

Public School Capitol Outlay Oversight Taskforce (PSCOOTF)

PSFA Status Report

May 20, 2024

STATE OF NEW MEXICO  PUBLIC SCHOOL FACILITIES AUTHORITY

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



Agenda

- New Awarded Projects
- Completed Projects (FY24)
- Current Project Load
- Construction Cost Trends
- Highlight of Current Projects
- Proposed Legislation



PSCOOTF, PSCOC + PSFA Organization



Current Programs

STANDARDS

- School / Building replacement, renovation, or additions

SYSTEMS

- Building System replacement or upgrade

PRE-K

- Pre-K facilities renovation or additions

TEACHER HOUSING

- Housing for schools in rural / tribal areas with no available housing for teachers to rent or purchase

LEASE ASSISTANCE

- Lease Reimbursement for charter and district schools

FMP ASSISTANCE

- FMP funding assistance – district hires planning vendor

31 New FY24 Awards

Standards Based Awards: 6

Systems Based Awards: 22

Teacher Housing: 2

Pre-K: 1

Potential Awards in June 2024: 5 Standards, 4 Systems, 1 Pre-K, 1 Teacher Housing



8 Completed Projects (FY24)

- 1 PreK:
 - Hatch – Garfield Elementary School
- 4 Standards Projects:
 - Hobbs - Southern Heights Elementary School
 - Gallup - Thoreau Elementary School
 - Alamogordo - Holloman Elementary School
 - Roswell - Mesa Middle School
- 3 Systems Projects
 - Los Lunas – Los Lunas Middle School
 - Farmington – Esperanza Elementary School
 - Farmington - Mesa View Middle School

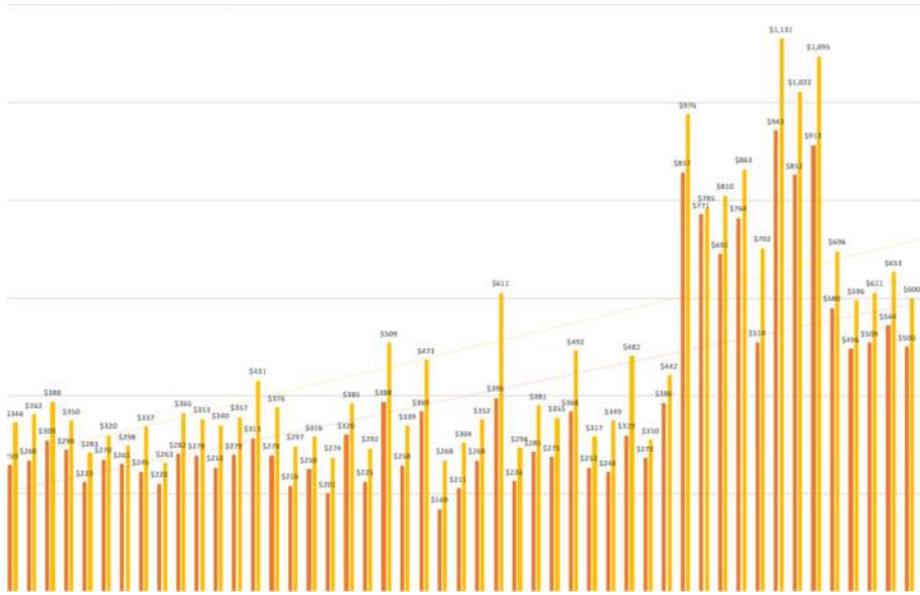
Current Projects

TOTAL ACTIVE PROJECTS: 553

- 58 Standards Based
- 79 Systems Based
- 10 PreK
- 5 Teacher Housing
- 36 Facility Master Plan
- 1 Emergency
- 5 Measurement and Verification
- 85 BDCP Projects
- HB505 Distribution
- SB212 Distribution







Construction Cost Trends

- Construction costs have increased due to material cost increases and construction labor shortages.
- Costs for projects in rural areas of New Mexico have experienced the highest cost increases.
- Projects closer to the interstates and near metro areas have seen lower costs than those in more remote areas.
- While costs have recently shown signs of leveling out, they remain significantly higher than pre-pandemic levels.
- New Mexico continues to struggle with shortages in the construction labor force.
- This paired with continued demand for construction services in New Mexico will keep pricing up for the foreseeable future

Design Phase

Carrizozo Combined School

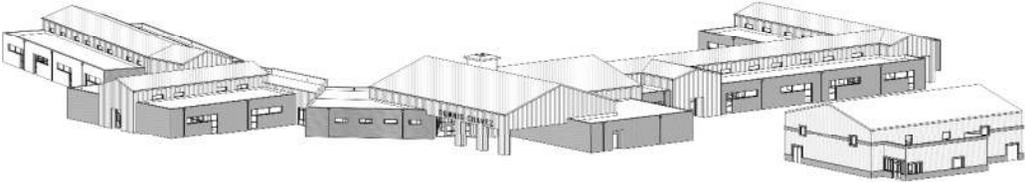
- New 44,000 SF facility + renovation to CTE building
- Design enrolment of 138 students
- Serving Pre-K through 12th grade
- Anticipated construction start: Summer 2024
- Anticipated Total Project Cost: \$45M



Design Phase

Belen - Dennis Chavez Elementary School

- New 46,000 SF school + renovation of existing gym
- Design enrolment of 366 students
- Serving Pre-K through 6th grade
- Anticipated construction start: Fall 2024
- Anticipated Total Project Cost: \$27M



Design Phase

Zuni Middle/High Combination School

- New 97,000 SF facility
- Design enrolment of 581 students
- Serving 7th through 12th grade
- Anticipated construction start: Fall 2024
- Anticipated Total Project Cost: \$114M



Under Construction

Des Moines Combined School

- New 45,161 SF facility
- Design enrolment of 96 students
- Serving Pre-K through 12th grade
- Anticipated construction completion: October 2025
- Total Project Cost: \$51,087,757
- Construction Cost/ SF: \$943
- Total Project Cost/ SF: \$1,131



Under Construction

Mosquero Combined School

- New 87,033 SF facility
- Design enrolment of 110 students
- Serving Pre-K through 12th grade
- Anticipated construction completion: August 2025
- Total Project Cost: \$45,953,268
- Construction Cost/ SF: \$852
- Total Project Cost/ SF: \$1,022



Under Construction

Gallup McKinley Schools – Tohatchi High School

- New 57,797 SF facility
- Design enrolment of 300 students
- Serving 9th through 12th grade
- Anticipated construction completion: September 2026
- Total Project Cost: \$63,309,890
- Construction Cost/ SF: \$913
- Total Project Cost/ SF: \$1,095



Under Construction

Las Cruces - Columbia Elementary School

- New 87,033 SF facility
- Design enrolment of 752 students
- Serving Pre-K through 5th grade
- Anticipated construction completion: July 2025
- Total Project Cost: \$53,205,634
- Construction Cost/ SF: \$509
- Total Project Cost/ SF: \$611



Under Construction

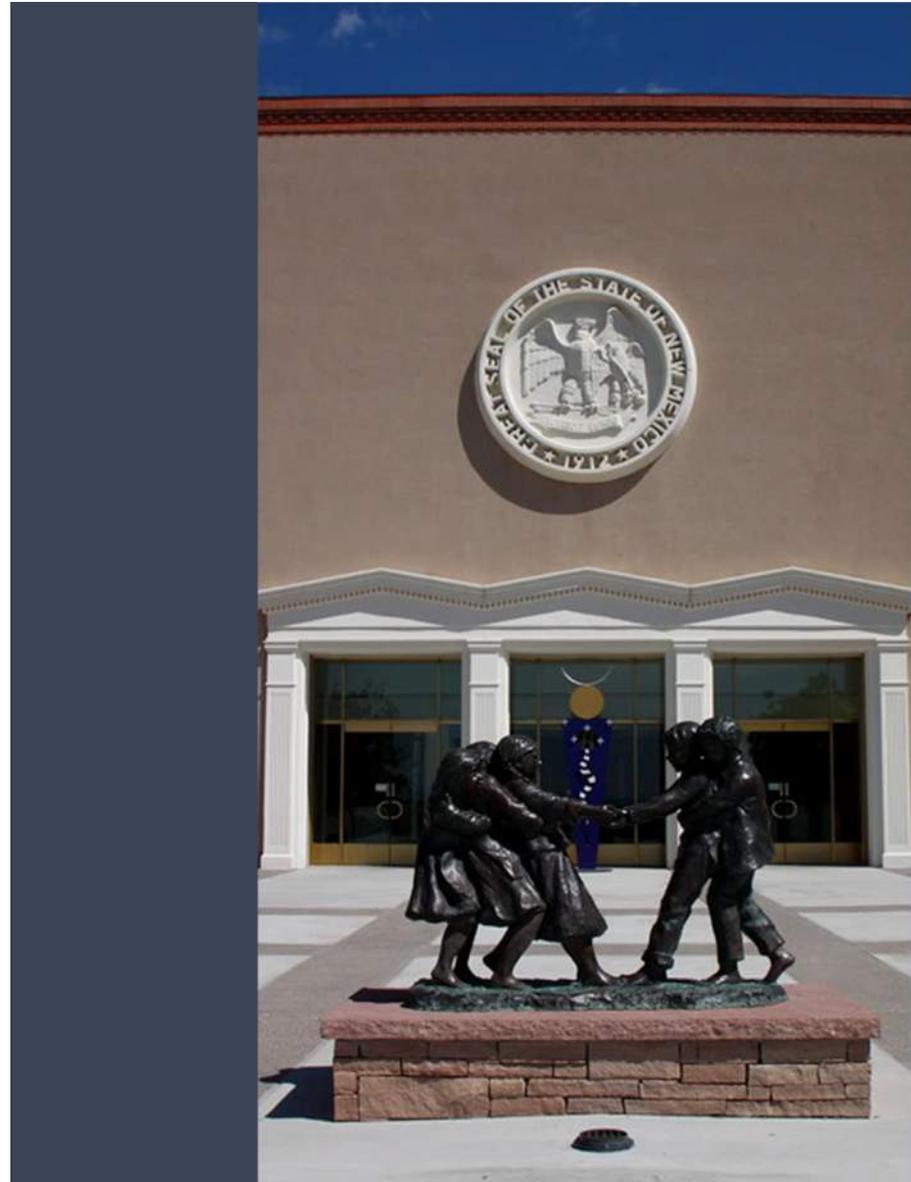
Los Lunas - Peralta Elementary School

- New 47,139 SF facility
- Design enrolment of 350 students
- Serving Pre-K through 6th grade
- Anticipated construction completion: July 2025
- Total Project Cost: \$28,075,122
- Construction Cost/ SF: \$496
- Total Project Cost/ SF: \$596



Proposed Legislation

- State-Local Match
- Local Match Reductions (Waivers)
- Appropriations/ Proper use of the PSCOF
- Offsets from Legislative Appropriations
- Pre-Kindergarten Facility Needs



Proposed Legislation

PSCOOTF Topics	SMEs	Previous Status	Current Status	Problem Statement	Proposed Solutions (if any)	Notes
State/Local Match	Andrew, Matthew, Alyce	Phase 2 formula has been phased in over 5 years.	Phase 1 formula is phased out. SB131 temporarily reduced the Local Match by 1/3 and 1/2 for micro-districts.	Many districts cannot afford their match for a Standards-based project, despite the need. Despite the SB131 reduction in local matches, many districts still cannot afford their local match, and still depend on Local Match Reductions to afford projects.	Bonding capacity as the basis of the Local Match would alleviate need for Local Match Reductions, as it would be based on what districts could afford.	The phase two formula is doing what was intended, by shifting more financial responsibility to the school districts. Districts cannot bond enough to afford potential/needed projects. Districts are dependent on a Local Match Reduction (waivers) to fund potential projects. Large percentages of the local match must be reduced. Not just micro-districts. Factors in the formula need to be investigated/revisted. Need to coordinate with LFC/LESC
Local Match Reduction (Waivers)	Alyce, Matthew	Districts must meet statute requirements to be eligible for PSCOC consideration of a Local Match Reduction. Lower local matches and construction costs resulted in minimal needs/requests for local match reductions.	Districts must meet statute requirements to be eligible for PSCOC consideration of a Local Match Reduction. Higher local matches and high construction costs result in more districts needing and requesting local match reductions.	Statute requirements for local match eligibility are difficult for small districts to meet. Option 2 factors prevent many small districts from eligibility, requiring districts meet option 1 instead with a high mil levy.	Amend the statute criteria for option 2 to exclude the free/reduced lunch and the state share requirements.	Option 2 is problematic for many small districts. Free/reduced lunch > 70% - All districts have 100% free/reduced lunch now (state funded), but the statute uses the federal program percentage. Districts are having a difficult time receiving submitted federal forms since state offers free lunches, and cannot meet required percentage. Local Match > 50% - Districts with lower local matches still cannot afford their local match, even if less than 50%. Districts cannot control these variables, and they have no bearing on whether a district can afford a project. Need to coordinate with LFC/LESC
Appropriations - Inappropriate use of the PSCOF	Mona, Alyce	Bluewater (Grants) received an appropriation, which was added to their existing Standards-based award to replace the school. Appropriation language stipulated that the funding would not result in an offset.	2024 - Memorial MS (Las Vegas City) received an appropriation to renovate the closed facility. PED received an appropriation from the PSCOF for regional and statewide school safety summits.	Earmarks that take from the Public School Capital Outlay Fund. Earmarks like Memorial MS appear to be a way that districts could circumvent the PSCOC/ PSFA processes and prioritization methods. Earmarks like the Safety Summit are not capital improvement and probably should not be allowed.	Amend language in act to prevent earmarks "Appropriations cannot come from the PSCOF"	Should ear-marks from the PSCOF be allowed? i.e.: Memorial MS, Safety Summits need to be addressed. Need to coordinate with LFC/LESC
Offsets	Mona, Alyce	Offsets were generated when a district accepted legislative appropriations	SB131 negated offsets in their entirety. No offsets are generated for legislative appropriations	Offsets were eliminated entirely. Original intention to create balance/ equityability. No language in statute to prevent districts from using legislative appropriations to fund the local match, which would result in the state over funding its share.	Should we bring them back? Partial or fully?	Districts could use appropriations to circumvent the PSCOC / PSFA process and prioritization methods (ranking). Districts could attempt to use an appropriation to fund the local match for a project. Appropriations for ALL uses resulted in an offset. Could adjust to equate to ONLY uses that could be funded by the PSCOC result in an offset. Need to coordinate with LFC/LESC
PreK	Andrew, Alyce, John	Few applications for PSCOC Pre-Kindergarten funding for classrooms / facilities	Expecting future applications as full-day Pre-K increases classroom / capacity needs.	Full day Pre-K will affect the State - expected increase in requests for funding to accommodate increased capacity needs	Start preparing now for anticipated Pre-K classroom needs as full-day Pre-K is mandated/implemented	PSFA to discuss impact on facilities. Define slots. How do slots come into play? Private providers? How are slots accounted for when there is capacity within current schools? Need data/info on timeline to convert to full-day Give update to AMS after ECECD conversation - Task force Does ECECD have any space standards? Need to coordinate with ECECD / LFC/LESC.





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