

Guest Editorial

By Senator Pete Campos, D-Las Vegas
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January 28, 2019

550 words

New Mexico Needs a Better Way To Fund Capital Projects

The state had almost \$640 million in state capital outlay funding unspent at the end of 2018, a symbol of bad planning, inefficient use of resources, and a system that fails the people of New Mexico. We can do better.

The state's process for distributing bond proceeds and other funds for construction, equipment, and other infrastructure has long been criticized, and the numbers tell the story why: Of the \$640 million authorized but unspent at the end of December, more than \$280 million was for about 700 projects authorized in 2016 or earlier and almost 190 of those were small, local projects that might never be completed. That's hundreds of millions of idle dollars that could be in the economy solving community problems if only the state did a better job of planning and allocating capital outlay.

Criticism has been especially sharp for the way the Legislature allocates funds for local projects. After determining funding for statewide projects, any remaining money is divided between the House and Senate, with an equal amount allotted to each member. This makes it possible for small projects, which might fall through the cracks otherwise, to get funding. But these are the projects most likely to remain idle for years and least likely to be completed. At times, the community considers the project a low priority or never asked for it at all.

Both statewide and local projects suffer from piecemeal and insufficient funding, inadequate planning, and unforeseen growth in construction costs. Currently, statewide projects only get cursory legislative review with little verification of the costs or purpose, and local projects generally move through the funding process with little evaluation. While legislative and executive staff prioritize statewide projects and some communities and colleges score and rank proposals, there is no formal scoring process, and both state and local priorities can change year-to-year. Further, the executive has not submitted a list of capital outlay priorities in at least eight years.

These problems could be solved with long-term planning, a longer evaluation timeline, and more staff to improve oversight and ensure each project is properly funded, ready to proceed, and benefits the community. I am proposing legislation that will require five-year capital outlay plans from state and local governments and colleges, a timeline that adds months to the review process, and a commission made up of representatives from the Legislature and the executive that will evaluate and endorse state and local projects.

On top of administrative processes implemented in the past few years to clarify and streamline the local project process and reclaim idle funds, these steps would ensure the Legislature acts with better information, and better information should lead to better decisions and a greater return on our capital investments for all New Mexicans.

Capital projects – from traffic lights to multi-million-dollar water systems – are often scorned as “pork” but are critical to economic development and quality of life in New Mexico. The money we spend on playing fields for our children, online computer systems for assessing and paying taxes, museums to hold our priceless heritage, and a wide range of other projects is a long-term investment in the state. Construction projects fuel job growth, and the dollars spent ripple through communities. The resulting facilities attract business and help communities thrive. It is critical we spend this money effectively and efficiently.

Senator Campos, D-Las Vegas, has served as the senator from District 8 in northern New Mexico since 1991 and has been a member of the Senate Finance Committee since 1997. Campos is also a member of the Legislative Finance and Ethics committees and Senate Committee’s Committee. He has served as president of Luna Community College, superintendent of the Las Vegas City Schools, and mayor of Santa Rosa.