

## LFC Quarterly Hearings

### Capital Outlay Bureau and Local Government Division Updates

#### Budget & Formulation Management System (BFM)

- All capital projects uploaded into the new system.
- New budget form to create state agency budget uploads.
- New system to track severance tax bond payments.
- System will reduce and re-establish reauthorized projects.
- New reporting form for local capital project updates.
- New way for local entities and state agencies to run reports.
- All data will be pushed out to a public facing dashboard.

#### State Agency Capital Outlay Hearings

- **October 11, 2023, through October 13, 2023 (8:30am – 5:00pm)**
- **Roundhouse in Room 311**
- **Review Top 5 requests for all state agencies that submitted an ICIP.**

<https://www.nmdfa.state.nm.us/budget-division/capital-outlay-bureau/>

#### Capital Outlay Bureau (COB) Accomplishments

##### New Mexico Food Security Grant Program (2022) \$10M

The purpose of this grant was to ensure that individuals and families throughout New Mexico have access to food, with a special focus on multi-sector collaborations that increase food security for all residents. Eligible applicants must have been a legally recognized government or quasi-governmental entity. Awards were made to 42 applicants totaling \$10m throughout the state. Funds were distributed on a reimbursement basis through June 30, 2023. To date, approximately \$9.2m was expended with roughly \$800 thousand reverting. A report will be published by the end of the month describing each award.

##### State Agency Cost Overrun (2022) \$8M

The Bureau is administering another appropriation for cost overruns for state government capital outlay projects. A total of \$4.9m has been awarded to date with about \$100 thousand expended. DFA is in the process of awarding another \$1.8m which will bring the total to \$6.7m. These funds must be fully encumbered no later than December 31, 2024, and have a reversion date of June 30, 2025.

## **Local Government Division (LGD) Accomplishments**

### **SB6 Hermits Peak-Calf Canyon Fire Recovery Loan Program (2023) \$100M**

DFA/LGD in collaboration with DHSEM implemented a new \$100m loan program to include the development of an application and loan agreements as well as conducting training through a webinar and in person workshops for eligible political subdivisions. With a streamlined process of application review, issuance of loan agreements and disbursement of funds, DFA/LGD has successfully disbursed \$53.6m within three and a half months of implementation. To date a total of \$54.6m in recovery loans have been awarded. (Mora Co \$30.2m & San Miguel Co \$24.4m)

### **HB2 / HB68 - Law Enforcement Recruitment & Retention Funds (2022) \$50M**

During the 2022 Session, funding was provided to DFA to distribute to local law enforcement agencies to provide recruitment and retention stipends to law enforcement officers. This includes: a stipend for those who are recruited, trained, and become certified law enforcement officers; a stipend for a recently trained and hired law enforcement officer; a stipend for a current law enforcement officer. Law enforcement officers should be at their department for more than one year for stipend. The first-year funding has been completed with about \$2.5m reverting to the fund for redistribution. There were 165 officers recruited and 1,807 officers retained last fiscal year. The second-year funding will be distributed this month.

### **HB2 / HB357 - Law Enforcement Recruitment Funds (2023) \$57M**

During the 2023 session, funding was appropriated for law enforcement recruiting. LGD in consultation with DPS implemented a new funding application for the \$57m law enforcement recruitment funds appropriated in HB2. DFA and DPS held a virtual meeting on July 19<sup>th</sup> with law enforcement agencies to go through the application and answer questions. The application opened on July 18<sup>th</sup> and closed on August 4<sup>th</sup>. DFA has received a total of 110 applications from State, Local and Tribal law enforcement entities. Staff is currently in the process of reviewing applications received and putting together a recommendation of award allocations.

### **HB2 – Warrant Enforcement Funds (2023) \$10M**

During the 2023 session, \$10m was appropriated for felony warrant enforcement. LGD has developed grant agreements, pay requests and quarterly reports for the disbursement and monitoring of the \$10m warrant enforcement funds appropriated in HB2 for the District Attorney offices statewide and their sub-recipients. A virtual training was held on August 3<sup>rd</sup> with District Attorneys to provide guidance and answer questions regarding the implementation of these funds. Grant agreements have been issued and most of them have been executed. The next step is for the District Attorney's offices to get into sub-recipient agreements with law enforcement agencies.

### **Local Capital Outlay Project Cost Overrun \$8M**

LGD is administering the appropriation for cost overruns for local capital outlay projects. LGD will host a webinar on Monday, August 28<sup>th</sup>. The application will open that day and close on September 15<sup>th</sup>. The application will be open only to those political subdivisions who have capital appropriations with LGD.

### **HB2 – Capacity Building Grant Funds (2022 & 2023) \$1.5M & \$2M**

During the 2022 session, \$1.5m was appropriated and awarded to 32 applicants throughout the state. Over \$1.05m was expended leaving a balance of \$444 thousand. During the 2023 session, \$2m was appropriated for capacity building grants and LGD developed an application process for the funds appropriated in HB2. DFA conducted a webinar on May 12<sup>th</sup> and the deadline to apply was May 26<sup>th</sup>. DFA issued a total of 36 grant agreements at the end of June statewide to CoGs, local governments, tribal governments, and special districts.

### **HB2 – Federal Matching Grant Funds (2022 & 2023) \$1M & \$10M**

During the 2022 session, \$1m was appropriated and awarded to 7 applicants. Only \$762 was reverted. This funding provided matching funds and was not restricted to a federal match. During the 2023 session, \$10m was appropriated for federal matching grants and LGD developed an application process for the funds. DFA conducted a webinar on June 9<sup>th</sup> and the deadline to apply was June 23<sup>rd</sup>. DFA awarded 22 applicants a total of roughly \$5.3m. A second round of applications will begin as soon as the agreements have been issued and executed. This should occur within the coming weeks with applications being accepted through the middle of September for the additional \$4.7m.

### **HB2 – Recreation Grant Funds (2022 & 2023) \$45M & \$40M**

During the 2022 session, \$45m was appropriated and awarded to 41 applicants throughout the state. The funding is available through FY25. This funding was appropriated to plan, design, furnish and equip regional recreation centers and quality of life projects statewide. It will be used for livestock pavilions, soccer fields, playgrounds, as well as water and skate parks to name a few. Roughly \$13m has been obligated to date. During the 2023 session, \$40m was appropriated for regional recreation centers and quality of life grants statewide. The webinar was on Wednesday, August 23 and the application portal will be open until September 15. These funds revert June 30, 2024, so an emphasis when awarding these funds will be on which projects can be completed by the reversion date or those projects that have started and need additional funding to complete the project.

### **HB161 – Intertribal Indian Ceremonial Association (2023)**

Local Government Division (LGD) began the process of transitioning the Intertribal Ceremonial Office from the Tourism Department (TD) to LGD. LGD worked with TD to create a Memorandum of Understanding (MOU) between the agencies as well as an Intergovernmental Grant Agreement (IGA) between LGD and McKinley County. LGD also worked with the General Services Department (GSD) to update the lease agreement for the office location and make McKinley County the lessee. LGD will work with McKinley County to assist with the reimbursement process for the funding allocated in HB2 as well as help the association establish a new Director and Board for planning future ceremonies.

**Thank you!**

**Wesley Billingsley**

**Local Government Division Director**

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**505-819-1915**



**LGD Appropriations (2021 – 2023)**

<b>LGD 2021 Appropriations</b>	<b>Appropriations</b>	<b>Amounts</b>
Capital Bill - HB285	390	\$ 133,084,478.00
Reauth Bill - HB296	28	\$ 4,086,530.75
Jr Bill - SB377	57	\$ 4,566,600.00
Special Appropriations - HB2	7	\$ 85,100,000.00
<b>Totals</b>	<b>482</b>	<b>\$ 226,837,608.75</b>

<b>LGD 2022 Appropriations</b>	<b>Appropriations</b>	<b>Amounts</b>
Capital Bill - SB212	457	\$ 197,800,937.00
Reauth Bill - SB213	51	\$ 20,211,792.00
Jr Bill - SB1	143	\$ 12,105,000.00
Special Appropriations - HB2	12	\$ 170,000,000.00
<b>Totals</b>	<b>663</b>	<b>\$ 400,117,729.00</b>

<b>LGD 2023 Appropriations</b>	<b>Appropriations</b>	<b>Amounts</b>
Capital Bill - HB505	507	\$ 312,941,461.00
Reauth Bill - SB309	83	\$ 35,477,114.00
Jr Bill - SB192	203	\$ 25,700,000.00
Special Appropriations - HB2	21	\$ 252,301,000.00
SB6 - HPCC Fire Loans	1	\$ 100,000,000.00
<b>Totals</b>	<b>814</b>	<b>\$ 726,419,575.00</b>

<b>Federal Funds FY21 - FY23</b>	<b>Appropriations</b>	<b>Amounts</b>
CDBG	3	\$ 35,188,217.00
CDBG- CV	3	\$ 18,907,861.00
Recovery Housing Program	4	\$ 4,125,350.00
SFRF Funds - 2021 Session	3	\$ 75,000,000.00
SFRF Funds - 2022 Session	6	\$ 90,000,000.00
<b>Totals</b>	<b>19</b>	<b>\$ 223,221,428.00</b>

As seen with the data above, LGD administers over \$1 billion in open appropriations ranging from capital outlay, junior bill appropriations, application-based appropriations, and federal funds. LGD does this with a current team of 12 project managers and as more funding flows through DFA/LGD, more team members will be necessary to continue to adequately issue grants, approve pay requests and close out appropriations.