

**Public School Facilities Authority – Agency 94000
FY 17 Budget Request
LFC Budget Hearing
October 29, 2015**

PSFA Presenters:

Robert Gorrell, Executive Director
Denise A. Irion, Chief Financial Officer

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



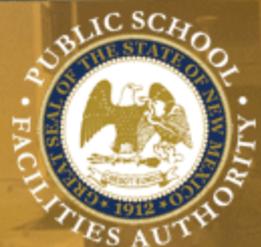
SSTB “PSCO” Fund Revenue Reductions:

- PSCO fund has been reduced for special appropriations:

| | FY13 | FY14 | FY15 |
|--------------|----------------|---------------|---------------|
| School Buses | \$13.0 | \$ 7.4 | \$ 4.0 |
| Ed Tech | \$ 0.0 | \$ 5.0 | \$ 0.0 |
| Pre-K | \$ 2.5 | \$ 2.5 | \$ 1.0 |
| NMSBVI | \$ 9.2 | \$ 8.3 | \$ 0.0 |
| NMSD | \$ 8.0 | \$ 7.0 | \$ 0.0 |
| Total | \$ 32.7 | \$30.2 | \$ 5.0 |

- PSCO Fund will recognize an average decline in SSTB revenue by FY20 of 5.4%
- Decline in revenue reduces the amount of funding available for projects

| <i>Per Consensus Revenue Estimate published August 2015</i> | FY16 | FY17 | FY18 | FY19 | FY20 | Total |
|---|-----------|-----------|-----------|----------|----------|-----------|
| SSTB's February 15 Estimate | \$ 165.2 | \$ 165.5 | \$ 181.5 | \$ 180.5 | \$ 168.4 | \$ 861.1 |
| SSTB's August 15 Estimate | \$ 154.7 | \$ 149.5 | \$ 165.0 | \$ 171.2 | \$ 174.1 | \$ 814.5 |
| Increase (Decrease) | \$ (10.5) | \$ (16.0) | \$ (16.5) | \$ (9.3) | \$ 5.7 | \$ (46.6) |
| % Change | -6.4% | -9.7% | -9.1% | -5.2% | 3.4% | -5.4% |



SB159 – Broadband Deficiency Correction Program

- Appropriated \$10.0 million per year FY14 – FY18
- Capital dollars will be mostly from FCC
- Increased effort to coordinate with the Governor's statewide broadband initiative
- Additional FTE may be required
- Flexibility within PSFA's operational budget

Enhanced School Facility Maintenance

- Increased district support without capital dollars
- 61 million square feet valued replacement \$19.5 billion
- 60% FMAR score is below the satisfactory level of 70%



PSFA STATUTORY OPERATING BUDGET LIMITATIONS

(millions)

| | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 est. | FY18 est. | FY19 est. | FY20 est. | FY21 est. | FY22 est. | FY23 est. |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| PSCOC Award Allocations | | | | | | | | | | | | | |
| PSCOC Projects | \$114.7 | \$115.5 | \$216.3 | \$206.8 | \$205.7 | \$185.1 | \$107.3 | \$102.4 | \$92.7 | \$100.0 | \$100.0 | \$100.0 | \$100.0 |
| Lease Assistance | \$9.8 | \$10.8 | \$13.1 | \$13.0 | \$14.6 | \$14.8 | \$14.8 | \$14.8 | \$14.8 | \$14.8 | \$14.8 | \$14.8 | \$14.8 |
| Total | \$124.5 | \$126.3 | \$229.4 | \$219.8 | \$220.3 | \$199.9 | \$122.1 | \$117.2 | \$107.5 | \$114.8 | \$114.8 | \$114.8 | \$114.8 |
| Prior 3-Year Average Allocations | \$182.7 | \$155.8 | \$153.1 | \$160.1 | \$191.8 | \$223.2 | \$213.3 | \$180.8 | \$146.4 | \$115.6 | \$113.2 | \$112.4 | \$114.8 |
| PSFA Operating Budget | | | | | | | | | | | | | |
| | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 est. | FY18 est. | FY19 est. | FY20 est. | FY21 est. | FY22 est. | FY23 est. |
| | \$6.0 | \$5.7 | \$5.5 | \$5.6 | \$5.9 | \$6.1 | \$6.1 | \$6.1 | \$6.1 | \$6.1 | \$6.1 | \$6.1 | \$6.1 |
| FTE | 51 | 50 | 50 | 50 | 56 |
| PSFA Budget as % of Project Award | | | | | | | | | | | | | |
| | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 |
| | 3.3% | 3.6% | 3.6% | 3.5% | 3.1% | 2.7% | 2.9% | 3.4% | 4.2% | 5.3% | 5.4% | 5.4% | 5.3% |
| Statutory Allowable (5%) | \$9.1 | \$7.8 | \$7.7 | \$8.0 | \$9.6 | \$11.2 | \$10.7 | \$9.0 | \$7.3 | \$5.8 | \$5.7 | \$5.6 | \$5.7 |
| Over (Under) Statutory Allowable | (\$3.1) | (\$2.1) | (\$2.1) | (\$2.4) | (\$3.7) | (\$5.1) | (\$4.6) | (\$2.9) | (\$1.2) | \$0.3 | \$0.4 | \$0.5 | \$0.4 |

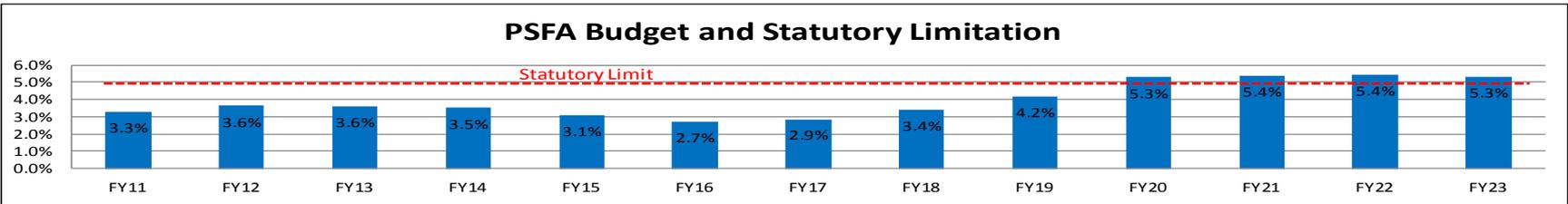
Public School Capital Outlay Act Section 22-24-4 NMSA:

(G) Balances in the fund may be annually appropriated for the core administrative functions of the public school facilities authority pursuant to the Public School Capital Outlay Act, and, in addition, balances in the fund may be expended by the public school facilities authority, upon approval of the council, for project management expenses; provided that:

(1) 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; and

(2) any unexpended or unencumbered balance remaining at the end of a fiscal year from the expenditures authorized in this subsection shall revert to the fund.

* Crossover reporting to fiscal year.



Future of PSFA

- To comply with DFA process for capital budgeting and certification; additional operational FTE will be required in the Finance Department
- Maintenance and Facility Master Planning support without capital funding evolution away from how agency funding was structured
- Revision of statutory language to NOT limit the total annual expenditures of the fund for core administrative functions to 5% of the average annual grant assistance authorized from the fund during the previous 3 fiscal years

