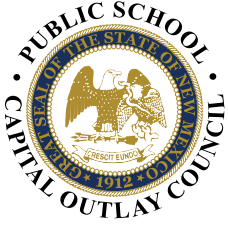


STATE OF NEW MEXICO PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL PUBLIC SCHOOL FACILITIES AUTHORITY FY14 ANNUAL REPORT



State of New Mexico
Public School Capital Outlay Council
Public School Facilities Authority



From the Chair

June 30, 2014



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PSCOC Vice Chair

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Maintaining the gains we've made.

2014 was a tremendous year for PSCOC awarding 102 projects in school districts across the state. Major investment and economic activity range from Gadsden and Hobbs in the South, to the West Las Vegas School District and Gallup in the North Central and Northwest and many places between.

We've made significant improvements and investment in New Mexico's schools in response to the Zuni Lawsuit. There is still more to do. But, with revenue volatility and rising operating costs in school districts, more emphasis must be applied to helping protect the investments made. We are giving more guidance to school districts on maintenance, efficient designs, right-sizing renovation projects, facility consolidations and new facilities. Through all our combined efforts, I am confident we will continue to make progress to having safer, and healthier learning environments that can be maintained into the future for years to come.

On behalf of my colleagues at the PSCOC, I would like to thank the legislature, Governor Martinez, and the Public School Capital Outlay Oversight Taskforce for their ongoing guidance and commitment to adequate funding for public schools statewide. The PSCOC and the PSFA staff remain committed to partnering with New Mexico's communities to provide quality, sustainable school facilities for our students and educators today and for years to come.

Cordially,

— CAPITAL FUNDING AND PROJECT DELIVERY —

■ FY14 PSCOC awards total \$217.8 million for 102 individual school projects throughout New Mexico. The complete list of awards, including lease assistance and facility master plan awards and supplemental funding for existing projects are as follows:

- 23 planning and design awards : \$11.2 million state match
- 19 phase 2 construction awards : \$187.5 million state match
- 21 supplemental funding and emergency awards : \$24.3 million state match
- 22 roof awards : \$9.6 million state match
- 97 lease assistance awards to 91 charters and 6 public schools in 21 districts: \$13.0 million
- 18 facility master planning awards: \$483,136 state match

■ In FY14, 75 percent of project funds were under contract within 15 months from date of award—a 7 point decrease from FY13.

— OPERATIONS —

■ In FY14, the PSFA annual operating budget to total awards is 3.5 percent—below the statutory limit of 5 percent.

— FACILITIES CONDITIONS —

■ The FY14 state average Facilities Condition Index (FCI) for public schools remains flat since FY10 at about 35 percent.

— PLANNING AND MAINTENANCE —

■ According to PSFA's Facility Information Management System (FIMS), we estimate district investment in preventive maintenance as a percent of total maintenance expenditures is now at 17.5 percent, a decrease from FY13 of 3.3 points.

■ At the end of FY14, 47 districts had current preventive maintenance plans—a 32 percent increase over FY13.

■ School district proficiency in using the Facility Information Management System (FIMS) remained flat at 67 percent.

■ The Facility Maintenance Assessment Report (FMAR), a tool introduced in FY13 to measure maintenance effectiveness, indicates statewide average of 60% (Poor).

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Major New School Projects in FY14
*Bernalillo High School,
Bernalillo Public Schools*



**FY14 Ben Lujan Maintenance
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*District Most Improved Award,
Pojoaque Valley Independent Schools*

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Front Cover: Broadmoor Elementary School, Hobbs Public Schools.

Back Cover: Estancia Middle School, Estancia Municipal Schools.

MAJOR NEW SCHOOL PROJECTS IN FY14

The PSCOC awarded \$217.8 million for 102 individual school projects in 45 school districts.



26 Schools Commencing Construction in FY14

SCHOOL	DISTRICT	GENERAL CONTRACTOR	ARCHITECT
• Yucca ES (Renovation)	Alamogordo	National Construction	Greer Stafford, SJCF
• Yucca ES (New)	Alamogordo	National Construction	Dekker/Perich/Sabatini
• Douglas MacArthur ES	Albuquerque	AnchorBuilt	Wright & Hammer Architects, PTRS
• McKinley MS	Albuquerque	Thompson Construction	NCA Architects
• Chaparral ES	Albuquerque	Thompson Construction	APS Staff
• Bernalillo HS	Bernalillo	HB Construction	Dekker/Perich/Sabatini
• Capitan ES/HS	Capitan	HB Construction	Dekker/Perich/Sabatini
• Naschitti ES	Central	Flintco West, Inc.	FBT Architects, AIA, LTD.
• James Bickley ES	Clovis	Bradbury Stamm Const., Inc.	PA Architects
• Bayard ES	Cobre	Tatsch Construction, Inc.	ASA Architects
• E.T.S. Fairview ES	Espanola	FCI Constructors	SMPC Architects
• Estancia MS	Estancia	Bradbury Stamm Const., Inc.	FBT Architects, AIA, LTD.
• Northeast ES	Farmington	Jaynes Corporation	FBT Architects, AIA, LTD.
• Hermosa MS	Farmington	Jaynes Corporation	FBT Architects, AIA, LTD.
• Gadsden HS Ph.2.3	Gadsden	GenCon Corporation	Alley Associates P.C.
• Desert View ES	Gadsden	GenCon Corporation	AKS Architecture
• Church Rock Academy	Gallup	Murphy Builders, Inc.	FBT Architects, AIA, LTD.
• New Elementary School	Hobbs	Bradbury Stamm Const., Inc.	Dekker/Perich/Sabatini
• Broadmoor ES	Hobbs	Bradbury Stamm Const., Inc.	Dekker/Perich/Sabatini
• Aspen ES	Los Alamos	Jaynes Corporation	Vigil & Associates Architectural Group
• Los Lunas HS Ph.2.2	Los Lunas	McCarthy Bldg. Co's of NM	Greer Stafford, SJCF
• NMSBVI Site Improvements	Constitutional School	Bradbury Stamm Const., Inc.	Bohannon Huston, Inc.
• NMSD Dillon Hall Ph.2	Constitutional School	Bradbury Stamm Const., Inc.	Dekker/Perich/Sabatini
• Valley View ES	Roswell	Holloway Construction, Inc.	Wilson & Company, Inc.
• T or C Elementary School	T or C	HB Construction	Dekker/Perich/Sabatini
• WLW Family Partnership MHS	West Las Vegas	Franken Construction Co., Inc.	Dekker/Perich/Sabatini

23 Schools with Roof Awards in FY14

ES=Elementary School MS=Middle School HS=High School

SCHOOL	DISTRICT	SCHOOL	DISTRICT
• High Rolls ES	Alamogordo	• Alameda ES	Las Cruces
• Lavaland ES	Albuquerque	• Katherine Gallegos ES	Los Lunas
• Apache ES	Farmington	• District-wide various	Mesa Vista
• Bluffview ES	Farmington	• Pecos ES	Pecos
• Mesquite ES	Gadsden	• Pablo Roybal ES	Pojoaque
• Santa Teresa HS	Gadsden	• Pojoaque HS	Pojoaque
• Crownpoint HS	Gallup	• Mountain View MS	Roswell
• Navajo Pine HS	Gallup	• La Plata MS	Silver
• Stagecoach ES	Gallup	• Tularosa Intermediate School	Tularosa
• Milan ES	Grants	• Tularosa MS	Tularosa
• San Rafael ES	Grants	• West Las Vegas HS	West Las Vegas



A discussion with Public School Capital Outlay Oversight Taskforce (PSCOOTF), and Public School Capital Outlay Council (PSCOC) members on looking forward.



Representative Rick Miera

The Zuni lawsuit is one of the best things that happened to the state of New Mexico. Prior to the lawsuit, we relied on local districts to build and improve their schools, but many were too poor or ill equipped. The lawsuit forced us to do the right thing: whatever it takes, wherever you are, you are going to get the help you need to provide the facilities, services, and educational opportunities that your students deserve.

Under the guidance of the Public School Capital Outlay Council (PSCOC) and the Public School Capital Outlay Oversight Taskforce (PSCOOTF), the PSFA has developed and implemented standards-based processes, objective measures, and rankings to determine the fair and equitable allocation of state funds.

The PSFA is a common sense agency. They come in early in the design and planning process to provide oversight at the local level, making sure districts construct buildings properly – with not only the right type of roof and HVAC systems but also preventive maintenance plans and adjustments for modern technology.

Sustaining success will be a challenge. The times require facilities that meet ever-changing educational needs of students. —Miera

Sustaining success will be a challenge. The times require facilities that meet ever-changing educational needs of students. Ultimately, it is the legislature that is responsible for sustaining the current level of excellence and for providing the PSFA with the funding it needs to build, restore, and maintain New Mexico schools, both now and in the years to come.



Senator Sander Rue

Our system works. The PSFA, the PSCOC, and the PSCOOTF are unique among state agencies; they are a national model in terms of how our system functions, its structure, and its oversight.

Although their work is complex and challenging, they excel at recognizing needs, ranking them, then correcting deficiencies. Using cutting-edge best practices and meticulous planning, they interact with many interest groups – schools, districts, the legislature, communities – to determine exactly what must be done, how much it will cost, and how to quickly get projects moving. It’s an efficient use of everyone’s time and the limited resources available.

Upcoming challenges include integrating technology into the classroom. Technology is changing the world and we must embrace it. In addition to “bricks and mortar” issues, the PSFA must now design today’s school facilities with technology in mind. An essential modern learning tool, technology is required for computerized testing and for student success in the 21st century.

With support from the PSCOC and PSCOOTF, the PSFA must construct and rehabilitate schools – including those in rural areas – to accommodate new technology; they must make space, alter wiring, and add outlets, among other things. Schools must be equipped with systems that serve both current and future needs. The legislature has passed legislation that includes technology in facility design. With limited resources, the PSFA is currently analyzing how to reallocate funds to address this deficiency.

Technology is changing the world and we must embrace it. —Rue

VIEWS FROM THE ROUND HOUSE



DFA Secretary
Tom Clifford

In 2002, in response to the Zuni lawsuit, the court ordered the state to establish and implement a uniform funding system for school facilities. As a result, with oversight from PSCOC and PSCOOTF, the PSFA was created to ensure that all public school buildings in New Mexico provide a safe, secure, and healthy environment for learning, while simultaneously making efficient use of state and local resources.

As Secretary of the Department of Finance and Administration as well as a PSCOC member, I am concerned that we continue to manage state money with prudence and care. Every capital project requires close analysis to determine its necessity. Moving ahead, we must continue to improve our budget planning process, become more consistent in awarding project funds, and do so in a timely manner.

I am concerned that we continue to manage state money with prudence and care. Every capital project requires close analysis to determine its necessity. Moving ahead, we must continue to improve our budget planning process. —Clifford

Over the past twelve years, the quality of our school facilities has improved statewide, a fact supported by objective measurements; the data – the FCI and wNMCI – both show dramatic improvement over time. This is clearly a success story for the PSCOC, PSFA, and for our system of checks and balances mandated by the Zuni lawsuit.

The PSFA has also established cooperative, friendly, and professional working relationships with local stakeholders. Some districts struggle with turnover and limited financial resources; the PSFA helps them work through their is-

issues. They provide consistent support to districts throughout the state, working diligently to educate districts and encourage a thoughtful approach to planning and managing projects.

One ongoing challenge on the local level is maintenance, which remains less than satisfactory despite the PSFA's efforts to change this. Many schools neglect maintenance until systems, equipment, and facilities are beyond repair. The legislature should support the PSFA by allocating funds to support preventive maintenance and protect the state's investment.

Because funding these projects is a major financial commitment by the state, ongoing success depends on continued focus and dedication from the PSFA and policy guidance from the PSCOC and the legislature.



LESC Director
Frances Maestas

As Director of the Legislative Education Study Committee (LESC) and a member of the Public School Capital Outlay Council (PSCOC), I have watched the condition of our public schools improve immensely since 2002, when the PSFA was created. In 2003, the average public school facility condition index (FCI) was 71%, a figure that reflects the cost of repairs to transform a school into an adequate educational facility. Today, the average statewide FCI is 35.5%.

By working together, the PSFA and PSCOC have created a measurable and transparent process that prioritizes funding to schools that need the most help. They focus on providing well-designed, energy-efficient, and sustainable schools for students and educators throughout New Mexico. To me, this represents the biggest milestone and success of the PSCOC and PSFA: creating great buildings that support great learning.

Since inception, the PSCOC has allocated \$5.6 billion in state and local funds. To protect the state's investment in new construction and renovation projects, the PSFA works closely with school districts to encourage ongoing, preventive maintenance. Despite PSFA's efforts, many schools continue to defer or disregard maintenance until systems, equipment, and facilities wear out earlier than their estimated 40-50 year lifespan; state investments degrade rapidly. Only a serious commitment to improving public school maintenance will protect the state and districts' investment in school facilities.

Going forward, we must also successfully transition to a 21st century learning environment, most notably by equipping public schools with broadband Internet access. With two new computer-based state assessments put into effect in 2014, this issue can no longer be ignored. During the 2014 legislative session, LESC-endorsed legislation was enacted to allow the PSCOC to expend up to \$10 million annually for five years to correct a statewide education technology deficiency. In the years to come, the widespread implementation of technology initiatives will be an ongoing challenge for the PSCOC, the PSFA, and our schools – particularly those in rural areas.

Only a serious commitment to improving public school maintenance will protect the state and districts' investment in school facilities.... Despite PSFA's efforts, many schools continue to defer or disregard maintenance until systems, equipment, and facilities wear out. —Maestas

PSFA LOOKING FORWARD

A brief overview from Bob Gorrell



Bob Gorrell

Director, PSFA

School facilities are important, and New Mexico's K-12 schools capital assistance is recognized nationally as a model for efficiency and equitable project prioritization. Over the past fourteen years, \$5.6 billion from state and school district sources has been invested towards improving our school facilities, which is comprised of \$2 billion from the State and \$3.6 billion from local governances. In the first nine years, the average statewide Facility Condition Index (FCI) declined (lower is better) from 71% (\$710 needed repairs for \$1,000 replacement value) to 35% (\$350/\$1,000). The FCI is the nationally accepted comparable facility condition metric and the improvement overall is heartening. While the improved conditions have held at about 35% FCI over the last five years, the PSFA's facility condition database calculates that the FCI may worsen without better maintenance and adequate spending (see page 16 of this report). With a replacement value of over \$21 billion, on par with all roads in

the State, our investment in school facilities is worthy of protecting.

The PSCOC strategized in 2011 on how to sustain the improvements gained and identified three tactics: 1) increase overall facility spending; 2) reduce the total statewide square footage of our schools; and, 3) improve facilities maintenance. State investment spending

or "right sizing" of a school has the advantage of making our schools more sustainable by trimming both current and future capital requirements, and lessening maintenance demands. It is a challenging process and it begins with early and honest community planning discussions about what is absolutely necessary to support educational

New Mexico is recognized nationally as a model for efficiency and equitable project prioritization. Since FY10, the average statewide facilities condition has stabilized at about 35% FCI.

will be challenged by reduced energy prices and by other competing needs.

Reducing the gross square footage of schools will require reductions from the status quo. The size (footprint) of New Mexico's schools has increased about 1% per year over the last fifty years. The proper

functions. The PSCOC requires effective school planning to evaluate educational spaces so they will fully support educational functions without under-utilization. In small schools, this often requires multi-use spaces. Assuming facility funding will remain challenged, every community must, on a case-by-case



basis, consider the tough work of right sizing.

Since 2001, the PSCOC and the Public School Capital Outlay Task Force (PSCOOTF) have considered ways to improve maintenance, but it is a complex problem with significant constraints. The legislature increased SB9 by 300%, but evidence of improved maintenance is not apparent and information on how maintenance funds are expended is profoundly lacking. Accounting codes are limited, and those allowed are either too narrow or too broad for any meaningful analysis of maintenance expenditures.

We near completion of a statewide baseline of maintenance effectiveness. Using the PSFA Facilities Maintenance Assessment Report (FMAR) introduced in 2012, a 70% score indicates that a facility will reach its full expected life. The statewide FMAR average is currently 60.0%, and if it can be raised to 70%, the PSFA estimate that \$30–40M of annual capital spending can be avoided. Each school's FMAR score is explained to district administrators and school boards and offer immediate opportunities for improvement.

Identifying needed maintenance is improving, but getting the work done remains challenging. Facilities management, the overall skills to own and operate multi-million dollar facilities, was once a part of a school administrator's licensing, but is no longer. Day-to-day main-

tenance work, even simple parts exchange done by many homeowners, requires licensed contractors and journeymen to do the same work in schools. Incongruously, the same regulations prohibit districts from developing their own journeymen. Simple parts exchange is on one end of the maintenance conundrum, and at the other is a lack of skilled personnel to operate modern digital building systems.

Improving maintenance will require common sense reforms to accounting and construction regulations, staff improvement including training and skill certifications,

demolish under-utilized space from existing schools.

Finally, work has begun on the statewide Broadband Deficiencies Correction Program (SB159-2014) to correct broadband speeds to an adequate level in all K-12 schools. Connection to the internet is a part of 21st Century education. In June, the PSCOC authorized the PSFA to begin the work of assessing the current statewide broadband infrastructure and to then bring back, near the end of 2015, recommendations for corrections that include both initial corrections and out-year operating costs. It is an-

Work has begun on the statewide Broadband Deficiencies Correction Program to correct to an adequate level broadband speeds in all K-12 schools.

and maintenance budgets that can be analyzed for effectiveness and retain adequate qualified personnel.

A new capital spending strategy that can improve maintenance effectiveness by reducing work load, as well as reduce wasted operational dollars, will again be considered by the 2015 Legislature. Known as the Building Systems Program, and patterned after the expired but successful Roof Program, it would enable the PSCOC to target the replacement of building systems such as roofs, lighting, HVAC, etc. and to

anticipated that broadband adequacy corrections will begin in early to mid-2016.

Decent well-functioning school facilities benefit children, communities, and our State. Sustaining the facilities condition gains that have been achieved is doable, but not without change, and sufficient spending which also happens to create jobs¹.

¹ George Mason University: Each \$1M in new building construction (school facilities) spending supports 28.5 full-time, year-round equivalent jobs.

PROJECT MANAGEMENT THE PSFA WAY

A brief overview of PSFA's web based construction information management system from Jeff Eaton.



Jeff Eaton

Director of Bus. Ops. PSFA

Construction is a complex process and always has been. As technology has evolved, the systems to manage projects have evolved with it and PSFA leverages technology to improve the process, project accountability and project outcomes.

PSFA uses a web-based software, e-Builder. At any given time PSFA manages over 200 school construc-

tion projects. From award through design, construction, occupancy, and the 11 month warranty period, more than five years can pass. Successful completion depends on good processes and effective communication and record keeping and web-based project management makes this possible.

Year-round, PSFA and our district co-owners manage projects with multiple players. By using a web-based management system, PSFA workflow is consistent and streamlined, project management becomes a repeatable, predictable process for all participants: owners, design professionals, general contractors, project managers and accounting staff. PSFA's system has 26 unique processes tailored to our specific needs and the system produces useful, actionable reports, and financial tracking. Both efficient and effective, this system optimizes the allocation of limited



resources and better assures that all of New Mexico's public school students have the facilities they need to learn effectively.

Each project manager at PSFA has 10 or more active projects to administer. With this kind of workload, "management by exception"

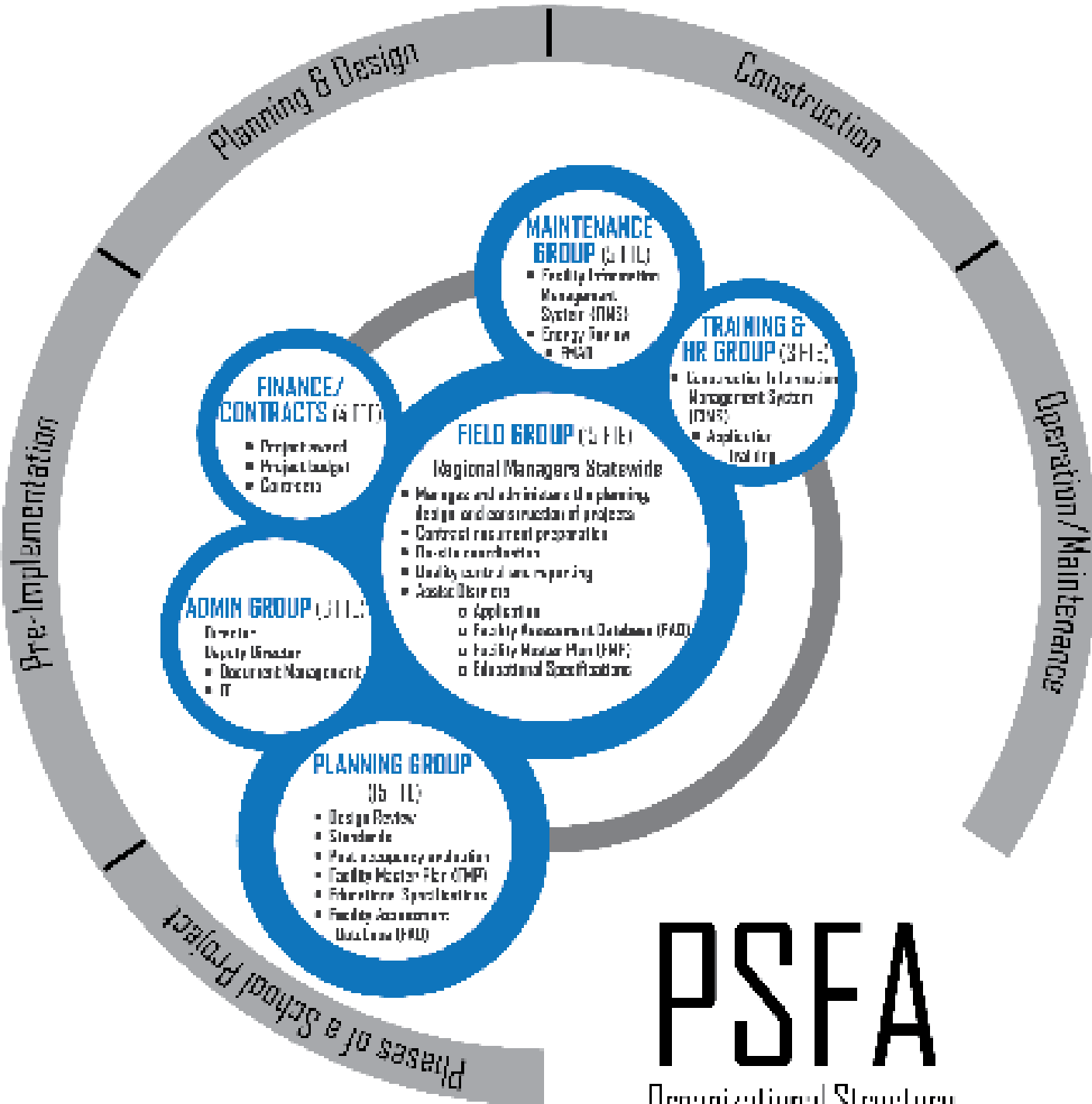
(meaning that managers need only focus on bottlenecks or problems, freeing up time for higher-level decision-making) -is crucial.

The e-Builder system minimizes disputes and misunderstandings. Established processes and tasks are date-stamped at each step for true "ball-in-court" accountability.

Implementing the new technology requires training. PSFA provides monthly classes and dedicated support to project team members. In fact, if a school district accepts state funds, use of the system is required. Going forward, we know that some processes will change. The good news is, the adaptable, customizable system will change with us.

FY14 e-Builder Training
10 classes
92 enrolled
77 participants
Average satisfaction rating: 4.5
(on scale of 1 to 5)

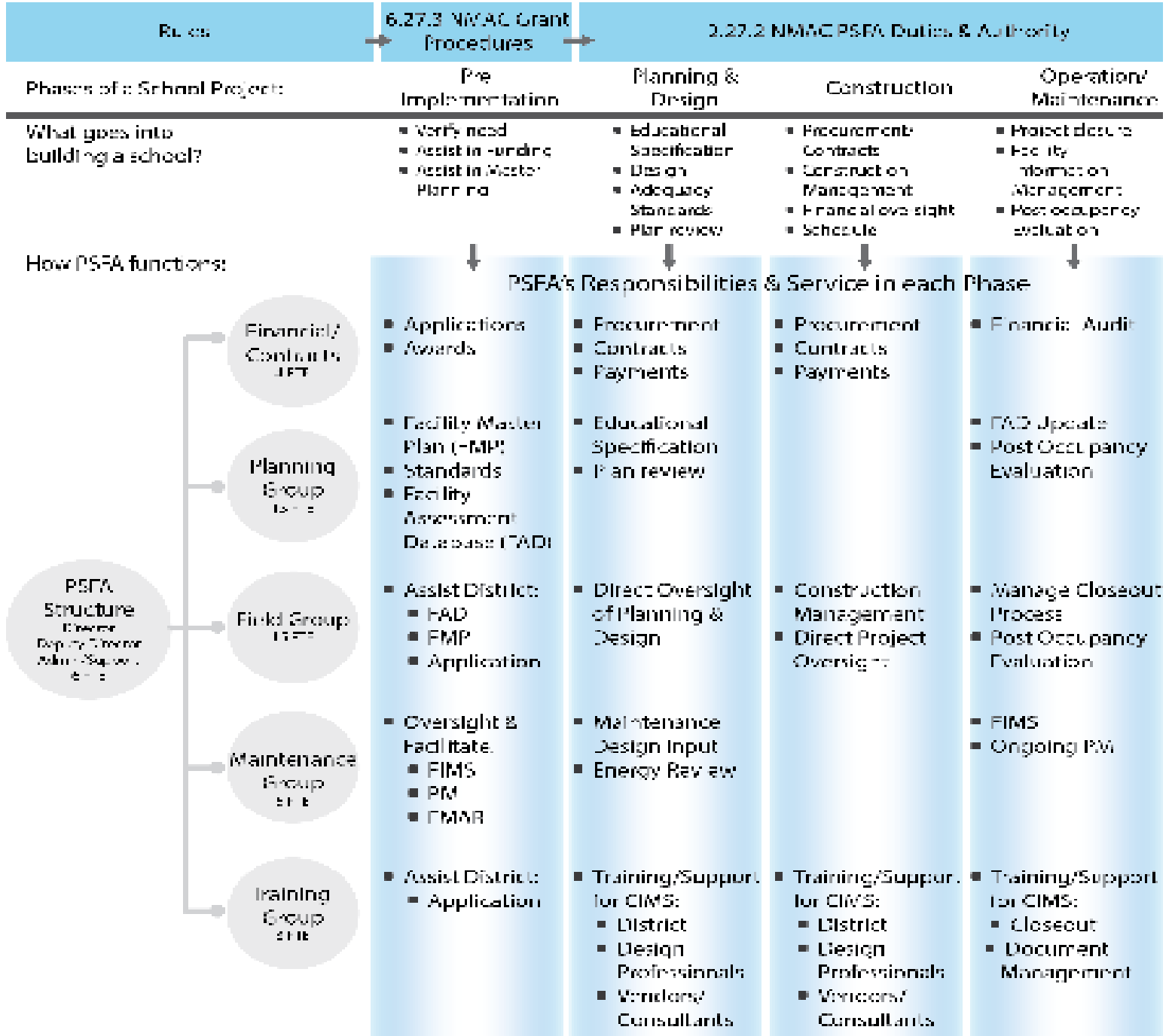
PROCESS AND ORGANIZATIONAL STRUCTURE OF THE PUBLIC SCHOOL FACILITIES AUTHORITY



PSFA
Organizational Structure

PROCESS AND ORGANIZATIONAL STRUCTURE OF THE PUBLIC SCHOOL FACILITIES AUTHORITY

The Public School Facilities Authority (PSFA) serves as staff to the Public School Capital Outlay Council. To assist districts in the planning, construction and maintenance of their facilities, to assist in training district facilities maintenance staff, and to implement systems and processes that establish adequate public school facilities throughout New Mexico via efficient and prudent use of funds.



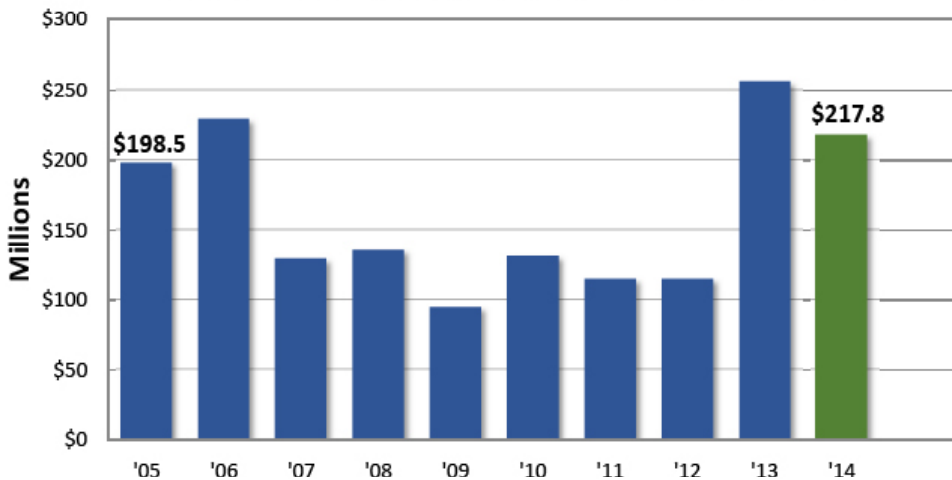
School Facility Conditions and Learning Outcomes

- Students who receive instruction in buildings with good environmental conditions earn test scores that are 12 percent higher than scores for students in substandard buildings.
- Schools with better conditions have up to 17 percent lower suspension rates.
- Substandard physical environments are strongly associated with truancy and other behavior problems in students.
- Student achievement scores tend to decrease as the school building ages by as high as 9 percent, depending on maintenance factors.

Source: U.S. Manufacturing Institute

FINANCIAL AND OPERATIONAL DATA

PSCOC Standards-Based Awards History FY05 - FY14



In FY14, standards-based capital outlay awards totaled \$217.8 million for 102 school construction projects and facility planning needs in 45 school districts**, a decrease of 16 percent from FY13.

***Charter schools lease assistance awards not included.*

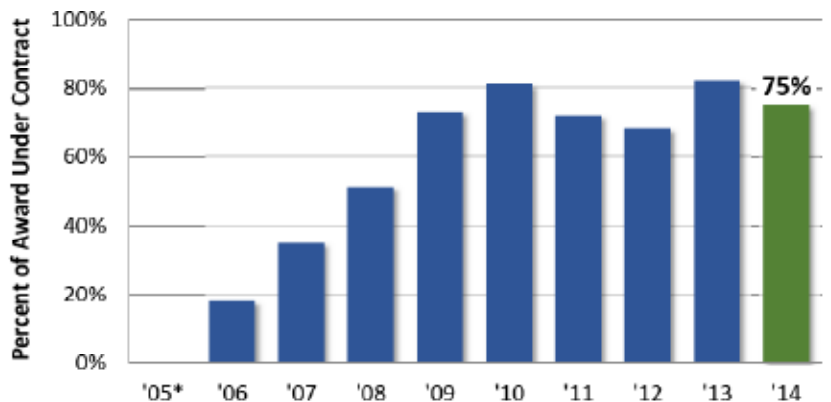
Percent of Award Dollars Under Contract Within 15 Months From Date of Award

The PSCOC practices “just-in-time” (JIT) funding, with 75 percent of project funds under contract within 15 months from date of award—a 7 point decrease from FY13.

PSCOC’s innovative two-phase funding system is designed to reduce construction costs while completing projects in a timely manner.

**Data not available; first awards made in July, 2004.*

HIGHER IS BETTER

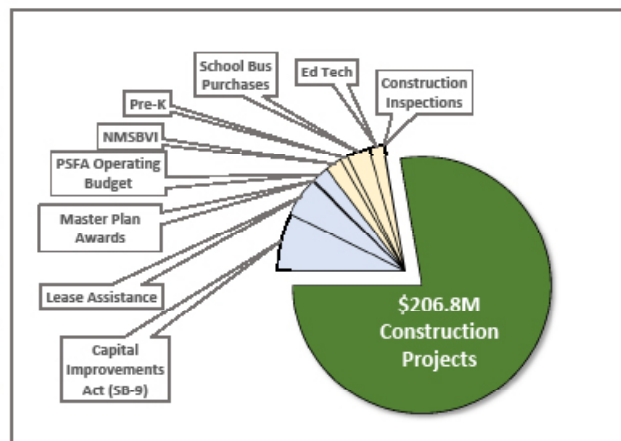


Supplemental Severance Tax Bond (SSTB) Uses by PSCOC in FY14

SSTB’s are funded from state extraction taxes on oil, natural gas and other minerals. They are the sole source of funding for PSCOC.

SSTB’s became a source for school capital outlay in 2002 as a result of the Zuni Lawsuit.

	(millions)
Construction Inspections	\$0.2
Ed Tech	\$5.0
School Busses	\$7.4
Pre-K	\$2.5
NMSBVI	\$5.5
PSFA Operating Budget	\$5.6
Master Plan Awards	\$0.5
Lease Assistance	\$13.0
Capital Improvements Act (SB-9)	\$19.8
Construction Projects	\$206.8
TOTAL:	\$266.3

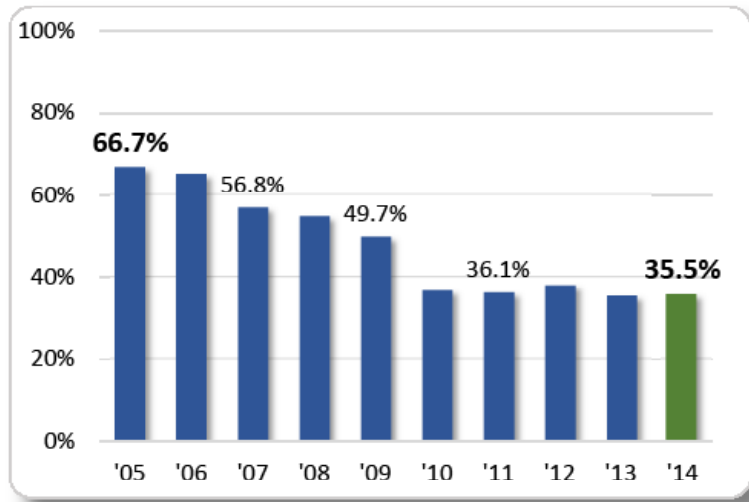


FINANCIAL AND OPERATIONAL DATA

New Mexico Average Facilities Condition Index (FCI)* for School Buildings

A key performance measure for public school building condition is the average Facilities Condition Index (FCI). The current FCI stands at 35.5 percent, improving by 21.2 points since FY05.

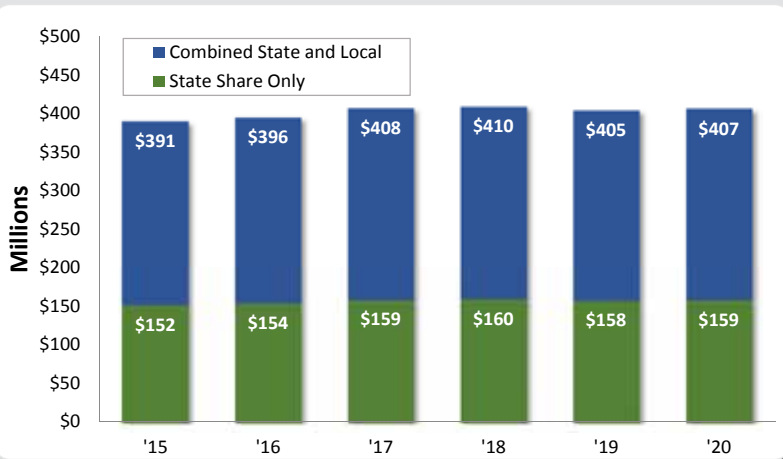
FCI indicates the level of repair needed for a facility. If a building costs \$100,000 and has an FCI of 35.5 percent, that building needs \$35,500 in repairs. Despite significant progress in the average, many school facilities in small school districts in New Mexico remain in less than ideal condition.



LOWER IS BETTER

*FCI = brick and mortar facility condition only.

Estimated Funds Required to Maintain the Current FCI



To maintain the current FCI over the next six years, it is estimated an average of \$403 million annually would need to be invested in school facilities. State funding currently represents 39 percent of school construction, so funds from the state share needs require an average of \$157 million per annum over the next six years.

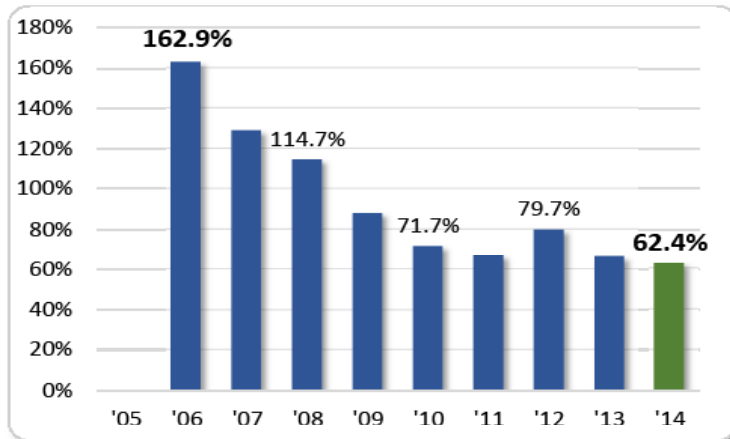
At lower funding levels, degradation exceeds renovation/repair and facilities start to decline.

$$\text{Statewide FCI (\%)} = \frac{\text{All depleted systems replacement costs} + \text{All undepleted systems repair costs}}{\text{All systems replacement costs}}$$

Average wNMCI for Top 30 Schools on Ranked List**

**wNMCI = FCI + FACILITY'S ABILITY TO SUPPORT EDUCATIONAL FUNCTIONS.

The wNMCI measures the physical condition of the school and the facilities ability to deliver the educational program needs. Like with FCI, it reflects the facilities overall condition; however, it also includes the cost needed to meet educational program delivery needs (the addition of a science lab, for example). Needs are weighted for urgency. Like FCI, the wNMCI is expressed as a percentage and a lower number reflects a building better able to deliver the program delivery needed for a particular facility.



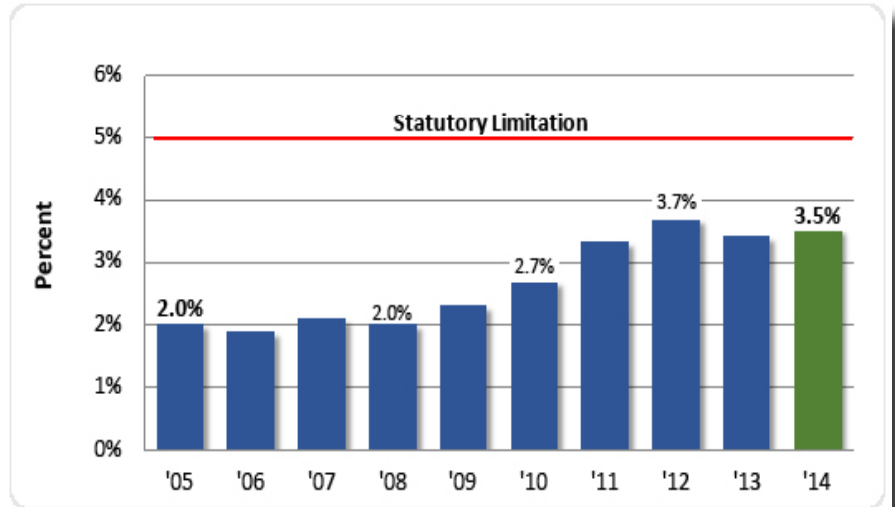
LOWER IS BETTER

FINANCIAL AND OPERATIONAL DATA

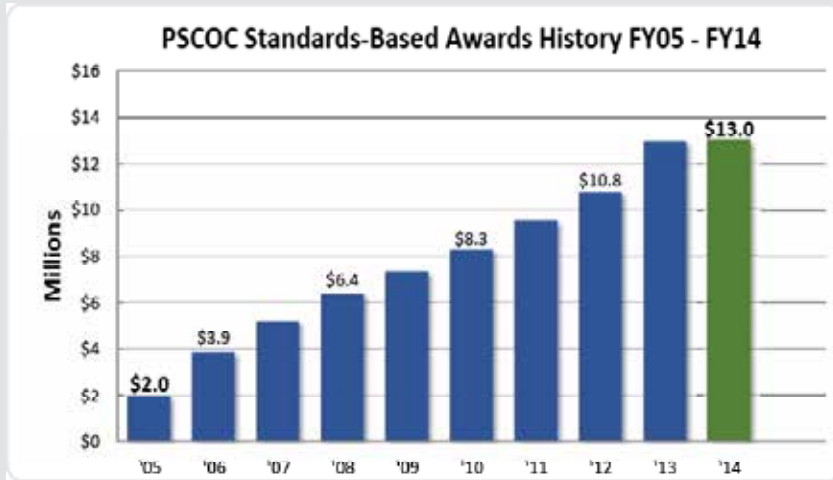
PSFA Operational Budget as a Percent of Annual Capital Outlay Awards

PSFA's current budget of 3.5 percent is well below the statutory limit of five percent.

Public School Capital Outlay Act Section 22-24-4 NMSA: (1) states, "the total annual expenditures from the fund for the core administrative functions pursuant to this subsection shall not exceed five percent of the average annual grant assistance authorized from the fund during the three previous fiscal years."

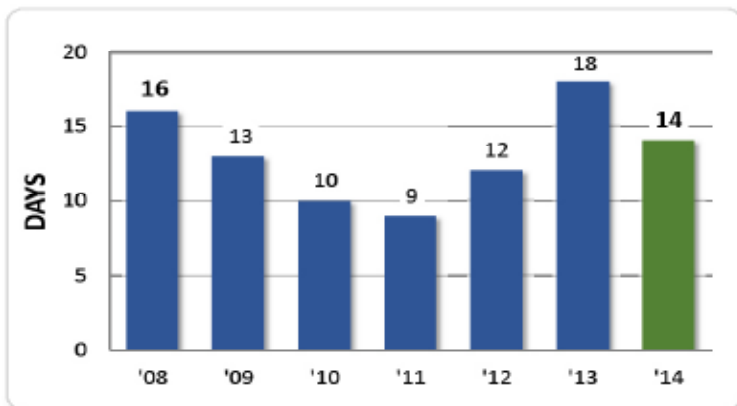


Lease Payment Assistance Awards for Charters and Public Schools



In FY14, the PSCOC awarded \$13 million for lease assistance to 91 charters and 6 public schools in 21 districts. Lease payment assistance is flat from FY13 levels.

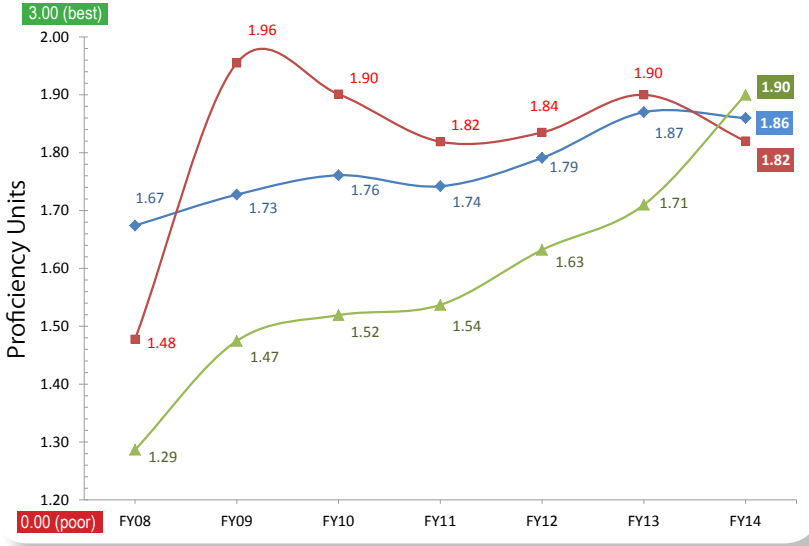
Plan Review Processing Time



The PSFA's unique rapid Plan Review process allows school construction projects to qualify for building permits more quickly. By maintaining project schedules and avoiding delays, state and district costs can be lowered substantially. Currently, plan review processing time for FY14 is 14 days.

FINANCIAL AND OPERATIONAL DATA

School District Facility Information Management System (FIMS) Proficiency Progression



School district proficiency in all three components of the New Mexico FIMS continues to trend upwards steadily. Statewide FIMS users on average are **Developing Users**:

The work order system:

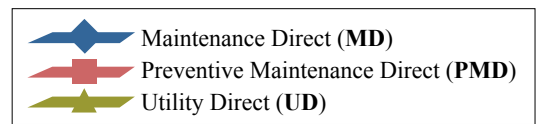
MD users = 1.86

Preventive Maintenance work order scheduling module:

PMD users = 1.82

Utility cost and usage collection module:

UD users = 1.90

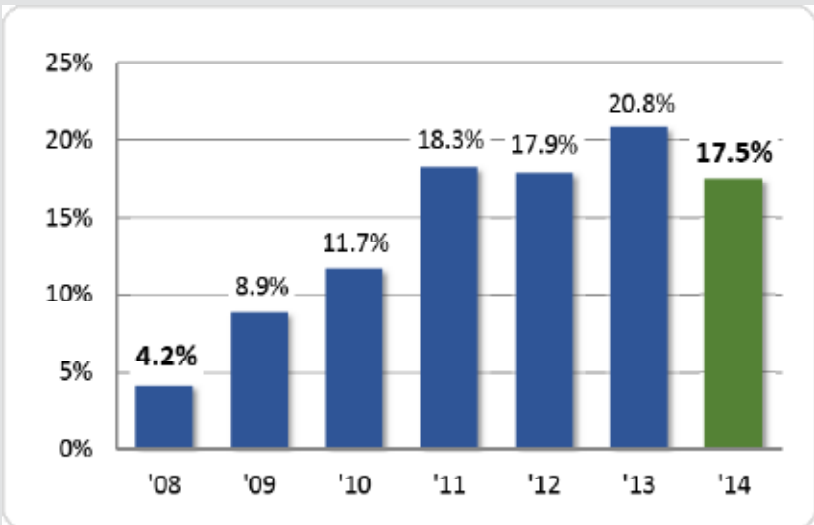


District Preventive Maintenance (PM) as a Percent of Total Maintenance Expenditures

School district investments in preventive maintenance as a percent of total maintenance expenditures is now at 17.5 percent—a decrease from FY13 of 3.3 points.

*Studies indicate that every \$1 invested in preventive building maintenance can eliminate up to \$3 in maintenance expenditures overall.

*SOURCE: FIMS GLOBAL DATA



2014 Stakeholder Survey

	School Districts		Charter Schools		Design Professionals & GC's				
	2011	2014	2011	2014	2011	2014			
Question 1: Overall, what impact has PSFA had on improving public school facilities and facilities funding in New Mexico?	Negative/No Impact	19%	13%	Negative/No Impact	22%	15%	Negative/No Impact	29%	14%
	Positive/Very Positive	81%	87%	Positive/Very Positive	78%	85%	Positive/Very Positive	71%	86%
Question 2: Overall, what impact have your working relationships with PSFA staff had on improving public school facilities & facilities funding in New Mexico?	Negative/No Impact	25%	24%	Negative/No Impact	42%	35%	Negative/No Impact	44%	25%
	Positive/Very Positive	75%	76%	Positive/Very Positive	58%	65%	Positive/Very Positive	56%	75%

BEN LUJAN MAINTENANCE ACHIEVEMENT AWARDS



POJOAQUE VALLEY MUNICIPAL SCHOOLS

L to R: Fred Vigil (PRES Maintenance), John Valdez (PVMS/SGA Maintenance), Ray Santos (PVHS Maintenance), Bob Gorrell (Director, PSFA), Terry Cummings (Director of Operations), Cabinet Director Michael Heitz (Office of Governor), Carlos Martinez (PVMS Maintenance), Jason Suazo (Maintenance Supervisor), & Robert Espinoza (PVMS Maintenance).

MOST IMPROVED AWARDS:

**POJOAQUE VALLEY SCHOOLS
QUESTA INDEPENDENT SCHOOLS**

CONTINUED ACHIEVEMENT AWARDS: RECOGNITION FOR SKILLS AND COMMITMENT

5A	WINNER:	RIO RANCHO
	RUNNER UP:	GADSDEN
4A	WINNER:	FARMINGTON
	RUNNER UP:	ROSWELL
3A	WINNER:	PORTALES
	RUNNER UP:	RATON
2A	WINNER:	TUCUMCARI
	RUNNER UP:	DULCE
1A	WINNER:	WAGON MOUND
	RUNNER UP:	ELIDA

LIFETIME SERVICE AWARD:

FRANK ORTEGA, BELEN SCHOOL DISTRICT

THANK YOU MR. ORTEGA, FOR DEDICATING YOUR CAREER TO IMPROVING BELEN SCHOOL DISTRICT MAINTENANCE.

INDIVIDUAL/TEAM AWARDS:

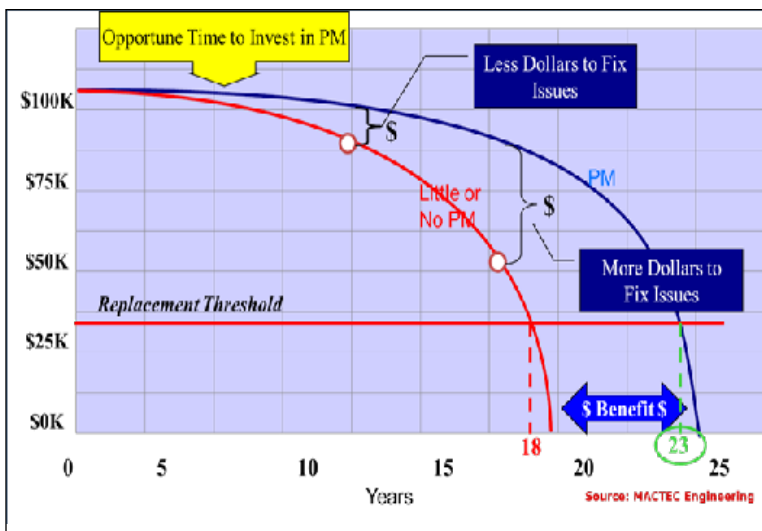
RECOGNITION FOR SKILLS AND COMMITMENT

CENTRAL—Kathy Smiley	WAGON MOUND—Perfecto Olguin
CENTRAL—Sheba Joe	DEMING—Team
GADSDEN—Guadalupe Ontiveros	FARMINGTON—Team
HATCH—Sisto Aguilera	LOVING—Team
LAS CRUCES—Carlos Muñoz	NMSD—Team-Special Schools
NMSD—Jose Romero	PENASCO—Team
ROSWELL—Jimmy Clements	TUCUMCARI—Team
ROSWELL—John Dean	
ROSWELL—Sean Benedict	
WAGON MOUND—John Romero	

In FY14, Maintenance Achievement Awards were made to 19 school districts and 18 staffers/teams who have demonstrated progress in developing effective maintenance management practices and programs.

PROTECTING THE INVESTMENT: MAINTENANCE OF SCHOOL FACILITIES

When District leaders include school facility maintenance as a priority and utilize performance measures, maintenance improves. Expenditures for preventive maintenance have a 3:1 return on investment by reducing reactive maintenance and avoiding premature capital renewal costs.



Yet, for FY14 districts have self-reported to PSFA that their spending for preventive maintenance, as a percentage of total maintenance expenditures, decreased 15.8% from FY13 expenditures. This could be the result of disproportionately high reactive maintenance expenditures due to failing building systems, or simply reduced overall maintenance budgets.

Educational programs demand focused and constant attention for success. Preventive maintenance can be ignored or deferred until failure, such as a leaking roof, halts learning. Deferred maintenance is expensive, and often the leaders who ignored maintenance are long gone when the high costs for emergency repairs or pre-mature replacement must be paid. Maintained properly, the lifecycle of a school is 40-50 years.

MAINTENANCE MATTERS

FMAR MEASURES

Site - maintained conditions of paved surfaces, sidewalks, grounds, playgrounds, site drainage and utilities.

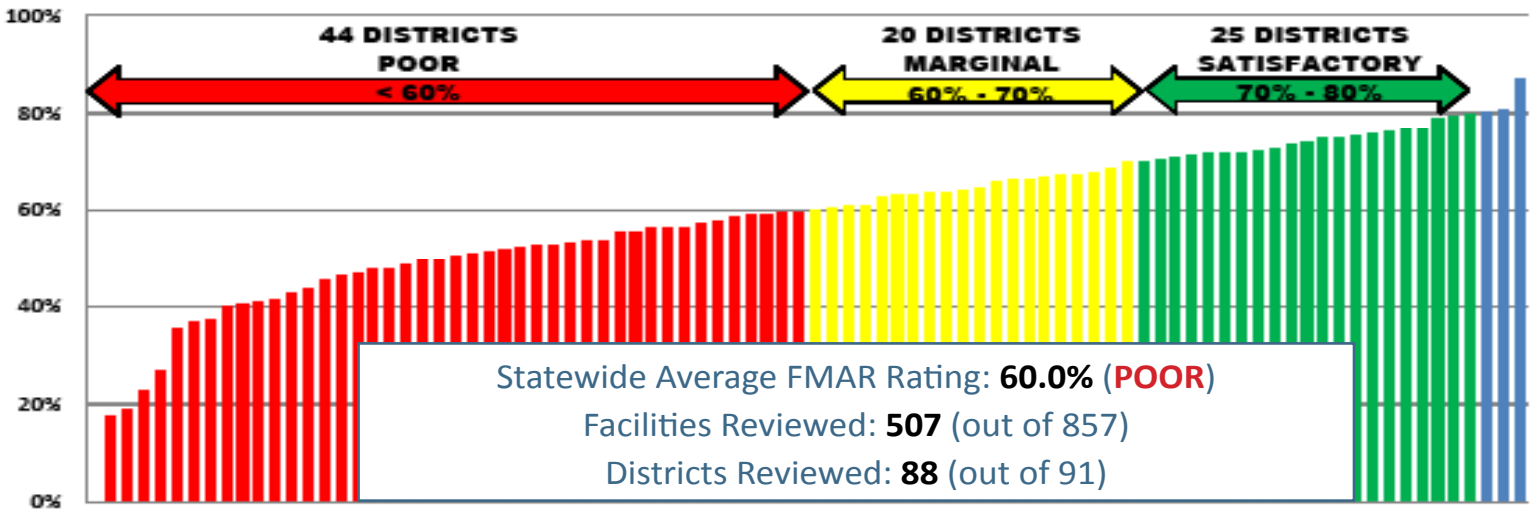
Exterior - maintained conditions of wall finishes, windows, entry doors, roofs, flashings and gutters.

Interior - maintained conditions of all interior components including, wall, floors, stairs, doors, restrooms and general housekeeping practices.

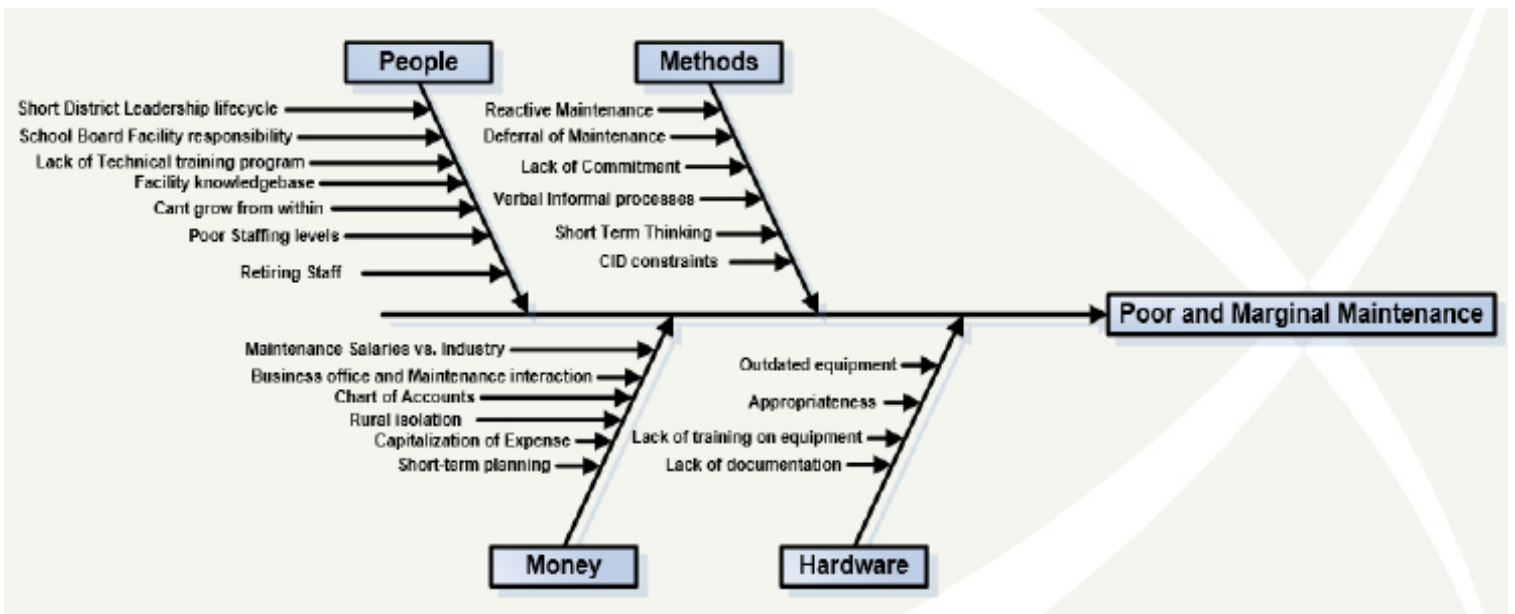
Equipment - maintained conditions of electrical, lighting, fire protection, HVAC (including filters), kitchen and plumbing systems.

Management - practices and documentation, quality of the PM plan, FIMS use, staff development, maintenance safety, contractor oversight and identification of capital needs in the Facility Master Plan.

The Facility Maintenance Assessment Report (FMAR), introduced in 2012, is a tool to analyze how well a school is being maintained. FMARs are reviewed with each school's staff and district leadership and offer objective data-driven constructive feedback including critical maintenance deficiencies. PSFA's Maintenance Division specialists provide consultative services to assist school districts in establishing and optimizing effective maintenance programs that extend the life of the facilities and provide cost-effective and reliable learning environments.



There are many obstacles and constraints to good maintenance that must be overcome. Some major contributors are high leadership turnover, lack of management skills, limited technical skills, little training, low salaries, reactive versus proactive maintenance, and outdated equipment. Some of the constraints to improvement are ineffective maintenance accounting codes, unrealistic construction industry regulations, and the sheer scale of maintenance needs versus resources found at many schools with failing building systems.



ABOUT US AND CONTACT INFORMATION

New Mexico Public School Capital Outlay Council (PSCOC)

The PSCOC has been directed by the New Mexico Legislature to manage the allocation of state funding to public school facilities statewide. Consisting of members representing Executive & Legislative branches as well as representatives of school districts, the Council oversees the various programs administered by the Public School Facilities Authority (PSFA).

By statute, no later than December 15 of each year, the Council shall prepare a report summarizing its activities during the previous fiscal year and submit to the Governor, LFC, LESC and PEC.

Public School Facilities Authority (PSFA)

The PSFA serves as staff for the PSCOC by overseeing state funded projects & programs. Dedicated staff also assist with facility maintenance initiatives that promote and protect the prudent use of funds.



Financial & Administrative Support - The Administration Division is responsible for managing overall agency operations, administering the application and awards process, budgets, contracts and compliance with state laws, rules and protocols. Human Resources (HR) oversees personnel services, benefits administration and employee relations. Training staff serve customers on a range of topics and systems. The Division provides overall support to all other agency divisions.



Project Planning - The Planning Division provides master planning assistance to school districts and reviews projects in the design stage for state code compliance and to the PSCOC adequacy standards. The Division develops and maintains adequacy standards, planning guidelines and building standards. The Division has a staff of facility assessors who assist in maintaining the statewide Facility Assessment Database (FAD) used to monitor facility conditions and rank school facility needs statewide.



Project Management - The Field Division is the main point of contact to school districts. With regional managers living and working in the districts they serve, they provide valuable assistance in a wide variety of school facility related matters: facility standards, guidelines, and identifying potential projects for state match funding. After an award, budgeting, procurement, and project management and oversight are managed in close partnership with school districts as co-owners.



Facility Maintenance - The Maintenance Division provides consultative services in an effort to assist school districts in establishing and optimizing their maintenance programs. This program focuses on preventive maintenance strategies in an effort to extend the life of the facilities and their systems. The goal is assessing local facility management challenges and developing real-world solutions for operational cost-reduction while providing safe, healthy, and reliable environments in support of the state's educational process.



Information Support - The Systems Support Division is responsible for managing a multitude of systems that support school districts facility needs and the agency's mission.

PSCOC and PSFA Contact Information

Phone: 505-843-6272 Fax: 505-843-9681

website: www.nmpsfa.org



State of New Mexico
Public School Facilities Authority
1312 Basehart Rd SE, Suite #200
Albuquerque, NM 87106-4365



The Estancia Middle School ground-breaking held on September 4th, 2013. The school was built by the community of Estancia and Estancia Municipal Schools with project and funding assistance from the State of New Mexico.