

Public School Capital Outlay Council (PSCOC) and PSFA Fiscal Year 2014 Annual Report

Public School Capital Outlay Oversight
Task Force

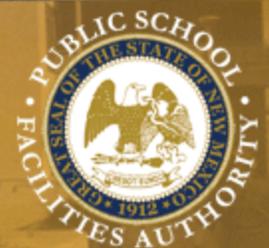
June 2, 2015

Presenters:

David Abbey, Director, Legislative Finance Committee,
PSCOC Chair

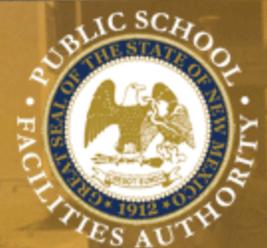
Rocky Kearney, Deputy Director, Public School Facilities
Authority

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

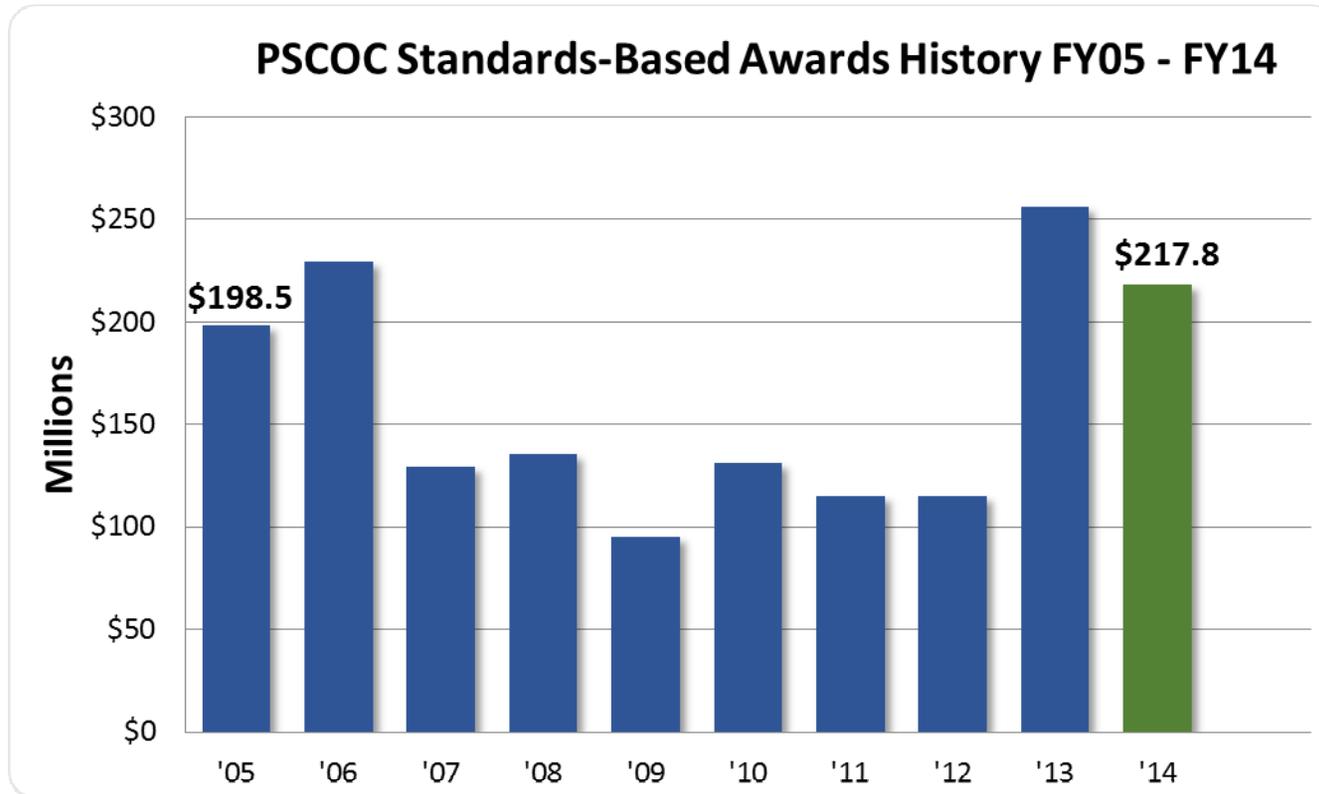


FY14 Annual Report - Highlights

- PSCOC awards total \$217.8 million for 102 individual school projects throughout New Mexico.
- 75 percent of project funds were under contract within 15 months from date of award.
- The FY14 state average Facilities Condition Index (FCI) for public schools remains flat since FY10 at about 35 percent.
- The Facility Maintenance Assessment Report (FMAR) a tool introduced in FY13 to measure maintenance effectiveness indicates statewide average of 60% (Poor).



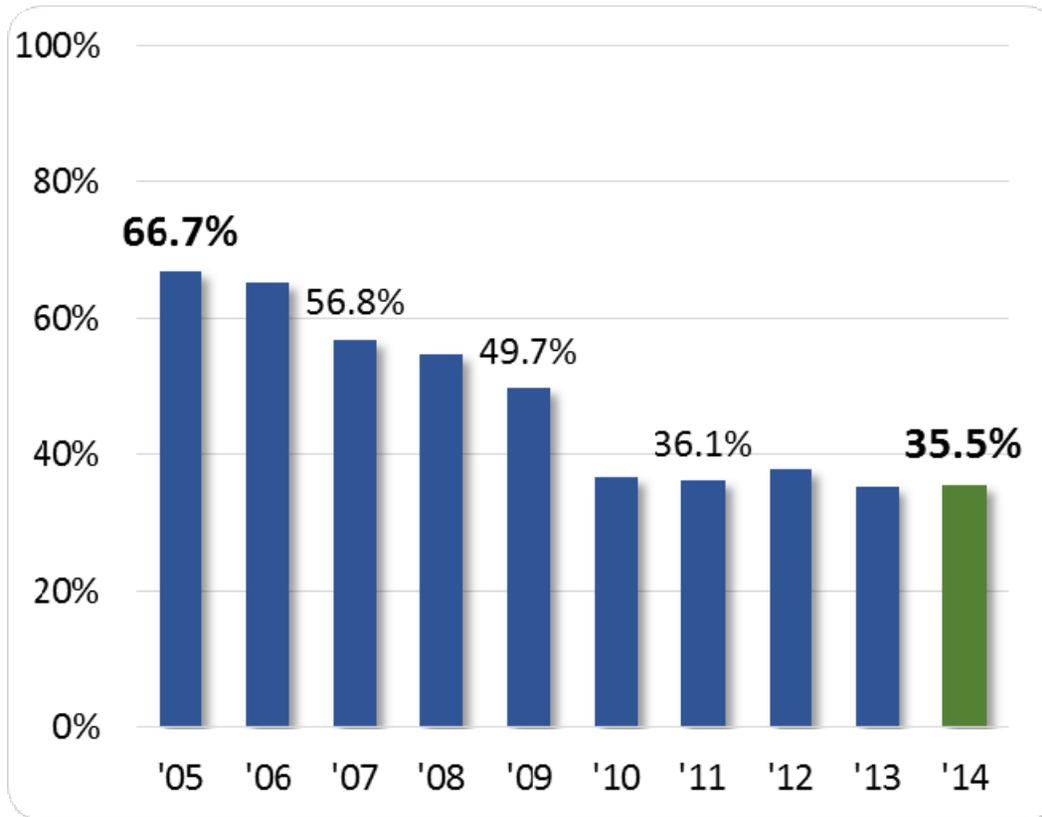
PSCOC Awards History



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

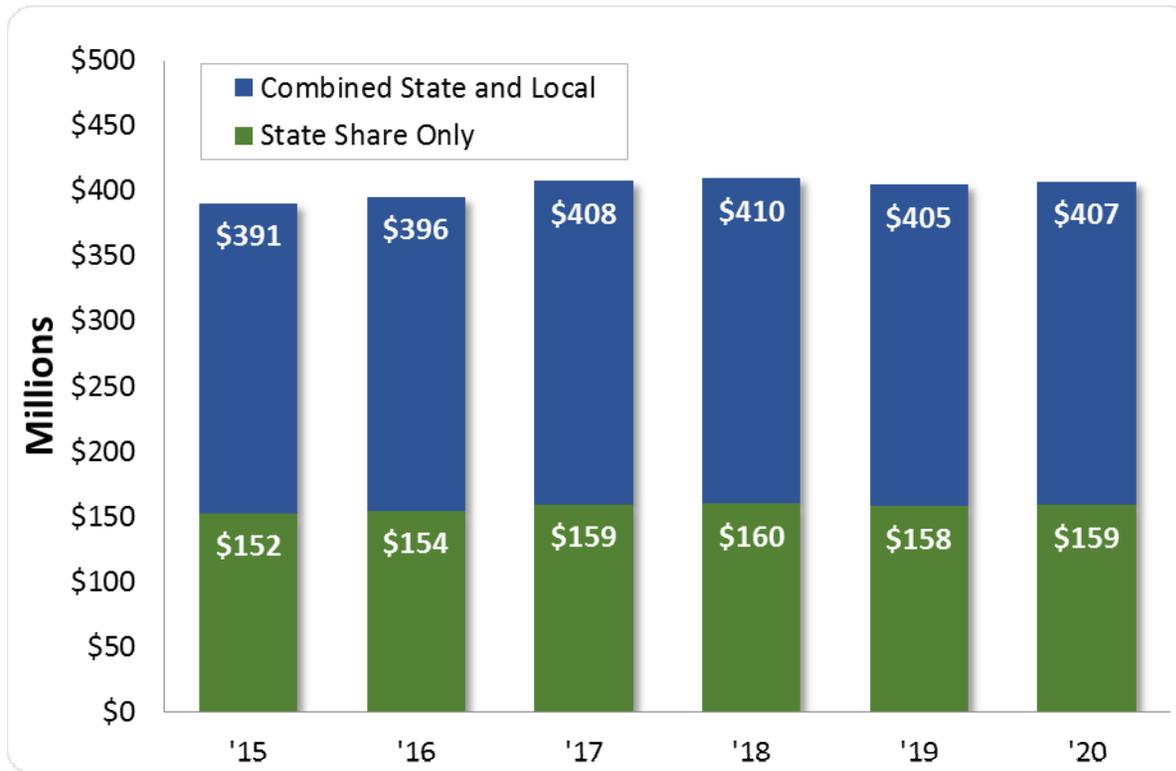


Facility Condition Index (FCI)

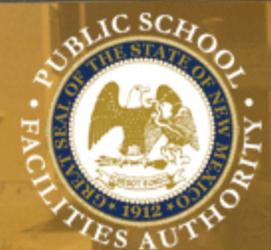


The programs success over the last ten years has caused the range of scores between the worst schools and the best schools to shorten. And the facilities' conditions are more homogenous.

What we need to maintain the FCI



There are over \$21 billion in school assets. Assuming a life of 40 years (life of facilities before renewal), \$567 million in expenditures annually would be required if all facilities were regularly replaced. PSFA calculates that with proper targeted spending and good maintenance, \$400 million (total state and local funds) annual spending would be sufficient to maintain the current statewide FCI.



FCI versus wNMCI

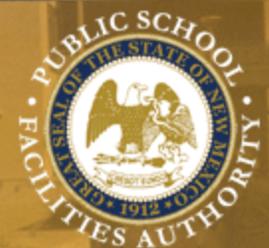
Long term bricks and mortar are measured by the FCI.

- Old facilities that still have clean, dry, conditioned classrooms might have an “OK” wNMCI score but poor FCI score.
- New facilities that are overcrowded or that have leaking roofs might have an “OK” FCI score but poor wNMCI score because they cannot support learning.

Top 50 wNMCI (1-25)

Rank	District	School Name	Gross Area (Sq. Ft.)	Weighted NMCI
Schools with * next to the name are potentially going to be closed pending completion of an awarded construction project AND the receipt of permission from PED to close. ** Moved from this facility.				
1	Gallup McKinley	* Juan de Onate ES	46,834	101.76%
2	Lordsburg	* Central ES	32,594	93.28%
3	Lordsburg	* Southside ES	17,674	85.32%
4	Reserve	Glenwood ES	5,841	85.07%
5	Taos	Chrysalis Alternative School	7,440	82.39%
6	Roswell	Del Norte ES	48,165	82.07%
7	Espanola	** Carinos Charter School	55,924	80.79%
8	Albuquerque	Valle Vista ES	63,157	70.97%
9	Albuquerque	Monte Vista ES	62,325	68.85%
10	Alamogordo	Oregon ES	35,727	67.03%
11	Raton	Columbian ES	27,115	64.48%
12	Alamogordo	High Rolls Mountain Park ES	12,354	64.33%
13	Albuquerque	Hubert Humphrey ES	59,698	63.39%
14	Roswell	Mesa MS	80,242	63.11%
15	Roswell	Nancy Lopez ES	32,462	61.31%
16	Tatum	Tatum ES	36,745	60.26%
17	Espanola	Abiquiu ES	24,561	58.04%
18	Albuquerque	Inez ES	60,078	57.88%
19	Roswell	Roswell HS	247,004	57.44%
20	Taos	Ranchos de Taos ES	55,851	56.36%
21	Raton	Longfellow ES	32,620	55.26%
22	Eunice	Caton MS	74,332	54.49%
23	Albuquerque	Zuni ES	62,281	53.58%
24	Clovis	Highland ES	48,361	52.84%
25	Albuquerque	Bellehaven ES	51,904	52.36%

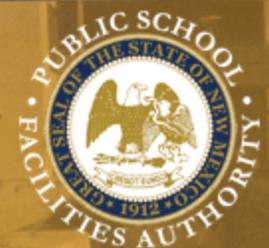
Partnering with New Mexico's communities to provide quality, sustainable school facilities for our students and educators.



Top 50 wNMCI (26-50)

Rank	District	School Name	Gross Area (Sq. Ft.)	Weighted NMCI
Schools with * next to the name are potentially going to be closed pending completion of an awarded construction project AND the receipt of permission from PED to close. ** Moved from this facility.				
26	Clovis	Cameo ES	49,919	52.08%
27	Santa Fe	Acequia Madre ES	20,492	51.41%
28	Albuquerque	Taylor MS	108,601	50.56%
29	Farmington	McCormick ES	57,472	50.33%
30	Clayton	Clayton HS	95,399	49.61%
31	Carlsbad	Pate ES	34,649	49.40%
32	Albuquerque	Painted Sky ES	98,646	49.28%
33	Eunice	Eunice HS	118,995	48.77%
34	Carlsbad	Joe Stanley Smith ES	36,879	48.44%
35	Roswell	Washington Avenue ES	38,950	47.82%
36	Jemez Valley	San Diego Riverside Charter School	18,816	47.45%
37	Carlsbad	Riverside ES	31,103	47.11%
38	Gallup McKinley	* Lincoln ES	36,513	47.02%
39	Carlsbad	Sunset ES	45,031	46.97%
40	Los Alamos	Barranca Mesa ES	61,871	46.95%
41	Carrizozo	Carrizozo Combined School	96,098	46.81%
42	Tatum	Tatum Jr./Sr. HS	114,253	45.98%
43	Las Vegas City	Paul D. Henry ES	32,591	45.97%
44	Animas	Animas ES	24,376	45.84%
45	Animas	Animas MS/HS	82,237	45.63%
46	Roswell	Mountain View MS	65,802	45.17%
47	Central Consolidated	Newcomb ES	69,657	43.99%
48	Albuquerque	Eubank ES	64,462	43.84%
49	Gallup McKinley	Red Rock ES	51,436	43.54%
50	Albuquerque	Sierra Vista ES	82,936	43.09%

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

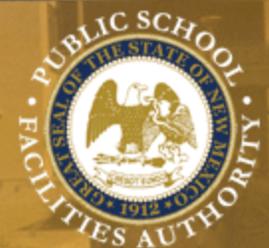


State-Local Match

District	3 Year Avg.	
	State Share	District Share
Alamogordo Public Schools	66%	34%
Albuquerque Public Schools	55%	45%
Animas Public Schools	53%	47%
Artesia Public Schools	90%	90%
Aztec Municipal Schools	19%	81%
Belen Consolidated Schools	63%	37%
Bernalillo Public Schools	40%	60%
Bloomfield Schools	14%	86%
Capitan Municipal Schools	10%	90%
Carlsbad Municipal Schools	25%	75%
Carrizozo Municipal Schools	10%	90%
Central Consolidated Schools	61%	39%
Chama Valley Independent Schools	10%	90%
Cimarron Municipal Schools	10%	90%
Clayton Municipal Schools	19%	81%
Cloudcroft Municipal Schools	10%	90%
Clovis Municipal Schools	77%	23%
Cobre Consolidated Schools	55%	45%
Corona Public Schools	10%	90%
Cuba Independent Schools	72%	28%
Deming Public Schools	71%	29%
Des Moines Municipal Schools	12%	88%

District	3 Year Avg.	
	State Share	District Share
Dexter Consolidated Schools	81%	19%
Dora Consolidated Schools	65%	35%
Dulce Independent Schools	10%	90%
Elida Municipal Schools	48%	52%
Espanola Public Schools	62%	38%
Estancia Municipal Schools	65%	35%
Eunice Public Schools	10%	90%
Farmington Municipal Schools	60%	40%
Floyd Municipal Schools	77%	23%
Fort Sumner Municipal Schools	43%	57%
Gadsden Independent Schools	87%	13%
Gallup-McKinley County Public Schools	81%	19%
Grady Municipal Schools	76%	24%
Grants-Cibola County Schools	74%	26%
Hagerman Municipal Schools	79%	21%
Hatch Valley Public Schools	86%	14%
Hobbs Municipal Schools	54%	46%
Hondo Valley Public Schools	39%	61%
House Municipal Schools	63%	37%
Jal Public Schools	10%	90%
Jemez Mountain Public Schools	10%	90%
Jemez Valley Public Schools	52%	48%
Lake Arthur Municipal Schools	10%	90%

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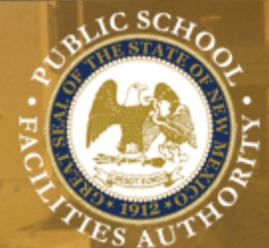


State-Local Match

District	3 Year Avg.	
	State Share	District Share
Las Cruces Public Schools	64%	36%
Las Vegas City Public Schools	61%	39%
Logan Municipal Schools	28%	72%
Lordsburg Municipal Schools	35%	65%
Los Alamos Public Schools	40%	60%
Los Lunas Public Schools	76%	24%
Loving Municipal Schools	21%	79%
Lovington Municipal Schools	29%	71%
Magdalena Municipal Schools	76%	24%
Maxwell Municipal Schools	55%	45%
Melrose Public Schools	64%	36%
Mesa Vista Consolidated Schools	46%	54%
Mora Independent Schools	48%	52%
Moriarty-Edgewood Schools	55%	45%
Mosquero Municipal Schools	10%	90%
Mountainair Public Schools	38%	62%
New Mexico School for the Blind	50%	50%
New Mexico School for the Deaf	50%	50%
Pecos Independent Schools	43%	57%
Penasco Independent Schools	69%	31%
Pojoaque Valley Public Schools	74%	26%
Portales Municipal Schools	79%	21%

District	3 Year Avg.	
	State Share	District Share
Quemado Independent Schools	10%	90%
Questa Independent Schools	10%	90%
Raton Public Schools	60%	40%
Reserve Independent Schools	16%	84%
Rio Rancho Public Schools	60%	40%
Roswell Independent Schools	72%	28%
Roy Municipal Schools	39%	61%
Ruidoso Municipal Schools	12%	88%
San Jon Municipal Schools	69%	31%
Santa Rosa Consolidated Schools	56%	44%
Silver Consolidated Schools	47%	53%
Socorro Consolidated Schools	75%	25%
Springer Municipal Schools	53%	47%
T or C Municipal Schools	33%	67%
Taos Municipal Schools	10%	90%
Tatum Municipal Schools	10%	90%
Texico Municipal Schools	64%	36%
Tucumcari Public Schools	75%	25%
Tularosa Municipal Schools	73%	27%
Vaughn Municipal Schools	10%	90%
Wagon Mound Public Schools	10%	90%
West Las Vegas Public Schools	72%	28%
Zuni Public Schools	100%	0%

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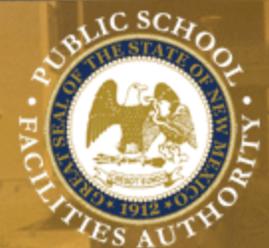
PSCOC Funding

PSCOC Financial Plan

(millions of dollars)

May 5, 2015

I. SOURCES & USES						
<i>SOURCES:</i>						
	FY14	FY15 est.	FY16 est.	FY17 est.	FY18 est.	FY19 est.
Uncommitted Balance (Period Beginning)	185.1	74.8	22.1	13.6	18.1	47.9
2011 Senior Severance Tax Note Scenario						
Adjustment FIFO to bond budget availability	(71.8)					
SSTB Notes (Revenue Budgeted July)	120.3 *	65.2 *	53.9	82.6	82.8	90.8
SSTB Notes (Revenue Budgeted January)	110.0 *	154.6 *	82.6	82.8	90.8	90.3
Long Term Bond	0.0	0.0	75.0	0.0	0.0	0.0
Revenue Reduction for Debt Service	0.0	0.0	(5.8)	(8.0)	(9.2)	(9.7)
Project & Operating Reversions / Advance Repayments	0.6	1.1	19.2	12.5	17.1	9.2
Subtotal Sources :	344.2	295.8	247.1	183.48	199.43	228.38
<i>USES:</i>						
Capital Improvements Act (SB-9)	19.8	20.0	20.2	20.4	20.4	20.4
Lease Payment Assistance Awards	13.0	14.6	14.6	14.6	14.6	14.6
Master Plan Assistance Awards	0.5	0.5	0.4	0.4	0.4	0.4
SB60 2013 Legislature (School Buses)						
SB60 2013 Legislature (Pre-K)						
SB60 2013 Legislature (NMSBVI - Watkins Education Bldg)	5.5					
HB2 (Animas Loan Repayment)						
HB236						10.2
PED (Pre-K)	2.5		1.5			
PED (School Buses)	7.4		5.0			
PED (Ed Tech Infrastructure)	5.0					
PSFA Operating Budget	5.6	5.9	6.1	6.1	6.1	6.1
CID Inspections	0.2	0.3	0.3	0.3	0.3	0.3
Reserve for Contingencies	0.0	5.2	20.0	10.0	10.0	10.0
Project Closeouts	0.0	7.0	5.0			
Estimated Project Award Needs	209.9	220.1	160.3	113.6	99.7	92.7
Subtotal Uses :	269.3	273.6	233.4	165.4	151.5	154.7
Estimated Uncommitted Balance Period Ending	74.8	22.1	13.6	18.1	47.9	73.7
Pending Awards Impact:						
Previously Awarded Projects	209.9	163.2	0.0			
Project Awards (Current Quarter)	0.0	0.0	0.0			
Pending Awards (Current Quarter)	0.0	56.9	0.0			
FY16 remaining quarters FY17 and FY19 Pending Project Awards	0.0	0.0	160.3	113.6	99.7	92.7
Subtotal:	209.9	220.1	160.3	113.6	99.7	92.7
Estimated Uncommitted Balance Excluding Pending Awards:	74.8	79.0	174.0	131.7	147.6	166.4



PSCOC Funding

PSCOC Financial Plan (millions of dollars)

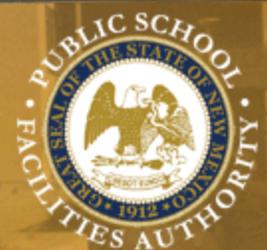
II. PROJECT AWARD SCHEDULE SUMMARY		Total	FY14 est.	FY15 est.	FY16 est.	FY17 est.	FY18 est.	FY19 est.	Total
	Prior Year Awards	96.3	27.3	1.6	67.4	0.0	0.0	0.0	96.3
	2010-2011 Awards (Construction) :	112.8	56.2	35.6	20.9	0.0	0.0	0.0	112.8
	2011-2012 Awards (Design) :		0.1	0.0	0.0	0.0	0.0	0.0	0.1
	2011-2012 Awards (Construction) :	40.7	33.8	0.7	3.4	0.0	0.0	2.7	40.6
	2012-2013 Awards (Construction) :		20.1	74.3	12.3	0.0	0.0	0.0	106.7
	2012-2013 Roof Awards (Construction) :	106.8	0.1	0.0	0.0	0.0	0.0	0.0	0.1
	2013-2014 Awards (Design) :		18.3	1.5	1.4	0.7	0.0	0.0	21.9
	2013-2014 Awards (Construction) :		41.9	72.6	52.3	14.1	19.4	0.0	200.3
	2013-2014 BDCP Awards (Design & Const.) :		2.5	7.5	0.0	0.0	0.0	0.0	10.0
	2013-2014 Roof Awards (Design & Const.) :	241.8	9.6	0.0	0.0	0.0	0.0	0.0	9.6
	2014-2015 Awards (Design) :		0.0	7.7	0.0	0.0	0.0	0.0	7.7
	2014-2015 Awards (Construction) :		0.0	9.0	0.0	71.8	0.0	0.0	80.7
	2014-2015 BDCP Awards Scenario (Design & Const.) :		0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2014-2015 Roof Awards (Design & Const.) :	98.0	0.0	9.6	0.0	0.0	0.0	0.0	9.6
	2015-2016 Awards Scenario (Design) :		0.0	0.0	2.7	0.0	0.0	0.0	2.7
	2015-2016 Awards Scenario (Construction) :		0.0	0.0	0.0	17.0	7.3	0.0	24.3
	2015-2016 BDCP Awards Scenario (Design & Const.) :	27.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2016-2017 Awards Scenario (Design) :		0.0	0.0	0.0	10.0	0.0	0.0	10.0
	2016-2017 Awards Scenario (Construction) :		0.0	0.0	0.0	0.0	63.0	27.0	90.0
	2016-2017 BDCP Awards Scenario (Design & Const.) :	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	2017-2018 Awards Scenario (Design) :		0.0	0.0	0.0	0.0	10.0	0.0	10.0
	2017-2018 Awards Scenario (Construction) :		0.0	0.0	0.0	0.0	0.0	63.0	63.0
	FY2018/2019 BDCP Awards Scenario (Design & Const.) :	73.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Subtotal Uses :	896.2	209.9	220.1	160.3	113.6	99.7	92.7	896.2

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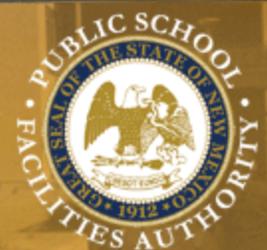
PSCOC Funding – Negative Outlook

1. Too many projects in the queue for available funding.
2. Accounting shift from FIFO to Project Budgeting.
3. Projects throughput has increased.
4. Unanticipated project scope increases, waivers, and advances.
5. Front loading for Construction Manager at Risk (CMAR) projects.
6. Inflation around 8.5% per year over the past several years.
7. Revenues reduced by direct appropriations over the last several years.
8. Reduced oil and gas revenue estimates for this year and out years.



Strategic Issues

- **Implementing Building Systems Legislation**
 - SB128 (Stewart) \$15M/FY FY16-20.
- **Revisiting State-Local Share Match Formula**
- **Direction of Zuni Litigation**
 - Evidentiary hearing scheduled October, 2015.
- **Funding Projects Above Adequacy**
- **PSFA's Role in Maintenance**
- **Timely Advancement & Completion of Projects**
 - PSCO Award/Fund Balances (4/30/15): \$404.7M



Questions or Comments?

For more information, visit: www.nmpsfa.org.

Or phone: 505-843-6272

THANK YOU!

