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FISCAL IMPACT REPORT

ORIGINAL DATE 01/21/12
 LAST UPDATED 01/26/12 **HB** 4/aHTPWC

SPONSOR Gonzales

SHORT TITLE Department of Transportation Appropriation Act **SB** _____

ANALYST Soderquist

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY12	FY13		
	\$424,589.0	Recurring	State Road Fund – All Sources
	\$403,449.0	Recurring	Federal Funds
	\$7,463.0	Recurring	Restricted - Fund Balances

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY12	FY13	FY14		
	\$424,589.0		Recurring	State Road Fund – All Sources
	\$403,449.0		Recurring	Federal Funds
	\$7,463.0		Recurring	Restricted - Fund Balances

(Parenthesis () Indicate Revenue Decreases)

Relates to House Bills 2, 4, 7 and Senate Bill 80

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Transportation (NMDOT)

SUMMARY

Synopsis of HTPWC Amendment

The House Transportation and Public Works Committee (HTPWC) amendment to House Bill 4 appropriates \$835.5 million in Other State funds, Federal funds, and restricted fund balance for

the operations of the New Mexico Department of Transportation (NMDOT) in FY13. The amendment includes an \$11.6 million reduction in the “other state funds” category to reflect the January 2012 State Road Fund Revenue forecast. Levels of funding for the individual programs are the following: Programs and Infrastructure (\$549.1 million); Transportation and Highway Operations (\$238.8 million), and Business Support (\$13.8 million). The amended legislation reflects the consensus recommendation of the legislative and executive branch staff, including those related to performance measures and targets.

Synopsis of Original Bill

House Bill 4 appropriates \$842.6 million including: \$437.8 million of State Road Fund revenues, \$403.6 million from Federal Funds, and \$1.2 million from restricted fund balances for the operations of NMDOT in FY13. The proposed legislation reflects the recommendation of the Legislative Finance Committee (LFC), and contains recommended performance measures and targets. In addition, HB 4 contains language authorizing NMDOT to extend appropriations pertaining to prior fiscal years in the Programs and Infrastructure and Transportation and Highway Operations Programs.

FISCAL IMPLICATIONS

The HTPWC amendment to HB4 adjusts the budget recommendation down from \$842.6 million to \$835.5 million to reflect revised revenue estimates, for State Road Funds in particular. Issues of importance in the amendment to HB4 include:

- An increase in spending of \$13.8 million, or approximately two percent, over the FY12 operating budget.
- In total, across all programs, a \$432 thousand, or 0.3 percent, decrease in personal services and employee benefits, a \$12.3 million, or 3.5 percent increase in contractual services, a \$54 thousand, or 0.8 percent increase in other financing uses, and a \$1.9 million, or 0.6 percent increase in other costs.
- Net adjustments of reduced revenues and retirement swap fix addbacks in all three program budgets, reducing the original budget request for the 100% state construction budget from \$20.9 million to \$10.9 million.
- Total debt service obligations of \$156.6 million.
- A \$2.4 million reduction in expenditures paid to the New Mexico Finance Authority for the administration of transportation revenue bonds.
- An applied vacancy rate of approximately eight percent across all programs, reducing the budget for Personal Services and Employee Benefits in HB4 by approximately one million dollars. The current vacancy rate at NMDOT is approximately 20 percent, or about 500 positions.

SIGNIFICANT ISSUES

None identified. The amendment reflects the consensus budget recommendation of both the legislative and the executive staff. Other significant issues related to the appropriations for NMDOT are stated in the fiscal impact report for HB4.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Related to House Bills 2, 4, 7, and Senate Bill 80.

RS/amm:svb