Capitan Municipal Schools
519 Smokey Bear Boulevard
Post Office Box 278 575-354-8500
www.capitantigers.org

Superintendent
J. Vance Lee

School Board of Education

President
Dennis Rich

Vice President
Jim Nesbitt

Secretary
Zeke Greer

Member
Dr. Joseph Fraley

Member
Wes Hacker

Our Mission:
To be a community where everyone is valued, safe, and nurtured, and where learners are empowered.

DATE: September 8, 2025

TO: Mr. Larry Tillotson, Interim Executive Director PSFA

CC: Mr. Dennis Rich, Board President

FROM: J. Vance Lee, Superintendent

RE: Reduction of Local Match Advance – P13-003

Capitan Municipal Schools (CMS) would like to formally revise our request to eliminate the local match advance portion of the following project:
Pl3-003 Capitan Combined School

The detailed request is a $1,892,729.00 forgiveness of the local match advance. We believe this is a reasonable and necessary request based on the following key points:

- The original award was made in fiscal year 2013, twelve years ago and at the current availability of funds the district has available for repayment, the advance will not be paid off for at least 18 years.

- The original repayment plan included three (3) $500,000 payments and a final "balloon" payment of $3,292,728 due on June 30, 2021. At no time was this plan achievable as the initial award did not account for the resistance the community would have to the advance and the loan repayment terms.

- To date, the Capitan Municipal Schools has made one payment totaling $161,002 in July 2013. CMS has also made three separate payments of $500,000, in 2018, 2019 and 2020 for a total of $1,661,002. The District has also been making the required $100,000 payments annually.

- Capitan Municipal School District voters approved a local mill-levy (SB-9) ballot question in November 2023; however, using a portion of these proceeds to make the annual payments is not reasonable in the eyes of local voters. So we are having to use other funds, that would normally be used to support classroom instruction. While this is minimally working, it is taking critical dollars away from instructional support.

- In November 2025, the District is placing a General Obligation Bond question on the ballot. This General Obligation Bond is in the amount of $7,000,000 over four years. These funds will be used to move forward with critical facility needs.

Capitan Municipal Schools

519 Smokey Bear Boulevard
Post Office Box 278 575-354-8500
www.capitantigers.org

Superintendent
J. Vance Lee

School Board of Education

President
Dennis Rich

Vice President
Jim Nesbitt

Secretary
Zeke Greer

Member
Dr. Joseph Fraley

Member
Wes Hacker

Our Mission:
To be a community where everyone is valued, safe, and nurtured, and where learners are empowered.

Prior to the November 2023 mill-levy election, the District has been unsuccessful in passing a mill-levy for the past three election cycles. The District currently has an SB-9 cash balance of approximately $950,000 with annual maintenance expenditures that average $350,000 without considering emergencies that may arise. Our District has been able to meet the $100,000 annual payment; however, the District can only pay the $100,000 annually and there are no other available funds to apply toward repayment of this advance. The community has not supported paying for old debt with new revenues, thus, they likely will not support new mill-levy ballot questions until this is resolved. Based on the Local Match Reductions (Waivers) the District does not meet all criteria for a waiver under 22- 24-5 (B) (9); however, past decisions/awards are the root cause of the inability to meet these requirements. It may be possible that the District and PSCOC should have never approved such an advance back in 2012-13 and considered an alternative funding mechanism.

In retrospect, based on the facts of the past agreement between the District and the Council, the District has learned an important lesson regarding advances and the risks involved. A successful bond election would give the District the opportunity to continue the development and completion of major capital improvements to provide our kids with equitable facilities as other schools around the state. Included with this request is a planning document and rough site plan for our long-term capital improvement plan. These support documents are only for planning purposes and will not be presented to the Council for funding unless the District has financial resources in place to complete these projects.

We ask this Council to understand the grave nature of the impact that this advance has placed on the District both in maintaining its current inventory and meeting the growing needs of providing a 21st century education for its students. Based on some past decisions approved by the Council with regards to advance forgiveness, we believe this is a reasonable request. As the current Administration and Governing Board can attest, we are committed to the students at Capitan Municipal Schools and unless there were other viable options, we cannot foresee a resolution without this opportunity to reset and plan future funding of projects in a responsible manner that follows the PSCOC/PSFA processes, appropriately.

Capitan Municipal Schools truly appreciates this Council's willingness to hear our request and consider this important decision that will have a resounding effect on the community of Capitan and the children/families we serve. Thank you for your consideration.

Respectfully.

CAPITAN MUNICIPAL SCHOOLS
where
Good Character Never Goes Out Of Style

Additional Requested Information: P13-003 Capitan Combined School

The PSFA indicated that the PSCOC would like to see additional justification regarding the request to forgive the advance for the P13-003 Capitan Combined School project. Specifically, we were asked to provide a narrative of how this forgiveness would provide the District with financial flexibility to complete future projects.

If the remaining balance of $1,892,729.00 were forgiven from the above mentioned project, the District intends to complete a comprehensive series of projects to enhance our ability to provide first class educational facilities for our students. These projects cannot be completed in one General Obligation Bond cycle; however, the order in which they have to be completed must follow a very strict order of phasing. In the end (12-15 years or 2-3 G.O. Bond cycles), the final expectation is that the District will:

1. Creation of new bus loop directly off of Hwy 380, which will become obsolete/unusable due to construction of new gymnasium ($300,000-$500,000)
2. Construction of a new gymnasium complex to replace and existing Cummins Gymnasium ($9,000,000) to include:
    a. Gymnasium
    b. Lobby/Concession Area
    c. Locker Rooms (4)
    d. Weight room
    e. Physical Education/Health Classroom
    f. Athletic Training Lab
3. Construction of Career Technical Education Facility between new Gymnasium and Existing Ag. Shop Facility ($2,500,000).
4. Repurpose/renovation of existing Cummins Gymnasium ($3,500,000) to include:
    a. New Kitchen/Cafeteria (300 capacity)
    b. District Administration Offices (this allows the ability to return three (3) classroom spaces to Capitan MS/HS
    c. District Administration Warehouse facility.
5. Demolition of existing Weight room that expands parking and central receiving area ($100,000).
6. Renovation of existing kitchen/cafeteria to become a Special Education facility to include Life Skills classrooms (2), Sensory rooms (2), Special Education Classroom (1). The existing kitchen will be transformed into a Life Skills Laboratory to make use of existing infrastructure ($400,000-$600,000).
7. The District is also considering construction of a new Elementary School to replace the current Capitan Elementary School, which should qualify for replacement at the appropriate time (12-15 years) ($30,000,000).

The reason for such a strict phasing of this plan is due to existing site configurations and logistical requirement of our campus. These projects are definitely contingent on the passage of General Obligation Bond elections and the District would only apply for funding through the PSCOC if funding were secured for such projects.

Gmail

Vance Lee <vance.lee@capitantigers.org>

April PSCOC Meeting

1 message

Daniel Juarez <djuarez@nmpsfa.org> Mon, Apr 6, 2026 at 9:41 AM
To: Vance Lee <vance.lee@capitantigers.org>
Cc: Matthew Schimmel <mschimmel@nmpsfa.org>

Hi Vance,

The PSFA Executive Director has reached out to the Chairman of the Awards Subcommittee about the District presenting to the Awards Subcommittee. Per the information staff had gathered concerning the district being unable to increase the $100,000 annual repayment and/or using the remaining $1,892,729 balance of the local match advance as an offset in the state's match of the systems-based project that district applied for in the FY26 capital funding cycle.

The Chair has indicated that there were no significant changes that warranted including Capitan's request for forgiveness of the remaining local match advance balance.

I can setup a meeting with the PSFA Executive Director if you would like to discuss the district's request in more detail.

Thank you,

Daniel

Daniel Juarez | Senior Projects Coordinator

New Mexico Public School Facilities Authority

1312 Basehart Drive SE

Albuquerque, New Mexico 87106

Office: 505-843-6272

Cell: 505-274-0574

Email: djuarez@nmpsfa.org

Web: www.nmpsfa.org