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*“SPECIALIZING IN STATE CAPITAL OUTLAY PROCESS CONSULTING  
FOR LOCAL GOVERNMENT AND NON-PROFIT ENTITIES”*

## **STATE CAPITAL OUTLAY NEWSLETTER FOR LaMATS MEMBERS**

### **“What types of projects qualify for consideration in the State Capital Outlay Program?”**

- Eligible projects would include but not be limited to: land acquisition; site development and improvement; acquisition, construction or renovation of buildings; public infrastructure: water, sewer and wastewater, drainage, roads and bridges; recreation; economic development
- Capital Outlay is not for operating or routine maintenance expenses.
- Projects should have an anticipated useful life of 20 years or more.
- Projects must be for a “public purpose”.

### **“Who can apply for State Capital Outlay funding?”**

State Agencies, Local Government Entities, and Non-Profit Organizations are eligible to apply for State Capital Outlay funding.

## **STATE CAPITAL OUTLAY PROGRAM CALENDAR OF KEY EVENTS July – December 2016**

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| <b>July</b>        | If you received a Capital Outlay appropriation in HB 2 of the 2016 2 <sup>nd</sup> Special Session of the Legislature you will receive a memorandum from the Division of Administration with instructions regarding your new funding.  |
| <b>July 21</b>     | State Bond Commission traditionally reauthorizes prior year Lines of Credit.   |
| <b>Sep/Oct/Nov</b> | The Division of Administration traditionally submits recommendations for Lines of Credit for “new” Priority 2 and 5 General Obligation Bond appropriations for consideration at the September, October or November Bond Commission meetings; but it is possible that some could be considered in August. |
| <b>November 1</b>  | Deadline for submittal of Capital Outlay Requests for consideration in the 2017 Legislative Session. Submittal after November 1 <sup>st</sup> is limited by possible, but the “late submittal” process has restrictions on the type and cost of projects eligible.                                       |
| <b>*****</b>       | Interim Emergency Board has the authority to change the scope of project, change the entity to which an appropriation is made, and change the Bond Priority of an appropriation. This can be requested at any of their meetings.   |

## **Capital Outlay – It’s not a science, it’s an art**

### **“What do the general obligation bond priorities mean?”**

Most people who have had any involvement with the state capital outlay process would probably agree that it is not a science that can be learned from reading about it... it’s more like an art that can only be learned from participating in it. One of the most frequently asked questions about capital outlay is:

### **What do the general obligation bond priorities mean?**

#### **The historical explanation of the bond priorities is as follows:**

In the early years of the State Capital Outlay Program the capital outlay bond priority system was established as a cash flow management tool. Priorities 1 through 4 used to correspond to the quarters of the fiscal year in which cash flow would be needed, and Priority 5 was used to indicate the cash flow needs for future years. The use of Priority 5 has remained the same, but it has been many years since Priorities 1 through 4 have been used to indicate the quarter of the fiscal year in which funding would be needed. As competition for capital outlay funding increased and the total funding authorized in Priorities 1 through 4 started to exceed the bond funding – line of credit capacity, everyone wanted to put all of their funding in Priority 1 so they would be at the front of the line to receive funding. That’s when the bond priorities ceased to be used as originally intended.

#### **The practical explanation of how the bond priorities are currently used is as follows:**

In modern day capital outlay, Priority 1 is limited to the reauthorization of lines of credit previously granted in a prior year.

Priority 2 is where new projects and new cash lines of credit start each year.

For many years now, the funding authorized in Priorities 1 and 2 has exceeded the amount of bond funding – line of credit capacity available for each year. Today, having a project in Priority 2 does not guarantee that there will be enough bond funding – line of credit capacity to fund your project.

Priorities 3 and 4 are rarely used. Occasionally Legislators use Priorities 3 or 4 to show intent for future year consideration.

Priority 5 non-cash lines of credit are used as a cash management tool to avoid tying up cash line of credit capacity when funding will not be needed for cash flow in the current year.

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**Through an agreement with LaMATS, James Purpera (former State Capital Outlay Budget Analyst) will provide LaMATS members with two Capital Outlay newsletters per year; and will also provide each member with up to one hour of consultation per year by phone or email to answer questions about any part of the State Capital Outlay process.**

**Additional consulting services, tailored to individual client needs, will be negotiated directly between you and James Purpera. The following resume and testimonial comments from a few full service clients, gives more information about the full range of services available from James Purpera Governmental Consulting.**

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Purpera**  
**Governmental Consulting**

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**RESUME**

James Purpera is not a lobbyist, but with over 30 years of experience in Louisiana state government he is equipped to be able to provide valuable advice and assistance to you in your efforts to seek Capital Outlay funding for your projects and to maneuver through the legislative and bureaucratic process. In addition to advice and assistance provided in response to individual client issues, James Purpera also provides email newsletters and other email and phone updates throughout the annual State Budget process: to provide status reports about what is going on in the Capital Outlay process; to advise and remind clients about what they should be doing at each step in the process to maximize chances for success; and to help clients (and their engineers and architects) understand the technical and paperwork requirements of the process before and after a project is funded. James Purpera’s clients include ports, airports, municipalities, parish and other governmental entities, non-profit organizations, and lobbyists.

No one can guarantee success but **James Purpera understands how and when decisions are made in the State Budget process; understands the bureaucratic process that funded projects have to maneuver through.**

**Testimonial Comments from some of James Purpera’s Clients**

*“James Purpera’s expertise in the Capital Outlay process is invaluable to the Port of South Louisiana’s success in securing funding for infrastructure projects.”*

Joel Chaisson, Executive Director (retired), Port of South Louisiana

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*“James, thanks for the great work. We are realizing how little we knew of this process and how valuable your services are.”*

Michel H. Claudet, Terrebonne Parish President

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*The capital outlay process is very complicated and confusing to most but James Purpera has made it simple and successful for the Port Of Terrebonne.*

David Rabalais, Executive Director, Terrebonne Port Commission

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***“James Purpera has proven to be an expert teacher of the legislature’s budget process and the bond process. His patient guidance and timely information have helped our staff and board. What may seem unusually complex becomes quite clear with James’ updates and suggestions. It has been both a privilege and a comfort to work with him.”***

Julia Bland, Executive Director, Louisiana Children’s Museum

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***“James has been an invaluable asset to the Port in managing the intricacies of the Capital Outlay process and consistently goes above and beyond the call of duty to provide services.”***

Wyly Gilfoil, Director, Lake Providence Port Commission

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***“James Purpera has been a tremendous asset to the Town of St. Francisville with his knowledge and experience of the capital outlay process. He helped the town obtain funds for a canal project which we have been working on for years. His level of expertise and service has gone above and beyond our expectations.”***

Billy D’Aquila, Mayor, Town of St. Francisville

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***“James Purpera Governmental Consulting has kept our organization up to date on the capital outlay process and other governmental funding opportunities. His guidance and constant updates on the legislative process have been invaluable.”***

Nancy Vinci, President, Julius Freyhan Foundation

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***“James Purpera was hired on an annual contract during 2008 and has a continuing contract with the Baton Rouge Airport. Mr. Purpera has 30 years’ experience with the State of Louisiana and is an expert on Capital Outlay issues. He is a tremendous asset to our team and we intend on continuing his consulting services.”***

Anthony Marino, Director of Aviation, Baton Rouge Metro Airport

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***“James Purpera has rendered a valuable service toward the advancement of the multi-million dollar Avoyelles Parish Port project in Simmesport. Mr. Purpera has performed exceptional professional service in identifying funding sources and has skillfully assisted in maneuvering our project funding through the government agencies involved.”***

Tommy Maddie, President/Chairman, Avoyelles Parish Port Commission

## **About James Purpera's Experience and Consulting Services**

In October 2007, with more than 30 years of state government experience, James Purpera started a consulting business and is now using his knowledge and solid understanding of the art and science of state government and the political process to assist local government entities and non-profit organizations in their efforts to successfully maneuver through the State Capital Outlay Process.

James Purpera has extensive experience in the State Capital Outlay process having worked for the Division of Administration (Facility Planning & Control) as a Budget Analyst and Budget Manager in the Capital Outlay program, and then having worked for the Legislature as a Budget Analyst for the Ways and Means Committee and the Appropriations Committee.

James Purpera has long been recognized for his expertise in the area of State Budgets, particularly the Capital Outlay Budget. James Purpera has had articles about the Capital Outlay process published in the Louisiana Municipal Review and in the Ports Association of Louisiana newsletter. In addition, he has conducted Capital Outlay instructional classes for various organizations.

James Purpera understands the technical requirements which are essential to make a request, and he understands that "appropriate" follow-up strategy at every step in the process is what gives a request its best chance for funding.

If you have an interest in requesting Capital Outlay funding, but lack the knowledge of the process, staff or time to keep up with the rules, prepare an effective request or follow-up strategy, then James Purpera may be able to assist you.

The Capital Outlay Request is the most straight forward part of the process, so if you have already submitted a request, James Purpera may be able to assist you with tracking and follow-up strategy so that your request does not miss any opportunities for consideration.

If you have a project that has already been funded, but lack the knowledge of the process, staff or time to keep up with the paperwork and other bureaucratic requirements, then James Purpera can help you understand the bureaucracy that funded projects have to maneuver through.

James Purpera's fees for service will vary based on the type of service needed.