



**NEW MEXICO HIGHER EDUCATION
DEPARTMENT**

**INSTRUCTION MANUAL
FOR ANNUAL CAPITAL OUTLAY FUNDING
REQUESTS**

FISCAL YEAR 2024

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SECTION I: GENERAL INFORMATION

All sections of these instructions apply to public postsecondary institutions of Higher Education, special schools, and tribal schools in New Mexico who are requesting funding through the New Mexico Higher Education Departments annual capital outlay funding request process.

1.1 INTRODUCTION

The primary purpose of these instructions is to outline the process for requesting State funds for higher education capital construction and capital renewal projects. The New Mexico Higher Education Department is responsible for establishing a process by which the higher education department will evaluate and prioritize each capital construction/capital renewal project request developed by institutions and to make funding recommendations to the New Mexico Department of Finance and Legislature annually.

The duties and powers of the NMHED with respect to capital planning and funding recommendations are outlined in NMSA 1978, Chapter 21-1-26.10 Higher Education Department; plan for funding significant postsecondary educational infrastructure needs. Along with assessment of capital planning and funding recommendations, the NMHED must review and approve capital expenditures as outlined in NMSA 1978, Chapter 21-1-21 Capital Expenditures. This manual will focus on the review forms institutions are required to submit as it relates to capital planning and funding recommendations only.

1.2 STATUTORY AUTHORITY

21-1-21 Capital Expenditures.

No expenditure shall be made by any state educational institution confirmed by Article 12, Section 11 of the state constitution for the purchase of real property or the construction of buildings or other major structures or for major remodeling projects without prior approval of the proposed purchase or construction or remodeling by the board of educational finance and the state board of finance.

TITLE 5 POSTSECONDARY EDUCATION
CHAPTER 3 POSTSECONDARY EDUCATION INSTITUTION FINANCES
PART 10 CAPITAL PROJECTS APPROVAL BY THE NEW MEXICO HIGHER EDUCATION DEPARTMENT

21-1-26.10 Higher education department; plan for funding significant postsecondary educational infrastructure needs.

The higher education department, in conjunction with the governing bodies of the postsecondary educational institutions and other state educational institutions confirmed in Article 12, Section 11 of the constitution of New Mexico, shall develop and approve a five-year plan for funding the infrastructure renovation and expansion projects designated by the department as the highest priority of significant needs. The department shall determine the projects and amounts to be funded, with a timetable for the projects and amounts to be funded each year over the five-year period, subject to review and comment by the educational institutions and subject to appropriations.

TITLE 5 POSTSECONDARY EDUCATION
CHAPTER 3 POSTSECONDARY EDUCATION INSTITUTION FINANCES
PART 9 CAPITAL BUDGETS - PLANNING AND FUNDING RECOMMENDATIONS

1.3 **FUNDING SOURCE**

Much of the state's capital outlay is funded through three sources: general obligation bonds, severance tax bonds, and nonrecurring general fund revenue. Amounts vary from year to year depending on the economy.

- A. General Fund – nonrecurring general fund revenue, the primary repository of state revenue, is typically the money left over after the Legislature has funded state government and public-school operations and set money aside for reserves.
- B. Severance Tax Bond – generally are repaid with revenue from taxes on oil, gas, coal and other natural resources “severed” from the land. The amount available through severance tax bonds is largely dependent on the health of the oil and gas industry
- C. General Obligation Bond – are repaid through property taxes and must be approved through a general election. As a result, that money is only available in even-numbered years. General obligation bonds typically support projects for higher education, senior citizens, public schools, and libraries.
(Legislative Finance Committee, Finance Facts, May 2018.)

1.4 **SUBMISSION PROCESS**

A. NMHED Responsibilities:

The NMHED annually reviews and prioritizes all state-funded capital outlay requests received directly from higher education institutions. These requests are due to the NMHED on June 1 of each year. Requests not received within the Capital Funding Request and Management System (CFRMS) by the established deadline will not be considered.

The NMHED utilizes the criteria outlined in these instructions to review and score project requests. A prioritized list of projects is sent to the New Mexico Department of Finance and Administration by the October 1st deadline. These funding requests are prioritized based on financial feasibility and conformance with established planning guidelines. To be considered, requests must be entered into the CFRMS, be well documented, and include all information as outlined in Section 2 of this manual.

Prior to the submission due date to DFA, the NMHED holds capital outlay hearings. During these hearings, higher education institutions (HEI) are given an opportunity to present their projects. NMHED staff may conduct site visits to review the status of facilities that may be considered for State funding.

For the FY2024 budget cycle, institutions must submit project proposals by June 1, 2022.

SECTION II: CAPITAL CONSTRUCTION/CAPITAL RENEWAL REQUEST REQUIREMENTS

This section provides instructions on the submittal of funding requests to the NMHED.

2.1 INSTRUCTIONS FOR THE CAPITAL CONSTRUCTION/CAPITAL RENEWAL REQUEST

Prioritized State-funded projects must be approved by the institutions' Board of Regents/Trustees and be consistent with all statutory and administrative code requirements of the department.

After submission of the projects via the Capital Funding Request and Management System (CFRMS), institutions will receive written comments or questions from Department staff. Responses to all questions are expected to be integrated into the CFRMS.

2.2 CAPITAL OUTLAY EVALUATION CRITERIA AND OBJECTIVES

The NMHED is committed to ensuring that the funding process for capital outlay for higher education institutions in New Mexico is equitable and cost-effective. As stewards of taxpayer dollars, we must ensure that all funds will be used in a manner that will support students now and in the future. For that reason, the NMHED continues to evolve the evaluation criteria to address the immediate needs of the institutions and the state. In general, the higher education department will give preference to project requests that:

- (1) are strongly related to instructional programs and which support an institutions mission and particular role;
- (2) provide high-quality educational settings which represent up-to-date technologies;
- (3) are necessary to accommodate enrollment growth;
- (4) address major health and safety problems and eliminate physical barriers to disabled persons;
- (5) result from unforeseen conditions that if uncorrected would result in major property deterioration;
- (6) renovate facilities or to make wise use of other existing resources whenever feasible and economical;
- (7) improve utility systems or building energy efficiency that will result in the rapid capitalization of initial costs and long-term reduction of energy costs;
- (8) for which there is no other available or more appropriate funding source, such as building renewal and replacement funds, local bonds, revenue bonds, auxiliary revenues, or research revenues.

Additionally, the NMHED will be concentrating on projects which address other key factors that are facing New Mexico today. These include the following.

1. Capital projects linked to the following state goals:
 - a. Promotion of enrollment growth, retention, and degree production
 - b. Enhancing research or workforce development
 - c. Identifying and addressing education and workforce needs of local and regional economies

2. Capital projects which enhance campus mission and distinction, and which are envisioned in the institution's current Master Plan.
3. Project proposals that include academic planning and programs.
4. Institutional facility needs and conditions, as analyzed by the NMHED Space Planning Guidelines, are a factor in determining institutional priorities.
5. External funding should be a factor in project priority but should not inappropriately determine institutional or system priorities.
6. Separate funding requests to cover increases in construction and material costs to complete projects previously requested and funded as part of the NMHED Capital Outlay Summer Hearing process.

The review criteria above will be applied to all capital construction and capital renewal requests. Each capital project request will be evaluated by the NMHED Capital Outlay Committee per the criteria below as to the level of applicability and ranked accordingly on NMHED's funding recommendation list to the NMDFA.

NMHED Scoring Rubric

		Scoring Criteria
A.		Project Rationale and Need
	A1	Promotion of enrollment growth, retention, and degree production
	A2	Impact on education and workforce needs in local and regional economies
	A3	Alignment with institutional mission and advancement of the institution's strategic plan
	A4	Facilities assessment for determining project need
	A5	Supports on campus and off-campus instruction
B.		Energy and Sustainability
	B1	Energy Assessment or Audit
	B2	Operational Cost Reduction
	B3	Support of Executive Order 2019-003
C.		Stewardship
	C1	Preparation of Project Estimates
	C2	FCI or NAV reduction
	C3	Use of Building Repair and Renewal (BRR)
	C4	Maintenance Costs Reduction
	C5	Health, safety, and security issues (including ADA)

2.3 **FORMS**

- A. Certification
 - a. The certification establishes that the institutional leadership and Governing Board has approved the submitted five-year plan which is considered to represent the institutions greatest need, that the project cost is fully developed, and that five percent (5%) of the appropriation will be incurred within six months of the bond issuance date.
- B. Status of all Active Projects
 - a. This spreadsheet is used to document all active projects regardless of funding source. The information is used to determine the capacity and utilization of already appropriated funding for capital projects.
- C. Status of all Closed Projects
 - a. This spreadsheet is used to document all closed projects regardless of funding source. The information is used to determine the number of projects that have been completed and the multiple funding sources used to complete these projects.

2.4 **Capital Funding Request and Management System (CFRMS)**

The CFRMS serves as the online portal for submitting capital outlay funding requests to NMHED. Each funding cycle is tracked within the system as a separate portfolio. HEI's must use the CFRMS and complete the Capital Request, Forecast, and Location tabs within the FY24 Portfolio. Updates to space inventory, enrollment data, and five-year capital plans must also be done within the CFRMS.

Once an HEI has accessed the CFRMS system they will have the ability to review previous submissions, submit a new capital request, or revise previously unfunded requests that have been rolled over to the FY24 portfolio. The next few sections outline the detail and information required by the NMHED in order to review the capital funding request and should be followed when populating the CFRMS.

For specific step by step instructions on how to access and populate the CFRMS, visit the NMHED website at <https://hed.state.nm.us/resources-for-schools/capital-projects/summer-hearings>. You will find the link to access the system and the CFRMS User Training Course materials.

2.5 **PROJECT INFORMATION – CAPITAL REQUEST TAB**

Provide a detailed overview of the project. In addition to the location and title, must include the project priority, details about funding being requested and match funding available. In addition, history of the facility (original construction, renovation, and addition dates), condition of the facility and surrounding infrastructure, and if multiple projects, specific information for each project is being sought. Provide a detailed scope of work and what deficiencies are being addressed.

- A. Name of Institution:
 - a. Choose from the Institution drop-down menu

- B. Project Title and Short Description:
 - a. Provide a unique descriptive title for the project and include a short description of what will be done (Construction of New XYZ Facility, Renovation of XYZ Facility, Parking Lot Improvements, Replace roof on XYZ Facility)

- C. Project Location:
 - a. Provide the street address, city, state, and Zip Code in the Location Tab
 - b. A map of the project location will then be saved automatically to the project request

- D. Buildings:
 - a. Choose Building(s) included in request from drop-down menu
 - b. Provide age and GSF of facility
 - c. If a new facility, add information under Manage System, Manage Institution Data

- E. FY Priority #:
 - a. List the institutional priority rank

- F. Master Plan Priority #:
 - a. Provide the institutional rank in the current Master Plan

- G. Total Project Cost:
 - a. Total Project Cost will be imported from Pre-Project and Post-Project Costs on the Forecast Tab

- H. State Funding Request:
 - a. Provide the portion of funding being requested from the State during this funding cycle

- I. Committed Match Funding:
 - a. Provide the portion of funding, if applicable, being provided by the HEI

- J. Match Funding Source:
 - a. Provide source(s) of match funding and when they will be available

- K. Construction Type:
 - a. Infrastructure Improvements
 - b. New Construction
 - c. Renovation
 - d. Supplemental Funding

- L. Previous Request Summary:
 - a. If funding was requested in the past for this project, provide a brief summary to include when it was presented, amount of funding received and any changes from original request(s) (Cost, Scope, etc.)
 - b. This section must be completed for Supplemental Funding Requests

A. Project Description:

- L. History of Facility:
 - a. Give details as to the history of the facility, including its use and what programs it was designed to serve

- M. Current Condition:
 - a. Give details as to the current condition of the facility and supporting infrastructure

- N. Renovation Information:
 - a. Furnish details of the last renovation including what was done, when it was completed, and what funding sources were used

- O. Scope of Work:
 - a. Provide a detailed scope of work to be completed if the project is funded
 - b. Specify specific deficiencies being remedied

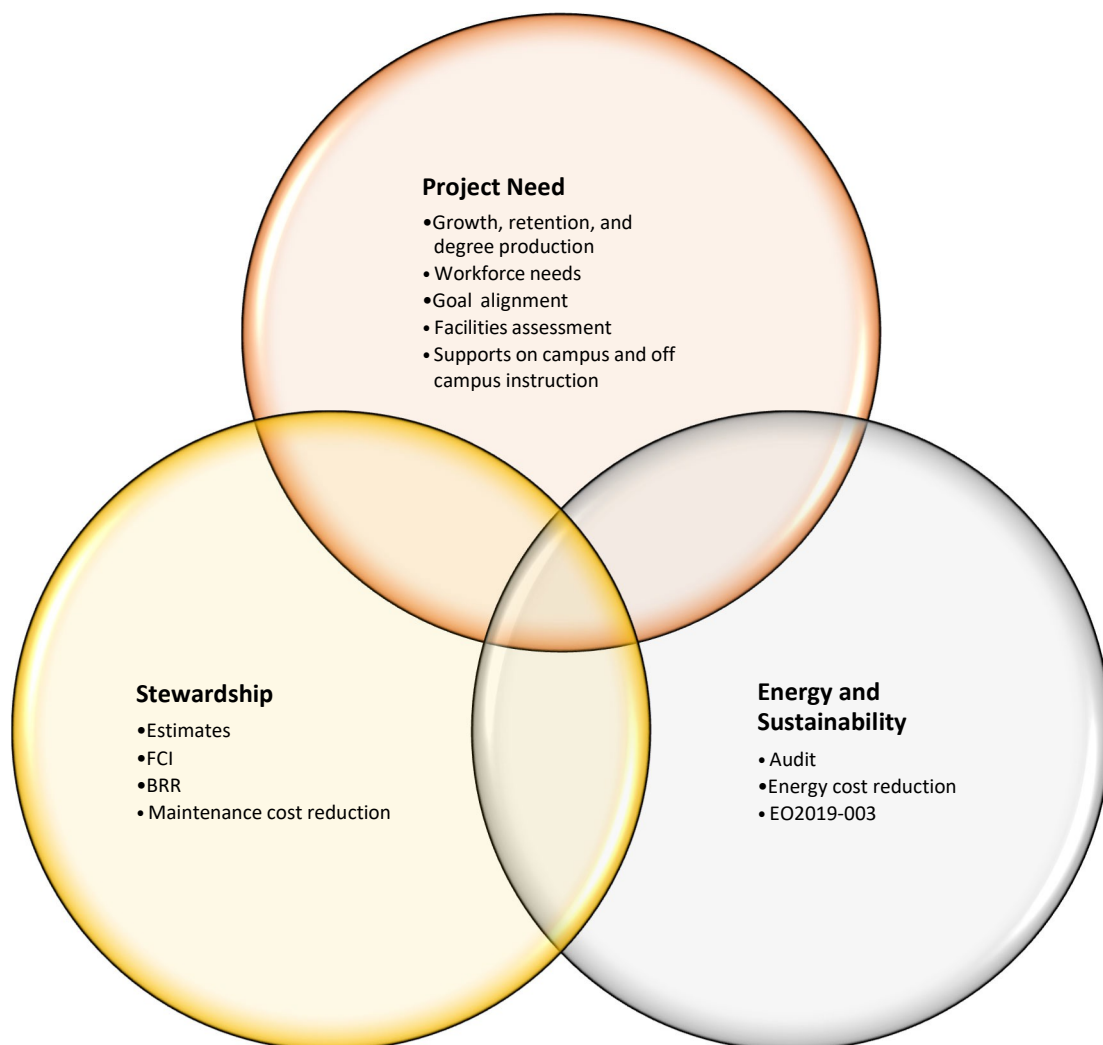
- P. Phases:
 - a. Break out multiple projects and dollar amounts within a single request
 - b. Break out a single project into functional phases, in applicable, that can be completed if funded as stand-alone projects
 - c. Amounts in this section must match the Total Project Cost

- Q. Students Impacted:
 - a. Provide the instructional program majors being served by this particular project request

- R. Enrollment:
 - a. Update based on the latest NMHED website/eDEAR Fall enrollment data within the Manage Institution Data section of CFRMS

2.6 PROJECT EVALUATION MEASURES

The following measures are being implemented to assist the NMHED in reviewing and analyzing project funding requests for all HEI's in the state. Project need, stewardship, and energy and sustainability will all be key components in the NMHED's evaluation process when determining a statewide capital outlay funding plan for HEI's. The information provided by each HEI for each measure is crucial in how the project will be scored and ranked in the statewide capital request. For that reason, each HEI needs to review these measures in detail prior to preparing their five-year capital outlay plan and their annual capital project submissions.



B. Project Rationale and Need

Be thorough in explaining the **needs** that are being met by **the project**. This includes how the specific project will promote enrollment growth, retention, and degree production and address education and workforce needs in local and regional economies. It is also important that HEI's demonstrate, through support, alignment of the project with the institutional mission of the HEI and how the project advances the institution's strategic plan. HEI's are also expected to provide a current facilities assessment or similar methodology documenting the project need.

HEI's must sufficiently describe in detail, through conceptual architectural drawings, diagrams and photographs, what deficiencies are being addressed and what work is planned should the project be funded. Include a description of any unique aspects or circumstances that led to the creation or structuring of the project.

- For capital construction projects, provide a description within the Scope of Work of the amount of program space required, the types of spaces such as classrooms, faculty offices, and laboratory, overall square footage of the building(s) impacted by the project as well as the total square footage of the scoped project (identify renovated and new space square footage separately). Also include equipment and other relevant information necessary to describe the project fully. Explain the construction project delivery method selected for this project request.
- For capital renovation and infrastructure improvement projects, identify upgraded space or area proposed, systems involved in the renewal project, and other relevant information necessary to describe the project fully as per the facility management plans. This narrative description within the Scope of Work should expand upon the project title to describe in detail the maintenance problem(s) and the specific work required in terms of materials, equipment, repair, or replacing the problem(s). Describe the justification leading to the necessity of this capital request related to the Institution's Facility Master Plan (FMP). This justification includes a detailed description of why current conditions of buildings or systems have become inadequate for programmatic use and a description of the funding necessary through conceptual architectural drawings, diagrams and photographs for the improvements. If this is an existing facility and a "Facility Condition Index Score (FCI)" has been determined, (not applicable for an infrastructure request), include a description of that score from the most recent Facilities Condition Audit, how this request will impact that score, and the targeted FCI that this project completion would achieve. Provide the date of the last facility renovation used to justify this request as well as any additional information to support the justification for this project. Explain the construction project delivery method selected for this project request.

Measure B1: Projects promotion of enrollment growth, retention, and degree production

Rating Scale:

Ratings	Weight
High	100.00%
Medium-High	83.33%
Medium	66.67%
Medium-Low	50.00%
Low	33.33%
Very Low	16.67%
Does not contribute	0.00%

Up to thirty points will be awarded for projects that clearly demonstrate the promotion of enrollment growth, retention, and degree production. To achieve the maximum allowable score, the project must significantly improve facilities in a program that has demonstrated enrollment growth as a recruiting tool or must improve space that is constricted as demonstrated by the presentation of utilization data. This discussion will require background data as opposed to anecdotal information.

Twenty points shall be awarded for a project that may demonstrate this to a lesser extent with new initiatives and anecdotal information. A new degree program may also meet these criteria.

Ten points shall be awarded for projects that improve programs that are primarily elective programs.

The intent of this measure is to focus on projects that can demonstrate support of this primary goal with data. For example, a project that remodels a science facility that has had lagging enrollment could still receive maximum points if it is demonstrated with data that new facilities have the opportunity to be a recruiting tool. A project that renovates an engineering facility where utilization data illustrates a need would also receive maximum points. Fewer points may be awarded for renovations in targeted educational areas with less detailed utilization data.

Measure B2: Projects impact on education and workforce needs in local and regional economies

Rating Scale:

Ratings	Weight
High	100.00%
Medium-High	83.33%
Medium	66.67%
Medium-Low	50.00%
Low	33.33%
Very Low	16.67%
Does not contribute	0.00%

The NMHED recognizes that facilities can house multiple programs, and the weight of each rating is based on the amount of space devoted to programs that advance the following goals:

- Significant Community Impact and Support;
 - Proposal aligns with long-term local, regional, and/or statewide strategic plan for economic development
 - Proposal identifies geographic area(s) in which program completers are likely to work and those areas are primarily in New Mexico
 - Proposal is supported by statements of need from employers and other partners in the area to be served that express real need and commitment
- Rural and Underserved Areas of New Mexico;
 - Projects that serve more than 50% minority students OR that provide a plan to recruit more minority students into the funded program
 - Projects at institutions where at least 36.9% of the student body is comprised of students from rural New Mexico counties OR that provide a credible plan to recruit more students from those counties into the funded program
- Increased Wages and Job Creation;
 - Proposal provides evidence of a current and future labor market demand that is validated by New Mexico Department of Workforce Solutions data
 - Proposal provides a credible plan for substantially addressing the current and future labor market demand;

Measure B3: Projects support of HEI Strategic Plan or Facility Master Plan

Demonstrate alignment with institutional mission and how this project advances the institution's strategic or facility master plan.

Rating Scale:

Ratings	Weight
High	100.00%
Medium-High	83.33%
Medium	66.67%
Medium-Low	50.00%
Low	33.33%
Very Low	16.67%
Does not contribute	0.00%

This criterion is fairly self-explanatory, but the intent is to provide additional incentive to have a current, detailed, Facility Master Plan and to foster alignment with the institutional strategic plan.

Some plans are more specific than others. For example, a few plans actually list projects while others will state lofty goals such as, "increase retention." While a new program may improve retention, the score will be based on how specific the plan is relating to the project.

*

Measure B4: Facilities Assessment

Provide the facility's most recent condition score and summarize the major structural and systems conditions that resulted in that score. Provide selected supporting documentation in appendices and reference them in the body of the proposal.

Rating Scale:

Ratings	Weight
High	100.00%
Medium-High	83.33%
Medium	66.67%
Medium-Low	50.00%
Low	33.33%
Very Low	16.67%
Does not contribute	0.00%

This criterion seeks to encourage every campus or system to have an assessment but recognizes that perhaps not all facilities must be evaluated at a detailed level to determine which facilities have the greatest needs.

*

Measure B5: Projects impact on On-campus and Off-campus Instruction

Provide information on how this project request will support both on-campus and off-campus instruction.

Rating Scale:

Ratings	Weight
High	100.00%
Medium-High	83.33%
Medium	66.67%
Medium-Low	50.00%
Low	33.33%
Very Low	16.67%
Does not contribute	0.00%

This criterion is a measure of how well the project supports both the on-campus and off-campus instruction at the HEI. The NMHED is committed to ensuring that capital outlay dollars are used to support student instruction and it is important to understand how HEIs are balancing on-campus vs off-campus instruction needs.

Support of on-campus and off-campus instruction including indirect support must be demonstrated in the project submittal using specific examples. Indirect support includes related infrastructure such as HVAC, Lighting, Parking Lots, etc. which supports facilities that offer instruction.

C. *Green Screen for Buildings

Describe the Energy Efficiency measures that will be incorporated into the design and construction of **the project**. Also include information on specific measures to meet State Green Building Standards as well as information on how the project supports the State's Climate Strategy. Measures are B1, Energy Audit; B2, Operations (Energy) Cost Reduction; and, B3, Executive Order 2019-003.

Measure C1: Energy Audit

If the HEI has conducted a formal energy audit, provide details. Document project benefits associated with improvements in energy and resource conservation and the use of renewable energy sources. Examples of "Renewable" energy systems include, but are not limited to, hydroelectric power, active or passive solar space, heating or cooling, domestic solar water heating, windmills, waste heat, biomass or refuse derived fuels, photovoltaic devices, and geothermal energy.

Rating Scale:

Ratings	Weight
High	100.00%
Medium-High	83.33%
Medium	66.67%
Medium-Low	50.00%
Low	33.33%
Very Low	16.67%
Does not contribute	0.00%

There are several ways to accomplish an Energy Audit, and the rating scale recognizes this by providing more weight for methods that generally have the most accuracy and detail.

*

Measure C2: Projects impact on Energy / Utility Cost Reduction

Explain the impact of **the project** to net energy and utility costs. Describe in detail the specific energy/utility services that will be affected, what the specific impact will be as it relates to the operational budget, and the methodology used to calculate the current and after project energy costs. Also include information on how the HEI will cover increased energy costs, or if there is an anticipated reduction, where those funds will be used.

Rating Scale:

- a. High (>20% reduction)
- b. Medium-High (<20% reduction)
- c. Medium-Low (<15% reduction)
- d. Low (<10% reduction)
- e. Does not contribute

Quantitative measure scored based on information provided by the HEI for Current Energy Cost within the Capital Request Tab and Energy and Utilities Cost Post Project in the Forecast Tab.

The intent of this criteria is to establish that there is a goal towards reducing utility and operations costs that dovetails with the reduction in GHG emissions. Nearly every state rubric that NMHED looked at for comparisons provides for something similar to facilitate the reduction in costs. The scoring recognizes that there are several cost analysis software programs like Target Finder that can be employed later in the design process, but operating cost tools can be employed much earlier.

The NMHED recognizes that in many cases, the older equipment in campus buildings may be designed to older standards that require less outside ventilation and may be operating inefficiently, thus using less energy than designed. In some cases, new equipment may cost more to operate even though it is new and efficient. This information is important and should be included in the Explanation.

*

Measure C3: Executive Order (EO) 2019-003

Explain how **the project** will address the goals of integrating climate change mitigation and adaptation practices into the project.

Rating Scale:

Ratings	Weight
High	100.00%
Medium-High	83.33%
Medium	66.67%
Medium-Low	50.00%
Low	33.33%
Very Low	16.67%
Does not contribute	0.00%

This criterion seeks to capture how the HEI, through this project, will integrate climate change mitigation and adaptation practices into the project as called out for in the EO. Examples of climate change mitigation and adaptation practices:

- Clean Electricity and Grid Modernization
- Sustainable Infrastructure and Planning
- Decarbonization
- Energy Efficiency Technologies

D. Stewardship

Detail how the HEI provides stewardship for its assets. Measures are D1, Project Estimates; D2, Deferred Maintenance Reduction; D3, Asset Stewardship; D4, Impact to Operation and Maintenance Budget; and D5, Health, Safety, and Security.

Measure D1: Project Estimates

Accurate project estimates are critical to the overall success of the project. Describe how the project estimates were prepared. Provide total dollars attributed to inflation. Percentage increases MUST be defended in the narrative portion of the document, or 0% inflation will be assumed. Provide detail on the methodology used for preparing estimates.

Rating Scale:

Ratings	Weight
High	100.00%
Medium-High	83.33%
Medium	66.67%
Medium-Low	50.00%
Low	33.33%
Very Low	16.67%
Does not contribute	0.00%

The NMHED continues to be cognizant of the ever-changing construction and funding landscape in New Mexico. Availability of funding along with costs for materials and construction of facilities has fluctuated year-over-year. For this reason, the NMHED is looking for well developed cost estimates which support the ability of the institution to complete the scope of work as outlined for the project.

The cost of construction is important however equally as important is the need to understand recurring costs to support the project. In some cases, recurring costs may be reduced while in other they may increase. A more detailed breakdown of the costs associated with preconstruction, construction, and post-construction costs must be provided in the Forecast Tab as well.

Measure D2: Projects impact on reducing deferred maintenance

Describe in detail how this project impacts/reduces the HEIs deferred maintenance backlog. Do not include information related to operations and maintenance in this measure. Provide details within the Explanation on the specific systems or equipment that are being addressed that will impact deferred maintenance on campus. Also provide documentation to show how deferred maintenance is tracked and how any reduction in deferred maintenance after project was calculated.

Scoring:

Quantitative measure which is scored based on the information provided by the HEI for Campus wide Deferred Maintenance Backlog, Project Deferred Maintenance, and Project Deferred Maintenance AFTER Completion

The intent of this criterion is to assess the impact capital appropriations have on addressing deferred maintenance needs.

*

Measure D3: Asset Stewardship

Describe in detail how the HEI uses and plans for Building Repair and Renewal (BRR). Describe the process the HEI has in place, the amount of funding set aside for BRR annually, and how this project will impact BRR needs after completion.

Rating Scale:

Ratings	Weight
High	100.00%
Medium-High	83.33%
Medium	66.67%
Medium-Low	50.00%
Low	33.33%
Very Low	16.67%
Does not contribute	0.00%

A plan for supporting the ongoing operational and maintenance needs of current and proposed capital assets, including deferred maintenance and building renewal, is critical. The NMHED understands that Building Repair and Renewal funding is not a separate appropriation and for that reason is interested in understanding how HEIs determine the percentage of I&G that will be used for BRR, and what impact this project will have, if funded, on the BRR transfer.

The intent of this criterion is to assess the planning of BRR at HEIs and what impact the project will have on that planning process if funded. Specific detail on how the HEI separates BRR projects from capital outlay projects must also be documented.

Measure D4: Projects impact on Operation and Maintenance Budget

Describe in detail how this project will affect net operating appropriations for the current year and all out-years. This detail should include specific information on what services are increased or reduced, any appropriation increases or decreases necessary to provide for building or system maintenance, increases or decreases in FTE, and the anticipated timeline for operating impacts. Provide a justification if no operating budget impact is anticipated.

Scoring:

- a. High (>20% reduction)
- b. Medium-High (<20% reduction)
- c. Medium-Low (<15% reduction)
- d. Low (<10% reduction)
- e. Does not contribute

Quantitative measure scored based on information provided by the HEI for Total Annual O&M Budget within the Capital Request Tab and Total Annualized Building and Equipment Maintenance Cost Post Project in the Forecast Tab.

The intent of this criterion is to assess the impact the project will have on the overall operations and maintenance (BRR) budget of an institution. The initial cost for construction or renovation of a facility or associated infrastructure is important when requesting funding however the recurring costs to operate and maintain the asset are equally as important.

It is important that HEIs include as much detail as possible when demonstrating the impact in the Explanation. Some examples of items that can be included are as follows:

- Less staff for cleaning because of a different floor material being installed,
- Less man-hours needed due to less frequent mechanical failures or asset protection issues,
- Fewer employees changing light bulbs due to LED retrofit,
- More staff needed due to added square footage

*

Measure D5: Projects impact on health, safety, and security

Describe how this project will address major health and safety issues/concerns on campus, including how it will improve physical safety and cybersecurity affecting students and staff.

Rating Scale:

Ratings	Weight
High	100.00%
Medium-High	83.33%
Medium	66.67%
Medium-Low	50.00%
Low	33.33%
Very Low	16.67%
Does not contribute	0.00%

The intent of this criterion is to understand how the HEI develops and addresses health, safety, and security projects on campus. HEI's should include information about any plans or studies, and any efforts towards Crime Prevention Through Environmental Design (CPTED) that were used to develop this project. Identify whether the project is needed to bring the facility to current life safety or code requirements and clearly demonstrate the corrections being done to address the applicable standard or code. Cite examples of existing conditions that do not comply with current codes that the project will correct. Upload supporting documentation and reference them in the Explanation.

2.7 CFRMS FORECAST TAB

As part of the NMHED Capital Outlay Funding Request Process, the NMHED will begin utilizing the CFRMS Forecast Tab to analyze 5-year cost and benefit projections for all capital funding requests.

For current year funding requests, HEI's are required to populate the Forecast Tab with the following information:

- **Pre-Project** – Enter the non-recurring costs within each category, by fiscal year, expended and or anticipated to develop the project.
- **Project** – Enter the non-recurring costs within each category, by fiscal year, in order to complete the project
- **Post-Project** – Enter the recurring costs within each category, by fiscal year, which will be incurred once the project is completed
- **Revenue** – Enter the anticipated revenue within each category, by fiscal year, which will be generated as a result of this project
- **Cost Reduction** - Enter the anticipated savings from your current budget within each category, by fiscal year, which will result if the project is completed
- **Cost Avoidance** – Enter the anticipated increase in budget within each category, by fiscal year, that would have result should the project not be completed

The NMHED is also requesting that HEI's use the CFRMS to submit their five-year capital plans. To do this, HEI's are required to create a new capital request within the CFRMS for each project on the institutions approved five-year plan. HEI's must check "For 5 year planning" and only fill out the Project Title and Short Project Description, Buildings, FY Priority #, Master Plan Priority #, State Funding Request, Committed Match Funding, Match Funding Source, Construction Type, and Scope of Work in the Capital Request Tab. Within the forecast tab, HEI's are required to populate the following:

- **Pre-Project** – Enter the non-recurring costs within each category, for the fiscal year funding is going to be requested, and if known, for all out years
- **Project** – Enter the non-recurring costs within each category, by fiscal year, in order to complete the project

Projects that were unfunded in previous legislative sessions will also be moved into the FY24 portfolio. These projects can be updated and resubmitted for funding, marked as projects that are being moved further down on the approved 5-year plan, or removed entirely from the system. Projects included on the 5-year plan will remain in the system and can be updated once the institution is ready to submit for funding.

IMPORTANT NOTE - The total project cost on the Capital Request Tab will be populated using the combined Pre-Project and Project cost totals from the Forecast Tab. HEI's must verify that this amount is correct before submitting the project to the NMHED.