

State / Local Match Funding Formula and Local Match Reductions

New Mexico Public School Facilities Authority

Public School Capital Outlay Oversight Task Force

July 1, 2024

Agenda



- Capital Outlay Funding Formula (State / Local Match) Overview & Issues
 - Legislative History
 - Operation & Elements
 - Historic State/Local Match Percentages
 - Potential Alternatives
- Local Match Reductions (Waivers)
 - Need
 - Statute
 - Issues
 - Case Studies
 - Potential Solutions

History of the State/Local Funding Formula

2001 Legislature

- Responding to the court order from the Zuni Lawsuit, to “establish and implement a uniform funding system for capital improvements... and for correcting past inequities”
- Created the Deficiencies Correction Program (DCP) to identify and correct serious life, health, safety deficiencies in schools statewide, these projects were 100% state funded

2003 Legislature

- Concern that additional state funding through DCP would not change less wealthy districts’ bonding capacity, while allowing wealthy districts to build superior facilities
- Enacted state / local share funding formula
- Availability of school district revenues from both bond levies and direct mill levies
- Relative property tax wealth, measured by assessed property tax valuation per student
- Total mill levy applicable to residential property of the district

State/Local Funding Formula – Phase 2

2018 Legislature: Senate Bill 30 (SB 30 / aSFI#1 / aHEC)

- Changed the proportion of state and local funding to potentially allow the state to fund more projects by intentionally increasing the local match and decreased the state match
- Gradual Phase-in from existing formula (Phase 1) to new formula (Phase 2)
 - FY19 100% of phase one formula
 - FY20 80% of phase one formula and 20% of phase two formula
 - FY21 60% of phase one formula and 40% of phase two formula
 - FY22 40% of phase one formula and 60% of phase two formula
 - FY23 20% of phase one formula and 80% of phase two formula
 - FY24 100% of phase two formula
- Overall, the transition has resulted in higher local matches and lower state matches

	FY20	FY21	FY22	FY23	FY24	FY25
Average local match	60%	61%	64%	68%	70%	72%
Districts with maximum 94%	0	19	23	28	41	46

State/Local Funding Formula

Current Use

- The match formula was developed to generate an objective means for calculating the local match percentages.
- The current formula calculates local match percentages such that a school's physical space needs, including estimated costs to replace or repair infrastructure, are related to a district's ability to pay for repairs and replacement.
- When the state/local match formula was originally created, the purpose was to objectively assign the local match percentages to districts based on what was determined to be their ability to afford, as well as the districts' "need."
- However, there is recognition that the current formula results in elevated local match percentages, which are beyond affordable for certain districts.

State/Local Funding Formula - 2023

Senate Bill 131

- Temporarily Reduced Local Match in Fiscal Year 2024 – 2026:
 - Standards and Systems-based awards:
 - By $\frac{1}{3}$ for school districts with more than 200 MEM
 - By $\frac{1}{2}$ for school districts with less than 200 MEM
 - Pre-Kindergarten awards:
 - By $\frac{1}{2}$ for all districts
 - Eliminated Offsets (legislative appropriations)
-
- Allows time for thorough study of the State / Local Match Formula, and develop possible solutions to modify or replace the formula.

Operation of the Current State/Local Match Formula

- To calculate a district's local match, an *Unweighted Local Match* is first calculated according to the following formula

Unweighted Local Match =

$$\frac{\text{District Property Valuation} * \text{Bonding Multiplier} * \text{Amortization Period}}{\text{TMAGSF} * \text{Cost per Square Foot}}$$

- The formula contains three parameters, which are the same for each district:
 - *Amortization Period*
 - *Bonding Multiplier*
 - *Cost per Square Foot*
- The formula also contains two district specific variables:
 - *District Property Valuation*
 - *Maximum Allowable Gross Square Footage*

Elements in the State/Local Match Formula

Actual parameters for Table 1 are substituted into the *Unweighted Local Match Equation*

$$\text{Unweighted Local Match}_i = \frac{(45) * (0.0009) * \text{District Property Valuation}_i}{(\$307.47) * \text{TMAGSF}_i}$$

One useful result from the formula is it allows for the calculation of a local match percentage given different values for *District Property Valuation* and *TMAGSF*.

However, another useful result is that the formula allows for a comparative static-type of analysis, which allows for qualitative analysis to determine if the local match will increase or decrease when one of the equation's inputs changes. The results in Table 2 show the effect on the local match percent when a particular parameter or variable increases.

Table 1.

Element Name	Parameter / Variable	Description	Value
Amortization Period	Parameter	Assumed depreciation period	45 years
Bonding Multiplier	Parameter	Multiplier to account for revenue collection for fully bonded district	0.0009
Cost per Square Foot	Parameter	Assumed cost per square foot to replace/repair facilities	\$307.47
District Property Valuation	Variable	Taxable value of property within district	Varies
TMAGSF	Variable	Total maximum allowable gross square feet (# of students * max gross square feet per student)	Varies

Effect on Local Match of Changes to Equation Parameters or Variables

- The table shows that the local match percentage will increase when the *Amortization Period*, *Bonding Multiplier*, or the *District Property Valuation* increase.
- The local match percentage will decrease when the *Cost per Square Foot*, the *Number of Students*, or the *Maximum Gross Square Foot per Student* increase.

Change	Parameters			Variables		
	Amortization Period	Bonding Multiplier	Cost per Square Foot	District Property Valuation	TMAGSF	
					Number of Students	Max GSF per Student
Parameter or Variable	+	+	+	+	+	+
Unweighted Local Match	+	+	-	+	-	-

Post Calculation Rules

- After the *Unweighted Local Match* percentages are calculated, a series of logical rules are applied to ensure that the maximum local match percentage that is applied is no greater than 94% and that some medium and low population density districts have reduced local match percentages.

FY20 - FY25 State/Local Match Percentages

District	LOCAL MATCH						STATE MATCH					
	FY20	FY21	FY22	FY23	FY24	FY25	FY20	FY21	FY22	FY23	FY24	FY25
ALAMOGORDO	40%	43%	51%	58%	68%	73%	60%	57%	49%	42%	32%	27%
ALBUQUERQUE	55%	64%	77%	89%	94%	94%	45%	36%	23%	11%	6%	6%
ANIMAS	59%	57%	55%	50%	51%	45%	41%	43%	45%	50%	49%	55%
ARTESIA	92%	94%	94%	94%	94%	94%	8%	6%	6%	6%	6%	6%
AZTEC	63%	71%	81%	90%	94%	94%	37%	29%	19%	10%	6%	6%
BELEN	49%	52%	60%	71%	81%	84%	51%	48%	40%	29%	19%	16%
BERNALILLO	67%	74%	82%	91%	94%	94%	33%	26%	18%	9%	6%	6%
BLOOMFIELD	76%	82%	87%	93%	94%	94%	24%	18%	13%	7%	6%	6%
CAPITAN	92%	94%	94%	94%	94%	94%	8%	6%	6%	6%	6%	6%
CARLSBAD	90%	93%	94%	94%	94%	94%	10%	7%	6%	6%	6%	6%
CARRIZOZO	92%	94%	94%	94%	94%	94%	8%	6%	6%	6%	6%	6%
CENTRAL	40%	41%	47%	52%	56%	60%	60%	59%	53%	48%	44%	40%
CHAMA	92%	94%	94%	94%	94%	94%	8%	6%	6%	6%	6%	6%
CIMARRON	92%	94%	94%	94%	94%	94%	8%	6%	6%	6%	6%	6%
CLAYTON	89%	89%	93%	94%	94%	94%	11%	11%	7%	6%	6%	6%
CLOUDCROFT	92%	94%	94%	94%	94%	94%	8%	6%	6%	6%	6%	6%
CLOVIS	32%	31%	42%	48%	56%	58%	68%	69%	58%	52%	44%	42%
COBRE	65%	64%	77%	83%	75%	73%	35%	36%	23%	17%	25%	27%
CORONA	92%	94%	94%	94%	94%	94%	8%	6%	6%	6%	6%	6%
CUBA	69%	75%	69%	66%	69%	94%	31%	25%	31%	34%	31%	6%
DEMING	33%	34%	39%	44%	45%	48%	67%	66%	61%	56%	55%	52%
DES MOINES	86%	84%	91%	93%	70%	66%	14%	16%	9%	7%	30%	34%
DEXTER	24%	22%	25%	27%	28%	27%	76%	78%	75%	73%	72%	73%
DORA	29%	28%	61%	93%	94%	94%	71%	72%	39%	7%	6%	6%
DULCE	92%	94%	94%	94%	94%	94%	8%	6%	6%	6%	6%	6%
ELIDA	48%	41%	36%	33%	31%	36%	52%	59%	64%	67%	69%	64%
ESPANOLA	47%	55%	67%	80%	92%	94%	53%	45%	33%	20%	8%	6%
ESTANCIA	56%	52%	59%	51%	74%	76%	44%	48%	41%	49%	26%	24%
EUNICE	92%	94%	94%	94%	94%	94%	8%	6%	6%	6%	6%	6%

Excludes SB131 Reduction

FY20 - FY25 State/Local Match Percentages

Continued

District	LOCAL MATCH						STATE MATCH					
	FY20	FY21	FY22	FY23	FY24	FY25	FY20	FY21	FY22	FY23	FY24	FY25
FARMINGTON	43%	48%	56%	63%	72%	75%	57%	52%	44%	37%	28%	25%
FLOYD	20%	17%	14%	11%	17%	20%	80%	83%	86%	89%	83%	80%
FORT SUMNER	85%	90%	94%	94%	94%	94%	15%	10%	6%	6%	6%	6%
GADSDEN	19%	24%	30%	36%	43%	47%	81%	76%	70%	64%	57%	53%
GALLUP	20%	19%	17%	18%	17%	16%	80%	81%	83%	82%	83%	84%
GRADY	16%	12%	9%	7%	5%	4%	84%	88%	91%	93%	95%	96%
GRANTS	25%	26%	31%	36%	35%	37%	75%	74%	69%	64%	65%	63%
HAGERMAN	24%	23%	22%	30%	37%	40%	76%	77%	78%	70%	63%	60%
HATCH	17%	15%	15%	16%	16%	17%	83%	85%	85%	84%	84%	83%
HOBBS	48%	56%	69%	80%	94%	94%	52%	44%	31%	20%	6%	6%
HONDO	73%	64%	63%	62%	67%	69%	27%	36%	37%	38%	33%	31%
HOUSE	56%	50%	48%	40%	37%	36%	44%	50%	52%	60%	63%	64%
JAL	92%	94%	94%	94%	94%	94%	8%	6%	6%	6%	6%	6%
JEMEZ MOUNTAIN	92%	94%	94%	94%	94%	94%	8%	6%	6%	6%	6%	6%
JEMEZ VALLEY	65%	64%	63%	65%	73%	94%	35%	36%	37%	35%	27%	6%
LAKE ARTHUR	92%	94%	94%	94%	94%	94%	8%	6%	6%	6%	6%	6%
LAS CRUCES	43%	50%	60%	71%	78%	87%	57%	50%	40%	29%	22%	13%
LAS VEGAS CITY	52%	53%	65%	86%	94%	94%	48%	47%	35%	14%	6%	6%
LAS VEGAS WEST	33%	32%	32%	34%	36%	37%	67%	68%	68%	66%	64%	63%
LOGAN	61%	64%	61%	84%	94%	94%	39%	36%	39%	16%	6%	6%
LORDSBURG	76%	84%	89%	94%	94%	94%	24%	16%	11%	6%	6%	6%
LOS ALAMOS	61%	67%	80%	90%	94%	94%	39%	33%	20%	10%	6%	6%
LOS LUNAS	30%	37%	44%	52%	59%	63%	70%	63%	56%	48%	41%	37%
LOVING	87%	90%	94%	94%	94%	94%	13%	10%	6%	6%	6%	6%
LOVINGTON	57%	59%	65%	69%	78%	90%	43%	41%	35%	31%	22%	10%
MAGDALENA	24%	23%	24%	27%	26%	26%	76%	77%	76%	73%	74%	74%
MAXWELL	43%	38%	36%	36%	39%	40%	57%	62%	64%	64%	61%	60%
MELROSE	37%	33%	30%	36%	31%	32%	63%	67%	70%	64%	69%	68%
MESA VISTA	87%	83%	94%	94%	94%	94%	13%	17%	6%	6%	6%	6%
MORA	69%	66%	68%	72%	72%	76%	31%	34%	32%	28%	28%	24%

Excludes SB131 Reduction

FY20 - FY25 State/Local Match Percentages

Continued

District	LOCAL MATCH						STATE MATCH					
	FY20	FY21	FY22	FY23	FY24	FY25	FY20	FY21	FY22	FY23	FY24	FY25
MORIARTY	61%	56%	78%	89%	94%	94%	39%	44%	22%	11%	6%	6%
MOSQUERO	92%	94%	94%	94%	94%	94%	8%	6%	6%	6%	6%	6%
MOUNTAINAIR	87%	82%	92%	94%	94%	94%	13%	18%	8%	6%	6%	6%
PECOS	69%	69%	86%	93%	94%	94%	31%	31%	14%	7%	6%	6%
PENASCO	43%	40%	40%	40%	44%	47%	57%	60%	60%	60%	56%	53%
POJOAQUE	25%	27%	30%	35%	42%	47%	75%	73%	70%	65%	58%	53%
PORTALES	31%	34%	39%	45%	50%	49%	69%	66%	61%	55%	50%	51%
QUEMADO	92%	94%	94%	94%	94%	94%	8%	6%	6%	6%	6%	6%
QUESTA	92%	94%	94%	94%	94%	94%	8%	6%	6%	6%	6%	6%
RATON	50%	50%	55%	60%	62%	66%	50%	50%	45%	40%	38%	34%
RESERVE	91%	94%	94%	94%	94%	94%	9%	6%	6%	6%	6%	6%
RIO RANCHO	42%	51%	65%	78%	93%	94%	58%	49%	35%	22%	7%	6%
ROSWELL	32%	34%	39%	45%	51%	55%	68%	66%	61%	55%	49%	45%
ROY	44%	32%	26%	18%	13%	14%	56%	68%	74%	82%	87%	86%
RUIDOSO	92%	93%	94%	94%	94%	94%	8%	7%	6%	6%	6%	6%
SAN JON	30%	27%	28%	28%	21%	22%	70%	73%	72%	72%	79%	78%
SANTA FE	92%	94%	94%	94%	94%	94%	8%	6%	6%	6%	6%	6%
SANTA ROSA	46%	47%	51%	54%	57%	61%	54%	53%	49%	46%	43%	39%
SILVER	67%	74%	82%	91%	94%	94%	33%	26%	18%	9%	6%	6%
SOCORRO	29%	29%	30%	37%	42%	47%	71%	71%	70%	63%	58%	53%
SPRINGER	77%	72%	68%	70%	65%	64%	23%	28%	32%	30%	35%	36%
TAOS	92%	94%	94%	94%	94%	94%	8%	6%	6%	6%	6%	6%
TATUM	86%	90%	94%	94%	94%	94%	14%	10%	6%	6%	6%	6%
TEXICO	44%	42%	43%	45%	46%	46%	56%	58%	57%	55%	54%	54%
TRUTH OR CONSEQUENCES	77%	80%	85%	92%	94%	94%	23%	20%	15%	8%	6%	6%
TUCUMCARI	35%	37%	41%	45%	48%	52%	65%	63%	59%	55%	52%	48%
TULAROSA	32%	30%	33%	34%	34%	34%	68%	70%	67%	66%	66%	66%
VAUGHN	92%	94%	94%	94%	94%	94%	8%	6%	6%	6%	6%	6%
WAGON MOUND	87%	90%	82%	79%	74%	94%	13%	10%	18%	21%	26%	6%
ZUNI	0%	0%	0%	0%	0%	0%	100%	100%	100%	100%	100%	100%

Excludes SB131 Reduction

State/Local Funding Formula – Potential Alternatives

An in-depth analysis was conducted by the University of New Mexico's Bureau of Business & Economic Research (BBER) in 2023 that describes the current formula calculations as well as considerations for potential solutions.

1. Keep Current Formula
2. Simplify Existing Formula
3. Rollback or Across the Board Reduction
4. Update Existing Model (Parameters or Calculation Logic)
5. Keep Existing Formula but Add New Adjustment Factors
6. Wholesale Change

PSFA has looked at option 4 - Updating Existing Model (Parameters and Logic) via the BBER provided scenario analysis, and recognizes some opportunities for lowering the local match percentages.

However, even with the most drastic changes the poorest districts cannot afford a local match associated with a Standards-based project.

Reliance on Local Match Reductions

A resultant of the current
State/Local Match Formula

Local Match Reductions - Need

- Many districts cannot afford their local match for current or potential projects due to their bonding capacity and available funds.
- The SB131 decrease to the local matches helped some districts afford their local match. However, for many districts, the reduction was not sufficient enough to make potential projects affordable.
- If a school is eligible for and needs a \$30M project, with a local match of \$10M, but can only bond for \$2M, a local match reduction is necessary for the application/project to move forward.
- If a district cannot afford the local match, they can request the PSCOC grant a local match reduction (waiver) to fund *the portion of the local match they cannot support*.
 - Districts must meet statute criteria.
 - *Districts are expected to fund the maximum amount they can afford.*

Local Match Reductions - Need

Of the 11 Standards-based projects awarded in FY24, 7 of the districts/projects require a local match reduction to support the districts' share of the projects.

District	School	Total Project Cost	Phase 1 (FY24) Local Match	Phase 1 (FY24) State Match	Out-Year Local Match	Out-Year State Match
Maxwell	Maxwell Combined	\$31,385,666	\$596,328	\$2,542,238	\$5,366,949	\$22,880,151
Central	Tse Bit Ai Middle School	\$47,065,798	\$1,741,435	\$2,965,145	\$15,672,911	\$26,686,307
Springer	Springer Combined	\$33,705,503	\$750,000	\$2,620,550	\$9,707,185	\$20,627,768
Dexter	Dexter Elementary / Middle School	\$54,392,878	\$1,033,465	\$4,405,823	\$9,301,182	\$39,652,408
Penasco	Penasco Combined	\$50,071,099	\$1,250,000	\$3,757,110	\$13,068,557	\$31,995,432
Bernalillo	Algodones Elementary School	\$22,852,050	\$1,439,679	\$845,526	\$12,957,112	\$7,609,733
Artesia	Roselawn Elementary School	\$31,945,966	\$2,012,596	\$1,182,001	\$18,113,363	\$10,638,007
Hagerman	Hagerman Combined	\$49,962,770	\$624,535	\$4,371,742	\$11,241,623	\$33,724,870
Hondo	Hondo Combined	\$43,137,305	\$500,000	\$6,513,731	\$11,920,780	\$24,202,795
Albuquerque	Harrison Middle School	\$53,507,936	\$1,685,500	\$989,897	\$32,024,500	\$18,808,040
Albuquerque	VanBuren Middle School	\$64,647,761	\$2,036,404	\$1,195,984	\$38,691,685	\$22,723,688

Local Match Reduction needed

Local Match Reductions - Statute

Per Section 22-24-5 (B)(9):

- The PSCOC council *may* adjust the amount of local share otherwise required if it determines that a school district has made a good-faith effort to use all of its local capital funding resources. Before making any adjustment to the local share, the council shall consider whether:

Option 1: All Districts	If the school district has insufficient bonding capacity over the next 4 years and the mill levy is equal to or greater than	10.0	the district is eligible, OR
Option 2: Small Districts	if the MEM count is equal to or less than	800	and
	the percent of free or reduced fee lunch is equal to or greater than	70%	and
	the state share is less than	50%	and
	the mill levy is equal to or greater than	7.00	the district is eligible, OR
Option 3: Growth Districts	If the school district has an enrollment growth rate over the previous school year of at least	2.5%	and
	pursuant to its 5-year FMP, will be building a new school within the next	2 years	and
	the mill levy is equal to or greater than	10.0	the district is eligible

*Mill Levy - sum of all rates imposed by resolution of the local school board plus rates set to pay interest and principal on outstanding school district general obligation bond

Local Match Reductions - Issues

- It is difficult for some districts to meet the local match reduction statute criteria
 - Particularly for Option 2: Small Districts (MEM \leq 800)
 - Free / Reduced Lunch \geq 70%
 - This percentage changes annually
 - Districts report it is difficult to receive the federal forms returned
 - 2023 Senate Bill 4 provided for free lunch for all NM schools and students
 - State share \leq 50%
 - Changes annually, district shift out of the threshold, despite not being able to afford projects
 - If a district does not meet one of these requirements, they must achieve a Mill Levy of \geq 10 (option 1), rather than \geq 7 (option 2), which is much harder for small districts to achieve
- District must bond above their means to meet the Mill Levy requirements

DISTRICT CASE STUDIES

ANIMAS

Local Match Reduction – Statute Criteria			
Option 1	Bonding Capacity	\$2M	Does not meet
	Mill Levy \geq 10	2.38	
Option 2	MEM Count \leq 800	144	Does not meet
	Free or Reduced Lunch \geq 70%	57%	
	State Share \leq 50%	49%	
	Mill Levy \geq 7.00	2.38	
Option 3	Enrollment Growth Rate \geq 2.50%	8.55%	Does not meet
	New School Next 2 Years	No	
	Mill Levy \geq 10	2.38	

Local Match Data						
FY20	FY21	FY22	FY23	FY24	FY25	SB131
59%	57%	55%	50%	51%	45%	22%

Current School Data:

- Animas MS/HS
 - Ranking – 23
 - wNMCI – 52.98%
 - FCI – 81.92%
- Animas ES
 - Ranking – 26
 - wNMCI – 50.64%
 - FCI – 77.69%
- Existing facility is twice as large as a right sized facility would be.

Potential Full School Replacement Project	
Estimated Potential Total Project Cost	\$41M
State Match (78%)	\$32M
Local Match (22%)	\$9M

- History of not passing GO bonds
- If a GO Bond were to pass, district could not afford the full local match
- Not eligible for a Local Match Reduction
- District cannot pursue a Standards-based application and must continue to maintain the existing oversized facility

DISTRICT CASE STUDIES

MELROSE

Local Match Reduction – Statute Criteria			
Option 1	Bonding Capacity	\$1.9M	Does not meet
	Mill Levy \geq 10	6.31	
Option 2	MEM Count \leq 800	268	Does not meet
	Free or Reduced Lunch \geq 70%	37%	
	State Share \leq 50%	69%	
	Mill Levy \geq 7.00	6.31	
Option 3	Enrollment Growth Rate \geq 2.50%	-8.56%	Does not meet
	New School Next 2 Years	No	
	Mill Levy \geq 10	6.31	

Local Match Data						
FY20	FY21	FY22	FY23	FY24	FY25	SB131
37%	33%	30%	36%	31%	32%	21%

Current School Data:

- Melrose Combined
 - Ranking – 55
 - wNMCI – 42.99%
 - FCI – 78.25%
- Existing facility is twice as large as a right sized facility would be.

Estimated Potential Total Project Cost	\$51M
State Match (78%)	\$40.3M
Local Match (22%)	\$10.7M

- If a GO Bond were to pass, district could not afford the full local match.
- Not eligible for a Local Match Reduction
- District would need to increase mill levy to 10
- District cannot pursue a Standards-based application and must continue to maintain the existing oversized facility. Therefore, the district was recently awarded a Systems-based project to address life/health/safety issues. District will return when a Standards-based application is possible.

DISTRICT CASE STUDIES

MESA VISTA

Local Match Reduction – Statute Criteria			
Option 1	Bonding Capacity	\$2.7M	Does not meet
	Mill Levy ≥ 10	6.94	
Option 2	MEM Count ≤ 800	235	Does not meet
	Free or Reduced Lunch ≥ 70%	66%	
	State Share ≤ 50%	6%	
	Mill Levy ≥ 7.00	6.94	
Option 3	Enrollment Growth Rate ≥ 2.50%	-1.62%	Does not meet
	New School Next 2 Years	No	
	Mill Levy ≥ 10	6.94	

Local Match Data						
FY20	FY21	FY22	FY23	FY24	FY25	SB131
87%	83%	94%	94%	94%	94%	63%

Current School Data:

- Mesa Vista Combo MS/HS
 - Ranking – 78
 - wNMCI – 38.69%
 - FCI – 76.94%
- Existing facility is larger than a right sized facility would be.

Potential Full School Replacement Project	
Estimated Potential Total Project Cost	\$28.8M
State Match (78%)	\$10.7M
Local Match (22%)	\$18.1M

- District passed a GO Bond in November 2023, which will increase the mill levy above 7
- Not eligible for a Local Match Reduction due to the free / reduced lunch requirement
- District cannot pursue a Standards-based application and must continue to maintain the existing oversized facility

DISTRICT CASE STUDIES

PECOS

Local Match Reduction – Statute Criteria			
Option 1	Bonding Capacity	\$5.7M	Does not meet
	Mill Levy ≥ 10	4.62	
Option 2	MEM Count ≤ 800	482	Does not meet
	Free or Reduced Lunch ≥ 70%	67%	
	State Share ≤ 50%	6%	
	Mill Levy ≥ 7.00	4.62	
Option 3	Enrollment Growth Rate ≥ 2.50%	-0.39%	Does not meet
	New School Next 2 Years	No	
	Mill Levy ≥ 10	4.62	

Local Match Data						
FY20	FY21	FY22	FY23	FY24	FY25	SB131
69%	69%	86%	93%	94%	94%	63%

Current School Data:

- Pecos Combo MS/HS
 - Ranking – 60
 - wNMCI – 41.27%
 - FCI – 66.40%
- Existing facility is twice as large as a right sized facility would be.

Potential Full School Replacement Project	
Estimated Potential Total Project Cost	\$52.3M
State Match (78%)	\$19.3M
Local Match (22%)	\$33M

- District cannot go out for bond until 2032
- If a GO Bond were to pass, district could not afford the full local match
- Not eligible for a Local Match Reduction
- District cannot pursue a Standards-based application and must continue to maintain the existing oversized facility

DISTRICT CASE STUDIES

QUESTA

Local Match Reduction – Statute Criteria			
Option 1	Bonding Capacity	\$9.3M	Does not meet
	Mill Levy \geq 10	6.94	
Option 2	MEM Count \leq 800	397	Does not meet
	Free or Reduced Lunch \geq 70%	69%	
	State Share \leq 50%	6%	
	Mill Levy \geq 7.00	6.94	
Option 3	Enrollment Growth Rate \geq 2.50%	5.32%	Does not meet
	New School Next 2 Years	No	
	Mill Levy \geq 10	6.94	

Local Match Data						
FY20	FY21	FY22	FY23	FY24	FY25	SB131
92%	94%	94%	94%	94%	94%	63%

Current School Data:

- Questa JH/HS
 - Ranking – 6
 - wNMCI – 73.98%
 - FCI – 73.02%
- Alta Vista ES/INT Combo
 - Ranking – 10
 - wNMCI – 60.25%
 - FCI – 70.27%
- Existing facility is almost three times larger than a right sized facility would be.

Potential Full School Replacement Project	
Estimated Potential Total Project Cost	\$56.5M
State Match (78%)	\$20.9M
Local Match (22%)	\$35.6M

- District could not afford the full local match
- Not eligible for a Local Match Reduction
- District cannot pursue a Standards-based application and must continue to maintain the existing oversized facility

DISTRICT CASE STUDIES

ROY

Local Match Reduction – Statute Criteria			
Option 1	Bonding Capacity	\$0.3M	Does not meet
	Mill Levy \geq 10	7.29	
Option 2	MEM Count \leq 800	53	Does not meet
	Free or Reduced Lunch \geq 70%	55%	
	State Share \leq 50%	87%	
	Mill Levy \geq 7.00	7.29	
Option 3	Enrollment Growth Rate \geq 2.50%	36.54%	Does not meet
	New School Next 2 Years	No	
	Mill Levy \geq 10	7.29	

Local Match Data						
FY20	FY21	FY22	FY23	FY24	FY25	SB131
44%	32%	26%	18%	13%	14%	7%

Current School Data:

- Roy Combined
 - Ranking – 16
 - wNMCI – 56.64%
 - FCI – 66.36%
- Existing facility is larger than a right sized facility would be.

Potential Full School Replacement Project	
Estimated Potential Total Project Cost	\$39.7M
State Match (78%)	\$37M
Local Match (22%)	\$2.7M

- District could not afford the full local match
- Not eligible for a Local Match Reduction due to the free / reduced lunch and state share requirements
- District cannot pursue a Standards-based application and must continue to maintain the existing oversized facility

DISTRICT CASE STUDIES

TATUM

Local Match Reduction – Statute Criteria			
Option 1	Bonding Capacity	\$12.3M	Does not meet
	Mill Levy \geq 10	6.97	
Option 2	MEM Count \leq 800	324	Does not meet
	Free or Reduced Lunch \geq 70%	48%	
	State Share \leq 50%	6%	
	Mill Levy \geq 7.00	6.97	
Option 3	Enrollment Growth Rate \geq 2.50%	-5.78%	Does not meet
	New School Next 2 Years	No	
	Mill Levy \geq 10	6.97	

Local Match Data						
FY20	FY21	FY22	FY23	FY24	FY25	SB131
86%	90%	94%	94%	94%	94%	63%

Current School Data:

- Tatum Jr./Sr. HS
 - Ranking – 388
 - wNMCI – 20.29%
 - FCI – 69.43%
- Tatum ES
 - Ranking – 425
 - wNMCI – 18.30%
 - FCI – 72.59%
- Schools were recently assessed, and are expected to rise significantly next year.
- Existing facility over twice larger than a right sized facility would be.

Potential Full School Replacement Project	
Estimated Potential Total Project Cost	\$53.5M
State Match (78%)	\$19.8M
Local Match (22%)	\$33.7M

- District could not afford the full local match
- Not eligible for a Local Match Reduction
- District cannot pursue a Standards-based application and must continue to maintain the existing oversized facility

DISTRICT CASE STUDIES

MAXWELL

Local Match Reduction – Statute Criteria			
Option 1	Bonding Capacity	\$1M	Meets
	Mill Levy \geq 10	10	
Option 2	MEM Count \leq 800	115	Does not meet
	Free or Reduced Lunch \geq 70%	55%	
	State Share \leq 50%	61%	
	Mill Levy \geq 7.00	10	
Option 3	Enrollment Growth Rate \geq 2.50%	-1.65%	Does not meet
	New School Next 2 Years	No	
	Mill Levy \geq 10	10	

Local Match Data						
FY20	FY21	FY22	FY23	FY24	FY25	SB131
37%	33%	30%	36%	31%	32%	21%

Current School Data:

- Melrose Combined
 - Ranking 17
 - wNMCI – 53.98%
 - FCI – 72.98%

Existing Full School Replacement Project	
Estimated Total Project Cost	\$31.3M
State Match (78%)	\$25.4M
Local Match (22%)	\$5.9M

- **District was awarded a Standards-based project in August of 2023.**
- District passed a GO Bond in March 2023, which increased the mill levy
- District can not afford the full local match
- Not eligible for a Local Match Reduction – option 2, due to the free / reduced lunch and state share requirements
- Therefore, the district must increase the mill levy to 10 to meet eligibility for Local match Reduction – option 1

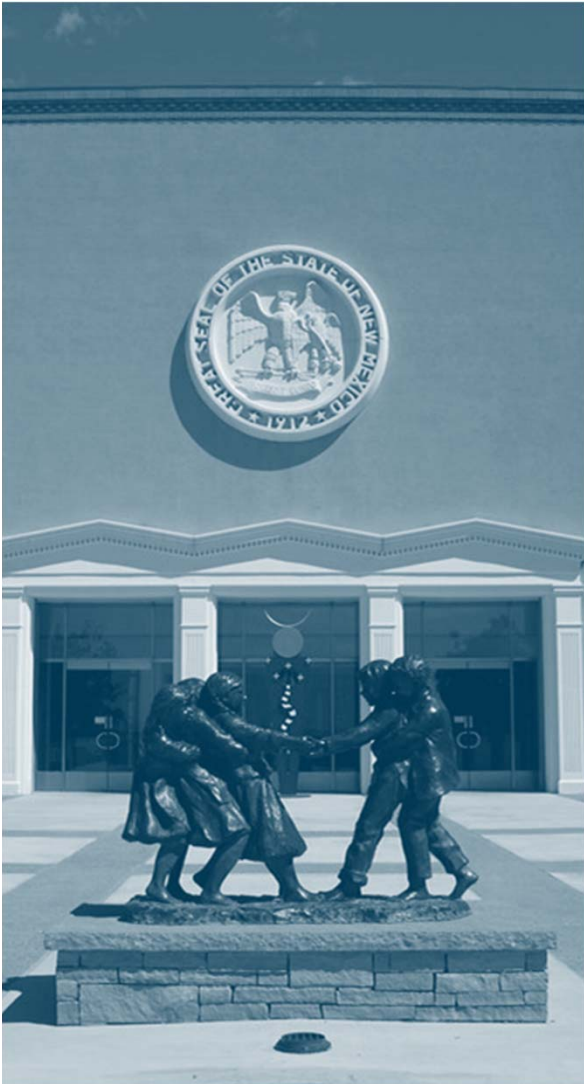
Local Match Reductions – Statute – Potential Solutions

Amend Section 22-24-5 (B)(9)(b) to *remove* the free and reduced lunch criteria and the state match criteria:

- (b) the school district: 1) has fewer than an average of eight hundred full-time-equivalent students on the second and third reporting dates of the prior school year; ~~2) has at least seventy percent of its students eligible for free or reduced fee lunch; 3) has a share of the total project cost, as calculated pursuant to provisions of this section, that would be greater than fifty percent; and~~ 4) for all educational purposes, has a residential property tax rate of at least seven dollars (\$7.00) on each one thousand dollars (\$1,000) of taxable value, as measured by the sum of all rates imposed by resolution of the local school board plus rates set to pay interest and principal on outstanding school district general obligation bonds; or

Option 1: All Districts	If the school district has insufficient bonding capacity over the next 4 years and the mill levy is equal to or greater than	10.0	the district is eligible, OR
Option 2: Small Districts	if the MEM count is equal to or less than	800	and
	the percent of free or reduced fee lunch is equal to or greater than	70%	and
	the state share is less than	50%	and
	the mill levy is equal to or greater than	7.00	the district is eligible, OR
Option 3: Growth Districts	If the school district has an enrollment growth rate over the previous school year of at least	2.5%	and
	pursuant to its 5-year FMP, will be building a new school within the next	2 years	and
	the mill levy is equal to or greater than	10.0	the district is eligible

*Mill Levy - sum of all rates imposed by resolution of the local school board plus rates set to pay interest and principal on outstanding school district general obligation bond



Iris Romero
Executive Director

Ryan Parks
Deputy Director

Andrew Martinez
Facilities Assessment Database Manager

Alyce Ramos
Programs Manager

