

Now is the Time for Capital Outlay Reform

By Senator Pete Campos

This legislative session, the legislature is expected to approve a capital outlay bill expending more than \$200 million for capital projects without the benefit of any formal system for planning, vetting or selecting the projects. New Mexico is regrettably unique among the states in its folly.

This free-for-all system is in dire need of improvement to ensure that the state's investment in capital infrastructure yields the greatest return possible for the taxpayer.

Lack of planning and vetting of capital projects has real impacts on the state's economy and its residents. When funding for a project is approved before the work on the project is ready to begin, precious tax dollars sit in the state's coffers instead of putting construction workers on the job building the infrastructure the state needs to grow our existing businesses, attract new businesses and improve our overall quality of life. When projects aren't properly planned, unfinished buildings dot New Mexico's landscape.

With faltering oil revenues making each dollar more important than ever, there is no better time than now to fix these problems.

I am sponsoring the Capital Outlay Planning and Monitoring Act, Senate Bill 430, to require local governments — who know their own needs best — to complete an infrastructure capital improvement plan each year. This will allow legislators first to identify projects that are both necessary and ready to begin and then to quickly put scarce capital outlay funds to effective use. Planning will also provide reliable estimates of the total cost of a project — as well as its long-term operation and maintenance needs — so that projects can be fully funded and well maintained.

The bill will also improve monitoring of capital projects after the funds are appropriated by establishing a new capital outlay planning and monitoring division within the executive branch. New Mexico has more than \$127 million tied up in projects that have been stalled or moving slowly since 2012. That's money that could be used to improve the state's roads and highways without having to raise gasoline taxes. The construction and repair projects would have the added, immediate benefit of creating jobs and infusing more gross receipts and personal

income tax revenue into the state treasury.

The new capital outlay planning and monitoring division will be tasked with tracking progress of hundreds of active projects, with identifying stagnant projects so funding can be discontinued or the necessary resources devoted to complete the projects, and with training state and local officials to better manage projects.

New Mexico deserves accountability for the use of its capital outlay funds. With greater planning, vetting and accountability, New Mexico can achieve a much greater return on investment for our residents and our economy.

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