
Capital Master Plan

2011-2016 Capital Strategy

Meeting 8: Funding Strategy

October 14, 2009



ALBUQUERQUE PUBLIC SCHOOLS

Capital Master Plan

Expect Great Things!

Agenda

- ✓ **Expected Revenue**
- ✓ **Funding Categories**
- ✓ **Building a Draft Budget**
- ✓ **Discussion**



Expected Revenue

	Expected Revenue (\$M)	
A.	HB 33 11-16	\$386
B.	GO 10	\$225
C.	GO 14	\$200
D.	SB 9 14-19	\$207

Totals **\$1,018**

Feb 10 Election (A+B) \$611
2011-16 Strategy (A+B+C) \$811



EDUCATION TECHNOLOGY EQUIPMENT

- **Education Technology Equipment Act: Sections 1 through 16 (6-15A-1 to 6-15A-16, NMSA 1978)**
 - ✓ Used to acquire education technology equipment which includes
 1. Closed-circuit television systems, educational television and radio broadcasting, cable television, satellite, copper and fiber-optic transmission, computer, video and audio laser and CD ROM discs, video and audio tapes or other technologies and the maintenance, equipment and computer infrastructure information, techniques and tools used to implement technology in schools and related facilities; and
 2. Improvements, alterations and modifications to, or expansions of, existing buildings or personal property necessary or advisable to house or otherwise accommodate any of the tools listed in (1) above.
 - ✓ No voter approval required
 - ✓ Impacts 6% bonding capacity limitation
 - ✓ Debt service paid from property tax levy
 - ✓ 5-year maximum maturity
 - ✓ May be sold at public sale, negotiated sale or private sale to the New Mexico Finance Authority

Funding Categories

- 1. Additional Classrooms / Contingencies**
- 2. Educational /Programmatic and Educational Support**
- 3. Health / Safety / Code Compliance**
- 4. Facility Renewal**
- 5. District-Wide Renewal / Support**
- 6. Educational Equipment / Support**



Building a draft budget

- ✓ Fill in “knowns”
- ✓ Discuss remaining and the variables that impact decisions

Building a draft budget

✓ Categories typically funded at 100%

▶ *Growth / Contingencies*

▶ *Health / Safety*

		Revenue Target (\$m)			Tech Notes	Total DRAFT Funded by Category	% Total
		\$385.60	\$225.00	\$200.00			
		HB 33 11-16	GO 10	GO 14			
1.0	Additional Classrooms / Contingencies	\$48.00	\$84.00	29.00	0.00	\$161.00	19.9%
1.1	New Schools / Additions	\$0.00	\$40.00	\$0.00			
	NW K-8						
	SW K-8		\$40.00				
1.2	Property Acquisition	\$10.00	\$20.00	\$5.00			
1.3	Contingencies / Portables / Inflation	\$38.00	\$24.00	\$24.00			
	Portable Fund	\$8.00	\$4.00	\$4.00			
	District Contingency	\$20.00	\$10.00	\$10.00			
	Inflation Contingency	\$10.00	\$10.00	\$10.00			
3.0	Health / Safety / Code Compliance	\$9.06	\$0.00	\$0.00	\$0.00	\$9.06	1.1%

Note: Funding level and proposed funding source are draft and subject to discussion



Building a draft budget

4. Facility Renewal

▶ *School improvement projects (SIPs)*

- *Increased to provide resources that the MEC and Tech funds used to address*

		Revenue Target (\$m)		
		\$385.60	\$225.00	\$200.00
		HB 33 11-16	GO 10	GO 14
	Funding Target			
4.2	School Improvement Projects (SIPs)	\$15.00		

Note: Funding level and proposed funding source are draft and subject to discussion

Building a draft budget

5. District-Wide Renewal / Support

- ▶ *Capital salaries and specialized funds - all typically part of HB33*

		Revenue Target (\$m)			Tech Notes	Total DRAFT Funded by Category	% Total
		\$385.60	\$225.00	\$200.00			
		HB 33 11-16	GO 10	GO 14			
5.0	District-Wide Renewal / Support	\$41.56	\$0.00	\$0.00		\$41.56	5.1%
5.1	CMP/Property Offices	\$14.40	\$0.00	\$0.00	\$0.00		
	Salaries / Operations / Contracted Services	\$13.40					
	Sustainability Fund	\$1.00					
5.2	Special Projects (District-wide)	\$14.50	\$0.00	\$0.00	\$0.00		
	Special Projects (Minor Construction, Roofing)	\$10.00					
	Interior Surface Renewal Fund	\$1.50					
	Playground Equipment Fund	\$3.00					
5.3	District-Wide Renewal Funds	\$12.66	\$0.00	\$0.00	\$0.00		
	Paving / Line Spotting / Utilities Fund	\$2.50					
	Fire Protection	\$1.80					
	Electrical Code Compliance	\$2.00					
	Bus & Parent Pick-up/Drop-Off areas	\$3.00					
	Hazardous Material / Abatement Fund	\$3.00					
	School Security	\$0.36					

Note: Funding level and proposed funding source are draft and subject to discussion



Building a draft budget

6. Educational Equipment / Support

✓ *All (except KNME) have been funded before*

			Revenue Target (\$m)		
			\$385.60	\$225.00	\$200.00
			HB 33 11-16	GO 10	GO 14
Funding Target					
6.3	Educational Equipment		\$15.30	\$0.00	\$0.00
	Science and Lab Equipment (HS &MS)	\$1.33	\$1.33		
	Music / Fine Arts	\$5.60	\$5.60		
	Athletics	\$3.22	\$3.22		
	Administrative / Support Equipment Fund	\$0.50	\$0.50		
	KNME studio upgrade to High Definition	\$1.65	\$1.65		
6.4	Library Materials	\$3.00	\$3.00		

Note: Funding level and proposed funding source are draft and subject to discussion



Building a draft budget

✓ First cut allocation

▶ **\$565 m left to allocate**

		Revenue Target (\$m)			Tech Notes	Total DRAFT Funded by Category
		\$385.60	\$225.00	\$200.00		
		HB 33 11-16	GO 10	GO 14		
1.0	Additional Classrooms / Contingencies	\$48.00	\$84.00	29.00	0.00	\$161.00
2.0	Educational /Programmatic and Educational Support	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3.0	Health / Safety / Code Compliance	\$9.06	\$0.00	\$0.00	\$0.00	\$9.06
4.0	Facility Renewal	\$15.00	\$0.00	\$0.00	\$0.00	\$15.00
5.0	District-Wide Renewal / Support	\$41.56	\$0.00	\$0.00		\$41.56
6.0	Educational Equipment / Support	\$18.30	\$0.00	\$0.00	\$0.00	\$18.30
Total		\$131.92	\$84.00	\$29.00	\$0.00	\$244.92
Total Expected Revenue		\$385.60	\$225.00	\$200.00	\$0.00	
Amount remaining to fund		\$253.68	\$141.00	\$171.00	\$0.00	
Amount remaining		\$253.68	\$141.00	\$171.00	\$0.00	
Total		\$565.68				

Building a draft budget

- ✓ Preliminary amount available for meeting school and district based construction projects

Construction - based budget

Expected Revenue (\$M)		Typical % Allocation*	Budget (\$M)	Alternate % Allocation	Budget (\$M)
HB 33 11-16	\$386	67%	\$258	60%	\$231
GO 10	\$225	85%	\$190	75%	\$169
GO 14	\$200	85%	\$170	75%	\$150
SB 9 14-19	\$207	0%	\$0	0%	\$0
Totals			\$1,018		\$618 to \$550

Feb 10 Election

*Does not include contingencies or land acquisition



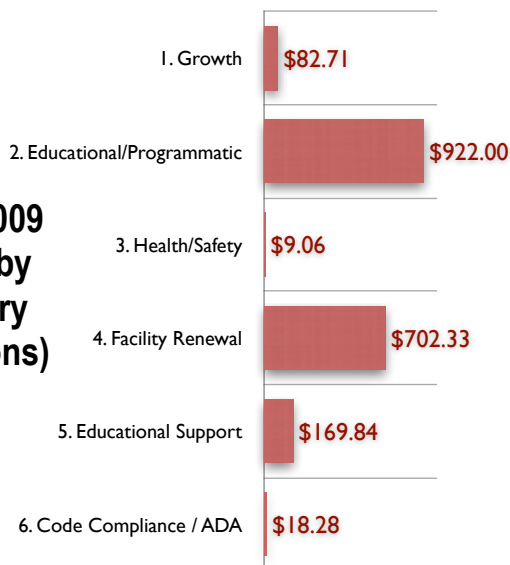
Building a draft budget

✓ Demand

▶ *Construction-based projects*

- ~\$2 billion to \$993.5

Total 2009 Needs by Category (\$millions)



Priority Considerations	Need
Growth	\$82.7
Health - Safety (code compliance)	\$9.1
Educational / Programmatic	
Continue Commitments	
Completing projects /	\$126.8
Continuing next phases of development	
School replacements	\$185.2
Instructional mandates	
Kindergarten / Pre-K additions	\$96.5
Science	\$46.0
Music / Art	\$35.8
Decrease portables	\$209.2
District-wide instructional impact	\$77.3
Renew schools / Sustainability	\$88.9
Implement charter school strategy	\$36.0

Total \$993.5

Building a draft budget

✓ \$2 b to \$993 m to ~\$560 m

▶ 72% reduction from total need

Priority Considerations	Need	DRAFT		Growth	H/S	E/P		FR
		Funding %	DRAFT			School - based	District	
Growth	\$82.7	50.0%	\$41.4	\$41.4				
Health - Safety (code compliance)	\$9.1	100.0%	\$9.1		\$9.1			
Continue Commitments								
Completing projects / Continuing next phases of development	\$126.8	100.0%	\$126.8			\$63.4		\$63.4
School replacements	\$185.2	100.0%	\$185.2					\$185.2
Instructional mandates								
Kindergarten / Pre-K additions	\$96.5	20.0%	\$19.3			\$19.3		
Science	\$46.0	10.0%	\$4.6			\$4.6		
Music / Art	\$35.8	20.0%	\$7.2			\$7.2		
Decrease portables	\$209.2	20.0%	\$41.8			\$41.8		
District-wide instructional impact	\$77.3	100.0%	\$77.3				\$77.3	
Renew schools / Sustainability	\$88.9	20.0%	\$17.8					\$17.8
Implement charter school strategy	\$36.0	100.0%	\$36.0			\$36.0		
Total	\$993.5		\$566.4	\$41.4	\$9.1	\$172.3	\$77.3	\$266.4
				Total	\$566.4			

Already in draft budget

Building a draft budget

✓ Continue Commitments

- ▶ *Completing projects / Continuing next phases of development - funded 100%*
- ▶ *School replacements - funded 100% (of a short-list)*

✓ Instructional mandates

- ▶ *Kindergarten / Pre-K additions – ~20% funded*
 - *Focus on schools where none of the classrooms comply with standards*
 - *Small sites, large number of programs in portables*
 - *Low evaluation score*

Building a draft budget

✓ Instructional mandates (continued)

▶ **Science— ~10% funded**

- *Focus on middle schools*

▶ **Music / Art ~20% funded**

- *Many elementary school music / art projects combined in other additions*
- *Replace most inadequate space*

✓ Decrease portables ~20% funded

- *Focus on schools with highest percentage of portable to permanent square feet*
- *Duration of portables on site*
- *Constrained site*

Building a draft budget

✓ District-wide impact

Stadiums	\$42.00
Aztec Complex	\$8.00
Montgomery Complex	\$20.00
Nature Center	\$2.50
Lincoln Complex	\$4.00
Police Command / Dispatch / Monitoring Facility	\$2.00
KANW Classroom Addition	\$0.75
District Graphics - relocate classroom store	\$0.75

✓ Renew schools / Sustainability

✓ Implement charter school strategy

Building a draft budget

✓ District-wide impact - funded 100%

Stadiums	\$42.00
Aztec Complex	\$8.00
Montgomery Complex	\$20.00
Nature Center	\$2.50
Lincoln Complex	\$4.00
Police Command / Dispatch / Monitoring Facility	\$2.00
KANW Classroom Addition	\$0.75
District Graphics - relocate classroom store	\$0.75

Building a draft budget

- ✓ **Renew schools / Sustainability ~20% funded**
 - ▶ *Low evaluation scores*
 - ▶ *Address remaining older portion of school*
- ✓ **Implement charter school strategy - funded 100%**

Building a draft budget

- ✓ **Renew schools / Sustainability ~20% funded**
 - ▶ *Low evaluation scores*
 - ▶ *Address remaining older portion of school*
- ✓ **Implement charter school strategy - funded 100%**

Building a draft budget

✓ **Construction**
-based
funding at
\$561 m*

		Revenue Target (\$m)			Total DRAFT Funded by Category	% Total
		\$385.60	\$225.00	\$200.00		
		HB 33 11-16	GO 10	GO 14		
1.0	Additional Classrooms / Contingencies	\$48.00	\$84.00	29.00	\$161.00	18.4%
1.1	New Schools / Additions	\$0.00	\$40.00	\$0.00		
	NW K-8					
	SW K-8		\$40.00			
1.2	Property Acquisition	\$10.00	\$20.00	\$5.00		
1.3	Contingencies / Portables / Inflation	\$38.00	\$24.00	\$24.00		
	Portable Fund	\$8.00	\$4.00	\$4.00		
	District Contingency	\$20.00	\$10.00	\$10.00		
	Inflation Contingency	\$10.00	\$10.00	\$10.00		
2.0	Educational /Programmatic and Educational Support	\$127.75	\$64.75	\$42.50	\$235.00	26.9%
4.1	School-Based	\$115.00	\$0.00	\$40.00		
	New Tech2	\$100.00		\$40.00		
		\$15.00				
4.2	District Based	\$12.75	\$64.75	\$2.50		
	Stadiums		\$42.00			
	Aztec Complex		\$8.00			
	Montgomery Complex	\$10.00	\$10.00			
	Nature Center			\$2.50		
	Lincoln Complex	\$2.00	\$2.00			
	Police Command / Dispatch / Monitoring Facility		\$2.00			
	KANW Classroom Addition		\$0.75			
	District Graphics - relocate classroom store	\$0.75				
3.0	Health / Safety / Code Compliance	\$9.06	\$0.00	\$0.00	\$9.06	1.0%
4.0	Facility Renewal	\$145.00	\$31.25	\$116.00	\$292.25	33.5%
4.1	School-Based	\$130.00	\$31.25	\$116.00		
		\$130.00	\$31.25	\$116.00		
4.2	School Improvement Projects (SIPs)	\$15.00	\$0.00	\$0.00		

*does not include property acquisition, contingencies, or SIPs



Building a draft budget

Instructional Infrastructure Summary

Executive Summary		
Prioritization		
	1 Legal or Legislative Requirement	
	2 Academic Achievement	
	3 Business Continuity	
	4 Effective & Efficient	
	After prioritization by Mr. Brooks and Leadership	First cut on requests
Projects	\$21,813,546	\$21,813,546
Instruction	\$14,350,470	\$14,350,470
Computers	\$64,730,077	\$98,091,231
Site Based	\$7,417,116	\$14,834,232
Connectivity	\$18,778,400	\$18,778,400
Maintenance	\$52,372,911	\$52,372,911
eBoard	\$16,980,577	\$33,961,154
New Schools	Part of Facilities budget	
District NW	\$13,543,122	\$13,543,122
Total Capital Cost	\$174,629,551	\$232,388,398

Building a draft budget

✓ Technology Strategy

- ▶ *Superintendent's direction is to reduce Technology to \$150 m*
- ▶ *IT to determine how to implement*
 - *Considerations*
 - Address maintenance as part of SB9
 - not include the additional (-\$18 m)
 - Address site-based needs as part of SIP allocation and direct allocation (-\$7.4 m)
- ▶ **Total: \$174.6 to \$150 m (-\$24.6 m)**
 - 35% reduction from \$232 m

Building a draft budget

✓ Possible technology funding

		Revenue Target (\$m)			Total DRAFT Funded by Category	% Total	\$207.00 SB9 14-19
		\$385.60	\$225.00	\$200.00			
		HB 33 11-16	GO 10	GO 14			
6.0	Educational Equipment / Support	\$48.30	\$49.00	\$37.00	\$134.30	15.4%	\$34.00
6.1	District Technology Funds	\$0.00	\$7.00	\$7.00			\$34.00
	System Maintenance						\$34.00
	Instruction		\$7.00	\$7.00			
6.2	School-Based Technology	\$30.00	\$42.00	\$30.00			
	eBoard		\$12.00				
	Connectivity	\$6.00	\$6.00	\$6.00			
	Computers	\$24.00	\$24.00	\$24.00			

Building a draft budget

✓ Still about \$60 million too high

		Revenue Target (\$m)					
		\$385.60	\$225.00	\$200.00			\$207.00
		HB 33 11-16	GO 10	GO 14	Total DRAFT Funded by Category	% Total	SB9 14-19
1.0	Additional Classrooms / Contingencies	\$48.00	\$84.00	29.00	\$161.00	18.4%	
2.0	Educational /Programmatic and Educational Support	\$127.75	\$64.75	\$42.50	\$235.00	26.9%	
3.0	Health / Safety / Code Compliance	\$9.06	\$0.00	\$0.00	\$9.06	1.0%	
4.0	Facility Renewal	\$145.00	\$31.25	\$116.00	\$292.25	33.5%	
5.0	District-Wide Renewal / Support	\$41.56	\$0.00	\$0.00	\$41.56	4.8%	
6.0	Educational Equipment / Support	\$48.30	\$49.00	\$37.00	\$134.30	15.4%	\$34.00
Total		\$419.67	\$229.00	\$224.50	\$873.17	100.0%	\$34.00
Total Expected Revenue		\$385.60	\$225.00	\$200.00			\$207.00
Amount remaining to fund		(\$34.07)	(\$4.00)	(\$24.50)			\$173.00
Amount Under (Over)		(\$34.07)	(\$4.00)	(\$24.50)			
Total Under (Over)		(\$62.57)					
Percent Under / Over		-8.8%	-1.8%	-12.3%			
1. Construction Projects		\$266.81	\$136.00	\$158.50	\$561.31	64.3%	\$0.00
2. Construction Projects + Contingency		\$296.81	\$156.00	\$178.50	\$631.31	72.3%	\$0.00
3. Technology (includes SB9 14-19)		\$30.00	\$49.00	\$37.00	\$150.00		\$34.00
					\$116.00	13.3%	with SB9 13.9%

Building a draft budget

✓ Still about \$60 million too high

▶ *Where to reduce?*

- *Construction projects to \$500 (75% reduction from total need)*
- *Other categories of needs*