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EDITORIALS

2016 the year to reform NM capital outlay system

When did you ever hear a company say it is moving its headquarters to a community because of the great elementary school playground? Or upgraded cemetery roads? Or new senior center kitchen equipment?

Exactly.

Yet that is how the majority of New Mexico's capital outlay — i.e. infrastructure — money is spent, on small projects that might mean a lot to those who will use them but next to nothing in terms of lasting jobs or infrastructure that attracts new/increases existing business. In a state with urgent economic needs by any definition, that needs to change.

In addition to \$295 million in this year's capital outlay spending bill for everything from toilets to school landscaping to sidewalks, around \$788 million in public money is sitting on the sidelines, some of it since 2009, because its 2,146 infrastructure projects are not shovel-ready, not fully funded or not wanted. Then there are projects that are half-finished, like the shell of the now \$12.1 million Mora County Courthouse, or finished poorly, like the \$6.7 million still-leaking Cabresto Lake Dam near Questa.

While some legislators might consider bringing home the capital outlay bacon an investment in their own political futures, the reality is that just one in every eight capital requests is actually funded. To bottom-line it for lawmakers: You probably won't get what you ask for, and if you do, the work might never get started. If it does, there's a chance it won't be finished, and even if it is, there is no oversight to ensure it's done well.

And that makes it a no-brainer to establish some oversight while returning to the pre-1977 intent of the state's bonding capacity — "big, important and essential public infrastructure projects."

That's the intent of a legislative push by Santa Fe-based think tank Think New Mexico, whose latest white paper is titled "The Story of the Christmas Tree Bill; Fixing Public Infrastructure Spending in New Mexico." New Mexico's capital outlay spending is nicknamed the Christmas Tree bill because, with hundreds and hundreds of projects, there's "a present in it for everyone."

Think New Mexico points out the current capital outlay system has no independent review as to need, no project prioritization and is passed in the wee hours of each session with little to no public transparency. Then there's no quality control to ensure projects are done well, no coordination with the local entities that will be expected to fund operations and maintenance, and no amortization to ensure the public isn't paying more in interest than the basic cost for a tiny project.

According to Think executive director Fred Nathan, New Mexico is the only state that lets its politicians divvy up the infrastructure budget based on a political formula (one third each to the Senate, House and governor). Meanwhile, neighboring Oklahoma has a nine-member no-legislator commission that establishes a rolling eight-year list of priorities its lawmakers can subtract from — but not add to. And neighboring Utah has an eight-member state building board that evaluates and ranks capital needs for consideration by the legislative and executive branches.

In fact no fewer than 19 states have independent commissions that put an arm's length between infrastructure needs and retail politics.

There have been calls for reform for decades, including by both Gov. Bill Richardson and Gov. Susana Martinez, but the New Mexico system of patron politics has proven remarkably resilient in this area.

New Mexico has the know-how to reinvent its capital outlay wheel and ensure that it rolls in favor of long-lasting quality-of-life improvements for residents. Establishing an independent commission to come up with a list of projects free from political pressure and prioritizing them based on return on investment makes sound financial sense.

New Mexico cannot afford a process that at best doesn't invest in infrastructure and at worst invests in the wrong infrastructure. Come January, lawmakers need to have packed away those holiday lights and recycled that Christmas tree once and for all in favor of a more transparent and accountable way of capital spending that actually pays off for residents.