



NEW MEXICO ASSOCIATION OF COUNTIES CAPITAL OUTLAY CONCERNS AND SUGGESTIONS

- Nearly all counties surveyed observed that the capital outlay process is very cumbersome. Some of the comments received, among others:
 - The lengthy amount of time it takes to go through all the processes;
 - Lack of clear guidelines and lack of consistency;
 - Delays in getting grant agreements in place;
 - Delays in receiving funds and in obtaining information once the grant is awarded; and
 - Problems with utilization of fiscal agents.
- Many projects do not receive adequate funding.
 - Small capital outlay awards for large projects; and
 - Inability to fully fund projects.
- Concern was expressed about counties receiving funding for projects that were not on the ICIP, which is mandatory for counties.
- Concern was also expressed about appropriations being made to nonprofit or quasi-governmental agencies that name the county as fiscal agency, without the county's consent (and sometimes without the county's knowledge).
 - Anti-donation concerns.
- Some suggestions from counties about how to improve the process:
 - Make the capital outlay evaluation process more transparent;
 - Allocate capital funds by project types (e.g., roads, water, acequias, senior centers, etc.);
 - Require a needs and cost benefit analysis for each project; and
 - Take into account when projects can be undertaken when preparing grant agreements (e.g., road projects usually take place during the summer but contracts are often not received until the winter, thereby delaying completion of the project by a year or more).
- It was strongly recommended that DFA/LFC hold educational sessions with legislators every year before the session begins on the capital outlay process, including, among other things:
 - Annual changes in how capital outlay is handled now that severance tax bonds are used with particular emphasis on third party agreements with non-profits, services in lieu of payment for non-profits, and the length of time needed to review and respond to third party agreements submitted by local governments.
 - Encourage Representatives and Senators in the same districts and regions to get together with county and municipal officials to discuss the ICIPs and legislative policy concerns, needs, and issues, and consider involving the COGs.
 - Clarification on the anti-donation clause rules.
 - Guidance for preventing capital requests that have legal or other impediments to being implemented.