

Capital Outlay Update

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Office of the Governor

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Topics

- ❑ Capital Outlay in New Mexico
- ❑ Amounts and Types of Revenue Sources Available
- ❑ Capital Outlay Planning and Approval Process
- ❑ What is **New**?
 - ❑ General Fund Availability
 - ❑ Online Capital Outlay Request Form
 - ❑ Online Capital Outlay Dashboard

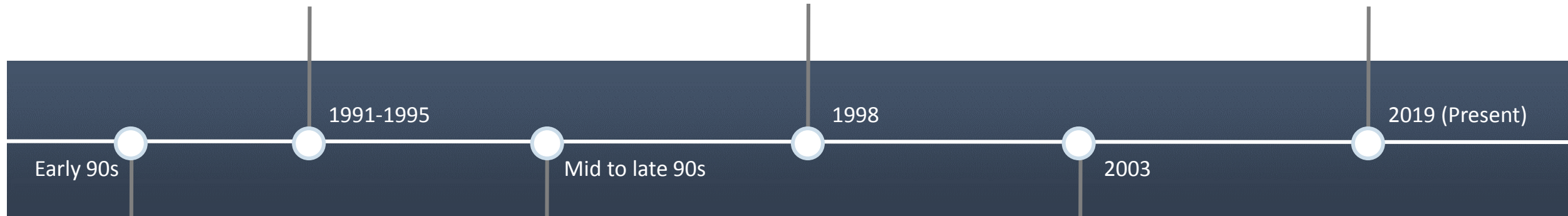
History of Capital Outlay in New Mexico

State capital planning (state capital improvement plan) has been on the books since 1975. The Local ICIP was developed as a voluntary process during Bruce King's last term in office 1991 to 1995

State began tracking capital outlay in the Capital Project Management System (CPMS)

The 1/3, 1/3, 1/3 distribution started about that same time

All state agencies required to submit an ICIP. While voluntary for local govts., over 90% of counties, municipalities, and tribal govts. submit ICIPs to DFA



Early 90s

Most capital appropriations were for state facilities, including higher education

1991-1995

Staff estimates that local capital projects were added in a significant way

Mid to late 90s

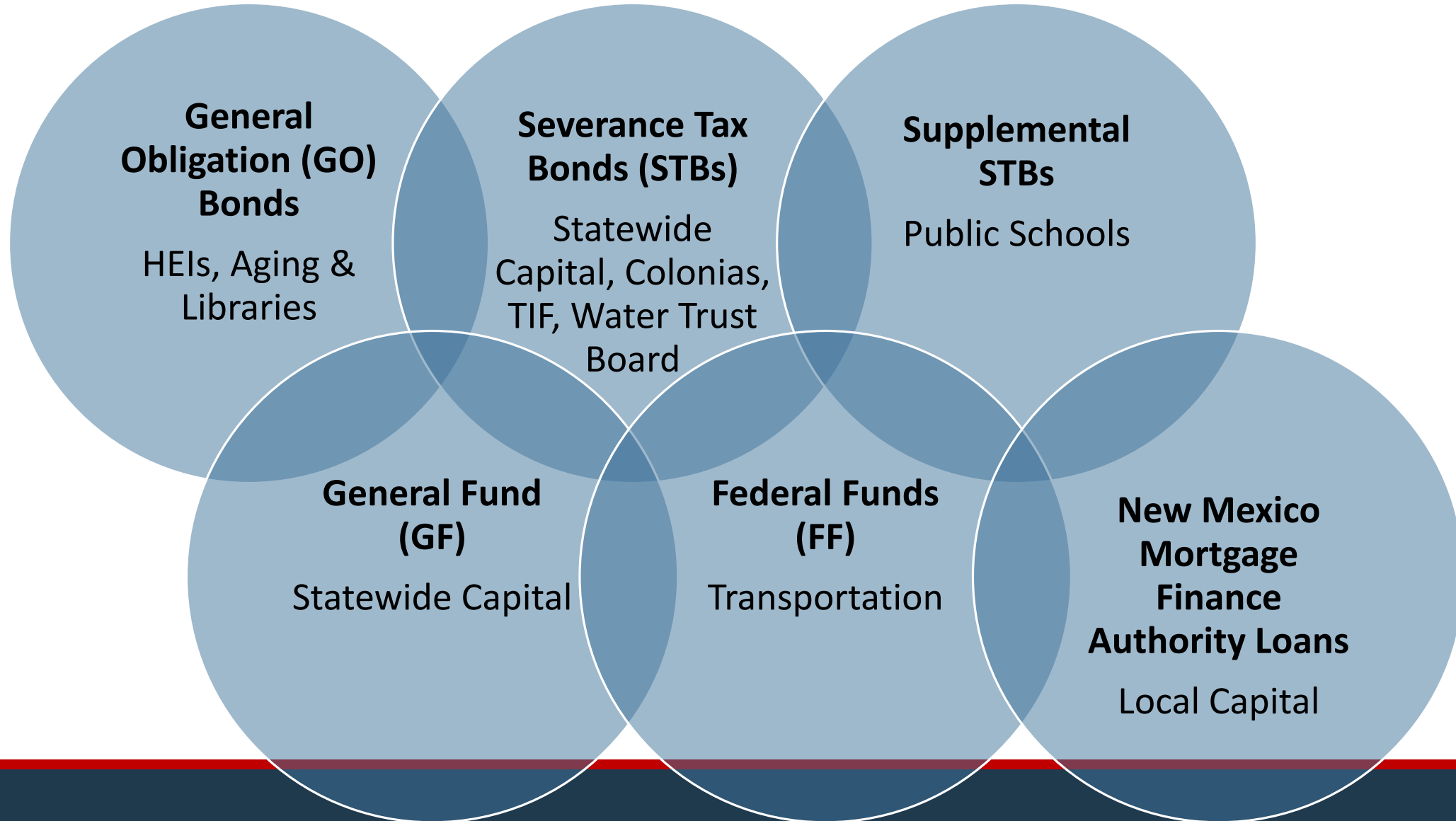
1998

The distribution changed when 50% was available for state facilities, higher education and special initiatives like “the year of water”

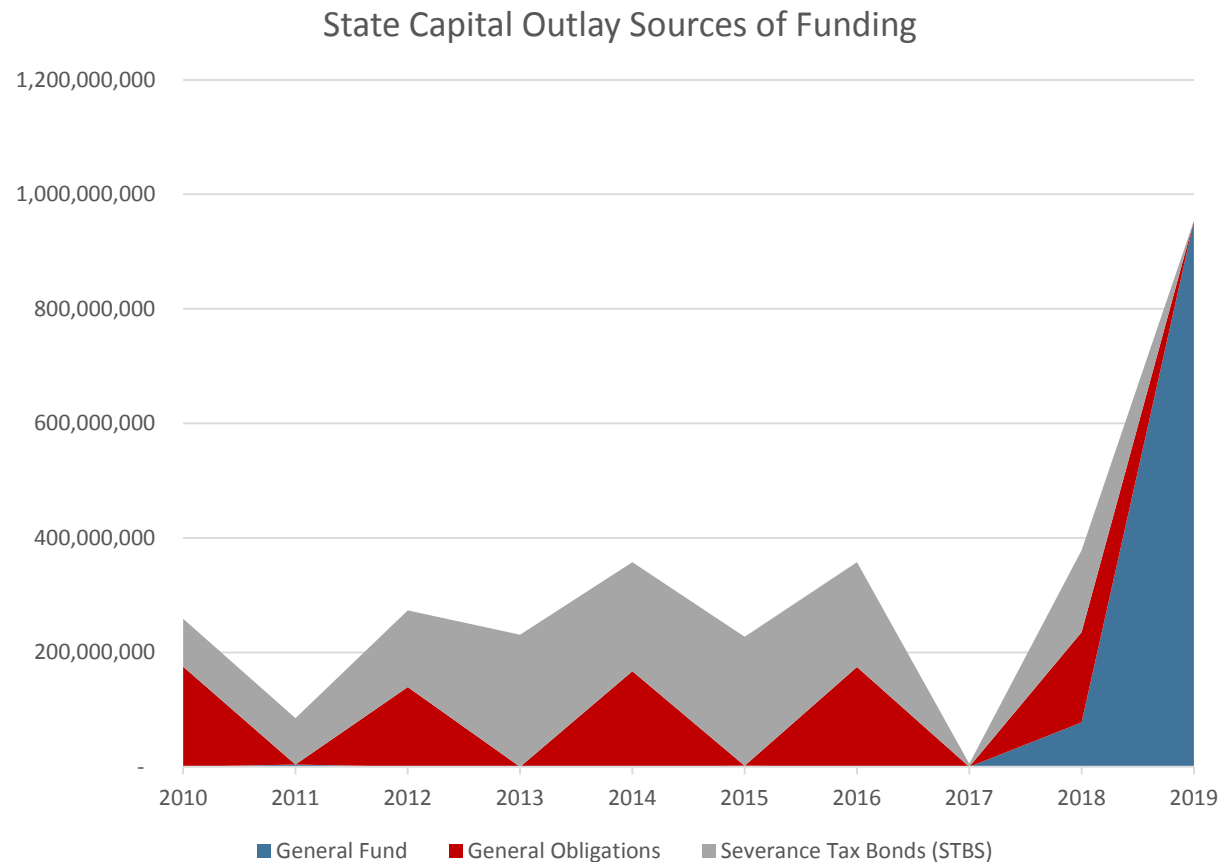
2003

2019 (Present)

Available Capital Sources

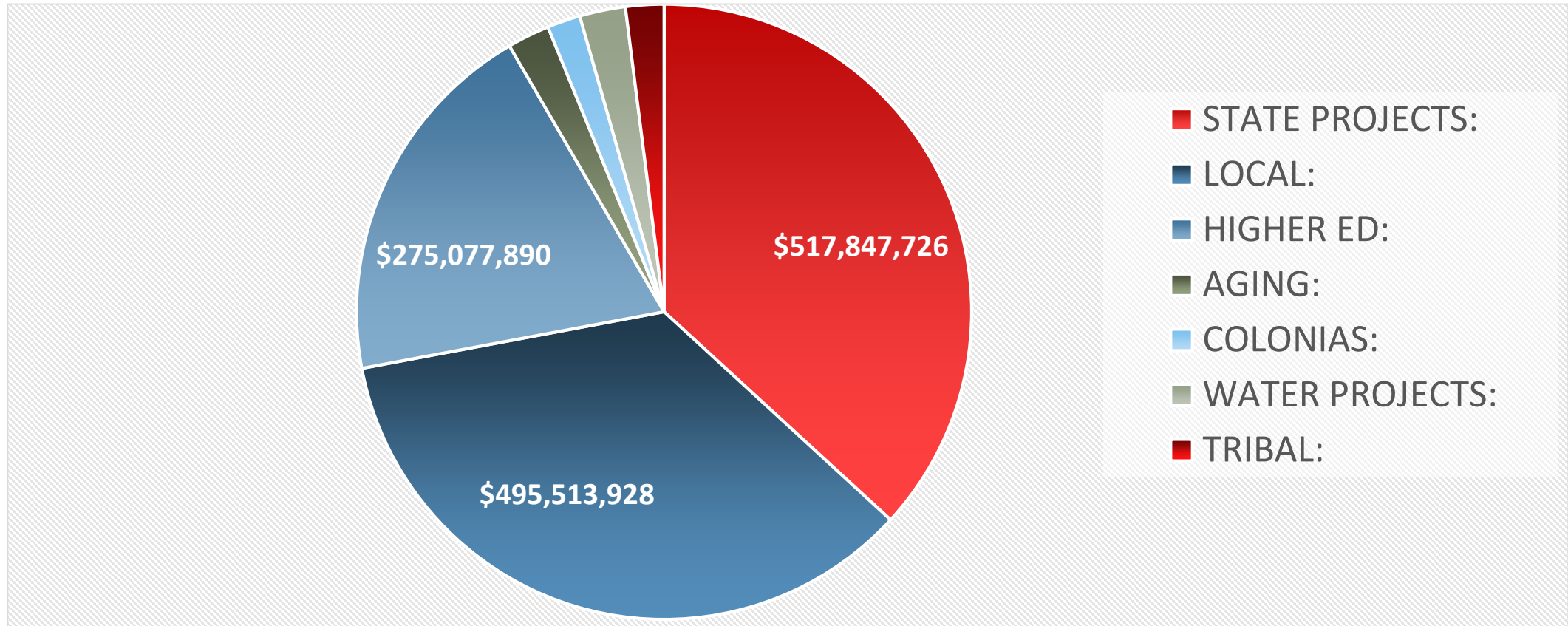


Types of Available Revenue Sources



- ❑ \$3.1 billion has been appropriated over the past 10 years, with 30% of that in FY19
- ❑ While General Fund (GF) has not consistently been available for capital, it was the primary source in the 2019 session due to the budget surplus
- ❑ Going forward, it is likely to be more of a mix as non-recurring GF is likely to be available again

Capital Outlay Balances Combined Total: >\$1.4 Billion



Capital Outlay Planning/Approval Process

State Agencies

- DFA/GSD are required to develop a 5-year plan for capital improvement projects and jointly prioritize all state capital projects; agencies submit to a panel, made up of Executive and Legislative Staff, in October
- Recommendation made to Legislature for projects

Public Schools

- All school buildings in every school district is ranked using the NM Facilities Condition Index
- PSCOC annually accepts applications for school districts with projects ranked in top 100
- PSCOC allocates funding for highest ranked schools
- Allocations made using state/local match

Capital Outlay Planning/Approval Process

Higher Education Institutions

- HEI's required to develop a 5-Year Capital Plan
- During summer hearings, HEI's present top projects to NMHED Capital Outlay Committee
- Committee ranks projects using NMHED criteria and presents to NMHED Cabinet Secretary
- NMHED makes recommendation to DFA in October

Transportation

- NMDOT has State Transportation Improvement Program (STIP), a 4-year plan for federal funding mandated by the Federal Highway Administration

Capital Outlay Planning/Approval Process

Aging

- Local public bodies submit an application in April
- Review Team scores projects based on six criteria
- Review Team finalizes scores and Aging and Long-term Services Department provides a recommendation to Executive

Transportation

- NMDOT has State Transportation Improvement Program (STIP), a 4-year plan for federal funding mandated by the Federal Highway Administration

Capital Outlay Planning/Approval Process

Local

- Projects are identified, vetted, and prioritized by each local entity with input from the public
- Additional funding is identified for planned projects over a 5-year horizon
- ICIPs are due to State between Sept and Nov
- Training and technical assistance is provided throughout the year to all entities
- ICIP is published in mid-Nov on the DFA/LGD website

Capital Outlay Planning and Approval Process: Tribal/Colonias/Water Trust Board Projects

- Entities submit application for funding for each project being requested
- Evaluation consists of legal review, application completeness and compliance
- Project Presentations – projects are presented by each entity to each board
- Projects are scored by each board based on criteria in board policies
- Award letters are sent out to the entities scoring the highest in each category
- WTB recommendations must be approved by Legislature
- WTB and Colonias Projects are tracked by NMFA
- Tribal Projects are tracked by Indian Affairs Department and DFA/LGD

What is New in Capital Outlay?

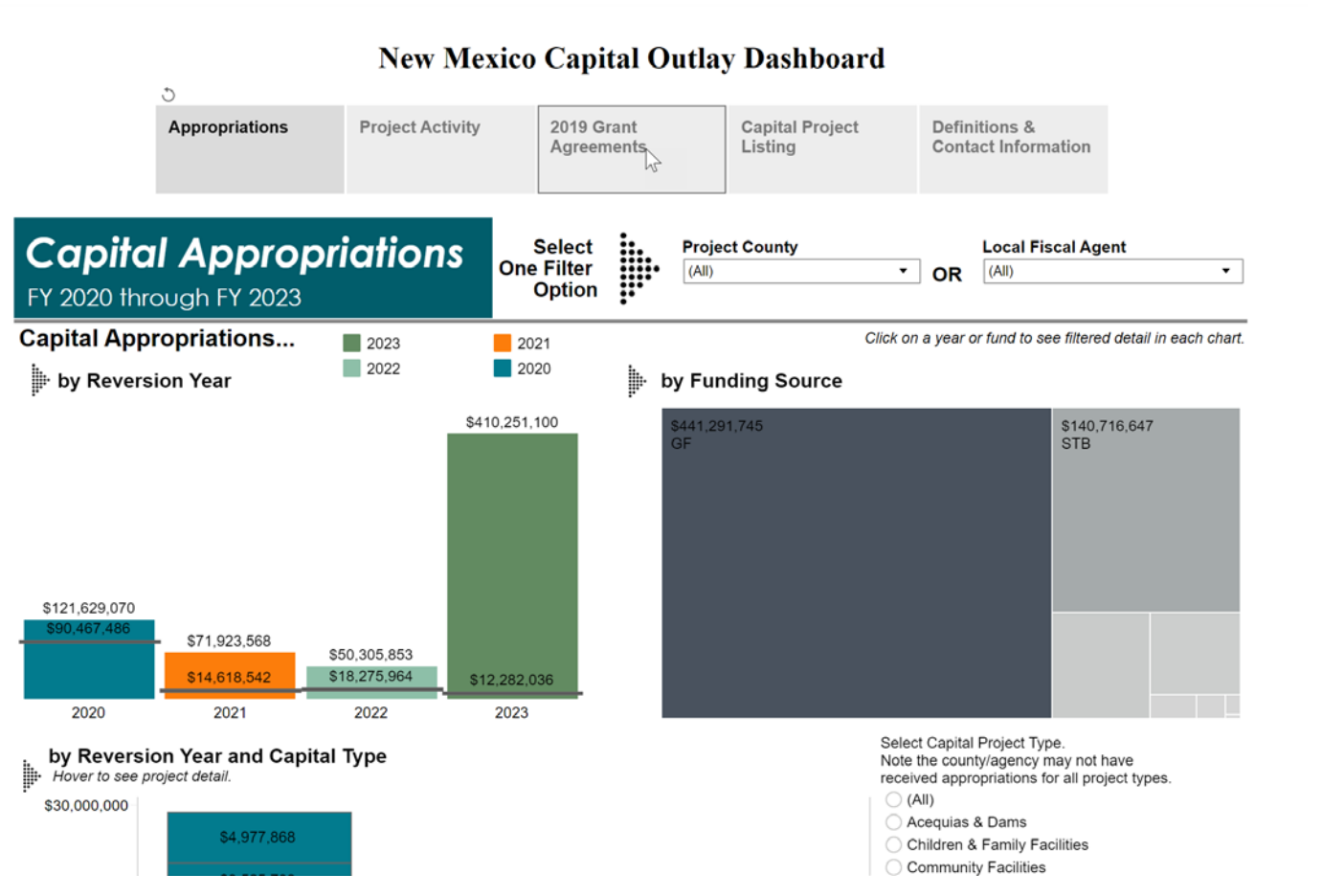
- ❑ **General Fund (GF) Availability** – due to large budget surplus in FY19, FY20 & FY21, GF has been available for capital appropriations (no STBs in FY19)
- ❑ **Online Capital Outlay Request Form** – DFA, the Governor’s Office, Legislative Counsel Service and Legislative Finance Committee are working collaboratively to make the capital outlay request online. Benefits include:
 - ❑ Accessibility/Ease of use
 - ❑ Data from ICIP can be pulled in
 - ❑ Better data collected overall
 - ❑ Ability to analyze requests for policy priorities & project readiness

What is new in Capital Outlay – Cont.

☐ New Online Capital Outlay Interactive Dashboard

- ☐ Accessibility of capital appropriations
- ☐ Easily see spend down progress/flag issues
- ☐ DRIVE ACTION - by oversight agencies, fiscal agents, and policymakers

☐ www.nmdfa.state.nm.us/dfa-dashboard



Thank You