



Percent for Place

State Capital Budgets Primer

Funding for capital or infrastructure projects is commonly a blend of local, state, federal, and often private funding. While the goal of Percent for Place is to advocate for more federal funding for civic infrastructure as a portion of overall infrastructure funding, we recognize the limitations of federal investment. States play a significant role in providing resources for capital projects in numerous ways, such as competitive grant programs or direct line-item funding. Additionally, states play a role in distributing federal infrastructure funding and in matching funds for local capital projects. This brief provides insight into where to look for state capital funding, who to connect with, and ideas to make your projects more competitive, given the numerous infrastructure needs across the country.

Background

Understanding budget processes is essential to deciding which state funding opportunities are best suited for a civic infrastructure project. The National Association of State Budget Offices (NASBO) developed a 2014 [primer on state capital budgeting](#). While the document is dated, most state budget processes do not change drastically over time. Funding for state capital investments typically comes from state revenue surpluses, earmarked revenue, and bond sales. State capital funding often supports construction costs, land and building acquisitions, environmental impact studies, long-term planning, and debt repayment.

State capital funds are meant to support and strengthen communities. If your project strengthens your community, meets all eligibility requirements, and has the capacity to raise non-state funds for the construction, renovation, or acquisition of new facilities, go for it. Researching the federal funds distributed or awarded to states to administer is also suggested. Percent for Place has this [overview](#) of federal funding streams for civic infrastructure.

Different Types of State Capital Investment Opportunities

Capital Grant Programs: Most states provide several capital grant programs for specific projects.

Example: California Green Schoolyards projects can be funded via the [Urban and Community Forestry Grants](#) administered by CAL FIRE.

Budget Provisos: Many state capital budgets have funds for specifically named projects. These are often called 'budget proviso' or 'community project' funding, which may come in the form of bonds, project cost reimbursements, or via other financial means.

Example: The MN State Bonding includes many civic infrastructure projects including the [North Commons Park Recreation Center](#) for \$5.125M and an intent for an additional \$6M in future bonding bill.

Formulaic or Special Funding: States often provide different types of capital funding through a formula, such as school construction accounts or governor-directed spending.

Example: Maine's [State Contingent Account](#) allows the Governor to direct capital spending in certain circumstances.

Key Contacts

Knowing where to look for information is critical, and knowing who to ask can get you to that information faster.

Some key informants (and possibly supporters):

Legislators and Legislative Staff: Particularly legislators local to the project, on the capital budget committee, or have a vested interest in issues relating to the project.

Relevant Public Agencies: Be sure to learn the agency's priorities and alignment with its goals.

Lobbyists and Advocates: Search for any related interest groups or coalitions with a stake in promoting your projects.

Other Ideas: Review related capital projects or a previous state capital budget to see which organizations or agencies have received related funding and reach out.

Keys to Success

Success is never ensured in public policy and funding; however, key steps are needed to increase the odds. Some tried and true strategies are below. Be sure to check out this [great resource from Main Street America](#) with more ideas for creating a successful legislative strategy.

Building relationships and champions: Developing and maintaining relationships with potential supporters and impacted communities is key. Think locally (what do communities say they want and need); center economic development (how will a project create jobs and increase public revenue); relate to priorities (particularly of policymakers and public agencies); and provide qualitative and quantitative research examples (has this project worked elsewhere). Consider working with a contract lobbyist who has relationships with key policymakers and public agencies, and has a knowledge of the capital budget process.

Know what and how you need it: Think long-term and know what funding you will have secured. Many public funding streams run on a reimbursement model.

Have plans that are somewhat malleable: As with any project, unanticipated complications may arise. To account for these shifts, create project plans that can be modified to address any potential public, environmental, or financial concerns. Stay on top of messaging and selling your project to key constituencies, including those working and living near the project.

Make a big splash: Policymakers and public agencies need opportunities to showcase their work in the community. Have an in-person event with key champions at the groundbreaking and again at the opening of the finished project. Create a traditional and social media strategy to increase public support and showcase your legislative and other champions' support.

State Infrastructure Programs Supporting Civic Infrastructure

MARYLAND

The [Legislative Bond Initiatives](#) are funds for construction projects that serve a public purpose. Funded projects are requested by organizations or residents to individual members of the General Assembly (legislature) and determined during the budget process. [Funded projects](#) have included park improvements, and the development of community centers and other community spaces.

NEW MEXICO

The New Mexico Economic Development Department (EDD) and New Mexico MainStreet (NMMS) [awarded \\$10 million](#) in Capital Outlay funding to 11 community revitalization projects. Projects included park improvements, pedestrian walkways, and a farmer's market.

UTAH

The [Permanent Community Impact Fund Board](#) provides loans and grants to counties, cities, and towns impacted by mineral resource development on federal lands. Funded projects have included community and senior centers, recreation facilities, and capital improvement planning, among others.

[Percent for Place](#) is supported by a broad coalition of organizations working to create welcoming and robust civic infrastructure for all Americans.

