

NOTICE OF RULEMAKING

The Department of Finance and Administration, Local Government Division, has scheduled a public hearing for the proposed amendment of New Mexico Administrative Code (NMAC) rule 2.110.5, *Juvenile Adjudication Fund Grants to Local Governments*. The proposed amendment seeks to:

- * Correct punctuation, grammatical errors, and references contained in the rule;
- * Add a definition for “Indirect Costs”;
- * Clarify travel reimbursement under the rule;
- * Update Application Procedure.

Notice Date: June 9, 2026

Hearing Date: July 14, 2026

Adoption Date: Proposed as July 16, 2026

Effective Date: Proposed as July 28, 2026

Technical Citations: 2.110.5 NMAC

The Department is proposing to amend 2.110.5 NMAC as follows:

Section 7:

L. “Indirect costs” refers to overhead, salaries and benefits for support staff, equipment costs, administrative expenses, supplies, and other expenses incurred by the grantee that are not direct costs of the alternative adjudication program.

Section 8:

(3) Internal control. Effective control and accountability must be maintained for all grant funds and items purchased with grant funds. Grantees must adequately safeguard all such funds and items and must ~~[assure]~~ ensure that they are used solely for authorized purposes.

Section 10:

(3) The applicant must have completed all audits required under the Audit Act, have a budget approved by the division pursuant to ~~[the]~~ Chapter 6, Article 6 NMSA 1978, and be current on all financial reports required to be submitted to the division under that article.

(2) The mentor alternative adjudication program must submit a letter supporting the application for grant assistance for the alternative adjudication program that has been in operation for less than two consecutive years.

Section 11:

(3) travel for ~~[juvenile participants in and]~~ personnel and contractors of alternative adjudication programs, in accordance with and subject to the limitations provided in the Per Diem and Mileage Act and implementing regulations;

Section 13:

A. ~~[For each application cycle, the division shall determine the amount available for grants;~~
(3) the limit (if any) that any single grantee may be awarded;

- ~~_____ (4) the grant period during which grant funds may be expended;~~
- ~~_____ (5) the form and content of applications;~~
- ~~_____ (6) the application deadline;~~
- ~~_____ (7) the specific evaluation criteria to be used to evaluate and rate applications; and~~
- ~~_____ (8) the form of the grant agreement.~~

~~_____ A. Two copies of the application for grant funds, one of which has original signatures, must be submitted to: Department of Finance and Administration Local Government Division, Bataan Memorial Building, Suite 201, Santa Fe, New Mexico 87501, Phone: (505) 827-4950.] For each application cycle, the division shall publish application instructions and submission protocols on its website.~~

~~_____ A. Applications must be received [at] by the local government division by 4:00 p.m. of the designated application deadline.~~

~~_____ B. In the event that the application is incomplete or requires modification, the applicant will be promptly notified by the division. The applicant must then[immediately] submit the information and modification requested. Applicants that do not respond[in writing may be disqualified] by the deadline established by the division are disqualified.~~

~~_____ C. The applicant's governing body must authorize by resolution the applicant to submit the application. A copy of the resolution must be included with the application.~~

These proposed rule changes will be contained in 2.110.5 NMAC. The register and the proposed rule are available on the DFA website at <https://www.nmdfa.state.nm.us/>. If you do not have internet access, a copy of the proposed register and rule may be requested by contacting DFA's General Counsel's officer at dfalegal@dfa.nm.gov.

The DFA plans to adopt this rule on July 16, 2026.

A public hearing to receive testimony on this proposed rule will be held on July 14, 2026, at 9:30 a.m. A hearing will be held at the New Mexico Department of Finance and Administration, Bataan Memorial Building, 407 Galisteo St., Santa Fe, NM 87501, State Budget Conference Room, and via Microsoft Teams.

Join Microsoft Teams Meeting

Link: <https://teams.microsoft.com/meet/296618396864724?p=IhnQM0FvhUwVsKAKgg>

Meeting ID: 296 618 396 864 724

Passcode: FA3sr9E4

If you are a person with a disability and you require this information in an alternative format or require a special accommodation to participate in the public hearing, please contact our staff to discuss your accessibility needs at least one week prior, or as soon as possible, by emailing the Department of Finance and Administration, General Counsel Office at: dfalegal@dfa.nm.gov or 505-827-3985.

DFA will make copies of all comments available upon request, either by providing copies directly to a requestor or by making them available on the DFA website or at a location within the requestor's county.

Interested persons may address written comments to:

Department of Finance and Administration, Financial Control Division
ATTN: 2.42.2 NMAC Public Comments
407 Galisteo St.
Bataan Memorial Building
Santa Fe, NM 87501

Recorded comments may be left at (505) 827-3985. Interested persons may also address comments via electronic mail to: dfalegal@dfa.nm.gov. Written mail, electronic mail, and recorded comments must be received no later than 5:00 p.m. MT on July 14, 2026. Written and recorded comments will be given the same consideration as oral testimony made at the public hearing. All written comments received will be posted as they are received on the DFA website at <https://www.nmdfa.state.nm.us/> along with the applicable register and rule. The public posting will include the name and any contact information provided by the commenter.