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## FISCAL IMPACT REPORT

**SPONSOR** Gonzales **ORIGINAL DATE** 2/8/17  
**LAST UPDATED** 2/15/17 **HB** 3/aHTPWC

**SHORT TITLE** Dept. of Transportation Appropriation Act **SB** \_\_\_\_\_

**ANALYST** Esquibel

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY17	FY18		
	\$876,395.6	Recurring	State Road Fund, Internal Service Funds/Interagency Transfers, Road Fund Fund Balance, Federal Funds

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY17	FY18	FY19		
	\$473,472.8		Recurring	State Road Fund
	\$401,451.8		Recurring	Federal Funds
	\$1,471.0		Recurring	Interagency Transfers

(Parenthesis ( ) Indicate Revenue Decreases)

Relates to DOT Appropriation in the General Appropriation Act and SB130, General Appropriation Act of 2017.

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

New Mexico Department of Transportation (NMDOT)

## SUMMARY

### Synopsis of HTPWC Amendments

The House Transportation, Public Works and Capital Outlay Committee amendments to House Bill 3 appropriate \$876.4 million in FY18 to the New Mexico Department of Transportation (NMDOT) including: \$473.5 million from state road fund revenues, and \$401.5 million from federal funds to support the operational activities of NMDOT in FY18. The amended bill reflects the consensus of the House Transportation, Public Works and Capital Improvements Committee, Legislative Finance Committee, the Department of Finance and Administration and the Department of Transportation and contains updated performance measures and targets. The amended bill recommends language additions for: (1) the Project Design and Construction Program in Other State Funds, in the amount of \$10.0 million for maintenance, reconstruction and related construction costs of state-managed highways; (2) the Modal program in Internal Services Funds/Interagency Transfers, in the amount of \$1,171.0 million from the Weight Distance Tax Identification Permit Fund, to hire temporary workers, purchase equipment for commercial truck permitting and maintain and fund capital improvements for ports-of-entry facilities; and (3) the amended bill provides an exception to the law that requires funds to be received by the New Mexico Finance Authority from NMDOT to be deposited into the local government transportation infrastructure fund.

### Synopsis of Original Bill

House Bill 3 includes the fiscal year 2018 (FY18) operating budget appropriations for the New Mexico Department of Transportation (NMDOT) based on the Legislative Finance Committee's FY18 budget recommendation and includes recommended performance measures and targets.

House Bill 3 appropriates \$862.8 million including \$461.3 million from state road fund revenues, and \$401.4 million from federal funding sources to support the operational activities of NMDOT in FY18. The bill also provides an exception to the law requiring funds received by the New Mexico Finance Authority from NMDOT to be deposited into the local government transportation infrastructure fund.

## FISCAL IMPLICATIONS

House Bill 3 as amended would appropriate a total of \$876,395.6 from the state road fund, internal service funds and interagency transfers, road fund fund balance and federal funds.

HB3 as amended includes a one percent increase in spending above the fiscal year 2017 approved operating levels including \$536.1 million for the Project Design and Construction Program; \$233.8 million for the Highway Operations Program, \$42.2 million for Program Support, and \$64.4 million for the Modal Program. Overall, the bill reflects a \$1.1 million or 1.0 percent increase in personal services and employee benefits, \$12.3 million or 3.0 percent increase in contractual services, and a \$4.6 million or 0.1 percent decrease in other costs.

## SIGNIFICANT ISSUES

The budget for the New Mexico Department of Transportation (NMDOT) consists primarily of two funding sources: state road fund, primarily used for highway maintenance, and federal

funding awards, primarily used for construction and debt service payments. The NMDOT request for FY18 within the Modal Program included full implementation of the ports of entry initiative. The Traffic Safety Division will take over 11 active ports of entry by contracting to assist with the permit process and assuming responsibility for maintaining the building and grounds infrastructure. The ports of entry will be funded with \$3 million from state road fund balance and \$1.171 million from the Taxation and Revenue Department's weight distance permit fund revenue and reserve balance.

**TECHNICAL ISSUES**

The NMDOT notes the bill reflects a spending level that is supported by projected state road fund, interagency transfers and federal revenues.

RAE/sb/al