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## FISCAL IMPACT REPORT

SPONSOR Herrera/Dixon/Brown/Trujillo/Allison LAST UPDATED \_\_\_\_\_  
ORIGINAL DATE 2/22/2023  
SHORT TITLE CSG Grant Writing Assistance BILL NUMBER House Bill 311  
ANALYST Carswell

### APPROPRIATION\* (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
	\$1,400.0	Nonrecurring	General Fund

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

Relates to an appropriation in the General Appropriation Act

### Sources of Information

LFC Files

### Responses Received From

None

### No Response Received

Department of Finance and Administration (DFA)

New Mexico Counties

New Mexico Municipal League

Council of State Governments

## SUMMARY

### Synopsis of House Bill 311

House Bill 311 appropriates \$1.4 million from the general fund to the Department of Finance and Administration (DFA) for expenditure in FY24 for the Council of State Governments to provide grant writing and technical assistance services.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

## FISCAL IMPLICATIONS

The appropriation of \$1.4 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY24 shall revert to the general fund.

## **SIGNIFICANT ISSUES**

As of December 2022, approximately \$3.3 billion from all funding sources for about 4,100 active capital projects remains outstanding, including projects authorized by the Legislature (\$1.7 billion), earmark projects (\$276.1 million), supplemental severance tax bonds for public schools (\$521.8 million), and special appropriations to capital projects (\$746.1 million). Local capital outlay projects account for 77 percent of the outstanding projects with balances totaling \$892.4 million.

Limited technical, administrative, and financial capacity at the local level contributes to delays in spending funding appropriated to capital projects, in finding complete funding for projects, and in completing projects and realizing the public benefits they are intended to produce. The councils of governments can play a key role in supporting local governments with limited capacity to access funding for capital projects and to administer grants.

DFA received a \$1.5 million appropriation in the 2022 General Appropriation Act for grants management for local governments and local councils of government. LFC requested information from DFA about the status of awards from that appropriation but had not received a response at the time this FIR was completed. Two councils of government did report to LFC that they received awards from the appropriation and that grant agreements were sent by DFA in December 2022.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

House Bill 311 relates to and may duplicate a \$2 million special appropriation to DFA for capacity building grants to councils of government, technical assistance providers, and local governments.

## **TECHNICAL ISSUES**

There is not an entity called the “Council of State Governments.” If the intention of the bill is to direct funding to all seven councils of governments in the state, the language could be amended to list the name of each entity and to specify the amount each entity is to receive. If the intention is for DFA to administer a competitive grant program for the funds, “Council of State Governments” could be stricken and replaced with “councils of governments” or “regional planning districts.” The seven councils of governments are: Mid-Region Council of Governments, North Central New Mexico Economic Development District, Northwest New Mexico Council of Governments, Southeastern New Mexico Economic Development District, Southwest New Mexico Council of Governments, Eastern Plains Council of Governments, South Central Council of Governments.

CC/al/ne