

The Updated Adequacy Standards and The Capital Outlay Funding Formula

Public School Capital Outlay Oversight Task Force

(PSCOOTF)

JULY 14th

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

- Adequacy Standards
 - History
 - Purpose
 - Past Updates
- Maximum GSF Calculator
 - History and Purpose
- Capital Outlay Funding Formula (State/Local Match)
 - History and Purpose
- Domino Effect
 - Adequacy Standards, Max GSF Calculator and the implications to the State Local Match





Adequacy Standards History

Developed in response to Zuni lawsuit (1999)

- District Court ruled that public school capital outlay funding was violating the State Constitution that guarantees establishment and maintenance of a “uniform system of free public schools sufficient for the education of all children of school age”
- Court ordered the State to “establish and implement a uniform funding system for capital improvements and for correcting past inequities”

1999 – 2001 PSCOC develops draft “New Mexico Public Schools Facility Adequacy Standards”

2002 - PSCOC adopts first version of the Adequacy Standards

- Establish the minimum acceptable level of physical condition and enrollment capacity of school buildings
- Provide a measuring stick to evaluate any existing or proposed public school building
- Defined minimum sizes of select space types, based on PED Standards for Excellence

2002 – 2004 Statewide Assessments and Ranking of Schools

2004 – First Standards-Based funding awards, based on the statewide ranking

Adequacy Standards

Purpose

Adequacy Standards are used to measure and evaluate all existing public-school buildings in New Mexico

PSFA assesses every school against the same set of minimum requirements, as defined by the Adequacy Standards

PSFA collects data on each school, school building, building systems' age and condition, space use, utilization, and space deficiencies.



Adequacy Standards

Past Updates

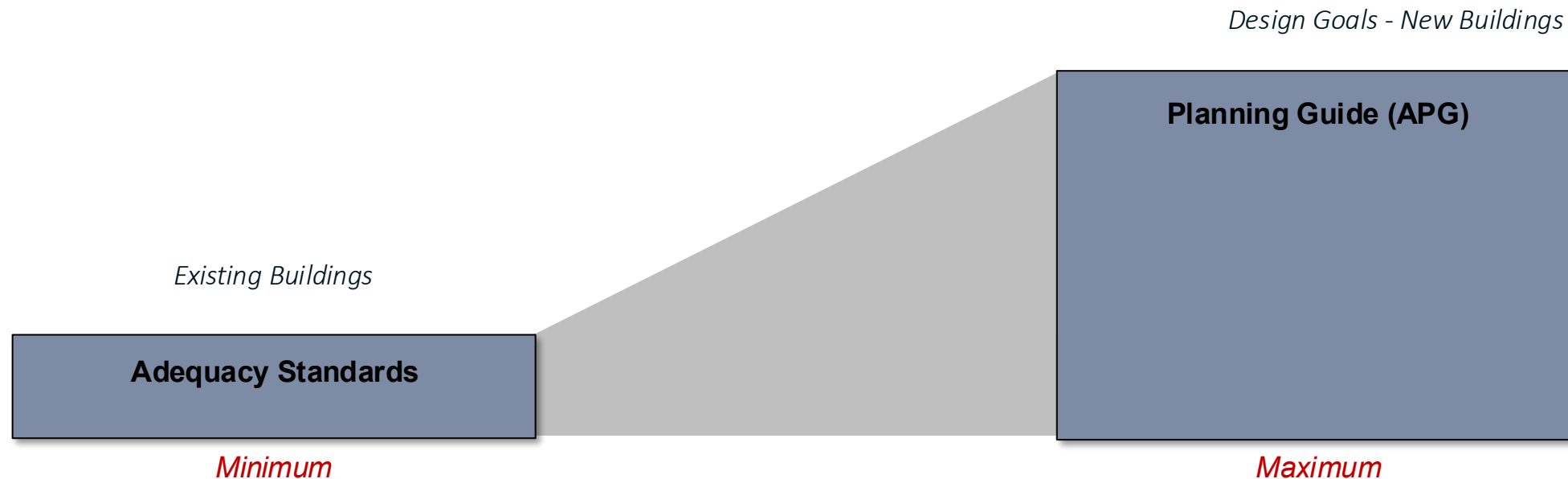
Year	Includes
2002	<p>Parking, Play Area/Playground for ES, Hard Surface Play Area and Play Field for MS and HS, Fencing for K-6 only</p> <p>Special Ed not included, 3000 and 5000 NSF minimum Career Ed at MS and HS, cafeteria minimum 10-15 NSF per student</p>
2005	<p>Special Ed classroom requirement added, Career Ed reduced to 3 and 4 NSF per student, Cafeteria minimum set at 15 NSF per student, Student health minimum and maximum size defined</p>
2007	<p>Special Ed classroom requirement added, Career Ed reduced to 3 and 4 NSF per student, Cafeteria minimum set at 15 NSF per student, Student health minimum and maximum size defined</p> <p>Classroom storage minimum NSF added to minimum classroom NSF, Art classroom minimum NSF increased from 2.5 to 4 NSF per student, Career Ed minimum size reduced to 650 NSF, Cafeteria sized for no more than 3 turns, Student health maximum size eliminated</p>
2010	<p>Special Ed kitchenette requirement added</p>
2012	<p>Minor technical changes</p>
2019	<p>Minor technical changes</p>
2025	<p>Classification of Public Schools redefined; School Security revisited ; General Classroom minimum size increased (650 NSF to 800 NSF); Special Education revisited; Technical corrections throughout</p>

Maximum GSF Calculator

Key Points

A tool within the Adequacy Planning Guide and is intended for new schools

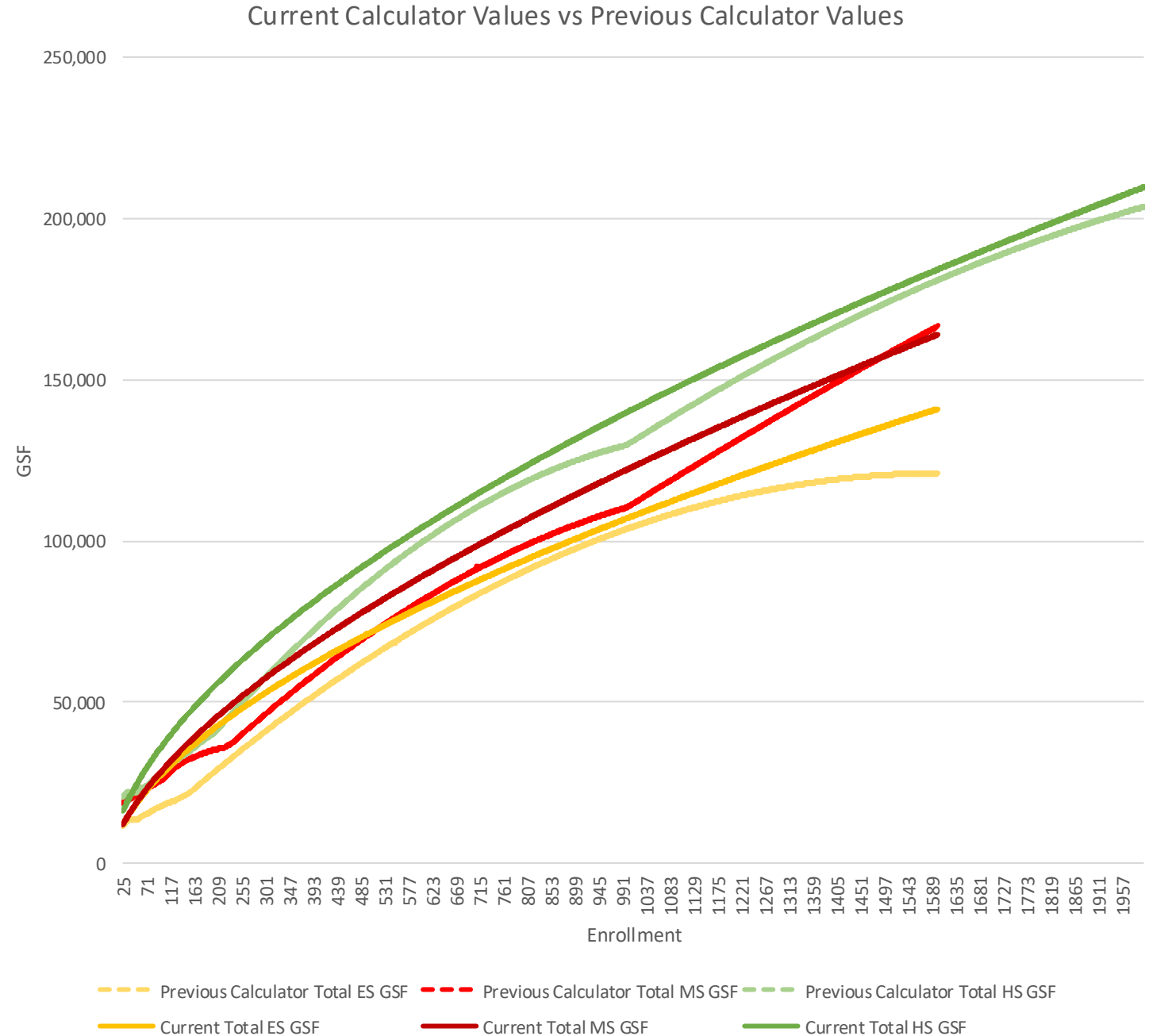
- Defines the limit of state funding participation
- Adequacy Standards Minimums + Additional unassigned GSF + 30% tare



Maximum GSF Calculator - Cont.

Key Points

- A new Maximum GSF Calculator was adopted by Council January 15th, 2025
- Approximate Statewide GSF changes from previous calculator
 - Elementary Schools – 10% GSF increase
 - Middle Schools – 7% GSF increase
 - High Schools – 5% GSF increase
- Three new combination school calculators were created
 - ES/MS (PK-8)
 - MS/HS (6-12)
 - ES/MS/HS (PK-12)



History of the Capital Outlay Funding Formula (State/Local Match)

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

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

2018 Legislature Senate Bill 30

- Changed the proportion of state and local funding to potentially allow the state to fund more projects by intentionally increasing the local match and decreased the state match
- Gradual Phase-in from existing formula (Phase 1) to new formula (Phase 2)
- Overall, the transition has resulted in higher local matches and lower state matches

2023 Legislature Senate Bill 131

- Reduced local matches by 1/3 or ½ for school districts with 200 students or less
- ½ reduction of local share for pre-k projects

2025 Legislature Senate Bill 82

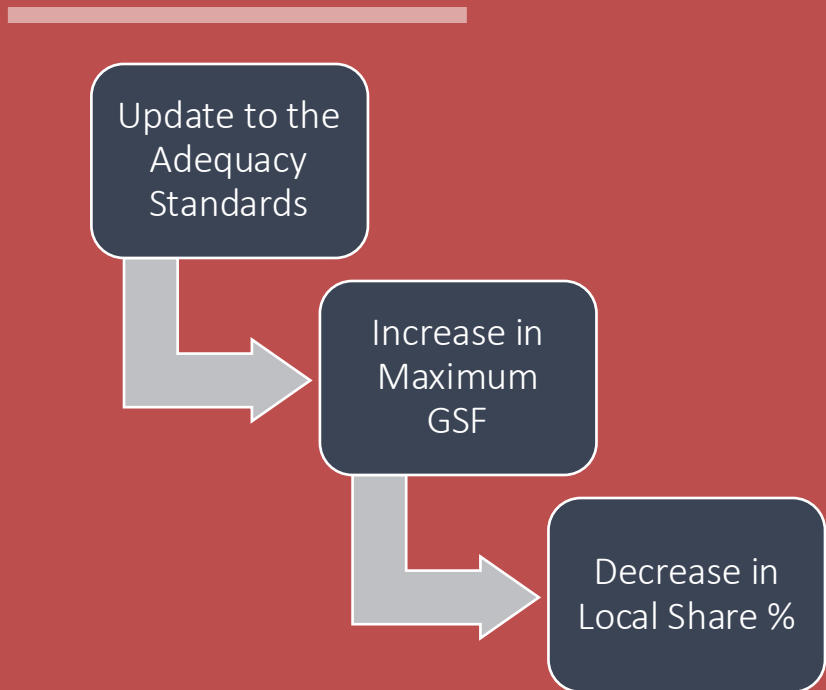
- Extended SB131 reductions until 2028

Capital Outlay Funding Formula (State/Local Match) - Current Use

- The match formula was developed to generate an objective means for calculating the local match percentages.
- The current formula calculates local match percentages such that a school's physical space needs, including estimated costs to replace or repair infrastructure, are related to a district's ability to pay for repairs and replacement.
- When the state/local match formula was originally created, the purpose was to objectively assign the local match percentages to districts based on what was determined to be their ability to afford, as well as the districts' "need."

Domino Effect

As a result of the characteristics of the existing State/Local Match formula, the revised Adequacy Standards have raised the Maximum GSF, consequently leading to a reduction in all local shares across the State.



State/Local Match Calculation - Pre SB131

District	FY26 (2025-2026)		FY25 (2024-2025)		Change in Local Share
	Local Match (District Share)	State Match (State Share)	Local Match (District Share)	State Match (State Share)	
ALAMOGORDO	65%	35%	73%	27%	-8%
ALBUQUERQUE	94%	6%	94%	6%	0%
ANIMAS	22%	78%	45%	55%	-23%
ARTESIA	94%	6%	94%	6%	0%
AZTEC	94%	6%	94%	6%	0%
BELEN	73%	27%	84%	16%	-10%
BERNALILLO	94%	6%	94%	6%	0%
BLOOMFIELD	94%	6%	94%	6%	0%
CAPITAN	94%	6%	94%	6%	0%
CARLSBAD	94%	6%	94%	6%	0%
CARRIZOZO	94%	6%	94%	6%	0%
CENTRAL	48%	52%	60%	40%	-12%
CHAMA	92%	8%	94%	6%	-2%
CIMARRON	94%	6%	94%	6%	0%
CLAYTON	60%	40%	94%	6%	-34%
CLOUDCROFT	94%	6%	94%	6%	0%
CLOVIS	54%	46%	58%	42%	-4%
COBRE	51%	49%	73%	27%	-22%
CORONA	63%	37%	94%	6%	-31%
CUBA	75%	25%	94%	6%	-19%
DEMING	40%	60%	48%	52%	-7%
DES MOINES	36%	64%	66%	34%	-31%
DEXTER	20%	80%	27%	73%	-7%
DORA	94%	6%	94%	6%	0%
DULCE	94%	6%	94%	6%	0%
ELIDA	24%	76%	36%	64%	-11%
ESPANOLA	83%	17%	94%	6%	-11%

State/Local Match Calculation - Pre SB131

District	FY26 (2025-2026)		FY25 (2024-2025)		Change in Local Share
	Local Match (District Share)	State Match (State Share)	Local Match (District Share)	State Match (State Share)	
ESTANCIA	62%	38%	76%	24%	-15%
EUNICE	94%	6%	94%	6%	0%
FARMINGTON	71%	29%	75%	25%	-4%
FLOYD	5%	95%	20%	80%	-15%
FORT SUMNER	92%	8%	94%	6%	-2%
GADSDEN	45%	55%	47%	53%	-2%
GALLUP	11%	89%	16%	84%	-5%
GRADY	0%	100%	4%	96%	-4%
GRANTS	31%	69%	37%	63%	-5%
HAGERMAN	37%	63%	40%	60%	-2%
HATCH	11%	89%	17%	83%	-6%
HOBBS	94%	6%	94%	6%	0%
HONDO	37%	63%	69%	31%	-32%
HOUSE	9%	91%	36%	64%	-27%
JAL	94%	6%	94%	6%	0%
JEMEZ MOUNTAIN	94%	6%	94%	6%	0%
JEMEZ VALLEY	75%	25%	94%	6%	-19%
LAKE ARTHUR	94%	6%	94%	6%	0%
LAS CRUCES	85%	15%	87%	13%	-1%
LAS VEGAS CITY	77%	23%	94%	6%	-17%
LAS VEGAS WEST	25%	75%	37%	63%	-12%
LOGAN	71%	29%	94%	6%	-23%
LORDSBURG	77%	23%	94%	6%	-17%
LOS ALAMOS	94%	6%	94%	6%	0%
LOS LUNAS	61%	39%	63%	37%	-2%
LOVING	94%	6%	94%	6%	0%
LOVINGTON	73%	27%	90%	10%	-17%
MAGDALENA	19%	81%	26%	74%	-7%
MAXWELL	15%	85%	40%	60%	-25%
MELROSE	24%	76%	32%	68%	-8%
MESA VISTA	55%	45%	94%	6%	-39%
MORA	64%	36%	76%	24%	-12%

State/Local Match Calculation - Pre SB131

District	FY26 (2025-2026)		FY25 (2024-2025)		Change in Local Share
	Local Match (District Share)	State Match (State Share)	Local Match (District Share)	State Match (State Share)	
MORIARTY	94%	6%	94%	6%	0%
MOSQUERO	64%	36%	94%	6%	-30%
MOUNTAINAIR	58%	42%	94%	6%	-36%
PECOS	90%	10%	94%	6%	-4%
PENASCO	35%	65%	47%	53%	-12%
POJOAQUE	41%	59%	47%	53%	-6%
PORTALES	45%	55%	49%	51%	-4%
QUEMADO	94%	6%	94%	6%	0%
QUESTA	94%	6%	94%	6%	0%
RATON	49%	51%	66%	34%	-17%
RESERVE	51%	49%	94%	6%	-43%
RIO RANCHO	94%	6%	94%	6%	0%
ROSWELL	48%	52%	55%	45%	-6%
ROY	1%	99%	14%	86%	-13%
RUIDOSO	94%	6%	94%	6%	0%
SAN JON	7%	93%	22%	78%	-15%
SANTA FE	94%	6%	94%	6%	0%
SANTA ROSA	38%	62%	61%	39%	-23%
SILVER	94%	6%	94%	6%	0%
SOCORRO	39%	61%	47%	53%	-8%
SPRINGER	44%	56%	64%	36%	-21%
TAOS	94%	6%	94%	6%	0%
TATUM	94%	6%	94%	6%	0%
TEXICO	44%	56%	46%	54%	-2%
TRUTH OR CONSEQUENCES	92%	8%	94%	6%	-2%
TUCUMCARI	39%	61%	52%	48%	-12%
TULAROSA	25%	75%	34%	66%	-9%
VAUGHN	94%	6%	94%	6%	0%
WAGON MOUND	31%	69%	94%	6%	-63%
ZUNI	0%	100%	0%	100%	0%

Next Steps

- PSFA is currently collaborating with the Legislative Finance Committee's Program Evaluation team to evaluate how the Capital Outlay Funding Formula accurately reflects what districts can realistically afford to pay.
- Additionally, the LFC Evaluators will be looking to identify additional areas to improve efficient and accountability in the Capital Outlay Funding Formula system
- Until then SB131 reductions will remain until 2028



Q & A
