

## **Time to Reform the Capital Outlay Process Is Now**

**By Senator Pete Campos**

New Mexico's process for selecting, financing and monitoring construction projects in communities across the state is broken and the time to fix it is now.

No other state runs its capital outlay process like New Mexico does. And while our process has some advantages — most notably an equitable geographic distribution of projects around the state — its more numerous faults have made it a leading example of governmental folly. Requests for funding far exceed available funding each year, unrealistically raising the hopes of potential recipients and unnecessarily wasting their time and energy. Poor planning of projects is rampant, resulting in partial funding for projects that ultimately die from a lack of funds or simply disinterest. Hundreds of millions of precious state dollars are continually tied up in projects for which little or no progress is being made, limiting the state's flexibility to address emerging needs and wasting more time and energy as those dollars are redirected in subsequent legislative sessions to projects that are ready.

A more orderly, thoughtful process is needed and the relative lack of capital outlay funding that is available this year makes this an opportune time to overhaul the process.

Two pieces of legislation currently being considered by the legislature would help bring some sense and reason to the process. Senate Bill 79 would impose heightened review and scrutiny on capital outlay projects by creating a legislative capital outlay review committee and a capital outlay planning and monitoring division in the executive branch. Senate Joint Memorial 21 would request legislative and executive staff to work together, prioritize, review and monitor capital outlay projects.

The selection of capital outlay projects must be improved so that the state is asked to only fund those projects that are ready. We cannot afford to tie up state funds by committing them to projects that need additional funding from federal, local or private sources, that have not been adequately planned and designed or that simply are not wanted by community leaders. Legislators who request funding for capital outlay projects should request the full amount needed for a particular phase of a project so that the project can proceed. We have an obligation to do our part to ensure that this process is efficient and effective. Equally important, the monitoring of how funds are expended

needs to be improved so that we can maintain proper accountability throughout the construction phase and even into the early stages of operation.

An ideal capital outlay process would ensure that members of the legislature are provided with a detailed analysis of each project's intent before making a decision on which projects to support, leading to much better informed decisions while maintaining the integral role of individual legislators in the appropriation process.

We should take this opportunity during this fiscal crisis, when funding for special projects is not plentiful, to revisit how we manage our entire capital outlay system.