

Capital Outlay and Opportunities for the Community NMPHA – April 7, 2021

Overview

The Capital Outlay process is how money for capital projects is allocated in New Mexico. Most capital projects are multi-year processes and often have three phases that correspond with funding allocations (e.g. general plan, architect and construction plans, actual construction and furniture, fixtures and equipment.) It is important to coordinate with local government and other nonprofits on capital projects. The more entities invested in a project the more likely it will receive support from your legislators. Local governments will produce a listing of the projects for which they are seeking funding from their legislators. A relationship with your county/tribe manager is important when capital funds are being sought.

Attached is a sheet entitled, Capital Outlay Facts, which was produced by the New Mexico Legislative Finance Committee. This piece says that there are three components of the capital outlay budget:

1. Priority Projects on a state level- These are developed by the Department of Finance & Administration and the General Services Department with input from other state departments to support state operation. These are incorporated into a five year plan. **There is not much of an opportunity for community input to this process.**
2. For projects sought by local governments, the Local Government Division of the Department of Finance develops the plan. Although participation in the process is voluntary, almost all county, municipal, tribal and special districts participate. **This could be an opportunity for community organizations to make known to their local officials projects that they feel are priorities**
3. The third way to appropriate capital outlay funds is when legislators introduce House or Senate capital outlay requests for projects requested by advocates, constituents, and local governments within their districts. Legislative committees hold hearings for large state agency and higher education projects and other projects as requested by the sponsor and approved by the committee chair. The selected projects then become part of the capital outlay bill. That bill is generally developed in the last two weeks of the session. **This may be community organizations biggest opportunity for advocacy. Starting in 2021** Legislators are required to make their list public.

What you can do

- 1 If you are considering a large project, you should meet with your county, municipal or tribal leaders to ask that they incorporate the project into the plan they submit to the Local Government Division– step two above. It is important to meet with these folks early. Since the session opens in January, early is in the summer, July or August.
2. Set up appointments to meet with Representative and/or Senator and ask them to include your project into their capital outlay request. What is most effective is to have all the Senators and Representatives who represent your county/tribe to prioritize or at least support your project. In an election year, and before the election, it is best to have meetings with those who don't have opposition, although, you could ask those running for office if they would support your project. Legislators get quite a few requests, so it is best to start early.