

Public School Capital Outlay: How It Works, What's Distinctive About It, Benefits & Needs

Provided By The New Mexico Public School Capital Outlay Council (PSCOC)

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School Capital Outlay Differs From Other Public Sector Infrastructure:

- The New Mexico Public School Capital Outlay process provides adequate and sustainable school facilities and is a result of legislation in response to the Zuni Lawsuit.
- There are approximately **60** million ft² of floor area in New Mexico's public traditional, charter and constitutional schools.
- New Mexico's school facilities repair needs are prioritized objectively. All school districts are eligible for state funding *on a level playing field*. **School district surveys rate this funding process as fair and equitable.**
- Maximizing bang for the buck, the PSCOC awards funding from the legislature to the greatest needs *first*. **State funds serve as an incentive for local communities to provide matching funds.**

■ Over the next **18** months the PSCOC is projected to award **\$388** million in State matching funds for projects to be developed and constructed, representing **11,058** direct and indirect jobs in construction and related sectors. (SOURCES: (1)George Mason University: Each \$1M in new construction (school facilities) spending supports 28.5 full-time, year-round-equivalent jobs. (2)US-DOT reports road construction supports 13.0 full-time, year-round-equivalent jobs.)

Public School Capital Outlay And Construction Oversight Is A New Mexico Success Story

■ Money is put to work rapidly via “just-in-time” awards. Currently, **82%** of funds are under contract within the first 15 months of project development.

Percent of Award Dollars Under Contract From Time of Award (First 15 Months)

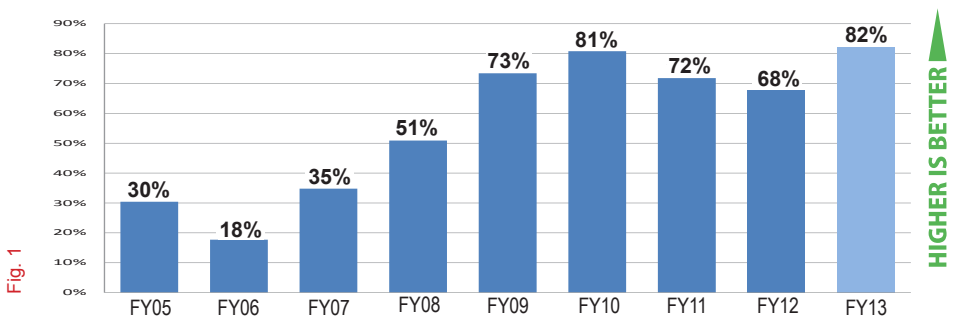
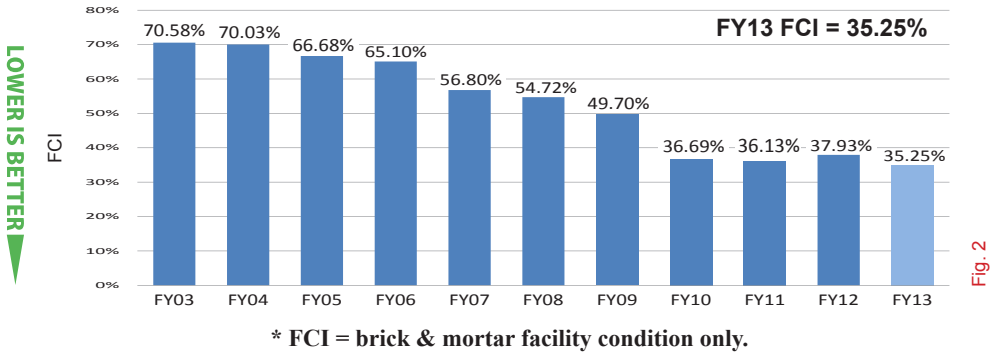


Fig. 1

Annual Facilities Condition Index (FCI)* for All New Mexico Schools



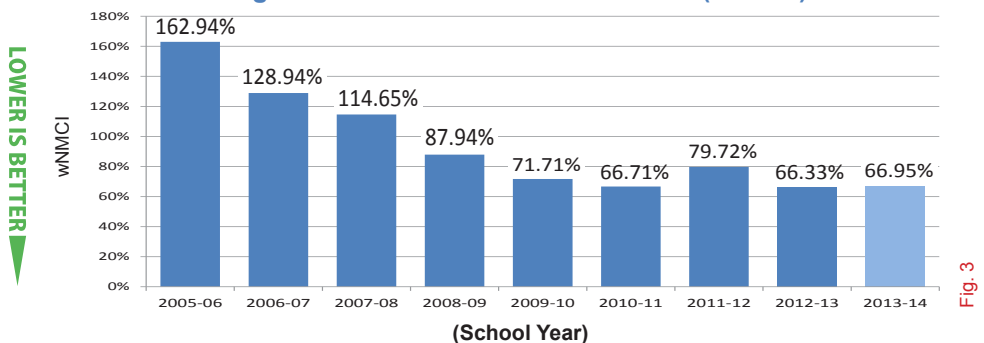
■ **School buildings rate of improvement has leveled** (Fig. 2 and 3). There is a direct relationship between effective and sufficient spending, adequate maintenance, and the average statewide FCI.

■ **Regardless of reduced spending, significant school projects continue to be delivered to New Mexico's communities.** In FY13, PSCOC-completed projects included **18** new and newly-renovated schools, and **24** school roof repair/replacements.

■ **The PSFA has overseen 697 projects with \$1.7 billion in State matching awards (total project costs: \$5 billion).** Current active projects statewide: **186**; current dollars under state contract: **\$559M**.

■ **Funding equity issues raised by the Zuni Lawsuit are being addressed.** *In this still open lawsuit*, the Court is on record that the state is making progress.

Top 30 Schools On Ranked List Average weighted New Mexico Condition Index (wNMCI)**



** wNMCI = FCI + facility's ability to support educational functions.

Great Needs Remain In Public School Facilities Across New Mexico

■ The projected **35.25%** FCI average (for FY13) indicates **\$6 billion** of unfunded facilities needs, based on **\$289** per ft² replacement cost.

■ School districts fund **61%** of all statewide construction spending from local taxes. To maintain the current FCI of **35.25%**, the PSFA estimates **\$381M** must be spent annually on school facilities-renewal. This leaves the State responsible for about **\$149M** annually. Funding at a lower level places the state's investment in school facilities at risk, as funding gaps may increase the rate of degradation and thus may exceed future funding capacity.

Projected State & Local Funds Required to Maintain the Current FCI

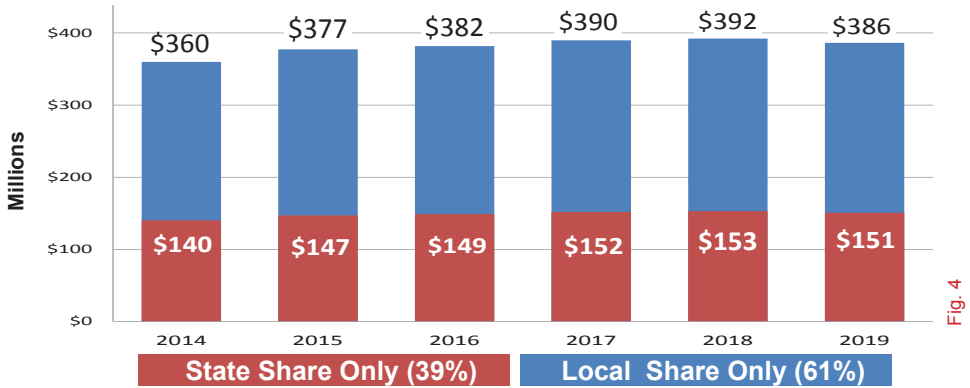
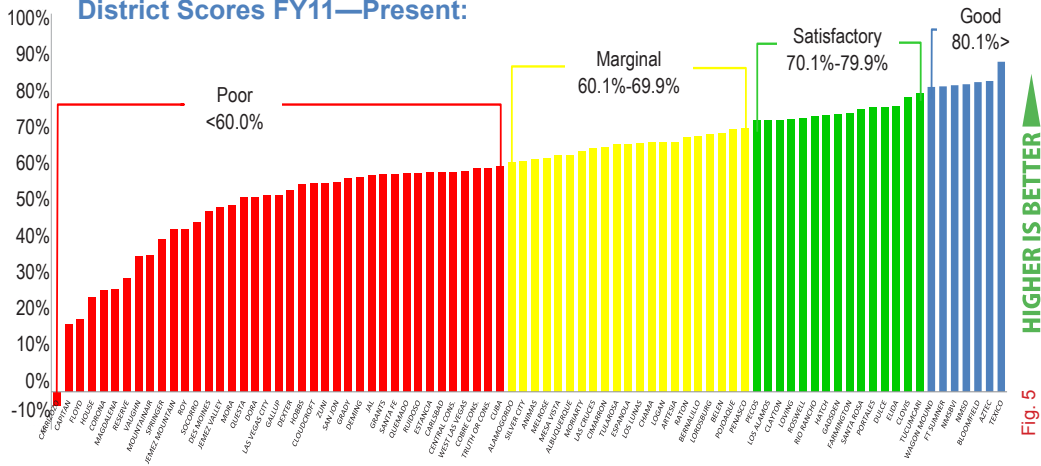


Fig. 4

Facility Maintenance Assessment Report (FMAR)

- The New Mexico statewide FMAR average is currently **59.48%**.
- An FMAR score under **60.1%** demonstrates poor maintenance.
- **73%** of NM Schools are below standard life expectancy for systems.

District Scores FY11—Present:



HIGHER IS BETTER

Fig. 5

Note: As of 12-31-13, district scores are based upon a random sample of **549** of the **800** schools.

If Public School Capital Outlay Council Funds Are Reallocated, Expect Over The Next 18 Months:

■ **Negative impact on construction employment.** The NM construction industry added **900** jobs in 2013, slowing from previously higher over-the-year growth that exceeded **1,000** in the spring and summer months. *(SOURCE: New Mexico Department of Workforce Solutions)*

■ **25 Red** districts (including NMSD and NMSBVI) will be impacted, and represent **50** school projects with current awards.

■ **33 Yellow** districts have additional projects in the top 100 ranked list of greatest needs that may be delayed.

School Districts Impacted or Delayed:

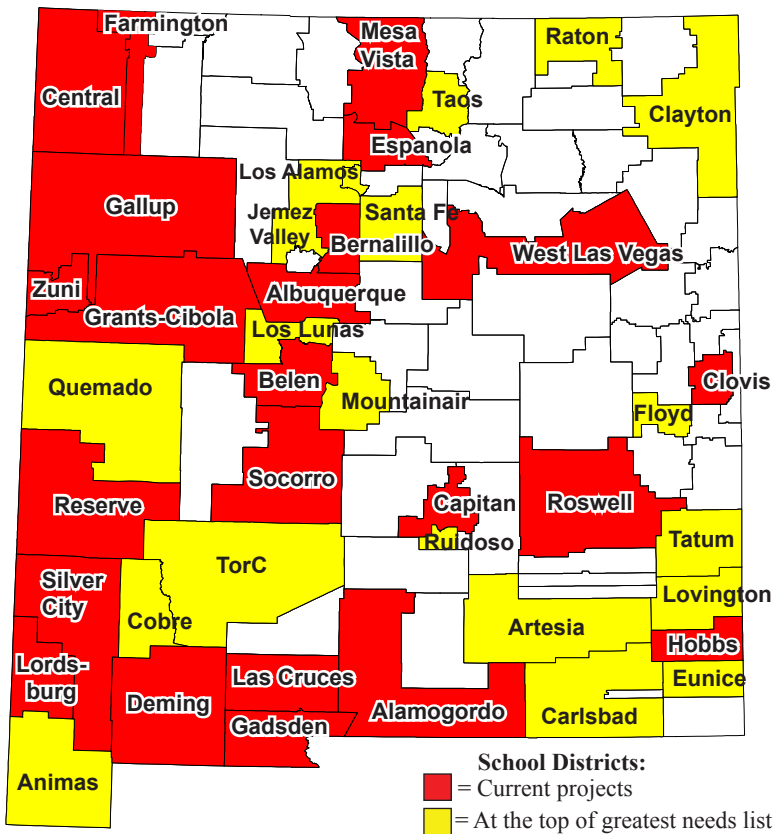


Fig. 6

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