

# PSCOC Oversight Task Force



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# NM Statute 22-24-5.11 (A-C)

(11) the 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 resources. Before making any adjustment to the local share, the council shall consider whether:

(a) the school district has insufficient bonding capacity over the next four years to provide the local match necessary to complete the project and, for all educational purposes, has a residential property tax rate of at least ten dollars (\$10.00) 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;

(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

(c) the school district: 1) has an enrollment growth rate over the previous school year of at least two and one-half percent; 2) pursuant to its five-year facilities plan, will be building a new school within the next two years; and 3) for all educational purposes, has a residential property tax rate of at least ten dollars (\$10.00) 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;

## Local Match Reductions (Waivers)

- 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.

### Capital Funding Waiver Criteria - 22-24-5 (B)(11)

#### 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 **40**  
the state share is less than **50%** and **14**  
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*

## DMMS had to bond to “functional capacity”

Per the statute DMMS had to bond to functional capacity or above 10 mils in order to receive the waiver. We now qualify for both option one and three.

Our taxpayers' school tax more than doubled between tax year 21 and 22. We are above 10 mils for the next five years and have no capacity to bond beyond that for any additional needs.

# Getting to the Waiver Process - Des Moines

1. Met with PSFA Regional Rep and explained the concerns and outcome of the independent assessment by New Mexico Roof Consultants. (2016)
2. Met with Senator Woods and Representative Chatfield to explain challenges with current building ( January 2019)
3. Met with Director of PSFA, Senator Woods and Representative Chatfield, Stan Rounds, David Abbey and Debbie Romero to explain continued challenges with 2002 building and roof needs. ( Feb 2019)
4. Received a Special Appropriation from Senator Woods and Representative Chatfield for 250 k to do BSAR and Ed Spec (March 2019)
5. Procurement secured for BSAR ( May 2019)

# Still working to get to the waiver.

6. Conclusion of BSAR stated it would take **\$9.5 million** to bring existing building to code. (March 2020)
7. EdSpec recommended complete rebuild of **46,343 square feet at an estimated cost of \$19 million..** PSFA approved 40,342 per adequacy standards. (January 2021)
8. Our bonding capacity is **\$2.1 million**. Began public meetings with stakeholders, bond council and the public to illustrate need and pass bond. (Spring and Summer of 2021)
9. Met with PSCOC to ask for waiver to share with stakeholders during campaign process. We received a letter of support from them. (July 2021)
10. DMMS stakeholders **passed our GO Bond** and SB-9 2 mil levy; 4-1; which brought mil rate **above 10 mils**- practical bonding capacity. (November 2021)
11. PSCOC meeting received waiver for the remainder of Design Phase funding. (July 2022)
12. Program of spaces/ still debating over 3,000 sq feet. Page Turner (Sept 2022)

# Adequacy Standard Struggles

Adequacy standards are really not written to work for micro- districts or combination schools.

Resulted in having to negotiate over needed space. Granted we may have negotiated to a workable space, but it is risky!

Breakdowns in negotiations could result inadequate space for learning. This will have long term effects. We are designing buildings for three generations.

Not having sufficient space for community engagement (gym/ program space) and wellness (athletic classroom) and CTE/ shop and science lab would result in students not having life skill/ family involvement activities.

Don't have funds to go above adequacy our students potentially not receive equitable education/ opportunity.

# Hurdles

- All of our 2.1 million GO Bond dollars had to go to Planning and Design Phase which tied our hands to fund anything our stakeholders on design committee valued above bare minimum adequacy standards.
  - Additional gym and cafeteria space to accommodate families and community for various events..graduation; education based athletic events; Veterans Day program; Plays; Music Programs
  - Pk-12 must share ONE gym. If separate campuses each would have a space.
  - Special Education Concerns...ancillary space; sensory room
  - Additional storage space for our remote area
  - Additional classroom space for growth or changes over the next 50 years;
  - 20% increase in enrollment this school year over the last created concerns
  - Locker Room needs for junior high and high school boys and girls



# The challenges of this Process



Checked every box;

- Maxed out the bond by getting community support promising a school large enough to meet community needs for the next 50 years...but will it?
- Stuck out our neck that it will go smoothly without written waiver and guarantee adequate will be adequate for our students and community.
- We had to fight for and justify every square inch during every phase!
- **NO** capacity to go beyond adequacy miniums in foreseeable future!!

# The Cost to the district and students

Time and money inform the stakeholders of the need and the waiver process in which the state will pick up the tab on the remaining portion to adequacy with promise of a waiver. Not knowing for sure what that will look like.

Time away from real work with students

Risked Go Bond and SB-9 and school board election simultaneously in Nov 2021

Numerous trips to Santa Fe and Albuquerque

Political capital with the community...we stuck our neck out a long ways for this project!

# Lessons learned from the Adequacy Standards and Micro-districts

Adequacy standards might not be adequate for micro districts or combo schools.

- Special Ed Needs (ancillary, autism needs) True ADA compliance everywhere.
- Gym (one gym to meet pk-12 needs; seating; locker rooms for jr high/high school, space for weights)
- Cafeteria (pk-12 eat breakfast; adjacent to gym for concession needs;
- Admin (superintendent office; board meeting space)
- Storage (food storage; custodial storage; outside equipment storage science in elementary classroom storage)
- School security

Many of the program spaces that keep kids engaged in school are above adequacy.

- Athletics
- Weight Rooms
- Performance space for art/ music
- CTE

**These are all programs that keep kids and families engaged and help graduation rates!**