

NEW MEXICO  
HIGHER EDUCATION  
DEPARTMENT



*Fostering Student Success from Cradle to Career*

# CAPITAL OUTLAY ANNUAL TRAINING

***APRIL 5, 2023***

Photo courtesy of Santa Fe Community College





# HIGHER EDUCATION PROJECT APPROVALS

*GOVERNOR*

MICHELLE LUJAN GRISHAM

*CABINET SECRETARY*

STEPHANIE M. RODRIGUEZ

*CAPITAL PROJECTS DIRECTOR*

GERALD M. HOEHNE



- Capital Outlay Process – Project Approvals
  - Statutory Authority
    - 21-1-21 Capital Expenditures
      - NMAC 5.3.10 Capital Projects Approval by the New Mexico Higher Education Department
  - NMHED Capital Project Transmittal Forms
  - Capital Project Transmittal Submission System (CPTSS)

## OVERVIEW

# CAPITAL OUTLAY PROCESS

## *Project Approvals*

- 21-1-21 Capital Expenditures
- NMAC 5.3.10 Capital Projects Approval by the New Mexico Higher Education Department



## **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.”



## **5.3.10 NMAC - CAPITAL PROJECTS APPROVAL BY THE NEW MEXICO HIGHER EDUCATION DEPARTMENT**

A. The objective of 5.3.10 NMAC is to assume responsibility for approving all building construction, major remodeling projects, and purchases of real property at public post-secondary educational institutions.

B. The purpose of 5.3.10 NMAC is to provide approval of proposed capital outlay projects for which funding is available and to be handled by the department.

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NMHED

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Gerald.Hoehne@state.nm

\*\*\*\*\*



NEXT

[Create New Account](#)

**CPTSS IS THE SYSTEM FOR  
UPLOADING PROJECTS FOR  
REVIEW BY THE NMHED**

NEW SUBMITTAL

Institution	Title	Month / Year	Status	
NMSU-MAIN	Aggie Memorial Stadium Operations Center	April 2023	Responded	<a href="#">VIEW</a>
NMSU-MAIN	Revised: Aggie Memorial Stadium Artificial Turf Replacement	April 2023	Accepted	<a href="#">VIEW</a>
NMSU-MAIN	LAS CRUCES: PAN AMERICAN CENTER SEATING AND FACILITY UPGRADES	April 2023	Accepted	<a href="#">VIEW</a>
SJC	F3211 Welding Facility Remodel	April 2023	Accepted	<a href="#">VIEW</a>
NMSU-MAIN	NMDA Building #330 Demolition	April 2023	Accepted	<a href="#">VIEW</a>
NMSU-MAIN	Nursing Skills and Simulation Labs Renovation	April 2023	Accepted	<a href="#">VIEW</a>
NNMC	Eagle Memorial Gym North Bleacher Replacement and Equipment	March 2023	Has Issues	<a href="#">VIEW</a>
SJC	E5313 Infrastructure Parking Roads et al	April 2023	Accepted	<a href="#">VIEW</a>
NNMC	Espanola Roofing and Infrastructure Improvements	March 2023	Has Issues	<a href="#">VIEW</a>
NMMI	NMMI Preparatory Intermediate Academy	March 2023	Has Issues	<a href="#">VIEW</a>
NMSBVI	NMSBVI Paul and Lois Tapia Building Renovation	April 2023	Responded	<a href="#">VIEW</a>
				<a href="#">VIEW</a>

# CPTSS – SUBMITTAL TAB



## New File Submittal

Institution



Project Title

Project Title

Month

January



Year



CANCEL

OK

**CPTSS – NEW PROJECT SUBMITTAL**

NMHED

Submittal

Dashboard

Profile

Admin

RETURN

Select files

Choose Files

No file chosen

Upload queue

Name	Size	Actions
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Queue progress:

UPLOAD ALL

REMOVE ALL

# CPTSS – NEW PROJECT SUBMITTAL

# CPTSS – NEW PROJECT SUBMITTAL

## DOCUMENT DROPDOWN LISTING

Not set

NMHED Forms (Fillable)

Certification By Governing Board

Presenter Information Sheet

Site Plan/Preliminary Floor Plan Drawings

Bond Language

Bond Resolution and Financing Plan

Funding Screen Shot

Certificate of Adequate Parking

Target Finder

LEED Checklist

Real Property Acquisition - Appraisal

Real Property Acquisition - TRD Concurrence

Real Property Acquisition – Site Survey

Real Property Acquisition – Current Title Binder

Real Property Acquisition – Merch Fee Simple Title

Real Property Acquisition – Phase 1 Environmental Survey

Real Property Acquisition - Purchase Agreement

Real Property Acquisition – Warranty Deed

Real Property Acquisition – Warranty Deed

NEW MEXICO HIGHER EDUCATION DEPARTMENT  
2044 Galisteo Street, Suite 4, Santa Fe, NM 87505-2100

**CAPITAL PROJECT TRANSMITTAL SUMMARY SHEET**

Complete this summary sheet and include with project submittal. The deadline to submit project documents can be found on the NMHED Annual Calendar of Events at <http://www.hed.state.nm.us/institutions/resources.aspx>. In order to ensure your project will be considered, it must be uploaded by the deadline to the link found at the following web address: <https://cptss.hed.state.nm.us/app>

Institution:  Date:

1. Project title:

2. HED meeting date when project consideration is requested:

3. Contact person:  Phone:

Email:

4. Required forms for project categories (5.3.10 and 2.70.4 NMAC):

- ☒ a) Construction, Alterations, or Demolition (All Forms)
- ☐ b) Revenue Bond Forms (1, 1-A, 4, 5, 6)
- ☐ c) Property Acquisition – Purchase, Lease, or Donation (Forms 1, 1-A, 3, 4, 5, 6)
- ☐ d) Property Disposition – Sale or Trade (Forms 1 and 6)

☒ 5. A site plan or plat, as-builts or completed preliminary floor plan drawings, including elevations, with each space identified as to function. (Required for all project categories)

☒ 6. Supporting Documentation for Funding Sources. (Required for project category a, b, and c)

☒ 7. Certificate of Adequate Parking. (Only required for new construction and property acquisition)

☐ 8. Evidence of Energy Measures (Required for project category a and c)

☒ 9. Form 1 – Project Information

☒ 10. Form 1-A – Institutional and General Information

☒ 11. Form 2 – Space Information

☒ 12. Form 3 – Estimated Utilities Costs

☒ 13. Form 4 – Proposed Project Costs

☒ 14. Form 5 – Proposed Project Square Footage and Funding Sources

☒ 15. Form 6 – Certification by Governing Board

☒ 16. Completed Presenter Information Sheet

# CAPITAL PROJECT TRANSMITTAL SUMMARY SHEET



# FORM 1 – PROJECT INFORMATION

## NEW MEXICO HIGHER EDUCATION DEPARTMENT

### FORM 1: PROJECT INFORMATION

*Spell out and define all acronyms*

Institution:  Original: ☐ Date:

Project title:  Revision: ☐ Date:

Location of Facility:

Age of Facility:

Date of Last Improvement:

Types of Space within Facility:

Gross Square Footage of Facility:

Gross Square Footage Offset:

General Nature of Use and User Groups within Facility:

Detailed Scope of Work and Impact to User Groups:

NEW MEXICO HIGHER EDUCATION DEPARTMENT  
FORM 1: PROJECT INFORMATION (con't)

Institution:  Original: ☐ Date:

Project title:  Revision: ☐ Date:

Description of why this project is needed and how it satisfies program needs/enrollment/mission:

Describe the consequences of this project not receiving approval:

Was this project included in the annual Capital Outlay Plan submitted to HED. If yes provide year included. If not, provide reason why:

If this request was included in a previous recommendation for Legislative funding, provide information on differences from initial recommendation to current project request:

Provide detailed information on the impact this project will have on Operations and Maintenance budgets? What source of funding will be used to cover these costs?

**FORM 1 CONTINUED**

# FORM 1-A – INSTITUTIONAL AND GENERAL INFORMATION

## NEW MEXICO HIGHER EDUCATION DEPARTMENT FORM 1-A: INSTITUTIONAL AND GENERAL INFORMATION

Institution:  Original: ☐ Date:   
Project title:  Revision: ☐ Date:

Current Total On-Campus Enrollment – Fall Semester	
Head Count: <input type="text"/>	FTE: <input type="text"/>
<input type="text"/> % Growth from previous year	<input type="text"/> % Average growth in previous 5-year period

Current Total Off-Campus Enrollment (web-based or Distance Ed., etc.) – Fall Semester	
Head Count: <input type="text"/>	FTE: <input type="text"/>
<input type="text"/> % Growth from previous year	<input type="text"/> % Average growth in previous 5-year period

Tuition – Fall Semester		
Current Tuition Per Credit Hour: \$ <input type="text"/>	Current Tuition Per Semester: \$ <input type="text"/>	
Month/year per semester tuition was last increased: <input type="text"/> / <input type="text"/>	Amount of last per semester tuition increase: \$ <input type="text"/>	<input type="text"/> % Change from last increase

Program Enrollment Being Served by this Project – Fall Semester	
Head Count: <input type="text"/>	FTE: <input type="text"/>
<input type="text"/> % Growth from previous year	<input type="text"/> % Average growth in previous 10-year period

Bonding Information (to be completed if local bond proceeds are used for project funding)	
Assessed Valuation: <input type="text"/>	Month/year of most recent local bond issue: <input type="text"/> / <input type="text"/>
Outstanding Debt: <input type="text"/>	
Available Capacity: <input type="text"/>	

Project Schedule	
Month/year proposed construction start date: <input type="text"/> / <input type="text"/>	Month/year proposed construction completion date: <input type="text"/> / <input type="text"/>

Comments:

**NEW MEXICO HIGHER EDUCATION DEPARTMENT  
FORM 2: SPACE INFORMATION**

Institution:  Original: ☐ Date:

Project title:  Revision: ☐ Date:

List the Net Assignable Square Feet (NASF) and Net Usable Square Feet (NUSF) of spaces to be constructed, altered, or demolished by this project. Definitions of classifications used below may be found in "Postsecondary Education Facilities Inventory and Classification Manual" (FICM) published by the U.S. Department of Education.

CLASSIFICATION CODE	TYPE OF SPACE	DEMO	NEW	ALTERATION	% OF NUSF (NEW & ALT)	
100	Classroom	0	0	0	0	
200	Laboratory	0	0	0	0	
300	Office	0	0	0	0	
400	Study	0	0	0	0	
500	Special	0	0	0	0	
600	General	0	0	0	0	
700	Support	0	0	0	0	
800	Health	0	0	0	0	
900	Residential	0	0	0	0	
TOTAL NET ASSIGNABLE AREA (NASF)		0	0	0	0	
WWW	Circulation Area	0	0	0	0	
XXX	Building Services Area	0	0	0	0	
YYY	Mechanical Area	0	0	0	0	
TOTAL NONASSIGNABLE AREA		0	0	0	0	NIC SQ FT
TOTAL NET USABLE AREA (NUSF)		0	0	0	0	0
TARE		0	0	0		TOTALS
TOTAL PROJECT GROSS SQUARE FEET		0	0	0		0
FINAL PROJECT GROSS SQUARE FEET						0
ORIGINAL BUILDING GROSS SQUARE FEET						0
FINAL BUILDING GROSS SQUARE FEET						0
FINAL BUILDING GROSS SQUARE FEET DIFFERENCE						0

## FORM 2 – SPACE INFORMATION



# FORM 3 – ESTIMATED UTILITY COSTS AND ENERGY EFFICIENCY MEASURES

## NEW MEXICO HIGHER EDUCATION DEPARTMENT FORM 3: ESTIMATED UTILITY COSTS AND ENERGY EFFICIENCY MEASURES

Institution:  Original: ☐ Date:

Project title:  Revision: ☐ Date:

This form is designed to estimate the project's effect on current utilities costs, and to note submittal of supporting documentation related to Energy Saving Measures incorporated into the project.

FORMULA	CURRENT EXPENSES	PROJECTED ANNUAL EXPENSES AFTER COMPLETION	DIFFERENCE BETWEEN CURRENT AND PROJECTED (+ OR -)
Eligible GSF: <input type="text"/> x \$3.75			

Check applicable boxes below:

☐ Space is non I&G  
(Comment Required)

☐ Target Finder attached

☐ LEED Checklist attached

Project Green Screen Features and Comments. Describe, in detail, the energy measures being implemented:

**NEW MEXICO HIGHER EDUCATION DEPARTMENT  
FORM 4: PROPOSED PROJECT COSTS**

Institution:  Original: ☐ Date:

Project title:  Revision: ☐ Date:

**I. PROJECT BUDGET**

EXPENDITURES	ITEMS INCLUDED IN TOTAL COST FOR EACH EXPENDITURE	ORIGINAL SUBMISSION		BUDGET REVISION
		NEW CONSTRUCTION	ALTERATIONS	
<b>A. Building Cost</b>				
1. General	Building Labor, Materials, All Signage, Material Testing & Seismic Testing			
2. Mechanical/Plumbing	Controls, Fire Suppression Systems, Test & Balance			
3. Electrical	Lighting Control Systems, Performance Testing			
4. Special Systems (voice, data, other)	Voice/Data, Wiring Performance Testing, Audio/Video Infrastructure, Access Control, Security/Camera's, Fire Alarms			
5. Demolition	Interior Demo, HAZMAT & Abatement			
<b>BUILDING COST SUBTOTAL</b>		\$ 0.00	\$ 0.00	\$ 0.00
<b>B. Built-in Equipment</b>	Equipment permanently attached to building and/or infrastructure (Fume hoods, autoclaves, and lab casework)			
<b>C. Site Development</b>				
1. Utilities, Infrastructure	Utilities 5' beyond new building perimeter, relocations and tunnels			
2. Landscaping/Site Improvements	Free standing lighting, hardscapes, parking			
3. Demolition	Building, Site or Parking Removal			
<b>TOTAL CONSTRUCTION COST (T.C.C.)</b>		\$ 0.00	\$ 0.00	\$ 0.00

## FORM 4 – PROPOSED PROJECT COSTS

# FORM 4 CONTINUED

## NEW MEXICO HIGHER EDUCATION DEPARTMENT

D. Construction Contingency	Not more than 5% for new Construction or 10% for renovations of Total Construction Cost (T.C.C.)			
E. Professional Fees				
1. Architectural/Engineering	Planning, Programming, Design thru Construction and Specialized Services			
2. Project Administration	PM Fees, Construction Manager at Risk (CMAR) Pre-Construction Services, IT Admin Fees, Parking Mitigation, Consultant Services, Tax Segregation services fee, Project Reserve			
3. Surveys/Commissioning	Soils Reports, Environmental Reports, Structural Shear Reports			
F. Movable Equipment	Special Systems Equipment			
G. Other	Site acquisition, etc.			
H. Art in Public Places (1% of State Appropriation)	AIPP or N/A			
I. Gross Receipts Tax	GRT is Not Nested within Costs Above. Amount entered will be added to Total Project Budget			
J. Gross Receipts Tax	GRT is Nested within Costs Above. Amount entered is included in Total Project Budget			
<b>TOTAL PROJECT BUDGET</b>		<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>

### Comments:

Provide information on how the above cost estimates were developed. If developed by an A/E firm, provide the name of the firm and method used for estimating. If developed by the institution, provide method used for estimating.

**NEW MEXICO HIGHER EDUCATION DEPARTMENT  
FORM 5: PROPOSED PROJECT SQUARE FOOTAGE  
AND FUNDING SOURCES**

Institution:  Original: ☐ Date:

Project title:  Revision: ☐ Date:

COSTS PER GROSS SQUARE FOOT (GSF)			
	Cost (Items A-C on Form 4)	GSF for New Construction NUSF for Alteration	Cost per GSF
New Construction	\$ 0.00	0	NaN
Alterations	\$ 0.00	0	NaN

RATIO OF NET USABLE TO GROSS SQUARE FEET (NUSF/GSF)			
	NUSF (same as total from Form 2)	GSF	RATIO NUSF/GSF (%)
New Construction	0	0	NaN
Alterations	0	0	NaN

FUNDING SOURCE			
Enter the source of funding for the project. Total must match the total project budget on Form 4.			
Funding Source and Description		Original Submission	Budget Revision
Appropriation Code	Description of Funding Type and Source of Funds		
<b>Total:</b>		\$ 0.00	\$ 0.00

List State Appropriations as follows: Bond Series #: GOBxx or STBxx or GF 20xx, DFA #: A0x-xxxx), SBxx or HBxx, Laws of 20xx, chapter x, and section x. This information is available on the CPMS website at <http://cpms.dfa.state.nm.us/>. For all other funding, list revenue source and year budgeted.

# FORM 5 – PROPOSED PROJECT SQUARE FOOTAGE AND FUNDING SOURCES



# FORM 6 – CERTIFICATION BY GOVERNING BOARD

## NEW MEXICO HIGHER EDUCATION DEPARTMENT FORM 6: CERTIFICATION BY GOVERNING BOARD

Institution:  Original: ☐ Date:   
Project title:  Revision: ☐ Date:

### ORIGINAL CERTIFICATION

I hereby certify, on the basis of the information contained in Forms 1 through 5 of this capital project submittal and all attached supporting documentation, if appropriate, that the Governing Board approved the original submission of this project at its meeting on .

Certified:

Printed Name of President/Chancellor

\_\_\_\_\_  
Signature

### REVISED SUBMISSION CERTIFICATION

I hereby certify that the Governing Board approved this Revised Submission at its meeting on .

Certified:

Printed Name of President/Chancellor

\_\_\_\_\_  
Signature



**PRESENTER INFORMATION SHEET**

NMHED CAPITAL OUTLAY MONTHLY HEARING

<u>Institution Name:</u>	<u>Project Title:</u>	
Printed Name	Title	Email Address
Printed Name	Title	Email Address
Printed Name	Title	Email Address
Printed Name	Title	Email Address
Printed Name	Title	Email Address

STATE BOARD OF FINANCE MONTHLY HEARING

Printed Name	Title	Email Address
Printed Name	Title	Email Address
Printed Name	Title	Email Address
Printed Name	Title	Email Address
Printed Name	Title	Email Address

# PRESENTER INFORMATION SHEET

## BOND LANGUAGE

1                   23. fifty-five thousand dollars (\$55,000) to plan,  
2 design, construct, renovate, purchase and install carbon  
3 management equipment for New Mexico state university at the  
4 agricultural science center in Clovis in Curry county and  
5 statewide;

6                   24. forty thousand dollars (\$40,000) to purchase  
7 and equip a skid steer and tractor for the Claunch-Pinto soil  
8 and water conservation district in Torrance county;

9                   25. fifty thousand dollars (\$50,000) to purchase  
10 and equip a tractor and equipment and to plan, assess,  
11 design, construct, renovate, repair and replace wells at the  
12 agricultural science center at Los Lunas of New Mexico state  
13 university in Valencia county; and

14                   26. one hundred twenty-five thousand dollars  
15 (\$125,000) to demolish existing buildings and to remediate  
16 and upgrade the Rio Abajo conservation area for the Valencia  
17 soil and water conservation district in Valencia county.

18                   SECTION 42. NORTHERN NEW MEXICO STATE SCHOOL PROJECTS--  
19 SEVERANCE TAX BONDS.--Pursuant to the provisions of Section 1  
20 of this act, upon certification by the board of regents of  
21 northern New Mexico state school that the need exists for the  
22 issuance of the bonds, the following amounts are appropriated  
23 to the board of regents of northern New Mexico state school

X

ellucian

Organization Budget Status FGIBDST 9.3.6 (PROD)

ADD

RETRIEVE

RELATED

TOOLS

Chart: E Eastern New Mexico University

Fiscal Year: 23

Index:

Query Specific Account: ☐

Include Revenue Accounts: ☒

Commit Type: Both

Start Over

Organization: 325100 Unallocated

Fund: 912115 Athletics Projects-Minor

Program: 90 Unexpended Plant

Account:

Account Type:

Activity:

Location:

ORGANIZATION BUDGET STATUS

Settings

Insert

Delete

Copy

Filter

Account	Type	Title	Adjusted Budget	YTD Activity	Commitments	Available Balance
70030	E	Equipment > \$1000 <\$5000	4,189.00	0.00	4,189.00	0.00
70094	E	Construction Contracts	399,613.00	3,832.98	359,800.00	35,980.02
80004	T	Internal Transfers	-403,802.00	0.00	0.00	-403,802.00
		Net Total	0.00	-3,832.98	363,989.00	


1 of 1

20 Per Page

Record 1 of 3


FUNDING SCREEN SHOT



 All Submittals▼  My Submittals

Open

History


▼  Institution Groups

Pending Approvals

My Groups

Please select a link on the left

## CPTSS – DASHBOARD TAB

<div> <div>  <div> NEW MEXICO HIGHER EDUCATION DEPARTMENT </div> <div> Fostering Student Success from Cradle to Career </div> </div> <div> Capital Projects Division - Calendar of Events - 2023 </div> </div>			
		Request Deadline	Meeting Date
<b>HED Capital Outlay Committee Meeting Schedule</b>  <b>Meeting Dates, Times, and Locations are Subject to Change</b>	January	Monday, December 12, 2022	Wednesday, January 11, 2023
	February	No Meeting - Legislative Session	
	March	No Meeting - Legislative Session	
	April	Monday, March 13, 2023	Wednesday, April 12, 2023
	May	Monday, April 10, 2023	Wednesday, May 10, 2023
	June	Monday, May 15, 2023	Wednesday, June 14, 2023
	July	Monday, June 12, 2023	Wednesday, July 12, 2023
	August	No Meeting - Summer Hearings	
	September	Monday, August 14, 2023	Wednesday, September 13, 2023
	October	Monday, September 11, 2023	Wednesday, October 11, 2023
	November	Monday, October 9, 2023	Wednesday, November 8, 2023
	December	Monday, November 13, 2023	Wednesday, December 13, 2023

## CPTSS – NEW PROJECT SUBMITTAL - CALENDAR

# THANK YOU

Stephanie M. Rodriguez, MCRP

*Cabinet Secretary*

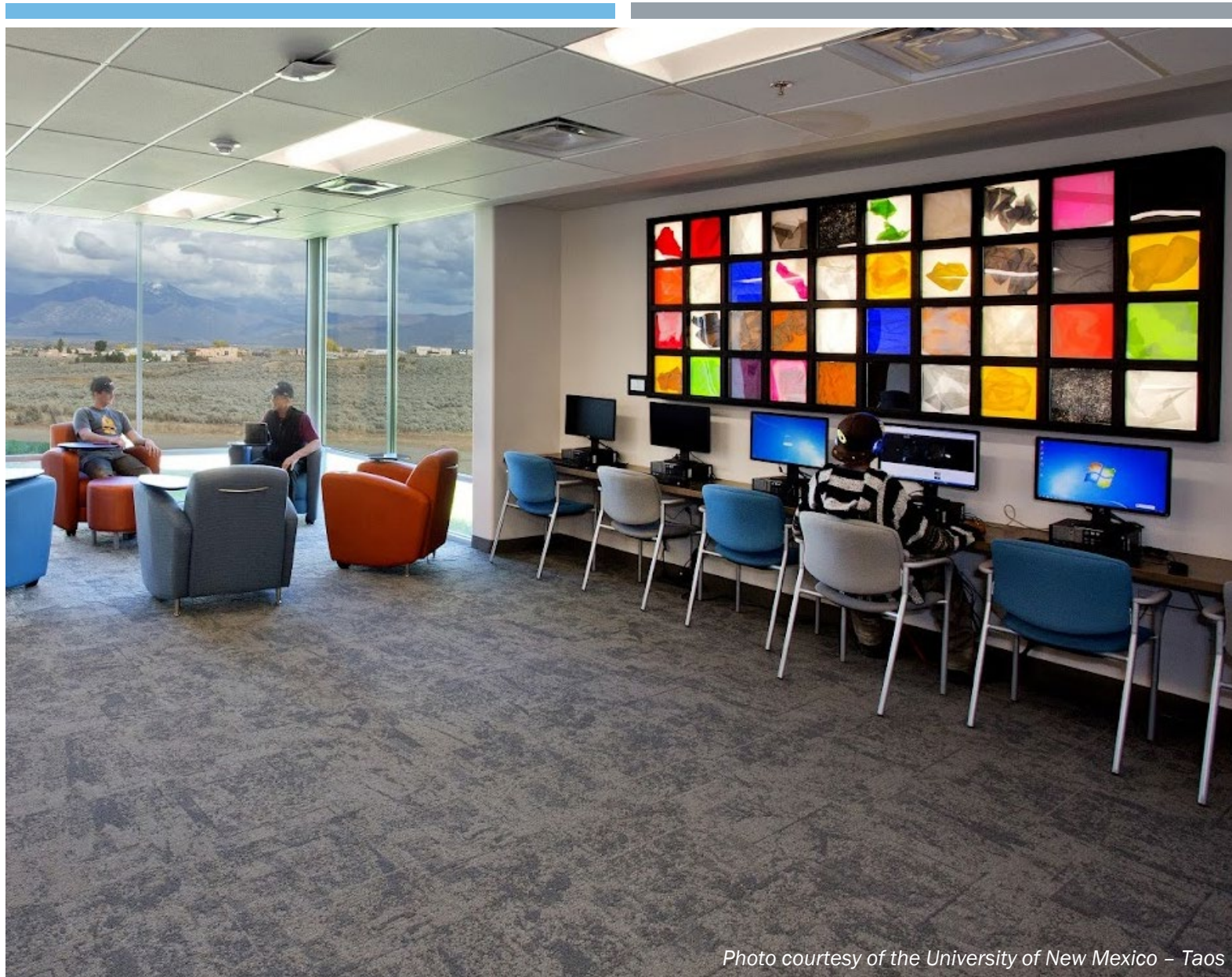
[Stephanie.Rodriguez@hed.nm.gov](mailto:Stephanie.Rodriguez@hed.nm.gov)

Gerald M. Hoehne

*Capital Projects Director*

[Gerald.Hoehne@hed.nm.gov](mailto:Gerald.Hoehne@hed.nm.gov)

**@NMHigherEd**



*Photo courtesy of the University of New Mexico – Taos*



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

**5.3.9.1 ISSUING AGENCY:** State of New Mexico Higher Education Department.  
 [12/31/98; 5.3.9.1 NMAC - Rn & A, 5 NMAC 3.9.1, 07/31/05]

**5.3.9.2 SCOPE:** All public post-secondary educational institutions operating within and receiving financial support from the state of New Mexico.  
 [12/31/98; 5.3.9.2 NMAC - Rn, 5 NMAC 3.9.2, 07/31/05]

**5.3.9.3 STATUTORY AUTHORITY:** Authority for 5.3.9 NMAC is found in NMSA 1978 Sections 12-1-21.  
 [12/31/98; 5.3.9.3 NMAC - Rn, 5 NMAC 3.9.3, 07/31/05]

**5.3.9.4 DURATION:** Permanent.  
 [12/31/98; 5.3.9.4 NMAC - Rn, 5 NMAC 3.9.4, 07/31/05]

**5.3.9.5 EFFECTIVE DATE:** December 31, 1998, unless a later date is cited at the end of a section.  
 [12/31/98; 5.3.9.5 NMAC - Rn & A, 5 NMAC 3.9.5, 07/31/05]

**5.3.9.6 OBJECTIVE:**

A. The objective of 5.3.9 NMAC is to establish a process by which the higher education department will review capital outlay funding recommendation packages developed by institutions and present those to the higher education department and submit those approved to the legislature annually.

B. The purpose of 5.3.9 NMAC is to 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. The higher education department, 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.

[12/31/98; 5.3.9.6 NMAC - Rn & A, 5 NMAC 3.9.6, 07/31/05]

**5.3.9.7 DEFINITIONS:** [RESERVED]

**5.3.9.8 REVIEW CRITERIA:**

A. Reviewing and recommending: In reviewing and recommending capital project requests, the higher education department will be guided by the general criteria listed below. Specific determinants for evaluating the projects may vary from year to year as the immediate capital needs of the institutions evolve and as requirements for code compliance are revised. These influences will be explained each year in the capital project recommendations document prepared for the New Mexico legislature. In general, the higher education department will give preference to the following types of projects:

- (1) projects which are strongly related to instructional programs and which support an institutions mission and particular role;
- (2) projects to provide high quality educational settings which represent up-to-date technologies;
- (3) projects which are necessary to accommodate enrollment growth;
- (4) projects to address major health and safety problems and elimination of physical barriers to handicapped persons;
- (5) projects resulting from unforeseen conditions that if uncorrected would result in major property deterioration;
- (6) projects to renovate facilities or to make wise use of other existing resources whenever feasible and economical;
- (7) projects to improve utilities systems or building energy efficiency that will result in rapid capitalization of initial costs and long-term reduction of energy costs;
- (8) projects 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.

B. Projects eligible for capital outlay recommendation: Capital outlay projects which are primarily used to support the following activities are eligible for consideration by the higher education department for state funding:

- (1) Instruction: Instructional space includes classrooms, laboratories, other teaching facilities, and office space for faculty deans, and instructional department heads and related clerical staff.
- (2) Library: All activities necessary to operate libraries are eligible.
- (3) Administration services: All activities related to student services or institutional administration are included in this category (e.g., admissions, administrative vice presidents, comptroller, computer center, dean of students, maintenance work shops, placement services, university architect, vocational director).
- (4) Research: Only four-year institutions may submit requests for state funds for capital outlay projects to house research activities which will enhance fulfillment of the institution's mission. All sponsored research and organized research units, including administration and management of research activities, may qualify for support.
- (5) Public service: Institutions may submit requests for state funds for capital outlay projects to house public service activities. Eligibility under this category is limited to sponsored public service activities and organized public service units, such as public broadcasting services, small business development centers, and cooperative extension services. See Subsection C of 5.3.9.8 NMAC below for activities not eligible for state funding.

(6) Physical plant: Circulation and support space, such as halls, restrooms, and mechanical equipment rooms, for buildings housing eligible activities will be included in all capital outlay projects. In addition, the following types of projects are eligible for consideration: stand-alone utility structures such as heating and cooling plants, electric substations, and utility tunnels; physical plant 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.

(7) Multi-use facilities: Capital projects with buildings that house more than one activity, one or more of which are eligible for state funding, may be submitted. However, only space devoted to eligible activities may be considered for state funding. A plan for funding the ineligible space from non-state sources must be included with the proposed project. For individual projects with common space used for both eligible and ineligible activities, state funding will be prorated based upon the percentage of time and amount of space allocated to eligible activities; the balance must be supported from other sources. (See the proration formula in Subsection D of 5.3.9.8 NMAC.)

(8) Land acquisitions: Land to be used for eligible activities will be considered for state funding.

C. Projects ineligible for capital outlay recommendation: Capital outlay projects which are primarily used for the following activities are not eligible for higher education department recommendation:

- (1) Non-instructional athletics, such as intercollegiate sports. Examples of ineligible facilities are Pan American center at NMSU and the UNM arena.
- (2) Recreational or entertainment events, for either students or the general public. Single purpose auditoriums such as Popejoy hall at UNM are ineligible.
- (3) All auxiliaries, such as bookstores, golf courses, student unions, student housing, etc. These operations are not eligible for state funding and are expected to be fully self-supporting and self-liquidating from the revenues generated by their operations.

D. Proration of funding: When a multi-use building will be used for both eligible and ineligible activities, 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. 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. To determine the portion of the total capital project that is eligible for consideration for state funding, the following formula is used:

- (1) 
$$\frac{(ES + (MU \times EU))}{NASF} \times GSF \times \text{cost per GSF} = \text{State funding for eligible space}$$
- (2) 
$$\frac{(35,000 + (15,000 \times .60))}{45,000} \times 70,000 \times \$80 = \$4,400,000$$
- (3) ES = Eligible net assignable square feet
- (4) MU = Multi-use net assignable square feet
- (5) EU = Eligible use (percent of available time used for eligible activities)

(6) NASF = Net assignable square feet

(7) GSF = Gross square feet

E. Exceptions for two-year colleges: Space for certain functions that are ineligible for state funding at four-year institutions, such as bookstore operations, food services, community services, and student social, cultural, recreational activities, may be included as a portion of capital projects submitted by two-year colleges. The rationale for this exception is that two-year colleges usually do not have large-scale auxiliary enterprises which can provide an adequate revenue stream for financing auxiliary facilities. These exceptions apply only if a two-year college has provided the required local match of 25 percent as described in the following Subsection F of 5.3.9.8 NMAC.

F. Required local match: 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.  
[12/31/98; 5.3.9.8 NMAC - Rn & A, 5 NMAC 3.9.8, 07/31/05]

**5.3.9.9 INSTITUTIONAL FACILITY PLANNING:** Each four-year university and two-year college must have on file at the higher education department a current five-year institutional plan containing the information on capital resources which is required by the institutional planning guidelines. The required information for branches of four-year institutions may be included in the main campus institutional plan, but must be provided in full for each branch campus.

[12/31/98; 5.3.9.9 NMAC - Rn & A, 5 NMAC 3.9.9, 07/31/05]

**HISTORY OF 5.3.9 NMAC:**

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center and Archives under:

BEF Rule 430, Capital Budgets-Planning and Funding Recommendations, 2/27/85.

CHE Rule 430, Capital Budgets-Planning and Funding Recommendations, 10/26/90.

History of Repealed Material: [RESERVED]

**TITLE 5 POST-SECONDARY EDUCATION  
CHAPTER 3 POST-SECONDARY EDUCATION INSTITUTION FINANCES  
PART 10 CAPITAL PROJECTS APPROVAL BY THE NEW MEXICO HIGHER EDUCATION  
DEPARTMENT**

**5.3.10.1 ISSUING AGENCY:** State of New Mexico higher education department, 2044 Galisteo Street, Suite 4, Santa Fe, New Mexico 87505-2100, (505)476-8400.  
[5.3.10.1 NMAC - Rp, 5.3.10.1 NMAC, 10/31/2017]

**5.3.10.2 SCOPE:** All public post-secondary educational institutions operating within and receiving financial support from the state of New Mexico.  
[5.3.10.2 NMAC - Rp, 5.3.10.2 NMAC, 10/31/2017]

**5.3.10.3 STATUTORY AUTHORITY:** Section 21-1-21 NMSA 1978, Sections 21-2A-1 et seq. NMSA 1978, Section 9-25-13 NMSA 1978, and Section 9-25-8 NMSA 1978.  
[5.3.10.3 NMAC - Rp, 5.3.10.3 NMAC, 10/31/2017]

**5.3.10.4 DURATION:** Permanent.  
[5.3.10.4 NMAC - Rp, 5.3.10.4 NMAC, 10/31/2017]

**5.3.10.5 EFFECTIVE DATE:** October 31, 2017 [unless a later date is cited at the end of a section].  
[5.3.10.5 NMAC - Rp, 5.3.10.5 NMAC, 10/31/2017]

**5.3.10.6 OBJECTIVE:**  
A. The objective of 5.3.10 NMAC is to assume responsibility for approving all building construction, major remodeling projects, and purchases of real property at public post-secondary educational institutions.  
B. The purpose of 5.3.10 NMAC is to provide approval of proposed capital outlay projects for which funding is available and to be handled by the department.  
[5.3.10.6 NMAC - Rp, 5.3.10.6 NMAC, 10/31/2017]

**5.3.10.7 DEFINITIONS:**  
A. "Capital outlay committee" means the standing committee of the New Mexico department of higher education that reviews all capital projects.  
B. "Department" means the New Mexico department of higher education.  
C. "FTE enrollments" means the total number of student credit hours divided by 30 at the undergraduate level and divided by 24 at the graduate level, on an annual basis.  
D. "Institutional plan" means the plan that each university, branch campus, college and special school must have on file at the department. It is a current five-year institutional plan containing the information on capital resources which is required by the institutional planning guidelines. The required information for branches of four-year institutions may be included in the main campus institutional plan, but must be provided in full for each branch campus.  
E. "Legal description" means the legal description of the subject property as described by the meets and bounds survey as completed and verified by a certified New Mexico land surveyor.  
F. "Real property" means land and all interests in it such as buildings and fixtures.  
[5.3.10.7 NMAC - Rp, 5.3.10.7 NMAC, 10/31/2017]

**5.3.10.8 PRINCIPLES AND PROCEDURES:** Following are the principles and procedures for approval of proposed capital outlay projects:  
A. All projects submitted for department approval must have the prior approval of the institution's governing board.  
B. Proposed projects should be consistent with the institutions long-range capital planning as presented in the institutional plan.  
C. All projects that fall under the following categories must be submitted to the department for approval:  
(1) any purchase of real property;

(2) any project which results in the addition of square footage, whether from construction or long-term lease of a new facility or a building addition, or purchase of portable buildings;  
(3) any proposal to issue bonds;  
(4) the approval authority for any alterations or site improvements is as follows, based on total project cost:  
(a) For institutions with FTE enrollments of 1,500 or less:  
(i) over fifty thousand (\$50,000) - staff approval;  
(ii) over three hundred thousand (\$300,000) - capital outlay committee approval;  
(b) For institutions with FTE enrollments over 1,500:  
(i) over three hundred thousand (\$300,000) - staff approval;  
(ii) over five hundred thousand (\$500,000) - capital outlay committee approval;  
(iii) Exception: The New Mexico institute of mining and technology will be included with the over 1,500 FTE institutions when a particular project is entirely funded by restricted funds.  
(c) In determining the total project cost, in-house labor costs and burden, along with all materials, subcontract costs, and reasonable charge for owned equipment, must be included.  
(d) Projects may not be artificially segmented or phased in a manner designed to avoid review by the Department.  
(5) Any demolition of an existing building must be submitted for approval by the department staff.  
[5.3.10.8 NMAC - Rp, 5.3.10.8 NMAC, 10/31/2017]

**5.3.10.9 INFORMATION TO BE SUBMITTED:** For construction, renovation, or site improvement projects, institutions must complete the department capital request forms and ensure that information is provided on:  
A. need for the proposed facility or improvement and a discussion of how the project relates to the overall institutional plan;  
B. if the project was included in the department recommendations for legislative funding, and if applicable, information outlining any departures from descriptions used in obtaining the initial recommendation;  
C. a statement that the institutions board of regents or governing board has approved the project;  
D. a summary of the types and sizes of facilities to be included in the project;  
E. a copy of the project program;  
F. completed preliminary floor plan drawings of the project, including elevations, with each space identified as to function;  
G. a plot plan indicating the site of the project;  
H. the anticipated use of any facilities to be vacated when the project is completed;  
I. the projects estimated budget and source of funding.  
[5.3.10.9 NMAC - Rp, 5.3.10.9 NMAC, 10/31/2017]

**5.3.10.10 FOR PURCHASES OF REAL PROPERTY:** For purchase of real property, institutions must submit to the department:  
A. a legal description of the property;  
B. a copy of the appraisal and a report from the property tax division of the taxation and revenue department containing their appraised value;  
C. a site improvement survey to verify the legal description and to uncover the existence of recorded and unrecorded easements and encroachments;  
D. a title insurance policy;  
E. a description of the use to which the property will be put;  
F. a phase one environmental report stating that an environmental review or assessment has been done and that the property is free of environmental hazards and contamination; a written statement that a phase two environmental survey is recommended or is not required;  
G. the sources of funds for the purchase;  
H. to obtain the approval of the state board of finance, institutions will be required to submit additional documents, as listed in the boards rules and regulations;  
I. a copy of warranty deed  
[5.3.10.10 NMAC - Rp, 5.3.10.10 NMAC, 10/31/2017]



- 5.3.10.11 APPROVAL PROCESS:** The department's approval process will proceed as follows:
- A. The department's staff will review the proposed project and will present the project to the capital outlay committee in advance of the meeting at which the project is to be acted upon.
  - B. Representatives of the institution will appear to present the proposed project to the capital outlay committee.
  - C. The capital outlay committee will approve or disapprove the project and will present this recommendation to the department. The capital outlay committee may forward a project to the department with no recommendation.
  - D. The department will act to approve or disapprove the project.

[5.3.10.11 NMAC - Rp, 5.3.10.11 NMAC, 10/31/2017]

**5.3.10.12 REVISED PROJECTS:**

- A. When the development of a project has reached the stage just short of advertising for bids, if substantial changes have occurred in the size of the project, types of spaces, or estimated costs, the institution should resubmit the appropriate forms and plans to the department's staff. The staff will then determine whether the project should proceed or be reconsidered by both the capital outlay committee and the department. Substantial changes are defined as:

- (1) a change in the size of the project of 10 percent or over 1,000 net assignable square feet, whichever is larger;
  - (2) a 10 percent change in the type or purpose of planned space; or
  - (3) a change in the total project cost of 10 percent or one hundred thousand (\$100,000), whichever is larger.

- B. After bids have been received, if it is necessary to make substantial changes as defined in, Paragraph (1), (2), and (3) of Subsection A of 5.3.10.12 NMAC in either the plans or the budget, other than those changes made by alternates, the appropriate forms and plans should be resubmitted reflecting the proposed changes. The staff will then determine whether the project should proceed or be reconsidered by the capital outlay committee or the department.

[5.3.10.12 NMAC - Rp, 5.3.10.12 NMAC, 10/31/2017]

- 5.3.10.13 NOTICE OF DISPOSITION OF REAL PROPERTY:** Notice of the sale or trade of real property must be submitted to department staff when the property exceeds a current appraisal value of one hundred thousand (\$100,000). The following information should be submitted:

- A. a description of the land parcel being sold or traded, including a location map and a statement of the appraised value;
- B. the reason for the disposition;
- C. the amount of anticipated revenue from the sale and the expected use of this revenue;
- D. to obtain the approval of the state board of finance, institutions will be required to submit additional documents, as listed in the boards rules and regulations.

[5.3.10.13 NMAC - Rp, 5.3.10.13 NMAC, 10/31/2017]

- 5.3.10.14 EMERGENCY SITUATIONS:** The capital outlay committee or the department may modify or suspend any of these procedures to expedite projects which are necessary to address emergency situations.

- A. Deadline dates: 30 days prior to the capital outlay committee meeting at which approval is requested.
- B. Reporting Forms: Form 1 through 6 - Department of higher education capital project request forms.

[5.3.10.14 NMAC - Rp, 5.3.10.14 NMAC, 10/31/2017]

**HISTORY OF 5.3.10 NMAC:**

**Pre NMAC History:** The material in this part was derived from that previously filed with the State Records Center and Archives under:

BEF Rule 440, Capital Projects - Approved by BEF, 2/27/1985.

CHE Rule 440, Capital Projects - Approved by CHE, 3/8/1990.

CHE Rule 440, Capital Projects - Approved by CHE, 10/2/1991.

## Attachment B.

### CAPITAL OUTLAY VETTING CRITERIA

LFC encourages legislators to use criteria in evaluating capital outlay requests. The criteria are intended to provide insight into the significance of the need the project would address, how ready projects are to proceed to construction, how well-planned the project is and its current status, how realistic requested funding amounts are, local commitment to the project, and need for grant assistance.

#### NEED

1. Project will reduce potential or actual health and safety hazards and liability issues or will provide sustainable infrastructure for economic development and growth.
2. Project is a high priority on governmental entity's Infrastructure Capital Improvement Plan (ICIP).
3. Project enhances the ability of public entities to provide direct services to students, staff, or the general public
4. Project is required by federal, state or judicial mandate.
5. Project will prevent deterioration of asset or will correct infrastructure problems of asset.

#### PLANNING & READINESS

1. A formal planning document has already been completed.
2. Project cost estimate is based on a complete planning document and represents a cost-effective solution to the need the project addresses, among potential alternatives that were analyzed.
3. Local entity is audit compliant.
4. Local entity does not have outstanding projects without activity or expenditures.
5. Non-governmental entities are encouraged to get pre-approval from a local government agreeing to include project in ICIP and to serve as fiscal agent for the project.
6. Project has had public input and buy-in.
7. Project has been designed to be energy efficient in its operation.
8. Construction of project can be successfully phased, so that each phase will be operational.
9. Land, property, rights of way, or easements required to begin construction have already been acquired.
10. Operational costs of project upon completion have been identified and planned for.

#### FUNDING & LOCAL INVESTMENT

1. Request fully funds the project or a functional phase, provides required matching funds for a federal grant, or is necessary to complete a project that has already received partial funding.
2. Funding requested could not be secured through other sources.
3. Local entity has committed some local revenues to the project.
4. Local government body takes an active role in its capital projects, including regular updates from staff on the status of ongoing projects.

		Scoring Criteria
<b>A.</b>		<b>Project Rationale and Need</b>
	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>B.</b>		<b>Energy and Sustainability</b>
	B1	Energy Assessment or Audit
	B2	Operational Cost Reduction
	B3	Support of Executive Order 2019-003
<b>C.</b>		<b>Stewardship</b>
	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)