

Public School Capital Outlay Funding Process

New Mexico School Boards Association Leadership Retreat Taos, New Mexico

June 15, 2022

Presenter:

Martica Casias, PSFA Executive Director



New Mexico Public School Facilities Authority

Partnering with New Mexico's communities to provide quality, sustainable school facilities for our students and educators.

Agenda

- Overview
 - PSFA / PSCOC Organization
 - Current PSCOC Members and Key PSFA Personnel
- Funding Programs and Awards Cycle
 - Ranking
- Legislative Offsets
- State Local Match

**Public School Capital Outlay Council
(PSCOC)
&
Public School Facilities Authority
(PSFA)**

Public School Capital Outlay Council

PSCOC Current Members

- ▶ Joe Guillen, PSCOC Chair - NM School Boards Association
- ▶ Raul Búrciaga, PSCOC Vice-Chair - Legislative Council Service
- ▶ David Abbey - Legislative Finance Committee
- ▶ David Robbins - Public Education Commission
- ▶ Gwen Warniment- Legislative Education Study Committee
- ▶ Mariana Padilla - Governor's Office
- ▶ Antonio Ortiz - Public Education Department
- ▶ Clay Bailey - Construction Industries Division
- ▶ Ashley Leach - Department of Finance & Administration

Public School Facilities Authority

Key PSFA Staff

- Martica Casias, PSFA Executive Director
- Ryan Parks – Deputy Director
- Brad Mathews – Chief Financial Officer
- Mona Martinez – Chief Procurement Officer / Staff Attorney
- Scott Ficklin – Senior Projects Manager
- Alyce Ramos – Programs Manager
- Larry Tillotson – Maintenance and Operations Support Manager
- John Valdez – Facilities Master Planner
- Andrew Martinez – Facilities Manager
- Ovidiu Viorica – Broadband Manager

PSCOOTF, PSCOC & PSFA Organization

Public School Capital Outlay Oversight Task Force (PSCOOTF)

Oversees the work of the Public School Capital Outlay Council.

Public School Capital Outlay Council (PSCOC)

Manages the allocation of the Public School Capital Outlay Act Fund (PSCOF) to public school facilities.

Public School Facilities Authority (PSFA)

Staff to the PSCOC. Distributes state funding, partners with districts to manage PSCOC awarded projects, collect and organize public school facility data.

Primary Functions of PSFA

Staff to PSCOC

Role defined by NM Administrative Code.
Provide research and analysis to decision-makers on PSCOC.

Funding Administration

Distribution of state funding to all school districts, in compliance with statute.

Project Management

Partner with school districts on planning, design, and construction projects (including technology infrastructure) to provide project management support and technical expertise.

Facility Information Management

Assess, gather, and organize facility information for all schools in NM.

Calculate the wNMCI score to produce the statewide ranking of public schools.

Assist districts in monitoring and improving maintenance and energy efficiency.

Services provided to school districts



Roswell – Del Norte ES – SMPC Architects



Belen - Rio Grande ES – NCA Architects
Professional Photo courtesy of Patrick Coullie



Gallup-McKinley – Thoreau ES – Dekker Perich Sabatini

Projects Process



PLANNING

- District Facilities Master Plan - identifies and prioritizes facility needs (vendor)
- Enrollment, demographics, feasibility studies, etc.

FAD

- School assessments - identifies / scores facility systems and educational adequacy deficiencies. Calculates school wNMCI score.
- RANKING – prioritizes schools (by wNMCI score) for funding.

PROGRAMS

- Sets funding program eligibility (based on RANKING and FAD) and rules.
- Accepts and reviews district applications, calculates potential award amounts.
- Makes award recommendations to the PSCOC.

PROCUREMENT

- Assists districts with procurement of contracts.

FINANCE

- Disburses funding for PSCOC funded awards / projects.

PROJECTS

- Collaborates with districts to co-manage PSCOC awarded projects.
- **Planning, Design, and Construction Phases.**

Current Programs

STANDARDS

- **School / Building replacement, renovation, or additions**
 - Eligibility – Top 150 of current ranking, campus FCI greater than 70%

SYSTEMS

- **Building System replacement or upgrade**
 - Eligibility – Top 350 of current ranking, or specific FAD categories

PRE-K

- **Pre-K facilities renovation or additions**
 - Eligibility – any school facility

TEACHER HOUSING

- UPCOMING PROGRAM

LEASE ASSISTANCE

- Lease Reimbursement for charter and district schools

FMP ASSISTANCE

- FMP funding assistance – district hires planning vendor

Funding Programs Schedule

- The PSCOC adopted a new funding cycle for 2022.
 - Applications will *remain open throughout the year*.
 - Awards will be granted on a quarterly and bi-annual basis.
- Schedule:
 - Jan 11, 2022: Statewide ranking of schools posted by PSFA,
 - Capital Funding Applications released.
 - April 25: Systems-based Awards
 - July 18: Standards-based, Pre-K, and Systems-based Awards
 - October 11: Systems-based Awards
 - January 9, 2023: Standards-based, Pre-K, and Systems-based Awards

Application Cycle/ Process

PSCOC APPROVES FUNDING PROGRAM ELIGIBILITY / RULES

- The release of the Final wNMCI ranking, following PSCOC approval, initiates the Capital Funding Cycle.
- The PSCOC determines eligibility (per the Ranking, FAD, FCI) and funding pools.
 - Standards = top 150
 - Systems = top 350

APPLICATION RELEASED

- PSFA announces application and communicates with potential applicant districts

PRE-APPLICATIONS

- Districts submit pre-application to PSFA.
 - New process – districts submit a letter of intent – providing information regarding request.

PSFA REVIEW PROCESS

- PSFA staff collaborates to review / analyze district applications.
 - Determine if eligibility is met – ranking, FAD
 - FMP, maintenance, finance requirements
 - Evaluate project need / scope / estimated costs
 - Conduct site visits (complicated / large projects)

Application Cycle/ Process

FINAL APPLICATION

- PSFA staff (Programs Manager and Regional Managers) assist districts to complete the Final Applications.
 - New Process – Standards-based will be web-based this year, others to follow.

PSFA REPORT / RECOMMENDATION

- PSFA staff collaborates to compile application information / analysis into a formal report.
 - District request, school eligibility, district maps, school site plan, etc.
 - Planning, Maintenance, and Finance analysis.
 - Potential project analysis – scope, costs, etc.
 - PSFA recommendations for PSCOC award / funding.

PSCOC AWARDS

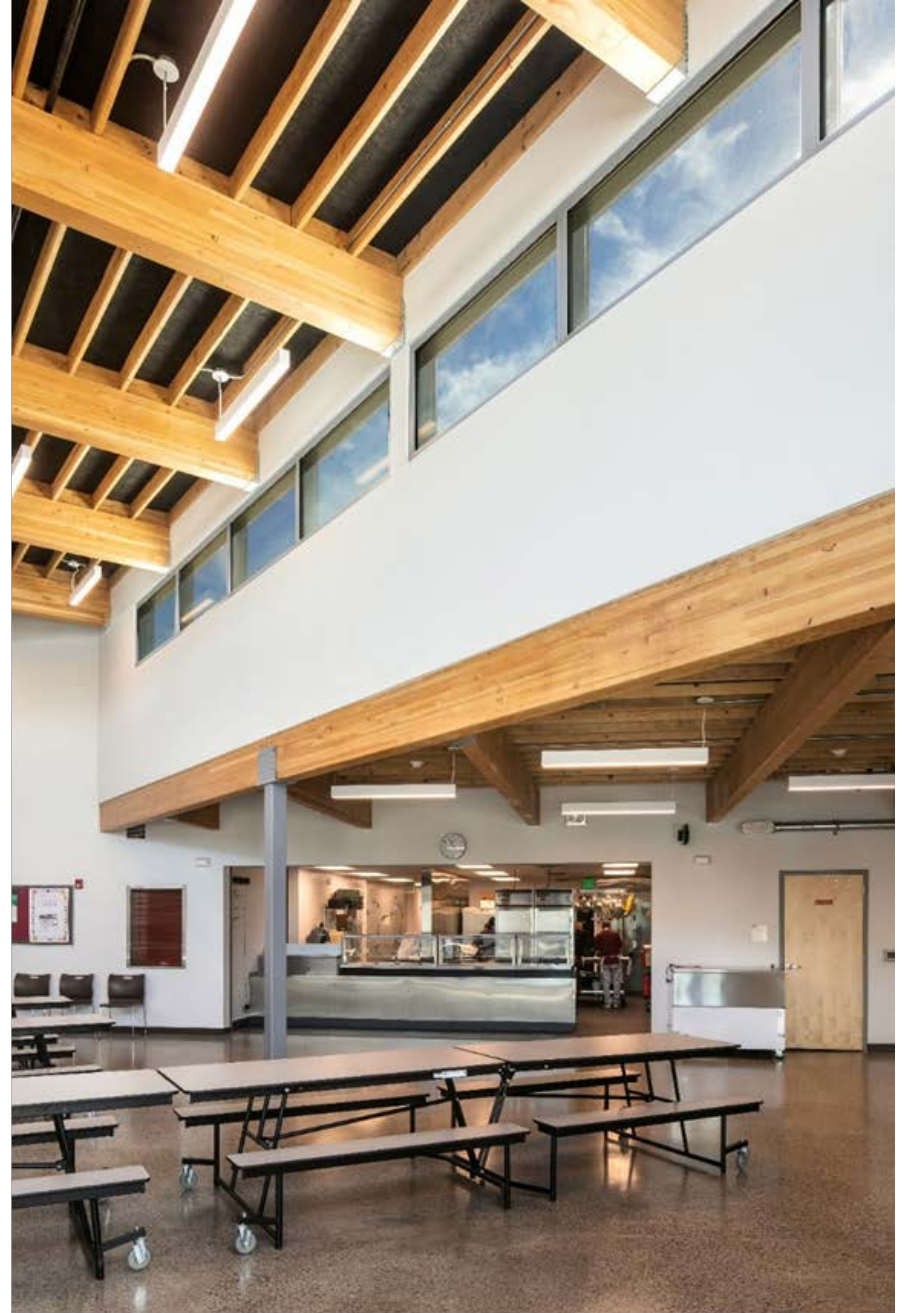
- PSFA and school districts present applications and reports to PSCOC.
- PSCOC approves awards and determines award amount for each application / request.



PROJECTS



Gallup-McKinley – Thoreau ES – Standards-Based Project



Belen - Rio Grande ES – Standards-Based Project
Professional Photo courtesy of Patrick Coulie



Direct Legislative Appropriations (Offsets)

Direct Legislative Appropriations - Offset

▶ WHAT IS AN OFFSET?

- The law says that the PSCOC must “*reduce any grant amounts awarded to a school district by a **percent** of all direct non-operational legislative appropriations for schools in that district that have been accepted, including educational technology and re-authorizations of previous appropriations.*”
- *An offset represents the amount of a direct legislative appropriation that must be subtracted from a potential PSCOC award.*

▶ WHY AN OFFSET?

- The Legislature enacted the offset, as one of a number of initiatives, to better equalize state funding of capital requests across all of New Mexico’s school districts. The 2002 report of the Special Master appointed as a result of the Zuni lawsuit specifically highlighted “*the dis-equalizing effect of direct legislative appropriations to individual schools for capital outlay purposes.*” The offset was enacted to mitigate this concern.
- The offset applies to all PSCOC award allocations after January 2003, including funds appropriated through another government entity which pass directly to the school district and the amounts do not sunset or expire. The Public Education Department (PED) tracks offsets for all districts.

Direct Appropriation and Offset Example

Example: During the 2019 legislature, school district “A” receives a direct legislative appropriation to fund construction of a new fieldhouse next to their football field. The legislative appropriation directs \$1,000,000 toward the project. Two years later, in 2021, school district “A” applies for and receives a PSCOC Pre K award for a project at their elementary school in the amount of \$500,000. This school district has a state/local match of 60/40. How will the direct appropriation impact their PSCOC award?

School District “A” Appropriation and Offset Example

Direct legislative appropriation	\$1,000,000
PSCOC award to the district	\$500,000
District “A” local match percentage	40%
Offset reduction in district’s PSCOC award allocation ($\$1 \text{ M} \times 40\%$)	\$400,000
School district’s net PSCOC award amount ($\$500,000 - \$400,000$)	\$100,000
Total State funds received by the district (Direct appropriation + PSCOC award)	\$1,100,000

Notes:

- 1) Public Education Department tracks offsets for all districts.
- 2) Any capital funding allocated to a specific school district(s) by the legislature is counted for offsets.
- 3) Direct appropriations allocated since 2004 are tracked by PED and the amounts do not sunset or expire.

State Local Match

History of the State/Local Funding Formula

- ▶ 2001 Legislature
 - Responding to the court order from the Zuni Lawsuit, to “establish and implement a uniform funding system for capital improvements... and for correcting past inequities”
 - Created the Deficiencies Correction Program (DCP) to identify and correct serious life, health, safety deficiencies in schools statewide, these projects were 100% state funded

History of the State/Local Funding Formula

▶ 2003 Legislature

- Concern that additional state funding through DCP would not change less wealthy districts' bonding capacity, while allowing wealthy districts to build superior facilities
- Enacted state / local share funding formula
 - Availability of school district revenues from both bond levies and direct mill levies
 - Relative property tax wealth, measured by assessed property tax valuation per student
 - Total mill levy applicable to residential property of the district

Other Services Offered by PSFA

Additional Services Provided by PSFA

Maintenance Support:

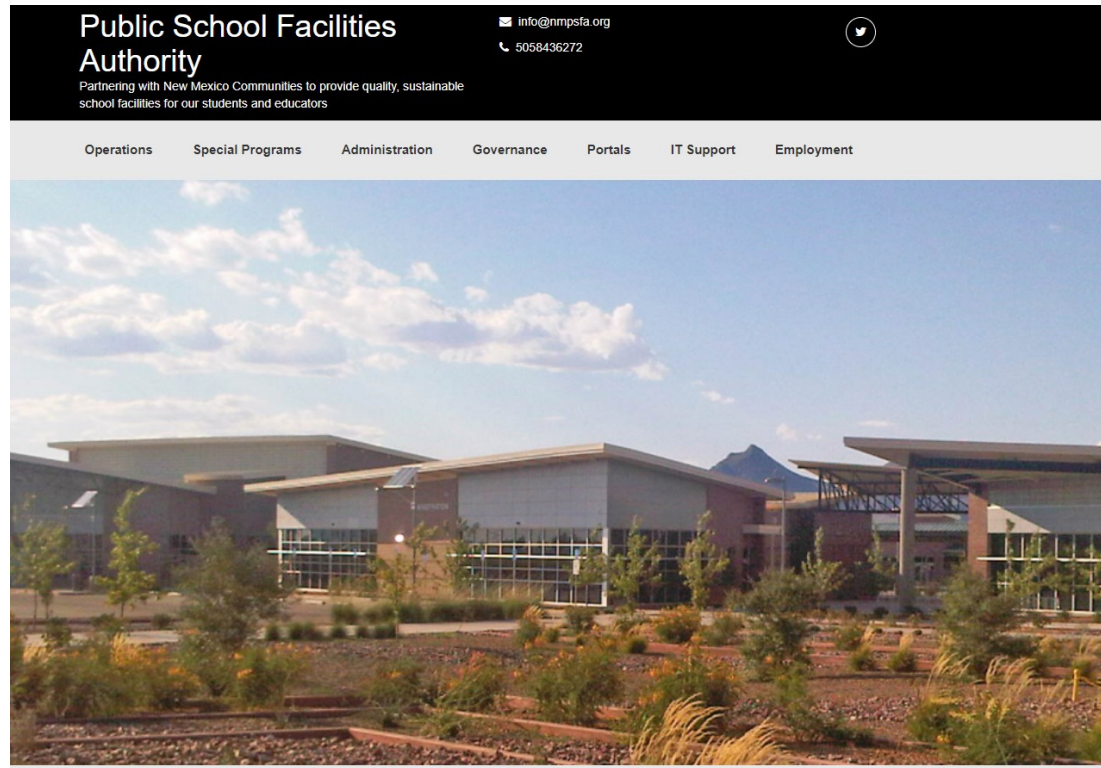
- Consultative services in an effort to assist school districts in establishing and optimizing their maintenance programs.
- Focus on preventive maintenance strategies to extend the life of facilities and their systems.
- Tools and resources to support school infrastructure, maintenance & capital renewal programs.

The goal is assessing local facility management challenges and developing real world solutions for operational cost reductions while providing safe, healthy and reliable environments in support of the state's educational environments.

Contract Construction Documents & Guidance:

- Price Agreements
- Roof Consultant & Observation Services Agreements
- Test, Adjust, and Balance Service Agreements
- HVAC & Controls Performance Assurance Contractor Service Agreements

PSFA Website



www.nmpsfa.org

<https://www.nmpsfa.org/wordpress/capital-funding/>

Thank you

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