

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: SB 441a

50th Legislature, 1st Session, 2011

Tracking Number: .184828.1

Short Title: Public School Capital Outlay Eligibility

Sponsor(s): Senators Cynthia Nava, Mary Jane M. García, and Nancy Rodriguez

Analyst: Peter B. van Moorsel

Date: March 18, 2011

AS AMENDED

The Senate Floor amendment provides that the Public School Capital Outlay Council must adopt the adequacy standards required in the bill by December 15, 2011.

Original Bill Summary:

SB 441 amends the *Public School Capital Outlay Act* to:

- include the New Mexico School for the Blind and Visually Impaired (NMSBVI) and the New Mexico School for the Deaf (NMSD) in the definition of the term “school district” as used in the act;
- require the Public School Capital Outlay Council (PSCOC) to adopt and apply adequacy standards appropriate to the unique needs of NMSBVI and NMSD; and
- require the PSCOC to wholly fund all projects awarded to NMSBVI and NMSD.

Fiscal Impact:

SB 441 does not contain an appropriation.

SB 441 would allow additional grants from the Public School Capital Outlay Fund (PSCOF) for NMSBVI and NMAD under the standards-based capital outlay process.

The bill does not specify the amount of the potential additional grants, which would depend on the criteria developed by the PSCOC for evaluating and prioritizing applications.

Fiscal Issues:

The Public School Facilities Authority (PSFA) notes that the average Facilities Condition Index (FCI) for all school buildings in New Mexico, excluding NMSD and NMSBVI, has been flat at about 36 percent over the past two years, although it increased to 38 percent this year.¹

¹ PSFA provides the following example to illustrate the Facility Condition Index – if a building costs \$100,000 and has an FCI of 37 percent, that building needs \$37,000 in repairs; therefore, lower FCIs are better.

PSFA adds that, excluding NMSBVI and NMSD:

- the average annual investment in facilities required by the state to keep facilities condition from worsening is approximately \$134 million;
- the current unfunded needs for public school facilities in New Mexico total approximately \$4.05 billion; and
- any additional funding burden imposed on the PSCOF would have the effect of accelerating FCI levels, meaning that the overall condition of school facilities would worsen.

The analysis by the Public Education Department notes that money in the PSCOF is currently used to fund the *Capital Improvements Act*, the *New School Development Act*, the lease-payment assistance program, Construction Industries Division reimbursements, the PSFA operating budget, assistance for master facility plans, demolition allocations, and emergency allocations.

Substantive Issues:

PSFA notes that it is in the process of drafting adequacy standards for and in collaboration with NMSD and NMSBVI; however, the standards are not yet complete. PSFA adds that, as a result, it cannot provide a comprehensive estimate of the impact of this legislation on the PSCOF.

Background:

In 2009 legislation was enacted to amend the *Public School Capital Outlay Act* to:

- delete the provision requiring that PSCOC allocations for construction projects at the NMSBVI and the NMSD be contingent on appropriations for such projects;
- include the NMSBVI and the NMSD in the definition of the term “school district,” as it is used in certain sections of the act; and
- add a temporary provision requiring the Public School Capital Outlay Oversight Task Force (PSCOOTF), during calendar year 2009, to:
 - study alternatives for determining the local match required from the NMSBVI and NMSD for a PSCOC grant award;
 - and report its findings and recommendations to the 2010 Legislature.

Another bill introduced during the 2011 session, SB 218, relates to SB 441 in that it appropriates:

- \$3.5 million for renovating Watkins Education Center and for other infrastructure improvements to address critical deficiencies and to comply with the requirements of the *Americans with Disabilities Act of 1990* at NMSBVI in Alamogordo; and
- \$5.0 million for improvements, including fire suppression and improvements to comply with the *Americans with Disabilities Act of 1990*, and other renovations to Dillon Hall and to address critical deficiencies at the NMSD in Santa Fe.

Related Bills:

CS/SB 2a *School Capital Outlay, Grants & Consolidation*

*CS/SB 218 *Severance Tax Bond Projects*