

Report: Capital projects need reform

By Sandra Fish, *New Mexico In Depth*

The Taos News, 10/8/2015

A leading non-partisan think tank wants state lawmakers to reform how New Mexico pays for brick-and-mortar projects.

And it wants lawmakers to do it during the 2016 legislative session, which starts in January.

Santa Fe-based Think New Mexico is recommending the Legislature adopt a system in which an independent board and its staff evaluate and introduce capital projects so as to reduce the influence of politics.

Currently, New Mexico state lawmakers divvy up money for so-called “pork barrel” projects in what Think New Mexico dubs the “Christmas Tree Bill” in a 32page report to be released Monday.

Think New Mexico’s call for reform comes at a time of heightened scrutiny for the way New Mexico pays for brick-and-mortar projects.

The Legislature ended the regular 60-day legislative session earlier this year without an agreement on capital outlay due to a public meltdown fueled by partisan bickering. Among the sticking points: Lawmakers and the governor’s office fought over how to pay for hundreds of projects and what to include.

Eventually, state lawmakers came up with a compromise, but only after a June special session that cost taxpayers tens of thousands of dollars.

Each year, Think New Mexico targets a single issue for legislative reform. In the past, the group helped repeal taxes on food, enact full-day kindergarten and more.

In its new report, the organization outlines problems with the current capital outlay process. They range from unfinished or faulty projects to the politics surrounding the annual bill.

“As all of us looked at what can be done to change things in a very significant way, both on a jobs front and in a rational expenditure of money,” said Roberta Ramo, chair of the Think New Mexico board. She added Think New Mexico’s motivation for taking on capital outlay is economic. “It became clear that what we were doing (with capital outlay) was simply wrong and not sustainable.”

Think New Mexico cites reporting by New Mexico In Depth and its partners, the Las Cruces Sun-News, the Taos News and The Daily Times of Farmington in its report. In the “Capital Dilemma” series, NMID and its partners are highlighting unspent money and problematic projects in the capital outlay system. NMID also created a website where New Mexicans can get more information about projects in specific cities or counties.

An independent board, as proposed by Think New Mexico, would rank projects based on criteria developed by the Legislature and governor.

There would be a minimum amount for projects to be funded with bonds, and local projects would require local matching money based on a sliding scale.

In that way, the system would resemble how New Mexico pays for public school brick-and-mortar projects. Rep. Dennis Roch, R-Logan, a school district superintendent, told NMID in August he believes adopting a system similar to the one the state uses for public schools would be more equitable, especially in a district like his that covers seven counties in northeast New Mexico.

“I think we’re long overdue for using a similar system for all capital outlay,” Roch said.

After the ranking by the independent board, the Legislature and governor would be able to “line-item veto” projects, according to the proposal, but they couldn’t add new projects -- an idea Think New Mexico borrows from Oklahoma.

“I suppose this effort might appear to be taking the punch bowl away from the party and replacing it with a plate of spinach,” said Fred Nathan, executive director and founder of Think New Mexico. “But more and more policymakers on both sides of the aisle are stepping forward and seem to acknowledge that the system for allocating infrastructure dollars is completely broken.”

A spokesman for Gov. Susanna Martinez noted that she has advocated reforming the system, instituting audit requirements and cracking down on some expenditures via line-item vetoes.

“Our infrastructure money should be spent on projects that put New Mexicans to work in the short-run, lay a foundation for long-term growth, and address the large regional and statewide infrastructure needs we face,” Michael Lonergan wrote in an email. “This is a critical, high-priority issue and an area that is desperately in need of reform.”

The Think New Mexico report traces the history of capital outlay earmarks for individual lawmakers to a 1977 bill that merged a variety of infrastructure measures into a single “Christmas Tree Bill,” complete with a Christmas tree design on the cover.

“As the Christmas Tree Bills have grown in size, so have the concerns about their failure to prioritize projects and direct capital outlay dollars to where they are most needed,” the report says.

One academic who studies the subject told New Mexico In Depth the state’s system “would be the illustration about how not to do capital improvement planning.” New Mexico is the only state in the nation that allows earmarking by lawmakers for such projects.

Featured in Think New Mexico’s report is a photo of former Farmington Rep. Thomas Taylor wearing a pig mask during a 1999 debate on the bill.

Taylor, who left the legislature last year after 16 years and served as Republican minority leader, noted that lawmakers, especially legislative leaders, are reluctant to give up control over the process. Reform bills proposed in recent years often didn't even make it out of committee.

He also recollected a particular hearing on capital projects that illustrated the wide variety of financial requests lawmakers hear each session, which range from apparent luxuries to public health necessities.

"There was a long presentation by a group that was looking for money to build a gazebo that was a \$250,000 deal," Taylor said. "Then there was a small community in the eastern part of New Mexico that needed \$33,000 to upgrade their water system up to standards."

Among the problems Think New Mexico cities are projects such as the Cabresto Lake Dam near Questa, which still leaks water after nearly \$7 million in capital funding, and the Mora County Courthouse, which is still unfinished and unused despite millions in state and local money.

And it mentions the many projects in capital outlay bills requested by lobbyists or individuals but not requested by local governments.

Think New Mexico board chair Ramo said a complete overhaul of the process will eliminate such problems.

"This is better for everybody, better for the citizens, better for the legislators and better for the governor," she said. "We don't have any dollars to waste in New Mexico."

Visit nmcapproj.herokuapp.com for the capital outlay database Sandra Fish created.



The cover of Think New Mexico's latest report, 'The Story of the Christmas Tree Bill,' complete with flying pig.

Illustration by Jeff Drew