

Division of Community Development

New Mexico Council Delegate Caucus Leadership Meeting

Presented By:

Candice Yazzie, Division Director

Sharilene Jeff, Senior Programs & Projects Specialist

Michele Peterson, CPMD Department Manager

April 8, 2026



Prepared by: Candice Yazzie, Division Director, Division of Community Development (DCD)

Date: April 8, 2026

SUMMARY

This summary provides an update to the New Mexico Council Delegates Caucus of the NaaBik'iyati' Committee State Task Force Subcommittee of the 25th Navajo Nation Council. This meeting will be held Wednesday, April 8, 2026 at the Law & Order Committee Conference room at 10:00 am.

The report is submitted on behalf of the Capital Project Management Department (CPMD) and addresses matters related to: 2026 Project Shortfalls and 2027 Project Process and Training.

Use steps below to locate New Mexico's Infrastructure Capital Improvement Planning Tool:

Step 1: Go to the New Mexico Department of Finance and Administration website at <https://www.nmdfa.state.nm.us/>

Step 2: On the far right side, click on Infrastructure Planning and Development Division at <https://www.nmdfa.state.nm.us/infrastructure-planning-and-development-division/>

See attached **Exhibit B** to view the contents of the website.

Previous Reports related to Navajo Nation's Capital Improvement Plan (CIP):

The following reports are available on the Division of Community Development website:

- **"Capital Improvement Plan"** dated August 25, 2025, <https://www.nndcd.org/wp-content/uploads/2025/09/082525-RDC-CIP.pdf>
- **"Resource & Development Committee CIP and ICIP Update"** dated January 20, 2026, <https://www.nndcd.org/wp-content/uploads/2026/01/RDC-Mtg-CIP-ICIP-Update-01202026-1.pdf>

Summary of contents from Previous Reports:

- (Report dated August 8, 2025; reflects projects submitted by the 110 Chapters)
 - Total Projects: **1,196**
 - Total submitted project cost from Chapters: **\$40,640,163,255.00**
- (Report dated January 20, 2026; reflects three priority chapter projects)
 - Total Projects: **307**
 - Total submitted project cost from Chapters: **\$1,098,717,118.00**
- Project costs submitted into WIND by Chapters are unsolicited cost and therefore not vetted.

Exhibits

- **Exhibit A:** Capital Projects Management Department, New Mexico Capital Outlay Project Management Process
- **Exhibit B:** New Mexico Infrastructure Project Planning Tool Website Summary
- **Exhibit C:** 2026 SB 240 Project Shortfalls. These are the new requests submitted to the Chapters put into the bill. Note, that the alpha numeric designation is not provided because they have not been assigned to these projects by DFA. Expect these projects to be alpha numeric 'K' when they are assigned.

- **Exhibit D:** Memorandum dated March 26, 2026, Notice of New Mexico House Bill 247 – Capital Outlay charges. Includes a cheat sheet, ‘What You need to Know about New Mexico House Bill 247 – Capital Outlay Changes’

Exhibits

Exhibit A

Capital Projects Management Department (CPMD)

New Mexico Capital Outlay Project Management Process

Chapters submit (ICIP) to NM

Chapters develop their Infrastructure Capital Improvement Plan (ICIP), listing the top three projects, and submit it online to New Mexico (NM) Legislators. Legislators approve or disapprove the request before sending it to the NM Governor, for a final decision.

Start of the 164 (B) Review Packet

CPMD as lead agent initiates to approve IGAs. Project Managers complete the Scope of Work (SOW), Budget, and Project Schedule. CPMD then finalizes the Navajo Nation Budget, which must be signed by the Department Manager II and Executive Director to establish the 164 Review packet.

NM IAD Cabinet Secretary Signs

Once the review packet is signed by all relevant departments, CPMD submits the reviewed IGAs to IAD for final approval and the New Mexico Cabinet Secretary's signature. Once signed by IAD, DCD-CPMD receives those IGAs via email.

Project Management

Once a project is authorized, it is assigned to a Project Manager, who oversees its implementation and ensures compliance with the Navajo Nation Procurement Laws. Project Managers also assist chapters in adhering to all required regulations throughout the project's duration to ensure completion.

Legislative Intent

Legislative language is critical. CPMD primarily manages the three bolded sectors as follows:

- **Planning**
- **Designing**
- **Construction**
- Renovation
- Furnish
- Equipment

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NM Governor Approves Bill

(NM) sends Grant Award letters to the Navajo Nation (OPVP & DCD). The NM Indian Affairs Department (IAD) works with the Department of Finance and Administration to develop Intergovernmental Agreements (IGA). Once finalized, the agreements are emailed to OPVP, DCD, and CPMD.

The 164 (B) Review Packet

- Award Letter
 - IGA
 - SOW
 - Budget (NN Fiscal Year)
 - Project Schedule
- Reviewers include:**
- DCD-CPMD
 - OMB-CGS
 - OOC
 - DOJ
 - OPVP (Final Signature)

Project is Authorized

DCD-CPMD collaborates with OMB-CGS to establish a Business Unit for the IGAs. Once completed, a Transmittal Memo is issued to DCD-CPMD and/or Project Sponsors. At this stage, the project folder is established.

Procurement Laws

Projects are advertised for bidding in accordance with procurement laws. If no vendors respond, CPMD may direct source a vendor for construction. Once a vendor is selected, the project enters the draft phase for DOJ review. Upon establishing legislative intent, CPMD submits a request for a Notice of Obligation (NOO) for approval by NM IAD. Once approved, the **164(B) Review** process moves through Business Regulatory, OMB, OOC, the Office of the Attorney General, and OPVP for contract approval.

Request for Notice to Proceed

Once the contract is approved by the Office of the Controller (OOC), CPMD submits a request for a Notice to Proceed, authorizing the vendor or contractor to begin project construction.

Exhibit B

Infrastructure Capital Improvement Plan (ICIP)

Home > Infrastructure Planning and Development Division > Infrastructure Capital Improvement Plan (ICIP)

ICIP – PROJECT PLANNING TOOL

The infrastructure capital improvement plan (ICIP) is a **PLANNING TOOL**, which establishes priorities for anticipated infrastructure projects for counties, municipalities, tribal governments, special districts, and senior citizen facilities. The local government ICIP is administered through the Department of Finance and Administration, Infrastructure Planning and Development Division. The ICIP is a plan that establishes planning priorities for anticipated capital projects. The ICIP process encourages entities to plan for the development of capital improvements so that they do not find themselves in emergency situations, but can plan for, fund, and develop infrastructure at a pace that sustains their activities. The ICIP planning tool encourages entities to develop and update their five-year plan annually which is submitted to the State. It provides an opportunity for communities to assist and assess any critical needs. Although the ICIP is not a funding source, it does include information in each project for state and federal funding opportunities.

Exhibit B

FY2028-2032 ICIP Submission Deadline

Deadline for all Local Government Entities

Wednesday, July 1, 2026

- Counties
- Municipalities
- Nations, Pueblos and Tribes
- Senior Citizen Facilities
- Special Districts

ICIP Amendment Deadline – Sunday, November 1, 2026

Please review the updated FY 2028-2032 ICIP Guidelines for local entities. There have been updates to the administration of the Local Entity ICIP including extension and amendment changes.

Final Publication – Friday, November 13, 2026

ICIP Virtual Office Hours

ICIP office hours take place every Thursday from March 26th to June 25th from 2:30-3:30 pm.

These office hours are for entities completing their ICIPs to ask questions and receive assistance.

Join on Microsoft Teams

<https://teams.microsoft.com/meet/25223861253826?p=24BQopKpRGfR6E2AW2>

Meeting ID: 252 238 612 538 26 | Passcode: 7Bw3uL9f

Exhibit B

CAPS (Capital Projects System)

CAPS hosts the Infrastructure Capital Improvement Plan, Questionnaires system, Quarterly Reports for capital appropriations. Please review the ICIP Data Entry Manual and ICIP Guidelines for information on accessing your entity's CAPS account. To access the CAPS system, please visit the new CAPS website at <https://platform.dfa.nm.gov/>

[View Training Here](#)

CAPS Open Office Hours

DFA is hosting joint CAPS/PARS Office Hours every Tuesday from 1:00-2:00 pm.

You may join this weekly office hour to ask questions related to the systems and to receive updates regarding system enhancements.

[Join on Microsoft Teams](#)

https://teams.microsoft.com/l/meetup-join/19%3ameeting_NTk0ZTQ0ZjctYmZkYy00YTBlWE0ZTAtZTM3ZGM5ZmE4NGNm%40thread.v2/0?context=%7b%22tid%22%3a%22ed0770c0-ef82-41fe-9f40-bc192a8fbc18%22%2c%22oid%22%3a%225e2a603a-4255-4920-bff0-02863057f108%22%7d

Meeting ID: 264 417 177 198 66 Passcode: hU3bL9kb

CAPS Support Email: support@rtsolutions.com

Exhibit B

FY2028-2032 ICIP Guidelines & Instructions

Title	File Type
FY2028-2032 ICIP Guidelines	PDF
FY2028-2032 ICIP Worksheets Tool	PDF
FY2028-2032 CAPS ICIP Data Entry Manual	PDF

Title	File Type
FY2028-2032 Resolution Template	PDF
FY2028-2032 ICIP Submission Check List	PDF

If you have any questions about the **Local Government ICIP** process, contact: [Mary Ann Maestas](#)

State Agency ICIP

The 2027-2031 Infrastructure Capital Improvement Plan (ICIP) for state agencies and higher educational institutions are due **Tuesday, July 1, 2025**. Please refer to the ICIP Memo, Guidelines, Electronic Agency Certification, Checklist, and Worksheets on the table below. All state agency ICIP data must be entered into the online ICIP database by Tuesday, July 1, 2025. In addition, agencies are also required to email an electronic agency certificate of approval with the required digital signatures and a completed ICIP Submission Checklist to Ryan Serrano at ryans.serrano@dfa.nm.gov.

Title	File Type
FY 2027-31 ICIP Worksheets	PDF
FY 2027-31 State Agency ICIP Certification 5-6-25	PDF
FY 2027-31 State Agency ICIP Checklist Agency Name 5-6-25	PDF
FY 2027-31 State Agency ICIP Guidelines 5-6-25	PDF
FY 2027-31 State Agency ICIP Memo 5-6-25	PDF
2027 ICIP for State Agencies and Higher Ed.	PDF

Exhibit B

Name	Title	Phone
Ryan Serrano	State Agency ICIP Contact	505-819-1568

[ICIP Dashboard](#)

[ICIP Publications](#)

[Virtual ICIP Trainings](#)

[Funding Source Table](#)



[Project Funding Opportunities](#)



[International Funding Organizations](#)



Developing Your ICIP

ICIP Development Process

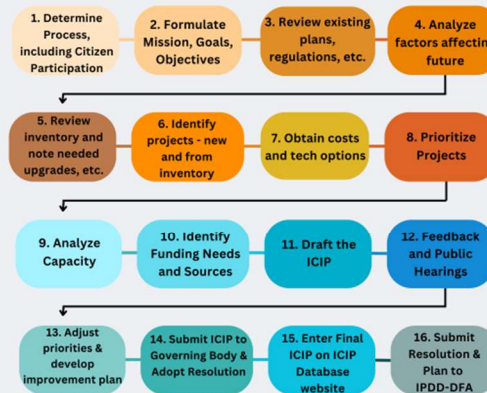


Exhibit B

Capital Outlay Process Flowchart

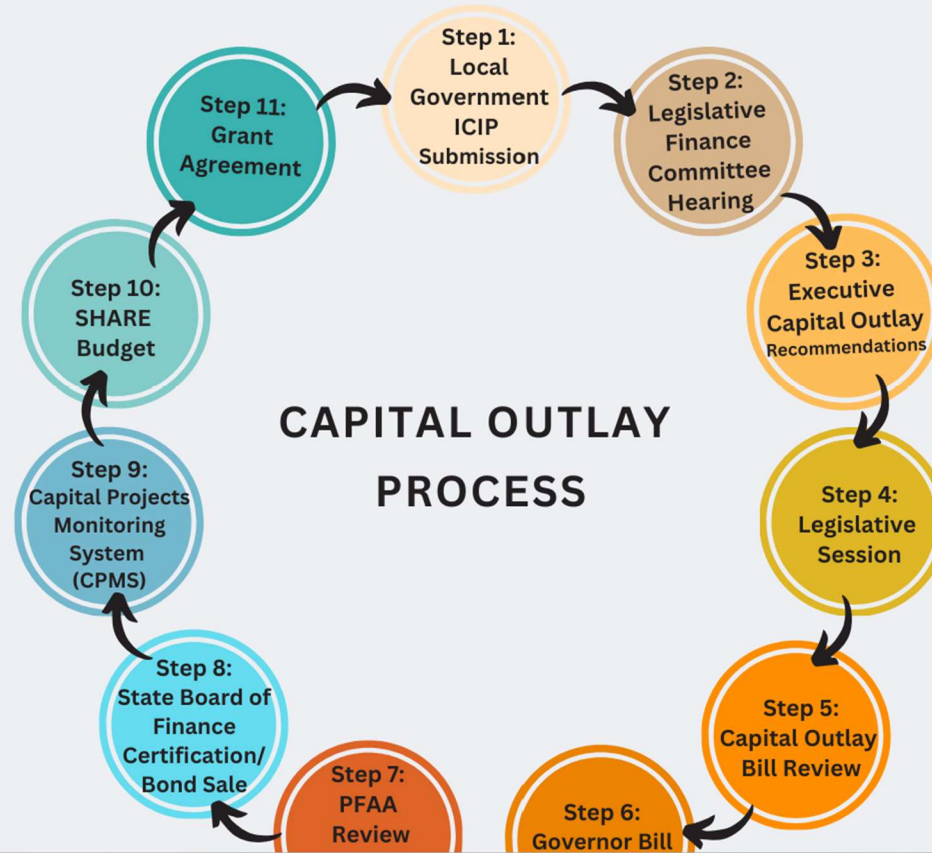


Exhibit B

New Mexico Department of Finance and Administration

The Department of Finance and Administration provides sound fiscal advice and problem solving support to the Governor, provide budget direction and fiscal oversight to state agencies and local governments.

ADDRESS
407 Galisteo Street
Santa Fe, NM 87501

PHONE
(505) 827-4985

FAX
(505) 982-1803

New Mexico
STATE AGENCIES

- New Mexico Legislature
- NM State Personnel Office
- Governor of New Mexico

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Exhibit C - New project requests

Chapter	Project Title	Amount Requested	SB 240 Sec. / Sub. Sec.	Fund Amount	NM % funded	Shortfall	Agency	Requested by	NM ICIP #	Council Delegate
Council Delegate: A. Crotty										
										Count: 7
Red Valley	RED VALLEY CHP NEW TRANSFER STATION IMPROVE	\$250,000	46 / 51	\$250,000	100.0%	\$0	IAD	Leonard Benally, Chapter	9875	A. Crotty
Tse Alnaozti'i	TSE ALNAOZTI'I' CHP TSE ALNAOZTI'I' CHAPTER HVAC UP	\$300,000	46 / 52	\$300,000	100.0%	\$0	IAD	Zelma Bodie	43402	A. Crotty
Toadlena/Two Grey Hills	TWO GREY HILLS CHP TWO GREY HILLS CHAPTER HOUSE REN	\$500,000	46 / 57	\$250,000	50.0%	-\$250,000	IAD	Linda Phillips	entity code 16022	A. Crotty
Beclabito	BECLABITO CHP HELIPAD ACCESS ROAD CONSTRUCT	\$642,716	53 / 77	\$243,000	37.8%	-\$399,716	NMDOT	Myron Joe	36327	A. Crotty
Beclabito	BECLABITO CHP HELIPAD CONSTRUCT	\$1,019,973	46 / 44	\$113,000	11.1%	-\$906,973	NMDOT	Myron Joe	32012	A. Crotty
Gadii ahi/ToKoi	GADII'AHI/TO'KOI CHP GADII'AHI/TO'KOI LONG TERM CARE	\$500,000	33 / 31	\$250,000	50.0%	-\$250,000	IAD	Janice Biggs, Community	36411 [1]	A. Crotty
Tse Alnaozti'i	TSE ALNAOZTI'I' CHP COMMUNITY & VETERANS CEMETER	\$100,000	46 / 53	\$100,000	100.0%	\$0	IAD	Zelma Bodie	33570	A. Crotty
Council Delegate: A. Nez										
										Count: 2
Red Lake #18	RED LAKE CHP FARMING EQUIPMENT PRCHS	\$125,000	46 / 28	\$25,000	20.0%	-\$100,000	IAD	Kathleen Shurley	13391	A. Nez
Red Lake #18	LONE PINE DRIVE/CEDAR AVENUE CONSTRUCT	\$500,000	53 / 71	\$250,000	50.0%	-\$250,000	NMDOT	Kathleen Shurley	14873	A. Nez
Council Delegate: C. Slater										
										Count: 2
Crystal	NAVAJO NATION CRYSTAL CHAPTER HOUSE CONSTRUCT	\$600,000	46 / 45	\$300,000	50.0%	-\$300,000	IAD	Kristin Damon	12400	C. Slater
Crystal Senior Center	CRYSTAL CHP CRYSTAL SENIOR PATIO DESIGN	\$100,000	33 / 30	\$100,000	100.0%	\$0	NM ALTSD	Louise Q. Mark, Supervisor	42446	C. Slater
Council Delegate: D. Simpson										
										Count: 5
Crownpoint	CROWNPOINT CHP DUMP TRUCK 7YRD EQUIP	\$150,000	46 / 21	\$200,000	133.3%	\$50,000	IAD	Aaron Edsitty, CSC	26239	D. Simpson
Lake Valley	LAKE VALLEY CHP WATERLINE CONSTRUCT DESIGN	\$1,230,000	46 / 37	\$100,000	8.1%	-\$1,130,000	IAD	Lucinda Begay	41967	D. Simpson
Becenti	BECENTI CHP WALKING TRAIL IMPROVE	\$515,000	46 / 16	\$415,000	80.6%	-\$100,000	IAD	Charmayne Hosteen	34876	D. Simpson
Tse'Ii'ahi	TSE'II'AHl CHP TSE'II'AHl CHAPTER HOMES CONSTRUCT	\$800,000	46 / 33	\$100,000	12.5%	-\$700,000	IAD	Janice Padilla	10213	D. Simpson
Nahodishgish Senior Center	NAHODISHGISH CHP NAHO SR CTR EQUIP. EQUIP	\$200,000	33 / 17	\$100,000	50.0%	-\$100,000	NM ALTSD	Emerson Tully	42063	D. Simpson
Council Delegate: E. Charles-Newton										
										Count: 1
Shiprock	SHIPROCK CHP SHIPROCK CEMETERY EXPAND IMPROVE	\$500,000	46 / 54	\$250,000	50.0%	-\$250,000	IAD	Raymond John, Sr.	26774	E. Charles-Newton
Council Delegate: G. Tolth										
										Count: 4
Baca/Prewitt	NAVAJO NATION MOTORGRADER EQUIP	\$410,000	46 / 15	\$200,000	48.8%	-\$210,000	IAD	Sharon Loley	None	G. Tolth
Ojo Encino	NAVAJO ROUTE 474 REPAIR	\$5,000,000	53 / 82	\$250,000	5.0%	-\$4,750,000	NMDOT	Gloria Chiquito	36171	G. Tolth
Casamero Lake	CASAMERO LAKE CHP CASAMERO LAKE CHP HSE REN REN	\$1,500,000	46 / 17	\$100,000	6.7%	-\$1,400,000	IAD	Judy Rafael	None	G. Tolth
Pueblo Pintado Senior Center	PUEBLO PINTADO CHP SENIOR CENTER STORAGE BUILDING PRCHS	\$100,000	33 / 19	\$100,000	100.0%	\$0	NM ALTSD	Rena Murphy, Supervisor	42514	G. Tolth

Exhibit C - New project requests

Chapter	Project Title	Amount Requested	SB 240 Sec. / Sub. Sec.	Fund Amount	NM % funded	Shortfall	Agency	Requested by	NM ICIP #	Council Delegate
Council Delegate: L. Yazzie										
Count: 8										
Tse Lichii (Red Rock)	RED ROCK CHP NEW SENIOR CITIZENS FACILITY CONSTRUCT	\$5,000,000	33 / 20	\$200,000	4.0%	-\$4,800,000	NM ALTSD	Harry Begay	12639	L. Yazzie
Rock Springs	FRANCISCO POND ROAD UPGRADE	\$220,000	53 / 72	\$300,000	136.4%	\$80,000	NMDOT	Guarena Adeky	29624	L. Yazzie
Chichiltah	CHICHILTAH CHP SKIDSTEER PRCHS	\$300,000	46 / 18	\$150,000	50.0%	-\$150,000	IAD	Roselyn John	44017	L. Yazzie
Manuelito	MANUELITO CHP MANUELITO CHPTR VET CNTR REN	\$500,000	46 / 25	\$100,000	20.0%	-\$400,000	IAD	Regan Hawthorne	34988	L. Yazzie
Manuelito	NAVAJO NATION MANUELITO CHPTR VET CNTR SEWER LAGOON IMPROVE	\$500,000	46 / 24	\$100,000	20.0%	-\$400,000	IAD	Regan Hawthorne	40910	L. Yazzie
Baahaali	BAAHAALI CHP TRASH COMPACTOR EQUIP	\$150,000	46 / 14	\$350,000	233.3%	\$200,000	IAD	Gloria Skeet	19164	L. Yazzie
Manuelito	NAVAJO NATION MANUELITO CHAPTER POWERLINE IMPROVE	\$500,000	46 / 23	\$200,000	40.0%	-\$300,000	IAD	Regan Hawthorne	11471	L. Yazzie
Chichiltah	CHICHILTAH CHP NEW WAREHOUSE CONSTRUCTION CONSTRUCT	\$784,000	46 / 19	\$100,000	12.8%	-\$684,000	IAD	Roselyn John	44017	L. Yazzie
Council Delegate: N. M. Begay										
Count: 4										
Ramah Navajo Chapter	NAVAJO NATION NEW NAT RES VEHICLES PRCHS	\$600,000	46 / 12	\$250,000	41.7%	-\$350,000	IAD	Gilbert Maria	43942	N. M. Begay
Ramah Navajo Chapter	NAVAJO NATION RNC NEW LOADER PRCHS	\$350,000	46 / 10	\$150,000	42.9%	-\$200,000	IAD	Gilbert Maria	43943	N. M. Begay
Ramah Navajo Chapter	CIBOLA CO NEW POLICE UNITS (5) PRCHS	\$600,000	46 / 11	\$400,000	66.7%	-\$200,000	IAD	Gilbert Maria – Fiscal ag	43939	N. M. Begay
To'hajilee Community School	TOHAJILEE CMTY SCHL SECURITY SYS PRCHS	\$185,000	46 / 4	\$125,000	67.6%	-\$60,000	IAD	Willinda Castillo	None	N. M. Begay
Council Delegate: N. Notah										
Count: 7										
Coyote Canyon	COYOTE CANYON CHP EQUIPMENT PURCHASE PRCHS	\$80,000	33 / 16	\$80,000	100.0%	\$0	NM ALTSD	Leland Benn	40779	N. Notah
Mexican Springs	NAVAJO ROUTE 9505 PLAN	\$1,000,000	53 / 68	\$300,000	30.0%	-\$700,000	NMDOT	Christine Sam	17737	N. Notah
Bahast'ah (Twin Lakes)	NM HWY 491 CONSTRUCT	\$157,500	53 / 112	\$100,000	63.5%	-\$57,500	NMDOT	Elouise Johnson	36445	N. Notah
Naschitti	NASCHITTI CHP MULTI-PURPOSE BUILDING PLAN	\$500,000	46 / 50	\$150,000	30.0%	-\$350,000	IAD	Carissa Wood	13274	N. Notah
Mexican Springs	MEXICAN SPRINGS CHP CHAPTER MULTI-PURPOSE BUILDING CONSTRUCT	\$8,000,000	46 / 26	\$250,000	3.1%	-\$7,750,000	IAD	Christine Sam	11551	N. Notah
Naschitti	NASCHITTI CHP HVAC UPGRADE	\$100,000	46 / 49	\$100,000	100.0%	\$0	IAD	Carissa Wood	41996	N. Notah
Navajo Nation - Division of Public Safety	NAVAJO NATION PUBLIC SAFETY COMPLEX CONSTRUCT	\$2,000,000	46 / 31	\$1,050,000	52.5%	-\$950,000	IAD	Delores Greyeyes	31026	N. Notah
Council Delegate: R. Nez										
Count: 3										
Tse'Daa'Kaan	TSE'DAA'KAAN CHP WIND ROLLER SWATHER PRCHS	\$100,000	46 / 56	\$50,000	50.0%	-\$50,000	IAD	Roman McCabe Chapt	36112	R. Nez
Navajo Nation - Department of Health	NAVAJO NATION KIRTLAND FOOD DISTRIBUTION IMPROVE REN	\$4,000,000	46 / 48	\$100,000	2.5%	-\$3,900,000	IAD	Sherylene M. Yazzie	43456	R. Nez
Tse'Daa'Kaan	HWY 64 AND RD 5031 BRIDGE PLAN	\$200,000	53 / 78	\$200,000	100.0%	\$0	NMDOT	Robert Lapahie, Jr., Cha	40278	R. Nez
Council Delegate: S. Arviso										
Count: 8										

Exhibit C - New project requests


Chapter	Project Title	Amount Requested	SB 240 Sec. / Sub. Sec.	Fund Amount	NM % funded	Shortfall	Agency	Requested by	NM ICIP #	Council Delegate
Iyanbito	NAVAJO NATION IYANBITO WATERLINES CONSTRUCT	\$1,750,000	46 / 21	\$300,000	17.1%	-\$1,450,000	IAD	Delray Tom [2]	39346 [3]	S. Arviso
Smith Lake	SMITH LAKE CHP BATHROOM ADDITIONS CONSTRUCT	\$100,000	46 / 29	\$100,000	100.0%	\$0	IAD	June Chavez	29632	S. Arviso
Church Rock	CHURCH ROCK CHP CHURCHROCK CHAPTER NEW BUILDING CONSTRUCT	\$7,000,000	46 / 20	\$200,000	2.9%	-\$6,800,000	IAD	Jay Chee, CSC	40880	S. Arviso
Pinedale	NAVAJO NATION MULTI-WAREHOUSE COMPLEX DESIGN	\$350,000	46 / 27	\$250,000	71.4%	-\$100,000	IAD	Titus Nez	39096	S. Arviso
Thoreau Senior Center	THOREAU CHP NEW SENIOR CENTER GARAGE PLAN	\$500,000	33 / 21	\$100,000	20.0%	-\$400,000	NM ALTSD	Beth Miller, Supervisor	42467	S. Arviso
Pinedale Senior Center	PINEDALE CHP SENIOR CENTER PLUMBING UPGRADE	\$150,000	33 / 18	\$150,000	100.0%	\$0	NM ALTSD	Jerry L. Frank, Supervisor	31835	S. Arviso
Church Rock Senior Center	CHURCH ROCK CHP SENIOR CTR VEHICLE PRCHS	\$90,000	33 / 15	\$85,000	94.4%	-\$5,000	NM ALTSD	Gilbert Shirley	39386	S. Arviso
Thoreau	THOREAU CHP REGIONAL 371 WATER SUPPLY CONSTRUCT	\$3,000,000	46 / 30	\$200,000	6.7%	-\$2,800,000	IAD	Vivinita Bennett	39437	S. Arviso
Council Delegate: Shiprock										Count: 1
Utah Navajo Health System	SHIPROCK CHP NP UNHS/NORTHERN TREE HOUSE SHELTER CONSTRUCT	\$12,300,000	46 / 55	\$244,000	2.0%	-\$12,056,000	IAD	Aaron Bitsouie	None	Shiprock
Council Delegate: (Blanks)										Count: 4
Tohajilee Community School	TOHAJILEE CMTY SCHL FCLTY CONSTRUCT	\$710,000	46 / 6	\$100,000	14.1%	-\$610,000	IAD	Willinda Castillo	None	
Canoncito Band of Navajos Health Center Inc.	TOHAJILEE CHP NP DENTAL CLINIC EXPAND TOHAJILEE CHP NP CBNHG/HEALTH FACILITY/ZE EXPAND	\$1,880,343	46 / 5	\$400,000	21.3%	-\$1,480,343	IAD	John Billison	None	
Alamo Navajo School	ALAMO NAVAJO CMTY SCHL FCLTY CONSTRUCT	\$200,000	46 / 80	\$200,000	100.0%	\$0	IAD	Bill Green	None	
Tsayatoh	TSAYATOH CHP UTILITY INFRA CONSTRUCT	\$250,000	46 / 32	\$250,000	100.0%	\$0	IAD			
Duplicate										
Aging										
Not Navajo Nation		\$69,149,532.00		\$11,380,000	16.5%					
Shortfall										
Surplus										
Even										



MEMORANDUM

Exhibit D - Memorandum dated 3/26/26

TO : Navajo Nation Chapters, ASC Staff, Chapter Managers

FROM : 
Candice Yazzie, Division Director
Division of Community Development

DATE : March 26, 2026

SUBJECT : Notice of New Mexico House Bill 247 – Capital Outlay Changes

Attached for your review are:

- A memorandum from the State of New Mexico Indian Affairs Department (IAD) dated March 13, 2026.
- House Executive Message No. 91 from the Governor of New Mexico dated March 9, 2026.

All Navajo Nation Chapter Officials, Administrative Service Center Coordinators (ASC CSCs), and Chapter Managers are advised to review these attachments in their entirety. The attachments detail, important changes to New Mexico Capital Outlay processes that will affect projects.

These changes apply to capital outlay appropriations made on or after January 1, 2027. While the law does not apply retroactively, Chapters and project sponsors should begin planning now to ensure future compliance with the capital outlay appropriations which are now in effect.

The Capital Projects Management Department hosts on-line support sessions every Wednesdays from 1:00 - 3:30 pm. These support sessions are dedicated to advancing New Mexico Capital Outlay projects. Additional information and links to the support sessions can be found at www.nndcd.org under the Upcoming Events page.

CC:

Michele Peterson, Capital Projects Management Department Manager
Sharilene Jeff, DCD Senior Project Program Specialist
Katherine Belzowski, Assistant Attorney General, Economic/Community Development Unit, Navajo Nation Department of Justice
Michele Garcia, Principal Attorney, Navajo Nation Department of Justice
Jaron Charley, ASC Department Manager
Norbert Nez, DCD IT Principal for Online Communication Log submission
Members of the 25th Council



STATE OF NEW MEXICO
INDIAN AFFAIRS DEPARTMENT

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1220 S. St. Francis Dr.
Santa Fe, NM 87505
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Michelle Lujan Grisham
Governor

Howie Morales
Lieutenant Governor

Josett D. Monette
Cabinet Secretary

Aurora Valdez
Deputy Cabinet Secretary

March 13, 2026

President Buu Nygren
Navajo Nation
PO Box 7440
Window Rock, AZ 86515
president.buunygren@navajo-nsn.gov



Re: Notice of House Bill 247 – Capital Outlay Changes

Dear President Nygren,

On March 9, Governor Lujan Grisham signed House Bill 247 – Capital Outlay Changes (the Bill). The Bill modifies capital outlay reauthorizations and appropriations. Please see a summary of the Bill below. IAD encourages you to review the Bill entirely, attached hereto.

- Reauthorizations and Reappropriations.
 - A project may only be reauthorized or reappropriated if it has *encumbered* at least ten percent (10%) of the initial appropriation by January 1 of that year.
 - However, the project may only be reauthorized or reappropriated *one (1) time and for no more than two (2) years.*
 - A project may be reauthorized or reappropriated for a technical change. However, a project *may not* be altered to change the original purpose.
 - A technical change is defined within the Bill. A technical change does not include altering the original purpose of the project.
 - Capital Outlay appropriations from the General Fund for tribal projects shall revert to the tribal infrastructure project fund.

Overall, reauthorizations would be modified so that a project would only have the potential to be reauthorized or reappropriated once, for a time extension of no more than two years (not for a change in purpose), so long as the project has encumbered at least ten percent (10%) of the initial appropriation.

- Authorizations and Appropriations.
 - Appropriations of \$100,000 or more will only be allowed if the project is on the ICIP.

- The Department of Finance and Administration (DFA) shall freeze accounts for all projects that have no encumbrance or expenditure by January 1 of the fiscal year they are set to revert. Any encumbrance after that date will be invalid.
 - The balances of those accounts, as determined by DFA, will be available for authorization or appropriation in that fiscal year for other purposes.
- Effective Date.
 - The changes will apply to capital appropriations made on or after January 1, 2027.

IAD will provide training and technical assistance on these changes as needed.

Please contact me at josett.monette@iad.nm.gov or 505-690-1661 with any questions.

Sincerely,



Josett D. Monette, Esq.
Cabinet Secretary

cc: Tribal Administrators
Enc: HB 247



State of New Mexico

Michelle Lujan Grisham
Governor

March 9, 2026

HOUSE EXECUTIVE MESSAGE NO. 91

The Honorable Javier Martínez, Speaker of the House and
Members of the House of Representatives
State Capitol Building
Santa Fe, New Mexico 87501

Honorable Speaker Martínez and Members of the House:

Pursuant to my authority under Article IV, Section 22 of the New Mexico Constitution, I have signed HOUSE BILL 247, as amended (“HB 247”), enacted by the Fifty-Seventh Legislature, Second Session, 2026.

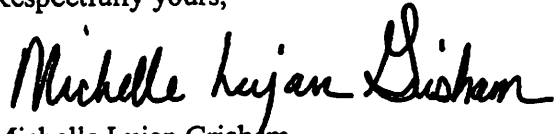
HB 247, which enacts changes to the capital outlay process, will move the needle to improve outcomes and expenditures of capital outlay appropriations. This law incentivizes meaningful project planning and adds accountability by ensuring that reauthorizations are limited in duration and reserved for projects that are underway. Furthermore, the law will direct future capital outlay reversions to the Capital Development and Reserve Fund, a prudent fiscal approach that will enable the State to continue meaningful capital investments in years with lower revenue surpluses while reducing reliance on debt issuance. Enactment of this bill codifies some of the capital program oversight and implementation approaches my Administration has been delivering for years, particularly related to reauthorizations.

And though these changes to our laws are needed and will lead to a more efficient and reliable capital system, unfortunately they fall short of the full array of solutions that are well documented and should be understood by our legislators. Notably, HB 247 fails to meaningfully constrain the way legislators review and select projects for funding. I fully expect that we will continue to see high stranded capital balances until the Legislature institutes robust project vetting before allocating piecemeal capital funding to projects that are not a local priority or ready to proceed. Although legislation I signed in 2021 requires the list of legislator and governor funded projects to be published within 30 days after the session, constituents should have access to this information as the capital bill makes its way through the legislative process each session.

While we have more to do in this arena, I express my appreciation to the staff at the Legislative Finance Committee, specifically Cally Carswell and Ismael Torres, and the Department of Finance

and Administration, including Wesley Billingsley, for their ongoing commitment to advancing capital outlay reform that safeguards public funds while maximizing the program's impact in each of our New Mexico communities. I urge everyone involved in the capital process—from local governments and Pueblos, Nations, and Tribes, to legislators and the state agency personnel who administer the grants—to work together on full implementation of HB 247 and to continue putting forward meaningful changes that build on this new law.

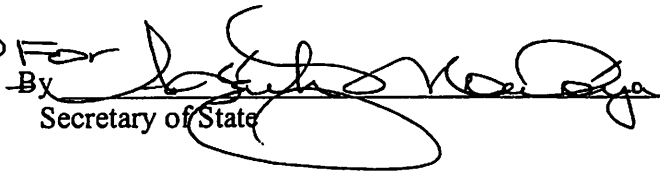
Respectfully yours,



Michelle Lujan Grisham
Governor

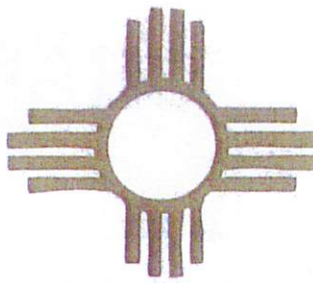
RECEIVED FROM THE OFFICE OF THE GOVERNOR

Time: 5:49 a.m. (p.m.)
Date: March 9 2026

By 
Secretary of State

Time: _____ a.m. p.m.
Date: _____ 2026

By _____
Chief Clerk of the House



The Legislature
of the
State of New Mexico

57th Legislature, 2nd Session

LAWS 2026

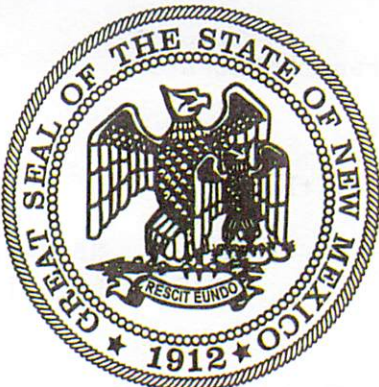
CHAPTER 59

HOUSE BILL 247, as amended

Introduced by

REPRESENTATIVE DERRICK J. LENTE

SENATOR PETE CAMPOS



FOR THE LEGISLATIVE FINANCE COMMITTEE

CHAPTER 59

AN ACT

1
2 RELATING TO CAPITAL EXPENDITURES; PROVIDING LIMITATIONS AND
3 REQUIREMENTS FOR CERTAIN CAPITAL OUTLAY PROJECTS,
4 REAUTHORIZATIONS AND APPROPRIATIONS; AMENDING SECTIONS OF
5 LAWS 2022 THROUGH 2025 TO REQUIRE CERTAIN UNEXPENDED GENERAL
6 FUND CAPITAL OUTLAY APPROPRIATIONS TO REVERT TO THE CAPITAL
7 DEVELOPMENT AND RESERVE FUND OR THE TRIBAL INFRASTRUCTURE
8 PROJECT FUND.

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

11 SECTION 1. CAPITAL OUTLAY PROJECTS--REAUTHORIZATIONS
12 AND APPROPRIATIONS--LIMITATIONS.--

13 A. A capital outlay project shall not be
14 reauthorized or reappropriated:

15 (1) more than once;

16 (2) for a time period greater than two
17 years; and

18 (3) unless at least ten percent of the
19 initial appropriation has been encumbered by January 1 of
20 that year, as determined by the department of finance and
21 administration.

22 B. A capital outlay project may be reauthorized or
23 reappropriated to make a technical change, but a
24 reauthorization or reappropriation shall not alter the
25 original purpose of the capital outlay project. A capital

1 outlay project that is reauthorized or reappropriated to make
2 a technical change is not subject to the encumbrance
3 requirement provided in Paragraph (3) of Subsection A of this
4 section.

5 C. Capital outlay authorizations and
6 appropriations of one hundred thousand dollars (\$100,000) or
7 more shall not be made for a project unless the project is
8 included on an infrastructure capital improvement plan.

9 D. Capital outlay appropriations made from the
10 general fund shall revert to the capital development and
11 reserve fund, except for tribal projects that shall revert to
12 the tribal infrastructure project fund.

13 E. If severance tax bonds have been issued and no
14 amount of the proceeds have been encumbered or expended for a
15 capital outlay project for which bonds were issued by January
16 1 of the fiscal year in which unexpended balances will
17 revert, the board of finance division of the department of
18 finance and administration shall freeze the account, and any
19 encumbrances after that date shall be considered invalid. If
20 no amount has been encumbered or expended for a capital
21 outlay appropriation from the general fund or other state
22 funds by January 1 of the fiscal year in which the unexpended
23 balance will revert, the department shall freeze the account,
24 and any encumbrances after that date shall be considered
25 invalid. An expenditure does not include a lawful, automatic

1 deduction from the total proceeds or appropriation.

2 F. The department of finance and administration
3 shall provide an annual report to the legislature by January
4 15 on the capital outlay projects that have been frozen. The
5 balances of frozen accounts shall be available for
6 authorization or appropriation in that fiscal year for other
7 purposes, subject to any applicable rules and state board of
8 finance oversight of severance tax bonds, including, as
9 applicable, requirements of federal tax laws relating to
10 tax-exempt bonds. Should the proposed authorization or
11 appropriation of a capital outlay project initially funded
12 with proceeds of tax-exempt bonds pursuant to this subsection
13 extend the time for expenditure of such proceeds beyond the
14 date which is three years from the date of original issuance
15 of the associated tax-exempt bonds, such authorization or
16 appropriation shall be permitted only if it has been
17 demonstrated to the satisfaction of the state board of
18 finance that the reasons for the failure to expend proceeds
19 within such time period were unanticipated at the time of the
20 related tax-exempt bond issue, that such proceeds are to be
21 expended as promptly as possible, and that the investment and
22 expenditure of such proceeds will comply with applicable
23 requirements of federal tax laws governing the associated
24 tax-exempt bond issue.

25 G. As used in this section:

1 (1) "encumbrance" includes only direct
2 project costs and excludes administrative fees charged by a
3 fiscal agent;

4 (2) "purpose" includes the functionality,
5 use or primary objective of a project or the type of project
6 or asset; and

7 (3) "technical change" means a minor
8 correction or an adjustment that does not alter the original
9 purpose of the capital outlay project and includes correcting
10 a drafting error, changing the administering agency, changing
11 the fiscal agent or expanding the eligible uses of an
12 appropriation within the same project.

13 SECTION 2. Laws 2022, Chapter 53, Section 2 is amended
14 to read:

15 "SECTION 2. GENERAL FUND APPROPRIATIONS--LIMITATIONS--
16 REVERSIONS.--

17 A. Except as provided in Subsection D of this
18 section and as otherwise specifically provided by law, the
19 unexpended balance of an appropriation made in this act from
20 the general fund shall revert to the general fund:

21 (1) no later than September 30 following:

22 (a) the end of fiscal year 2023 if the
23 project for which an appropriation was made has less than
24 five percent of the project's total appropriation amount
25 subject to a binding written agreement with a third party on

1 that date;

2 (b) the end of fiscal year 2024 for a
3 project for which an appropriation was made to purchase
4 vehicles, including emergency vehicles and other vehicles
5 that require special equipment; heavy equipment; books;
6 educational technology; or other equipment or furniture that
7 is not related to a more inclusive construction or renovation
8 project; or

9 (c) the end of fiscal year 2026 for a
10 project for which an appropriation was made related to an
11 inclusive construction or renovation project; or

12 (2) within six months of completion of the
13 project for any other project for which an appropriation was
14 made, but no later than the end of fiscal year 2026.

15 B. Money that is appropriated from the general
16 fund pursuant to this act shall not be subject to a binding
17 written agreement with a third party prior to the authorized
18 state agency's approval to enter into that agreement.

19 C. For the purposes of this section, "unexpended
20 balance" means the remainder of an appropriation after
21 reserving for unpaid costs and expenses subject to a binding
22 written agreement with a third party.

23 D. The unexpended balance of an appropriation made
24 in this act from the general fund that has not reverted on or
25 before the effective date of this 2026 act shall revert in

1 the time frame set forth in Subsection A of this section to
2 the capital development and reserve fund, except for tribal
3 projects that shall revert to the tribal infrastructure
4 project fund."

5 SECTION 3. Laws 2023, Chapter 199, Section 1 is amended
6 to read:

7 "SECTION 1. GENERAL FUND APPROPRIATIONS--LIMITATIONS--
8 REVERSIONS.--

9 A. Except as provided in Subsection E of this
10 section and as otherwise specifically provided by law, the
11 unexpended balance of an appropriation made in this act from
12 the general fund shall revert to the general fund:

13 (1) no later than September 30 following:

14 (a) the end of fiscal year 2024 if the
15 project for which an appropriation was made has less than
16 five percent of the project's total appropriation amount
17 subject to a binding written agreement with a third party on
18 that date;

19 (b) the end of fiscal year 2025 for a
20 project for which an appropriation was made to purchase
21 vehicles, including emergency vehicles and other vehicles
22 that require special equipment; heavy equipment; books;
23 educational technology; or other equipment or furniture that
24 is not related to a more inclusive construction or renovation
25 project; or

1 (c) the end of fiscal year 2027 for a
2 project for which an appropriation was made related to an
3 inclusive construction or renovation project; or

4 (2) within six months of completion of the
5 project for any other project for which an appropriation was
6 made, but no later than the end of fiscal year 2027.

7 B. Except for appropriations to the capital
8 program fund, money from appropriations made in this act
9 shall not be used to pay indirect project costs.

10 C. Money that is appropriated from the general
11 fund pursuant to this act shall not be subject to a binding
12 written agreement with a third party prior to the authorized
13 state agency's approval to enter into that agreement.

14 D. For the purposes of this section, "unexpended
15 balance" means the remainder of an appropriation after
16 reserving for unpaid costs and expenses subject to a binding
17 written agreement with a third party.

18 E. The unexpended balance of an appropriation made
19 in this act from the general fund that has not reverted on or
20 before the effective date of this 2026 act shall revert in
21 the time frame set forth in Subsection A of this section to
22 the capital development and reserve fund, except for tribal
23 projects that shall revert to the tribal infrastructure
24 project fund."

25 SECTION 4. Laws 2024, Chapter 66, Section 1 is amended

HB 247/a
Page 7

1 to read:

2 "SECTION 1. GENERAL FUND APPROPRIATIONS--LIMITATIONS--
3 REVERSIONS.--

4 A. Except as provided in Subsection E of this
5 section and as otherwise specifically provided by law, the
6 unexpended balance of an appropriation made in this act from
7 the general fund shall revert to the general fund:

8 (1) no later than September 30 following:

9 (a) the end of fiscal year 2026 for a
10 project for which an appropriation was made to purchase
11 vehicles, including emergency vehicles and other vehicles
12 that require special equipment; heavy equipment; books;
13 educational technology; or other equipment or furniture that
14 is not related to a more inclusive construction or renovation
15 project; or

16 (b) the end of fiscal year 2028 for a
17 project for which an appropriation was made related to an
18 inclusive construction or renovation project; or

19 (2) within six months of completion of the
20 project for any other project for which an appropriation was
21 made, but no later than the end of fiscal year 2028.

22 B. The agencies named in this act shall certify to
23 the department of finance and administration that the money
24 appropriated in this act is needed for the purposes specified
25 in the applicable section of this act. If an agency has not

1 certified the need for the appropriation for a particular
2 project by the end of fiscal year 2026, the authorization for
3 that project is void.

4 C. Money that is appropriated from the general
5 fund pursuant to this act shall not be subject to a binding
6 written agreement with a third party prior to the authorized
7 state agency's approval to enter into that agreement.

8 D. For the purposes of this section, "unexpended
9 balance" means the remainder of an appropriation after
10 reserving for unpaid costs and expenses subject to a binding
11 written agreement with a third party.

12 E. The unexpended balance of an appropriation made
13 in this act from the general fund that has not reverted on or
14 before the effective date of this 2026 act shall revert in
15 the time frame set forth in Subsection A of this section to
16 the capital development and reserve fund, except for tribal
17 projects that shall revert to the tribal infrastructure
18 project fund."

19 SECTION 5. Laws 2025, Chapter 159, Section 2 is amended
20 to read:

21 "SECTION 2. GENERAL FUND APPROPRIATIONS--LIMITATIONS--
22 REVERSIONS.--

23 A. Except as provided in Subsection E of this
24 section and as otherwise specifically provided by law,
25 general fund appropriations made pursuant to this act may be

1 expended in fiscal years 2026 through 2029; provided that the
2 unexpended balance of an appropriation made in this act from
3 the general fund shall revert to the general fund:

4 (1) no later than September 30 following:

5 (a) the end of fiscal year 2027 for a
6 project for which an appropriation was made to purchase
7 vehicles, including emergency vehicles and other vehicles
8 that require special equipment; heavy equipment; books;
9 educational technology; or other equipment or furniture that
10 is not related to a more inclusive construction or renovation
11 project; or

12 (b) the end of fiscal year 2029 for a
13 project for which an appropriation was made related to an
14 inclusive construction or renovation project; or

15 (2) within six months of completion of the
16 project for any other project for which an appropriation was
17 made, but no later than the end of fiscal year 2029.

18 B. The agencies named in this act shall certify to
19 the department of finance and administration that the money
20 appropriated in this act is needed for the purposes specified
21 in the applicable section of this act. If an agency has not
22 certified the need for the appropriation for a particular
23 project by the end of fiscal year 2027, the authorization for
24 that project is void.

25 C. Money that is appropriated from the general

1 fund pursuant to this act shall not be subject to a binding
2 written agreement with a third party prior to the authorized
3 state agency's approval to enter into that agreement.

4 D. For the purposes of this section, "unexpended
5 balance" means the remainder of an appropriation after
6 reserving for unpaid costs and expenses subject to a binding
7 written agreement with a third party.

8 E. The unexpended balance of an appropriation made
9 in this act from the general fund that has not reverted on or
10 before the effective date of this 2026 act shall revert in
11 the time frame set forth in Subsection A of this section to
12 the capital development and reserve fund, except for tribal
13 projects that shall revert to the tribal infrastructure
14 project fund."

15 SECTION 6. APPLICABILITY.--The provisions of Section 1
16 of this act apply to capital outlay appropriations made on or
17 after January 1, 2027. _____

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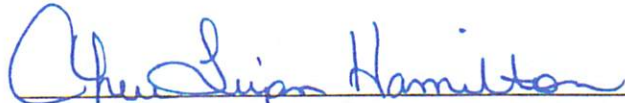
Javier I. Martínez, Speaker
House of Representatives



Lisa M. Ortiz McCutcheon, Chief Clerk
House of Representatives

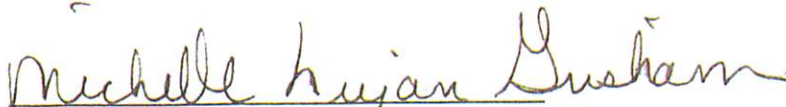


Howie C. Morales, President
Senate



Cheri Lujan Hamilton, Chief Clerk
Senate

Approved by me this 9th day of March, 2026



Michelle Lujan Grisham, Governor
State of New Mexico



The Navajo Nation DR. BUU NYGREN *PRESIDENT*

Yideeskáądi Nitsáhákees | *Think for the Future*

What You Need To Know About

New Mexico House Bill 247- Capital Outlay Changes

1. The changes only apply to projects involving New Mexico appropriations made on or after January 1, 2027.
2. Only projects which have encumbered 10% or more of the initial appropriation are eligible to be reauthorized or reappropriated.
3. Reauthorization and reappropriation cannot change the original purpose of a project.
4. Reauthorization and reappropriation cannot extend the timeline of a project for more than two years.
5. New projects of \$100,000 or more will only be allowed if the project is on the New Mexico Infrastructure Capital Improvement Plan (ICIP). More information on the ICIP is available here, <https://www.nmdfa.state.nm.us/infrastructure-planning-and-development-division/icip/>

Frequently Asked Questions (FAQs)

- What projects are affected by the new Capital Outlay changes? *The new rules apply only to appropriations made on or after January 1, 2027.*
- What happens if a project breaks any of the new rules? *The New Mexico Department of Finance and Administration (DFA) will freeze accounts for projects with no encumbrances or expenditures by January 1 of the fiscal year in which the project is scheduled for reversion.*
- Are projects in other states like Arizona affected by these changes? *No*
- Where can I go to get more information or training? *The New Mexico Indian Affairs Department at <https://www.iad.nm.gov/>*
- Where can I read the full changes in House Bill 247? *The full text is available here, <https://www.nmlegis.gov/Sessions/26%20Regular/bills/house/HB0247.HTML>*

THURSDAY, MARCH 26, 2026

DISTRIBUTED BY THE DIVISION OF COMMUNIT DEVELOPMENT