

**2003 APPROVED**  
**WORK PLAN, MEETING SCHEDULE AND BUDGET**  
**for the**  
**PUBLIC SCHOOL CAPITAL OUTLAY TASK FORCE**

**Statutory Authority and Duties**

The public school capital outlay task force was created by Laws 2001, Chapter 338. The task force consists of 21 members, including members of the legislature, public members who have expertise in finance and education, superintendents of school districts or their designees from districts that receive federal impact aid grants and certain designated public officials. The work of the task force is to continue for three years and the task force is to report the results of its analyses and its findings and recommendations to the governor and the legislature no later than December 1 of each year. The statutory authority for the task force is repealed effective January 1, 2004.

The duties of the task force, as set forth in the legislation, are to:

1. study and evaluate the progress and effectiveness of programs administered pursuant to the Public School Capital Outlay Act and the Public School Capital Improvements Act;
2. evaluate the existing permanent revenue streams and other potential revenues as adequate long-term funding sources for public school capital outlay projects and recommend any changes that may be more cost-effective or appropriate;
3. evaluate the effectiveness and fairness of the formula used in determining the amount of grant assistance that an approved public school capital outlay project may receive from the public school capital outlay fund and recommend any proposed changes to the legislature; and
4. monitor and assist the public school capital outlay council as it:
  - (a) defines outstanding public school capital outlay deficiencies pursuant to Section 22-24-4.1 NMSA 1978;
  - (b) works with school districts in conducting self-assessments of the projects needed to correct the outstanding deficiencies and establishes criteria for addressing those needs;
  - (c) develops statewide adequacy standards that establish the minimum acceptable level for the physical condition and capacity of public school buildings, the educational suitability of educational facilities and the need for technological infrastructure; and
  - (d) develops guidelines and procedures for reporting requirements and conditions to ensure that the grants are expended in the most prudent manner possible and that they are consistent with the original purpose for which they were made.

## **Membership**

### Legislative Members:

- Senator Ben D. Altamirano, chair of the senate finance committee
- Representative Max Coll, chair of the house appropriations and finance committee
- Representative Larry A. Larranaga, minority member of the house of representatives
- Senator Carroll H. Leavell, minority member of the senate
- Representative Ben Lujan, speaker of the house, advisory
- Representative Rick Miera, chair of the house education committee and co-chair of the task force
- Senator Cynthia Nava, chair of the senate education committee

### Designated Public Officials:

- Gary Bland, state investment officer
- Michael J. Davis, superintendent of public instruction
- Robert J. Desiderio, designee of the dean of the university of New Mexico law school and co-chair of the task force
- James Jimenez, secretary of finance and administration
- Kenneth White, dean of the New Mexico state university college of engineering

### Appointed Members:

- Leonard Haskie, assistant superintendent of support operations, Gallup-McKinley county public schools
- Otis Echoles, former state senator with experience in education and finance
- Pancho Guardiola, superintendent of Cuba independent schools, representing the "impact aid" districts
- Kilino Marquez, superintendent of Grants-Cibola county schools, representing the "impact aid" districts
- Rey S. Medina, former legislator with experience in educational finance
- Tony Monfiletto, principal of Amy Biehl charter high school and a former staff member of the legislative education study committee
- Allen Morgan, former superintendent of public instruction
- James "Bud" Mulcock, former executive of Public Service Company of New Mexico and current education lobbyist
- Neil Nuttall, superintendent of Clovis municipal schools, representing the "impact aid" districts
- Norman Suazo, architect with expertise in school construction and division chief with the bureau of Indian affairs

## **2003 Interim Work Plan**

In order to accomplish the duties set forth in the legislation, the task force proposes to complete its work during the 2003 interim by focusing on the following areas:

**1. Continue to monitor and assist the public school capital outlay council (PSCOC) as it creates the public school facilities authority, continues to implement the deficiencies correction program and moves to the statewide, standards-based program.**

The task force will hear periodic reports from the PSCOC regarding the progress being made on creating the new public school facilities authority and on funding and monitoring the deficiency correction projects around the state. It will also continue to receive reports regarding the updating and use of the statewide assessment data developed by 3D/International (3D/I) for all schools preparatory to implementing the standards-based program. It will review the weighting system developed by the PSCOC for prioritizing projects, as well as any decisions made about how to incorporate the need for new schools in growth districts.

**2. Continue to review the funding for maintenance of school facilities and the effectiveness of current school maintenance programs and evaluate whether additional legislation is needed to provide sanctions for inadequate maintenance of facilities.**

During the previous interim, the maintenance subcommittee of the task force recommended strengthening the requirements for implementing model maintenance procedures at the schools. The subcommittee also noted, in its report to the task force, that "a compliance mechanism to insure implementation and necessary accountability needs to be established and the task force needs to work on developing recommendations on this issue for the '04 session". The maintenance subcommittee will assess the efforts of the school districts to improve their maintenance procedures and determine what, if any, compliance mechanisms are needed in this area. They will make recommendations to the full task force on compliance and other maintenance issues.

**3. Determine a method for dealing with the "recalcitrant district" issue, where a school district is either unwilling or politically unable to provide its local match requirement under the formula.**

The task force recognizes that, in some instances, a school district may have schools that do not meet the adequacy standards and are on the priority list for funding, but it either cannot or will not pass a bond issue or other financing plan to provide its match as required under the state-share formula. The task force has called this the "recalcitrant district" problem. The formula subcommittee of the task force began work on this issue in the 2002 interim, but it did not reach any conclusions. The task force, under the guidance of Co-chair Desiderio, will consider this issue in greater depth and develop recommendations for addressing the problem, should it ever arise. The task force will also monitor the application of the state-share formula and make recommendations for any technical changes, if needed.

**4. Evaluate the existing permanent revenue streams and other potential revenues as adequate long-term funding sources for public school capital outlay projects and determine**

**how to provide additional short-term funding to complete the correction of outstanding health and safety deficiencies.**

With the adoption of the statewide standards and the completion of the needs assessment, the task force will be better able to assess the overall capital outlay needs and to develop a proposed time frame for meeting those needs. A funding subcommittee will be created to identify and evaluate funding issues and to develop options for consideration of the full task force. The funding subcommittee will use the software developed by 3D/I to evaluate the effect of various spending scenarios on addressing the backlog of capital needs. It will hear from state finance experts about projected levels of severance tax revenues and the supplemental severance tax bonding capacity, especially in terms of expected long-term trends. It will also monitor the availability of new federal revenues for school construction projects.

The funding subcommittee will analyze the need for other long-term funding sources and, if existing revenue sources do not appear adequate, will identify funding options and evaluate their advantages and disadvantages. The subcommittee will review the work of the previous task forces in this area and will re-evaluate these options and any new options in light of additional information on the level of needs and legislative and other feedback on the suitability of the options. The subcommittee will present its analysis to the full task force.

As required by law, the evaluation of each funding option will take into account:

1. any short-term and long-term effects upon the general fund;
2. any potential impact upon other capital outlay needs of the state, including the institutions of higher education, and its political subdivisions; and
3. any potential impact upon the current citizens and businesses of the state, as well as the future economic development potential of the state.

In addition to looking at the long-term funding needs, the funding subcommittee will assess the need for either recommending additional short-term funding to complete the correction of outstanding health and safety deficiencies or for using a portion of the permanent revenue stream for this purpose and will make recommendations to the full task force on this issue.

**5. Work with the legislative education study committee (LESC) to study the facility needs of charter schools.**

During the previous interim, the charter school subcommittee of the task force developed a number of recommendations for addressing the facility needs of charter schools under the standards-based capital outlay program. These recommendations were reported to the LESC, but not enacted.

The charter school subcommittee will continue to meet and address the special capital needs of charter schools. It will work with the LESC, as requested, to provide information from the statewide assessment on the condition of charter school facilities and to develop recommendations, consistent with the statewide standards-based program, to ensure that the facility needs of charter schools are addressed in a manner consistent with the needs of non-charter schools.

**6. Continue to monitor litigation involving the public school capital outlay program in New Mexico.**

The task force will continue to monitor developments in the *Zuni* lawsuit, including any status hearing scheduled by Judge Joseph Rich of the eleventh judicial district court of the state. At the request of the legislative council, the task force will also hear a status report on the suit in front of the tenth circuit court resulting from the administrative appeal of the state's equalization certification related to the use of PL 874 (federal impact aid) funds.

**2003 Approved Meeting Schedule and Budget**

<u>DATE</u>	<u>LOCATION</u>	<u>BUDGET</u>
June 2	Albuquerque	\$2,823.38
August 19-21 (1-1/2 days for subcommittees, 1 day task force)	Albuquerque	5,245.88
October 1-3 (1-1/2 days for subcommittees, 1 day task force)	Albuquerque	5,245.88
November 6-7	Santa Fe	4,601.80
November 24-25	Santa Fe	<u>4,601.80</u>
<b>TOTAL BUDGET REQUEST</b>		<b>\$22,518.74</b>
<b>TOTAL APPROVED BUDGET</b>		<b>\$20,000.00</b>