

GRANT FUNDING 101

CURRENT PUBLIC FUNDING
OPPORTUNITIES AND GRANT
WRITING FUNDAMENTALS

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○ Introduction



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○ Webinar Agenda



- Update of available state and federal funding opportunities.
 - Changes to Federal Funding
 - Changes to State Funding
- Essential principles of grant writing.
 - Strategies that apply across all public funding sources.
 - Setting up Projects for funding.





○ Grant Basics

- What is a Grant?
 - Non-repayable financial assistance
 - Supports specific public purposes or programs
- Cost-Sharing or Match
 - Applicant contributes part of total cost
 - Cash, in-kind, or third-party support
- Period of Performance
 - The officially designated start and end dates for the grant.
 - Any costs incurred outside this period are typically not eligible for reimbursement.



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○ Grant Funding Sources

- Federal Grants:
 - Largest source of public grant funding
 - Administered by agencies like FEMA, USDA, DOT, EPA
 - Often requires compliance with federal rules (e.g., NEPA, BABA, Davis-Bacon)
- State Grants:
 - May be state-funded or pass-through federal dollars
 - Often tailored to local priorities and easier to access
 - Administered by state departments or funding authorities



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○ Grant Funding Sources

- Local Grants:
 - Less common and usually smaller in size
 - May come from regional councils, MPOs, or city/county initiatives
 - Useful for small-scale projects or matching funds
- Loan Programs (Alternative to Grants):
 - Offered at federal, state, and sometimes local levels
 - Typically low-interest or subsidized repayment terms
 - Common in water, energy, and infrastructure sectors (e.g., USDA Rural Development Loans, State Revolving Funds)



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Federal Funds

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○ Changing Federal Landscape

- The current Federal Administration has made significant changes to the Federal Grant Landscape.
 - In January 2025, the Office of Management and Budget (OMB) issued a directive to temporarily pause all federal grants, loans, and financial assistance programs.
 - As of May 2025, the current federal administration has implemented substantial policy and budgetary changes that have significantly reduced support for diversity-focused initiatives and climate change programs.



○ Changing Federal Landscape



- Environmental Protection Agency
 - Environmental Justice Grants: Cancellation of nearly 800 grants totaling over \$1.5 billion, affecting projects aimed at mitigating climate change impacts in vulnerable communities.
- USDOT
 - \$6 billion earmarked for EV charging network expansion from the Bipartisan Infrastructure Law (BIL) has been canceled or reprogrammed.





○ Changing Federal Landscape

- Department of Energy (DOE)
 - \$163 billion cut to federal spending, with significant reductions targeting renewable energy, electric vehicle infrastructure, and climate change initiatives.
- Federal Emergency Management Agency (FEMA)
 - \$882 million was cut from disaster funding and the Building Resilient Infrastructure and Communities (BRIC) program was cancelled.
 - All BRIC applications from Fiscal Years 2020-2023 also cancelled.



○ Changing Federal Landscape



- Department of Interior (DOI)
 - The Bureau of Reclamation (BOR) WaterSMART Grant Programs are current paused until further notice:
 - FY25 Applied Science Grants
 - FY24 Environmental Water Resources Projects
 - FY25 Large-Scale Water Recycling Projects
 - FY25/26 Aquatic Ecosystem Restoration Program
 - FY25 Cooperative Watershed Management Program Phase I
 - FY24/25 Small-Scale Water Efficiency Program





State Funds

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○ State Funding Landscape

- The State of New Mexico in recent years has established several new sources of funding and augmented existing funding sources using the historic severance tax revenue being generated by oil and gas leases.
- Several Trust Funds have been set up for longterm support.
- FEMA funds received as part of the Hazard Mitigation Grant Program for the recent devastating wildfires are still available to fund project.





○ State Funding Sources

- FEMA HMGP Eligible Activities
 - Infrastructure retrofits (e.g., bridges, culverts, pump stations)
 - Flood reduction: drainage, property acquisition, structure elevation
 - Wildfire mitigation: defensible space, fire-resistant retrofits
 - Seismic/wind retrofits for public and critical buildings
 - Utility hardening: burying lines, elevating equipment
 - Community safe rooms and tornado shelters
 - Hazard mitigation planning and capacity building
 - Green infrastructure and climate resilience projects



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○ State Funding Sources

- FEMA HMGP Limitations and Requirements
 - Benefit-Cost Analysis (BCA): Most projects must demonstrate that benefits exceed costs.
 - Local Match: Typically 25% of the project cost must be provided by non-federal sources (can include in-kind match).
 - Alignment with Local Mitigation Plan: Projects must be included in a FEMA-approved Hazard Mitigation Plan.
 - Limited Application Timeframe: HMGP funds awarded have a fixed window for applying.



○ State Funding Sources



- FEMA HMGP

	Available Funding	Non-Federal Cost-Share Requirement	Deadline for Submittal to FEMA
DR-4652	\$ 64,953,333 (approx. \$6M still available)	25% 0% for HPCC Impacted Communities	May 14, 2025
DR-4795	\$ 30,015,812	25%	December 16, 2025
DR-4843	\$ 5,101,110	25%	February 1, 2026
PF-5492	\$ 2,955,333	25%	September 27, 2025
PF-5579	\$ 963,923	25%	March 31, 2026
DHSEM requests that applications be submitted at least 1 week before the FEMA deadline.			



○ State Funding Sources



- New Mexico Water Trust Board (WTB)
 - The Water Project Fund annually receives 9% of Senior Severance Tax Bond ("STB") proceeds as well as a distribution from the Water Trust Fund.
 - \$175.8 Million was allocated for the FY25 Cycle.
 - \$200 Million was added through the GF for FY25-26.
 - These monies are used to fund a variety of water projects recommended by the Water Trust Board and authorized by the Legislature.
 - Water Trust Board awards are a combination of grants and loans, based upon the financial capacity of the applicants.



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○ State Funding Sources



- New Mexico Water Trust Board (WTB) Eligible Projects
 - Water conservation or recycling, treatment or water reuse projects;
 - Flood prevention projects;
 - Endangered Species Act (ESA) collaborative projects;
 - Water storage, conveyance or delivery projects;
 - Watershed restoration and management projects.
 - *NEW* FY26 - Wastewater projects
- Application Cycle opens in July 2025.



○ State Funding Sources



- New Mexico Finance Authority (NMFA) Local Government Planning Fund (LGPF)
 - Provides up to \$100,000 funding for planning of vital public projects.
 - Applicants: Local governments, including tribal entities and mutual domestic water consumers associations
 - Projects: Preliminary engineering reports, environmental information documents, water conservation plans, long-term water plans, energy efficiency audits and economic development plans
 - Terms: Grant eligibility is determined by project type and the applicant's ability to pay for all or a portion of the planning document.



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○ State Funding Sources



- New Mexico River Stewardship Program
 - Fund projects that enhance the health of rivers by addressing the root causes of poor water quality and stream habitat.
 - The average project cost is approximately \$400,000. Past project costs have ranged from \$50,000 to \$2.4 million.
 - Project selection is through a Request for Proposals (RFP) process. Proposals will be selected based on their merits in response to the requested information in the RFP.
 - There is no match required.



○ State Funding Sources



- New Mexico Outdoor Recreation Trails+ Grant
 - Provides funding for the planning, development, and improvement of trails and related infrastructure.
 - Economic Impact: Project must show demonstrable benefit to the whole region, either by attracting and/or retaining residents or attracting visitors.
 - Recreation Access: Projects must be open for public use.
 - Match Requirement: 1:1 match for urban applicants; 2:1 for applicants in rural and/or Tribal communities. In-kind and/or cash accepted.



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○ State Funding Sources



- New Mexico Match Fund
 - This program was established to help communities leverage federal grants funds.
 - Matching Grant Fund – for entities that require additional funding to meet the minimum match requirement for a federal grant.
 - Project Implementation Grant – for recipients of a Matching Grant that require capacity funding to fully implement the federally funded project associated with the Matching Grant.
 - Federal Compliance Offset Grant – for entities that demonstrate higher project costs due to compliance with federal funding requirements.



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Grant Writing Best Practices

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○ Start with a Solid Foundation

- Understand the Funder's Priorities
 - Tailor your proposal to match their goals and language
- Use Clear and Specific Language
 - Avoid jargon; define technical terms if needed
- Justify the Need
 - Use data, anecdotes, and evidence to show urgency and relevance
- Build a Fundable Project Scope
 - Define objectives, outcomes, and measurable impacts





○ Structure Proposal for Clarity

- Use Headings and Formatting Wisely
 - Mirror the application structure exactly
- Tell a Compelling Story
 - Use narrative techniques to explain the need and your solution
- Include Letters of Support or Commitment
 - Demonstrate partnerships and buy-in
- Budget and Timeline Must Align with Narrative
 - Ensure what you're proposing is feasible and funded





○ Common Grant Writing Pitfalls

- Incomplete or Late Submissions
 - Follow checklists; allow time for technical issues
- Vague or Overly Ambitious Proposals
 - Lack of clarity or feasibility hurts credibility
- Ignoring Match or Eligibility Rules
 - Read the fine print; don't assume flexibility
- Failing to Show Impact
 - No measurable outcomes = weak justification



○ Example Language – Strong vs. Weak



- WEAK EXAMPLE: "The city wants to improve its water infrastructure."
- STRONG EXAMPLE: "This project will replace 1.2 miles of corroded water main to reduce service disruptions for 4,200 residents, aligning with EPA Safe Drinking Water Act objectives."
- WEAK EXAMPLE: "This program will help the community."
- STRONG EXAMPLE: "By delivering 3,000 hours of after-school STEM education to 200 underserved students annually, this program addresses learning loss and increases graduation rates."



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Know Your Projects/Needs

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○ Types of Projects

- Planning
 - Master Plans
 - Scientific or Economic Studies
- Education & Outreach
- Design
- Construction
- Property Acquisition
 - Footprint for Project
 - Relocations





○ Project Information Sources

- Community Staff
- Community Members (Complaints)
- Infrastructure Capital Improvement Plan (ICIP)
- Planning Documents
- Engineering Reports
 - Design Analysis Reports or Preliminary Engineering Reports
- Other Agency Reports
 - Development Studies; Economic Analysis; Traffic Impact Studies





○ Develop a Project Portfolio

- Title?
- What is the Problem?
- What is the Project?
- What will the Project improve?
- What will the Project cost?
- Who will benefit from the Project?
- Who supports the Project?





○ Project Title

- What's in a Name?
- Have a descriptive title for the project.
 - Make sure it won't be confused with a different project.
 - Try to avoid Acronyms or 'database terms'.
 - SWMCA; Pond CA_03P
 - Be careful with the word "Phase".
 - Perceived as incomplete
 - Use Neighborhood Area or Street Names, "Upper", "Lower"



○ What is the Problem?

- What is the problem that you are trying to solve?
 - Describe the problem.
 - Environment? Traffic? Economic?
- Has the current condition caused any disruptions?
 - Has a waterline failed? Has someone gotten hurt?
 - Use history to your advantage.
- What else could go wrong?
 - Look beyond the project area for additional consequences.





○ What is the Project?

- Describe the project.
 - Include only features that needed to be funded.
 - Include details about each feature.
 - How long is it? What size? How old?
- Use actions words:
 - Acquire, Plan, Design, Build, Construct
- Use References if available
 - E.g., if the project was included in a planning document.





○ What will the Project Improve?

- What are the benefits from the Project?
 - Match the benefits to the problems.
- Does it add Resiliency?
 - Provide improved security from future failures/disasters.
 - Create a better back-up for failures elsewhere.
- List advantages of new design/materials/processes
 - Increased capacity for future growth.
 - Increased ability to treat to a higher quality.
 - Reduction in future O&M costs.



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○ What will the Project cost?

- Has a Cost Estimate been completed?
 - Use the numbers from the cost estimate
- If No Cost Estimate
 - Look at previous similar projects in your community.
 - Ask other neighboring communities.
 - Contact suppliers/contractors
- Use Cost Ranges
 - < \$500K; \$500K - \$1.5M; \$1.5 - 5M; > \$5M





○ Who will benefit from the Project?

- Local Neighborhoods
 - Commuters
- Critical Service Providers
 - Hospitals
 - Emergency Responders
- Vulnerable Populations
 - Schools
 - Senior Care Facilities
- Outside the Community





○ Who supports the Project?

- Community
- Elected Officials
 - Mayor (Executive Branch)
 - Council/Commission (Legislative Branch)
- Industry/Local Businesses
- Local Interest Groups
- Letters of Support
- Previous Funding



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Questions ???

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