	\$ -	Funds were budgeted, no expenditures. Funding is authorized through FY25.
7	Department of Transportation	Regional Airport Upgrades	\$ 10,000.0	\$ 5,000.0	\$ -		\$ 15,000.0	\$ 12,500.0	The department awarded \$12.5 million to 7 local governments for airport improvement.
8	Department of Transportation	E-Vehicle Charging Stations	\$ 10,000.0	\$ -	\$ -		\$ 10,000.0	\$ 2,713.7	Encumbrances are for the purchase of electric vehicle charging stations, other materials, and labor.
9	Department of Transportation	Roadway Beautification	\$ 10,000.0				\$ 10,000.0	\$ 2,240.9	The department contracted with five litter pickup, control, and graffiti removal providers. Funding is authorized through FY25.
10	Department of Transportation	DOT Equipment Purchases		\$ 9,000.0	\$ -		\$ 9,000.0	\$ 1,055.9	The department purchased a heavy truck, an excavator, and a 50 ton detachable trailer. Funding is authorized through FY25.
11	Department of Transportation	Essential Air Service		\$ 5,000.0			\$ 5,000.0	\$ -	Funds were awarded to Gallup and Dona Ana county and air service from Gallup began August 1.
12	Subtotal Transportation		\$ 172,500.0	\$ 371,500.0	\$ 20,000.0	\$ -	\$ 564,000.0	\$ 60,125.3	
13	Economic Development Department	Business Space Development				\$ 70,000.0	\$ 70,000.0	\$ -	No expenditures. The New Mexico Finance Authority and the Economic Development Department held a board meeting August 24th and heard proposals for how to administer the program, including what types of projects should be eligible. The board will consider loans, loan guarantees, or project based investment (such as state-owned development space), as well as loans to businesses that don't qualify for LEDA, such as childcare centers or non-profit organizations.
14	Higher Education Department	Research and Development at Higher Education Institutions		\$ 45,000.0	\$ -		\$ 45,000.0	\$ -	The amount was budgeted in late March 2022 but not transferred to the fund.
15	Department of Finance and Administration	Venture Capital Program Fund		\$ 35,000.0			\$ 35,000.0	\$ -	Contingency met. Not yet budgeted, but NMFA and EDD have taken first steps towards forming the program, including issuing a RFP for an investment officer to manage fund-to-fund investments, and discussing ways to leverage \$54 million in existing federal grant monies at EDD.
16	Department of Information Technology	Broadband and Cybersecurity		\$ 20,000.0			\$ 20,000.0	\$ 2,108.1	Spending includes \$140 thousand for digital equity contractors to support digital equity planning, \$1.4 million to RiskSense for penetration testing and cybersecurity services, and \$540.1 thousand for cyber risk management services with Carahsoft.
17	Department of Cultural Affairs	Rural Library Endowment Fund (GOBs for state and tribal library resources and equipment)		\$ -	\$ 10,000.0	\$ 7,000.0	\$ 17,000.0	\$ -	The Department of Cultural Affairs budgeted funds for rural library endowments but made no expenditures. The FY24 budget request increases the rural library allocation from \$300 thousand in FY23 to just over \$600 thousand.
18	Tourism Department	Tourism Marketing and Advertising	\$ 15,000.0	\$ -	\$ -		\$ 15,000.0	\$ 9,500.0	Tourism spent a little over half the appropriation and plans to expend the rest in a large winter marketing campaign.
19	Department of Cultural Affairs	Cultural Facility Improvements Outside Santa Fe. (STBs for cultural projects in SF and outside SF)		\$ -	\$ 5,000.0	\$ 7,017.0	\$ 12,017.0	\$ -	The appropriation has been budgeted but no expenditures or encumbrances have been made.
20	Tourism Department	Local Event Marketing and Advertising			\$ 5,000.0		\$ 5,000.0	\$ 5,000.0	Fully expended for Spring marketing campaign
21	Subtotal Economic Development		\$ 15,000.0	\$ 100,000.0	\$ 20,000.0	\$ 70,000.0	\$ 14,017.0	\$ 219,017.0	\$ 16,608.1
22	State Engineer	Indian Water Rights Settlement (STB for Indian Water Rights Settlement)		\$ 32,000.0	\$ -	\$ 10,600.0	\$ 42,600.0	\$ -	The appropriation has been budgeted but no expenditures or encumbrances have been made.
23	State Engineer	Drought Mitigation		\$ -	\$ 30,300.0		\$ 30,300.0	\$ -	The appropriation has been budgeted but no expenditures or encumbrances have been made.
24	Department of Environment	Eastern New Mexico Water Utility Authority (STB for ENMWUA)		\$ 10,000.0		\$ 20,000.0	\$ 30,000.0	\$ -	The appropriation has been budgeted but no expenditures or encumbrances have been made.

Appendix A: Nonrecurring ARPA and General Fund Matched with STB and GOB

	Agency Name	Item	HB2 SS From ARPA State Relief	HB2 Regular Session GF Final	HB2 Regular Session GF/ACF Final	HB2 Regular Session OSF Final	2022 GOB/STB	Total Special Session and Regular Session	Total Encumbered, Expended, or Transferred	Comments	
25	Energy, Minerals and Natural Resources Department	Forest Land Protection Revolving Fund		\$ 20,000.0				\$ 20,000.0	\$ 376.2	The department encumbered \$376.2 thousand to purchase and replace radio equipment in vehicles used for wildland firefighting.	
26	State Engineer	Dam Rehabilitation (STB to DGF for Bear Canyon Dam)			\$ 10,000.0		\$ 7,000.0	\$ 17,000.0	\$ -	The appropriation is budgeted but no expenditures or encumbrances have been made.	
27	Energy, Minerals and Natural Resources Department	Wildfire prevention and Firefighting Equipment (STBs for watershed restoration)			\$ 5,000.0		\$ 10,000.0	\$ 15,000.0	\$ 257.0	The department encumbered \$257.1 thousand to purchase equipment	
28	Department of Environment	Surface Water and River Habitat Improvements (STB for river stewardship program)	\$ 10,000.0	\$ -			\$ 1,500.0	\$ 11,500.0	\$ -	The appropriation has been budgeted but no expenditures or encumbrances have been made.	
29	Border Authority	Columbus Port of Entry Berm		\$ -	\$ 9,500.0			\$ 9,500.0	\$ 12.5	The Border Authority spent just under \$12.5 thousand for the planning phase of the berm.	
30	Department of Finance and Administration	Conservation of Species of Greatest Need			\$ 5,000.0			\$ 5,000.0	\$ 5,000.0	The full expense was transferred to Game & Fish. This is the L Bar Ranch purchase.	
31	Department of Finance and Administration	Taos Green Corridor			\$ 5,000.0	\$ -		\$ 5,000.0	\$ -	Governor announced allocations include \$1.5 million for erosion control on Route 150 near Valdez, \$1 million for wildfire risk reduction work, \$750 to Village of Taos Ski Valley for water infrastructure repairs, \$500 thousand to Taos Pueblo for watershed restoration, \$500 thousand for acequia water quality monitoring, \$500 thousand for EV charging stations, and \$250 thousand for cutthroat trout protection work.	
32	State Engineer	Acequia Improvements		\$ 5,000.0	\$ -			\$ 5,000.0	\$ -	Not yet budgeted.	
33	New Mexico State University	Department of Agriculture for Various Projects		\$ 3,000.0	\$ 2,000.0			\$ 5,000.0	\$ -	Not yet budgeted.	
34	Energy, Minerals and Natural Resources Department	Orphan Wells	\$ 3,500.0	\$ -				\$ 3,500.0	\$ 329.7	The department spent \$283.2 thousand on plugging orphan wells and \$23 thousand in the other category partially to purchase dell laptops.	
35	Department of Transportation	Wildlife Corridors		\$ 2,000.0				\$ 2,000.0	\$ -	Funds were budgeted, no expenditures.	
36	Subtotal Rural Jobs and Natural Resources		\$ 13,500.0	\$ 72,000.0	\$ 66,800.0	\$ -	\$ 49,100.0	\$ 201,400.0	\$ 5,975.4		
37	Department of Finance and Administration	State Government Capital Outlay Project Cost Overruns. (STBs for capital program fund for state agency projects)			\$ 8,000.0		\$ 125,953.0	\$ 133,953.0	\$ -	Not yet budgeted, but DFA reports administering a survey to state agencies requesting information on projects currently experiencing cost overruns, with surveys due back by end of day September 16th. DFA has received 13 responses to date and are undergoing follow ups.	
38	Department of Finance and Administration	Regional Recreation Centers		\$ 5,000.0	\$ 40,000.0			\$ 45,000.0	\$ -	Not yet budgeted, however DFA is in the process of reviewing applications and developing recommendations for awards for the grant program. Entities requested nearly \$218.9 million for 132 eligible projects.	
39	Energy, Minerals and Natural Resources Department	State Parks Improvements. (STB for State Park wastewater)	\$ 20,000.0	\$ -			\$ 468.0	\$ 20,468.0	\$ 3,389.6	The department spent about \$326 thousand on equipment such as a John Deer tractor, fleet vehicles, and camp fire rings. Another \$3.3 million has been encumbered.	
40	Economic Development Department	Outdoor Recreation Grants	\$ 7,000.0	\$ -				\$ 7,000.0	\$ 5,500.0	The Economic Development Department awarded \$2.7 million in trail infrastructure awards in June 2022, and an additional \$2.5 million in awards in September. Of the September grant awards, 64 percent were to rural areas. The department plans to expend the entirety of the Trails + grants by December 2022 and is accepting applicants on a rolling basis.	
41	Economic Development Department	Outdoor Equity Grants	\$ 3,000.0	\$ -	\$ -			\$ 3,000.0	\$ 1,100.0	The Economic Development Department administered a round of equity grants in the spring and a second round totaling \$800 thousand in the fall. The awards went to 48 organizations statewide, getting approximately 12.3 thousand youth outside.	
42	Department of Finance and Administration	Navajo Preparatory School Dorm Upgrades (STB for Navajo Prep)			\$ 5,000.0		\$ 1,000.0	\$ 6,000.0	\$ -	Not yet budgeted	
43	Subtotal Quality of Life and Other		\$ 30,000.0	\$ 5,000.0	\$ 53,000.0	\$ -	\$ 127,421.0	\$ 215,421.0	\$ 9,989.6		
44	Economic Recovery		\$ 231,000.0	\$ 548,500.0	\$ 159,800.0	\$ 70,000.0	\$ 190,538.0	\$ 1,199,838.0	\$ 92,698.4		
45											
46	Post Pandemic Workforce Development										
47	Higher Education Department	Lottery Tuition Fund		\$ -	\$ 130,000.0			\$ 130,000.0	\$ -	Not budgeted	
48	Higher Education Department	Opportunity Scholarship			\$ 63,000.0			\$ 63,000.0	\$ -	The HED has received projected expense amounts from institutions but no expenditures have been made.	
49	Higher Education Department	Endowed Faculty Teaching Positions in Social Work		\$ -	\$ 50,000.0			\$ 50,000.0	\$ 14,000.0	Responses to a request for award (RFA) have been received and preliminary award amounts granted. The award will support 14 new faculty and 200 new student slots. Of the \$50 million total, notice of award has been made for \$30.5 million.	

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50	Higher Education Department	Endowed Faculty Teaching Positions in Nursing and Program Expansion	\$ 15,000.0		\$ 30,000.0			\$ 45,000.0	\$ 25,500.0	Responses to a request for award (RFA) have been received and preliminary award amounts granted. The award will support 14.5 new faculty and 169 additional student slots. The \$45 million includes \$15 million in nonrecurring nurse expansion funding of which all has been allocated, \$10 million of it to recurring costs.	
51	Economic Development Department	Film School (STB for Film School)			\$ 20,000.0	\$ -	\$ 20,000.0	\$ 40,000.0	\$ -	The Department announced a Las Cruces satellite location, and issued a request for proposals for a contractor to manage the project, but has not spent any of the appropriation.	
52	Higher Education Department	Work Study		\$ -	\$ 20,000.0			\$ 20,000.0	\$ -	The appropriation was budgeted but no expenditures or encumbrances were made.	
53	Higher Education Department	Teacher Preparation Affordability Scholarship Fund				\$ 20,000.0		\$ 20,000.0	\$ -	The amount was budgeted but not transferred to the fund.	
54	Workforce Solutions Department	Reemployment Case Management			\$ 5,000.0			\$ 5,000.0	\$ -	WSD committed \$2 million to a workforce campaign already operating in the Southern U.S. called "Be Pro Be Proud." However no money has been budgeted or expended.	
55	Workforce Solutions Department	Youth Reemployment and Apprenticeships		\$ -	\$ 5,000.0			\$ 5,000.0	\$ -	Not budgeted.	
56	University of New Mexico	For Endowed Teaching Positions in Native American Studies			\$ 5,000.0			\$ 5,000.0	\$ -	Not budgeted.	
57	Higher Education Department	Teacher Loan Repayment Fund				\$ 5,000.0		\$ 5,000.0	\$ -	The amount was budgeted but not transferred to the fund.	
58	Higher Education Department	Teacher Loan Repayment Fund	\$ 2,000.0					\$ 2,000.0	\$ 1,901.0	About \$1.9 million of the appropriation has been expended on repaying loans.	
59	Subtotal Post Pandemic Workforce Development		\$ 17,000.0	\$ -	\$ 328,000.0	\$ 25,000.0	\$ 20,000.0	\$ 390,000.0	\$ 41,401.0		
60											
61	Respond to Covid-19 Related Costs and Improve Healthcare										
62	Department of Finance and Administration	Acute Care Hospital	\$ 50,000.0	\$ -	\$ -			\$ 50,000.0	\$ 50,000.0	Agreement in place, full amount committed	
63	Department of Finance and Administration	Affordable Energy Efficient Housing (STB for MFA Housing Trust Fund)	\$ 15,000.0		\$ 10,000.0		\$ 9,000.0	\$ 34,000.0	\$ -	The Mortgage Finance Authority (MFA) allocated \$2 million for homelessness and at risk of homelessness rental housing development, \$10.1 million for low income housing, \$3.75 million for weatherization assistance and rehabilitation, \$500 thousand for housing innovations grants, and \$8 million for down payment assistance. MFA reports recently signing the \$9 million capital outlay agreement but are awaiting final approval to sign the agreement for the \$15 million special session State and Local Fiscal Recovery Funds (CSLFRF) or the \$10 million in the general session CSLFRF.	
64	Office of Superintendent of Insurance	Patients' Compensation Fund		\$ 30,000.0	\$ -			\$ 30,000.0	\$ 30,000.0	In the fund, not yet appropriated for any settlements.	
65	Human Services Department	Hospital and Nursing Home Labor Costs		\$ 18,000.0		\$ 10,000.0		\$ 28,000.0	\$ 17,710.5	HSD to date spent a total \$113.2 million reimbursing hospitals & nursing homes for labor costs related to Covid-19. Includes spending \$95.5 million out of \$143.6 million in federal Medicaid medical assistance percentage matching revenue.	
66	Department of Finance and Administration	Homeless Housing Assistance. (STBs for supportive housing and homeless facility in Albuquerque)	\$ 10,000.0		\$ 10,000.0		\$ 689.2	\$ 20,689.2	\$ 1,494.0	\$247 thousand is spent for outstanding Local Government Division expenses. An Additional \$247 thousand is encumbered for Luna County to provide housing in the Village of Columbus, including purchase and connection of eight RV trailers. An additional \$1 million is encumbered for the Village of Ruidoso to create an enterprise housing fund to develop 17 manufactured housing units to be leased to the displaced families of the McBride fire and long term.	
67	Human Services Department	Behavioral Health Provider Startup Costs		\$ -	\$ 20,000.0			\$ 20,000.0	\$ -	Not budgeted.	
68	Public School Insurance Authority	Employee Covid-19 Costs		\$ -	\$ 15,000.0			\$ 15,000.0	\$ 15,000.0	Funds have been transferred to NMPSIA.	
69	General Services Department	Employee Covid-19 Costs	\$ 15,000.0	\$ -				\$ 15,000.0	\$ 15,000.0	Fully expended	
70	Human Services Department	Financial Assistance			\$ 10,000.0			\$ 10,000.0	\$ 10,000.0	HSD says the appropriation has been paid in full to the Tax and Revenue Department as assistance for low-income residents.	
71	University of New Mexico	School of Public Health			\$ 10,000.0			\$ 10,000.0	\$ -	Not budgeted.	
72	New Mexico State University	School of Public Health			\$ 5,000.0			\$ 5,000.0	\$ -	Not budgeted.	
73	New Mexico State Fair	For Lost Revenue			\$ 5,000.0			\$ 5,000.0	\$ -	Amount is fully budget but no expenditures.	
74	Human Services Department	Food Bank Services	\$ 5,000.0	\$ -				\$ 5,000.0	\$ 4,977.0	There is \$23.0 remaining for distribution to nonprofits such as Road Runner Food Bank & Food Depot.	
75	Cumbres and Toltec Scenic Railroad Commission	For Lost Revenue and Railroad Repairs		\$ 566.0	\$ 2,434.0			\$ 3,000.0	\$ 200.0	The agency has expended approximately \$200 thousand of the appropriation for operational costs in FY23.	
76	Subtotal Respond to Covid-19 Related Costs and Improve Healthcare		\$ 95,000.0	\$ 48,566.0	\$ 87,434.0	\$ 10,000.0	\$ 9,689.2	\$ 250,689.2	\$ 144,381.5		

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77										
78		Other								
79	General Services Department	Santa Fe Executive Office Building		\$ 70,000.0	\$ -			\$ 70,000.0	\$ -	GSD plans to go to Santa Fe historic district in November; anticipates decision April 2023. Possible work could begin in late 2023.
80	Department of Finance and Administration	Criminal Justice Reform and Police Salaries		\$ 67,000.0				\$ 67,000.0	\$ -	Not budgeted.
81	Administrative Office of the Courts	Judge Retirement Solvency		\$ 20,000.0	\$ -			\$ 20,000.0	\$ 20,000.0	All funds were transferred to the judicial retirement fund.
82	Higher Education Department	Higher Education Building Demolition (STBs for 15 higher education projects)			\$ 3,500.0		\$ 7,512.4	\$ 11,012.4	\$ -	The appropriation has been budgeted but no expenditures or encumbrances have been made.
83	Public Education Department	School for the Arts Dormitories (STB for SA Dorms)		\$ 4,557.3	\$ -		\$ 3,760.0	\$ 8,317.3	\$ 4,557.3	\$4.57M was encumbered but not expended.
84	Secretary of State	Statewide Election Costs			\$ 5,000.0			\$ 5,000.0	\$ 389.5	\$157K was committed in the contractual services category for a contract with Knowink LLC for ongoing IT support. Additional encumbrances include just over \$230 thousand to Dominion Voting Systems for election ballot system support.
85	Legislative Council Service	Legislative Processing System	\$ 1,000.0	\$ -				\$ 1,000.0	\$ -	Funds are not budgeted.
86	Administrative Office of the Courts	Pretrial Services Monitoring	\$ 500.0	\$ 500.0	\$ -			\$ 1,000.0	\$ 207.0	Of the two appropriations approximately \$207 thousand has been expended.
87	Department of Finance and Administration	Accountability of Pandemic Relief	\$ 935.0	\$ -	\$ -			\$ 935.0	\$ 486.5	Spending includes \$432.2 thousand to support payroll expenses for the Federal Grants Bureau and other staff, including \$36.6 thousand encumbered for staff augmentation services, and \$17.7 thousand for IT services.
88	Taxation and Revenue Department	Mail Processing Inserter		\$ 275.0				\$ 275.0	\$ 212.7	The mail processing inserter was purchased for \$212.7 thousand from Quadant
89	Subtotal Other		\$ 2,435.0	\$ 162,332.3	\$ 8,500.0	\$ -	\$ 11,272.4	\$ 184,539.7	\$ 25,853.0	
90										
97	Grand Total Other Nonrecurring General Fund		\$ 345,435.0	\$ 759,398.3	\$ 583,734.0	\$ 105,000.0	\$ 231,499.6	\$ 2,025,066.9	\$ 304,333.8	