



*Science, Technology, Engineering, **A**rts, Mathematics (STEAM)*

September 8, 2025

Public School Capital Outlay Council
C/O New Mexico Public School Facilities Authority
1312 Basehart Road SE, Suite 200
Albuquerque, NM 87106

Attn: Mr. Larry Tillotson, PSFA Interim Executive Director

RE: Request for Standards-Based Application Approval — Total New School Replacement Project for School of Dreams Academy, Los Lunas, NM

Dear Members of the Public School Capital Outlay Council,

On behalf of the School of Dreams Academy (SODA), a New Mexico State-authorized charter school, I respectfully submit this formal request for approval to advance our **Standards-Based Award Application** to secure funding for a new PreK–12 school and Career Technology Education (CTE) Center on our Los Lunas campus. This is our second request, and we are prepared to provide the completed application for consideration in the current funding cycle.

According to Section 22-20-1-E of the New Mexico Statutes, "**Within thirty days after the receipt of an application filed pursuant to this section, the director or the director's designee shall in writing notify the local school board or governing body of a charter school making the application and the department of approval or disapproval of the application.**" To our knowledge, we have not received an official notification of disapproval, nor have we been informed of a definitive reason why our application was not presented before the PSCOC. We are adhering to the Standards-Based process and checklist as prescribed by PSFA for PSCOC funding.

Why immediate action is necessary

For the past eight years, over 500 students and staff have been accommodated in thirty-four aging portable structures that are expensive to maintain and contribute to unequal learning environments. The **FY25 Final wNMCI Rankings** underscore both the extent and urgency of this issue, as SODA is designated **#1 statewide** in terms of facilities most in need of replacement (wNMCI 114.14%; FCI 83.57%). The PSFA employs the Weighted New Mexico Condition Index (wNMCI) as the primary criterion for comparing and prioritizing schools for capital investments, integrating factors such as building condition, lifecycle, and educational adequacy deficiencies.

Additionally, the PSFA's adequacy framework clarifies that the wNMCI includes deficiency weight factors derived from Statewide Educational Adequacy Standards, emphasizing that current student learning takes place in facilities that do not meet minimum educational requirements.

Our commitment to students and Valencia County community

Since its establishment in 2009, SODA has grown into a comprehensive PreK – 12th grade school with distinguished programs such as Early College High School, STEAM, PreK, Dual Language, and CTE pathways. Through strategic partnerships, SODA provides students and adults with access to valuable credentials. According to PSFA regulations, all **new or modernized facilities must comply with statewide adequacy standards**, and projects are required to adhere to an approved **Facility Master Plan (FMP) and Educational Specifications**—both of which SODA maintains and regularly updates.

PSFA's **Statewide Adequacy Standards (6.27.30 NMAC)** also require appropriate outdoor physical education and play areas by grade level—needs that our constrained, all-portable site cannot meet without replacement—reinforcing the community health and safety case for a new facility.

Project scope and readiness

Our updated FMP and Ed Specs based on the most current PSFA gsf calculator identify the need for **126,151 gross square feet** of instructional and support space to serve 625 K–12 students and 125 PreK learners (note: there is no cap on PreK enrollment). PSFA's **Adequacy Planning Guide** states plainly that **no new space shall be constructed below the Adequacy Standards net square foot requirements**.

We are ready to initiate the design and construction phases immediately following contract award. According to current PSFA planning guidelines and contractor cost estimates, the total project budget is calculated at **\$88,305,700** if started promptly; postponement may result in increased costs due to inflation.

Eligibility and process alignment

SODA's project complies with PSFA's **Standards-Based Funding Application Process** as well as the FMP/Ed-Specs prerequisites. According to PSFA materials, charter projects are considered eligible if they are part of an approved FMP and fulfill the specified application criteria, both of which are met by SODA.

Additionally, the PSFA Facilities Assessment Database methodology explains how **FCI and wNMCI** evaluate need compared to other institutions. Based on SODA's **#1** ranking, the project is identified as a top priority for replacement in New Mexico.

Funding and match waiver

SODA, as a state-chartered charter school, cannot access local bond or mill levy funds. PSFA/LESC presentations outline **state/local match calculations and waivers** under the Public School Capital Outlay Act (**Section 22-24-5 NMSA 1978**, amended 2024), which allows local share adjustment waivers if criteria are met. We request a **100% match waiver** due to our inability to raise the local share and urgent need confirmed by PSFA's rankings. While we are pursuing public and private funding for a match, the required local share (41%, FY26) remains too high. We have also asked to be included in the Los Lunas Schools bond question but do not expect approval.

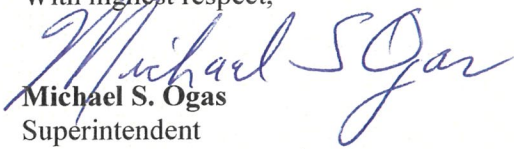
In 2024, at the direct advice of PSFA, SODA rescinded a \$5 million PreK facility award that had previously been granted by PSCOC. This action was described as necessary to regain eligibility in the wNMCI rankings and to be considered for full replacement. Based on PSFA's cost calculators, the estimated cost of constructing a stand-alone PreK facility currently would likely exceed \$20 million, which is significantly higher than the original \$5 million award that was relinquished. This situation demonstrates the financial impact on SODA in its efforts to comply with requirements and provides context for the consideration of support from PSCOC for a full replacement facility to ensure adequate learning environments for PreK students.

Our request

Given SODA's designation as the **#1 statewide priority** by wNMCI, our alignment with the **PSFA Standards-Based process**, and the inability of our current campus to fulfill the **statewide adequacy requirements**, we respectfully request authorization to proceed with the Standards-Based Application for a comprehensive replacement facility within this funding cycle. Additionally, we seek the opportunity to present to the PSCOC at their earliest available time. Timely approval will ensure that SODA students are provided with facilities that are safe, healthy, and educationally adequate, in accordance with PSFA's established standards and prioritization framework.

Thank you for your thoughtful attention and ongoing collaboration in providing facilities that fulfill New Mexico's educational adequacy standards and promote equity for every public school student, including those in charter schools, across all communities in New Mexico.

With highest respect,



Michael S. Ogas
Superintendent
School of Dreams Academy

Appendix A – Supporting Citations from PSFA Guidelines & Tools

1. Statewide Adequacy Standards (6.27.30 NMAC)

“The statewide adequacy standards are intended to ensure that every New Mexico public school student has an equal opportunity to learn in facilities that are safe, healthy, and meet minimum educational adequacy standards.”

(PSFA, Statewide Adequacy Standards, 6.27.30 NMAC, Section 6.27.30.8)

Relevance: Supports the claim that SODA’s portables are below adequacy and replacement is required to comply with the Statewide baseline.

2. Weighted New Mexico Condition Index (wNMCI) Methodology

“The wNMCI provides the basis for comparing and prioritizing public school facilities in New Mexico for capital outlay... Facilities with higher scores reflect greater deficiencies relative to statewide adequacy standards and are prioritized for replacement or major renovation.”

(PSFA, wNMCI Methodology, PSCOC Policy Manual, 2023 Update)

Relevance: Demonstrates that SODA’s #1 wNMCI ranking (114.14%) makes it the state’s highest-priority replacement project.

3. Facility Condition Index (FCI) Definition

“The Facility Condition Index (FCI) is a ratio of repair costs divided by replacement value. An FCI greater than 65% generally indicates that a building is no longer economical to repair and replacement should be considered.”

(PSFA, Facility Assessment Database User Guide, 2022)

Relevance: SODA’s FCI of 83.57% confirms the campus should be replaced rather than repaired.

4. Facility Master Plan Requirements

“Projects funded through the Standards-Based process must be consistent with an approved facility master plan and educational specifications that identify enrollment, program needs, and space requirements based on the adequacy standards.”

(PSFA, Adequacy Planning Guide, 2022, p. 4)

Relevance: Confirms SODA’s updated FMP and Ed Specs meet prerequisites for Standards-Based funding.

5. Space & Program Requirements

“No new space shall be constructed that is below the minimum net square foot requirements contained in the adequacy standards.”

(PSFA, Adequacy Planning Guide, 2022, p. 19)

Relevance: Supports SODA’s 126,000+ sq. ft. program scope, ensuring right sizing of the new facility.

6. Cost Escalation & Budget Impacts

“Escalation should be applied to all project budgets to account for inflationary pressures. Costs increase significantly when projects are delayed beyond the year of planning.”

(PSFA, Planning & Cost Reference Guide, 2023, Section II)

Relevance: Validates SODA’s argument that the \$88+M estimate will only grow if the project is not funded immediately.

7. PreK Facility Guidance & Impact of Rescinded Award

“Early childhood facilities may be funded through separate PSCOC awards; however, when a charter or district elects to pursue a total campus replacement through the Standards-Based process, PreK facilities are incorporated into the full project scope.”

(PSFA, Charter Schools Facilities Guidance, 2022)

Relevance: Supports the narrative that SODA rescinded its \$5M PreK award on PSFA’s advice to remain eligible for Standards-Based replacement funding — and highlights that stand-alone PreK construction now would far exceed that original award.

8. Local Match Requirements & Waiver Authority

“State-chartered charter schools that do not have access to local bond or mill levy authority are eligible for a waiver of the local share requirement pursuant to Section 22-24-5 NMSA 1978.”

(PSFA, PSCOC Match Waiver Policy, 2024)

Relevance: Confirms SODA’s eligibility for a 100% match waiver.

Summary of Key Proof Points for SODA

- **Adequacy:** SODA’s facilities are unsafe, unhealthy, and below adequacy standards.
- **Priority:** SODA is ranked **#1 statewide** by wNMCI/FCI, making it the top replacement need.
- **Eligibility:** SODA has a compliant FMP and Ed Specs.
- **Cost:** PSFA’s own escalation guidance shows delay inflates costs beyond the current \$88+M estimate.
- **PreK Decision:** PSFA advised rescinding the \$5M award; current cost calculators show replacement PreK would now exceed \$20M.
- **Match:** State law and PSFA policy authorize a 100% match waiver for state-chartered schools.

