



# State of New Mexico

Michelle Lujan Grisham  
*Governor*

March 9, 2026

## HOUSE EXECUTIVE MESSAGE NO. 91

The Honorable Javier Martínez, Speaker of the House and  
Members of the House of Representatives  
State Capitol Building  
Santa Fe, New Mexico 87501

Honorable Speaker Martínez and Members of the House:

Pursuant to my authority under Article IV, Section 22 of the New Mexico Constitution, I have signed HOUSE BILL 247, as amended ("HB 247"), enacted by the Fifty-Seventh Legislature, Second Session, 2026.

HB 247, which enacts changes to the capital outlay process, will move the needle to improve outcomes and expenditures of capital outlay appropriations. This law incentivizes meaningful project planning and adds accountability by ensuring that reauthorizations are limited in duration and reserved for projects that are underway. Furthermore, the law will direct future capital outlay reversions to the Capital Development and Reserve Fund, a prudent fiscal approach that will enable the State to continue meaningful capital investments in years with lower revenue surpluses while reducing reliance on debt issuance. Enactment of this bill codifies some of the capital program oversight and implementation approaches my Administration has been delivering for years, particularly related to reauthorizations.

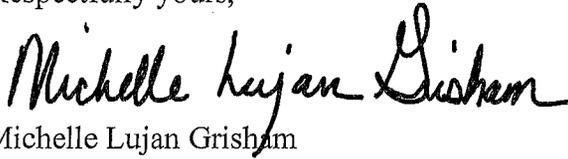
And though these changes to our laws are needed and will lead to a more efficient and reliable capital system, unfortunately they fall short of the full array of solutions that are well documented and should be understood by our legislators. Notably, HB 247 fails to meaningfully constrain the way legislators review and select projects for funding. I fully expect that we will continue to see high stranded capital balances until the Legislature institutes robust project vetting before allocating piecemeal capital funding to projects that are not a local priority or ready to proceed. Although legislation I signed in 2021 requires the list of legislator and governor funded projects to be published within 30 days after the session, constituents should have access to this information as the capital bill makes its way through the legislative process each session.

While we have more to do in this arena, I express my appreciation to the staff at the Legislative Finance Committee, specifically Cally Carswell and Ismael Torres, and the Department of Finance

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and Administration, including Wesley Billingsley, for their ongoing commitment to advancing capital outlay reform that safeguards public funds while maximizing the program's impact in each of our New Mexico communities. I urge everyone involved in the capital process—from local governments and Pueblos, Nations, and Tribes, to legislators and the state agency personnel who administer the grants—to work together on full implementation of HB 247 and to continue putting forward meaningful changes that build on this new law.

Respectfully yours,



Michelle Lujan Grisham  
Governor

RECEIVED FROM THE OFFICE OF THE GOVERNOR

Time: 5:49 a.m. (p.m.) For [Signature]  
Date: March 9 2026 By [Signature]  
Secretary of State

Time: 8:06 a.m. p.m.  
Date: 3/10 2026 By [Signature]  
Chief Clerk of the House