

**Capital Outlay Reforms Will Continue;  
Administrative Reforms Are Next Step**

**By Senator Pete Campos**

Reforming New Mexico's process for selecting and paying for public works projects, which is nearly universally criticized as inefficient and wasteful, will continue through administrative steps despite the lack of an appetite this year to enact reforms into law.

Those of us who believe the state's capital outlay process can be improved will not be deterred from pursuing statutory changes in the future, such as requirements for better vetting, complete funding and prioritization of those projects that directly improve the safety, well-being and health of New Mexicans.

We will move forward with administrative reforms, including efforts by the Department of Finance and Administration and the Legislative Finance Committee, as well as the New Mexico Municipal League and the New Mexico Association of Counties. Those entities have been working diligently to improve the process, mindful of how important capital outlay projects are to local communities, our state's economy and the health, safety and well-being of New Mexicans. The group is also keenly aware of inefficiencies in our current capital outlay process, caused primarily by the inability or unwillingness to fully fund projects, which ties up millions of state tax dollars while other funding is sought; the selection of projects that are not eligible, ready or desired, which wastes time as bonding capacity is left unused for another year; and by inadequate oversight and follow-up, which result in projects that are started but not finished and completed projects that are never opened due to a lack of operational funding.

All parties should continue to ensure that all capital outlay projects are vetted, meet local needs and reflect state and local priorities.

The Municipal League and the Association of Counties have already increased their outreach and education efforts about the state's paperless, internet-based questionnaire system that saves local governments time, money and effort and that speeds up the state's review of projects prior to issuing bonds to finance them. At the same time, the State Board of Finance is distributing the questionnaires immediately following legislative sessions in order to speed the process of issuing bonds.

Also, the Board of Finance is no longer issuing bonds for projects that likely violate the

New Mexico Constitution's Anti-Donation Clause or for projects that will be administered by governmental entities that are not fully in compliance with their audit requirements.

Guidelines have been developed to assist legislators in ensuring that projects they select for funding are in fact ready to receive funding and that they are a high priority for the community.

Other improvements will be pursued in the months ahead. The Department of Finance and Administration will survey recipients of capital outlay funding regarding their current processes to identify the best practices and lay the foundation for a statewide approach. State agencies and local governments will begin to hold workshops to make the process of applying for, receiving and managing capital outlay funding more effective and efficient.

Lastly, and perhaps most importantly, the informal working group of representatives from the executive and legislative branches, the cities and the counties will continue to meet, deliberate and seek to improve this process that is so important to the people of New Mexico.

Good legislation takes time. Processes change and evolve. Evidence-based information and testimony are important to ensure we fund important projects that bring jobs, vitality and stability to the state and our communities.