

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL MEETING
MINUTES
April 12, 2019
STATE CAPITOL BUILDING, ROOM 317
SANTA FE, NEW MEXICO**

Members Present: Mr. David Abbey, LFC Mr. Martin Romero, CID (8:37-9:15)*
Mr. Antonio Ortiz, PED Mr. Joe Guillen, NMSBA
Mr. David Robbins, PEC Ms. Rachel Gudgel, LESC
Mr. Raúl Burciaga, LCS Ms. Olivia Padilla-Jackson, DFA
Ms. Stephanie Kean, Office of the Governor

*Ms. Marguerite Salazar, RLD, (9:15-adjournment)

1. **Call to Order** – Chair Abbey called the meeting to order at 8:37 A.M.
 - a. **Approval of Agenda** – Chair Abbey asked if there was any objection to the agenda presented, as there was none the agenda was unanimously approved.
 - b. **Approval of Minutes (January 18, 2019)** – Mr. Guillen moved for Council approval of the January 18, 2019 minutes subject to technical corrections. Ms. Gudgel seconded and the minutes were unanimously adopted.
 - c. **Correspondence** – None.
2. **Public Comment** – Mr. Abbey had the audience and staff introduce themselves. Mr. Chamblin announced that the new PSFA CFO, Mr. Randy Evans, would begin on May 28th.
3. **PSCOC Financial Plan**
 - a. **PSCOC Financial Plan**

Mr. Chamblin reviewed the changes to the financial plan since the last meeting: Awards in the amount of \$64,334 for 2018-19 Lease Assistance for Explore Academy; \$38,307 for 2018-19 FMP Award for Pojoaque; \$900,000 for the Grants HS synthetic turf playing field; \$72,500 for BDCP Category 1 and \$140,764 for BDCP Category 2. Total awards acted upon were \$1,215,905. Project award schedule adjustments include Alamogordo P19-001 Holloman ES; full construction costs have been moved from the 70/30 split in the out years to a single amount based on an actual construction schedule. The dollar amount remains the same and is expected to be drawn in Q4 FY20. Impact Aid, appropriated by SB280, is reflected as \$24.0M in sources and uses. Operating reversions increased by \$294K; the actual balance is now \$494,536 based on the FY18 audited amount. Instructional Materials appropriation is reflected at \$25.0M; the appropriation for school busses is shown as \$32.0M. The teacherages appropriation, included in the certification to be taken to Council, is \$10.0M. Pre-K appropriation, also included in the certification, is listed for \$5.0M. PSFA operating budget, included in the certification, is listed at \$5.3M. Projects listed on the project award detail reflect the movement of projects from the most recent awards cycle. The total estimated uncommitted balances are \$184.4M for FY19; \$104.6 in FY20; \$50.2 in FY21; and

negative in FY22-23. Advances that are currently scheduled for repayment include Jemez Mountain, Capitan, and Mesa Vista which have been billed out. Jemez has committed to the repayment as noted, replies have not been received from Mesa Vista and Capitan. The NMSD repayment will likely be taken care of during the project closeout phase. The PSCOC Fund balance is estimated at \$370,671,034 following a draw request of \$6,692,981 that is in process.

Mr. Ortiz inquired as to when the funding for school busses would be available for PED use; Mr. Chamblin replied that conversations are in process regarding timing.

4. 2019-2020 Award Cycle

a. 2019-2020 Final wNMCI Ranking

Ms. Casias stated seventeen districts provided feedback following release of the preliminary ranking. Within the top 100, eighteen schools rose to the top 100 and eighteen schools came out of the top 100; a handout was provided identifying the schools and reasons for the ranking position changes. It was also noted that 343 schools were above the average wNMCI, 41 Albuquerque Public Schools were in the top 100; seven of which were charter schools. The current FCI is 51.63%; last year is was 50.24%.

Regarding the early childhood centers, Ms. Gudgel stated that Council only participates in 3&4 year old DD/Pre-K programs and sought confirmation that the rank was based only on the facility for 3&4 year old DD; Ms. Casias replied that staff would do a re-evaluation.

Mr. Abbey asked for an average wNMCI by district; Ms. Casias replied she did not currently have one but would provide one along with a heat map of every district with a wNMCI.

Motion: Council approval of the AMS Subcommittee recommendation to release the Final wNMCI Rankings for the 2019-2020 award cycle based on criteria and weights previously adopted by the Council. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

b. 2019-2020 Capital Funding Program Changes

Mr. Chamblin noted the two potential changes for Council consideration as outlined in the executive summary. Handouts which listed the potential pool of eligible applicants for the systems program and what the likelihood was for each district to get to the 65% or 70% FMAR threshold by awards were provided. Relative to the FMAR criteria, in previous years the criteria for applications/eligibility was set at an FMAR score of 60% or greater; staff is proposing that it be raised to either 65% or 70% as a threshold per campus, not district average, by time of award.

The matrix of eligibility criteria outlined the prior two years of the program and the proposed changes for the systems program this year. Staff has looked at the security program and potential improvements that could be made; encouraging a maintenance performance level in line with language found in the MOU for standards and systems-based awards requiring the district to maintain their score above 70% and if they drop below they can be called before Council. Another reason for the change would be to ensure that schools receiving systems

awards are performing good maintenance and will be able to maintain those systems into the future.

Mr. Chamblin drew member attention to the proposed timeline reflecting the methodology for administering the program. To date, the systems program has been “all-at-once funding,” with planning, design and construction funding awarded all-at-once based on the application. The issue with this is that there may be some functional issue(s) with the district’s ability to accurately quantify the scope of a project during the pre-application phase. Under the current methodology they are obligated to perform an assessment of the building system they would like to have replaced/worked on. With older facilities/mixed building systems it is difficult to get a good handle on the scope and cost of the potential work. Another issue is that there is a limited pool of qualified firms willing to do the assessment up-front.

Mr. Burciaga inquired as to the criteria used to determine what schools/districts could get to 65% or 70%. Mr. Chamblin referred to Exhibit B, and the column indicating what tasks were required in order to increase FMAR scores. Mr. Tillotson acknowledged that districts are encouraged to get to 70% in order to get the system(s) life-span.

Mr. Guillen asked if the 65% or 70% threshold applied to systems only or to standards as well; Mr. Chamblin replied it would be for the systems program only. Mr. Guillen then asked if there was a similar requirement for the standards-based program; Mr. Chamblin replied in the affirmative and added that it went back to language in the MOU stating the district makes a commitment to maintain the asset to at least an FMAR level of 70%.

Ms. Gudgel reminded members verbiage in last year’s award letter informed districts they might be required to have an FMAR score for an entire year however the current process appears to be as long as the district can bring up their score Council will make an award which only incentivizes districts to do last minute maintenance to adjust their score in order to get funding. Ms. Gudgel agreed with the idea of increasing the percentage and stressed that Council should be looking at longer periods of time for behavior changes. Ms. Gudgel suggested that an analysis should be done of projects that have been awarded to see if they are maintaining their facilities; to look into whether districts are meeting their obligations on projects that have been awarded and whether Council anticipates making good investments with future awards if they aren’t. Mr. Chamblin stated the analysis would be brought back at a future time during the awards cycle.

Ms. Salazar sought clarification on why the score should be raised; Mr. Chamblin replied that if a district is performing at 70% or better that is roughly the threshold when you see full return on the dollar for the investment. Mr. Guillen suggested the requirement be changed to show progress by the time of award, monitor it and allow the projects that need funding to come forth. Per Mr. Abbey, going to 65% would be a modest change and should be tried while allowing districts to appeal their eligibility for funding if they don’t make 65%.

MOTION: Council approval of the AMS Subcommittee recommendation to modify the systems-based program award eligibility criteria to increase the minimum campus FMAR

score to 65% or 70%, and implement 1-phase and 2-phase awards based on the complexity of systems included in the project as listed in Exhibit C of this agenda item.

REVISED MOTION: Mr. Abbey moved for approval to modify the systems-based program award eligibility criteria to increase the minimum campus FMAR score to 65% but allow districts to be eligible for funding and implement 1-phase and 2-phase awards based on the complexity of systems included in the project as listed in Exhibit C of this agenda item. Ms. Salazar seconded and the motion was unanimously approved.

For the record, Ms. Gudgel reiterated this should be done for a longer period of time because districts were informed the expectations would be increased and one was to maintain facilities for multiple years. Mr. Abbey asked whether it would be better leaving it at 60% for consecutive years rather than pushing it up to 65%; Mr. Tillotson recommended 65%. Ms. Padilla-Jackson asked if the schools could be monitored over the course of a year to see if they maintained their levels; Mr. Abbey agreed and stated it was a clear direction to AMS and staff to think about whether the incentives require a longer term and bring something back next year that addresses that concern. Ms. Casias asked members to recall what had been done with charter schools when Council was considering changing the cost per MEM where a letter was sent out stating “*the following year this is what is going to happen...*” and suggested that a letter be sent stating “*next year we would expect two consecutive years of 65%*” in order to put them on notice; Mr. Abbey suggested posting it could be posted on the website instead.

c. 2019-2020 Capital Funding Application Announcement & Preliminary Funding Pool

Mr. Chamblin drew attention to the announcement letter that staff is proposing be sent out. As there were no questions or additional comments, Mr. Abbey called for approval of the Subcommittee recommendation.

Motion: Release the 2019-2020 application announcement and timeline with a preliminary funding pool of the 2019-2020 Final wNMCI Ranking as follows: for large projects (standards-based), facilities within the top 75; for small projects, (systems-based) facilities within the top 300. Based on the number of pre-applications received by the May 10, 2019 due date, a final funding pool will be established that will be used to determine eligibility to complete the full application and be considered for an award. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

d. 2019-2020 Lease Payment Assistance Application and Requirements

Ms. Casias reviewed the summary of changes as noted in the meeting material. Charter schools statewide were reassessed for classroom square footage and gross square footage and were asked to concur/not concur with the assessment. Rather than asking all schools if their wNMCI score was below the state-wide average, only new charter schools and those entering a new lease purchase arrangement were asked pursuant to 22-8B-4.2 NMSA 1978. Three options were provided for member consideration regarding land leases: 1) Council will not participate in land lease reimbursements, 2) Council may participate in reasonable land lease reimbursement costs based upon land-to-building ratio per site, 3) Council may participate in

reasonable land lease reimbursement costs based upon land-to-building ratio per site and at a maximum allowable cost of \$17K per acre; the staff recommendation is for option 3.

Motion: Council approval of the Awards Subcommittee recommendation to release the 2019-2020 Lease Assistance Application Memo from Director, on-line 2019-2020 PSCOC Application for Lease Payment Assistance for Classroom Facilities, applicable certification forms and required documentation that will include sufficient lease information to facilitate PSCOC staff analysis. Applications to be released April 15, 2019 and are due May 10, 2019 and tentative awards will occur at the July 2019 PSCOC meeting. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved with Mr. Burciaga absent from the vote.

Additional discussion: Mr. Robbins asked whether the data regarding the average price per acre had been looked at if the outlier (New America School ~\$74K per acre) was removed and noted the average was skewed due to this lease; Ms. Casias replied in the negative. Upon doing the math, Ms. Gudgel stated the average cost per acre dropped to ~\$12K.

Additional Motion: Ms. Gudgel move to approve option 1 which states the PSCOC will not participate in land lease reimbursement costs. Mr. Burciaga seconded and the motion was unanimously approved.

e. PSCOC Work Plan/Timeline

Mr. Chamblin noted there was a conflict with the September PSCOC meeting; alternate dates and locations will be proposed/considered. Ms. Birge will send electronic calendar invites for all subcommittee and Council meetings through December. Mr. Guillen noted a conflict with the June PSCOC meeting; June 12th was proposed by Mr. Abbey as an option.

f. Teacher Housing Program – Legislative Appropriation

***The teacher housing program and above adequacy program were discussed concurrently.

Mr. Chamblin drew attention to the handouts and noted they were the first steps in addressing the appropriations specified by SB280. Referring to the memo included in the meeting material, Mr. Chamblin noted the two items that needed clarification from the Council in order to move the formulation of the program(s) forward. The first was to determine who the eligible districts might be for each of the programs as the appropriation language is assigned to essentially the same subset of districts that receive federal impact aid for tribal lands. The second is for Council review and approval is the draft announcement letter(s) to the districts letting them know of the program(s) available and that staff will be engaging with them. Within the next month, staff will survey eligible districts and bring data back to the Council for formulation of a program. Referring to the handouts that identified nineteen districts that get some federal impact aid for tribal lands, Mr. Chamblin stated that the staff recommendation is that the target districts for these appropriations should have a significant impact from tribal lands to their district. Four scenarios were presented regarding eligibility for the teacherage and above adequacy programs with scenario four the preferred model. Mr. Guillen stressed the importance of speaking with the districts concerning these appropriations and to get the money out as quickly and as easily as possible.

Ms. Gudgel stated Council may need to work with PED on the district selection as there are different types of impact aid; Mr. Ortiz replied that he had provided PSFA with the 2018 data and noted that the full data for the current fiscal year had not yet been received.

Mr. Abbey asked for comment from representative districts, Mr. Martin Romine, Zuni Public Schools Director of Finance stated a big concern the Zuni, Gallup and Central Consolidated school districts currently have is that teacherage debt is being repaid with operational funds because they do not get general obligation funds. It is concerning that classroom dollars are being devoted to capital projects; Zuni has \$600K per year going to service debt; Central Consolidated has \$750K, and Gallup has \$2.5M. Mr. Romine expressed appreciation for the opportunity to have PSFA staff survey the districts to determine their true needs so that money can be spent in the most beneficial way possible.

~~**MOTION 1:** To be eligible for funding under Senate Bill 280, appropriations related to school districts that receive federal impact aid for tribal lands, school districts must receive ___% of their total program cost from federal impact aid for tribal lands, and must have ___% of their total district land acreage as tribal lands.~~

MOTION 2: Ms. Olivia Padilla-Jackson moved to authorize the PSFA to distribute the memorandum regarding the legislative appropriation for school districts with federal impact aid for tribal lands to all eligible school districts, develop and release associated surveys, and return to the PSCOC at a future meeting for adoption of full program guidelines. Mr. Ortiz seconded and the motion was unanimously approved.

g. Above Adequacy Program – Legislative Appropriation

***The teacher housing program and above adequacy program were discussed concurrently.

Mr. Chamblin drew attention to the handout which explained the adequacy standards, adequacy planning guide and above adequacy. It was noted above adequacy is square footage that is above and beyond the gross square foot calculator and is also space type and item type. Without objection, Mr. Abbey stated he would assume that the motion made for teacherages was not restrictive and upon reviewing the letter for this item the paragraph referencing percentages for impact aid and land acreage would be eliminated.

Mr. Chamblin reiterated that adequacy standards are the statute/administrative code PSFA uses to measure/survey existing buildings to look for deficiencies; the planning guide is a document that describes the goals/best practices for design of new buildings. When a new school is being designed, or a major renovation is being planned, the planning guide provides detail on how big spaces should be. One critical thing regarding adequacy is since the standards set the minimum and the planning guide sets a maximum the standards don't include every space type that every school in the state might need, i.e.: mariachi spaces, cultural classrooms, special ed. Only the minimum spaces and sizes are named, but it is assumed as best practice, that part of a good design is to exceed the minimums and add the needed spaces. The third item pending discussion is the concept of above adequacy. There has been a limit on state funding participation based on exceeding the gross square foot calculator limit for a project. There are spaces that have been, and are, typically considered above adequacy that are generally not eligible for state funding i.e.: auditoriums, swimming pools, school-based health clinics,

district administration buildings. Mr. Chamblin stated the intent of SB280 is to assign some above adequacy spending to the impact aid districts and allow them to build some above adequacy spaces by either square footage or space type.

Referring to the teacherage program, Mr. Guillen stated there was a desire to go back and potentially pay for previously incurred costs and pay off some debt with the funds and sought clarification on whether PSFA would be looking at being able to pay above adequacy on new construction and additions, or if the intent was to go back to prior projects. Mr. Chamblin replied that in order to get a sense of what was more relevant to the districts that would be part of the communication. Mr. Abbey recalled that only classrooms were funded when standards were first implemented and reiterated over time what was being funded became more expansive. Mr. Abbey noted that statute does not say “above adequacy” but instead states “outside adequacy” and requested that term be used in the letter; members agreed with the proposed change. Mr. Daniel Benavides, Zuni Public Schools Superintendent, stated the discussion was a welcome path moving forward and noted he was pleased issues are starting to be addressed as there is a high need in Zuni, Central and Gallup.

Mr. Abbey requested that eligibility include previously funded projects; Ms. Gudgel clarified it would be for new construction that didn’t meet adequacy, not paying a district for above adequacy for previously funded; Mr. Abbey agreed.

Mr. Abbey then took time to speak on the Constitution and the requirement for a uniform system and stated that a lot of time was spent on making the formula fair. Previously, there had been the perception of rich districts and poor districts however, with the Zuni lawsuit, the Constitution talks about a uniform system and the partial summary judgement talked about a lack of uniformity of funding capital improvements. A key to having a uniform system was achieved during 2018 legislation that basically said districts with more property tax wealth would end up in the formula contributing more and the state match went down. Under the new formula, some districts ended up with a higher match and the cost to the state went down which allows the state to be in a better position to adequately fund the needs for districts such as the plaintiff districts. Mr. Abbey suggested that moving forward Council may want to think about asking for financial information in the applications to prioritize funding based on need for facilities and the capability of the district to provide for those facilities themselves.

Following a request for district comment, Ms. Candice Thompson, Central Consolidated Schools, stated her district’s match went up to 39% and with the closure of the power plant under SB489 the district has a school ranked at number two they don’t have a match for and since they cannot fund the school they will likely be coming to the Council for help.

~~**Motion 1:** To be eligible for funding under Senate Bill 280, appropriations related to school districts that receive federal impact aid for tribal lands, school districts must receive ___% of their total program cost from federal impact aid for tribal lands, and must have ___% of their total district land acreage as tribal lands.~~

Motion 2: Authorize the PSFA to distribute the memorandum regarding the legislative appropriations for school districts with federal impact aid for tribal lands to all eligible school

districts, develop and release associated surveys, and return to the PSCOC at a future meeting for adoption of full program guidelines.

As the teacher housing and above adequacy programs were discussed concurrently, Members agreed that the preferred motion was motion 2; the approval was made without member opposition.

5. Out-of-Cycle Funding/Additional Funding/Emergency Funding/Award Language Requests

a. Clovis – P15-005 – Parkview ES – Award Language Change

The district is requesting an award language change to include demolition of the old Parkview ES as part of their current scope of work; no additional funds are required and could be accommodated within a portion of the projects remaining balance. The old facility was intended to be transferred to the City of Clovis upon completion of the Highland project in September 2019 however the city is no longer interested in the facility. The cost of demolition is proposed at \$671K with a state share of \$510K; the remaining project balance is currently \$1.4M.

Mr. John King and Ms. Carrie Bunce were in attendance representing the school. Mr. Robbins asked if the district had contacted the General Services Department (GSD) to determine if any other (state) agency may be interested in the facility for use as a satellite location; Mr. King replied in the negative. Mr. Robbins suggested Council defer making a decision until GSD was consulted. Ms. Bunce stated the City's concerns with the building included its condition and the amount of renovations needed i.e.: complete electrical and plumbing upgrades, asbestos removal, roof condition, numerous additions that do not allow for good traffic flow and lack of parking space. Based on the information provided; Mr. Robbins withdrew his request.

Motion: Council approval of the Awards Subcommittee recommendation to amend the 2014-2015 standards-based award to the Clovis Municipal Schools for Parkview ES to include demolition of the old Parkview ES facility. Demolition must be complete within 12 months of occupancy of the new Highland ES. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

b. BDCP – 2017 Category 2 Equipment Awards - Final

Mr. Viorica noted these were the last two network equipment upgrade projects from the 2017 cycle and brings the total number of 2017 projects to 31.

Motion: Council approval of the Awards Subcommittee recommendation to make Broadband Deficiencies Correction Program (BDCP) awards of actual E-rate-approved project amounts to provide the state match for application funding year 2017 for Category 2 to two districts/schools for a total of \$1,107 as listed in column K of the award spreadsheet for this agenda item. Each allocation is intended to fully complete the project, phase, or specified purpose. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

c. BDCP – 2018 Category 1 Fiber Awards - Final

The motion was read and approved without additional discussion.

Motion: Council approval of the Awards Subcommittee recommendation to make Broadband Deficiencies Correction Program (BDCP) awards of actual E-rate-approved project amounts, to provide the state match for application funding year 2018 for Category 1 to Las Cruces and Clovis School Districts for a total of \$356,367 as listed in column J of the award spreadsheet for this agenda item. The allocation is intended to fully complete the project, phase, or specified purpose. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

d. BDCP – 2018 Category 2 Equipment Awards – Budgetary and Final

The motion was read and approved without additional discussion. Mr. Viorica thanked Council for their support of the program and Mr. Abbey thanked Mr. Viorica for his work.

Motion: Council approval of the Awards Subcommittee recommendation to make Broadband Deficiencies Correction Program (BDCP) awards of actual E-rate-approved project amounts to provide the state match for application funding year 2018 for Category 2 to three districts/schools for a total of \$4,282.96 as listed in column L of the award spreadsheets for this agenda item. Each allocation is intended to fully complete the project, phase, or specified purpose. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

6. 2018-2019 Award Cycle

a. 2018-2019 Lease Assistance Award Adjustment – Turquoise Trail Charter School

The charter has added a 7th grade to their school. PSFA has confirmed their net square footage, classroom and administrative spaces.

Discussion occurred on why the amount was different from what had been presented during the Awards Subcommittee; it was determined that the incorrect enrollment count had been used for the MEM.

Motion: Mr. Abbey moved to award in the amount of \$17,890 to Santa Fe - Turquoise Trail Charter School (Middle School) for FY2018-2019 Lease Assistance contingent upon validating the amount and formula. Mr. Robbins seconded and the motion was unanimously approved.

7. Other Business

a. Recertification of SSTBs

The motion was read and approved without additional discussion.

Motion: Ms. Gudgel moved to adopt the Resolution, Notification, and Certification amendment for reauthorization of unexpended bond proceeds as follows:

- SSTB18SB 0004 in the amount of \$947,412; to PSCOC awarded projects totaling \$947,412.
- SSTB18SD 0002 in the amount of \$128,804,605; to PSCOC awarded projects totaling \$128,804,605.

Mr. Guillen seconded and the motion was unanimously approved.

b. Disposition of PSFA Property – Portable at Ruidoso Schools

The motion was read and approved without additional discussion.

Motion: Mr. Abbey moved for approval of the disposition of the PSFA double-wide portable located at Ruidoso Nob Hill Early Childhood Center, via sale to the Ruidoso Municipal Schools in the amount of \$25. Ms. Padilla-Jackson seconded and the motion was unanimously approved.

c. Disposition of PSFA Property – Portables at Clovis Schools

Mr. Chamblin noted the portables will be advertised for public bid and that there is potential interest from two local entities.

Motion: Mr. Abbey moved for approval to solicit offers for 2 PSFA single-wide portables (NMS010 and NMS011) located in Clovis, NM. Mr. Robbins seconded and the motion was unanimously approved.

d. PSFA HR Policies and Procedures

The policies and procedures manual is currently being updated and will be sent to the NM State Risk Department for review. Presented for Council consideration were four policies that are potentially monetary in nature. Ms. Gudgel expressed concern with how broad the policies were, specifically the flex time policy which would allow staff to work less than five days as long as they worked 40 hours for the week.

Motion: Council approval of the AMS Subcommittee recommendation to approve the following policies in order to improve work life balance, employee safety, encourage efficient work practices and attendance, and promote health initiatives:

- Compensation Time
- Inclement Weather
- Educational / Professional Development Leave
- Flex Time

As this was a Subcommittee recommendation a second was not needed; the motion was approved 8 to 1 with Ms. Gudgel voting in the negative.

e. Construction Information Management System & Facility Information Management Systems as Project Management Expenses

Though he agreed to move this forward during the AMS Subcommittee Mr. Burciaga expressed having reservation with including FIMS as he felt it was more of an operational cost; Mr. Burciaga was ok with identifying CIMS as a project management cost. Ms. Gudgel also expressed concern with the inclusion of FIMS and questioned if this would be a one year fix or if staff would continue to seek a bill to allow the average to be based on a five year average of awards versus a three year average. Mr. Chamblin replied that staff would work for reintroduction of SB295, which was the five year permanent fix for the agency budget. Mr. Chamblin referred to the meeting material which identified FIMS as the last step in the project management process and referenced the requirement in statute as well as its use in the MOU for standards and systems-based projects. Mr. Chamblin noted that both the out-going and incoming CFOs were in agreement with identifying the CIMS and FIMS costs as project management expenses in terms of compliance with accounting principles. Mr. Abbey commented that this be a one-year, extra-ordinary measure with the intent to restore both items

to the operating budget for FY21. Mr. Abbey expressed concern with the growing workload PSFA staff is facing with the security and impact aid programs in the face of a budget constraint; Ms. Gudgel agreed and sought clarification on whether FIMS had ever been paid for as a project management expense or if it was always paid out of the agency budget; Mr. Chamblin replied that as far as he knew it had always been paid for from the operating budget.

Motion: Council approval of the AMS Subcommittee recommendation to reallocate the annual subscription fees for the PSFA Construction Information Management System (CIMS) and the PSFA Facilities Information Management System (FIMS) from the PSFA operational budget, fund 94300 to the Public School Capital Outlay Fund 94700 as project management expenses. As this was a Subcommittee recommendation a second was not needed. The motion was approved 8 to 1 with Ms. Gudgel voting in the negative.

f. 2019 Legislative Session Update

Mr. Chamblin reviewed the executive summary and matrix included in the meeting material.

g. Charter Process Summary

The charter outreach began last fall and included workshops around the state to meet with charter schools to explain and clarify the rules of the program. The validation of square footage was also done and 86 of 96 charters have concurred with PSFAs validation.

h. Strategic Plan Update

The summary work plan was reviewed. Mr. Chamblin noted the intent was to assign tasks to groups within the agency to address the strategic objectives/goals. An update will be provided to Council in late summer.

i. E-rate & Libraries Update

Mr. Viorica reminded members that Council authorized the BDCP team to work with State Library, PED and DoIT to develop a pilot of approximately 10 libraries. All 10 libraries selected by State Library submitted applications to E-rate for both connectivity and network upgrades. When the projects are implemented all the libraries will have good connectivity and robust networks. Libraries will be able to leverage nearly the same matching funds which, to date for schools is approximately 87% out of approximately \$60.0M funded.

j. Statewide FMAR Performance

FMAR performance rating statewide; 302 FMARs completed, 184 are at 71% performance.

8. Informational

a. Broadband Deficiencies Correction Program Status Report

This agenda item was not presented.

b. PSCOC Project Status Report

This agenda item was not presented.

c. Master Plan Project Status Report

This agenda item was not presented.

d. Lease Assistance Status Report

This agenda item was not presented.

e. Maintenance Program Status Report

This agenda item was not presented.

f. FY18 & FY19 Budget Projections and Personnel Update

This agenda item was not presented.

9. Election of the PSCOC Chair and Vice-Chair

Mr. Abbey called for nominations for the PSCOC Chair. Mr. Burciaga nominated Mr. Guillen and Ms. Gudgel seconded. No additional nominations were made. The vote for Vice-Chair was delayed until the May PSCOC meeting.

Motion: Council approval of _____ to serve as Chair, and _____ to serve as Vice-Chair of the Public School Capital Outlay Council for Fiscal Years 2018-2019 and 2019-2020.

Amended Motion: Mr. Burciaga moved for Council approval of Mr. Guillen to serve as Chair of the Public School Capital Outlay Council for Fiscal Years 2018-2019 and 2019-2020. Ms. Gudgel seconded and the motion was unanimously approved.

Mr. Guillen thanked Mr. Abbey for his leadership and service for nearly nine years. Ms. Gudgel was appointed Chair of the Awards Subcommittee and Ms. Padilla-Jackson as Chair of the AMS Subcommittee. Mr. Guillen stated he looks forward to working with all of the new members and would look at ways to conduct the meeting more efficiently i.e.: consent agenda.

10. Next PSCOC Meeting – Proposed for May 9, 2019

11. Adjourn - There being no further business to come before the Council, Mr. Abbey moved to adjourn the meeting. Ms. Gudgel seconded and the motion was unanimously approved. Meeting adjourned at 11:47 A.M.

 _____ Chair

 _____ Date