

American Reinvestment and Recovery Act

Monthly Status Report to the Legislative Finance Committee

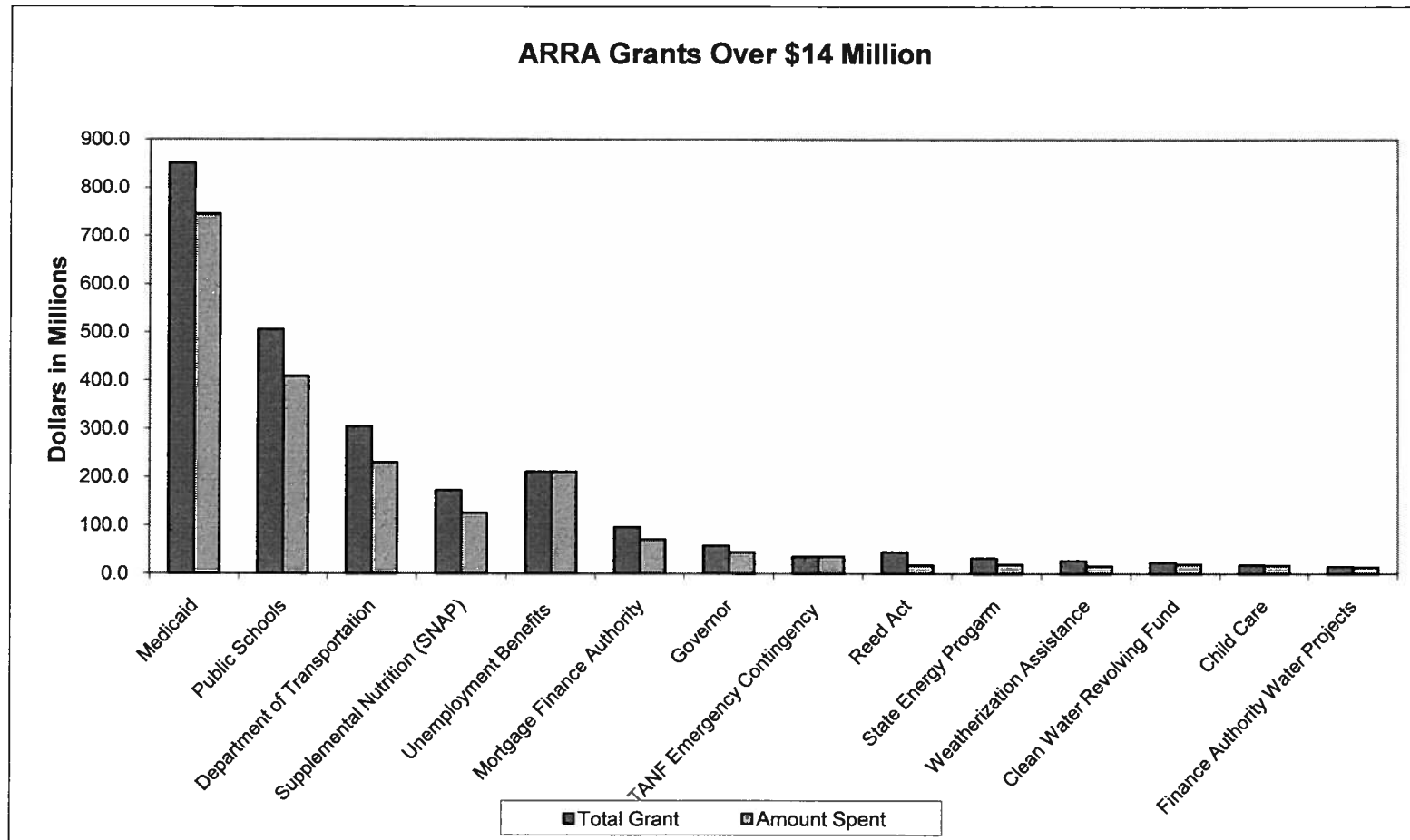
May 19, 2011



- Of the \$3.9 billion in stimulus and fiscal stabilization funding anticipated for New Mexico, state agencies and public schools have been made available about \$2.5 billion.
- Of the available amount, \$2 billion or 80.5 percent has been spent. From November 15, 2010, to April 30, 2010, \$390.6 million was spent.
- The graph on the next page shows percent funding for major grant categories receiving more than \$14 million.



Activity for Major Grants



- Spending highlights were the following:
 - Almost all agencies showed significant activity for the period, with percentage increase in expenditures ranging as high as 47 percent:

(in thousands)

Agency	ARRA Award	Expended	Percent Increase from November
Commission for the Blind	\$1,075.9	\$1,075.9	47%
Public Education Department	\$270,977.7	\$179,364.1	33%
NM Finance Authority	\$14,950	\$13,953.4	32%
Energy, Minerals and Natural Resources Department	\$58,713.6	\$31,939.8	31%
Department of Environment	\$29,193.4	\$23,270.9	30%

- However, five agencies show expenditures under 50 percent:

(in thousands)

Agency	ARRA Award	Expended	Percent Expended
Department of Cultural Affairs	\$1,754.6	\$725.9	41.4%
Department of Health	\$19,448.2	\$7,341	37.7%
Administrative Office of the District Attorney	\$266.5	\$66	24.8%
Public Regulatory Commission	\$800.6	\$128.7	16.1%
Department of Information Technology	\$43,462.3	\$461.8	1.1%

- Many awards will expire on September 30, 2011, and revert to the federal government if not expended. However, some of the biggest awards have longer draw-down periods as shown in the next slide.

Agency	Award	Federal Deadline to Spend	Award Amount
Health	HAI Infections	12/31/11	\$1,099,998
Health	NM Race and Ethnicity Data Grant	9/29/13	\$1,182,648
Health	Support Interoperability of EHR to NMSIIS	8/31/12	\$1,440,000
Cultural Affairs	New Mexico State Library - Broadband Technology Opportunities	11/30/12	\$1,457,488
Environment	Brownfields Revolving Fund	12/31/14	\$1,840,000
Energy, Minerals, Nat. Resources	State Energy Efficiency and Appliance Rebate Program	2/17/12	\$1,904,000
Vocational Rehabilitation	Vocational Rehab Servs	12/31/11	\$3,607,486
Finance and Administration	Community Development Block Grant Program - Non-Entitlement	9/30/12	\$3,802,222
Energy, Minerals, Nat. Resources	Wildland Fire Management - New Mexico Forest Inventory	12/31/12	\$4,000,000
Energy, Minerals, Nat. Resources	Wildland Fire Management - Hazardous Fuels Reduction Project Capitan, Chama, and Cimarron	12/31/12	\$4,500,000
Information Technology	Broadband Mapping and Planning	12/31/14	\$4,762,287
Workforce Solutions	State Energy Sector Partnership and Training	1/28/13	\$5,999,989
Energy, Minerals, Nat. Resources	Wildland Fire Management - Santa Clara Pueblo Ecosystem Restoration	12/31/12	\$6,513,000
NM Mortgage Finance Authority	Homelessness Prevention	8/6/12	\$6,778,653
Energy, Minerals, Nat. Resources	Energy Efficiency and Conservation Block Grant (state)	1/31/13	\$9,593,500
Public Safety	Byrne Jag	2/28/13	\$11,093,109
Transportation	Capital Transit	3/5/12	\$12,255,602
NM Mortgage Finance Authority	Tax Credit Assistance Program	2/16/12	\$13,876,558
NM Finance Authority	DWSRF	2/17/13	\$14,950,000
Environment	CWSRF	9/30/15	\$23,709,836
Education, Public	School Improvement Grant (SIG)	9/30/13	\$24,143,708
NM Mortgage Finance Authority	Weatherization Assistance Program	3/31/12	\$26,855,604
Energy, Minerals, Nat. Resources	State Energy Program	4/30/12	\$31,821,000
Information Technology	BTOP - Statewide Interoperable Radio Communication Internet Transport System	7/31/13	\$38,699,997
State Fiscal Stabilization	Education Jobs	9/30/12	\$64,869,642

Spotlight on Public Education Awards

- Out of the \$271 million awarded for public education, \$179.4 million, or 66 percent, has been spent.

Award	Deadline to Spend	Award Amount	Amount Expended	%
Child Nutrition - School Lunch Equipment	9/30/10	\$924,743	\$907,800	98%
Education for Homeless Students	9/30/11	\$548,313	\$413,300	75%
Special Education Part B PreSchool	9/30/11	\$3,401,589	\$1,761,000	52%
Education Technology	9/30/11	\$5,138,804	\$3,830,500	75%
Title I Basic Programs	9/30/11	\$80,803,396	\$62,603,000	77%
Special Education Basic State Grants	9/30/11	\$91,147,493	\$58,729,300	64%
Education Jobs Fund	9/30/12	\$64,869,600	\$45,398,500	70%
School Improvement Grant (SIG)	9/30/13	\$24,143,708	\$5,299,900	22%
TOTAL		\$270,977,646	\$178,943,300	66%

- Grants with awards expenditure dates of 9/30/2011 don't appear to be on track for full expenditure. Of particular concern are the Title I and IDEA-B ARRA grants.
- Districts and charter schools nationwide are having a difficult time expending these grants because of grant language that prohibits using these funds to supplant general fund support.

Expenditures Over \$1 Million

November - April

- HSD Medicaid – \$93 million
- WSD Unemployment Benefits – \$42.6 million
- WSD Reed Act – \$8.4 million
- DOT Surface Transportation – \$29.9 million
- DOT Other Road Improvements – \$10.3 million
- EMNRD State Energy Program – \$12 million
- EMNRD – Energy Efficiency Block Grant – \$2.9 million
- EMNRD – Wildfire Management – \$1.2 million
- EMNRD – Santa Clara Pueblo Ecosystem Restoration – \$1.5 million
- PED Education Jobs Fund – \$45.5 million
- PED Special Education Part B – \$20.7 million
- PED Title 1 Grants to local Agencies – \$16.9 million
- PED Title 1 Grants school Improvement – \$4.3 million
- NMFA – Capitalization Grant for Drinking Water State Revolving Loan Fund – \$4.5 million
- NMMFA Tax Credit Programs – \$14 million
- NMMFA Weatherization – \$5.2 million
- NMMFA Homeless Prevention – \$1.5 million
- Environment Department Clean Water Revolving loan Fund – \$7.4 million
- DFA Education Grants--\$52.2 million
- HSD Supplemental Nutrition Assistance Program--\$17 million
- NMED Clean Water Revolving Fund--\$3.2 million

Government Services Fund

April 6, 2011 LFC GSF Report

- 100% of GSF Award of \$57.9 million was allocated by the prior administration for 49 projects.
 - Expenditures totaled \$43.8 million, or 75.5%.
 - Encumbrances totaled \$6.8 million.
 - Unspent, unencumbered allocations totaled about \$6.8 million.
 - LFC chairs sent a letter to Governor Martinez suggesting that money could be de-authorized and redirected to offset potential dilution of the K-12 funding unit (Attachment A).
 - As of May 17, LFC had not received a response.

GSF Project De-authorizations

- Seven projects had full or partial de-authorizations in May, totaling almost \$2.7 million (Attachment B), which is now available to the new governor for reallocation.
- Fully de-authorized projects:
 - \$100,000 NMHU Spanish Language Materials
 - \$200,000 NMSU Native American Student Center
 - \$100,000 NM Livestock Board Equine Protection Jicarilla Apache

May 11, 2011 LFC GSF Report Update (Attachment C)

- Expenditures total \$44.7 million, or 81% of allocated amount.
- Encumbrances total \$7.9 million. LFC analysis shows agencies expect to spend 100% of allocations for projects showing activity.
- Four of eight projects that had no activity in the April report still appear inactive as of May 11, 2011:
 - ISC Acequia Project Fund - \$823,500
 - City of Albuquerque (Breathing apparatus) - \$685,000
 - VSD PTSD - \$350,000
 - PED Gadsden STEM program - \$100,000
- Of these projects, LFC analysis indicates that agencies expect funds for Albuquerque, Gadsden and PTSD to be fully expended. The agency notes no activity for the acequia project, although the agency has requested BAR authority to extend spending out to the September 30th deadline.

Representative Luciano "Lucky" Varela
Chairman

State of New Mexico

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April 20, 2011

Hon. Susana Martinez, Governor
State of New Mexico
State Capitol – Room 400
Santa Fe, NM 87501

Dear Governor Martinez:

This follows-up on the letter sent to Hanna Skandera, Secretary-Designate of the Public Education Department (PED) on April 15 regarding the audit of school districts' reported units. We are all concerned about the impact of increased units diluting the \$2.3 billion appropriated to districts and charter schools. We also recognize PED's vital role in ensuring the accuracy of data used to drive the K-12 funding formula. These changes in reported units, however, are not unprecedented and remind us of the need to focus on the broader issues impacting the unit value.

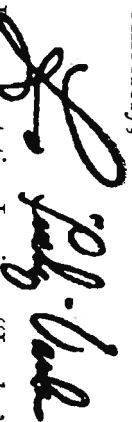
Reallocating unencumbered and unexpended American Recovery and Reinvestment Act (ARRA) funds could stabilize acute shortfalls created by this unexpected decrease in the unit value. Based on the April 18, 2011 report from the Office of Recovery and Reinvestment, of the \$58 million originally awarded, approximately \$7.4 million are unencumbered and unexpended and another \$6.8 million are encumbered but unexpended. Some of these funds could be reallocated to New Mexico's public schools to be expended by the end of the first quarter of FY12. These funds could provide financial relief to districts and charters while ensuring that ARRA dollars are expended in a timely manner to avoid reversion.

ARRA funds could be distributed categorically to districts based on need as demonstrated through emergency supplemental requests or could be incorporated across all districts through an adjustment to the unit value.

The availability of these ARRA funds allows a more orderly, thorough analysis of the funding formula and potential drivers of increased units. We welcome the opportunity to continue to

collaborate and consult with the Public Education Department to ensure that our funding formula is aligned to New Mexico's educational policy goals.

Sincerely,



Representative Luciano "Lucky" Varela
Chairman, LFC



Senator John Arthur Smith
Vice-Chairman, LFC

LV:JAS:MW/svb

Cc: Rick May, Secretary, DFA
Senator Cynthia Nava, Chairman, LESC
Representative Rick Miera, Vice-Chairman, LESC
Hanna Skandera, Secretary-Designate, PED
Paul Aguilar, Deputy Secretary, PED

GSF Allocation Status as of May 5, 2011
Prepared by New Mexico Office of Recovery and Reinvestment

	GSF Allocation	12/31/10	Adjustment	05/05/11
1	AOC - NM Court - Furlough Prevention	450,000		450,000
2	CYFD - Child Care	2,000,000		2,000,000
3	CYFD - Child Care Assistance #2	3,136,407		3,136,407
4	CYFD - Domestic Violence Program	200,000		200,000
5	CYFD - Early Childhood Programs (Homeless Children/At Risk Newborns)	734,000		734,000
6	CYFD - Juvenile Justice Advisory Comm	250,000		250,000
7	CYFD - Kids of Incarcerated Parents	50,000		50,000
8	CYFD - Las Cruces Child Crisis Center	250,000		250,000
9	DCA - Furlough Prevention	352,200		352,200
10	DCA - Lencic	50,000		50,000
11	DCA - Los Luneros Facility Improvement	1,750,000		1,750,000
12	DCA - SF International Folk Art Market	200,000		200,000
13	DDPC Developmental Disabilities Council/Guardianship Services	209,800		209,800
14	DFA - City of Albuquerque/Self-Contained Breathing Apparatus (SCBA)	685,000		685,000
15	DFA - Land Grant Association Project	200,000		200,000
16	DFA - NM Office of Recovery and Reinvestment	1,150,000		1,150,000
17	DFA - Railrunner (MRCOG) NM Expanded Service	643,500		643,500
18	DFA - Rio Rancho Fire Station #7	1,000,000		1,000,000
19	DFA - Town of Silver City (Bike Race Promotion)	50,000		50,000
20	DPS - Animal Protection Training for Law Enforcement	350,000	-200,000	150,000
21	DPS - Vehicles and Fuel	750,000		750,000
22	EMNRD - Energy Efficiencies for institutes of Higher Education	200,000		200,000
23	GSD - College of Santa Fe Land Purchase	4,000,000		4,000,000
24	GSD - Smart Boards	1,000,000	-52,228	947,772
25	HED - NM School for the Deaf - Dillon Hall HVAC Replacement	100,000		100,000
26	HED - NMHU Spanish Language Materials (SEMOS)	100,000	-100,000	0
27	HED - NMHU/Center for Education & Studies of Diverse Populations	350,000		350,000
28	HED - NMSU Native American Student Center	200,000	-200,000	0
29	HED - NMSU/International Relations Institute	200,000		200,000
30	HSD - Food Insecurity Program	1,000,000		1,000,000
31	HSD - General Assistance	2,000,000		2,000,000
32	HSD Furlough Prevention	295,300		295,300
33	ISC - Acequia Project Fund	823,500		823,500
34	NM Tourism Dept - Statewide Marketing and Promotion of Tourism	250,000		250,000
35	NMCD - Personal Services & Employee Benefits	20,000,000		20,000,000
36	NMCD/Adult Parole Board - Furlough Prevention	8,000		8,000
37	NMED - Bernalillo Co./South Valley Water Project Phase VI	300,000		300,000
38	NMED - Zuni Pueblo/Wetlands Treatment Cell #4	300,000		300,000
39	NMLB - NM Livestock Board Equine Protection Jicarilla Apache	100,000	-100,000	0
40	ONRT - Furlough Prevention	7,100		7,100
41	PD Public Defender/FY11 Budget Shortfall	200,000		200,000
42	PED - Breakfast & Grad	460,000		460,000
43	PED - Gadsden ISD/STEM Career Training	100,000		100,000
44	PED - Graduate New Mexico	8,312,877	-2,000,000	6,312,877
45	PED - PreK	237,123		237,123
46	PED - Raton Public Schools - Career Pathway Program	75,000		75,000
47	PED - Teacher and Teacher Assistants	2,500,000		2,500,000
48	RLD (Alcohol and Gaming) - Furlough Prevention	15,700	-1,517	14,183
49	VSD - PTSD Veterans Wellness Project	350,000		350,000
	Total GSF Projects	57,945,507	-2,653,745	55,291,762
	Government Services Funds Awarded:			
	Less Awarded GSF Projects	57,945,507		57,945,507
	Unallocated GSF Balance	0		2,653,745

For information on deallocations and reduced allocations, see NMORR website, Government Services Page:
http://www.recovery.state.nm.us/government_services_fund.shtml



State of New Mexico

New Mexico Office of Recovery and Reinvestment

American Recovery and Reinvestment Act

Government Services Fund Status Report to
Legislative Finance Committee

May 11, 2011



Government Services Fund Status May 11, 2011

- Total ARRA GSF Award: \$57,945,507
- Allocated amount: \$55,291,762
- Expenditures: \$44,682,566 – 81% of allocated amount
- Encumbrances: \$7,834,785
- 16 of the 46 allocations are 100% expended for a total of \$34,266,490. These allocations are highlighted in yellow on the below chart.

There are 46 GSF allocations, as shown in the chart below. This reflects three deallocations from the previous list: NMSU Native American Student Center, NM Livestock Board Equine Protection, and NMHU Cultural Programs and Materials.

Project Name	Project Description	Allocation Date	Allocation Amount	Encumbered	Expenditures
AOC Administrative Office of the Courts Furlough Prevention	Cover FY11 budget shortfall to eliminate the need for employee furloughs for 7/1 to 12/31/2010.	9/20/2010	450,000	0	450,000
CYFD Child Care Assistance #1	Cover FY11 budget shortfall in TANF funding in the Child Care Assistance Program.	10/1/2010	2,000,000	0	2,000,000
CYFD Child Care Assistance #2	Cover FY11 budget shortfall in TANF funding in the Child Care Assistance Program	12/23/2010	3,136,407	0	3,136,407
CYFD Children of Incarcerated Parents	Cover a portion of FY11 budget shortfall of \$50,000 in the Children of Incarcerated Parents program.	12/1/2010	50,000	33,018	16,982
CYFD Domestic Family Violence	Cover FY11 budget shortfall of \$200,000 in this program. Provide crisis intervention, emergency shelter and support services to victims of domestic violence and their children.	12/1/2010	200,000	131,605	68,395
CYFD Early Childhood Programs: Homeless Children & At Risk Newborns	Early childhood programs: homeless child and day care services (\$234,000) and newborn home visiting services (\$500,000).	0/1/2010	734,000	470,713	263,287
CYFD Juvenile Justice Advisory Committee	Fund County Juvenile Justice Continuum Boards for prevention programs to keep youth out of the justice system and to provide intervention programs that serve as an alternative to detention.	7/14/2010	250,000	104,067	145,933
CYFD Las Cruces Child Crisis Center	Provide residential crisis and family services for children and their families in the Las Cruces/Dona Ana County area.	7/29/2010	250,000	223,414	26,586
DCA Furlough Prevention	Cover the FY 11 budget shortfall to eliminate the need for employee furloughs for 7/1 to 12/31/10.	9/20/2010	352,200	0	352,200
DCA Lencis Theater	Cover budget shortfall of \$50,000 in state/private contributions to provide admission-free art performances to children.	12/4/2010	50,000	50,000	0
DCA Los Luceros Facility Improvement	Construction and renovation at property to be used as a film education center.	6/18/2010	1,750,000	1,297,878	204,880
DCA SF International Folk Art Market	Fund pre-planning and public relation services through the SF International Folk Art Market, Inc.	8/27/2010	200,000	0	200,000

Project Name	Project Description	Allocation Date	Allocation Amount	Encumbered	Expenditures
DDPC Developmental Disabilities Council Guardianship Services	Budget shortfall FY11 in the Guardianship Services Program for 7/1 to 12/31/2010.	10/5/2010	209,800	0	209,800
DFA City of Albuquerque/ Self-Contained Breathing Apparatus (SCBA)	Replace self containment breathing apparatus (SCBA) units for the City of Albuquerque Fire Department.	7/29/2010	685,000	0	0
DFA Land Grant Association Project	Provide technical assistance in areas of legal counsel, workshops and historical research/mapping through the Land Grant Council to NM land grant associations.	7/29/2010	200,000	192,500	7,500
DFA NM Office of Recovery and Reinvestment	To fund costs of directing and monitoring the implementation of programs enacted by ARRA for FY10 and FY11.	6/10/2010	1,150,000	64,883	1,019,899
DFA Railrunner (MRCOG) NM Expanded Service	Direct operation costs for the NM Rail Runner Express service during State fiscal year 2010; expand service to Sunday.	12/7/2009	643,500	0	643,500
DFA Rio Rancho Fire Station #7	Construct new fire station to improve response time.	8/11/2010	1,000,000	913,335	86,665
DFA Tour of the Gila Bike Race	Promote and advertise the "2011 Tour of the Gila" bike race sponsored by the Town of Silver City and the surrounding area.	11/8/2010	50,000	50,000	0
DPS Animal Protection Training for Law Enforcement	Provide animal protection investigator and training. Create manual for law enforcement.	4/21/2011	150,000	0	14,452
DPS Vehicles and Fuel	Cover FY11 shortfall in fuel and vehicle replacement expenses to keep state police officers on the road.	10/1/2010	750,000	0	750,000
EMNRD Energy Efficiencies for Institutes of Higher Education	Energy efficiency upgrades to institutions of higher education; reduce energy consumption and improve efficiency.	6/25/2010	200,000	1,200	198,800
GSD College of Santa Fe Land Purchase	Acquire approximately 9.3 acres of real property adjacent to College of Santa Fe to preserve jobs and for economic development.	6/18/2010	4,000,000	0	4,000,000
GSD Smart Boards for Schools	Purchase smart boards for New Mexico schools.	4/21/2011	947,772	65,698	882,074
HED NM School for the Deaf Dillon Hall HVAC Replacement	Provide funding for the replacement of the HVAC system at Dillon Hall on the campus of the New Mexico School for the Deaf.	8/19/2010	100,000	100,000	0
HED NMHU/Center for Education & Studies of Diverse Populations	Provide technical assistance resources, professional development and other support to teachers, principals, school leaders and other educational and community-based stakeholders.	7/14/2010	350,000	198,380	151,620
HED NMSU/International Relations Institute	Development and demonstration of alternative energy solutions for "infrastructure challenged" farms. Conduct research, teaching and service regarding current trends of immigration in New Mexico.	6/25/2010	200,000	154,005	45,995
HSD Food Insecurity Program	Purchase fresh produce and staples and distribute to food banks throughout New Mexico. Increase EBT use at farmers markets.	7/14/2010	1,000,000	17,500	982,500
HSD Furlough Prevention	Cover the FY11 budget shortfall to eliminate need for employee furloughs for 7/1 to 12/31/10.	10/5/2010	295,300	0	295,300

Project Name	Project Description	Allocation Date	Allocation Amount	Encumbered	Expenditures
HSD General Assistance	Cover projected shortfall in the General Assistance Program.	9/2/2009	2,000,000	0	2,000,000
ISC Acequia Project Fund	Perform dam and structural repair of six acequia systems.	7/29/2010	823,500	0	0
NM Tourism Dept Statewide Marketing and Promotion of Tourism	To promote tourism opportunities in NM through increased branding, advertising and promotion.	6/25/2010	250,000	161,604	88,396
NMCD Personal Services & Employee Benefits	Supplant general fund appropriation to innmate management and control program for personal services and employee benefits category.	7/27/2010	20,000,000	0	20,000,000
NMCD/APB Adult Parole board – Furlough Prevention	Cover the FY11 budget shortfall to eliminate the need for employee furloughs for 7/1 to 12/31/10.	9/20/2010	8,000	0	8,000
NIMED Bernalillo Co./South Valley Water Project Phase VI	To provide potable water and fire protection to the southwest valley area of Bernalillo County – will serve approximately 500 properties.	6/18/2010	300,000	300,000	0
NIMED Zuni Pueblo/Wetlands Treatment Cell #4	Ensure sufficient effluent disposal capacity for current and future populations; address existing deficiencies/health and safety issues.	7/12/2010	300,000	300,000	0
ONRT Office of the Natural Resources Trustee Furlough Prevention	Cover the FY11 budget shortfall to eliminate the need for employee furloughs for 7/1 to 12/31/10.	9/20/2010	7,100	0	7,100
PD Public Defender FY11 Budget Shortfall	Cover FY11 budget shortfall in contractual services to cover court-appointed attorneys to timely represent individuals who cannot afford legal representation and have pending court cases.	12/9/2010	200,000	0	200,000
PED Breakfast and GRADS Program	To cover FY11 budget shortfall for elementary school breakfast (\$250,000) and the Grads program (\$210,000).	10/1/2010	460,000	229,405	230,595
PED Gadsden Independent School District STEM Program	Support the Science, Technology, Education and Mathematics (STEM) initiative in the Gadsden School District.	12/1/2010	100,000	0	0
PED Graduate New Mexico	Return 10,000 dropouts so they may complete their high school diploma, address achievement gap, and improve graduation rates.	4/21/2011	6,312,877	1,992,848	3,952,126
PED Pre-Kindergarten	Cover FY11 budget shortfall of \$237,123 in the Pre-K program.	10/21/2010	237,123	237,123	0
PED Raton Public Schools Career Pathway Program	Provide high school juniors and seniors in RPS with program to prepare them for the Certified Nurses Assistant Examination.	10/5/2010	75,000	45,609	29,391
PED Teacher and Teacher Assistants	Offset health insurance costs for teachers. Provide professional development to assistants in area of special education 500,000).	8/4/2010	2,500,000	500,000	2,000,000
RLD (Alcohol and Gaming) - Furlough Prevention	Cover the FY11 budget shortfall to eliminate the need for employee furloughs 7/1 to 12/31/10.	4/21/2011	14,183	0	14,183
VSD PTSD Veterans Wellness Project	Treatment services for veterans suffering from PTSD.	6/18/2010	350,000	0	0
Totals			55,291,762	7,834,785	44,682,566