

# FOREST RESTORATION PROCUREMENT CODE EXEMPTION

## WHAT DOES SB 206 DO?

SB 206 will provide the Forestry Division of the Energy, Minerals and Natural Resources Department (EMNRD) with a narrow exemption from the state procurement code.

The exemption will be only for contracts that distribute federal grants to non-governmental entities when selected by the U.S. Department of Agriculture or Department of the Interior through the federal agencies' own competitive application and selection processes.

The Forestry Division serves as the fiscal agency for grant programs established by federal legislation but eligible applicants are not receiving funds because of a conflict with the state procurement code.

**SB 206 FIXES THIS  
PROBLEM AND MAKES  
SURE WILDFIRE  
PREVENTION AND FOREST  
RESTORATION GRANTS  
CAN BE DISTRIBUTED TO  
ELIGIBLE NGOs.**



## SB 206

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- In 2022 alone, more than \$250 million of federal funding was available for forest restoration and community wildfire protection projects with NGOs as eligible applicants. More than \$1 billion of federal funding for these programs will be available over the next 10 years.
- The narrow procurement code exemption in SB 206 will allow the Forestry Division to rely upon the federal agencies' application and competitive selection processes and enter and administer contracts with NGO subgrantees selected by the federal agencies through those processes.
- Without this narrow procurement code exemption, the Forestry Division is unable to contract and administer subgrants for NGO entities the federal agencies have selected through the federal agencies' own application and selection processes.
- The proposed exemption would not reduce transparency or oversight because it is narrow and limited to circumstances where there is a robust federal selection process.

### FOR MORE INFORMATION CONTACT:

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## **WHAT DOES THE STATE PROCUREMENT CODE REQUIRE CURRENTLY?**

The Forestry Division is the fiscal agency for federal funds from the U.S. Department of Agriculture and the Department of the Interior for a variety of wildfire prevention and forest restoration grant programs. The Forestry Division administers these funds as subgrants to non-governmental entities (NGOs) that federal law names as eligible applicants. Under the state procurement code, the Forestry Division must issue a Request for Proposals (RFP) or Invitation to Bid (ITB) to subgrant funds to an NGO even if the identified entity has already gone through a public, competitive selection process.

## **HOW WILL THE PROCUREMENT CODE EXEMPTION FOR FOREST RESTORATION WORK IF SB 206 IS PASSED?**

The exemption is limited to contracts where the non-governmental entities are selected and funded by the U.S. Department of Agriculture or the Department of the Interior through their application and competitive selection processes for certain programs which specify that non-governmental organizations (NGOs) are eligible applicants.

The federal programs for which NGOs are eligible applicants allow activities such as wildfire prevention or protection, urban forestry, forest and watershed restoration and protection, reforestation, and economic development projects that use small-diameter trees and wood biomass from hazardous fuel reduction.

## **WHY WILL A NARROW PROCUREMENT CODE EXEMPTION BRING MORE FEDERAL DOLLARS TO NEW MEXICO?**

- Non-governmental organizations provide important support to local, state and tribal governments and are eligible applicants for federal forestry programs.
- The federal forestry programs, authorized by the Farm Bill, include the Community Wildfire Defense Grants programs that received \$1 billion in the Bipartisan Infrastructure Law (aka Infrastructure Investment and Jobs Act of 2021) and the Landscape Scale Restoration program funded at \$450 million in the Inflation Reduction Act of 2022.
- The procurement code exemption will streamline the process for NGOs to apply for and receive federal funds from these programs and will result in a net increase in federal funds to New Mexico.

