

June 10, 2016
LFC

ISSUES FOR HEARING

Standards-Based Funding Stream: Effect of Passage of Laws 2015, Chapter 63 (House Bill 236) on Program Funding Adequacy

- Chapter 63 (House Bill 236) provides for increased transfers to the severance tax permanent fund by phasing in reductions to severance tax and supplemental severance tax bonding capacity. The reductions to senior STB capacity began in FY16, while the reductions to supplemental STB capacity begin in FY19.

BONDING CAPACITY

- How much the state can spend on capital outlay projects is driven by the state's bonding capacity – its ability to repay the debt created by issuing the bonds. Consequently, the maximum the state can bond for capital outlay projects is based on revenue projections and property values.
- Severance tax bonds are issued against revenue from severance taxes, taxes imposed when oil, gas, or other natural resources are “severed” from the ground. The revenue is deposited into the severance tax bonding fund to pay the debt service on the bonds.
- A portion of the bonding capacity of the severance tax permanent fund, supplemental severance tax bonds (SSTB), is earmarked for public school capital outlay projects authorized by the Public School Capital Outlay Council. Of note, severance tax revenue, and consequently the revenue available for capital projects, can be volatile from year to year.

PSCOC FINANCIAL PLAN AND PROJECT AWARD SCHEDULE

- The PSCOC financial plan is a comprehensive evaluation of the sources and uses of funding for public school capital outlay. Sources of funds include SSTB revenue, long term bond revenue, SSTB recertification revenue, project and operating reversions, and advance repayments. Uses of funds include the Capital Improvement Act, lease assistance, master plan assistance, PSFA operating budget, Construction Industries Division inspections, and project awards. For more information on each of the sources and uses see the PSCOC financial plan definitions included in the packet.
- The detailed project award schedule maps out the state share of funding for projects by quarter and project phase (design and construction) for the current fiscal year and out years. The award amounts and schedules are estimates prepared and updated by PSFA on a quarterly basis.



Bonding Capacity

How much the state can spend on capital outlay projects is driven by the state's bonding capacity – its ability to repay the debt created by issuing the bonds. The state funds much of its capital outlay with severance tax bonds, repaid with severance taxes, and general obligation bonds, repaid with property taxes. Consequently, the maximum the state can bond for capital outlay projects is based on revenue projections and property values. Bonds issued for state transportation projects and projects funded by the New Mexico Finance Authority are repaid with other revenues.

General Obligation Bonds

Because general obligation bonds must be approved by voters during a general election, the Legislature considers authorizing the issuance of the bonds only during even-numbered years, those years when the state holds a statewide general election in November. General obligation bond capacity is equal to 1 percent of statewide assessed property value from the prior year less the outstanding bond debt.

Statewide assessed value is determined by the Local Government Division of the Department of Finance and Administration each fall after certification of all the county assessors' valuations. Assessed property value is equal to one-third of the actual value of all property in New Mexico, including residential, nonresidential, and oil and gas property. For example, if the total property value in New Mexico is \$100 billion, the assessed value is \$33.3 billion and the total bond principal outstanding cannot be more than \$333 million. If outstanding principal is \$10 million, the capacity is \$323 million.

Because the bonds are grouped by category for consideration by voters (aging services, libraries, education, and state buildings), and voters don't always approve all the bond questions on the ballot, the value of the bonds sold can be less than the amount authorized by the Legislature.

Severance Tax Bonds

Severance tax bonds are issued against revenue from severance taxes, taxes imposed when oil, gas or other natural resource is "severed" from the ground. The revenue is deposited into the severance tax bonding fund to pay the debt service on the bonds. Money in the bond fund not needed for debt service is used for short-term notes called "sponge" bonds. Any uncommitted money in the fund is transferred twice a year to the severance tax permanent fund, which is invested by the State Investment Council.

The Board of Finance reports on severance tax bonding capacity every January 15 based on projected revenue from severance taxes. The state typically uses three types of severance-

tax-backed debt: senior long-term bonds, senior notes, and supplemental notes. By law, the debt created by combination of senior long-term bonds, senior notes and supplemental notes is limited to 95 percent of the prior-year revenue.

Senior bond debt is statutorily limited to 50 percent of prior-year revenues less the debt service on outstanding senior bonds. The debt can be issued in long-term bonds, generally for 10 years, or short-term notes. Senior severance tax bond proceeds are used for capital outlay projects authorized by the Legislature. Because senior long-term bonds are repaid over 10 years, the capacity is based on estimates for 10 years of revenue and assumes the current interest rates and 10 equal long-term bond issues. Senior notes, also called "sponge bonds," are overnight issues purchased by the State Treasurer and take advantage of additional capacity remaining after the senior long-term bond issue.

Although supplemental severance tax issues can be long-term bonds or short-term notes, the state typically only issues supplemental notes to avoid the long-term obligation of bonds. Supplemental note proceeds are earmarked for public school capital outlay projects authorized by the Public School Capital Outlay Council. Supplemental notes can be issued for up to 95 percent of prior-year revenues; however, 50 percent is typically set aside for senior bonds, leaving 45 percent available. Like senior notes, supplemental notes must mature within the fiscal year.

Another bonding mechanism, called a "sweep," has also been used when revenues came in higher than projected and senior and supplemental debt did not reach 95 percent of prior-year severance tax revenue, the limit set in law.

For More Information:

- General obligation bond capacity is limited by the State Constitution, Article IX, Section 8.
- Property tax valuation methods are described in the State Constitution, Article VIII, Section 1.
- The Severance Tax Bonding Act is found in Section 7-27 NMSA 1978.
- The Board of Finance has more information about the programs and the outstanding debt for both general obligation and severance tax bonds: board.nmdfa.state.nm.us.

TABLE 5

Severance Tax Bonding Fund
Receipts, Disbursements and Transfers
Fiscal Year Ended June 30⁽¹⁾⁽²⁾
(Dollars in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Beginning Balance	\$130,346	\$161,190	\$254,810	\$142,806	\$19,572
Receipts:					
Taxes:					
Oil and Gas Severance Tax	\$350,718	\$449,283	\$400,959	\$518,371	\$474,533
Other Minerals Severance Taxes	<u>16,009</u>	<u>13,548</u>	<u>13,416</u>	<u>12,297</u>	<u>11,506</u>
Total Severance Taxes	\$366,727	\$462,831	\$414,375	\$530,668	\$486,039
Other Income:					
Interest on Investments	\$ 18,102	\$9,941	\$ 6,772	\$5,844	\$5,035
Bond Proceeds	0	4	0	0	0
Other financing sources	<u>10,823</u>	<u>7,126</u>	<u>2,777</u>	<u>4,706</u>	<u>8,435</u>
Total Other Income	\$ 28,295	\$17,072	\$ 9,549	\$ 10,552	\$13,470
Total Receipts	\$395,652	\$479,903	\$423,923	\$541,219	\$499,509
Disbursements:					
Senior Bond Debt Service	\$103,867	\$121,367	\$127,951	\$246,999 ⁽⁴⁾	\$16,795
Senior Short-term Obligations ⁽³⁾	27,273	76,220	111,999	90,545	128,217
Supplemental Bond Debt Service	19,212	29,300	21,483	28,084 ⁽⁵⁾	1,507
Supplemental Short-term Obligations ⁽³⁾	206,130	148,745	167,832	175,161	214,472
Costs of Issuance and Other Charges	<u>4,838⁽⁶⁾</u>	<u>3,034⁽⁷⁾</u>	<u>2,774⁽⁸⁾</u>	<u>(1,331)⁽⁸⁾</u>	639
Total Disbursements	\$361,321	\$378,665	\$432,039	\$539,458	\$361,630
Transfers:					
To Severance Tax Permanent Fund	<u>\$ 3,488</u>	<u>\$7,617</u>	<u>\$103,888</u>	<u>\$124,996</u>	<u>\$4,980</u>
Total Transfers	\$ 3,488	\$7,617	\$103,888	\$124,996	\$4,980
Ending Balance, June 30	\$161,190 ⁽⁹⁾	\$254,810 ⁽¹⁰⁾	\$142,806	\$19,571	\$152,471

- (1) All receipts, expenditures and balances exclude amounts in rebate accounts retained for potential arbitrage rebates.
- (2) Proceeds and expenditures attributable to refunding bonds are excluded from this table because such proceeds and expenditures are reserved for payments on appropriate refunding bonds and are not available for debt service payments on other Severance Tax Bonds.
- (3) The Board issues short-term Severance Tax Funding Notes and Supplemental Severance Tax Funding Notes to fund the authorized projects. The notes are sold to the State Treasurer and retired within the same fiscal year.
- (4) Includes \$120.6 million July 1, 2014 principal and interest payment on Severance Tax Bonds that was paid on June 27, 2014.
- (5) Includes \$12.5 million July 1, 2014 principal and interest payment on Supplemental Severance Tax Bonds that was paid on June 27, 2014.
- (6) Includes \$2.0 million paid to escrow agent in connection to Series 2010D advance refunding.
- (7) Includes \$2.2 million paid to the Internal Revenue Service in August 2011 for arbitrage rebate liabilities.
- (8) Fiscal Year 2013 includes \$2.2 million that was incorrectly debited a second time in July 2012 for the August 2011 arbitrage rebate payment made to the Internal Revenue Service as part of the State Treasurer's Fiscal Year 2012 audit adjustments. Fiscal Year 2014 reflects reversal of this error in November 2013.
- (9) The ending balance includes the amount of the transfer to the Severance Tax Permanent Fund, which was made on August 3, 2011 in the amount of \$7.6 million.
- (10) The ending balance includes the amount of the transfer to the Severance Tax Permanent Fund, which was made on July 3, 2012 in the amount of \$103.9 million.

Source: New Mexico State Board of Finance based on the Statewide Human Resources, Accounting, and Management Reporting System (the "SHARE System").

TABLE 6

Severance Tax Bonding Fund Projected Receipts
Fiscal Year Ending June 30⁽¹⁾
(Dollars in thousands)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Severance Tax Bonding Fund Receipts					
Taxes: Natural Gas	\$87,553	\$106,844	\$110,611	\$110,269	\$109,869
Oil	<u>\$201,842</u>	<u>\$216,295</u>	<u>\$236,230</u>	<u>\$255,168</u>	<u>\$267,461</u>
Subtotal-Oil & Gas Severance Tax	\$289,395	\$323,139	\$346,841	\$365,437	\$377,331
Coal	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Other Minerals	<u>\$2,200</u>	<u>\$2,200</u>	<u>\$2,200</u>	<u>\$2,200</u>	<u>\$2,200</u>
Subtotal-Other Severance Tax	\$12,200	\$12,200	\$12,200	\$12,200	\$12,200
Investment Earnings	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000
Other Income	<u>\$6,000</u>	<u>\$6,000</u>	<u>\$6,000</u>	<u>\$6,000</u>	<u>\$6,000</u>
Total Receipts	\$315,595	\$349,339	\$373,041	\$391,637	\$403,531

(1) Columns may not total due to rounding.

Source: New Mexico Department of Finance and Administration and Fiscal Strategies Group.

See also, “NATURAL GAS PRODUCTION AND SEVERANCE TAX REVENUE – Projections of Severance Tax Revenues from Natural Gas,” “OIL PRODUCTION AND SEVERANCE TAX REVENUE – Projections of Severance Tax Revenues from Oil,” and “COAL PRODUCTION AND SEVERANCE TAX REVENUE – Projections of Severance Tax Revenue from Coal” herein.

TABLE 7

State of New Mexico Severance Tax Bonds
Projected Cash Receipts, Debt Service Requirements and Coverage⁽¹⁾

<u>Fiscal Year Ending 6/30</u>	<u>Projected STBF Revenues</u>	<u>Scheduled Senior Debt Service⁽²⁾</u>	<u>Projected Senior Debt Service Coverage</u>	<u>Scheduled Supplemental Debt Service⁽²⁾</u>	<u>Projected Supplemental Coverage</u>
2016	\$ 315,594,925	\$ 142,085,219	2.22x	\$ 13,841,891	2.02x
2017	349,339,150	141,063,473	2.48x	19,025,925	2.18x
2018	373,041,100	138,935,000	2.69x	20,474,425	2.34x
2019	391,636,900	133,190,150	2.94x	21,141,675	2.54x
2020	403,530,625	120,026,625	3.36x	21,413,175	2.85x
2021	403,139,652	104,693,425	3.85x	20,591,400	3.22x
2022	402,675,509	88,143,675	4.57x	9,121,125	4.14x
2023	402,140,479	82,210,150	4.89x	9,122,500	4.40x
2024	401,536,793	73,996,675	5.43x	9,124,625	4.83x
2025	400,866,631	55,133,250	7.27x	9,121,625	6.24x

(1) Since these projections were finalized, global oil and natural gas prices have continued to experience market volatility. Accordingly, revenue and debt service coverage projections are subject to continuing review.

(2) Includes debt service on the Bonds. Excludes debt service on refunded bonds which will be payable from escrowed securities and severance and supplemental severance tax debt obligations sold to the State Treasurer which are retired within the same fiscal year.

Sources: New Mexico State Board of Finance and Fiscal Strategies Group.

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Note: OGAS revenues accrue from April Sales through March Sales; Jun distribution through May distribution											
Note: advanced payments are obtained from the July distribution period.											
Coal Price	\$28.97	\$29.55	\$33.65	\$34.11	\$35.47	\$24.20	\$24.20	\$24.20	\$24.20	\$24.20	\$24.20
Gas Price	\$4.80	\$5.21	\$5.61	\$4.10	\$5.08	\$3.78	\$2.55	\$2.90	\$3.20	\$3.30	\$3.50
Gas Volume	1,330	1,241	1,258	1,168	1,178	1,188	1,190	1,177	1,147	1,125	1,105
Gas Deductions	24.3%	23.4%	23.8%	23.8%	22.9%	24.90%	23.90%	23.90%	23.90%	23.90%	23.90%
Gas Revenue, Calc	\$181.252	\$185.497	\$201.517	\$136.899	\$173.193	\$126.468	\$86.605	\$97.442	\$104.782	\$105.941	\$110.364
Gas Revenue, ONGARD	\$179.591	\$186.017	\$201.338	\$136.424	\$172.699	\$125.655					
Oil Price	\$67.18	\$78.82	\$92.64	\$83.64	\$95.42	\$60.67	\$37.00	\$38.00	\$45.00	\$50.00	\$53.00
Oil Volume	62	67	78	91	109	133.0	150.0	153.7	157.2	159.5	160.7
Oil Deductions	10.5%	10.6%	11.0%	10.6%	11.5%	11.80%	11.40%	11.40%	11.40%	11.40%	11.40%
Oil Revenue, Calc	\$139.924	\$176.616	\$240.367	\$256.068	\$343.893	\$266.886	\$184.389	\$194.071	\$235.076	\$264.945	\$283.056
Oil Revenue, ONGARD	\$140.276	\$176.666	\$239.725	\$254.747	\$344.751	\$285.194					
CO2 Price	\$0.98	\$1.18	\$1.33	\$1.32	\$1.44	\$1.31	\$1.10	\$1.20	\$1.30	\$1.40	\$1.45
CO2 Volume	124	121	115	115	108	108	102	102	102	102	102
CO2 Deductions	29.0%	25.3%	23.6%	29.2%	27.3%	30.4%	32.0%	32.0%	32.0%	32.0%	32.0%
CO2 Revenue, Calc	\$3.245	\$4.025	\$4.370	\$4.026	\$4.258	\$3.678	\$2.861	\$3.121	\$3.381	\$3.641	\$3.771
CO2 Revenue, ONGARD	\$3.234	\$5.473	\$4.838	\$4.031	\$4.331	\$3.248					
Advanced Payments	\$2.654	(\$17.433)	\$3.380	\$5.756	(\$3.410)	\$8.466	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total OGAS Revenue, Calc	\$327.075	\$348.705	\$449.633	\$402.749	\$517.934	\$405.498	\$273.855	\$294.634	\$343.239	\$374.527	\$397.191
Total OGAS Revenue, ONGARD	\$325.755	\$350.722	\$449.280	\$400.959	\$518.371	\$422.564	\$0.000				
Total OGAS Revenue, BoF	\$325,761	\$350,718	\$449,283	\$400,959	\$518,371	\$474,533					
Coal	\$21.073	\$12.401	\$10.879	\$10.508	\$10.072	\$9.067	\$10.000	\$10.000	\$10.000	\$10.000	\$10.000
Other Minerals	\$3.289	\$3.608	\$2.669	\$2.908	\$2.225	\$2.438	\$2.200	\$2.200	\$2.200	\$2.200	\$2.200
Investment Earnings	\$21.610	\$18.102	\$9.941	\$6.772	\$5.844	\$5.035	\$8.000	\$8.000	\$8.000	\$8.000	\$8.000
Other Income+cash adjustments	\$2.500	\$10.823	\$7.130	\$2.777	\$4.706	\$8.435	\$6.000	\$6.000	\$6.000	\$6.000	\$6.000
Total Revenue, Calc (ex CO2)	\$375.547	\$393.639	\$480.252	\$425.714	\$540.781	\$426.795	\$297.194	\$317.713	\$366.058	\$397.086	\$419.619
Total Revenue, ONGARD	\$374.227	\$395.656	\$479.899	\$423.924	\$541.218	\$447.539					
Total Revenue, Disclosure	\$374.234	\$395.652	\$479.903	\$423.923	\$541.219	\$430.473	\$297.194	\$317.713	\$366.058	\$397.086	\$419.619
Adjustment to Table 8	(\$1.313)	\$2.013	(\$0.349)	(\$1.791)	\$0.438	\$3.678	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Gas & Oil Severance Tax Rate		3.75%									
Gas volume growth	-6.6%	1.3%	1.3%	-7.1%	0.9%	0.8%	0.2%	-1.1%	-2.5%	-2.0%	-1.8%
Oil volume growth	7.7%	16.2%	16.2%	17.5%	19.0%	22.4%	12.8%	2.5%	2.3%	1.4%	0.8%
CO2 volume growth	-1.9%	-5.5%	-5.5%	0.2%	-6.0%	-0.6%	-5.2%	0.0%	0.0%	0.0%	0.0%

PSCOC Financial Plan

(millions of dollars)

May 18, 2016

I. SOURCES & USES							
SOURCES:							
	FY16 est.	FY17 est.	FY18 est.	FY19 est.	FY20 est.		
1	Uncommitted Balance (Period Beginning)	41.7	0.1	(0.0)	(0.0)	18.8	
2	SSTB Notes (Revenue Budgeted July)	59.9 *	100.9	96.8	84.3	69.4	
3	SSTB Notes (Revenue Budgeted January)	23.2 *	26.2	52.4	71.4	94.2	
4	Long Term Bond	60.0	21.0	0.0	0.0	0.0	
5	SSTB Recertification Revenue	14.9					
6	Project & Operating Reversions / Advance Repayments	11.4	4.9	7.1	9.3	9.5	
7	Subtotal Sources :	211.1	153.1	156.2	164.9	191.9	
USES:							
8	Capital Improvements Act (SB-9)	20.2	11.6 *	20.4	20.4	20.4	
9	Lease Payment Assistance Awards	15.0	14.6	14.6	14.6	14.6	
10	Master Plan Assistance Awards	0.9	0.4	0.4	0.4	0.4	
11	BDCP Awards	5.0	6.8	8.9	10.0		
12	PED (Pre-K) SB1/HB219	1.0			5.0		
13	PED (School Buses) SB1/HB219	4.0	7.0				
14	PSFA Operating Budget	6.1	6.0	6.0	6.0	6.0	
15	CID Inspections	0.3	0.3	0.3	0.3	0.3	
16	Emergency Reserve for Contingencies YTD	8.5	0.0	0.0	0.0	0.0	
17	Emergency Reserve for Contingencies YTD Planned	0.7	5.0	5.0	5.0	5.0	
18	Project Closeouts	0.0	5.0				
19	Awards YTD	128.8					
20	Awards Planned 2016_Q1	20.6					
21	Awards Planned in Out Years		96.4	100.6	84.4	100.0	
22	Subtotal Uses :	211.0	153.1	156.3	146.1	146.8	
23	Estimated Uncommitted Balance Period Ending	0.1	0.0	0.0	18.8	45.1	
* Capital Improvements Act (SB-9) estimate adjusted for balances on previous distributions \$8.8m.							
II. PROJECT AWARD SCHEDULE SUMMARY							
	Total	FY16 est.	FY17 est.	FY18 est.	FY19 est.	FY20 est.	Total
24	Prior Year Awards	67.4	52.8	14.6	0.0	0.0	67.4
25	2010-2011 Awards Cycle (Construction) :	9.9	9.9	0.0	0.0	0.0	9.9
26	2011-2012 Awards Cycle (Construction) :	6.2	3.5	0.0	2.7	0.0	6.2
27	2012-2013 Awards Cycle (Construction) :	17.1	14.6	2.5	0.0	0.0	17.1
28	2013-2014 Awards Cycle (Design) :	1.4	1.0	0.4	0.0	0.0	1.4
29	2013-2014 Awards Cycle (Construction) :	99.0	66.7	23.1	4.2	0.0	97.8
30	2014-2015 Awards Cycle (Design) :	1.3	0.0	1.3	0.0	0.0	1.3
31	2014-2015 Awards Cycle (Construction) :	83.6	0.0	48.8	33.5	0.0	82.3
32	2015-2016 Awards Cycle (Design) :	3.3	0.3	3.0	0.0	0.0	3.3
33	2015-2016 Awards Cycle (Construction) :	33.9	0.5	1.8	28.3	0.0	30.6
34	2016-2017 Awards Scenario (Design) :	1.3	0.0	1.3	0.0	0.0	1.3
35	2016-2017 Awards Scenario (Construction) :	18.7	0.0	0.0	18.7	0.0	18.7
36	2016-2017 Systems Awards Scenario :	20.0	0.0	0.0	0.0	0.0	0.0
37	2017-2018 Awards Scenario (Design) :	6.0	0.0	0.0	6.0	0.0	6.0
38	2017-2018 Awards Scenario (Construction) :	54.0	0.0	0.0	0.0	54.0	54.0
39	2017-2018 Systems Awards Scenario :	70.0	0.0	0.0	10.0	0.0	10.0
40	2018-2019 Awards Scenario (Design) :	8.5	0.0	0.0	0.0	8.5	8.5
41	2018-2019 Awards Scenario (Construction) :	76.5	0.0	0.0	0.0	76.5	76.5
42	2018-2019 Systems Awards Scenario :	100.0	0.0	0.0	0.0	15.0	15.0
43	2019-2020 Awards Scenario (Design) :	8.5	0.0	0.0	0.0	8.5	8.5
44	2019-2020 Awards Scenario (Construction) :	0.0	0.0	0.0	0.0	0.0	0.0
45	2019-2020 Systems Awards Scenario :	23.5	0.0	0.0	0.0	15.0	15.0
46	Subtotal Uses :	530.6	149.3	96.4	100.6	84.4	100.0
*Actual SSTB Sale							530.6

PSCOC Financial Plan Definitions

Sources

SSTB (Revenue Budgeted July) & SSTB (Revenue Budgeted January). SSTB (Supplemental Severance Tax Bond) are issued and sold by the New Mexico State Board of Finance upon receiving a Resolution signed by the Chair of the PSCOC certifying the need to sell bonds pursuant to the Public School Capital Outlay Act (the "Act"). Amounts are budgeted by the Public School Facilities Authority (PSFA) into the Public School Capital Outlay Fund (the "Fund"). Amounts reported for prior fiscal years are actuals. Amounts in the current fiscal year and out-years are the most current/available capacity estimates prepared bi-annually by the Board of Finance.

Project & Operating Reversions / Advance Repayments. Project reversions are proceeds budgeted in the Fund from prior SSTB sales for PSCOC project phase awards that have been identified by PSFA staff as available for new project awards or other uses permitted pursuant to the Act. Amounts are determined based on unexpended award balances from projects that are financially closed-out through a post project financial audit performed by the PSFA on an ongoing basis. Operating reversions are unexpended amounts from PSFA's annual operating budget. Advance repayments are amounts remitted back to the PSFA and deposited into the Fund from school districts for advances of funds for districts share amounts on PSCOC projects. Amounts reported for prior fiscal years are actuals. Other amounts are estimates prepared and updated by PSFA on a quarterly basis.

Uses

Capital Improvements Act (SB-9), Lease Payment Assistance Awards, Master Plan Assistance Awards, PSFA Operating Budget, CID Inspections & Project Encumbrance Needs are uses subject to funding availability and permitted pursuant to the Public School Capital Outlay Act and Capital Improvements Act unless otherwise indicated.

Capital Improvements Act (SB-9) are amounts are for distributions to school districts through the Public Education Department (PED). Transfer amounts from the PSCO Fund are calculated annually and administered by and budgeted to the PED.

CID Inspections are amounts that may be approved annually by the PSCOC for transfer from the PSCO Fund to the Regulation and Licensing Department for expedited inspection services by the Construction Industries Division at PSCOC project sites.

PSFA Operating Budget are amounts that may be approved annually by the Legislature for transfer from the PSCO Fund to the PSFA Operating Fund for administration and oversight of PSCOC projects and carrying out duties pursuant to the Public School Capital Outlay Act.

Lease Payment Assistance Awards are amounts that may be approved annually for reimbursing school districts and charter schools for leasing K-12 facilities.

Master Plan Assistance Awards are amounts that may be approved annually for the state share of the cost of updating a school district or charter schools five year facility master plans.

Project Closeouts are projected amounts that may be reimbursed to the districts upon the completion of financial audits for previously awarded projects. In order to align the total project expenditures to adequacy with the MOU match percentages, amounts may be due to the district if the State share of the expenditures is less than the MOU State match percentage. During the transition from FIFO (pooled funds) to project-specific budgets, projects which had reached construction completion may not have been assigned a budget, and this line item will be used to make those reimbursements. PSFA anticipates the need for this line item allocation in FY15 and FY16 for a combined total of \$12million, but does not anticipate additional need in the out years.

Project Encumbrance Needs are amounts that may be approved annually for entering into contracts for the state share to adequacy for PSCOC awarded projects. Encumbrance needs are phase award estimates prepared and updated by PSFA on a quarterly basis.

Project Awards Schedule

Amounts in the Schedule are the total state share phase award amounts grouped by award year and phase (Design & Construction). Design phases are indicated with the color blue; construction phase(s) are indicated with the color green. Uncertified phases are indicated in italics. Partially certified phases are indicated with italics and an asterisk (*). Funding needs are estimated by phase and across fiscal years based on project schedules. Phase award amounts and schedules are estimates prepared and updated by PSFA on a quarterly basis.

Legend	
Purple Text	Awarded Design
Purple Highlight	Pending Design Award
Green Text	Awarded Construction
Green Highlight	Pending Construction Award
\$1,000,000	Numbers in italics indicate bonds have not been certified.

PSCOC FUND PROJECT AWARD SCHEDULE DETAIL - Scenario - FY17 Award Year

May 18, 2016

Current
Quarter

			FY 2016				FY 2017				FY 2018				FY 2019				FY 2020						
			\$149,322,207				\$96,357,702				\$100,590,856				\$84,378,355				\$100,000,000						
			\$27,202,307	\$52,508,676	\$49,041,863	\$20,569,361	\$36,092,633	\$0	\$58,799,894	\$1,465,175	\$88,874,190	\$0	\$11,716,666	\$0	\$84,378,355	\$0	\$0	\$0	\$100,000,000	\$0	\$0	\$0			
PRIOR YEAR AWARDS			Phase 1	Phase 2	Total	2015_Q3	2015_Q4	2016_Q1	2016_Q2	2016_Q3	2016_Q4	2017_Q1	2017_Q2	2017_Q3	2017_Q4	2018_Q1	2018_Q2	2018_Q3	2018_Q4	2019_Q1	2019_Q2	2019_Q3	2019_Q4	2020_Q1	2020_Q2
P07-005	Deming (Arbitrage 2017_Q2 and 2018_Q3)	Deming High	\$2,700,000	\$53,600,000	\$56,300,000			\$43,500,000		\$10,100,000															
P08-003	Gadsden	Gadsden HS	\$0	\$43,020,000	\$43,020,000		\$9,267,357			\$4,502,643															
			\$16,343,302	\$203,623,482	\$253,066,784	\$0	\$9,267,357	\$43,500,000	\$0	\$14,602,643	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
						\$52,767,357				\$14,602,643					\$0			\$0		\$0			\$0		
FY11 AWARDS			Phase 1	Phase 2	Total	2015_Q3	2015_Q4	2016_Q1	2016_Q2	2016_Q3	2016_Q4	2017_Q1	2017_Q2	2017_Q3	2017_Q4	2018_Q1	2018_Q2	2018_Q3	2018_Q4	2019_Q1	2019_Q2	2019_Q3	2019_Q4	2020_Q1	2020_Q2
P11-011	Las Cruces (2015B-LTD) Zero budget 100% District	Las Cruces HS (Advance \$9,894,260)	\$1,980,000	\$53,893,260	\$55,873,260				\$9,894,260																
			\$12,553,321	\$236,725,075	\$249,278,396	\$0	\$0	\$0	\$9,894,260	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
						\$9,894,260				\$0					\$0			\$0		\$0			\$0		
FY12 AWARDS			Phase 1	Phase 2	Total	2015_Q3	2015_Q4	2016_Q1	2016_Q2	2016_Q3	2016_Q4	2017_Q1	2017_Q2	2017_Q3	2017_Q4	2018_Q1	2018_Q2	2018_Q3	2018_Q4	2019_Q1	2019_Q2	2019_Q3	2019_Q4	2020_Q1	2020_Q2
P12-006	Espanola	Velarde ES	\$0	\$2,671,855	\$2,671,855													\$2,671,855							
P12-011	Socorro (2015B-LTD)	San Antonio ES	\$349,195	\$3,503,497	\$3,852,692				\$3,503,497																
			\$6,561,107	\$68,435,684	\$74,996,791	\$0	\$0	\$0	\$3,503,497	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,671,855	\$0	\$0	\$0	\$0	\$0	\$0	\$0
						\$3,503,497				\$0					\$0			\$2,671,855		\$0			\$0		
FY13 AWARDS			Phase 1	Phase 2	Total	2015_Q3	2015_Q4	2016_Q1	2016_Q2	2016_Q3	2016_Q4	2017_Q1	2017_Q2	2017_Q3	2017_Q4	2018_Q1	2018_Q2	2018_Q3	2018_Q4	2019_Q1	2019_Q2	2019_Q3	2019_Q4	2020_Q1	2020_Q2
P13-002	Bernalillo	Santo Domingo ES/MS (includes advance \$1,862,851)	\$665,796	\$9,459,153	\$10,124,949		\$7,993,978						\$1,465,175												
P13-003	Capitan	Capitan ES/HS	\$500,000	\$7,886,843	\$8,386,843							\$1,000,000													
P13-009	West Las Vegas (Arbitrage 2017_Q4 & 2018_Q4)	West Las Vegas MS	\$81,193	\$6,636,545	\$6,717,738				\$6,636,545																
			\$32,451,513	\$110,022,575	\$142,474,088	\$0	\$7,993,978	\$0	\$6,636,545	\$0	\$0	\$1,000,000	\$1,465,175	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
						\$14,630,523				\$0	\$2,465,175				\$0			\$0		\$0			\$0		

Legend	
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PSCOC FUND PROJECT AWARD SCHEDULE DETAIL - Scenario - FY17 Award Year

May 18, 2016

						FY 2016		Current Quarter	FY 2017				FY 2018				FY 2019				FY 2020									
FY14 AWARDS						Phase 1	Phase 2	Total	2015_Q3	2015_Q4	2016_Q1	2016_Q2	2016_Q3	2016_Q4	2017_Q1	2017_Q2	2017_Q3	2017_Q4	2018_Q1	2018_Q2	2018_Q3	2018_Q4	2019_Q1	2019_Q2	2019_Q3	2019_Q4	2020_Q1	2020_Q2		
P14-001	Albuquerque	Marie Hughes ES	\$1,205,197	\$9,622,969	\$10,828,166																									
P14-005	Belen (Arbitrage 2016 Q3)	Rio Grande ES	\$1,004,271	\$9,371,439	\$10,375,710																									
P14-007	Central	Grace B Wilson ES & Ruth N Bond ES	\$1,525,000	\$13,725,000	\$15,250,000																									
P14-008	Deming	Deming Intermediate School	\$1,157,300	\$13,711,187	\$14,868,487																									
P14-012	Gadsden (2015B-LTD)	Chaparral Elementary School	\$1,282,819	\$11,545,371	\$12,828,190																									
P14-017	Lordsburg	Lordsburg High School (INCL \$8,888,270 ADVANCE FOR OUT YEAR - CMAR project)	\$542,500	\$13,901,185	\$14,443,685																									
P14-018	Mesa Vista (SSTB11SD 0003 & SSTB15SB 0001)	Ojo Caliente ES (includes waiver \$666,987 and advance \$440,910)	\$322,000	\$5,017,034	\$5,339,034																									
P14-019	NMSBVI (Certification deadline 6/30/2016 per HB55)	Quimby Gymnasium(HB55 50% PSCOC award 50%) HB55 requires certification 6/30/2015 from unexpended proceeds	\$184,402	\$1,659,614	\$1,844,016																									
P14-020	NMSBVI (Certification deadline 6/30/2016 per HB55)	Sacramento Dormitory(HB 55 50% PSCOC award 50%) HB55 requires certification 6/30/2015 from unexpended proceeds	\$229,442	\$2,064,970	\$2,294,412																									
P14-021	NMSBVI (SSTB14SD 0001) (Certification deadline 6/30/2016 per HB55)	Recreation / Ditzler Auditorium(HB55 50% PSCOC award 50%) Certification approved 11/5/15 PSCOC meeting	\$411,700	\$4,563,592	\$4,975,292																									
P14-023	Roswell (SSTB14SB 0001) (Arbitrage 2018 Q2)	Parkview Early Literacy	\$728,000	\$8,799,515	\$9,527,515																									
P14-024	Silver - State Charter	Aldo Leopold Charter School	\$23,500	\$4,206,500	\$4,230,000																									
						\$18,381,113	\$198,951,868	\$217,332,981	\$26,926,185	\$35,247,341	\$5,541,863	\$0	\$0	\$0	\$23,082,626	\$0	\$4,124,084	\$0	\$0	\$0	\$4,206,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
									\$67,715,389					\$23,082,626			\$4,124,084			\$4,206,500						\$0				

FY15 AWARDS						Phase 1	Phase 2	Total	2015_Q3	2015_Q4	2016_Q1	2016_Q2	2016_Q3	2016_Q4	2017_Q1	2017_Q2	2017_Q3	2017_Q4	2018_Q1	2018_Q2	2018_Q3	2018_Q4	2019_Q1	2019_Q2	2019_Q3	2019_Q4	2020_Q1	2020_Q2
P15-001	Alamogordo	Oregon Elementary School (Combined School) (Estimated out year cost increase of \$3,642,523 included in construction funding estimate.)	\$1,301,851	\$11,716,666	\$13,018,517																							
P15-005	Clovis	Parkview Elementary School (CMAR project) (Arbitrage 2018 Q2)	\$2,024,648	\$18,221,835	\$20,246,483																							
P15-006	Gallup	Thoreau Elementary School	\$1,516,391	\$13,647,522	\$15,163,913																							
P15-007	Gallup (2015B-LTD)	Combined Elementary School (Lincoln)	\$1,832,826	\$16,495,433	\$18,328,259																							
P15-008	Mountainair (Arbitrage 2017 Q1) (2015B-LTD)	Mountainair Jr/Sr High School (Includes potential waiver of \$6.3M) Bonds already sold	\$480,000	\$14,120,000	\$14,600,000																							
P15-009	NMSBVI	Garrett Dormitory	\$82,483	\$742,350	\$824,833																							
P15-010	NMSD (Certification deadline 6/30/2016 per HB55)	Cartwright Hall(HB55 50% PSCOC award 50%) HB55 requires certification 6/30/2015 from unexpended proceeds	\$703,837	\$3,428,137	\$4,131,974																							
P15-011	NMSD	Delgado Hall (Construction funding is estimated waiver as project is 100% district responsibility)	\$133,175	\$2,530,324	\$2,663,499																							
P15-013	Ruidoso	Nob Hill Elementary School	\$0	\$1,411,584	\$1,411,584																							
						\$99,355,973			\$0	\$0	\$0	\$0	\$15,421,851	\$0	\$34,717,268	\$0	\$21,759,917	\$0	\$11,716,666	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
									\$0				\$50,139,119				\$33,476,583			\$0					\$0			

Legend	
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PSCOC FUND PROJECT AWARD SCHEDULE DETAIL - Scenario - FY17 Award Year

May 18, 2016

Current
Quarter

FY 2016

FY 2017

FY 2018

FY 2019

FY 2020

FY16 AWARDS SCENARIO			Phase 1	Phase 2	Total	2015_Q3	2015_Q4	2016_Q1	2016_Q2	2016_Q3	2016_Q4	2017_Q1	2017_Q2	2017_Q3	2017_Q4	2018_Q1	2018_Q2	2018_Q3	2018_Q4	2019_Q1	2019_Q2	2019_Q3	2019_Q4	2020_Q1	2020_Q2
P16-001	Clovis (SSTB15SB 0001)	Highland Elementary School	\$1,214,683	\$10,932,144	\$12,146,827	\$76,000 *				\$1,138,683				\$10,932,144											
P16-002	Espanola (SSTB15SB 0001) (Arbitrage 2017_Q1)	Abiquiu Elementary School	\$198,059	\$1,782,532	\$1,980,591	\$63,000 *			\$135,059	\$1,782,532															
P16-003	Roswell (SSTB15SB 0001) (Arbitrage 2018_Q2)	Del Norte Elementary School	\$1,928,475	\$17,356,277	\$19,284,752	\$73,000 *				\$1,855,475				\$17,356,277											
PCA	P16-XXX	Grants	\$0	\$400,000	\$400,000				\$400,000																
	E16-001	Animas	\$0	\$100,000	\$100,000	\$100,000																			
						\$33,912,170	\$312,000	\$0	\$0	\$535,059	\$4,776,690	\$0	\$0	\$28,288,421	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
							\$847,059				\$4,776,690			\$28,288,421					\$0				\$0		\$0

Ph.2 100% Yr. 2.
100%

FY17 AWARDS SCENARIO			Phase 1	Phase 2	Total	2015_Q3	2015_Q4	2016_Q1	2016_Q2	2016_Q3	2016_Q4	2017_Q1	2017_Q2	2017_Q3	2017_Q4	2018_Q1	2018_Q2	2018_Q3	2018_Q4	2019_Q1	2019_Q2	2019_Q3	2019_Q4	2020_Q1	2020_Q2	
		SB Design	\$1,291,449		\$1,291,449					\$1,291,449																
		SB Construction		\$18,701,768	\$18,701,768									\$18,701,768					\$0							
		Systems Initiative		\$0	\$0					\$0																
						\$19,993,217	\$0	\$0	\$0	\$1,291,449	\$0	\$0	\$0	\$18,701,768	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
							\$0				\$1,291,449			\$18,701,768					\$0				\$0		\$0	

Ph.2 100% Yr. 2.
100%

FY18 AWARDS SCENARIO			Phase 1	Phase 2	Total	2015_Q3	2015_Q4	2016_Q1	2016_Q2	2016_Q3	2016_Q4	2017_Q1	2017_Q2	2017_Q3	2017_Q4	2018_Q1	2018_Q2	2018_Q3	2018_Q4	2019_Q1	2019_Q2	2019_Q3	2019_Q4	2020_Q1	2020_Q2	
		SB Design	\$6,000,000		\$6,000,000									\$6,000,000												
		SB Construction		\$54,000,000	\$54,000,000													\$54,000,000								
		Systems Initiative		\$10,000,000	\$10,000,000									\$10,000,000												
						\$70,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,000,000	\$0	\$0	\$0	\$54,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
							\$0				\$0			\$16,000,000				\$54,000,000					\$0		\$0	

Ph.2 100% Yr. 2.
100%

FY19 AWARDS SCENARIO			Phase 1	Phase 2	Total	2015_Q3	2015_Q4	2016_Q1	2016_Q2	2016_Q3	2016_Q4	2017_Q1	2017_Q2	2017_Q3	2017_Q4	2018_Q1	2018_Q2	2018_Q3	2018_Q4	2019_Q1	2019_Q2	2019_Q3	2019_Q4	2020_Q1	2020_Q2	
		SB Design	\$8,500,000		\$8,500,000													\$8,500,000								
		SB Construction		\$76,500,000	\$76,500,000																	\$76,500,000				
		Systems Initiative		\$15,000,000	\$15,000,000													\$15,000,000								
						\$100,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,500,000	\$0	\$0	\$0	\$76,500,000	\$0	\$0	\$0	
							\$0				\$0			\$0			\$0	\$23,500,000				\$76,500,000			\$0	

FY20 AWARDS SCENARIO			Phase 1	Phase 2	Total	2015_Q3	2015_Q4	2016_Q1	2016_Q2	2016_Q3	2016_Q4	2017_Q1	2017_Q2	2017_Q3	2017_Q4	2018_Q1	2018_Q2	2018_Q3	2018_Q4	2019_Q1	2019_Q2	2019_Q3	2019_Q4	2020_Q1	2020_Q2	
		SB Design	\$8,500,000		\$8,500,000																	\$8,500,000				
		SB Construction		\$76,500,000	\$76,500,000																	\$76,500,000				
		Systems Initiative		\$15,000,000	\$15,000,000																	\$15,000,000				
						\$100,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,500,000	\$0	\$0	\$0	
							\$0				\$0			\$0			\$0	\$0	\$0	\$0	\$23,500,000			\$0	\$0	