

**NEW MEXICO
HIGHER EDUCATION
DEPARTMENT**



Fostering Student Success from Cradle to Career

CAPITAL OUTLAY AND FINANCIAL AID SPRING TRAINING

APRIL 5, 2023



HIGHER EDUCATION CAPITAL OUTLAY AND FINANCIAL AID SPRING TRAINING

Stephanie M Rodriguez
CABINET SECRETARY

**NEW MEXICO
HIGHER EDUCATION
DEPARTMENT**



Fostering Student Success from Cradle to Career



Photo courtesy of Northern New Mexico College

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Fostering Student Success from Cradle to Career

CAPITAL OUTLAY SPRING TRAINING

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HIGHER EDUCATION SUMMER HEARINGS

GOVERNOR

MICHELLE LUJAN GRISHAM

CABINET SECRETARY

STEPHANIE M. RODRIGUEZ

CAPITAL PROJECTS DIRECTOR

GERALD M. HOEHNE



Capital Outlay Process – Summer Hearings - Funding Recommendations

- Statutory Authority
 - 21-1-26.10 Higher Education Department; plan for funding significant post-secondary educational infrastructure needs
 - NMAC 5.3.9 Capital Budgets – Planning and Funding Recommendations
- NMHED Instruction Manual for Annual Capital Funding Requests and the Capital Funding Request and Management System (CFRMS)
- NMHED Space Policy

OVERVIEW

CAPITAL OUTLAY FUNDING PROCESS

Statutory Authority

- 21-1-26.10 Higher Education Department; plan for funding significant post-secondary educational infrastructure needs



21-1-26.10 HIGHER EDUCATION DEPARTMENT; PLAN FOR FUNDING SIGNIFICANT POST- SECONDARY EDUCATIONAL INFRASTRUCTURE NEEDS

The Higher Education Department, in conjunction with the governing bodies of the post-secondary 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.

NMAC 5.3.9 CAPITAL BUDGETS – PLANNING AND FUNDING RECOMMENDATIONS

5.3.9.6 Objective:

- Establish a process for the higher education department to review capital outlay funding recommendation packages developed by institutions, present those to the Higher Education Department and submit those approved to the legislature annually.
- Provide public higher education institutions with an equitable process by which the department can review packages from institutions that contain capital projects, listed in priority order, that are considered to represent the greatest needs of the state and of the institutions. NMHED will review requests for capital outlay funding submitted by postsecondary institutions and special constitutional schools, recommend the projects in priority order, and present funding recommendations for approval by the department.

NMAC 5.3.9 CAPITAL BUDGETS – PLANNING AND FUNDING RECOMMENDATIONS

5.3.9.8 Review Criteria, Subsection F. Required Local Match:

- For two-year institutions, NMHED requires local matching participation in the amount of 25 percent of the total cost for each project or group of projects. However, HED may waive or reduce the 25 percent matching requirement if the institution is not authorized to issue local general obligation bonds, is at maximum bonding capacity, or has already contributed from local sources at least 25 percent of all construction costs, including the cost of the proposed project.
- The NMHED issued correspondence on May 27, 2022 outlined the requirement and emphasized the agency's expectation that funded projects must have the match percentage provided by local funding sources when the project is brought forward for approval.
- The ability for the NMHED to waive or reduce the 25 percent match is limited to the specific items listed within the NMAC.



VIA ELECTRONIC MAIL ONLY

May 27, 2022

Dear Colleagues:

The New Mexico Higher Education Department (NMHED) is well aware that each of your higher education institutions are diligently preparing your Capital Outlay Summer Hearing funding requests. As the deadline for submittals approaches on June 1, 2022, I want to emphasize the agency's commitment to a criteria-based strategic approach to capital investments. In order to provide a transparent and data-oriented strategy for capital projects at all public higher education institutions, special schools, and Tribal colleges throughout New Mexico, the agency implemented the following, all designed to provide for a transparent data driven funding recommendation process:

1. Development of project evaluation measures;
2. Rollout of the [New Mexico Higher Education Department Instruction Manual for Annual Capital Outlay Funding Requests](#);
3. Implementation of the [Capital Funding Request and Management System](#); and the
4. Update to the [NMHED Space Policy](#) (March 2022).

Additionally, I want to highlight [NMAC 5.3.9 Capital Budgets – Planning and Funding Recommendations](#), specifically section 5.3.9.8 Review Criteria, Subsection F. Required Local Match, which states:

For two-year institutions, the higher education department requires local matching participation in the amount of 25 percent of the total cost for each project or group of projects. However, the higher education department may waive or reduce the 25 percent matching requirement if the institution is not authorized to issue local general obligation bonds, is at maximum bonding capacity, or has already contributed from local sources at least 25 percent of all construction costs, including the cost of the proposed project.

Historically, NMHED has instituted this requirement by reducing the amount of the requested funding for projects submitted by two-year higher education institutions by 25 percent. When these projects are funded and when it is time to design and construct, the match funding is not brought forward. Unfortunately, this has resulted in reduced scope and incomplete projects, and the incomplete portion continues to remain an issue for higher education institutions until additional funding is secured.

In order to address this moving forward, the agency will require all two-year higher education institutions to provide a 25 percent match or request a waiver or reduction in accordance with the NMAC. Funded projects must have the match percentage provided by local general obligation bonds or other local sources at the time the project is submitted to NMHED for capital projects approval.



Thank you for your attention to this matter. If you have any questions or need assistance moving these projects forward, please contact Director Gerald Hoehne, Capital Projects Division, at 505-476-8434 or via email at Gerald.Hoehne@state.nm.us.

Sincerely,

Digitally signed by:

Stephanie M. Rodriguez
Cabinet Secretary

CC: Deborah Romero, Cabinet Secretary, New Mexico Department of Finance and Administration
Dr. Gerald Burke, Chair, New Mexico Higher Education Department Capital Outlay Committee
Gerald Hoehne, Director, Capital Projects Division, New Mexico Higher Education Department
David Abbey, Director, Legislative Finance Committee
Connor Jorgensen, Principal Analyst, Legislative Finance Committee
Nina Chavez, Capital Outlay Analyst, Legislative Finance Committee

PROCESS AND EVOLUTION

Process and Evolution:

Pre 2019

NMHED Forms for Requesting Capital Outlay Funding

- Evaluation Form was a PDF form with sections for information on **cost, phasing, project description, timeline** for completion, student enrollment trends, programmatic use of building, **safety**, and **green screen**
- Submissions also included a certification, five-year capital outlay plan, I&G Spreadsheet, and Status of all active projects
- Submissions were submitted via the NMHED FTP site
- Projects **were** reviewed, scored, and prioritized using NMAC

2018 & 2019

Legislative Direction

- 2018 – HM 113 Requesting the Higher Education Department conduct a facilities assessment and capital planning process study of higher education facilities
- 2019 – SB 536 **\$232,000** for expenditure in fiscal years 2019 through 2022 to obtain a facility needs assessment and institutional analysis for each public post-secondary educational institution and to organize and execute a statewide plan that uses space optimization and other best practices to develop a comprehensive and uniform method for capital planning and funding

NMAC 5.3.9 CAPITAL BUDGETS – PLANNING AND FUNDING RECOMMENDATIONS

Process and
Evolution:

May 2019

SB 236 – Facilities Needs Assessment

- In May 2019, NMHED sought out a vendor to perform a facility needs assessment:
- Obtaining a facility needs assessment and institutional analysis for each HEI in the state
- Executing a system wide plan that uses space optimization and other best practices
- Developing a comprehensive and uniform method for capital planning and funding for higher education statewide; and
- Based on the information gathered, recommendations on the best options available for establishing a sustainable capital planning and funding process for **higher education** in New Mexico

February
2020

Report **issued** in February 2020 with the following conclusions and recommendations:

- Develop and **implement project prioritization**
- Reinstate and **update** the **building renewal** and **repair process**
- Increase the NMHED **role**

NMAC 5.3.9 CAPITAL BUDGETS – PLANNING AND FUNDING RECOMMENDATIONS

Process and
Evolution:

January
2020

- NMHED developed and implemented a formal scoring and ranking rubric with standard elements **HEIs** could use when developing their master plan and five-year plan

April 2020

- Included formal scoring and ranking rubric developed by the NMHED to review and prioritize capital funding requests
- Served as a roadmap for **HEIs** to follow and provided transparency in the NMHED capital outlay project prioritization process
- Review criteria and project evaluation measures were developed using the NMAC as a baseline
- A new project evaluation form was also created to support the new criteria and evaluation measures
- Process used to develop NMHED funding recommendations for the 2021 Legislative Session

NMAC 5.3.9 CAPITAL BUDGETS – PLANNING AND FUNDING RECOMMENDATIONS

Process and
Evolution:

October
2020

- NMHED hired Definitive Business Solutions to create a software **system** to assist NMHED with enhancing the newly established capital outlay process
- **HEIs** participated in working groups to assist with the design of the system
- Testing was **also** done by **HEIs**

June 2021

- Capital Funding Request and Management System (CFRMS) went live
- Definitive Solutions migrated all capital outlay funding submissions into the system
 - This included space inventory information, enrollment information, and all supplemental documentation related to each submission
- NMHED used the CFRMS to review and prioritize projects
- The NMHED funding recommendation was developed using the scoring and ranking rubric and the CFRMS system



NMAC 5.3.9 CAPITAL BUDGETS – PLANNING AND FUNDING RECOMMENDATIONS – NMHED INSTRUCTION MANUAL

NMAC 5.3.9 CAPITAL BUDGETS – PLANNING AND FUNDING RECOMMENDATIONS – 2023 INSTRUCTION MANUAL UPDATE

Section I: General Information

Funding Sources – General Fund, Severance Tax Bond, and General Obligation Bond

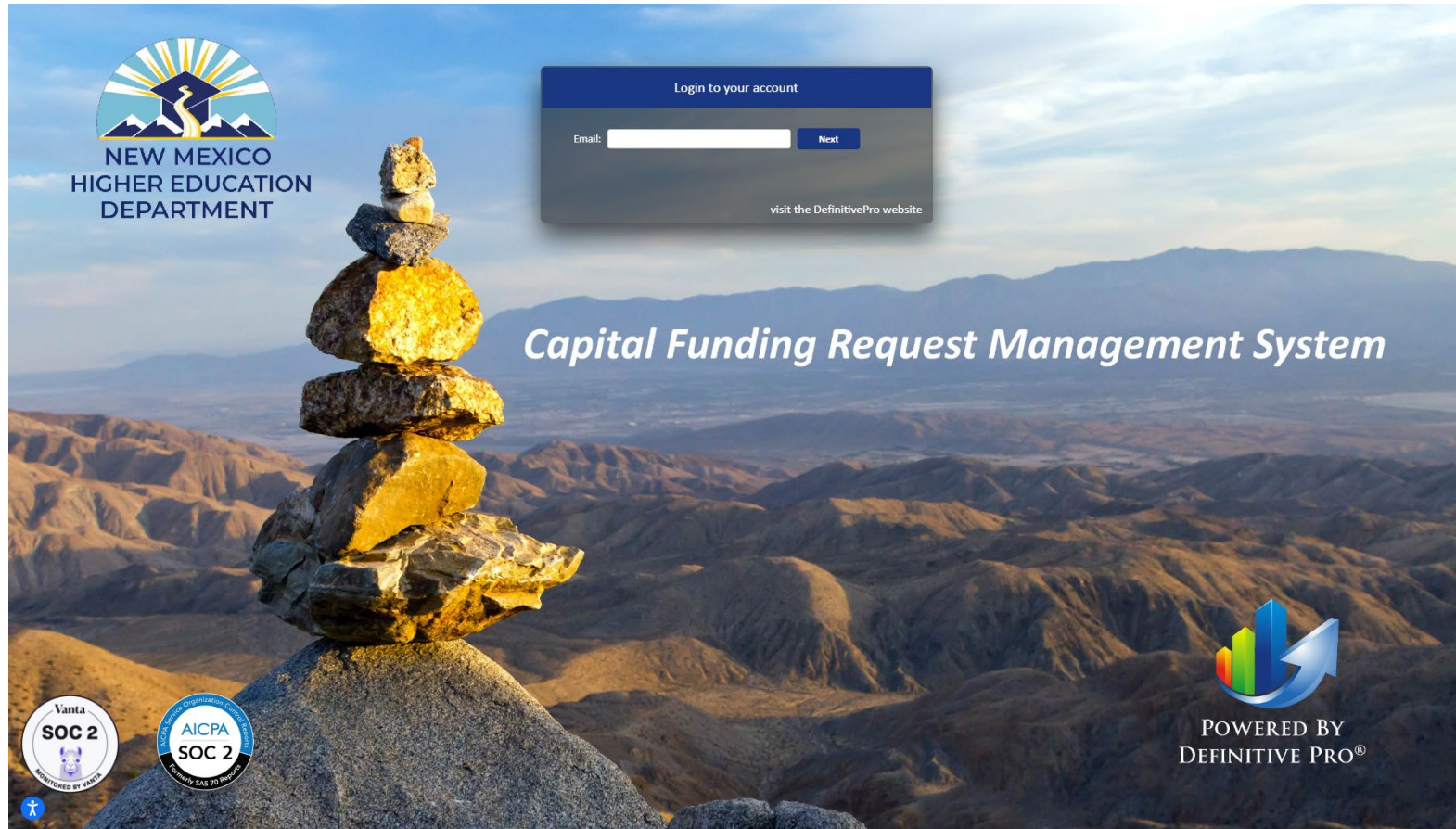
- For the FY25 Funding Cycle, the funding source for capital requests will be General Obligation Bond.
- In the past, and depending on capacity, the NMHED has also recommended critical safety and asset protection projects be funded with STB or General Fund during GO Bond funding cycles.
- General obligation bonds are repaid through property tax revenues and must be approved through a general election.
- General obligation bond projects are typically large-scale, new construction and renovation projects which have a significant impact on the campus.

NMAC 5.3.9 CAPITAL BUDGETS – PLANNING AND FUNDING RECOMMENDATIONS – 2023 INSTRUCTION MANUAL UPDATE

Section I: General Information

Submission Process– Capital Funding Request and Management System (CFRMS)


- The CFRMS is NMHED's online submission system for capital funding requests
- For the FY25 Funding Cycle, all funding requests must be submitted through the CFRMS System, including capital, supplemental, and demolition
- Deadline for submission is June 1, 2023
- Requests received after the deadline will not be considered



NMAC 5.3.9 CAPITAL BUDGETS – PLANNING AND FUNDING RECOMMENDATIONS - CFRMS

Portfolio: Capital Funding Request Management System 2022 for FY25 NEW

CFRMS



Manage System

Manage Portfolio

Prioritize Criteria

Score Capital Requests

Analyze Results

Optimize Resources








Make Decisions

Run Reports

Gerald Hoehne

Manage Capital Requests

+ Submit a New Capital Request



NMAC 5.3.9 CAPITAL BUDGETS – PLANNING AND FUNDING RECOMMENDATIONS - CFRMS

NMAC 5.3.9 CAPITAL BUDGETS – PLANNING AND FUNDING RECOMMENDATIONS – 2023 INSTRUCTION MANUAL UPDATE

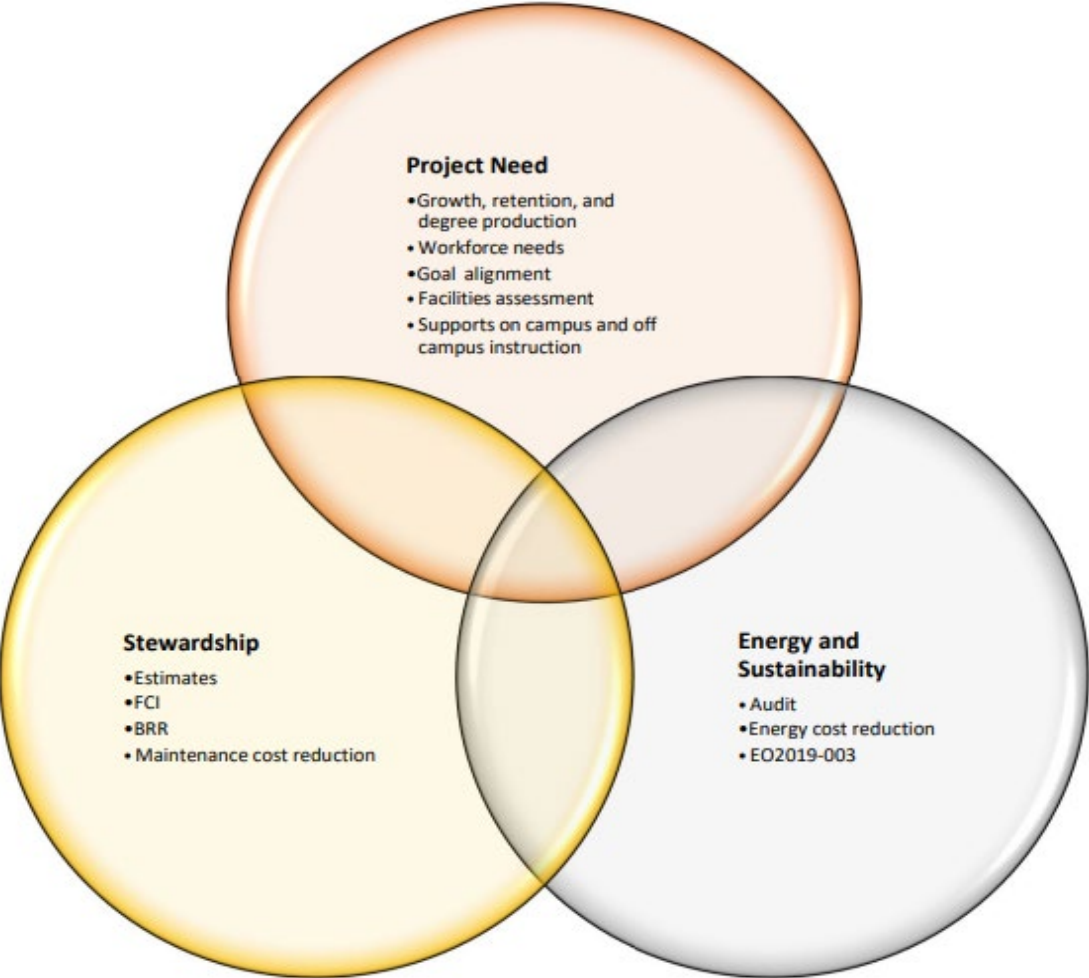
Section II: Capital Construction and Capital Renewal Request Requirements

Capital Outlay Evaluation Criteria and Objectives

- Strongly related to instructional programs
- Address major health and safety issues
- Improve utility systems or building energy efficiency
- No available or more appropriate funding source
- Promote enrollment growth and retention
- Enhance research and workforce development

NMAC 5.3.9 CAPITAL BUDGETS – PLANNING AND FUNDING RECOMMENDATIONS – 2023 INSTRUCTION MANUAL UPDATE

NMHED Project Evaluation Measures



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)

NMAC 5.3.9 CAPITAL BUDGETS – PLANNING AND FUNDING RECOMMENDATIONS – 2023 INSTRUCTION MANUAL UPDATE

Section II: Capital Construction and Capital Renewal Request Requirements

Forms

- Certification
- Status of all Active Projects
- Status of all Closed Projects

These documents have been updated and are available on the NMHED website. They must be completed and uploaded in CFRMS along with the capital funding requests.

Section II: Capital Construction and Capital Renewal Request Requirements

Capital Funding Request and Management System (CFRMS)

- Online portal used for submitting annual capital funding requests
- Updates to Space Inventory, Enrollment Data, and Five-Year Capital Plan must be done within the system
- Capital Request, Forecast, and Location Tab must be populated for each submission
- Supplemental and Demolition Requests must be submitted through the portal as well

NMAC 5.3.9 CAPITAL BUDGETS – PLANNING AND FUNDING RECOMMENDATIONS – 2023 INSTRUCTION MANUAL UPDATE

NMAC 5.3.9 CAPITAL BUDGETS – PLANNING AND FUNDING RECOMMENDATIONS – 2023 INSTRUCTION MANUAL UPDATE

Section II: Capital Construction and Capital Renewal Request Requirements

Project Information – Capital Request Tab

- Name of Institution
- Project Title and Short Description
- Project Location (Location Tab)
- Buildings (Drop down Menu)
- FY Priority #
- Master Plan Priority #
- Total Project Cost
- State Funding Request
- Committed Match Funding
- Match Funding Source
- Construction Type (Drop down Menu)

Section II: Capital Construction and Capital Renewal Request Requirements

Project Description – Capital Request Tab

- History of Facility
 - Details on current use and programs it is designed to serve
- Current Condition
 - The current condition of the facility and supporting infrastructure
- Renovation Information
 - Scope of work of last renovation, when it was completed, and funding used
- Scope of Work
 - Scope of work proposed, including specific deficiencies being remedied
- Phases
 - Multiple projects or single project with multiple phases
 - Amounts must match total project cost
- Students Impacted
- Enrollment
 - Verified against latest NMHED eDEAR Fall submission posted to NMHED website

NMAC 5.3.9 CAPITAL BUDGETS

PLANNING AND FUNDING RECOMMENDATIONS

2023 INSTRUCTION MANUAL UPDATE

PROJECT RATIONALE AND NEED

**NMAC 5.3.9 CAPITAL BUDGETS – PLANNING AND FUNDING
RECOMMENDATIONS – 2023 INSTRUCTION MANUAL UPDATE**

MEASURE B.1: ENROLLMENT GROWTH, RETENTION AND DEGREE PRODUCTION

Clearly demonstrate the promotion of enrollment growth, retention, and degree production. To achieve the maximum rating, the project must significantly improve facilities in a program that has demonstrated enrollment growth potential with documented evidence, such as studies, assessments, and outreach justifying future recruitment and retention for new and existing programs.

Consideration will be given for a project that may demonstrate this to a lesser extent. The intent of this criterion 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 receive a high rating if the proposal demonstrates the renovations impact on recruitment and retention.





MEASURE B.2: IMPACT ON EDUCATION AND WORKFORCE NEEDS

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 B.3: SUPPORTS STRATEGIC PLAN OR MASTER PLAN

This criterion assesses how the project ties to the institutions strategic or facility master plan. NMHED understands that an institution five-year capital plan can change year over year. However, to achieve the maximum rating, the project must be part of the institutions most recent master plan. Include information from the institution's master plan along with specific reference to the appropriate page.

This criterion assesses how the institution evaluated the need for this funding request. To achieve the maximum rating, the institution must submit a facility assessment which outlines the specific needs identified for the facility. The assessment should be completed by either a professional firm or by qualified internal staff at the institution. Information from the facility assessment justifying the need must be provided within this section.

Upload pictures of the current conditions being addressed in the request to the Documents Tab of CFRMS.

MEASURE B.4: FACILITIES ASSESSMENT

MEASURE B.5: PROJECTS IMPACT ON ON- CAMPUS AND OFF-CAMPUS INSTRUCTION

This criterion is a measure of how well the project supports both the on-campus and off-campus instruction at the institution. NMHED is committed to ensuring that capital outlay dollars are used to support student instruction and it is important to understand how institutions 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 support instructional facilities.

GREEN SCREEN FOR BUILDINGS

**NMAC 5.3.9 CAPITAL BUDGETS – PLANNING AND FUNDING
RECOMMENDATIONS – 2023 INSTRUCTION MANUAL UPDATE**

This criterion assesses how the institution determined incorporation of energy efficiency measures into the development of the project. To achieve the maximum rating, the institution must submit a formal energy assessment completed by either a professional firm or by qualified internal staff at the institution. Information from the energy assessment justifying the need, as well as expected outcomes, must be provided within this section

MEASURE C.1: ENERGY AUDIT

MEASURE C.2: PROJECTS IMPACT ON ENERGY/UTILITY COSTS

This criterion documents that there is a goal towards reducing utility and operations costs that dovetails with the reduction in greenhouse gas (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.

NMHED recognizes that in many cases, 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 Section.

This criterion captures how the institution, through completion of this project, will integrate climate change mitigation and adaptation practices as called out for in the executive order. Examples of climate change mitigation and adaptation practices to achieve the maximum rating:

- Clean electricity and grid modernization
- Sustainable infrastructure and planning
- Decarbonization
- Energy efficiency technologies

MEASURE C.3: EXECUTIVE ORDER 2019- 003

Stewardship

**NMAC 5.3.9 CAPITAL BUDGETS – PLANNING AND FUNDING
RECOMMENDATIONS – 2023 INSTRUCTION MANUAL UPDATE**

MEASURE D.1: PROJECT ESTIMATES

This criterion documents that there is a goal of reducing utility and operations costs that dovetails with the reduction in greenhouse gas (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 section.

Describe in detail how this project impacts or reduces the institutions deferred maintenance backlog. Do not include information related to operations and maintenance in this measure.

Provide details within the Explanation section 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.

MEASURE D.2: PROJECTS IMPACT ON REDUCING DEFERRED MAINTENANCE

MEASURE D.3: ASSET STEWARDSHIP

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

To achieve the maximum rating institutions must provide specific detail on how the institution separates BRR projects from capital outlay projects, how the institution planned the type of funding for this project, and what impact funding this project through capital outlay will have on BRR needs once completed. This detail is important as the department continues to secure funding for BRR funding in future legislative sessions.

This criterion assesses the impact the project will have on the overall operations and maintenance (O&M) 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 important.

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

- Fewer staff for cleaning because of a different floor material being installed.
- Fewer staff 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 D.4: PROJECTS IMPACT ON OPERATION AND MAINTENANCE BUDGET

MEASURE D.5: PROJECTS IMPACT ON HEALTH, SAFETY, AND SECURITY

This criterion aims to understand how the institution develops and addresses health, safety, and security projects on campus. Institutions 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 section.

CAPITAL OUTLAY FUNDING PROCESS

CFRMS

Building Data and Enrollment Data



Manage Entities

Manage System Run Reports

Run Reports

Entity Type Institution

Type	Documents	Name	BRR GSF per Parsons 2006
Institution	(11) Documents	Central New Mexico Community College	

ENROLLMENT UPDATES

ENROLLMENT UPDATES

Central New Mexico Community College Data

Institution Name

Central New Mexico Community College

Abbreviation

CNM

Year

General Data

BRR GSF per Parsons 2006

0

Save

Year	Total SF of Institution	Enrollment Headcount	FTE	Online Enrollment
2021		18,586	9,217	7,071
2020		21,437	10,600	10,233
2019		23,202	11,612	4,086
2018		23,636	12,000	4,045
2017		24,480	12,520	3,944
2016		24,832	12,913	3,799
2015		25,779	13,684	3,457
2014		26,824	14,492	3,320
2013		28,829	15,626	2,653
2012		28,449	15,498	
2011		29,180	16,053	
2010		29,948	16,340	

Manage Entities

CFRMS

Manage System

Run Reports

+ Add Building

Run Reports

Entity Type

Building

Type	Documents	Name	City	County	Year Built	Leased
Building	(0) Documents	CCC - Allied Health Center - Bonner Building	Clovis	Curry	2009	

BUILDING UPDATES

Allied Health Center - Bonner Building Data

Building Name

Allied Health Center - Bonner Building

Building Number

16

Year

General Data

City

Clovis

County

Curry

Year Built

2009

Leased

☐ Yes

☒ No

 Save

Year	Total SF of I&G Space	I&G Eligibility %	Total SF of O&M and Utilities Space	O&M Eligibility %	Space Change Description	Total SF of Building
2022	16,622	100	16,622	100		16,622
2021	16,622	100	16,622	100		16,622
2019	16,622	100	16,622	100		

 Remove Building

- BUILDING UPDATES
- UTILIZATION

- NEW CONSTRUCTION

- DEMOLITION

CAPITAL OUTLAY FUNDING PROCESS

Space Policy



NMHED SPACE POLICY

NEW MEXICO
HIGHER EDUCATION
DEPARTMENT

Fostering Student Success from Cradle to Career



Michelle Lujan Grisham, Governor
Stephanie M. Rodriguez, Cabinet Secretary
Patricia Trujillo, Deputy Secretary

Space Policy

Adopted 2008

Revised March 2022

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NMHED SPACE POLICY – TABLE OF CONTENTS

Areas eligible for state support (Specific Rules and Examples)

Capital Outlay	BR&R	O&M	EXAMPLES
X	X	X	Instructional space that includes, but is not limited to, classrooms, laboratories, other teaching facilities, and office space for faculty and staff
X	X	X	Space necessary to operate libraries.

AREAS ELIGIBLE FOR STATE SUPPORT

AREAS ELIGIBLE FOR STATE SUPPORT

Capital Outlay	BR&R	O&M	EXAMPLES
X	X	X	Space used for student services, institutional administration, and general purpose funded through I&G allocations. General purpose space includes all other space for support and administrative services funded through I&G.
X	X	X	Space used for physical plant. Physical plant may include stand-alone utility structures such as heating and cooling plants, electric substations, and utility tunnels; physical plants shops offices and storage areas, and site improvements for infrastructure systems such as roads, parking lots, drainage or storm sewers, water or wastewater, telecommunications cables, or heating/cooling loops.
X	X	X	Space used for museums if the museum is related to the academic mission of the institution.
X	X	X	Space used for conducting externally funded research when the primary purpose is instructional, as related to graduate studies, and the space is occupied by regular faculty and students.
X	X	X	Space used for a President's Residence if the space is owned by the institution. Leased space is only eligible for O&M.
X	X	X	Space used for a ROTC program.
	X	X	Space used as faculty and student lounges, break rooms, and reading rooms if located in an eligible facility.
	X	X	Space used for a university police department or university fire department.
	X	X	Space used for continuing education.
		X	Space used for art galleries, collections and donations if located in an eligible facility.
		X	Space used for emeriti faculty and alumni offices.

Capital Outlay	BR&R	O&M	EXAMPLES
		X	Space used for child development centers if the primary role is to provide an educational setting for students engaged in an established academic program.
		X	Space used for offices of a foundation established to support institutional activities.
		X	Space leased by an HEI from an outside entity that is used for I&G or RPSP functions.
		X	Space used for services funded with RPSP funds from the state and limited to sponsored public service activities such as public broadcasting services, small business development centers, and cooperative extension services.
		X	Transient sleeping space in remote study and research areas that require temporary staff accommodations due to travel if the following conditions are met: 1. Space is not used by the same personnel for a consecutive period exceeding 7 days; 2. Space is not rented as part of remuneration; 3. Space is used exclusively for temporary staff accommodations

Areas not eligible for state support

Non-eligible space supports activities that are self-supporting and self-liquidating from the revenues generated by their operations. Income-generating structures and space such as dormitories, cafeterias, student union buildings, stadiums, athletic facilities, and housing or boarding facilities used by a fraternity, sorority, or private club, and alumni centers used solely for those purposes are not eligible.

Concept of *de minimis* use:

These rules recognize that numerous spaces are multiuse and contain both eligible and ineligible functions. "De minimis" is a term meaning "too small to be meaningful or taken into consideration," and as used in law and audit is usually an amount from 5 to 10%. As used by the OMB in Uniform Guidance rate calculations, "de minimis" is 10% of the modified rate calculations, thus, those spaces where ineligible activities exceed 10% of the total active utilization of space must be prorated for partial funding to be consistent. The Capital Funding Request and Management System data base utilized to report space use and function shall be the vehicle by which these space use splits in use are reported to the NMHED.

AREAS ELIGIBLE FOR STATE SUPPORT

AREAS NOT ELIGIBLE FOR STATE SUPPORT

CONCEPT OF DE MINIMIS USE

PRO-RATA USE OF SPACE

Pro-Rata use of Space

Proration of funding: When a multiuse space will be used for both eligible and ineligible activities, and the ineligible use exceeds 10% of the total active utilization of space, the funding request must be prorated between state and other sources according to the amount of time and space devoted to eligible vs. ineligible activities. The 10% threshold has a basis as noted above. To determine the portion of the total funding that is eligible for consideration, the following formula is used:

MU x EU = Eligible NASF

ES = Eligible net assignable square feet

MU = Multi-use net assignable square feet

EU = Eligible use (percent of available time used for eligible activities)

NASF = Net assignable square feet

GSF = Gross Square feet

$$\frac{(ES + (MU \times EU))}{NASF} \times GSF \times \text{Cost per GSF} = \text{State Funding for eligible space}$$

(GSF x Cost per GSF is = to Total project Cost)

For example:

A new fine arts building is being proposed with a total of 70,000 gross square feet (GSF) at a cost of \$80/GSF, for a total of \$5,600,000. Net assignable square feet (NASF) within the building will be 56,000. Of this amount, 35,000 NASF will be used by activities eligible for state funding; 15,000 NASF will be multi-use 60 percent of the time for eligible activities (instruction) and 40 percent of the time for ineligible activities (community concerts); and 6,000 NASF is ineligible.

$$\frac{(35,000 + (15,000 \times .60))}{56,000} = \times 70,000 \times \$80 = \$4,400,000$$



Calculation to Determine State Funding for Eligible Space

$MU \times EU = \text{Eligible NASF}$

ES = Eligible Net Assignable Square Feet

MU = Multi-use net assignable square feet

EU = Eligible Use (% of available time used for eligible activities)

NASF = Net assignable square feet

GSF = Gross Square feet

$GSF \times \text{Cost per GSF}$ is = to Total project Cost

Proration of funding: When a multiuse space will be used for both eligible and ineligible activities, and the ineligible use exceeds 10% of the total active utilization of the space, the funding request must be prorated between state and other sources according to the amount of time and space devoted to eligible vs. ineligible activities. The 10% threshold has a basis as noted above.

To determine the portion of the total funding that is eligible for construction the following formula is used:

$$\frac{(ES + (MU \times EU))}{NASF} \times GSF \times \text{Cost per GSF} = \text{State Funding for Eligible Space}$$

Please enter the following values below to calculate State Funding for Eligible Space:

Eligible Net Assignable Square Feet (ES)	35,000
Multi-use net assignable square feet (MU)	15,000
Eligible Use (EU)	60%
Net assignable square feet (NASF)	58,000
Gross Square feet (GSF)	70,000
Cost per GSF	\$ 80.00
State Funding for Eligible Space	4,400,000

Submit this document to the NMHED to validate state funding eligibility for multi-use space.
This document supplements the NMHED Space Policy Pro-Rata for Multi-Use Space requirement.

PRO-RATA USE OF SPACE

CALCULATION FORM

THANK YOU

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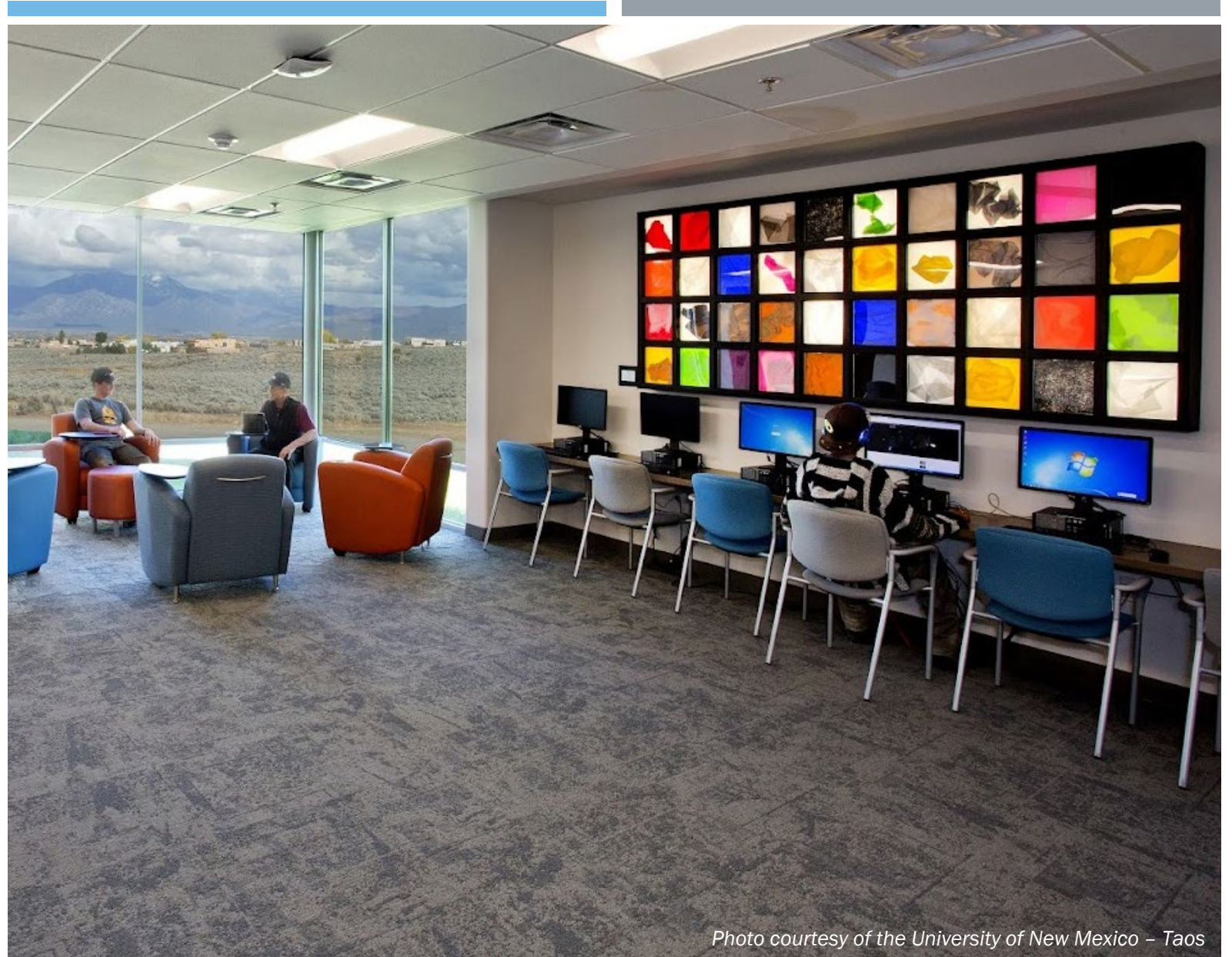


Photo courtesy of the University of New Mexico – Taos