

SPECIAL APPROPRIATIONS PROGRAM



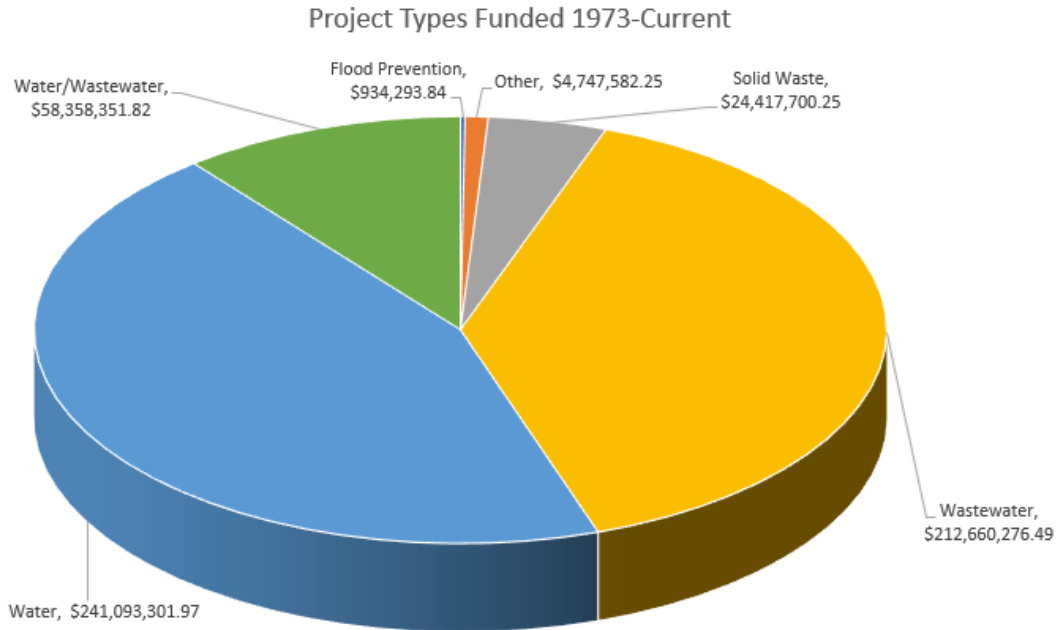
***2018 FISCAL YEAR
ANNUAL REPORT***

**New Mexico Environment Department
Construction Program Bureau**

Water Protection Division
Construction Programs Bureau
Santa Fe, New Mexico 87502
(505) 827-2806

SPECIAL APPROPRIATIONS PROGRAM

Since 1973, the New Mexico Environment Department (NMED) Construction Programs Bureau (CPB) (or its predecessor) has administered approximately \$542 million in special appropriations from the State Legislature for drinking water, wastewater, solid waste, and other environmental projects. NMED CPB provides funding administration and technical oversight for projects ensuring projects are completed in a timely manner and are free from waste, fraud and abuse.

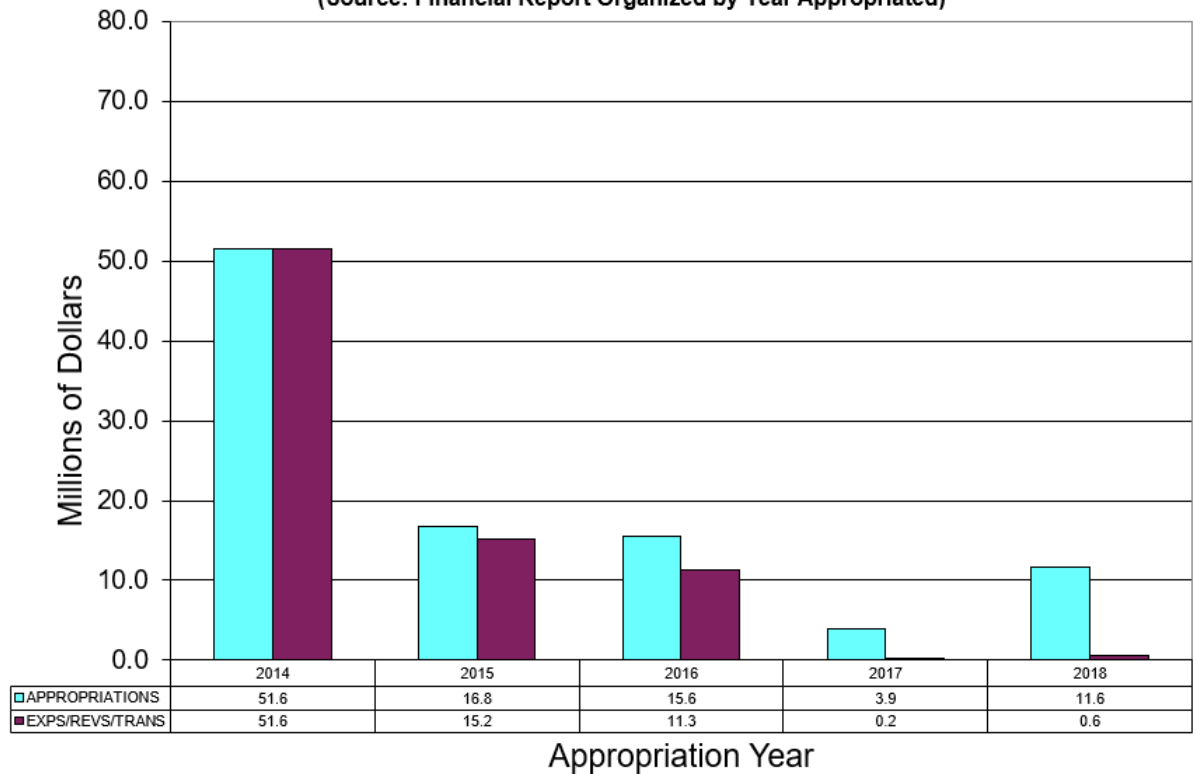


As of June 30, 2018, the Special Appropriations Program was managing 158 active appropriations with a combined fund balance totaling \$22,336,273. The program processed 413 reimbursement requests in FY18 totaling \$25,122,189.

In FY18, NMED CPB executed 27 intergovernmental grant agreements totaling \$7,621,944 and the CPB staff closed out ninety-three (93) special appropriation projects totaling \$32,940,845.

Appropriations vs. Expenditures/Reversions/Transfers in Millions of Dollars

(Source: Financial Report Organized by Year Appropriated)



Special Appropriations projects can be funded by General Fund (GF) monies, Capital Projects Fund (CP) monies, or by the proceeds generated by the sale of Severance Tax Bonds (STB). All projects currently administered by NMED CPB are from the sale of Severance Tax Bonds.

NMED CPB ensures grantees are current with Audits/Agreed upon Procedures/Tiered Reporting and that budgets and quarterly reports have been submitted to the Department of Finance and Administration. When necessary, NMED CPB requires Special Conditions or Alternative Fiscal Agents as stipulated in Executive Order 2013-006. This information is provided to the Capital Outlay Bureau on a Uniform Funding Criteria form (UFC) and provides the basis for NMED CPB's certification for the sale of Severance Tax Bonds. Additionally, CPB reviews each appropriation for readiness to proceed; if the project is not ready to proceed, NMED will not certify the appropriation for the bond sale.

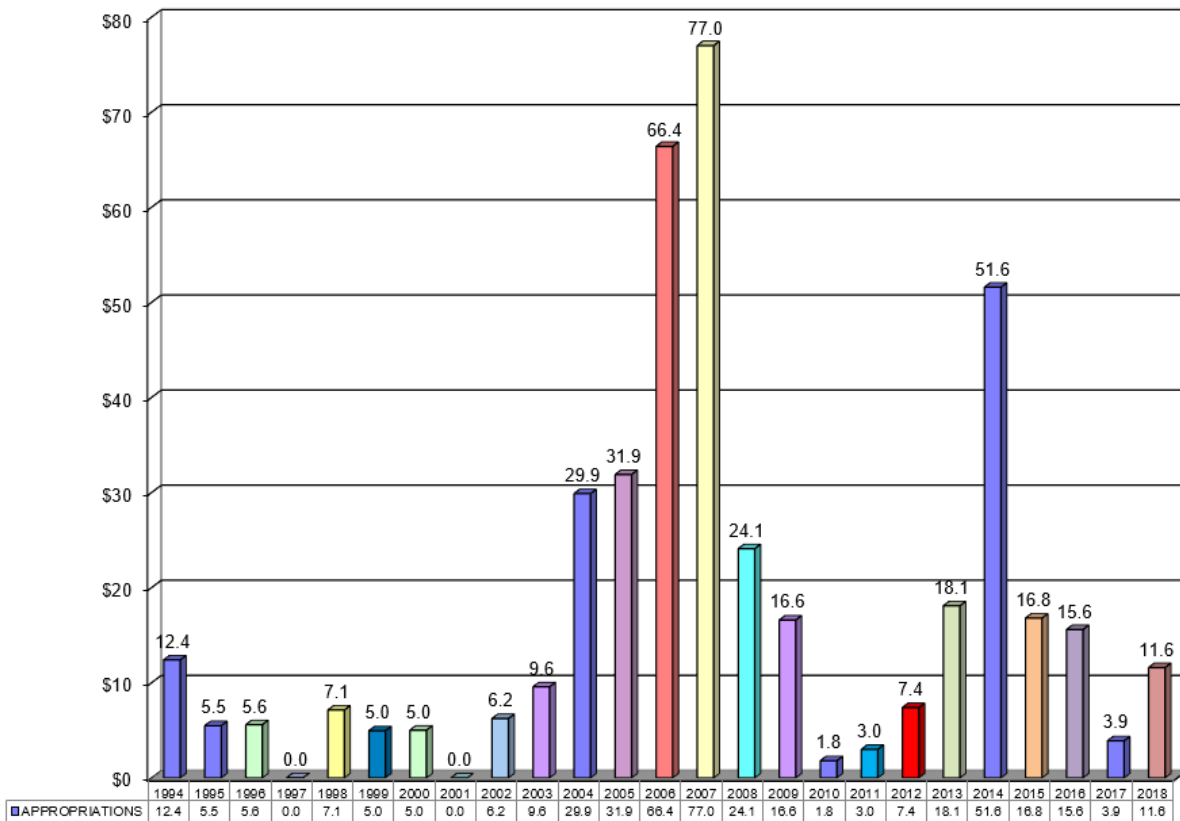
Appropriations are typically valid for four years or, if for capital equipment (i.e. vehicles or heavy equipment), two years. Appropriations are normally budgeted in the fiscal year the State Board of Finance sells the bonds. Most projects are set up as multi-year budgets. Appropriating legislation defines expiration dates for all projects; when the expiration date is reached, unexpended funds revert. Grantees may

request legislative reauthorization for expiring projects; any reauthorization requests not legislatively approved will have funds revert. The Legislature can also deauthorize existing legislation and has done so in the past during economic downturns.

When fully staffed, the CPB Special Appropriations Program consists of two full time financial administrators, a Grant Manager, and eight engineers who devote approximately half of their time to the program. The Bureau Chief also devotes approximately one-quarter of time to the program.

Project completion time varies depending on the readiness of the recipient to proceed and the size and complexity of the project. The implementation of a construction project involves multiple phases that require the technical expertise of project managers. CPB carefully monitors each phase to ensure compliance with the terms of the grant and applicable laws and regulations.

Special Legislative Appropriations
administered by the
New Mexico Environment Department Construction Programs Bureau



The success of the Special Appropriations Program can be attributed primarily to the dedication, involvement, and initiative of the CPB team assigned to the program. Questions regarding this report should be addressed to:

New Mexico Environment Department
Construction Programs Bureau

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