

# STATE OF NEW MEXICO

PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL

PUBLIC SCHOOL FACILITIES AUTHORITY

FY 2015 ANNUAL REPORT



State of New Mexico  
Public School Capital Outlay Council  
Public School Facilities Authority



From the Chair

As Delegated to the AMS Subcommittee Chair



**PSCOC Chair**

David Abbey, LFC

June 30, 2015

Doing More with Less

**PSCOC Vice Chair**

Pat McMurray, CID

**PSCOC Members**

Tom Clifford, DFA

Paul Aguilar, PED

Jessica Gonzales,  
Governor's Office

Gilbert Peralta, PEC

Joe Guillen, NMSBA

Frances Maestas, LESC

Raul Burciaga, LCS

**PSFA Director**

Robert Gorrell

**PSFA Deputy Director**

Rocky Kearney

FY 2015 brought significant new challenges for the PSFA. Most prominently, the 50 percent decrease of oil prices led to a decrease in prospective funding for the program. In addition, the legislature adopted a new funding formula that, while increasing Permanent Fund revenue, reduces slightly future funding of the Public School Capital program. Another major challenge is containing the rapid escalation of construction costs experienced in recent years. Despite these challenges, PSFA has successfully met the mandate arising from the Zuni lawsuit, using fair and equitable processes to improve schools across the state. In FY 2015, the PSCOC made 49 awards totaling \$198.2 million to 26 school districts.

In this era of revenue volatility and rising costs, maintenance is even more important. It is also a tremendous challenge: the state has 897 public and charter schools that serve more than 340,000 students. The PSFA works diligently to protect the state's investment in schools; staff provide hands-on support for school districts, helping them to make preventive maintenance a high priority. Likewise, the state is making limited resources go further with the passage of a new "systems" bill, which allows PSFA to repair deficient school systems rather than rebuild entire facilities. Now, the PSFA can do smaller projects more quickly, and still have a very material impact on the quality of facilities. With foundational work almost complete, PSFA is also working to leverage federal funds with limited state funds to improve broadband connections, which will provide schools with critically needed online access.

The PSFA will continue to strive to do more with less, working hard to improve school facilities in a cost-effective and timely manner. On behalf of my colleagues at PSCOC, I'd like to thank Governor Martinez, state legislators, educators, communities and PSFA staff for their dedication, time, and effort to ensure that New Mexico's public schools continue to be safe, sustainable, and, most importantly, built to enhance student learning.

Cordially,

Thomas Clifford, PhD  
Secretary of Finance & Administration  
Member, PSCOC

Contact:

1312 Basehart Rd SE,  
Suite #200  
Albuquerque, NM 87106

Phone: 505-843-6272

Fax: 505-843-9681

www.nmpsfa.org

# Contents

From the Chair .....	2
Right-Sized Schools in New Mexico.....	4
Case Study: How a Southern New Mexico School District Adapts to Change.....	5
Interviews	
Senator John Arthur Smith .....	7
Representative Dennis J. Roch.....	7
Tom Burris, Superintendent RISD .....	8
Dana Sanders, Superintendent LLSL .....	8
Charlie Lee, Director of Maintenance & Custodial AMSD .....	9
Gene Strickland, Director of Operations, HMS .....	9
Facilities Maintenance Assessment Report (FMAR) Baseline Summary .....	10
FY 2015 Ben Lujan Maintenance Achievement Awards .....	11
Facilities Maintenance Is Key for Longevity.....	12
Empowering K–12 Public Schools and Educators with Broadband .....	12
FY 2015 School Projects .....	13
Systems Initiative .....	13
FY 2015 PSCOC and PSFA Milestones.....	14
Financial and Operational Data.....	15
Process and Organizational Structure of PSFA.....	18
About Us.....	19

---

## New Mexico Public School Capital Outlay Council (PSCOC)

The PSCOC has been directed by the New Mexico Legislature to manage the allocation of state funding to public school facilities statewide. Consisting of members representing Executive & Legislative branches as well as representatives of school districts, the Council oversees the various programs administered by the Public School Facilities Authority (PSFA).

By statute, no later than December 15 of each year, the Council shall prepare a report summarizing its activities during the previous fiscal year and submit to the Governor, Legislative Finance Committee (LFC), Legislative Education Study Committee (LESC) and Public Education Commission (PEC).

## Public School Facilities Authority (PSFA)

The PSFA serves as staff to the PSCOC: to assist districts in the planning, construction and maintenance of their facilities; to assist in training district facilities maintenance staff; and to implement systems and processes that establish adequate public school facilities throughout New Mexico via efficient and prudent use of funds.

*Photo Credit (Front):* NM Landscape, shutterstock.com, used by permission; NM Flag, shutterstock.com, used by permission; Naschitti Elementary School Grand Opening, © 2015 NMPSFA, All rights reserved.

*Photo Credit (Back):* Zuni Elementary School Groundbreaking, © 2015 NMPSFA, All rights reserved; Ramah Elementary School Groundbreaking, © 2015 NMPSFA, All rights reserved.

## Right-Sized Schools in New Mexico

Robert Gorrell, Director, PSFA

Public schools in New Mexico have grown in size and complexity over past decades, and the cost to own and operate them has grown as well. The Public School Facilities Authority (PSFA) estimates that the school gross square footage (GSF) per student has grown at a rate of one percent per year since the mid-1940s, resulting in schools more than doubling in size. In New Mexico, replacement and operational costs are directly related to the physical size of a school, and operational funding competes directly with educational programs, including teacher salaries. Sadly, proper school facility maintenance funding is where most school districts cut to balance the budget. But what can be done?

The educational system in the United States has changed dramatically over the years. In the beginning, communities and rural towns had one-room schoolhouses that served as a school, meeting hall, and sometimes the local chapel. In this educational setting, students of varied ages and abilities were taught reading, writing and arithmetic by a single teacher in a single classroom without any other supporting space. Students either went home for lunch or ate a packed meal at their desk if it was too far to go home. By the mid-20th century, the role of schools expanded to include other services that were traditionally the community or parent's responsibility, such as meal provision, libraries, counseling, sports teams, day care, and health clinics. As the number of programs to serve the students increased, there was a consequential increase in GSF. In 1948, there were over 75,000 one-room schoolhouses across the United States, but today, only about 200 of them remain in use<sup>1</sup>.

In today's schools there are many educational programs that require additional space:

- Languages other than English — Spanish, French, Native, Sign Language, Chinese, etc.
- Many categories of math: calculus, algebra, trigonometry, geometry, etc.
- Electives: art, music, masonry, cheer, sports, business, world religions, communications, computer, fine art, life skills, etc.

In 1986, Senate Bill (SB) 106<sup>2</sup> was enacted and was implemented in phases until 1995, reducing the number of students per classroom. This resulted in a need for an increase in the number of classrooms and, thus, increased our schools' square footage.

In 2008, the Public School Capital Outlay Council (PSCOC) directed PSFA to begin a study on utilization of space and the necessary educational GSF per student. It was discovered that the GSF per student was not equally measured across the state, and many spaces were being underutilized. PSFA met with school district personnel and design professionals to create an efficient GSF per student formula to help "right-size" schools. Right-sized schools provide the physical attributes required to properly deliver educational programs with efficient use of space. Multi-use shared space is one strategy that works. Spaces are designed so that multiple programs can utilize the same space, thus maximizing educational resources and accommodating enrollment while eliminating excess or underutilized space.

In 2012, the PSCOC — when considering the sustainability of our school facilities — determined that there were three options available to safeguard the current conditions of school facilities: increase capital funding, decrease underutilized square footage, and improve maintenance effectiveness. With no path to increased funding, the focus has been on the latter two options. PSFA supports the concept of right-sized schools, which is a notion that schools can and should be built smaller to optimize utilization. A benefit to building smaller schools is improved maintenance effectiveness without increased operational spending.

In 2013, PSFA published new reduced GSF per student design guidelines in which shared space and multi-use facilities are encouraged. Along with these guidelines, PSFA implemented an early, pre-design, facility development planning process that is referred to as Educational Specifications. In short, stakeholders participate in collaborative planning forums to discuss what is required and physically necessary for efficient educational delivery, as well as cost to build, cost to operate, and the estimated cost to sustain facilities. These discussions are all largely based upon GSF per student and educational delivery methods. Participants typically include representatives from the community's leadership and businesses, school administration, teaching staff, maintenance staff, and parents.

Looking to the future, the choices we have are simple. Either we maintain the status-quo and find more funding to build, renovate, and replace schools and maybe even continue to increase their size by one percent per year, or we embrace right-sized, community-driven planning and building that will reduce operational costs, as well as future capital spending needs.

<sup>1</sup> "Lessons to Be Learned from a One-room Schoolhouse." CBSNews. CBS Interactive, 14 June 2014. Web. 06 Nov. 2015

<sup>2</sup> 22—10A—20. Staffing patterns; class load; teaching load.

The tables contain historic GSF numbers. PSFA Adequacy Planning Guidelines (APG) are tied to PSCOC funding of school projects.

Using a 300 student middle school as an example, PSFA estimate that the reduction in adequacy standard square footage between 2001 and 2013 will result in a combined amortized capital and proper operational cost savings of approximately \$162,000 per year, or \$7.3M over the life of the facility.

*[In 2001 the APG GSF was 57,000 and in 2013, 46,200. A reduction of 10,800 GSF without any loss in educational performance. The expected proper operational costs is approximately \$7.50 per GSF / year. Based on a school replacement cost of \$320 / sf with a life expectancy of 45 years, the amortized capital cost is \$7.50 per square foot. Together \$15 / GSF per year x 10,800 sf = \$162,000 per year and over 45 years = \$7,290,000 ]*

Historical National Median (School Planning Management 2006)			
	GSF Per Student		
	1970	1987	2006
Elementary	70	90	120
Middle	70	111	146
High	120	153	163

PSFA Adequacy Planning Guidelines (APG)*		
	GSF Per Student	
	2001**	2013
Elementary	140	137
Middle	190	154
High	190	193

\*Based on 300 student enrollment

\*\* PSFA APG matched the Bureau of Indian Affairs (BIA) guidelines

## Case Study: How a Southern New Mexico School District Adapts to Change

John Valdez, Facilities Master Planner

What can a school district do when faced with declining enrollment, mounting maintenance/operations costs, and underutilized space? For the Lordsburg Municipal School District (LMSD), the answer is school consolidation and gross square footage (GSF) reduction. Several years ago, when the Phelps Dodge Playas Smelter operated at full capacity and the area's copper industry was booming, the district boasted close to 900 students in grades K-12. At the turn of the century, economic conditions changed. Phelps Dodge closed the smelter and the copper industry experienced a downturn, leading to a steep decline in LMSD enrollment.

Fast forward to the 2014-15 school year: the district's enrollment totaled 501 students in the same GSF that used to accommodate 900 students, and with no future growth anticipated. Declining enrollment wasn't the only issue the district faced regarding its facilities. Three of its schools recorded a weighted New Mexico

Conditions Index (wNMCI) greater than 60%, earning a high-need ranking in the PSFA's Facilities Assessment Database (FAD). District leadership realized it needed to explore its options in dealing with these situations. It found opportunities to dispose of school buildings and reduce its GSF by 41% through the district's Educational Specifications (Ed Specs) and Facilities Master Plan (FMP) processes.

The district realized that by implementing this plan, it could lose an estimated \$513,097 in small school aid funding, but it could realize significant savings in future operations and maintenance costs (based on planning consultant estimates). When fully executed, this plan will reduce the district's GSF from 219,779 GSF to 129,414 GSF, a total elimination of 90,365 GSF. It will also reduce the district's five schools to three. More importantly, it has the potential to save the district \$677,737 in maintenance costs per year, which could help offset the loss of the small school aid. With LMSD's current GSF, at the statewide average of \$7.50 per SF, the district could pay as much as \$1,648,342 in maintenance. The new plan could reduce this amount to \$970,605.

During the Ed Specs process for Lordsburg High School, the district's planning consultant, William DeJong, found vacant rooms and excessive GSF per

student at each school. After sharing this information with district leadership, they formulated the plan which involved the following components:

- Renovate Lordsburg High School, including a reduction of GSF, which will right-size the school for its enrollment.
- Relocate Southside ES's 3rd and 4th grades to RV Traylor ES, and dispose of the Southside ES property.
- Relocate Central ES's 5th grade to RV Traylor ES, making RV Traylor ES a Pre-K — 5th grade facility.
- Relocate Central ES's 6th grade to Dugan-Tarango MS, making it a 6th — 8th grade facility, allowing disposal of the Central ES facility.

The plan also called for disposal of the 99-year old Enrichment Center, the district's original high school used until Lordsburg High School opened in 1953. Since then, the Enrichment Center has been vacant and in poor condition; however, the district pays \$12,500 annually to keep the structure insured. With the

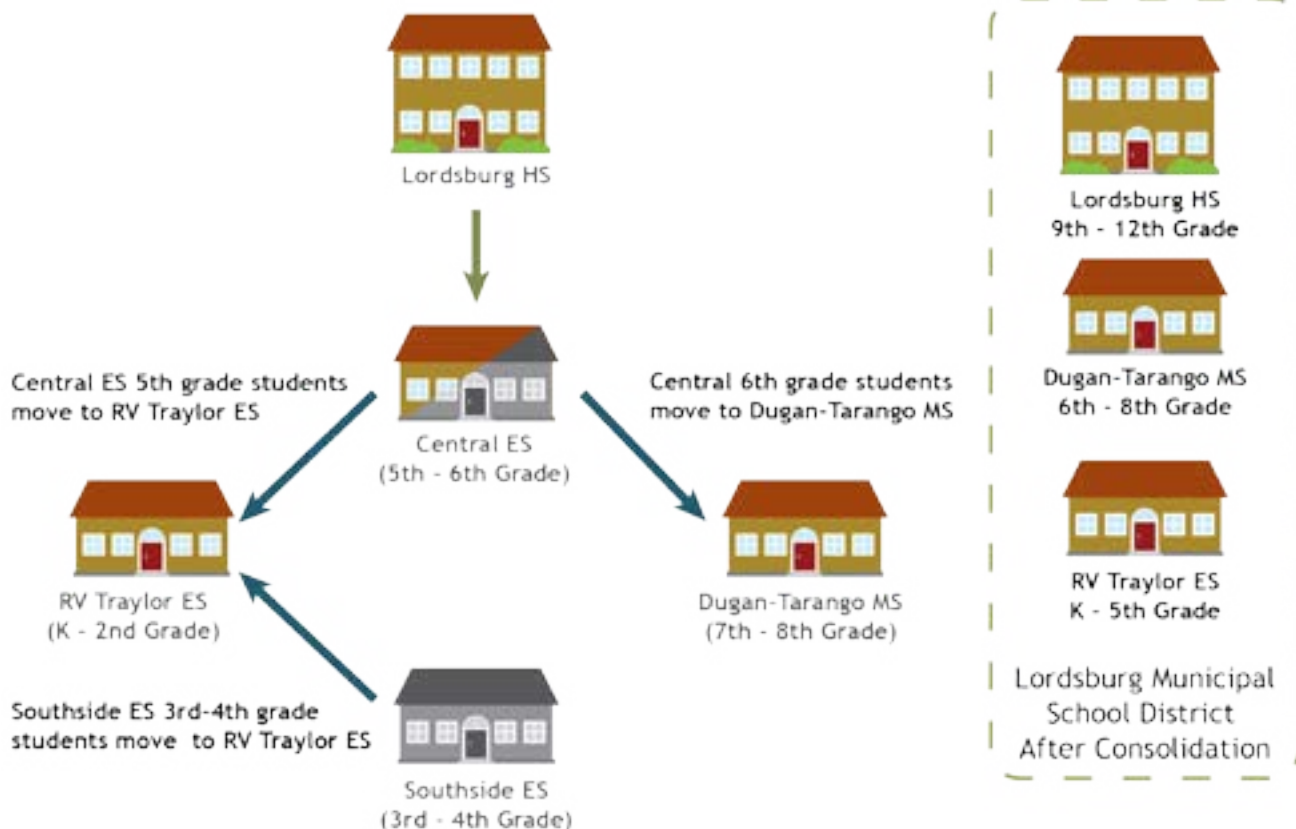
disposal of the Enrichment Center, the district can also recapture the insurance money in addition to savings previously mentioned. Another benefit of the plan is increased utilization. Currently, the average utilization rate in the district is 43%, meaning that nearly half of the district's instructional spaces are underutilized or vacant.

Consolidation of schools and elimination of GSF can be difficult for districts, especially since people in the community have strong emotional attachments to school buildings. Both the FMP and Ed Specs processes featured extensive public involvement consisting of community workshops, steering committee involvement, and school board meetings. In the end, the school board approved both the Ed Specs and the FMP.

Lordsburg's consolidation plan can serve as a road map for other districts facing similar situations. For LMSD, having three schools with high rankings and high wNMCI scores plus other enrollment and utilization variables, consolidation became a logical choice. The district can re-invest the potential savings from the consolidation and building disposal back into its educational program.

### Lordsburg Municipal School Grade and School Consolidation Plan

The Lordsburg HS will undergo significant renovations, Central ES will be demolished after the HS renovation is complete, and Southside ES will be demolished or donated. The estimated annual operational savings is \$677,737 and a reduction of 90,365 GFS.





### Senator John Arthur Smith

Since its inception, the PSFA has remained true to the requirements of the Zuni lawsuit, using fair and equitable processes to improve New Mexico's geographically and culturally diverse public schools. In these past thirteen years, one of its crowning achievements has been the statewide improvement of schools, exemplified by the Facilities Condition Index (FCI). The FCI measures the quality of a building and indicates the level of repair needed. The statewide FCI has improved from 70.58% in FY 2003 to 36.19% in FY 2015, nearly a 50% improvement, which indicates that needs are far less significant than they were a decade ago.

Even with such significant improvement, maintenance remains one of the PSFA's most challenging issues. Some school districts do not consider maintenance a high priority. As a result, their facilities suffer from neglect and rapid depreciation. Lack of leadership and expertise at the local level has caused too

many school districts to rely on PSCOC dollars for roofs and emergencies rather than performing adequate maintenance.

In this period of reduced revenue, the PSFA must reiterate that maintenance is the responsibility of local school systems and local taxpayers, not the state. As always, the PSFA will provide training and guidance, perform assessments, and share best practices, but protecting the state's investment in school facilities requires sustained, day-to-day maintenance by local leaders. In the role of advisor, the PSFA must help local school systems align their goals with the state's goals, so funding dollars are used more efficiently and effectively.

Clearly, the PSFA system works; but, with new and existing fiscal restrictions, it requires the steadfast support of the PSCOC, the Task Force, and the legislature. We need to communicate our long- and short-term plans clearly, so the PSFA can manage funds in the best interest of our state and — above all — our students. Working together, we must ensure that the educational needs of New Mexico's communities are fulfilled and that their facilities are safe, healthy, and conducive to optimal teaching and learning.



### Representative Dennis J. Roch

Despite fluctuating revenue, the PSFA continues to improve public schools throughout the state. An indication of this is the significant improvement in the Facilities Condition Index (FCI) and other objective measures used to evaluate the state of our public schools. This does not mean our work is over, however. The PSFA must continue to use state funds judiciously, focus on high-need schools, and emphasize maintenance.

Legislation passed this year will change how capital funds are allocated, resulting in fewer dollars for the PSFA. The Severance Tax Permanent Fund, from which the PSCOC derives its income, is decreasing the PSCOC's allotment. As a result, the PSCOC — and thus, the PSFA — will have less money to award to districts. To mitigate this reduction in funding, legislators will now allow the PSFA to replace or repair failing systems instead of entire buildings. The hope is that this legislative action will extend the life of otherwise good facilities. Both changes will require significant adjustments for the PSFA, including more strategic allotment of funds, extra planning, and increased efficiency.

Maintenance is the key to sustainability; it is also an ongoing challenge. Some districts suffer from lack of leadership, employee turnover, limited skills and training, or outdated equipment. PSFA staff serve as trusted, hands-on advisors, instructing districts in how to manage the recurring costs of school building ownership. They work closely with them to encourage preventive rather than deferred maintenance, making repairs earlier rather than later. And, to inspire districts, the PSFA celebrates success by presenting annual maintenance awards to districts that demonstrate discernible commitment, progress, and dedication to best practices.

As a result of the Zuni lawsuit, we now rank schools according to highest need and fund them accordingly, regardless of circumstances — rural or urban setting, large or small populations, high or low income; it doesn't matter. The PSFA is a model of success that I would like to see replicated: many New Mexico cities and counties are scrambling for capital dollars to either repair, remodel, or replace public buildings and institutions that are outdated and possibly unsafe. The PSFA, PSCOC, and the PSCOOTF exemplify a unique collaboration of state agencies that, together, use sound and careful practices to allocate state funds where they are needed most.



## Tom Burris

Superintendent

Roswell Independent School District

For years, the Roswell Independent School District and the PSFA have successfully partnered to improve Roswell's schools. With the recent decrease in oil prices and corresponding decline in revenue, the PSFA has performed well with limited resources, working methodically and responsibly to upgrade and maintain school buildings in our district.

Roswell is a very education-oriented community; residents have high expectations for student achievement and also for their facilities. Because of our place in the school ranking system, we have two projects moving ahead with the assistance of PSFA. We are building a new Pre-K facility, which is currently in the construction phase. In addition, once structural studies are complete, we will be either remodeling or constructing a new elementary school that serves 600 students.

We value the PSFA's input on improving and maintaining our schools. Despite overseeing the

condition of facilities throughout the state school system, the PSFA staff remain approachable, knowledgeable, and an invaluable resource. Our PSFA regional manager works closely with our maintenance department to ensure that our schools can withstand the rigors of everyday use and weather and, most importantly, provide a quality learning environment for our 10,300 students in 20 schools.

In FY 2015, the Roswell Independent School District earned a Ben Lujan Maintenance Achievement Award, which recognizes school districts and staff that demonstrate commitment, progress, and sustained effort in maintaining their facilities. Our approach, informed by PSFA's best practices, is to create not a repair crew but a maintenance crew — staff who foresee problems and maintain our systems and equipment for the long-term.

We value the PSFA's knowledge and expertise, assessment tools, and ranking systems. But, there is no doubt that the PSFA is feeling the impact of decreasing revenues, as are communities like ours. Moving ahead, we understand that this means that the PSFA — backed by the legislature, PSCOC, and PSCOOTF — must remain fiscally responsible, selective, and prudent in how they use taxpayers' money.



## Dana Sanders

Superintendent

Los Lunas School District

The Los Lunas School District, home to 15 schools and approximately 8,500 students, benefits from a close, cooperative, and professional working relationship with the PSFA. Communication flows easily in both directions: our district administrators understand PSFA's guidelines and expectations, and the PSFA understands our needs — from planning to construction to maintenance.

In the 2013–2014 school year, we began a complete tear-down and rebuild of Los Lunas High School, a 50-year-old building that served 1,300 students. PSFA funded 80% of this \$65 million project. From day one, PSFA was involved, using its customary two-step process to manage the funds and the project: Phase 1, planning and design, and Phase 2, construction.

PSFA provided ongoing guidance; staff were on-site and hands-on, attending weekly meetings with designers, construction managers, architects, and others. And

they have stayed involved as the project reaches its final stages — with only landscaping and parking lot improvements remaining. PSFA is using the new Los Lunas High School as a model for other districts. They laud its contemporary design with security features, energy efficiency, and natural lighting, which provide students with not only a beautiful school but also one that meets 21<sup>st</sup> century teaching and learning needs.

Each quarter PSFA visits all schools in the district, performing a comprehensive evaluation and providing detailed reports on each one. We appreciate their input and, if deficiencies are found, the Los Lunas maintenance department remedies them immediately. Our maintenance department takes care of normal day-to-day issues, seeking PSFA assistance when necessary. The PSFA's goal — and ours too — is to ensure that the state's investment in the schools is maintained in a way that makes the best use of taxpayer dollars.

The goal of the Los Lunas School District is to prepare, empower, and inspire all students to reach their maximum potential. To accomplish this, our district needs the PSFA's assistance in building, improving, and maintaining our school facilities and systems. Together, we can provide facilities that maximize student learning and development.





## Charlie Lee

Director of Maintenance & Custodial  
Aztec Municipal School District

For the 17 years that I have been involved in the Aztec Municipal School District, the PSFA has always been an excellent partner, helping us build a solid, smooth-running maintenance program. Because of their ongoing guidance and availability, we now have facilities that support our mission of ensuring that all students develop a strong educational foundation.

In recent years, our district, like many others, has experienced a decreased revenue stream, but the PSFA's reduced funding has not affected our relationship with them or the services they provide. Their staff continues to serve as valued advisors, helping us build an efficient and effective maintenance department. They offer staff training and technical advice, share best practices, and supply us with the resources we need to provide optimal service to our six schools and 3,100 students.

One of the most useful resources that the PSFA provides is facilities management software. It helps us track work orders and keep on task with maintenance. It is an essential evaluation tool that allows us to make data-driven decisions by generating reports, documenting maintenance requests and approvals, and measuring efficiency. It also serves as a communication tool, allowing for district-wide sharing of information.

PSFA also provides us with Facility Maintenance Assessment Reports (FMARs), generated by PSFA representatives who visit schools statewide. PSFA staff evaluate the physical condition of the facilities and examine maintenance management practices. The FMAR gives us an objective look at our facilities and provides constructive feedback so we can address any maintenance issues.

Facility maintenance never stops. We practice both preventive maintenance, the day-to-day oversight of buildings and systems, and reactive maintenance, the unpredictable problems that surprise us and require immediate attention. Through our collaboration with the PSFA, our maintenance department strives to protect the state's investment and extend the life of our facilities.



## Gene Strickland

Director of Operations  
Hobbs Municipal Schools

The PSFA is a phenomenal asset for the educators of Hobbs, serving as a trusted advisor and go-to resource for information and practical advice. Our district has 18 schools with 1.4 million square feet of floor space. The PSFA helps us take care of these buildings, so we can provide secure learning environments for our 10,000 students.

In 2015, we completed three major projects with PSFA. Two of them — the replacement of one elementary school and the construction of a brand new elementary school — were fast-track projects, completed in 14 months. We also finished a 4-year remodeling of one high school. PSFA was a crucial partner for all projects and continues to provide maintenance support so we can protect the taxpayers' investment.

Our relationship with the PSFA grows each year, particularly in the area of maintenance. As we become more familiar with their staff and standards, they

become more familiar with our needs and challenges. The average age of Hobbs' schools is over 60 years — well beyond the lifecycle of 40-50 years — so we reach out to the PSFA regularly for guidance and best practices to keep these older buildings running smoothly.

The PSFA's regular evaluations of our schools are vitally important to us; we use them as scorecards to measure the health and safety of our facilities. The Facility Maintenance Assessment Reports (FMARs) and other PSFA assessment tools provide detailed information on the condition of our schools and pinpoint areas for improvement. PSFA staff are objective observers who often find deficiencies that we may overlook; their input motivates us to address these deficiencies as quickly as possible. Because of these ongoing appraisals, we have made significant improvements in our preventive facility maintenance.

As a district, we are committed to providing high-quality local maintenance for our schools; however, when we encounter complex or tricky issues, we know we can turn to PSFA for answers. With Hobbs' rapidly growing population and aging schools, we will continue to seek PSFA's guidance for maintenance of the existing buildings and funding for the new.

# Facilities Maintenance Assessment Report (FMAR) Baseline Summary

Chris Huchton, Facilities Maintenance and Operations Manager and Larry Tillotson, Maintenance Specialist

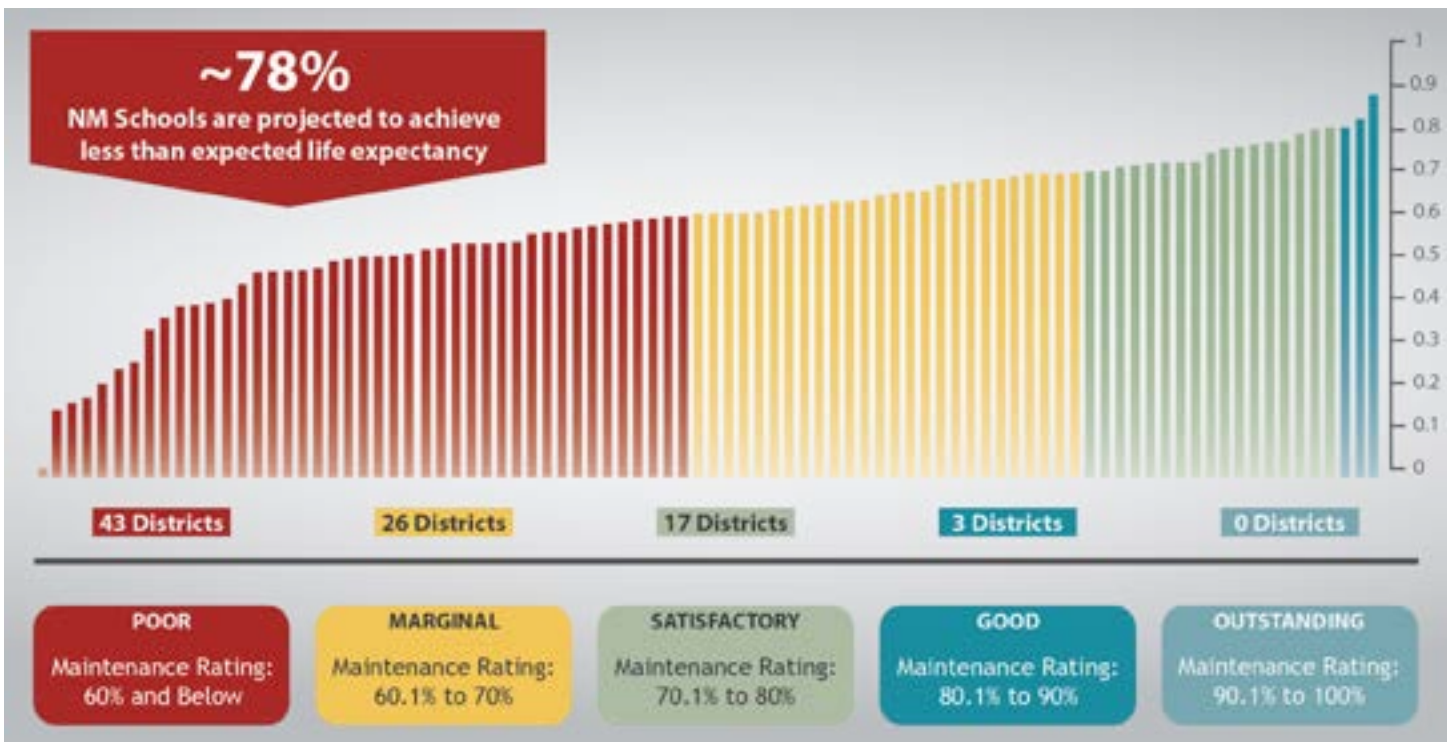
*Facility Maintenance: The work required to keep a facility in such condition that it may be fully functional and continuously utilized for its expected life, for its intended purpose, and at its maximum energy efficiency.*

The Public School Facilities Authority (PSFA) encourages and supports real-world maintenance programs conducive to the learning environment and that foster reliably working buildings, equipment, and support systems. PSFA trains, supports, and provides free access to a Facilities Information Management System (FIMS) to manage facility maintenance programs. The system can be used not only to plan and document work orders including expenditures, but also provides for data analysis and reports. FIMS helps to manage the daily work of scheduling, and assigning emergent and recurring preventive maintenance tasks for all district facilities; as well as, tracking and analyzing utility consumption and costs to identify savings opportunities.

Using the data from FIMS, and supplemented by on-site inspections, the PSFA has created an effective tool, known as the Facility Maintenance Assessment Report (FMAR), to evaluate maintenance. The FMAR allows school boards, school administrators, and the Public School Capital Outlay Council (PSCOC) to review and consider a district's ability to support and maintain their schools. The PSCOC wants to know, as do school boards, if an investment in new or renovated schools will be properly cared for so that they will achieve their expected life-span and educational performance.

The FMAR provides a method for equally assessing facilities maintenance behavior in the following five categories:

1. Site — maintained conditions of paved surfaces, sidewalks, grounds, playgrounds, site drainage and utilities.
2. Building Exterior — maintained conditions of walls and finishes, windows, entry doors and roof components.
3. Building Interior — maintained conditions of walls and floors, interior doors, restrooms and housekeeping practices.
4. Building Equipment and Systems — maintained conditions of electrical, lighting, fire protection, HVAC, kitchen and plumbing systems.
5. Maintenance Management — tools used to maintain facility conditions and assets from year to year: preventive maintenance plans, FIMS use, staff development plans, maintenance safety plans, contractor oversight plans, and identification of capital maintenance needs in the facility master plans. All are reviewed for quality.



In April 2011, the PSFA began a statewide initiative to determine the baseline level of each school district's maintenance behavior. In April 2015, the FMAR baseline was completed, which evaluated a total of 784 public schools in 89 school districts throughout the state of New Mexico, including traditional schools, locally-chartered charter schools, and special schools.

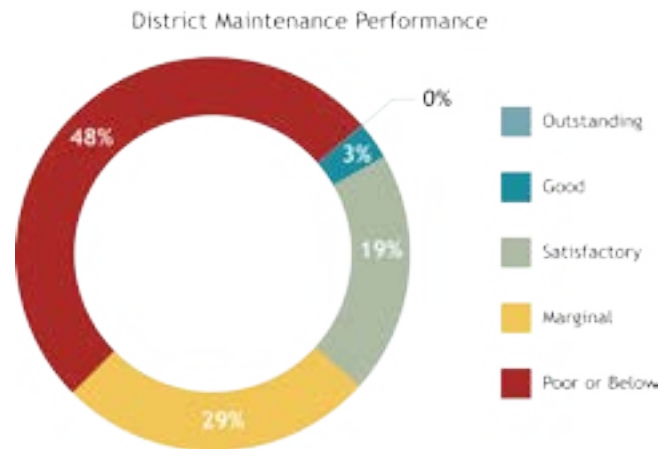
The FMAR baseline projects that 78% of New Mexico schools will achieve less than expected life expectancy of their major building systems, which will result in spending of capital dollars to replace assets well before their recommended replacement schedules. Districts need continuous training and resources on facilities operations and maintenance to ensure that facilities are being properly maintained for optimal longevity and return on investment.

#### FMAR Baseline Statewide Maintenance Performance

- 0 of the 89 districts (0%) are maintaining their facilities assets to an outstanding level.
- 3 of the 89 districts (3%) are maintaining their facilities assets to a good level.
- 17 of the 89 districts (19%) are maintaining their facilities assets to a satisfactory level.

- 26 of the 89 districts (29%) are maintaining their facilities assets to a marginal level.
- 43 of the 89 districts (48%) are maintaining their facilities assets to a poor or below level.

New Mexico school districts are in need of continued support and strategic development on performing proper and effective facilities maintenance. PSFA staff continue to encourage school districts to use the FIMS and the FMAR to guide their maintenance programs. As a result, many districts have already begun to see improvements, but there is still much work to be done.



## FY 2015 Ben Lujan Maintenance Achievement Awards

In FY 2015 Maintenance Achievement Awards were made to 14 school districts and 25 maintenance staff and district teams who have demonstrated progress and dedication in the development of effective maintenance management strategies and programs.

### Most Improved Awards:

2A Logan District

3A Lordsburg District

4A Socorro District

6A Hobbs District

3A Winner: Tucumcari District

2A Winner: Elida District

1A Winner: Wagon Mound District

Rio Rancho — Dave Kasten

Rio Rancho — Rich Baker

Rio Rancho — Chris Elwood

Rio Rancho — Wayne Myers

Rio Rancho — Luis Melendez

Rio Rancho — John Anderson

Roswell — Edward Pharis

Roswell — Edward Herrera

Ruidoso — Ruidoso Team

Ruidoso — Custodial Staff

Tucumcari — Cody Ryan

Tucumcari — Patrick Gonzales

Wagon Mound — John Romero

Wagon Mound — Mike Arrellin

Zuni — Maintenance Team

### Continued Achievement Awards:

6A Winner: Rio Rancho District

Runners Up: Las Cruces District and Clovis District

5A Winner: Roswell District

Runners Up: Farmington District and Los Alamos District

4A Winner: Pojoaque District

### Individual / Team Award:

Clovis — Maintenance Team

Farmington — Kim Phillips

Lordsburg — Don Smith

Lordsburg — Rebecca Artiaga

Lordsburg — Baltazar Dominguez

Lordsburg — Benny Artiaga

Lordsburg — Frances Rosales

Lordsburg — Abraham DeLaGarza

Los Alamos — Ted Galvez

Pojoaque — Pojoaque Team

## Facilities Maintenance Is Key for Longevity

Chris Huchton, Facilities Maintenance and Operations Manager

Facilities maintenance is not just a process, it is a behavior. This behavior shows ownership, pride, and accountability for the community as a whole. Proper maintenance also means being a responsible steward of taxpayer dollars. Facility maintenance is important because it ensures an effective learning environment and keeps students, faculty, and visitors safe while in or around the facilities.

PSFA estimates that 78% of our school building systems will fail prematurely. Building systems include the components of facilities such as roofs, windows, doors, or heating, cooling, and ventilation (HVAC). When these systems fail, children become too cold or too hot, sit in classrooms with leaks and mold, or must tolerate other conditions not conducive to learning.

Building maintenance is a low priority in school budgets — that is, until building systems fail. The cost of early replacement, due to running to failure, is three times more expensive than effective preventive maintenance. If school districts would implement facility maintenance best practices, then school facilities would run to their full life expectancy and there would be significant savings of taxpayer dollars throughout the state.

Facilities maintenance best practices include:

- Ensure that the Preventive Maintenance Plan (PM) is current by updating it annually.
- Utilize the PSFA provided Facility Information Management System (FIMS) to help organize work management.
- Identify capital maintenance needs within the Facilities Master Plan (FMP) to prevent loss of school educational function, wasted maintenance resources, and help reduce cost of emergency repairs and replacements.
- Maintain optimal staffing to ensure that proper facilities maintenance is executed.
- Utilize the Facility Maintenance Assessment Report (FMAR) to provide school district leadership needed information on maintenance behavior.
- Establish Key Performance Indicators (KPIs) to create comparison metrics and track overall maintenance performance.

---

## Empowering K-12 Public Schools and Educators with Broadband

Kendra L. Karp, Chief Information Officer

The Broadband Deficiencies Correction Program (BDCP) was created by Senate Bill (SB) 159 to resolve the broadband connectivity (high speed Internet access) gap that currently exists in many K-12 public schools across New Mexico and especially in rural areas. This program includes correcting external infrastructure and internal networking problems that hinder a school's ability to obtain or use adequate broadband.

New Mexico currently falls well below the 2018 Internet access goal of 1 Mbps (1000 Kbps) per student and staff, as set by the Federal Communications Commission (FCC) and the State Educational Technology Directors Association (SETDA). The state averages 75 Kbps per student and staff in public schools and 183 Kbps per student and staff in charter schools. To put things in perspective, assuming an average web page size is 2 megabytes, at the 75 Kbps access speed, the download could take approximately 3.5 minutes yet only 3 seconds or less after we reach the 2018 goal.

Today's Internet download requirements are expected to more than double over the next 3 years and experts predict the demand for broadband in schools will

continue to increase by at least 30% each year. For this reason, the BDCP will design and implement cost-effective, reliable, and scalable broadband solutions to accommodate the FCC recommended speeds of 24 Mbps and higher, to be available as deemed necessary. Maximizing outside funding is another goal of the BDCP and the program will leverage funding from the FCC's E-rate Modernization Order as well as other sources.

During the first quarter, a workgroup, comprised of IT experts, developed and fine-tuned the methodology, analytical tools, data templates, and processes necessary to responsibly implement the BDCP. Between May and August, the program uniformly evaluated approximately 840 school/district locations across the State of New Mexico. This information, in conjunction with data collected from Internet Service Providers, enabled PSFA to complete a Statewide Gap Analysis necessary to generate order of magnitude estimates for needed infrastructure and ongoing operational costs. These estimates, along with a palette of broadband connectivity options, were delivered to state leadership in October of 2015.

## FY 2015 School Projects

Project	District	General Contractor	Architect
Cubero ES.....	Grants.....	Bradbury Stamm .....	Dekker/Perich/Sabatini
Washington ES .....	Gallup.....	Murphy Builders.....	VHGA
Jefferson ES .....	Gallup.....	Jaynes Corporation.....	Fanning/Bard/Tatum
Family School .....	Belen.....	ESA Construction.....	Vigil & Associates
Los Ninos Kindergarten .....	Espanola.....	R and M Construction .....	Fanning/Bard/Tatum
Farmington HS .....	Farmington .....	Jaynes Corporation.....	Fanning/Bard/Tatum
Site (Santa Fe Campus) .....	NMSD.....	Bradbury Stamm .....	Dekker/Perich/Sabatini
Dowa Yalanne/ A:Shiwi ES .....	Zuni .....	HB Construction.....	Dekker/Perich/Sabatini
Health Services & Jack Hall.....	NMSBVI .....	National Construction.....	ASA Architects
Atrisco ES .....	Albuquerque .....	Enterprise Builders.....	Greer/Stafford
New Elementary School.....	Gadsden .....	Bradbury Stamm .....	Dekker/Perich/Sabatini
Ramah ES .....	Gallup.....	Murphy Builders.....	Dekker/Perich/Sabatini
Los Alamos MS .....	Grants.....	Bradbury Stamm .....	Fanning/Bard/Tatum
Lordsburg HS.....	Lordsburg .....	HB Construction.....	ASA Architects
Reserve Combined School.....	Reserve.....	FCI Contractors.....	Greer/Stafford

PROJECTS COMMENCING  
CONSTRUCTION

Project	District	Architect
Grace B. Wilson & Ruth N. Bond ES.....	Central .....	Dekker/Perich/Sabatini
Reserve Combined School.....	Reserve .....	Greer/Stafford
Parkview ES .....	Clovis.....	Dekker/Perich/Sabatini
Thoreau ES .....	Gallup .....	Dekker/Perich/Sabatini
New Combined ES.....	Gallup .....	Baker Architecture & Design
Mountainair Jr./Sr. HS .....	Mountainair .....	Fanning/Bard/Tatum
Garrett Dormitory.....	NMSBVI .....	Not Selected
Cartwright Hall .....	NMSD .....	Dekker/Perich/Sabatini
Delgado Hall.....	NMSD .....	Dekker/Perich/Sabatini
Nob Hill ES.....	Ruidoso .....	GS Planning

PROJECTS COMMENCING  
DESIGN

## Systems Initiative

Cassandra Cano, Programs Support Manager

Passed in the 2015 legislature, Senate Bill 128 authorizes the building system repair, renovation or replacement initiative, and allows up to \$15 million to be allocated annually by the Public School Capital Outlay Council (Council) for expenditure in fiscal years (FY) 2016 — 2020. This new program requires the development of guidelines, ranking methodology and application, that in conjunction with an assessment of the building system(s), would demonstrate that the requested project would extend the useful life of the building itself. As part of the systems initiative, applicant school districts must be willing and able to pay the local share of the total cost of the project, which will be calculated using the same methodology as the standards-based capital outlay program.

Written in statute, a “building system” means a set of interacting parts that makes up a single, non-portable or fixed component of a facility and that, together with other building systems, makes up an entire integrated facility or property, including, but not limited to, roofing, electrical distribution, electronic communication, plumbing, lighting, mechanical, fire prevention, facility shell, interior finishes and heating, ventilation and air conditioning systems, as defined by the Council.

The PSFA staff is working diligently to develop the guidelines, ranking methodology, application, and assessment requirements to roll out this program in FY 2016. We encourage districts to keep apprised of the Council timeline and meeting agendas for additional information, testimony and action to move this initiative forward.

## FY 2015 PSCOC and PSFA Milestones

### — CAPITAL FUNDING AND PROJECT DELIVERY —

- FY 2015 PSCOC awards total \$198.2 million for 63 individual school projects throughout New Mexico. The complete list of awards, including lease assistance and facility master plan awards and supplemental funding for existing projects are as follows:
  - 11 planning and design awards: \$8.3 million state match
  - 15 phase 2 construction awards: \$175.0 million state match
  - 7 supplemental funding and emergency awards: \$6.5 million state match
  - 16 roof awards: \$8.3 million state match
- 97 lease assistance awards to charters in 23 districts: \$14.6 million
- 19 facility master planning awards: \$456.9 thousand state match
- In FY 2015, 80 percent of project funds were under contract within 15 months from date of award — a 5 point increase from FY 2014.

### — OPERATIONS —

- In FY 2015, the PSFA annual operating budget to total awards was 3.1 percent — below the statutory limit of 5 percent.
- In FY 2015, PSFA entered into 407 new contracts.
- In FY 2015, the total expenditures on PSCOC awards, including standards-based, roofs, emergencies, and master plans, was \$182.4 million.

### — FACILITIES CONDITIONS —

- The FY 2015 state average Facilities Condition Index (FCI) for public schools is 36.2 percent, which has remained roughly flat since FY 2010.
- The FY 2015 state average Weighted New Mexico Condition Index (wNMCI) for public schools is 36.3 percent, which has remained roughly flat since FY 2013.

### — MAINTENANCE —

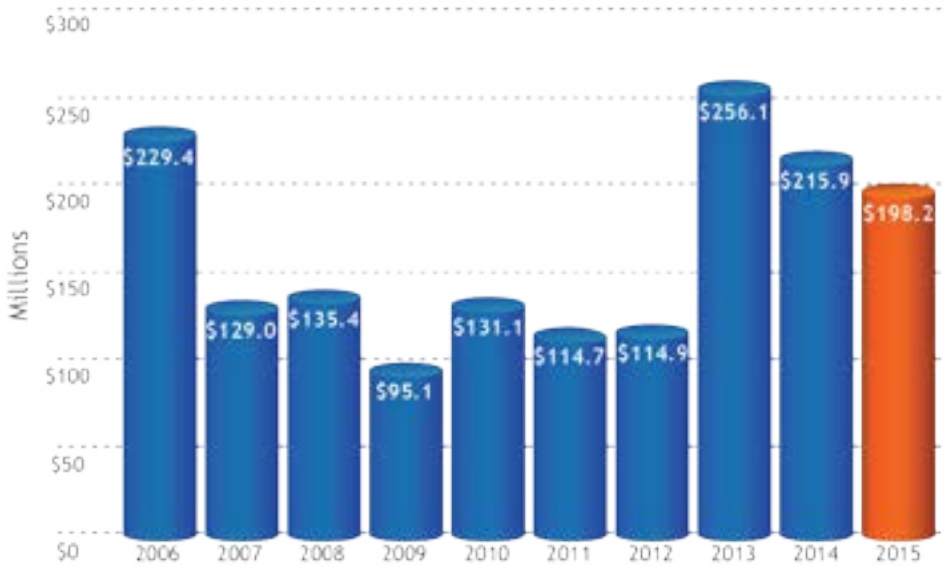
- According to PSFA's Facility Information Management System (FIMS), we estimate district investment in preventive maintenance as a percent of total maintenance expenditures is now at 22.2 percent, an increase from FY 2014 of 4.7 points.
- At the end of FY 2015, 48 out of 91 districts had current preventive maintenance plans — a roughly flat amount over FY 2014.
- School district proficiency in using the Facility Information Management System (FIMS) remained flat at 68.13 percent.
- The Facility Maintenance Assessment Report (FMAR), a tool introduced in FY 2011 to measure maintenance effectiveness, indicates statewide average of 60 percent (Poor).



Belen Family School Grand Opening,  
© 2015 NMPFA, All Rights Reserved

# Financial and Operational Data

PSCOC Standards-Based Awards History



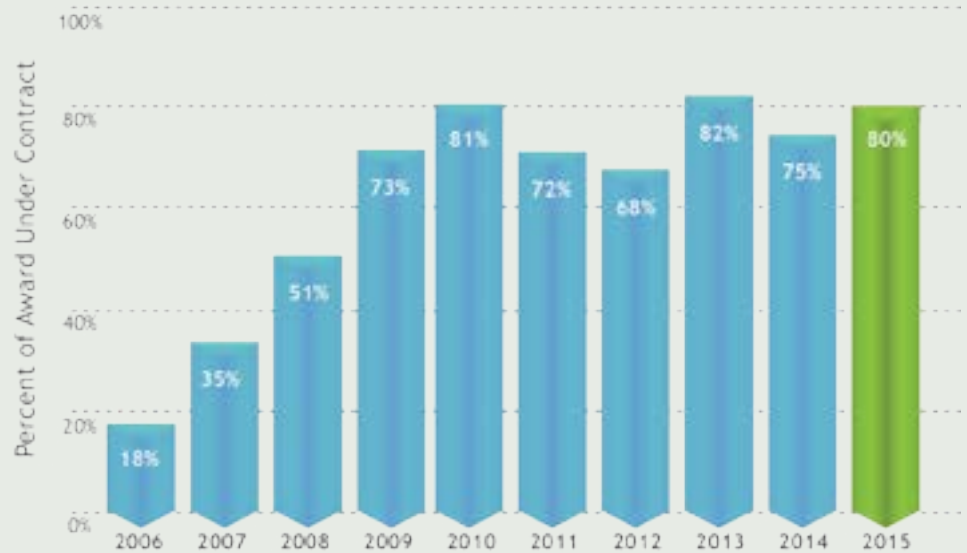
In FY 2015, standards-based capital outlay awards totaled \$198.2 million for 63 school construction projects and facility planning needs in 26 school districts\*\*, a decrease of 8% from FY 2014.

\*\* Charter school lease assistance awards not included.

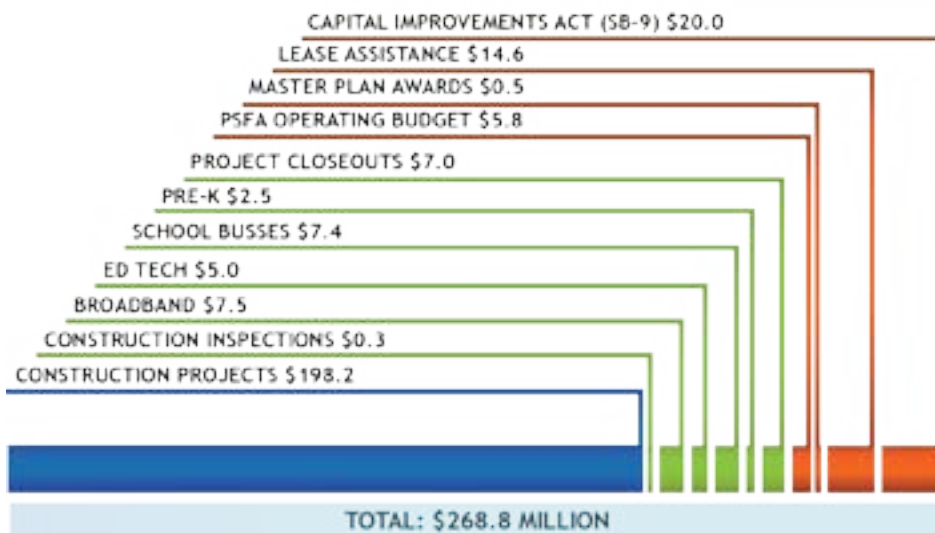
The PSCOC has practices “Just in Time” funding with by awarding design funding until the project is ready to begin construction. PSCOC’s innovative two-phase funding system was designed to reduce unexpended balances in the Public School Capital Outlay Fund.

In FY 2015, the percent of award dollars under contract within 15 months from date of each award was 80 percent — an increase of 5 points from FY 2014.

Percent of Award Dollars Under Contract 15 Months from Time of Award



Supplemental Severance Tax Bond (SSTB) Uses by PSCOC in FY 2015



SSTB’s are funded from state extraction taxes on oil, natural gas and other minerals. They are the sole source of funding for the PSCOC Fund.

SSTB’s became a source for school capital outlay in 2002 as a result of the Zuni Lawsuit.

PSFA Operational Budget as a Percent of Annual Capital Outlay Awards

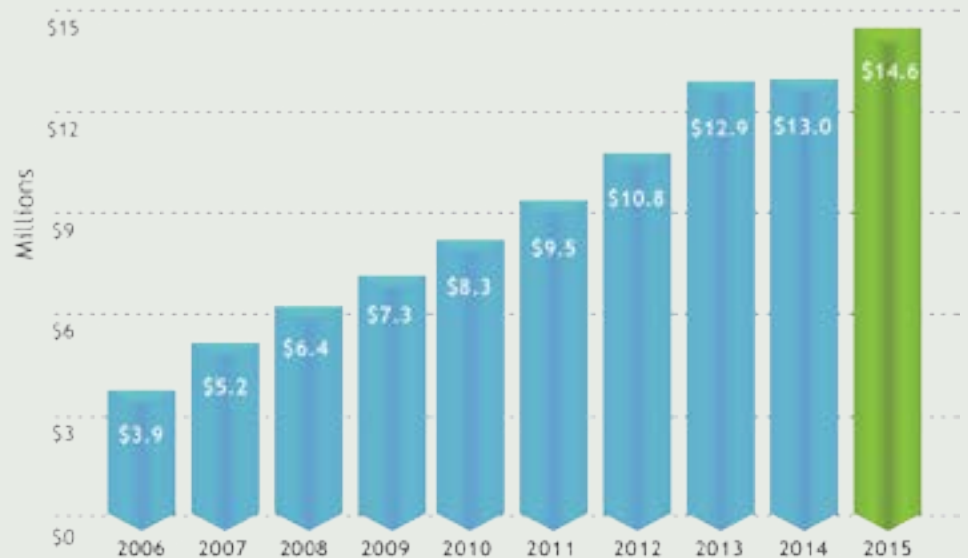


PSFA's current budget of 3.1 percent is well below the statutory limit of 5 percent.

Public School Capital Outlay Act Section 22-24-4 NMSA: G. (1) states, "the total annual expenditures from the fund for the core administrative functions pursuant to this subsection shall not exceed five percent of the average annual grant assistance authorized from the fund during the three previous fiscal years."

In FY 2015, the PSCOC awarded \$14.6 million for lease assistance to 97 charters in 23 districts. Lease payment assistance increased by 13 percent, or \$1.7 million, from FY 2014 levels.

PSCOC Lease Assistance



Annual Facilities Condition Index (FCI)\* for All New Mexico Schools



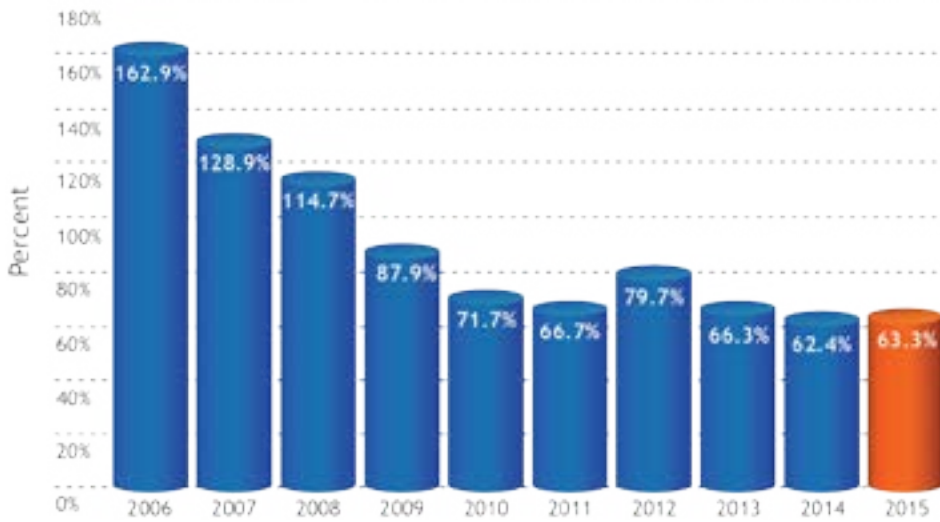
A key performance measure for public school building condition is the average FCI. The current FCI stands at 36.2 percent — an increase of 0.7 points from FY 2014.

FCI indicates the level of repair needed for a facility. The lower the percentage, the lower amount of money required for repairs. If a building costs \$100,000 and has an FCI of 36.2 percent, that building needs \$36,200 in repairs. Despite significant progress in the average, many school facilities in small school districts in New Mexico remain in less than ideal conditions.

\*FCI= Brick and Mortar Facility Condition Only



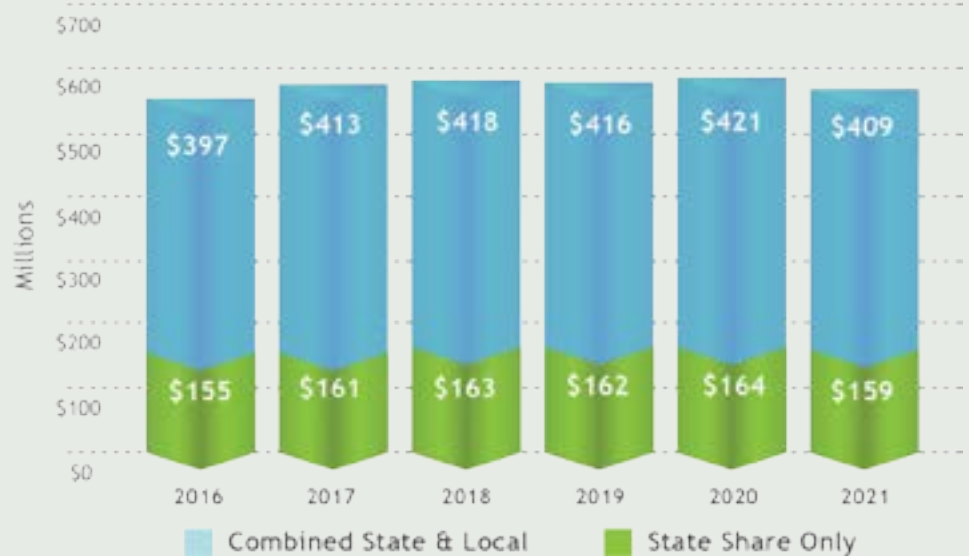
Average wNMCI for Top 30 Schools on Ranked List



The Weighted New Mexico Condition Index (wNMCI) measures the physical condition of the school and the facilities ability to deliver the educational program needs. Like with FCI, it reflects the facilities overall condition. However, it also includes the cost needed to meet educational program delivery needs (the addition of a science lab, for example). Needs are weighted for urgency. As with FCI, the wNMCI is expressed as a percentage, and a lower number reflects a building that is better able to supply the program delivery needed for a particular facility.

To maintain the current FCI over the next six years, it is estimated an average of \$409 million annually would need to be invested in school facilities. State funding currently represents 39 percent of school construction, so funds from the state share needs require an average of \$159 million per annum over the next six years.

Estimated Funds Required to Maintain the Current FCI



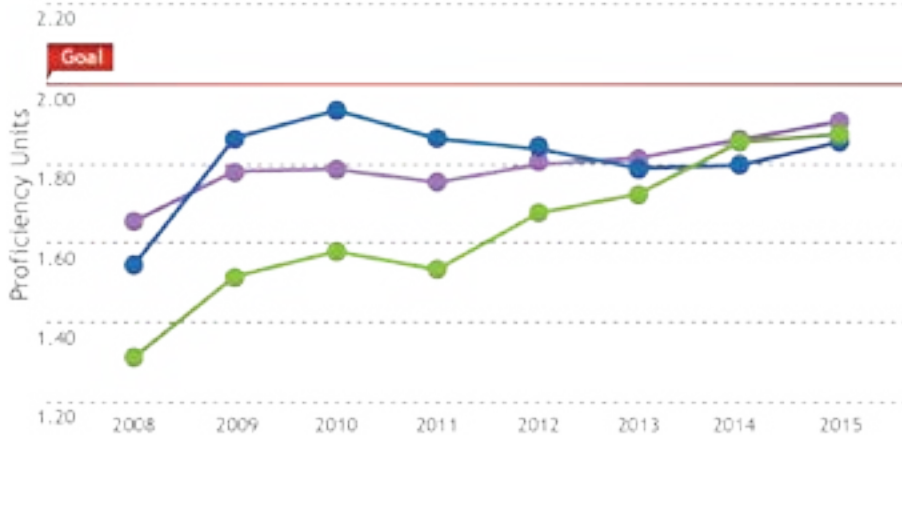
At lower funding levels, degradation exceeds renovation/repair and facilities start to decline.

District Preventive Maintenance (PM) as Percent of Total Maintenance Expenditures



School district investments in preventive maintenance as a percent of total maintenance expenditures is now at 22.2 percent — an increase from FY 2014 of 4.7 points.

### School District Facility Information Management System (FIMS) Proficiency Progression



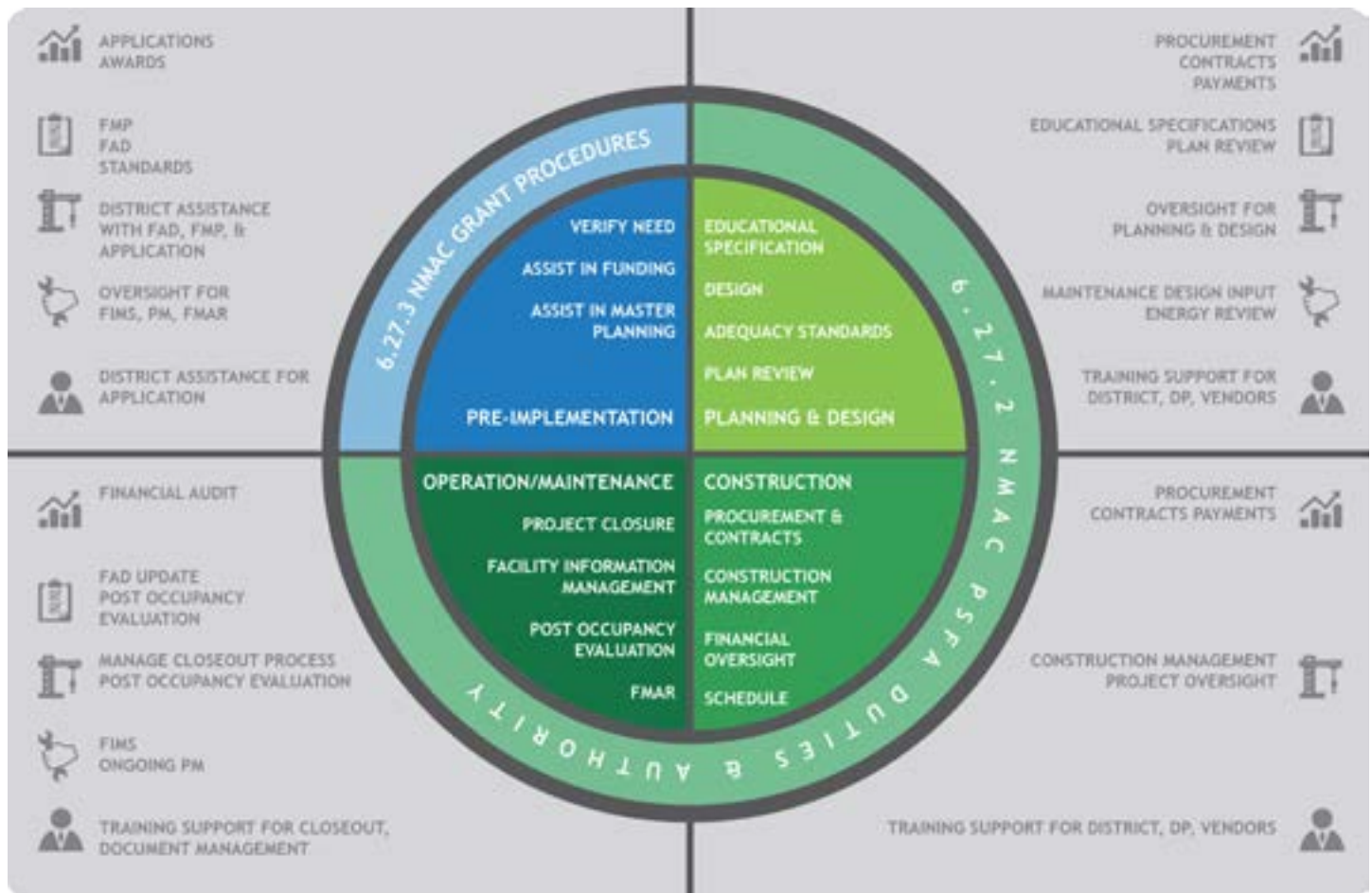
School district FIMS proficiency in the MD and UD components has trended upwards since 2011, while PMD began an upward trend in 2013. On average FIMS users are developing users.

- Work Order System:  
MD users = 1.9 of 2.0
- Preventive Maintenance Work Order Scheduling Module:  
PMD users = 1.83 of 2.0
- Utility Cost and Usage Collection Module:  
UD users = 1.89 of 2.0

- Maintenance Direct (MD)
- Preventive Maintenance Direct (PMD)
- Utility Direct (UD)

## Process and Organizational Structure of PSFA

The Public School Facilities Authority (PSFA) serves as staff to the PSCOC: to assist districts in the planning, construction and maintenance of their facilities, to assist in training district facilities maintenance staff, and to implement systems and processes that establish adequate public school facilities throughout New Mexico via efficient and prudent use of funds.



## About Us

Selena Romero, Human Resources and Training Manager

PSFA is comprised of five groups: Administration, Planning & Design, Field, Maintenance, and IT. Many of PSFA's positions are highly technical and require advanced degrees. Over 67% of employees have an Associate's degree or higher, and 15% have Master's degrees.

Many of the job descriptions are complex and require a broad knowledge in the field of construction management, architecture, engineering and finance. PSFA offers training and development benefits to employees which cover courses, conferences, certificates, and memberships for professional affiliations. In FY 2015 62% of staff utilized the training and development benefit as part of their growth development plan or to keep abreast of industry trends.

As part of the PSFA's responsibilities, the agency is to provide assistance to public school districts in the following areas: project planning and development; standardized contracts, documents and procurement processes; development and implementation of 5-year facility plans; development and implementation of preventive maintenance plans; obtaining architectural and engineering services; and construction management. The Regional Managers must have an array of education, experience, and knowledge in a wide range of facility-related disciplines to provide these services. To meet this need the PSCOC, in December 2004, approved a progressive career development plan. In FY 2015 42% of Regional Managers were advanced based on the criteria outlined in the career development plan.

PSFA has a diverse workforce which brings individual experiences and innovation to the overall mission of the agency. For FY 2015, PSFA had an average of 46 employees, of which 13% are military status veterans, 46% list an ethnicity other than Caucasian, and 35% of employees are female and represent 56% of the management team.

PSFA employed two Student Interns, one in the IT group and another in the Maintenance group. PSFA has benefitted from the success of the Student Intern program in past years; 5 of PSFA's current FTEs transitioned to permanent employees as a result of the Student Intern program.

## Financial and Administrative Support

The Administration Group is responsible for managing overall agency operations, administering the application and awards process, budgets, contracts and compliance with state laws, rules and protocols. Human Resources (HR) oversees personnel services, benefits administration and employee relations. Training staff serve customers on a range of topics and systems. The Group provides overall support to all other agency groups.



## Project Management

The Field Group partners with the school districts to oversee award applications, budgeting, procurement, project management, and project oversight. The Field Group is the main point of contact with school districts. Regional managers live and work in the districts they serve, enabling them to provide valuable assistance in a wide variety of school related matters, including facility standards, guidelines, and assistance identifying potential projects for state match funding.



## Project Planning

The Planning Group provides master planning assistance to school districts and reviews projects in the design stage for state code compliance and to the PSCOC adequacy standards. The Group develops and maintains adequacy standards, planning guidelines and building standards. The Group has a staff of facility assessors who assist in maintaining the statewide Facility Assessment Database (FAD) used to monitor facility conditions and rank school facility needs statewide.



## Facility Management

The Maintenance Group provides consultative services in an effort to assist school districts in establishing and optimizing their maintenance programs. This program focuses on preventive maintenance strategies in an effort to extend the life of the facilities and their systems. The goal is assessing local facility management challenges and developing real-world solutions for operational cost-reduction while providing safe, healthy, and reliable environments in support of the state's educational process.



## Information Support

The Systems Support Group is responsible for managing a multitude of systems that support school districts facility needs and the agency's mission.





State of New Mexico  
Public School Facilities Authority  
1312 Basehart Rd SE, Suite #200  
Albuquerque, NM 87106-4365

