NEW MEXICO
DEPARTMENT OF TRANSPORTATION

TRANSPORTATION COMMISSION MEETING

August 24, 2017

New Mexico Department of Transportation
General Office
1120 Cerrillos Road
Santa Fe, New Mexico 87504
1) Call to Order: Ronald Schmeits, Chairman
   a) Pledge of Allegiance

2) Approval of Agenda: Ronald Schmeits, Chairman

3) Approval of Minutes: Milan Meeting July 20, 2017

4) Introductions: Ronald Schmeits, Chairman
   a) Commission Members

5) Staff Briefings:
   a) FY19 Revenue Forecast and Appropriation Request: Mallery Martinez, Budget Director, NMDOT

6) Action Items:
   a) Approval of FY19 Revenue Forecast and Appropriation Request: Mallery Martinez, Budget Director, NMDOT

7) Adjournment
1. Call to Order: Ronald Schmeits, Chairman
   a) Pledge of Allegiance

2. Approval of Agenda: Ronald Schmeits, Chairman
Tab 3
SUBJECT: Approval of July 20, 2017 Meeting Minutes

BACKGROUND:

ACTION:
The New Mexico State Transportation Commission (STC or Commission) held a regular meeting on July 20, 2017, at the New Mexico Department of Transportation, District Six Auditorium, Milan, New Mexico. Vice-Chairman Mathews called the meeting to order at 8:35 a.m. Commissioner Gibson led meeting attendees in the Pledge of Allegiance.

**Approval of the STC Meeting Agenda**

Vice-Chairman Mathews asked for a motion to approve the STC meeting agenda; Commissioner Sepich made a motion to so approve; Commissioner White seconded; motion carried unanimously.

**Approval of the STC Minutes**

Vice-Chairman Mathews asked for a motion to approve the minutes of the special STC meeting of June 13, 2017; Commissioner Sepich made a motion to so approve; Commissioner White seconded; motion carried unanimously.
**Elected Officials and Delegations:**

Charles Griego, Mayor, Village of Los Lunas

**State Transportation Commissioners Present:**

Kenneth White, Secretary, District One  
David Sepich, Commissioner, District Two  
Keith Mortensen, Commissioner, District Three (absent with notice)  
Ron Schmeits, Chairman, District Four (absent with notice)  
Butch Mathews, Vice-Chairman, District Five  
Jackson Gibson, Commissioner, District Six

**NMDOT Staff Present:**

Tom Church, Cabinet Secretary  
Anthony Lujan, Deputy Secretary  
Kenneth B. Baca, Chief Deputy General Counsel  
NMDOT Staff

**Welcoming Remarks**

The Commissioners, NMDOT Executive Staff and J. Don Martinez, Division Administrator, Federal Highway Administration (FHWA), introduced themselves and welcomed all meeting attendees.

**Presentations by Elected Officials and Delegations**

Charles Griego, Mayor, Village of Los Lunas; Michael Jaramillo, Public Works Director; and Kevin Eades, Executive Vice President, Molzen Corbin, presented an update regarding the I-25/Morris Road Interchange project. They discussed the scope of the project, various alternatives, a cost comparison analysis, and related estimates.
**District Six Presentation and Employee Recognition**

Larry Maynard, P.E., District Six Engineer, NMDOT, gave a presentation regarding District Six activities, during which he discussed the District’s various projects and maintenance accomplishments. He also reported on the District’s Employee Recognition Program and acknowledged the District Chip Seal Crew as five time consecutive winners of the NMDOT Chip Seal Quality Award.

**Workshop Agenda**

**Finance Committee**

**Monthly Financial Report**

Michael Friel, Accounting Services Director/Chief Financial Officer, NMDOT, presented the NMDOT operating budget and financial report as of June 30, 2017. The current adjusted budget for Project Design and Construction (P562) is $647.5 million; Highway Operations (P563), $240.3 million; Business Operations (P564), $42.2 million; and Modal (P565), $75.4 million. There is $386.9 million in encumbrances, and expenses of $567.5 million. Mr. Friel indicated that NMDOT is in good financial standing at this time, and, regarding the current vacancy rate within NMDOT, he reported that Project Design and Construction is at 22%, Highway Operations, 12.9%, Business Operations, 16.4%, and Modal, 12%.

**New Mexico Finance Authority (NMFA) Monthly Report**

Mark Lovato, Investment Manager, NMFA, provided an update regarding NMDOT’s investment portfolio funds under NMFA management. As of June 30, 2017, the balance in the portfolio was $31.6 million, a net decrease of $106.2 million from May. The change is attributed
to bond debt service payments of $105 million, draws of $1.3 million, plus total earnings of $76,727. There is 88% in the project account, of which $15,092 is in the 2010A bond fund account, $27.7 million in the 2014A Highway Infrastructure Fund (HIF) account, 11% in debt service accounts, and less than 1% in the arbitrage rebate account. On June 30, 2017, the balance in the taxable line of credit at RBC was $50 million for collateral needs, and the balance in the taxable line of credit at Wells Fargo was $50 million for the BNSF Escrow account. Mr. Lovato also provided a breakdown regarding NMDOT/NMFA outstanding debt service.

**Request to Initiate Rulemaking Action to Amend 2.40.30 NMAC (New Mexico Administrative Code), Infrastructure Bank**

David Harris, Transit and Rail Division Director, NMDOT, presented a request to initiate rulemaking action to amend 2.40.30 NMAC, Infrastructure Bank. The rule was originally promulgated in May 1999, and as written, did not include commuter rail as an “eligible project” for financial assistance. The proposed amendments to 2.40.30 NMAC seek to allow commuter rail owned by a public entity eligible to apply for, and, if approved, eligible to receive financial assistance from the NMDOT State Infrastructure Bank for any qualified projects.

**Infrastructure Committee**

**General Office (GO) Complex Facilities Study Briefing**

Richard Martinez, Procurement and Facilities Director, NMDOT, briefed the STC regarding the GO Campus Facility Condition Assessment performed by contractor, Dekker, Perich, Sabatini, Ltd. earlier this year. He provided an overview of the GO facilities assessed,
building structural conditions, plumbing and water concerns, mechanical issues, and electrical
problems. He also discussed (1) the four tiered facility condition priority designation categories
used by the contractor: critical, potentially critical, not critical, and recommended; (2) estimated
repair costs classified by building and priority; and (3) the plan that will be developed on an
annual basis by the NMDOT Building and Grounds Bureau to identify projects, by priority, that
may be addressed with available budget.

Rio Metro Regional Transit District (RMRTD) Annual Report Regarding New Mexico Rail
Runner Express (NMRX)

Terry Doyle, Transportation Director, RMRTD, presented the NMRX Annual Report. He explained
that the Memorandum of Agreement between NMDOT and RMRTD regarding
NMRX management, funding and operation, requires RMRTD to provide a report to the STC
every year at the STC’s July meeting. The report includes information on the NMRX annual
operating and capital budgets, annual service plan, the five year capital maintenance plan/capital
improvement plan, NMRX ridership, and performance targets.

Proposed STC Resolution No. 2017-03 (JUL) Designating the Entire Length of U.S. 491 in
New Mexico as the “Chief Manuelito Highway”

Larry Maynard, P.E., District Six Engineer, NMDOT, discussed proposed STC
Resolution No. 2017-03 (JUL) designating the entire length of U.S. 491 from its junction with
Interstate 40 in McKinley County to the New Mexico/Colorado state line in San Juan County as
the “Chief Manuelito Highway”. He explained that in order to honor the contributions of Chief
Manuelito, Hastiin Chi’il Haajin, the Naabik’iyati Committee of the Navajo Nation Council
submitted a request for the designation to the STC.
Commissioner Gibson spoke in support of the Resolution. He explained who Chief Manuelito was and why he is important to the Navajo people.

**Policy Committee**

**Proposed Amendments to Commission Policy No. 4, New Mexico State Transportation Commission Rules and Policies (CP 4)**

Gloria Regensberg, Assistant General Counsel, NMDOT, discussed the proposed amendments to CP 4. She outlined the purpose of the policy and explained that during the 2017 Regular Legislative Session, the New Mexico Legislature passed House Bill 58 (HB 58), which amended the New Mexico State Rules Act, NMSA 1978 Sections 14-4-1 et seq. Governor Martinez signed HB 58 into law on April 7, 2017, and it became effective on July 1, 2017. Because of certain provisions in the new law, it is necessary to amend CP 4 so that it is consistent with the amended State Rules Act.

**Proposed Amendments to Commission Policy No. 69, Landscape Development on State Transportation Facilities (CP 69)**

Stephen Thies, Assistant General Counsel, NMDOT, presented the proposed amendments to CP 69. CP 69 is the policy governing the expenditure of eligible state and federal transportation funds for landscaping projects on state transportation facilities.

The Commissioners briefly discussed the proposed amendments to CP 69 and decided that further review and discussion is required. Accordingly, the proposed amendments to CP 69 will be reintroduced at the STC meeting in September 2017, and will be considered at that time.
Proposed Update of Commission Policy No. 88, Special Construction Features (CP 88)

Stephen Thies, Assistant General Counsel, NMDOT, presented the proposed update of CP 88. CP 88 is the policy that requires the most economical use of State and Federal funds when constructing highway and roadway enhancement projects on the State’s transportation system.

The Commissioners briefly discussed the proposed update of CP 88 and decided that further review and discussion is required. Accordingly, the proposed update of CP 88 will be reintroduced at the STC meeting in September 2017, and will be considered at that time.

Proposed Amendments to Commission Policy No. 90, Certification of Regional Transit District (CP 90)

Stephen Thies, Assistant General Counsel, NMDOT, presented the proposed amendments to CP 90. CP 90 is the policy that outlines the procedures by which the State Transportation Commission carries out certain requirements set forth in the Regional Transit District Act, NMSA 1978, Chapter 73, Article 25, which was enacted to provide, among other things, regional networks of safe and efficient public transit systems.

The Commissioners briefly discussed the proposed amendments to CP 90 and decided that further review and discussion is required. Accordingly, the proposed amendments to CP 90 will be reintroduced at the STC meeting in September 2017, and will be considered at that time.
Request to Initiate Rulemaking Action to Repeal and Replace 18.27.2 NMAC, New Mexico Department of Transportation Division 100 - General Provisions - Standard Specifications for Highway and Bridge Construction

Anthony Lujan, Deputy Secretary, NMDOT, and Geraldine Gonzales, Assistant General Counsel, NMDOT, presented a request to initiate rulemaking action to repeal and replace 18.27.2 NMAC, New Mexico Department of Transportation Division 100 - General Provisions - Standard Specifications for Highway and Bridge Construction. NMDOT and FHWA have agreed to periodically review and update 18.27.2 NMAC. Modifications to 18.27.2 NMAC have not been made since 2014. Rulemaking action is required at this time because NMDOT and FHWA have determined that changes to the rule are needed.

The rule, when finalized, will directly affect the substantive rights of NMDOT and individuals outside NMDOT by the imposition of certain requirements on both. The STC’s approval to initiate the rulemaking process is necessary (pursuant to the provisions of CP 4) prior to commencement of NMDOT’s rulemaking action. Therefore, NMDOT staff is now requesting the STC’s approval to initiate rulemaking action.

Consent Action Items

Vice-Chairman Mathews asked for a motion to approve STC agenda consent action items 10(a) Approval to Initiate Rulemaking Action to Amend 2.40.30 NMAC, Infrastructure Bank; and 10(b) Approval to Initiate Rulemaking Action to Repeal and Replace 18.27.2 NMAC, New Mexico Department of Transportation Division 100 - General Provisions - Standard Specifications for Highway and Bridge Construction.
Commissioner Sepich made a motion to so approve; Commissioner White seconded; motion carried unanimously.

**STC Agenda Action Item 10(c), Approval of Proposed STC Resolution No. 2017-03 (JUL)**

**Designating the Entire Length of U.S. 491 in New Mexico as the “Chief Manuelito Highway”**

Vice-Chairman Mathews asked for a motion to approve STC agenda action item 10(c), Proposed STC Resolution No. 2017-03 (JUL) Designating the Entire Length of U.S. 491 from its Junction with Interstate 40 in McKinley County to the New Mexico/Colorado State Line in San Juan County as the “Chief Manuelito Highway”.

Vice-Chairman Mathews commented that STC Commissioner Jackson Gibson has been a great leader for the Navajo people. Vice Chairman Matthews also stated that he supports the designation of the U.S. 491 in New Mexico as the “Chief Manuelito Highway.”

**Commissioner White made a motion to so approve; Commissioner Gibson seconded; motion carried unanimously.**

**STC Agenda Action Items 10(d)(1), (2), (3), and (4), Proposed Amendments to Commission Policies 4, 69, and 90, and Update of Commission Policy No. 88**

Vice-Chairman Mathews asked for a motion on action items 10(d)(1), (2), (3), and (4).

**Commissioner White made a motion to table STC agenda action items 10(d)(1), (2), (3), and (4) subject to further review and discussion by the Commissioners; Commissioner Sepich seconded; motion carried unanimously.**
Adjournment

Vice-Chairman Mathews asked for a motion to adjourn the regular meeting at 11:45 a.m.; Commissioner Sepich made a motion to so adjourn; Commissioner Gibson seconded; motion carried unanimously.

____________________________________  ______________________________
Chairman                                                                  Secretary

Ronald Schmeits                                                            Kenneth R. White
Tab 4
4. Introductions: Ronald Schmeits, Chairman

a. Commission Members
Tab 5a
SUBJECT: FY19 Revenue Forecast and Appropriation Request

PRESENTER: Mallery Martinez, Budget Director

BACKGROUND: The accountability in Government Act mandates the completion and submission of the Department’s FY19 performance-based appropriation request to the State Budget Division and Legislative Finance Committee by September 1, 2017.

ACTION: Respectfully, recommend that the State Transportation Commission approve the Department of Transportation FY19 Appropriation Request and allow the Department to submit to the State Budget Division and the Legislative Finance Committee on September 1, 2017.
FY19 Appropriation Request

Presented to the
State Transportation Committee
August 24, 2017
### NMDOT State Revenue Sources - Fiscal Years 2007 thru 2021

#### Table 1

| FY07 | FY08 | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY18 to FY19 | FY20 | FY21 |
|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Road Fund: | | | | | | | | | | | | | | | | |
| **Road Fund -- Ordinary Revenue:** | | | | | | | | | | | | | | | | |
| 1 Gasoline Tax | 114,577 | 107,671 | 108,125 | 109,163 | 109,282 | 104,987 | 111,795 | 107,998 | 110,672 | 110,892 | 111,600 | 113,000 | 110,900 | 112,275 | 112,200 | 1,300 | 1.2% |
| 2 Special Fuel Tax | 97,008 | 101,483 | 85,559 | 97,566 | 97,341 | 101,300 | 99,210 | 101,520 | 104,055 | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 | 105,000 | 0.0% |
| 3 Weight/Distance | 88,365 | 77,424 | 75,485 | 63,598 | 73,489 | 73,489 | 75,367 | 75,985 | 82,990 | 84,100 | 83,600 | 88,460 | 86,900 | 89,900 | 94,900 | 0.0% |
| 4 Trip Tax | 7,557 | 4,904 | 5,776 | 5,488 | 5,973 | 5,689 | 5,045 | 4,666 | 5,232 | 5,973 | 5,800 | 6,000 | 6,100 | 6,000 | 6,000 | 0.0% |
| 5 Vehicle Registration | 73,512 | 73,679 | 72,190 | 72,863 | 73,416 | 74,916 | 75,626 | 76,218 | 75,455 | 79,400 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 0.0% |
| 6 Vehicle Transaction | 1,191 | 1,165 | 1,070 | 1,045 | 1,114 | 1,163 | 1,200 | 1,173 | 1,298 | 1,250 | 1,135 | 1,285 | 1,145 | 1,145 | 1,145 | 0.0% |
| 7 Driver's License | 4,329 | 4,738 | 4,493 | 4,442 | 4,227 | 4,139 | 4,173 | 4,081 | 4,977 | 4,500 | 3,800 | 3,860 | 3,860 | 3,860 | 3,860 | 0.0% |
| 8 Oversize/Overweight | 4,590 | 4,961 | 4,539 | 4,678 | 4,820 | 4,805 | 5,298 | 5,400 | 5,400 | 5,298 | 5,298 | 5,298 | 5,298 | 5,298 | 5,298 | 0.0% |
| 9 Public Regulatory Commission Fees (UCR) | 377 | 866 | 2,286 | 1,420 | 2,740 | 881 | 3,191 | 2,009 | 3,362 | 3,403 | 3,300 | 3,300 | 3,300 | 3,300 | 3,300 | 0.0% |
| 10 MVD Miscellaneous | 2,452 | 2,570 | 2,569 | 2,735 | 2,725 | 2,991 | 3,100 | 3,302 | 3,509 | 5,426 | 3,400 | 5,300 | 4,120 | 5,700 | 5,700 | 38.3% |
| **Subtotal Ordinary Income** | 393,958 | 379,461 | 362,221 | 358,609 | 370,629 | 365,645 | 373,513 | 372,902 | 386,340 | 396,935 | 400,150 | 402,405 | 406,050 | 411,035 | 416,015 | 2.1% |
| Road Fund -- Extraordinary Income: | | | | | | | | | | | | | | | | |
| 11 All Other (Reimbursements, Asset Sales, etc.) | 4,140 | 2,240 | 4,758 | 6,584 | 10,730 | 10,354 | 6,493 | 13,365 | 5,442 | 2,200 | 5,395 | 2,200 | 2,200 | - | 0.0% |
| 12 Rail Runner Track Maintenance Fees | 4,080 | 2,000 | 3,250 | 2,014 | 2,143 | 3,031 | 2,000 | 4,674 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 0.0% |
| 13 Road Fund Interest | 708 | 0 | 19 | 16 | 95 | 108 | 209 | 80 | 39 | 133 | 450 | 286 | 360 | 370 | 780 | 116.7% |
| **Subtotal Extraordinary Income** | 4,848 | 2,240 | 8,584 | 8,584 | 9,029 | 10,500 | 12,576 | 15,457 | 8,606 | 4,650 | 10,329 | 8,000 | 7,000 | 420 | 116.7% |
| **TOTAL (Recurring) ROAD FUND** | 398,806 | 381,701 | 371,080 | 367,193 | 379,658 | 386,089 | 381,257 | 400,887 | 405,541 | 404,800 | 410,064 | 406,965 | 410,620 | 416,015 | 422,275 | 2.2% |
| **WIPP Settlement** | | | | | | | | | | | | | | | | |
| **TOTAL ROAD FUND** | 398,806 | 381,701 | 371,080 | 367,193 | 379,658 | 386,089 | 381,257 | 400,887 | 405,541 | 404,800 | 410,064 | 410,064 | 410,620 | 416,015 | 422,275 | 2.2% |

- This forecast is one of two annual forecasts of NMDOT revenues. Another update will be released next January before FY 2019 budget is set.
- This update increases FY 2018 Road Fund revenue expectations by $3.6 million from the January 2017 legislative budget estimate (an increase of 0.9%).
- FY 2019 Road Fund revenues (recurring “ordinary income”) are estimated at $411 million. This represents 2.1% or $8.6 million in growth from the FY 2018 budget.
- The increases in revenue are mainly due to slightly improved economic conditions and recovery in New Mexico, and a continuous positive outlook of the US economy.
  - In FY 2017, gasoline revenue has benefited from low petroleum prices. Nevertheless, because of increasing passenger vehicle efficiency and only modest increases in NM’s population, gasoline revenue is expected to be flat in the following fiscal years. Vehicle Registration also is expected to remain stable around $80 million.
  - Weight Distance and Special Fuel revenues that more closely track the national economy are expected to grow. Weight Distance is forecast to grow around 3-3.5 percent, while Special Fuel growth is expected to be slightly lower (around 2%), because increasing heavy truck efficiency restraints growth.
- The overall Road Fund growth rate is expected to be very modest, around 1.6% in FY 2018, and around 1 percent in the following years.
### NMDOT State Revenue Sources - Fiscal Years 2007 thru 2021

#### Table 2

<table>
<thead>
<tr>
<th>(Dollars in thousands)</th>
<th>FY07</th>
<th>FY08</th>
<th>FY09</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18 to FY19</th>
<th>FY20</th>
<th>FY21</th>
</tr>
</thead>
<tbody>
<tr>
<td>WIPP Settlement (Nonrecurring)</td>
<td>434,066</td>
<td>420,343</td>
<td>407,229</td>
<td>405,056</td>
<td>419,079</td>
<td>415,595</td>
<td>423,523</td>
<td>418,728</td>
<td>439,028</td>
<td>444,106</td>
<td>444,081</td>
<td>447,893</td>
<td>449,463</td>
<td>455,981</td>
</tr>
<tr>
<td>TOTAL State Government Revenue</td>
<td>434,066</td>
<td>420,343</td>
<td>407,229</td>
<td>405,056</td>
<td>419,079</td>
<td>415,595</td>
<td>423,523</td>
<td>418,728</td>
<td>439,028</td>
<td>444,106</td>
<td>444,081</td>
<td>447,893</td>
<td>449,463</td>
<td>455,981</td>
</tr>
</tbody>
</table>

#### Other Funds:

**Highway Infrastructure Fund:**
- Leased Vehicle Gross Receipts 4,844, 6,963, 5,444, 5,397, 5,657, 5,731, 5,214, 5,889, 5,773, 5,949, 5,862, 6,040, 6,282, 6,282, 6,517, 800, 800
- Tire Recycling Fees 1,758, 1,782, 1,604, 1,791, 1,806, 1,831, 1,807, 1,836, 1,810, 1,943, 1,880, 1,850, 1,925, 1,870, 1,870
- Interest 164, 164, 99, 18, 16, 16, 25, 7, 7, 13, 77, 11, 34, 21, 45, 11

**Local Government Road Fund:**
- From Interest 24, 164, 164, 133, 30, 46, 15, 19, 50, 200, 115, 137, 143, 137, 134, 137

**Aviation Fund:**
- Aviation Fuel 826, 932, 1,314, 1,152, 1,167, 2,808, 1,952, 1,542, 1,243, 661, 1,000, 700, 940, 920
- Aircraft License Fees 74, 75, 73, 74, 66, 68, 68, 69, 48, 64, 60, 50, 60, 60
- 04/06% General Fund GRT (Air Service) 883, 891, 783, 779, 855, 747, 0, 1,106, 1,009, 931, 1,075, 930, 945, 945
- General Fund (2007 Enhancement) 960, 1,917, 3,000, 3,000, 3,000, 3,000, 3,000, 3,000, 3,000, 3,000, 3,000, 3,000
- Aviation Fund Interest Earnings 107, 107, 34, 8, 16, 20, 36, 12, 14, 31, 100, 56, 89, 92, 193
- Total Aviation Fund Income 2,189, 3,347, 4,504, 6,100, 5,991, 7,016, 5,443, 6,112, 5,707, 5,080, 5,630, 5,133, 5,427, 5,415, 5,571
- Transportation Fund Income 2,690, 3,033, 3,296, 3,284, 4,466, 3,578, 3,356, 2,779, 2,611, 3,221, 2,632, 2,150, 2,531, 2,173, 2,189

#### Transportation Fund:
- Motorcycle Registration (Fund 20600) 93, 120, 131, 130, 135, 138, 135, 135, 133, 133, 133, 104, 105, 130, 106, 106
- Driver Improvement Fees (20020) 205, 208, 193, 311, 341, 340, 319, 271, 274, 250, 250, 200, 240, 200
- DWI Prevention (20700) 282, 331, 458, 650, 486, 530, 513, 517, 487, 471, 500, 420, 475, 450
- Traffic Safety Fees (Fund 20800) 412, 474, 473, 469, 446, 419, 390, 526, 404, 1,090, 500, 633, 500, 600
- Traffic Safety Fees Interest (20800) 92, 95, 35, 3, 3, 2, 2, 2, 2, 2, 1, 7, 5, 7, 23, 18, 360%
- Community DWI Prevention Fee (20800) 700, 1,021, 1,150, 1,000, 1,017, 838, 789, 363, 426, 513, 410, 380, 400, 400
- Red Light Fees (from AOC) 144, 153, 158, 159, 0, 50, 0, -
- Traffic Safety - Interlock Device (82600) 900, 775, 854, 700, 2,029, 1,167, 1,054, 810, 777, 755, 780, 405, 780, 410
- Total Transportation Fund Income 2,690, 3,033, 3,296, 3,284, 4,466, 3,578, 3,356, 2,779, 2,611, 3,221, 2,632, 2,150, 2,531, 2,173, 2,189

**Overall NMDOT state Funds are forecast at $456 million in FY 2019 representing growth of 2.2% or $10 million from the FY2018 budget.**

- Starting from FY 2018, the Aviation Fund, which significantly suffered revenue losses in FY 2016 and slightly recovered in FY 2017, will benefit by a sunset of a portion of the gross receipts tax deduction for jet fuel (§7-98-3).
- Traffic Safety - Interlock Device Fund revised outlook reflects a reclassification of the $300 thousand annual transfer from DFA.
### NMDOT State Revenue Sources - Growth Rates

#### Road Fund: Ordinary Revenue:

<table>
<thead>
<tr>
<th>Year</th>
<th>Gasoline Tax</th>
<th>Special Fuel Tax</th>
<th>Weight/Distance</th>
<th>Trip Tax</th>
<th>Vehicle Registration</th>
<th>Vehicle Transaction</th>
<th>Driver's License</th>
<th>Oversize/Overweight</th>
<th>Public Regulatory Commission Fees</th>
<th>MVD Miscellaneous</th>
<th>Subtotal Ordinary Income</th>
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<tr>
<td>FY07</td>
<td>4.4%</td>
<td>-6.0%</td>
<td>0.4%</td>
<td>-3.9%</td>
<td>6.5%</td>
<td>-3.4%</td>
<td>2.5%</td>
<td>0.2%</td>
<td>-1.9%</td>
<td>0.1%</td>
<td>3.9%</td>
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<tr>
<td>FY08</td>
<td>-0.1%</td>
<td>4.6%</td>
<td>-15.7%</td>
<td>3.5%</td>
<td>1.4%</td>
<td>0.3%</td>
<td>5.0%</td>
<td>-0.2%</td>
<td>1.9%</td>
<td>2.3%</td>
<td>-3.7%</td>
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<tr>
<td>FY09</td>
<td>15.6%</td>
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<td>7.6%</td>
<td>-2.8%</td>
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<td>2.6%</td>
<td>6.1%</td>
<td>3.8%</td>
<td>-4.5%</td>
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<tr>
<td>FY10</td>
<td>-11.9%</td>
<td>-35.1%</td>
<td>-8.2%</td>
<td>-16.8%</td>
<td>24.0%</td>
<td>-0.1%</td>
<td>4.6%</td>
<td>-4.6%</td>
<td>2.1%</td>
<td>-0.4%</td>
<td>-2.8%</td>
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<td>FY11</td>
<td>2.9%</td>
<td>0.2%</td>
<td>0.9%</td>
<td>0.3%</td>
<td>2.0%</td>
<td>0.0%</td>
<td>7.0%</td>
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<td>1.0%</td>
<td>0.6%</td>
<td>3.9%</td>
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<td>FY12</td>
<td>-26.0%</td>
<td>-2.2%</td>
<td>-2.7%</td>
<td>3.3%</td>
<td>4.4%</td>
<td>-2.2%</td>
<td>10.6%</td>
<td>-12.6%</td>
<td>0.9%</td>
<td>0.0%</td>
<td>-53.8%</td>
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<tr>
<td>FY13</td>
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#### Road Fund: Extraordinary Income:

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<td>FY21</td>
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</table>

#### Other Funds:

- **Highway Infrastructure Fund**
  - FY07: -6.4%
  - FY08: 31.7%
  - FY09: -19.8%

- **Local Government Road Fund**
  - FY07: 0.8%
  - FY08: 0.6%
  - FY09: -10.0%

- **Aviation Fund**
  - FY07: 10.8%
  - FY08: 52.9%
  - FY09: 34.6%

- **Transportation Fund**
  - FY07: -10.9%
  - FY08: 12.8%
  - FY09: 8.7%

<table>
<thead>
<tr>
<th>Year</th>
<th>TOTAL NMDOT STATE REVENUES</th>
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<tr>
<td>FY07</td>
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**Total NMDOT State Revenue Sources (millions $)**

- FY07: 340,000,000
- FY08: 340,000,000
- FY09: 340,000,000
- FY10: 340,000,000
- FY11: 340,000,000
- FY12: 340,000,000
- FY13: 340,000,000
- FY14: 340,000,000
- FY15: 340,000,000
- FY16: 340,000,000
- FY17: 340,000,000
- FY18: 340,000,000
- FY19: 340,000,000
- FY20: 340,000,000
- FY21: 340,000,000

**GRT: Ordinary Income**

- FY07: 15,399,000
- FY08: 16,754,000
- FY09: 19,173,000
- FY10: 19,711,000
- FY11: 20,066,000
- FY12: 21,075,000
- FY13: 23,720,000
- FY14: 25,467,000
- FY15: 26,390,000
- FY16: 28,011,000
- FY17: 30,181,000
- FY18: 31,805,000
- FY19: 33,544,000
- FY20: 35,157,000
- FY21: 37,051,000
• Overall, the FY19 annual appropriation request totals $861.4 million, a $15.0 million reduction from the approved FY18 operating budget. This includes $416.0 million from State Road fund revenues, $39.7 from restricted fund revenues, $1.5 million from other state agencies, and $3.0 million from state road fund balances, and $401.3 million from federal sources.

• This includes a $9.1 million decrease to the Project Design and Construction Program; a $6.0 million decrease to the Highway Operations Program; no change to Business Support; and a $.1 million increase to Modal.

• Major differences between FY18 and FY19:
  • Elimination of $25.0 million of State Road Fund balances.
  • A growth of $10.2 million in State Road Fund.
  • A decrease of $0.2 million in federal revenue.
  • An increase of 3 F.T.E for Ports of Entry from Department of Public Safety.
Overall, the request for Project Design and Construction totals $527.0 million; a $9.1 million or 2.0 percent decrease under FY18 approved operating levels. This includes $129.2 million from State Road fund revenues, $31.9 million from restricted fund revenues, and $366.0 million from federal sources.

In addition, the request eliminates the use of fund balances totaling $19.0 million utilized in FY18 from State Road Fund.

Key features are as follows:
- Personal services & employee benefits – 11% vacancy rate. (1 FTE moved to P564- Business Support.)
- $310.2 million for ‘Road Betterments’ construction budget.
  - $62.2 million – State Road Fund.
  - $248.0 million – Federal Highway Administration.
- $158.5 million for debt service – principal, interest and related fees.
  - $109.8 million – Federal.
  - $40.3 million – State Road Fund.
  - $8.4 million – Highway Infrastructure Fund.
- $23.4 million for the Local Government Road fund.
Overall, the request for Highway Operations totals $227.8 million; a $6.0 million decrease compared to FY18 approved operating budget. This includes $224.8 million from State Road fund revenues and $3.0 million from federal sources.

In general, the FY19 request for Highway Operations decreased by $6.0 million due to eliminating fund balance. Taking advantage of state road fund balances will be discussed during the FY19 budget negotiations/consensus.

Key features include:
- Personal services & employee benefits – 9% vacancy rate.
- Highway Road Betterments $81.5 million:
  - Contract Maintenance - $43.7 million.
  - Field Supplies - $37.8 million.
  - The Road Maintenance program request supports the following activities, i.e. Chip Seal, Fog Seal, Crack Seal, Overlay, Guardrail, Blade and Pothole Patching, and Snow Removal.
- $0.3 million or a 15% increase in DoIT Radio Communication charges compared to FY18 rates.
• The request for Business Support totals $42.2 million of state road fund revenue or 0% change compared to FY18 approved operating budget.

Key features include:
• Personal services and employee benefits - 10% vacancy rate. (increase of 1 FTE from P562- PDC.)

• Business Support is responsible for paying all ‘agency-wide’ costs for the department including the following:
  • GSD charges - $6.9 million, a $0.6 million increase from FY18.
  • DOIT charges – Tech, HRMS, and Telecommunication charges - $3.3 million (excludes Radio charges).
  • Audit Services & Financial Statements - $0.3 million.
  • Agency-wide costs including GSD, DoIT rates and Audit account for $10.9 million, or 25.3 percent of all Business Support costs.
Overall, the request for MODAL totals $64.5 million; a $0.1 million increase compared to FY18 operating budget. This includes $19.9 million from state road fund revenue, $7.8 million from restricted fund revenue (i.e. Traffic Safety and Aviation); a $1.5 million transfer(s) from other state agencies; $3.0 million from state road fund balance and $32.4 million from federal revenues.

Key features include:

- Personal services and employee benefits –10% vacancy rate. (3 F.T.E. Increase transfer in from DPS, Ports of Entry)
- Restricted Funds FY19 Budget:
  - Transit and Rail (federal and state)- $33.1 million.
  - Aviation- $5.6 million.
  - Traffic Safety-
    - NHTSA- $15.7 million.
  - Ports of Entry- $4.2 million.
  - Other Traffic Safety Programs. -$5.8 million
- Ports of Entry:
  - Category 200- $1.0 million for personal services and employee benefits, 20 FTE.
  - Category 300- $2.2 million to hire temp contractors “if needed” and Promiles software license.
  - Category 400- $1.0 million for building maintenance and repair activities.
Tab 6a
SUBJECT: FY19 Revenue Forecast and Appropriation Request

PRESENTER: Mallery Martinez, Budget Director

BACKGROUND:
The accountability in Government Act mandates the completion and submission of the Department’s FY19 performance-based appropriation request to the State Budget Division and Legislative Finance Committee by September 1, 2017.

ACTION: Respectfully, recommend that the State Transportation Commission approve the Department of Transportation FY19 Appropriation Request and allow the Department to submit to the State Budget Division and the Legislative Finance Committee on September 1, 2017.
Tab 7
SUBJECT: Adjournment

BACKGROUND:

ACTION: