

Rural Ombudsman Policy Ideas

1. Matching Fund

Most of the large federal grants are out of reach for small communities (unincorporated, municipalities local governments, tribal entities, special districts, political subdivisions) due to lack of being able to provide the matching fund. Having a system that would connect these small communities with a matching fund would help them to move forward with funding projects. This model can currently be seen in Colorado, where there is a large Governor's matching fund that communities can pull from to meet the match requirement for the large federal grant programs.

2. Technical Assistance for Rural Communities

Yearly at the Department of Finance and Administration, we see many rural communities not able to submit a compliant budget. (Acequias, Ditches, Municipalities, Local Governments, Land Grants) When an entity cannot submit a budget in compliance and successfully complete an audit, they are not permitted to apply for some grant programs. There is currently only one personnel at DFA dedicated to going out on location to the local governments and helping them with their budgets. This is a large issue across the state and more personnel through DFA budget division are needed to provide hands-on support.

Another idea to assist with this issue could be the creation of a shared services model for budget assistance. This budget assistance could be placed regionally within the different Council of Government Offices. If each district could share the costs of regional budgeting services, it could greatly reduce the burden of costs for each rural entity. Having a compliant budget is the first step in keeping entities in good financial standing and will allow them to move forward in applying for grant funding. Another area where the shared services model could be implemented would be with engineering services. This is an area where rural communities struggle and having a shared engineering services model could help these communities greatly.

3. Employment Issues

Many of the communities across the state are struggling to fill positions. It would be helpful to revise retirement policies which would allow retirees to go back to work. An example of this can be seen with the mutual domestics. Currently there is a lack of qualified water technicians to fill the current demand, so many technicians are employed from long distance at a greater cost. Although there may be qualified local retired water technicians close by, they cannot go back and work due to current retirement policies. If allocations were made to these policies, it would help communities fill positions with retirees who may that wish to go back to work.

4. Funds to establish a model within each relevant agency to handle the life cycle of grant writing and grant management.

One of the issues that we often don't talk about or gather data on, is the large rate that grant funding is returned by communities due to the issue of not having the capacity to oversee a grant funded

project. We see this happen in all aspects of federal and state grants. A local government will receive a grant, but does not have the capacity to manage it, and ends up resending the funds. We need to create a sustainable structure that will carry our small entities forward by providing them with the ability to not only go after, but also complete large grant funded projects.

A system could be housed with each within state agency that could manage the life cycle of a grant. An example of this model can be found in Colorado. The State of Colorado has taken the distribution of water grants and placed it in the hands of the Department of Natural Resources. There is one contact that works with the local government that navigates each grant process. This process includes providing access to grant writers with a water specialty background. This contact person oversees the lifecycle of the grant for the local government entity and ensures that the project will make it across the finish line. With a specialty background setting like this, it is easier for there to be a leveraging of other funding sources for projects. The Department of Natural Resources in Colorado also has access to a large matching fund from the Governor's Office that they can access to leverage funds and create a bigger draw of funding for the project. A different model for addressing this issue can be seen in Arizona.

Arizona has set up a one stop shop that handles grant writing and capacity management for all rural communities. Each rural community that does not have a grant writer can access their services for up to four grants per year. This office has thirty grant writers on contract and provides capacity building services for their local government.

This is a link for that model: <https://localfirstaz.com/economic-recovery-center>

5. Comprehensive Plans for all Communities

There is a lack of information on the status of infrastructure needs for rural and frontier areas. If an area is unincorporated, often there is no data or records on the current state of their infrastructure. Small communities are often not included in the county's comprehensive (or hazard mitigation) plans. There are no programs or incentives to encourage the county manager's office to include the smaller entities in the comprehensive planning process. Sometimes there is not even a working partnership between the county manager's office and the smaller communities. If we could create a system where every community in New Mexico had a comprehensive plan it would help us with long-term policy formation and planning. We could compile all the information from these comprehensive plans in a searchable database. As a legislator you would be able pull up your district and easily see a list of the funding priorities for your communities. We could also use this data base to set statewide funding priorities for sessions.

If the Councils of Governments did a comprehensive plan for a community it would cost around \$15,000 per community (town, village, unincorporated area) If the local government adds on a Hazardous Mitigation Plan, the Council of Governments will add an additional \$5,000. A private contract charges around \$50,000 to do the same comprehensive plan. Currently, the only funding sources for doing a comprehensive plan is from CBDG and the Mortgage Finance Authority. CBDG funding programs are cumbersome and local governments don't want to use this program because the federal reporting requirements are high for a small sum of funding.

6. Hazard Mitigation Plans

We learned this past summer during the fires that if a community does not have a hazard mitigation plan in place, they are not eligible for some emergency funding sources. Most of the rural communities are not included in the countywide Hazard Mitigation Plans. We need to have a policy in place that ensures the county manager's office is more inclusive and accountable for the care of the smaller communities within the county. As part of the hazard mitigation statewide planning efforts, we should include planning that strategically locates emergency equipment around the state in a central part of a district for ready access in times of an emergency. (Generators, large tree removal equipment, etc.) A piece of this planning effort should include documenting all addresses within GIS for all the rural communities within a county.

GIS System Access

We also learned during the fires that there is a need for a statewide initiative to document all rural addresses within the emergency system. There are many rural areas of the state that do not have addresses in the emergency system. There is currently a lack of access to GIS systems for rural communities to accomplish this task. Many of our communities, at the county, town, village level, are not able to support and keep a GIS analyst on staff. This magnitude of this dearth has become apparent with the wildfires and floods, as emergency service workers have struggled to locate the addresses of rural homes and businesses. However, quality, digital GIS data has many uses outside of addressing such as the mapping of parcels and lot splits; overlays for zoning, floodplains, property ownership (private, city, state, federal, etc.) or land use; plotting water, wastewater, electric, broadband lines, and a thousand different other data points that researchers can use to analyze and make recommendations for the community.

Creating an **Emergency Crisis Fund** to allow rural communities to apply for quickly dispersed funding would help mitigate emergency situations and create a more resilient community.

7. Health Care in Rural Communities

New Mexico does not have local Public Health Offices like other states. We rely on our local Health Councils to provide public health services. This is a volunteer organization that did some heavy lifting for the state during COVID with vaccine outreach. These Health Councils receive a yearly budget of \$12,000 per year. This office needs to be expanded or create a Public Health Model like other states to address some of our costly health issues. In the whole state of NM, we only have 19 Rural Clinics. We need to create a funding stream to expand rural health care clinics, mobile clinics, mental health care, high school clinics, telehealth, and fund statewide yearly health fairs in rural communities that could increase the accessibility to health services for our rural communities. A matching fund for the USDA would help rural communities to secure larger grant funds for hospitals, etc. (e.g., Quay County needs to construct a new hospital whose estimated costs is \$64 million dollars)

<https://www.ruralhealthinfo.org/states/new-mexico>

<https://www.ahu.edu/blog/improve-healthcare-in-rural-areas>

There should be a budget line created for Emergency Medical Services like what we have for fire and police.

Currently there are many rural communities with no access to EMS Services. We need to change the all-volunteer model that we currently have to a sustainable EMS system. It is crucial to provide secure, permanent access to EMS services for the whole state.

The transfer from county to private entity issue with liability is also a point to also discuss. In the areas that have a current volunteer ambulance service, are not allowed to bring the patients directly to the hospital, so they are transferring patients to another ambulance in parking lots close to the hospital.

8. Natural Gas Expansion

There is limited access to natural gas around the state. Most rural communities in New Mexico are on propane with no access to tie into a natural gas line. Understanding the desire to go with clean energy, currently there is not enough funding, capacity, and product available to draw all our electric needs from solar or wind energy. Natural gas is cheaper, environmentally cleaner, and it creates a more resilient energy system during winter than propane.

Not having access to natural gas is a deterrent to economic growth in rural communities.

When a company looks to relocate, one of their considerations is the natural gas capacity in the area. By not having access to natural gas, most rural areas of New Mexico are not even being considered by manufacturing businesses. Currently in the rural areas, many businesses cannot afford to keep their restaurants and hotels open in the winter due to high propane costs. (Angel Fire, Eagle Nest) With the current plan to put broadband around the interstates of New Mexico, we could also use the “one dig” policy to expand access of natural gas to rural communities in a more cost-effective way. The current costs for natural gas expansion are around one million dollars per mile. Expanding natural gas to rural communities would create a more resilient and sustainable energy system for the state.

The high costs of propane are an unequitable burden on rural poverty.

The current costs to fill a 500-gallon propane tank is \$1330.00 (\$2.66 as of 10/24) To compare this with natural gas the cost would be around \$333.61. The costs of propane place an unequitable burden on our rural communities. Expanding natural gas access could positively impact all rural areas of our state. Expanding natural gas would increase the number of jobs for local natural gas technicians and the expanding of natural gas lines would temporarily increase job opportunities for rural areas.

Map of Current Natural Gas Distribution

This is a map where you can currently see the areas that have access to natural gas. It is interesting to note that counties such as Rio Arriba and San Juan, where we pump natural gas out of the ground, have very little natural gas access to the homes within their communities.

<https://www.nmgco.com/en/Maps>

9. Capacity support for Land Grants

The state needs to shift its focus from funding projects to funding sustainable systems. An example of this is seen in the many offices that need capacity support, one such office is the Land Grant Office. Provide the Land Grant's Office with personnel to assist the land grants with their budget requirements, grant writing, and grant management. Create a one-stop-shop to handle all the logistics of land grants. An office that will take the responsibility of budget and grant management out of volunteers' hands. The creation of a sustainable system like this will allow the communities to move forward and not be held back by the issues like not having a budget in compliance. There could be a set-aside or earmarked funds to provide grant writing processes for Land Grants through the Council of Governments like we currently have in the Colonia's model.

Regionalize equipment storage around the state so that land grants can share the access to large equipment. Currently land grants are purchasing large equipment on their own which is very costly to their small budgets.

10. Capacity Support for Acequias, Ditches, and Mutual Domestic Water Systems

The same model for the land grants could also be created for the Acequias, Ditches, and Mutual Domestic Water Systems. These current organizations, like other many others in New Mexico are run by volunteers. These regional offices could create support structures for grant writing, grant compliance, budget management, and water reporting. Establishing regional offices, would aid and support the pursuit of grants for infrastructure improvements and manage disaster recovery.

11. The Forestry Service is slow in approving permits for timber removal

With the timber that has fallen during the recent fires, there is a window of one year to remove it before it cannot be used for timber production. The small timber companies in the state are having difficulty getting permits to go in and remove this timber. The Forest Service is understaffed and is behind in the permitting process. This is causing New Mexico timber companies to drive to Arizona and other surrounding states to get timber so that they can keep their business up and running. Some of these companies recently came to the Rural Economic Task Force Committee and requested assistance in this matter from the State. Some of the New Mexico Timber Companies are closing and/or laying off workers over these issues of access to remove timber from NM Forests. Provide emergency economic recovery funds to the forestry department to hire additional temporary staff to process permits.

12. Affordable Housing

We need a Housing Department or Agency for the State of New Mexico. This office should create a statewide affordable housing plan.

Changes in zoning and ordinances could start to readily address the affordable housing shortage as a first step. (e.g., expanding the ability to add accessory dwellings to existing properties, additional floors, a denser allocation of houses) The statewide housing office should create a list of recommended rezoning and ordinances changes that local governments could implement that would expand housing

options. Incentivize the implementation of these zoning and ordinance changes with funding to local governments. Raton has recently implemented a vacant house ordinance that has helped to get vacant homes back on the market. The commission recently passed a vacant building ordinance, requiring owners of abandoned homes and buildings to register their property with the city and pay an annual fee. The fees double every year a property remains vacant, with a maximum yearly payment of \$2,500 for properties greater than 10,000 square feet.

Here are some other ideas for changing to zoning and ordinances.

<https://localhousingsolutions.org/housing-policy-library/incentives-to-encourage-the-development-of-lower-cost-housing-types/>

Legacy Houses- *The best strategy for dealing with abandoned properties is to prevent them from being abandoned in the first place.* The cost of keeping a property in use is often far less than the cost of restoring it to productive use. There are many vacant, abandoned homes that were inherited but are not being used. Some of these homes have never been probated after the death of a parent or grandparent. Doing a local inventory of vacant properties is the first step. Providing supplemental funding to entities (like animal control) could help document the number of vacant homes in a region. There is also a list of vacant homes kept by the U.S. postal service, which would require a special process to gain access to this information. The county assessor's office also has unpaid tax information which can help identify legacy homes.

Create a program to help families work through the paperwork to get these homes ready to sell or be torn down for new homes to be built. Cities are creating a database of vacant properties and streamlining the process of getting the properties rehabilitated and back in use.

This is a program in Vermont which helps update properties so they can rent them out as affordable housing options.

<https://www.mynbc5.com/article/amid-vermont-housing-crisis-leaders-invest-dollar20-million-to-fix-rundown-homes/41321556#>

<https://accd.vermont.gov/housing/vermont-housing-improvement-program>

Many communities are using the **land bank** concept to address the management of turning vacant homes into affordable housing. Though some are operated by nonprofits, land banks are usually public or quasi-public entities that exist to acquire vacant, abandoned, foreclosed or tax-delinquent properties, remediate the problems and then resell them to responsible owners. These entities usually have special authority to acquire properties at low (or no) cost through tax foreclosure, clear the titles and negotiate resale.

Local governments are also creating different models of incentives to get people into affordable housing. This is a list of affordable housing incentives that Baltimore provides.

<https://dhcd.baltimorecity.gov/hho/homeownership-incentives>

Homelessness

There is research around the rise of homelessness and the closure of mental health institutions. When addressing the issue of homelessness, it is important to consider around 30% of the homeless have chronic mental health issues that will require them to be housed long-term with support services in a permanent facility. Research is showing that this group is utilizing the greatest amount of reoccurring funding and resources throughout a community.

Another group needs that must be considered in the addressing of homeless is the LGBTQ Community, who often find themselves unhoused after coming out to their families. The national percentage of homeless among the LGBTQ community is 28%, while this is much higher in the indigenous LGBTQ community of 44%.

The third group that must be directly address in the issue of homeless, is the Senior Community. New Mexico has an aging population, and the issue of senior affordable housing and homelessness will continue to grow. Targeted housing projects that will allow seniors to age in place have to be a focus of both the affordable housing and the prevention of senior homelessness. The senior population will double by the year 2030, and currently New Mexico is ranked 4th in the nation for having the highest senior population.

Our state's efforts to address homelessness is through many different state agencies, we need one agency to spearhead and consolidate these efforts. Currently, all these offices are addressing some component of homelessness; Department of Aging, MFA, Department of Health, Regional Housing Offices, Coalition to Address Homeless and several others.

There are several models of addressing homelessness that are working in other states. In Utah, their housing first program has been effective.

<https://universe.byu.edu/2015/11/17/housing-first-program-fights-chronic-homelessness-in-utah1/>

In Miami-Dade a Judge has reimagined the mental hospital of old into an effective model to address homelessness with wrap around support services. His research into this issue uncovered that a small number of homeless in the area were spending millions of dollars in public services. His research brought to light how communities would save money by addressing chronic homelessness.

<https://www.wlrn.org/news/2021-10-19/miami-dade-judge-says-new-mental-health-treatment-facility-is-a-once-in-a-lifetime-opportunity>

13. Childcare

One of the reasons that people are not readily returning to the workforce is due to the lack of childcare providers. Most New Mexico families pay more than a third of their income for childcare costs. In a May 2022 survey of businesses in Santa Fe found that 65% of respondents identified finding additional childcare for children of employees as a very important to their business. The Community Childcare Task Force has identified that the importance of increasing or expanding current childcare centers is

needed, developing new childcare centers, and increasing the quality and number of home-based slots are important steps in helping with the lack of childcare in New Mexico.

Historically, childcare for zero to three has been underfunded. A commitment to long-term funding for early childcare needs to be established. To assist with this issue, a **childcare by right** in all zoning should be established to expand the access to home childcare providers.

<https://daycarebusinessboss.com/what-you-need-to-know-about-childcare-zoning-laws/>

The following data was taken from the 2019 New Mexico Early Childhood Needs Assessment by the NM Early Childhood Development Partnership. (The impacts of COVID on early childhood centers saw the closure of many of the early childhood providers that were listed in this study)

- Home Visitors: If home visiting programs were expanded to meet the unmet need presented in, New Mexico would require between 653 and 1,375 additional home visitors and home visiting supervisors.
- Child Care: If all children aged five and under living with working parents in households with income below 200 percent of the federal poverty level were provided access to affordable, high-quality childcare through New Mexico's Child Care Assistance Program, New Mexico would require 5,567 additional early childhood teachers and assistants.
- PreK: If 90% of four-year-old and 50% of three-year-old were served with high quality public PreK, New Mexico would need 2,269 new assistant and lead teachers.

Early Childhood Policy should include incentives to start early childcare facilities, expand current childcare facilities, a supplement pays to get early childcare providers at the pay level that will keep them in their positions. Currently, childcare providers are paid \$14.63 per hour and will leave to take a higher wage in retail.

Here is a link to the complete study.

<https://drive.google.com/file/d/1cpQ5rtvjCWYyflJxmU8U3-YnZ2adTVHE/view>

14. Food Access Expansion for Rural Economic Development

During COVID, we learned that we need to create a more self-sustaining and resilient food system.

There are several different groups and agencies addressing food sustainability in the state. These efforts are isolated and there is a lack of communication and cohesiveness in these efforts. The New Mexico State Extension Office could conduct county wide assessments of local agriculture and build upon this knowledge to create a strategic self-sustaining food network. After the county wide assessment is completed, a statewide report of food resources could be generated to create a more extensive shared produce and meat system throughout the state. This office would spearhead partnerships between the local school systems, restaurants, and local farmers. There would be a state-wide connection of food services (restaurants, etc.) to growers that would expand ranchers and

farmers access to expand their meat and produce to markets from across the state. Access to a fund would help rural communities set up needed programs as identified by the study to expand food sustainability.

- As part of this fund, there could be components of mobile grocery stores, cold storage, meat processing facilities, food hubs, farmer's markets, and/or incentives for convenience stores to expand inventory to include more fresh produce.
- There could be incentives for opening local grocery stores in food deserts
- There could be a component of the plan to expand locally grown food into the local school systems, as this could help boost economic growth for rural agricultural communities. (Durango, Colorado has this model) Healthy meal programs should be sustained throughout the summers to help address the childhood hunger issues across the state. Some states have also started supper programs to offer an evening meal with tutoring services for children.
- There should also be incentives for new farmers and existing farmers to expand their crop production. The drought conditions in California are opening new agricultural markets for New Mexico, and often young farmers do not have the capital to start a farming business.
- This fund should also provide a matching component for the large USDA grants that are out of reach to most rural communities due to not having the funding to meet the match requirement.
- There is an opportunity for rural economic development in the areas of both poultry and beef production. (There is limited beef and poultry processing facilities in the western part of the country)
- Reforms in ordinances for food waste for grocery stores and farms is needed that would allow the donations of safe produce.
- A local food waste composting program also could provide economic development for rural areas to sell the composted soil.

15. Create a statewide assessment study of access to of solid waste disposal, recycling, landfill locations, and illegal dumping issues. Use the information from the assessment to create a state-of-the-art solid waste and recycling facilities that are fiscally sustainable. The counties that surround other states have the potential to bring in additional revenue by accepting the recycling and solid waste from other states. There is funding available in the Bipartisan Infrastructure Funds to build recycling facilities. This includes funding to convert coal plants to energy efficient waste to energy facilities. Below is the most current plan that was done in 2015, as you can see, there is currently very limited access to landfill sites. There could be cross over with components of composting food waste, recycling, and animal control to broaden the efficiency of the plan. To illustrate this as an example, animal control services could be financially supplemented through waste management and report illegal dumping sites they encounter while out in the field. Using this cross over funding model would provide help in addressing illegal dumping while also expanding animal control efforts.

Statewide Waste and Recycling- The waste management and recycling system statewide in rural areas is lacking a fiscally sustainable plan. Many of the statewide recycling facilities were closed in 2017 due to the change of recycling policy with China. I have included a presentation from NM Recycling on the in the attachment below to illustrate the current state of recycling in NM. This issue could be used to leverage economic development in rural areas of the state, while also creating a more sustainable waste management system.

<https://www.env.nm.gov/wp-content/uploads/sites/24/2018/04/SolidWasteManagementPlan.pdf>

<https://nmlegis.gov/handouts/WNR%20092922%20Item%2010%20Plastic%20Pollution%20Reduction%20Act%20.pdf#:~:text=Here%27s%20how%20the%20New%20Mexico%20Plastic%20Pollution%20Reduction,go%20into%20a%20dedicated%20state%20environmental%20services%20fund.>

Funding for Solid Waste Management- There could be added franchise fees for county residents, a fee on appliances when they are sold that would help offset the costs of appliance recycling, the same thing could be done for tire sales.

16.. Threshold Funding

One of the issues that is hitting rural communities is when a population survey is done for federal grant purposes, there can be a few wealthy households that will skew the numbers. There can be a follow-up income survey to correct the skewed data, but this is not ideal, and takes additional time to conduct. Many communities think that they just don't qualify due to the data and do not pursue the grant further. This skew can prevent small communities from receiving greater funding from the USDA.

Also, the population threshold number of under 10,000 for USDA rural funding is preventing Las Vegas with a population of 13,000 from qualifying for larger amounts of funding. There is a gap in funding for some of the rural communities because of some of these population and income thresholds. If there is a way for these USDA policies to change, this would help our rural communities gain access to the larger grants.

Rural Development Models

Utah's Rural Program

<https://business.utah.gov/rural/>

Vermont's Council of Rural Development

<https://www.vtrural.org/>

Colorado's Rural Resiliency Office

<https://www.coresiliency.com/rural-prosperity>

Arizona's Rural Development Office

<https://localfirstaz.com/rural-development>