Report: Millions for public works projects go unspent

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ALBUQUERQUE - Some lawmakers and government watchdogs on Wednesday acknowledged the need to reform the way New Mexico pays for its public works projects after a review by legislative analysts identified more than $1 billion in funds that went unspent for projects approved over the last several years.

Almost half of the capital funds appropriated for projects in 2012 are outstanding as are more than three-quarters of funds earmarked in 2013, according to the report. About 90 percent of the tens of millions of dollars set aside in 2014 to address water infrastructure needs and treatment projects have not been spent.

Fred Nathan, executive director of the independent think-tank Think New Mexico, said the large amount of unused money underscores the need for reform of how the state spends taxpayer dollars on public infrastructure. “Every $100 million sitting idle on the sidelines represents 2,700 potential jobs, so it is urgent that the issue of public infrastructure reform is addressed soon,” he told The Associated Press.

Lawmakers echoed the concerns, with some suggesting that a special panel be created to study the issue next year.

For decades, New Mexico lawmakers have funded capital improvement projects — from roads and bridges to senior centers and parks — using money from bonds issued against the state’s severance taxes on oil, gas and minerals. The money is usually divided among the governor and lawmakers who select projects for their individual districts.

It was political bickering over capital outlay spending that derailed the 2015 legislative session. Republican leaders in the House and Democrats in the Senate eventually reached an agreement with the governor’s office, clearing the way for nearly $100 million in capital funds to be approved during a special session.

Analysts noted that projects aren’t always ready so the funding ends up sitting around and in many cases projects are reauthorized year after year. There are times local governments can’t move forward with projects because of a lack of resources or planning. Some local governments never asked for the funding to start with, but they move ahead with issuing the bonds to avoid offending lawmakers.

According to the report, more than $1 billion from all funding sources for nearly 2,900 projects remained outstanding as of September. That includes $165 million in earmarked balances for water projects, colonias improvements and tribal infrastructure.

Among the 2012 projects with little or no activity is a $300,000 update of the Española library. For 2013, those with little activity include a $303,000 rail-yard improvement project in Bernalillo County, $500,000 for the Lea County judicial complex, and $451,000 for the Santa Fe County fairgrounds.

Legislative analysts said they plan to continue working with local governments to track spending on capital improvements.