

Report on Public School Bonding Capacity

New Mexico State Board of Finance

Public School Capital Outlay Oversight Task Force

December 17, 2024



New Mexico
Department of Finance
and Administration



The State Board of Finance (SBOF) manages the General Obligation Bond and Severance Tax Bond programs.

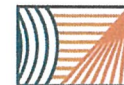
Public school capital is funded through the Severance Tax Bonding Program.

- * Almost exclusively taxable “sponge” notes
- * Issued when need is certified by the PSCOC
- * Typically issued 1x-2x per year (June & December)
- * Sponges up cash not committed to outstanding debt service through an overnight sale to the State Treasurer’s Office

Statutory Limits on Debt

- * STB: Senior annual debt service cannot exceed 47.6 percent of the lesser of the prior year’s actual severance tax revenues and the current year’s estimated revenues.

Senior and Supplemental annual debt service cannot exceed 87.8 percent of the lesser of the prior year’s actual revenues and current year’s estimated revenues

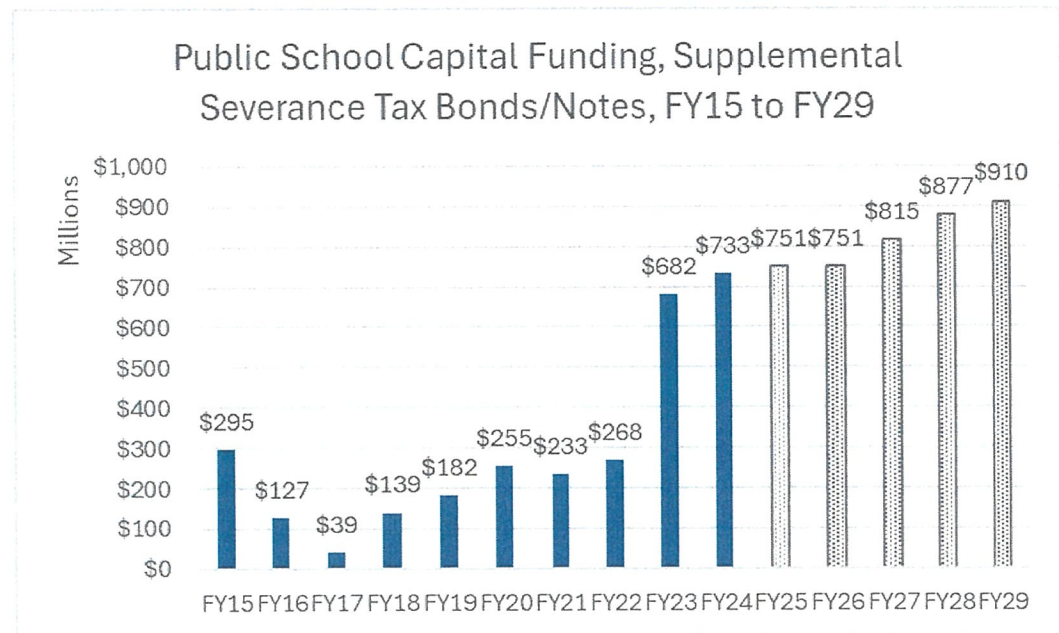


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FY25 estimated capacity for public school capital = \$751.0 million

Capacity is estimated to be an average annual \$820 million over the next five years.

PSCOC has certified the need for \$144.2 million for a supplemental Note sale on 12/30. Additional capacity will be available in June to fund additional certified need for FY25.



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