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SENATE MEMORIAL 6

**50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011**

INTRODUCED BY

Pete Campos

A MEMORIAL

REQUESTING THE LEGISLATIVE FINANCE COMMITTEE, THE DEPARTMENT OF FINANCE AND ADMINISTRATION AND THE LEGISLATIVE COUNCIL SERVICE TO COLLABORATE ON A PROCESS TO PRIORITIZE, REVIEW AND MONITOR CAPITAL OUTLAY PROJECTS.

WHEREAS, the state currently has no uniform means for setting priorities for the expenditure of capital outlay funding when some capital outlay funds reflect the priorities of legislators and others reflect the priorities of the governor; and

WHEREAS, uniformity of evaluation becomes even more difficult when some capital outlay projects are well on their way to completion while other exciting initiatives languish for lack of start-up money; and

WHEREAS, the needs of legislative districts vary so widely

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1 that some districts may lack even minimally graded roads that  
2 enable students to attend schools while others refine the  
3 texture of asphalt at baseball field parking lots, and some  
4 districts have no playgrounds while others use capital outlay  
5 funds to refurbish elegant buildings; and

6 WHEREAS, some areas actually lack indoor plumbing,  
7 electricity and potable water supplies while others seek  
8 capital to upgrade relatively new facilities; and

9 WHEREAS, some capital outlay projects that otherwise would  
10 not be evaluated as a high priority become a priority if they  
11 must meet a deadline in order to draw down matching funds from  
12 other sources, and matching funds can save the state money in  
13 the long run; and

14 WHEREAS, setting priorities so that the state's residents  
15 are treated equitably can be next to impossible, given the  
16 variety of needs, the levels of project completion and the  
17 urgency presented in communities across the state; and

18 WHEREAS, some capital outlay projects can be funded in  
19 phases while others require all of the money at once in order  
20 to be completed; and

21 WHEREAS, some tribal projects that are funded partially  
22 with state capital also require tribal funding, but these  
23 projects have not been discussed with tribal governments,  
24 although tribal contracting processes involve consultation with  
25 the federal bureau of Indian affairs and other federal

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1 authorities prior to commencing a project and consideration in  
2 the context of tribal budgets, if not already approved for  
3 funding; and

4 WHEREAS, even though basic capital outlay priorities lack  
5 a standard framework for evaluation, models of evaluation have  
6 already been set for public schools, for roads with federal  
7 funding and for New Mexico Finance Authority Act projects; and

8 WHEREAS, the state is required to collaborate with tribal  
9 governments on "the development and implementation of policies,  
10 agreements and programs" directly affecting Indian nations,  
11 tribes and pueblos in the state; and

12 WHEREAS, the reorganization and clarification of capital  
13 outlay processes certainly affect Indian nations, tribes and  
14 pueblos and could "promote effective communication, positive  
15 government-to-government relations" and lead to "effective  
16 services" for New Mexico's tribal populations, as required by  
17 law; and

18 WHEREAS, even though roads, schools and New Mexico finance  
19 authority initiatives have a structure for capital outlay  
20 funding, the state still has no organized framework for  
21 initiating, funding, overseeing and prioritizing much-needed  
22 tribal projects that must survive the complex approval process  
23 in another two levels of government even after New Mexico  
24 legislative approval; and

25 WHEREAS, it appears that a committee or working group

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1 representing competing interests presented by geographic and  
2 population disparity would be helpful in sorting through  
3 priorities and devising a framework by which to weigh the need  
4 for, versus the availability of, capital outlay funds; and

5 WHEREAS, while oversight and review of existing projects  
6 are currently provided by a variety of departments with a  
7 variety of standards, a single mode of evaluation and review  
8 would aid the state in deciding whether to continue or to  
9 divert funds that have been allocated to a capital outlay  
10 project;

11 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE  
12 OF NEW MEXICO that the legislative finance committee, the  
13 department of finance and administration, the New Mexico  
14 municipal league, the New Mexico association of counties, the  
15 all Indian pueblo council, the Navajo Nation and the  
16 legislative council service be requested to collaborate on a  
17 process to prioritize, review and monitor capital outlay  
18 projects; and

19 BE IT FURTHER RESOLVED that the entities establish a  
20 capital outlay planning and review committee; and

21 BE IT FURTHER RESOLVED that the committee be granted the  
22 authority to request an audit by the state auditor or a  
23 financial compliance or performance audit by the department of  
24 finance and administration or the legislative finance  
25 committee; and

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1 BE IT FURTHER RESOLVED that, by January 1, 2012, the  
2 committee recommend to the legislature through the appropriate  
3 interim committee a framework for:

4 A. making priority-setting for capital outlay  
5 projects more uniform;

6 B. establishing procedures to ensure current and  
7 complete accounting and reporting on capital projects; and

8 C. analyzing requests in light of the critical  
9 needs of the state; the need for the capital project; the  
10 ability to phase the capital project, if necessary; the ability  
11 of the recipient to provide adequate staffing and funding for  
12 future operations; the expected useful life of the capital  
13 project; the available alternatives to the capital project; the  
14 availability of matching funds; the need for coordination with  
15 tribal entities, as appropriate; and other considerations as  
16 determined by the committee; and

17 BE IT FURTHER RESOLVED that the capital outlay planning  
18 and review committee invite representatives of federal agencies  
19 that provide loans and grants to New Mexico communities to  
20 participate in its meetings and invite others who influence the  
21 amount and type of funding available for capital outlay  
22 projects; and

23 BE IT FURTHER RESOLVED that copies of this memorial be  
24 transmitted to the directors of the legislative council service  
25 and the legislative finance committee, the executive directors

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1 of the New Mexico municipal league and the New Mexico  
2 association of counties, the chair of the all Indian pueblo  
3 council, the president of the Navajo Nation and the secretary  
4 of finance and administration.

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