

# The Cost of Ownership of New Mexico's Public School Facilities

Public School Capital Outlay Oversight Task Force  
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*Presenter:*

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



# Background

- New Mexico has 61 million square feet of public school facilities, with a current replacement cost of approximately \$19.5 billion.
- The three major factors facing public school facilities today are:
  - Available Funding;
  - Total Replacement Value (Gross Square Footage); and
  - Maintenance Effectiveness (Ability to maintain facilities conditions to achieve the full expected life of the facilities).

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# Cost of Ownership Analysis

Using benchmarks set forth by the National Research Council in 1990, the PSFA evaluated New Mexico school district spending trends, as it related to Maintenance and Operations (M&O) and Capital Outlay.

General Category	Specific Facility Expenditure Category	Best Practice Annual Minimum Estimated Investment
<b><i>Funded with the general operating budget</i></b>		
<b>M&amp;O</b>	Facility Operations	1% of CRV
<b>M&amp;O</b>	Routine Maintenance	1.5-2% of CRV
<b><i>Funded with the capital budget</i></b>		
<b>Modernization</b>	Capital Outlay	1.5 – 2% of CRV
<b>Modernization</b>	Major Modernization	Depends on building condition
<b>New Construction</b>	Obsolete Building Replacement	Depends on building condition
<b>New Construction</b>	New Construction for Growth	Depends on enrollment growth

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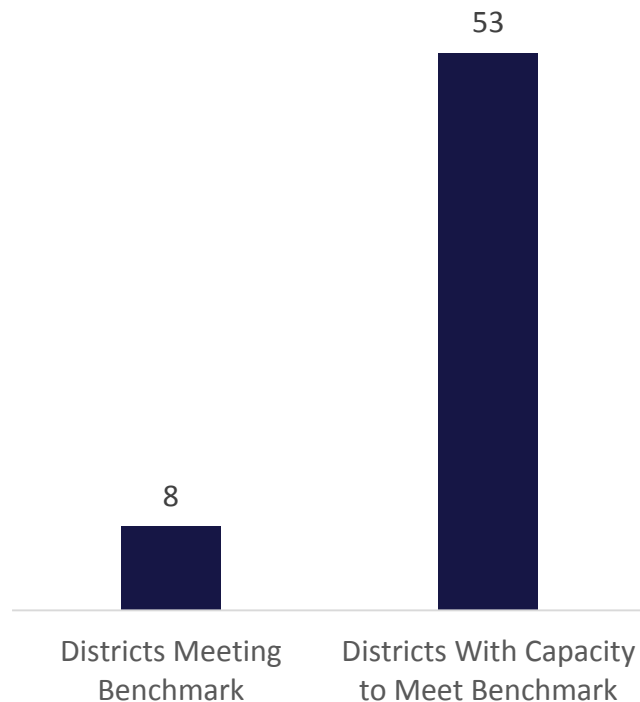


# Findings

Figure 1. 2013 -2014 Districts Meeting Spending Benchmarks



Figure 2. 2013-2014 District Capacity to Meet Capital Spending Benchmarks

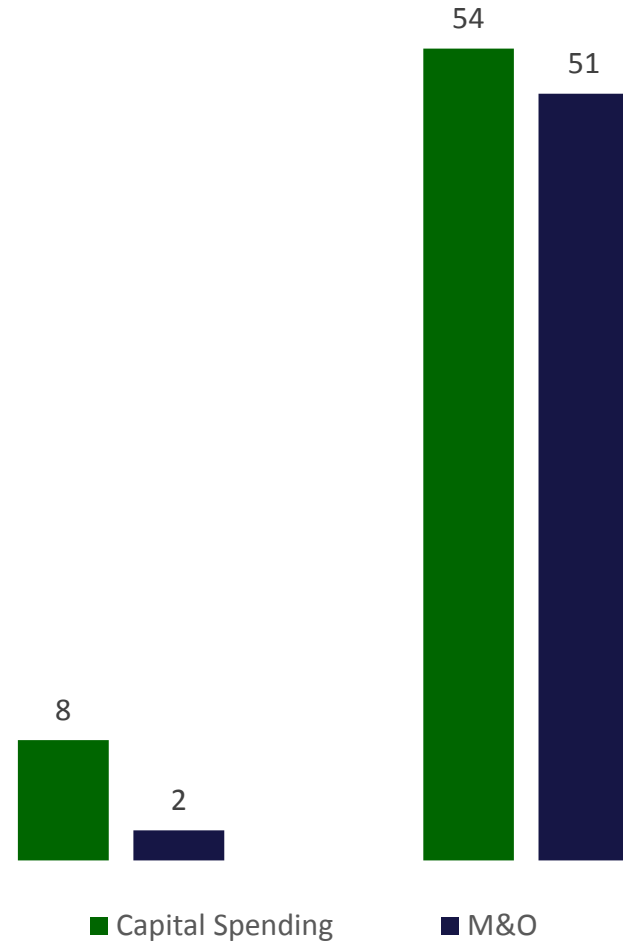


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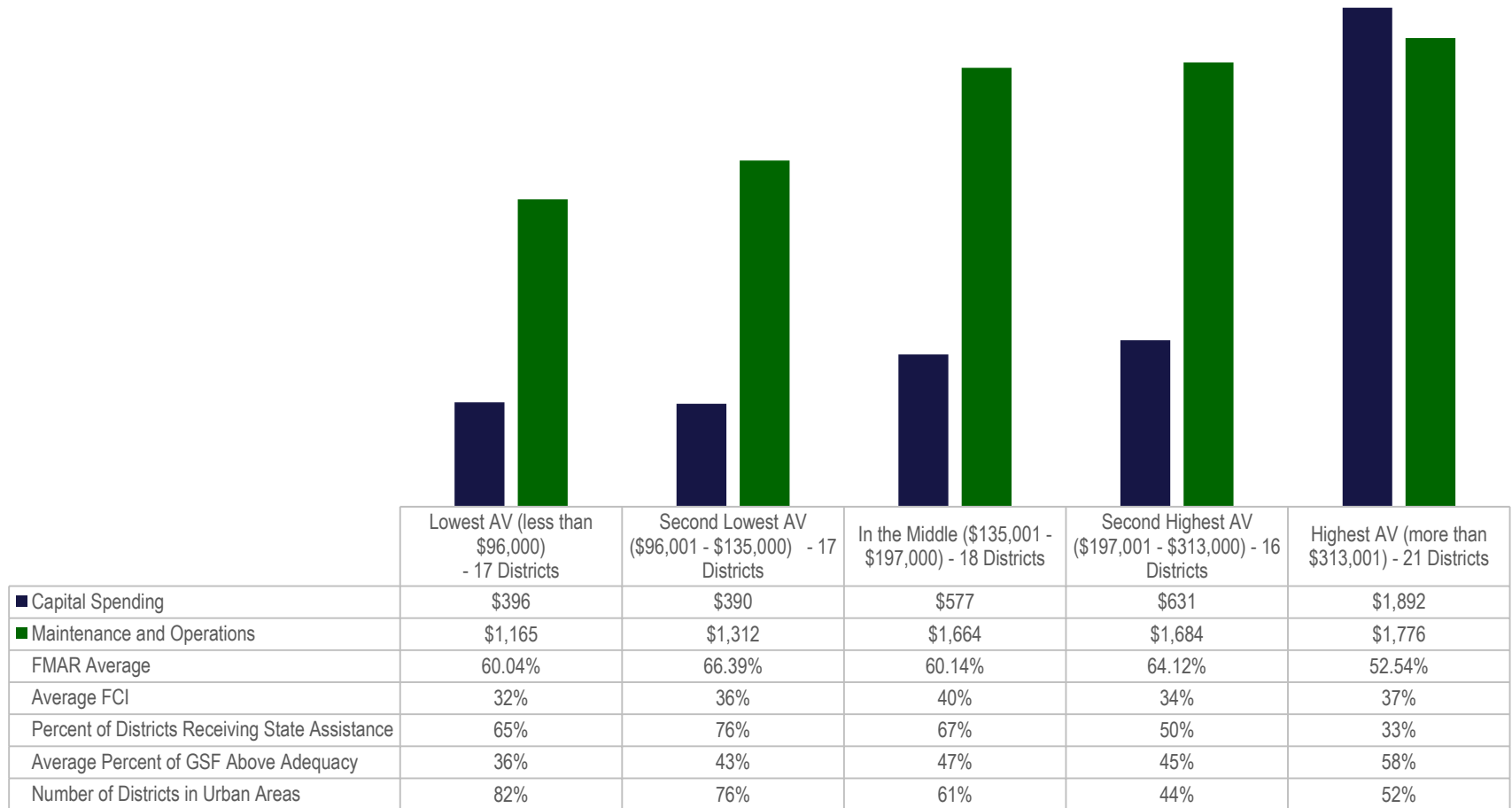
# Educational GSF v. PSCOC Adequacy Standards GSF

If all schools were built to the PSCOC's Adequacy Standards, the number of districts having the capacity to meet spending benchmarks would increase dramatically.





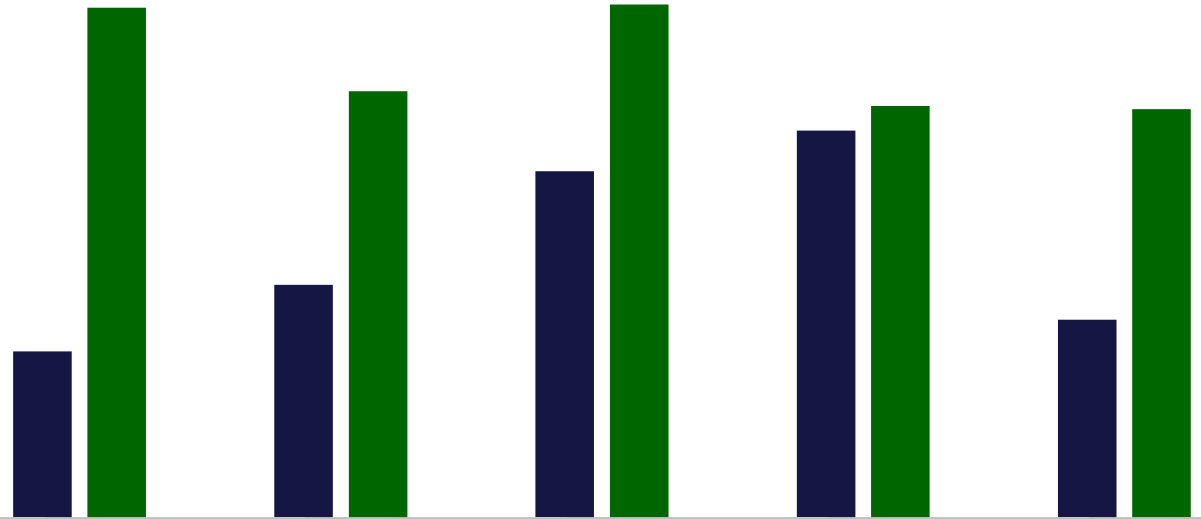
# Average Annual School Districts Expenditures on Capital Renewal and M&O by Assessed Value Quintiles, 2013 - 2014



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# Average Annual School District Expenditures on M&O and Capital Renewal by Family Income Quintiles, 2013 - 2014



	Highest Poverty (81-100%) 29 Districts	Second Highest Poverty (66-81%) 30 Districts	In the Middle (51-66%) 18 Districts	Second Lowest Poverty (31-51%) 11 Districts	Lowest Poverty (0-31%) 1 District
■ Capital Spending	\$545	\$761	\$1,132	\$1,264	\$648
■ M&O	\$1,665	\$1,392	\$1,675	\$1,344	\$1,334
Average FCI	35%	36%	35%	39%	42%
Percentage of Districts in an Urban Area	48%	60%	72%	100%	100%
Average Percent Above Adequacy	48%	47%	43%	47%	30%

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To download The Cost of Ownership white paper, please visit:

[www.nmpsfa.org/admin/whitepapers.htm](http://www.nmpsfa.org/admin/whitepapers.htm)

