

Public School Facilities Authority Update

Public School Capital Outlay Oversight Taskforce

October 9, 2026

STATE OF NEW MEXICO  PUBLIC SCHOOL FACILITIES AUTHORITY

Partnering with New Mexico's communities to provide quality, sustainable school facilities for our students and educators.

Agenda

- I. MOU Update
- II. Field Department Structuring
- III. Update on Zuni Lawsuit



Memorandum of Understanding/ Agreement Update

PSFA continues to strengthen and improve documents and processes governing Standards, Systems, Pre-K, and Housing projects. This began with PSCOC's approval of a three-step project timeline in July 2026, establishing clearer expectations for keeping projects on schedule. Our General Counsel has been working with department heads and staff to refine the MOU/agreement, making it clearer, more concise, useful, and enforceable. This is in concert with PSFA establishing stronger accountability for our partners and their responsibilities.

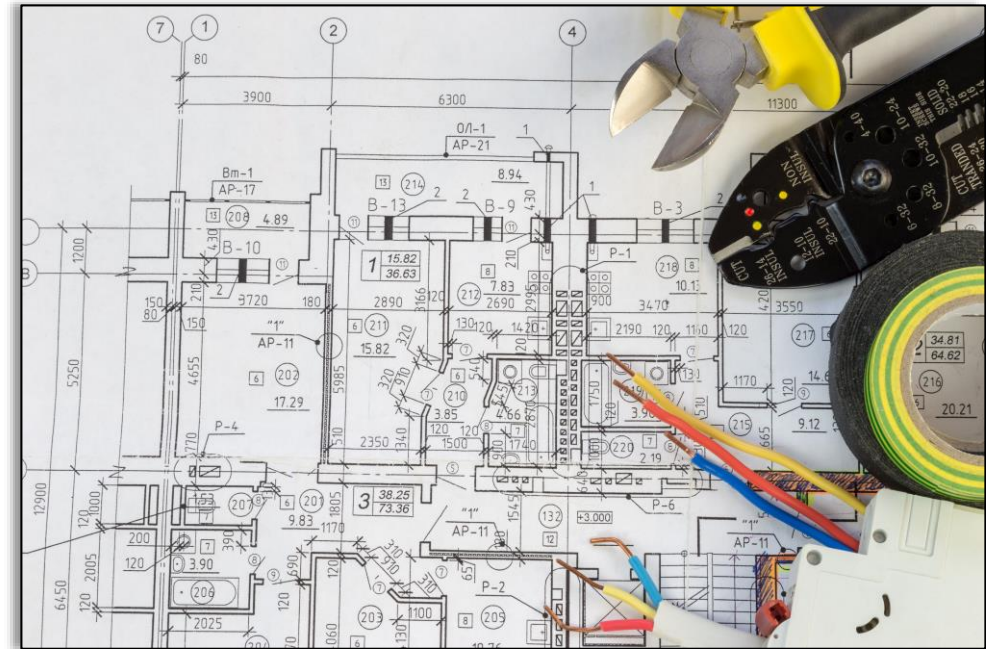
Goals:

- **Strengthen project governance** across Standards, Systems, Pre-K, and Housing programs.
- **Establish clear and consistent project timelines** and expectations for districts and project partners.
- **Clarify roles and responsibilities** for PSFA, districts, and other project stakeholders.
- **Improve accountability** by establishing clear expectations and consequences when project responsibilities or milestones are not met.
- **Ensure compliance** with applicable statute, administrative code, PSCOC policy, and governing requirements.
- **Develop clearer and more enforceable MOUs and agreements** that provide practical guidance throughout the project lifecycle.
- **Improve project oversight and transparency** through defined milestones, reporting requirements, and decision points.
- **Reduce project delays and administrative uncertainty** by addressing expectations and responsibilities earlier in the process.
- **Create greater consistency across projects** while allowing appropriate flexibility based on project-specific circumstances.
- **Strengthen PSFA's ability to manage public investments** and ensure projects remain aligned with PSCOC expectations and available resources.

Problem Statement: PSFA Staffing Levels are Inadequate

In June (PSCOOTF) PSFA reported:

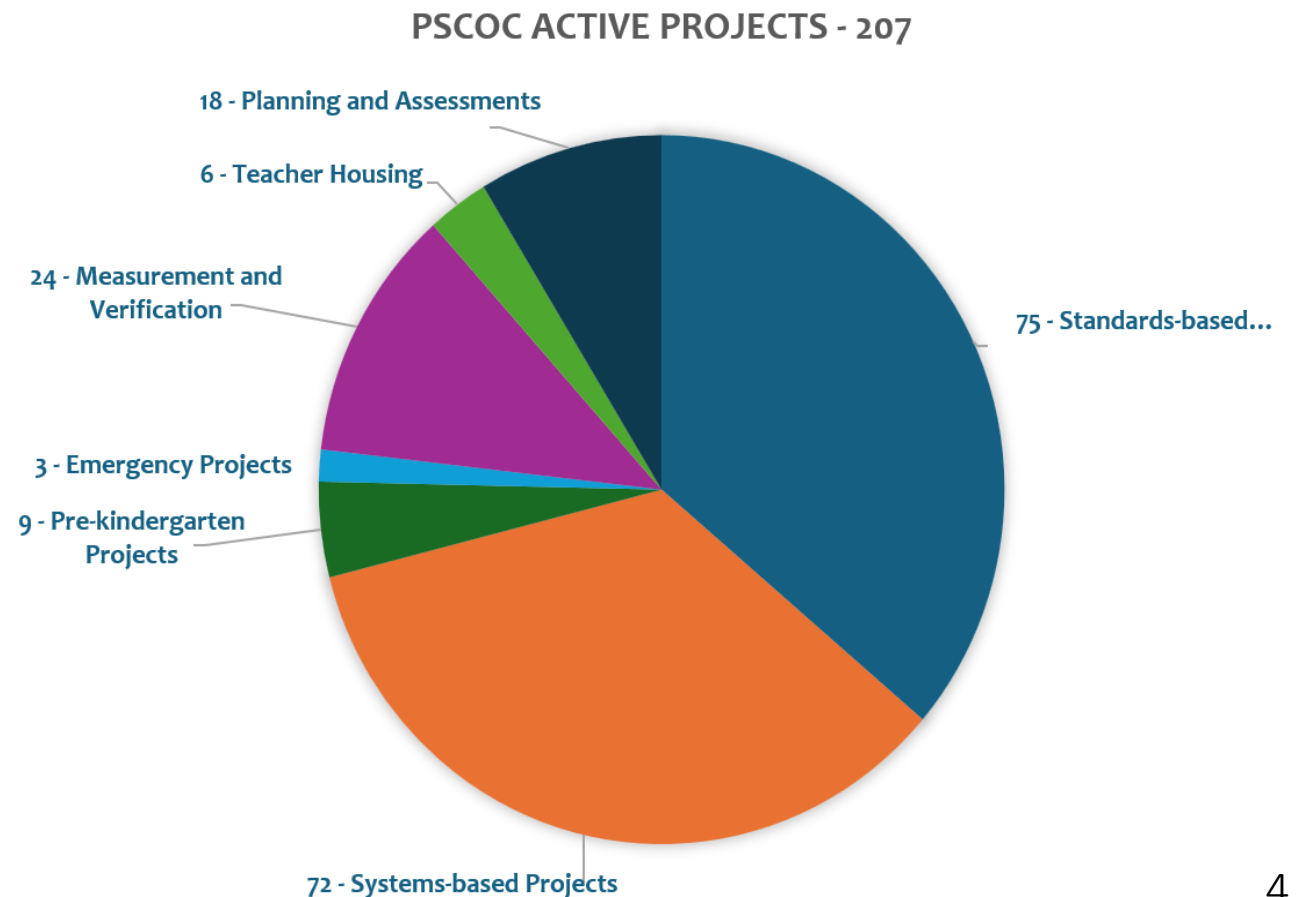
- **Current Project Manager staffing levels are severely inadequate** to manage existing and anticipated workloads impacting timely project delivery, effective oversight, stakeholder engagement, and accurate financial closeout.
- **Staffing Review:** A comprehensive evaluation of current FTE levels across all departments is underway.
- **Immediate Operational Needs:** short-term relief to address the field staff shortage is necessary to sustain adequate operational capacity.
- **Long-term Capacity:** PSFA will require permanent staffing and resource enhancements to effectively meet the state's growing educational infrastructure needs and carry out the agency's statutory responsibilities.
- **FY26 Demand:** PSFA received an unprecedented 84 applications, which constitutes \$1.8 billion in award requests from school districts.



Current PSCOC Active Projects

TOTAL ACTIVE PROJECTS: 207

- Standards-based Projects: 75
- Systems-based Projects: 72
- Pre-Kindergarten Projects: 9
- Measurement & Verification: 24
- Emergency Projects: 3
- Teacher Housing: 6
- Planning & Assessments: 18
- Facility Master Plans (FMP's): 30



Roadblocks and Obstacles

Outdated Organizational Structure

Structure has remained stagnant, not accounting for effective staffing levels, project volume, agency's leadership structure or changes in Industry Standards (i.e. Building Code changes and requirements)

Outdated Staffing Model

No mature or updated staffing model based on capital outlay project volume or industry standards. Project Management standards & responsibilities have increased over time.

Outdated Salaries

Project Management standards and responsibilities have increased and have not grown commensurate to the workload or changes in standards. Salary structure was determined inequitable.

Outdated Training Program

P&P's, SOP's, instruction sets aged & outdated. A formal Project Management Training program is lacking. Time to Train was determined between 12-18 months.

Growth Opportunities Not Identified

Opportunities for formal training, networking with peers and certifications was talked about but never brought to fruition. Building opportunities through formal certifications and organizations.

Reporting Procedures and Process are not effective

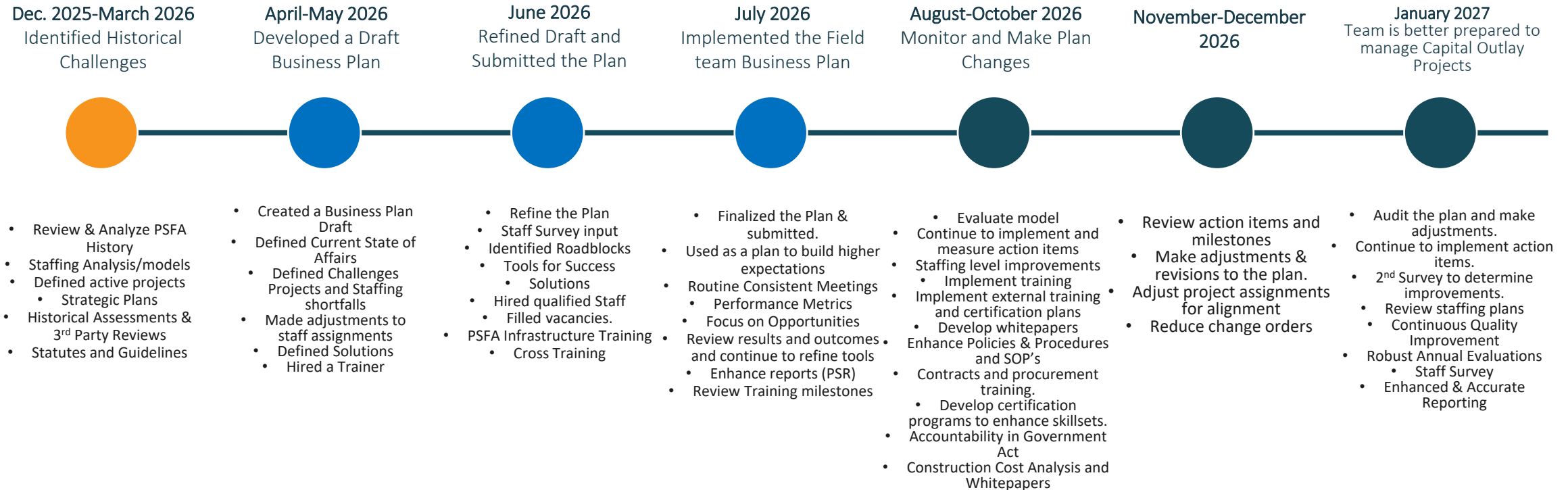
Capital Outlay Reporting tools aged, with little to no expectations or definitions. Determined inaccurate. Fell off task. Training program needs improvement.

Next Steps

Build and submit a formal Field Team Business Plan

Business Plan: Evolution & Growth

A structured plan that explains what the field group does, who we serve and where we are headed. The plan serves to identify historical challenges, clarify the departments vision, guides operational and strategic decisions, forecasts performance and demonstrates the viability of an idea, and tracks progress and growth.



\$1.83B

State Capital Outlay Awards

~207 Projects

Active Capital Outlay Projects

+24K | 300K

Teachers | Students

Field Team Challenges & Solutions: Organizational Structure

Obstacle

Field Teams Operational Structure – The Field Team's Organizational structure has remained stagnant, not accounting for effective staffing levels, project volume, organizations leadership structure or changes in Industry Standards (i.e. Building Code changes and requirements)

Solutions

- **Structure** – The Field Team's Organizational Structure was re-evaluated and refined to promote greater clarity & efficiency to support the agency's long term operational growth and success.
- 4 Senior Project Managers (SPM) were developed designed to manage and oversee the work of project managers (PM).
- A Project Manager Trainer was developed to review training guidelines, standards and tools to quickly shore up new hires and prepare them to manage capital outlay projects reducing training times.
- **Vacancies:** Project Manager vacancies were prioritized and filled.
- Develop back-up roles and cross training for critical and unique positions (closeout, code review)

OUTCOME

- Field Team staffing levels have increased by 40% (9-17 FTE's)
- More qualified Project Managers are on hand to better support capital outlay projects and stakeholders across the state.

Field Team Challenges & Solutions: Staffing Levels

Obstacle

Project Manager Staffing Levels are Inadequate – Project volume & financial responsibility have increased, outpacing the capacity of the work force to effectively oversee and manage capital outlay projects.
December 2025: 10 Project Managers

Solutions

- Recognized PSFA was operating beyond capacity with a need to strengthen operations and improve project oversight.
- Reviewed industry standard staffing levels for project management to determine a baseline.
- Developed a standard metric (goal) for number of projects assigned per project manager to better support capital outlay project workloads and bolster project timelines & outcomes.
- Develop back-up roles and cross training for critical and unique positions such as Project Closeout & Code Review.

OUTCOME

- Human Resources improved recruitment and onboarding standards, expanded workforce opportunities; Improved Interview process to garner qualified project management skillset.

Field Team Challenges & Solutions: Salaries

Obstacle

Salary Shortfall – Project Management standards & responsibilities have increased. Over time, salaries have not grown commensurate to the workload, changes in building codes or industry standards.

Solutions

- Human Resources evaluated project managers base salaries addressing internal alignment to remain competitive with the private sector allowing PSFA to retain qualified project managers, reducing turnover.
- Executive Director authorized equitable salary improvements based on criteria building in sustainability and balance.
- Developed opportunities to fill in shortfalls for both staffing and salaries.

OUTCOME

- The average salary for a Project Manager was increased by 20%-30%
- Human Resources continues to analyze staff qualifications and education building in alignment and equitable salaries.
- PSFA is committed to fostering a workplace culture that encourages both individual development and collective success.

Field Team Challenges & Solutions: Training

Obstacle

Project Management Training – a formal Project Management Training program is lacking in the agency. Current workloads for Senior Project Managers do not allow for effective commitment to training. Time to Train was determined between 12-18 months.

Solutions

- **Trainer** - PSFA hired a Senior Project Manager (SPM) Trainer to review and develop a formal training program, streamlining and updating tools and resources to reduce training times from 12-16 months to 4-6 months.
- **Redistribute Projects** - Workloads for Senior Project Managers have been re-aligned and reduced creating opportunities for them to serve as trainers and mentors.
- **National Associations** - PSFA has reached out to the Construction Specifications Institute (CSI) Albuquerque Chapter to build partnerships and advanced training opportunities for staff growth through continuing education.
 - CSI offers: Certifications, Educational Programs, Networking and Participation opportunities.

OUTCOME

- The average training time for a Project Manager decreased from 12-16 months to 4-6 months.
- Opportunities for formal training and certifications is in development, building opportunities through formal certifications.

Field Team Challenges & Solutions: Summary

Strong and effective capital project delivery demonstrates meaningful progress and positive outcomes. Districts applications and FAD data demonstrates a continued need for capital outlay support. There are opportunities to strengthen how the PSFA plans, manages and delivers effective project management supporting NM Schools, good stewardship and financial transparency to stakeholders.

The Path Forward:

- **Building on what is working & Best Practices** - addressing recurring challenges and using data and lessons learned to continuously improve quality project delivery.
- **Strengthening Early Planning** – building accountability, reducing risks earlier. Strengthening early intervention, identifying and addressing issues before they become issues.
- **Addressing recurring challenges** - contributing to delays, cost pressures and inefficient use of resources.
- **Utilizing Data & Lessons Learned:** to improve planning, policy and resource allocation.
- **Improve Collaboration and accountability:** across all stakeholders.
- **Maximize efficiency and Capital Outlay Funds** – continually looking for opportunities to improve efficiencies and accelerate delivery methods.

POSITIVE OUTCOMES

- Improved the field groups organizational structure - From marketing vacancies to hiring practices.
- Improved salaries, knowledge and skillset for better staff retention leading to positive project delivery.
- Decreased the training time for a Project Manager (12-16 months to 4-6 months).
- Increased knowledge and skillset of PM's building improved and efficient operations.
- Developed Opportunities for training, continued certifications and networking.

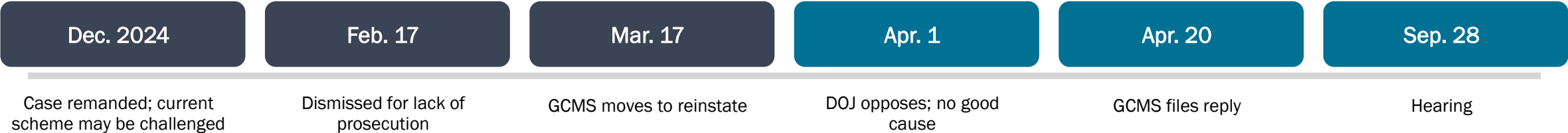
Zuni Lawsuit: Updates

The hearing held on September 28, 2026, addressed Gallup McKinley Board of Education’s (GMCS)* motion to reinstate the case to allow for a challenge to the current statutory public school capital outlay framework.

2026 Updates

- Mar. 17: Legal counsel for *Zuni* plaintiff, Gallup Board of Education, moves to reinstate, citing time needed to restart and assess the amended statute.
- Apr. 1: New Mexico Department of Justice counsel opposes, citing 13 months of inactivity and failure to show good cause.
- Sept. 28: Based on the low bar to “show cause” for the delay, Judge Hofacket reinstated the matter. Requested the parties meet within 30 days to work on a schedule for the proceedings.

2024–2026 Procedural Timeline



Judge Hofacket ordered in favor of plaintiff’s motion to reinstate and allow for a challenge of the current statutory framework. Assistant A.G. Kori Nau presented for the state.

Q&A

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