

## **\$1 billion for projects sits unspent, lawmakers told**

**By Sandra Fish, *New Mexico In Depth***

*The Taos News*, 11/5/2015

Hundreds of projects around New Mexico sit uncompleted as \$1 billion in state funding meant to pay for them remains unspent, legislative staff told the New Mexico Legislature's budget arm Wednesday.

About one-fourth of that is for local projects in New Mexico's cities, towns and communities, staff told the Legislative Finance Committee.

Eleven New Mexico counties, including San Juan and Taos, haven't spent 90 percent or more of the state dollars earmarked for them between 2012 and 2014, according to an Oct. 28 report on lawmaker- sponsored projects.

The \$1 billion unspent includes dollars earmarked or brick-and-mortar projects, also known as capital outlay, infrastructure for tribal communities and water and colonias projects.

Lawmakers expressed concern about the unspent money, but some noted that many projects are in the planning process and the money eventually should be spent. They also questioned how to reform the capital outlay system, while acknowledging there are problems.

Until now, legislative staff only has alerted lawmakers about projects valued at \$1 million or more that weren't progressing. But for the first time Wednesday legislative staff reported analyzing legislative- funded capital outlay projects between \$300,000 and less than \$1 million.

New Mexico In Depth reported in August that \$337 million earmarked for local projects between 2010 and 2014 went to more than 2,500 projects valued at less than \$1 million – and more than half was unspent at the time.

New Mexico In Depth and its media partners are examining the process the state uses each year to pay for hundreds of projects around the state, including everything from new and renovated buildings to water projects.

Citing problems, including the large amounts of money that sit unspent for years, leaving projects to languish, nonpartisan Think New Mexico, a Santa Fe-based think tank, recently recommended the Legislature overhaul the system during its 2016 legislative session.

Among its recommendations are eliminating earmarks and making sure projects are fully funded before the money is allocated. The proposal would include a commission to prioritize and recommend projects to the governor and Legislature.

But Rep. Paul Bandy, R-Aztec, said lawmakers know more about what's best for their constituents than a commission like the one recommended by Think New Mexico.

"I agree that we need to do some capital outlay reform, but we need to do it ourselves," Bandy said.

He said he recently attended a meeting in Texas and told lawmakers from other states about New Mexico's infrastructure funding.

"They were envious," Bandy said to laughter. "They were, 'you're kidding you really do that?'" "Many critics, including scholars who study how U.S. states pay for brick-and-mortar projects, say New Mexico's politicized process for selecting local projects to fund is unique.

One weakness the New Mexico In Depth analysis discovered is once New Mexico authorizes money, oversight to ensure the dollars are spent efficiently appears to be lacking.

Some projects are unfinished years after receiving state funding because there is not enough money to complete them.

Among the local projects legislative staff identified Wednesday as lagging: • \$450,500 for fairground improvements in Santa Fe County. Money allocated in 2013 isn't being spent even though a grant agreement was issued in February 2014.

- \$596,000 for Explora Science Center and Children's Museum in Albuquerque allocated in 2014. A grant agreement is being reviewed by legal staff, city officials told legislative staff.

- \$500,000 for a water system for the Ramah Chapter of the Navajo Tribe allocated in 2014. The chapter has yet to sign and return a grant agreement sent in March.

- \$400,000 for a medical clinic in Hidalgo.

LFC Chairman Sen. John Arthur Smith, D-Deming, said after the Hidalgo clinic was included in the 2014 capital outlay bill, the medical provider in the area left. Another provider hasn't been located to build the clinic.

Legislative staff outlines recommended guidelines for local projects, including a minimum of \$100,000 per project, prioritization in the state's infrastructure planning process and more.

"The following guidelines would help demonstrate that local needs can be addressed responsibly, whether it's for the Paseo del Norte Interchange or for a water well in Willard," the two-page document begins.

But lawmakers often ignore those recommendations.

Rep. Jason Harper, R-Rio Rancho, acknowledged that fixing the capital outlay process is challenging.

"I thought reforming our gross receipts tax would be a heavy lift," Harper said. "That looks like a walk in the park compared to reforming our capital outlay process."

### Capital outlay projects 2012-2014

Represents only projects between \$300,000 and \$1 million

County	Number of Projects	Appropriated	Unspent	Percent unspent
Bernalillo	192	\$35,327,667	\$26,165,956	74.10%
Catron	4	\$447,500	\$232,671	52%
Chaves	23	\$3,591,200	\$2,585,501	72%
Cibola	20	\$3,580,000	\$3,202,280	89.4%
Coffey	12	\$2,408,794	\$2,392,600	99.4%
Curry	9	\$1,780,000	\$1,605,089	84.60%
De Baca	1	\$75,000	\$75,000	100%
Dofia Ana	93	\$29,271,707	\$25,579,456	87.4%
Eddy	27	\$4,378,500	\$3,726,603	85.2%
Grant	12	\$1,984,500	\$1,697,008	85.5%
Guadalupe	18	\$1,895,000	\$1,610,185	85%
Harding	3	\$326,000	\$326,000	100%
Hidalgo	5	\$1,063,000	\$1,063,000	100%
Lea	21	\$4,601,000	\$4,409,921	95.80%
Lincoln	27	\$2,323,000	\$1,875,115	80.7%
Los Alamos	4	\$627,317	\$560,189	89.30%
Luna	6	\$1,320,000	\$812,089	61.5%
McKinley	58	\$6,900,500	\$6,266,619	90.80%
Mora	9	\$3,258,957	\$3,072,773	94.30%
Otero	23	\$5,155,460	\$3,677,116	71.3%
Quay	6	\$582,000	\$437,087	75.10%
Rio Arriba	52	\$12,013,900	\$11,510,334	95.80%
Roosevelt	15	\$2,224,000	\$1,661,948	74.3%
San Juan	25	\$9,063,775	\$8,732,761	96.30%
San Miguel	38	\$8,978,118	\$7,760,407	86.4%
Sandoval	54	\$9,535,546	\$7,348,162	77.10%
Santa Fe	79	\$6,496,100	\$7,065,776	83.2%
Sierra	10	\$1,509,499	\$992,047	65.7%
Socorro	12	\$2,044,500	\$1,034,851	50.6%
Taos	42	\$2,690,100	\$2,445,413	90.9%
Torrance	19	\$2,743,000	\$2,147,549	78.30%
Union	7	\$747,000	\$707,210	94.7%
Valencia	25	\$7,269,400	\$6,206,404	85.4%