MEMORANDUM #BFB-11-02

TO: County Commission Chairmen and Mayors
    County and Municipal Finance Officers

FROM: Sam L. Ojinaga, Acting Director
       DFA, Local Government Division

DATE: April 7, 2011

SUBJECT: Possible Federal Government Shutdown – Possible Payment Delays

The DFA, Local Government Division on behalf of DFA Cabinet Secretary, Richard E. May, is closely monitoring the situation in Washington D.C. with respect to a possible shutdown of the federal government. This could occur tomorrow, Friday April 8th at 12:00 midnight if the federal budget impasse is not resolved.

County and municipal governments should immediately analyze the impact of a federal government shutdown on their finances and operations. We are told that federal agencies are being instructed to post shutdown plans on their websites, which you should begin checking immediately. Simply put, generally, depending upon whether the federal program is dependent upon annual appropriations, a shutdown could mean local expenditures during this period of the shutdown may not be eligible for federal reimbursement. Or the shutdown could merely delay federal reimbursements to counties and municipalities.

The more immediate budget concern for county governments relates to the distribution of PILT funds by the U.S. Department of Interior. This is the next significant distribution of budgeted federal funds, which usually occurs in the month of June. The U.S. Department of Interior has not posted any related notice on their website as of today’s date.

cc: Richard E. May, DFA Cabinet Secretary
    John A. Gallegos, LGD Budget & Finance Bureau Chief
    Paul Gutierrez, N.M. Association of Counties Executive Director
    Bill Fulginiti, N.M. Municipal League Executive Director
    LGD Executive Budget Analysts