



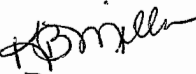
STATE OF NEW MEXICO
NEW MEXICO OFFICE OF RECOVERY AND REINVESTMENT
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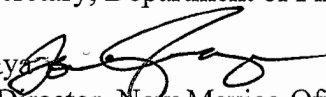
BILL RICHARDSON
GOVERNOR

TONY ANAYA
EXECUTIVE DIRECTOR

Memorandum

To: Cabinet Secretaries
Directors
ARRA Leads

From: Katherine Miller 
Cabinet Secretary, Department of Finance and Administration

Toney Anaya 
Executive Director, New Mexico Office of Recovery and Reinvestment

Date: November 19, 2009

Subject: Recovery Act Spending Progress

The American Recovery and Reinvestment Act (ARRA) was enacted to stabilize state budgets, provide relief to individuals and families and stimulate the economy. Now that we have completed the first round of federal funds approval and Section 1512 reporting, the New Mexico Office of Recovery and Reinvestment (NMORR) and the Department of Finance and Administration Budget Division are launching an initiative to ensure that we:

- Spend all ARRA dollars timely and do not have to give any New Mexico ARRA dollars back to the federal government
- Maximize program efficiency
- Expedite recovery expenditures in a manner that does not compromise program objectives or increase the risk of accounting or payment errors, waste, or fraud.

We need your help.

There are several important factors which support this initiative:

- In the opinion of some national leaders, ARRA money is not being spent fast enough.

- Some at the national level are suggesting that if the ARRA funds cannot be spent quickly, they may be “swept” to help pay for other priorities such as additional unemployment.
- The intent of the historic ARRA legislation is to create and save jobs and to stimulate the economy as soon as possible.
- In these tough budget times, money for capital projects funded from state resources is being pulled back and projects re-evaluated. However, ARRA capital projects are not affected and should be advanced quickly.

On the basis of the above, we request that state agencies do the following:

- If ARRA funds have been appropriated to support existing programs and may legally be spent now or after all other funds have been exhausted, please spend the ARRA funds first, unless you are prohibited from doing so by the federal government.
- Please take all possible steps to work with your sub-recipients to get projects underway as soon as possible, while following all state purchasing and legal requirements.
- Please give priority to taking all steps possible to assure monies can move quickly through the state agency approval and expenditure process.
- It is imperative that you manage the cash flow of ARRA expenditures to minimize the impact on the state General Fund through timely federal reimbursements.

Requirements for accountability and transparency are still very much in place, as is our commitment to assure ARRA funds are spent efficiently, effectively and timely. NMORR and the State Budget Division will be working with your ARRA program leads to assess your program spending progress and to assist your agency with any potential delays or barriers to moving these dollars into services and projects that will benefit the people and communities of New Mexico. This effort will be undertaken using the existing fiscal tracking reports that are currently submitted to the State Budget Division and reviewed by NMORR. Your cooperation is absolutely essential to its success.

Please contact our office if you are facing unique challenges or need our help.