



Public School Capital Projects-What are they- how do we fund them?

Presentation to NMSBA Members

June 4, 2020

Dr. Gloria Rendon

Johnathan Chamblin

Hugh Prather

Overview of Facilities Master Plans (FMPs)

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PSEA Presenter:

Jonathan Chamblin, Executive Director

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

PSCOC and PSFA Background

- Current public school capital funding process in NM was developed and established in response to the 1998 Zuni lawsuit.
- NM public school capital outlay process seeks to establish and implement a uniform funding system for capital improvements.
- Public school capital outlay funding is both a local and state responsibility in New Mexico.
- Public School Capital Outlay Council (PSCOC) manages the allocation of the Public School Capital Outlay Act Fund (PSCOF) to public school facilities in New Mexico's 89 school districts and 2 special schools (School for the Deaf and School for the Blind and Visually Impaired).

PSCOC Members

Nine members, assigned by statute:

- Joe Guillen, PSCOC Chair – NM School Boards Association
- Raul Búrciaga, PSCOC Vice-Chair – Legislative Council Service
- David Abbey – Legislative Finance Committee
- David Robbins – Public Education Commission
- Rachel S. Gudgel – Legislative Education Study Committee
- Martin Romero – Construction Industries Division
- Olivia Padilla-Jackson – Department of Finance & Administration
- Antonio Ortiz – Public Education Department
- Stephanie Rodriguez – Governor's Office

Four Primary Functions of PSFA

Staff to PSCOC

Role defined by NM Administrative Code.

Provide research and analysis to decision-makers on PSCOC.

Funding Administration

Distribution of state funding to all school districts in compliance with statute.

Project Management

Partner with school districts on planning, design, and construction projects (including technology infrastructure) to provide project management support and technical expertise.

Facility Information Management

Assess, gather, and organize facility information for all schools in NM.

Calculate the wNMCI score to produce the statewide ranking of public schools.

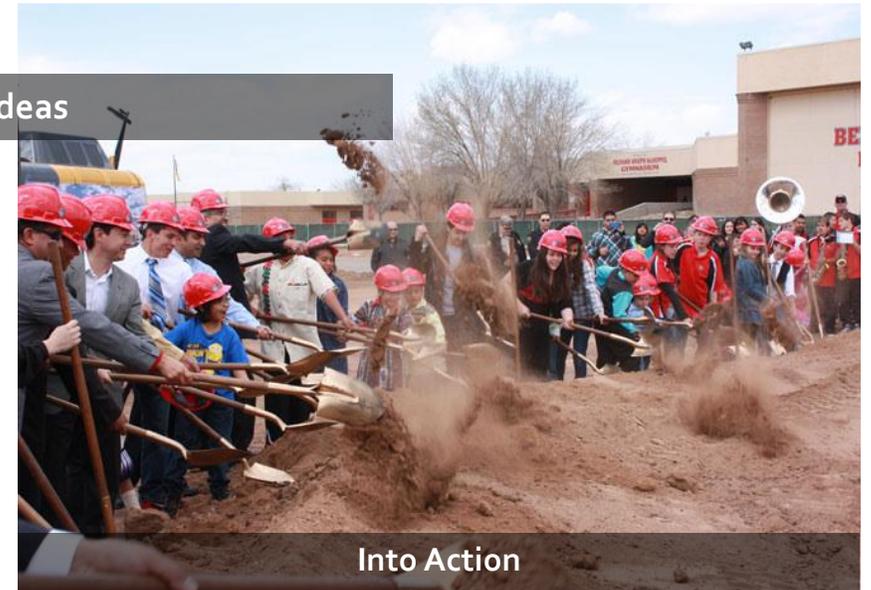
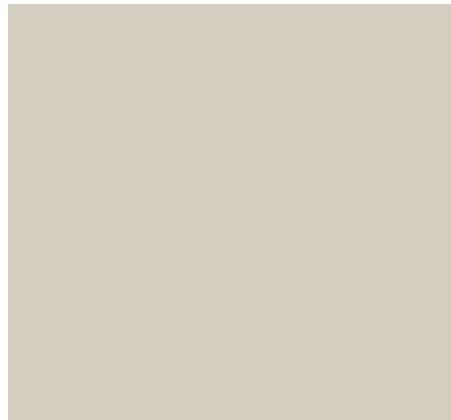
Assist districts in monitoring and improving maintenance and energy performance.

Services provided to school districts

The Facilities Master Plan: What is it and how it can help districts?



Putting Ideas



Into Action

Facility Master Plans in State Statute

Section 22-24-5.B(11) NMSA 1978 states that a district seeking public school capital outlay funding must submit a 5-year facilities plan.

DEMING PUBLIC SCHOOLS Project 5112

5 Year Facilities Master Plan

2013-2018
2013

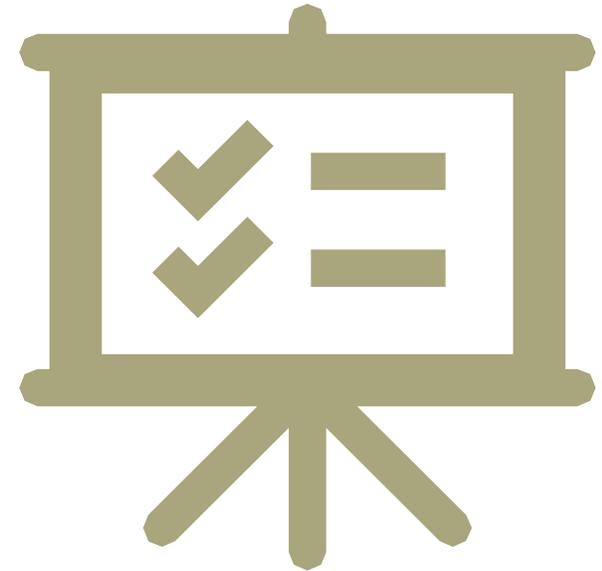
Importance of Planning

Why should school districts develop master plans?

- Best-practice for effective financial management.
- District may be at a crossroads.
 - Demographic shifts?
 - Too much space?
 - Too little space?
 - Facilities that are old and unable to support changing needs of modern education?
- Improving, upgrading, maintaining a school building can be intimidating and overwhelming.
 - Magnified when there are many school buildings to address.
- FMP is an organizational, management, and budgeting tool that provides a pathway to achieving facility goals.
 - Helps set priorities and supports successful bond elections.

FMP Process Outcomes

- Identifies short and long-term district vision.
- Roadmap that guides district facility decision-making, based on data and input.
 - What facilities only need general maintenance?
 - What facilities need renovation?
 - What facilities or systems need to be replaced?
 - How do we improve school security?
 - Do we need a new facility?
 - Do we need to close a facility to reduce under-utilized buildings?
- Identifies options, strategies, and resources to implement the district's vision.



Facility Master Plan Purpose

Identify capital priorities for each school and district facilities.

- List of prioritized capital improvement projects (CIPs)

Provides continuity for district facility decisions over a 5 year period.

Guides district planning decisions to assign financial resources to upcoming projects.

- GO bonding cycles
- SB-9/HB-22 funds
- PSCOC funding applications

Integrates capital maintenance needs with capital projects list.

Identify student enrollment trends in each school to align district facilities with educational programs and space needs.

Living document that districts should manage and update annually.

Facilities Master Plan Sections

The sections of an FMP include:

- Documentation of facility conditions.
- Enrollment trends and demographic data.
- Description of educational programs.
- Capacity and utilization of classroom spaces.
- District preventive maintenance plan.
- Staff and community input on facility priorities.
- Capital improvements timeframe and implementation strategy.

Improving Facility Efficiency

- FMP document can chart a course to make a school district's buildings more efficient in terms of:
 - Energy usage.
 - Technology/Broadband systems.
 - Utilities (gas, water, electric).
 - Space utilization.
 - Security.
 - Building systems.
 - Renovations, additions, re-purposing, reductions.

Examples of Districts Using FMPs

Lordsburg Municipal Schools

- Uses FMP to consolidate schools.
 - Declining enrollment.
 - Surplus gross square footage.
 - Rebuilt its high school at an appropriate scale and closed a school.

Clovis Municipal Schools

- Uses FMP to address rapid growth.
 - Overcrowded elementary schools.
 - Moved 6th grade to middle schools to create space in elementary schools.
 - Built a new middle school.

Common Questions

Our schools are new – do we need an FMP?

- Yes.

Does the PSCOC assist with the cost of a FMP?

- Yes, per state/local match percentages.

Do we need to hire a consultant?

- Not necessarily.

What if our FMP priorities do not line up with PSFA's facility information databases?

- No problem, district priorities will change over time and should be relevant to the school district.

Summary

Value of a Facilities Master Plan includes:

- Identifies the condition and needs of all the district's facilities.
- Resources are limited – maximizes the public dollar.
- Decisions are based on data and input.
- Builds upon district's strengths and addresses challenges.
- Keeps the district focused in the event of leadership changes.
- Rallies support for bond elections.

"Better data = better decisions = better schools = students win"

-Quote from Alamogordo parent during its FMP process, 2014

PSCOC
Funding
Programs

Standards-Based (Large Projects) (2004)

Systems-Based (Small Projects) (2017)

School Security (2018)

Broadband Deficiencies Correction (2014)

Pre-Kindergarten Classroom Facilities (2018)

Facilities Master Plan (2003)

Lease Assistance (2005)

How to Access PSCOC Funding

1. District raises local funding for the project.
2. District applies through appropriate funding program, based on the project type and the eligibility criteria set by PSCOC.
3. District submits an application for PSCOC funding for eligible schools.
4. Applications are submitted to PSFA.
5. Site visits by PSFA staff and PSCOC members.
6. PSFA assists the district in developing the scope and estimated cost of the project.
7. District presents the request to PSCOC.
8. PSCOC makes awards to districts.
9. PSFA begins project management support and funding to the district.

Questions

Contact:

Jonathan Chamblin

Executive Director, PSFA

505-469-0968

jchamblin@nmpsfa.org

www.nmpsfa.org



HB 33



SB 9 2 MILL LEVY FUNDS



LOCAL GENERAL
OBLIGATION (GO) BONDS

Once a district has a master plan in place, seeking funding is the next step.

Sources of Local funding

HB 33: Public School Buildings Act

Allows districts to ask voters to approve the imposition of up to 10 mills for a maximum of six years on the net taxable value of property in the district.

HB33 funds may only be used to:

- Erect, remodel, and make additions to, provide equipment for, or furnish public school buildings;
- Make payments in accordance with a financing agreement entered into by a school district or a charter school to lease a building or other real property with an option to purchase for a price that is reduced according to payments made;
- Purchase or improve school grounds;
- Purchase activity vehicles to transport students to and from extracurricular activities (This authorization does not apply to the Albuquerque school district); and
- Pay for administration of public school capital outlay projects up to five percent of total project costs.

SB 9: Public Schools Capital Improvement Act

Allows school districts to ask voters to approve a levy of up to two mills for a maximum of six years

- Erect, remodel, make additions to, provide equipment for, or furnish public buildings;
- Purchase or improve public school grounds;
- Maintain public school buildings or public school grounds, including the purchase or repair of maintenance equipment, participation in the facility information management system (FIMS), make payments under contracts with regional education cooperatives (RECs) for maintenance support services and expenditures for technical training and certification for maintenance and facilities managements personnel, excluding salaries of school district employees;
- Purchase student activity buses for transporting students to and from extracurricular activities; and/or
- Purchase computer software and hardware for student use in classrooms.

Local General Obligation (GO) Bonds

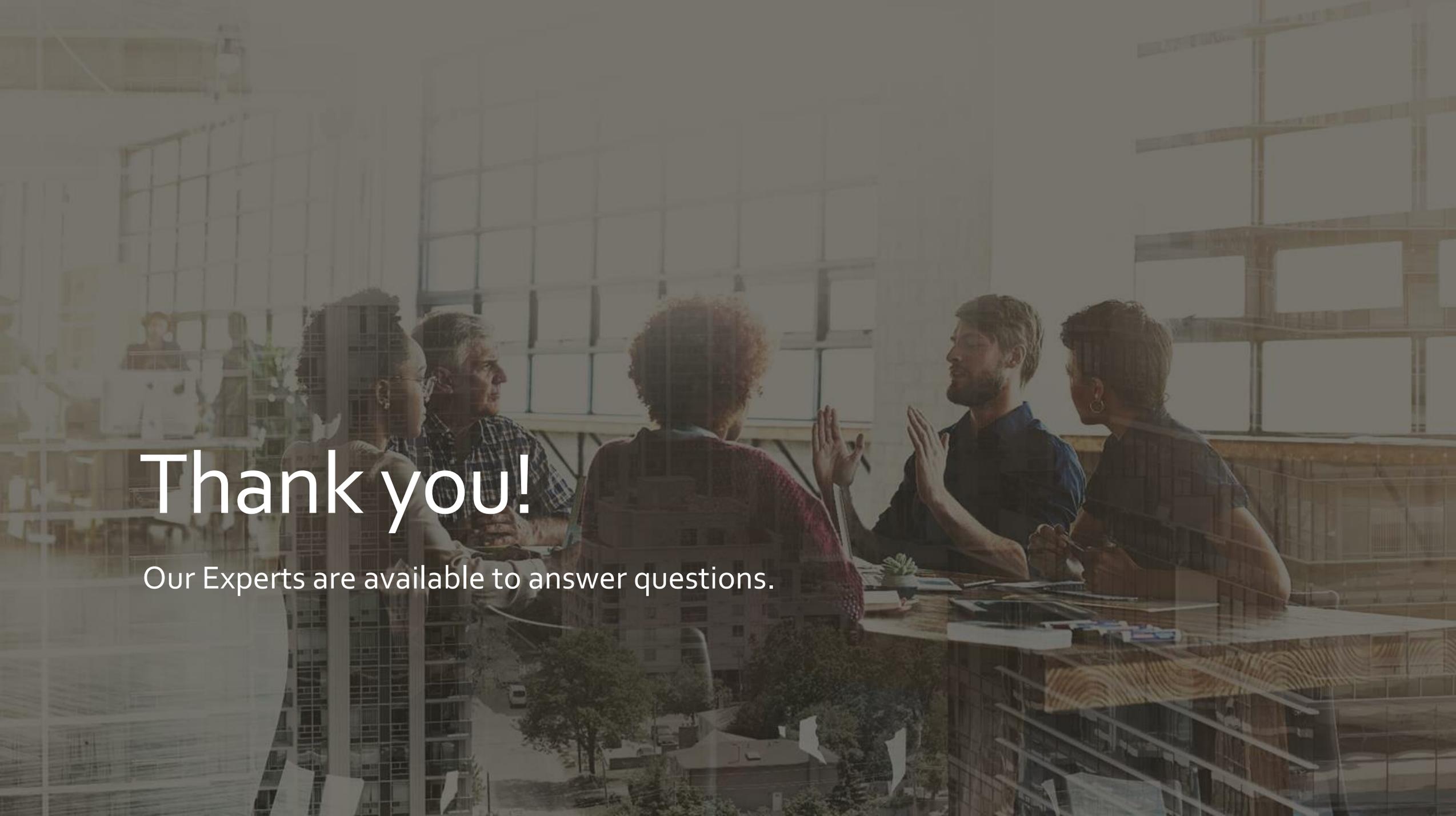
- GO bonds allow local school districts to seek voter approval to raise revenues to
 - erect, remodel, make additions to, or furnish school buildings;
 - purchase or improve school grounds;
 - purchase computer hardware or software for student use in the classroom;
 - or any combination of these purposes.
- Each district's issuance of bonds is subject to the constitutional limit of six percent of the assessed valuation of the district. (Article IX, Section 11, NM Constitution)
- Prior to the bond election, the district must request that the Public Education Department (PED) verify the district's remaining bonding capacity.

Educational Technology Note

- Educational Technology Note or ETN raises funds from property taxes to support the School District's **technology** plan to provide necessary resources for all our teachers and students. The State does not maintain a special fund for **educational technology**.
- The district can impose this tax without voter approval

Requirements for accessing funds

- Master plan: The district is required to have a Master plan for their district. The master plan includes plans for major renovations or repairs, consolidation of buildings and/or construction of new buildings
- Bond counsel- attorneys who specialize in this type of election and investment are invaluable in assuring that the district obtains the best value for their funds.
- The district must be completely transparent in the use of these funds. Do what you said you would do. Otherwise you jeopardize the success of future elections.



Thank you!

Our Experts are available to answer questions.