

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL MEETING  
MINUTES  
May 10, 2021  
VIDEOCONFERENCE**

**Members Present:** Mr. Joe Guillen, NMSBA      Mr. Raúl Burciaga, LSC  
Ms. Rachel S. Gudgel, LESC      Mr. David Abbey, LFC  
Mr. David L. Robbins, PEC      Mr. Clay Bailey, CID  
Ms. Ashley Leach, DFA (arrived at 1:35 pm)  
Ms. Mariana Padilla, Office of the Governor (arrived at 1:34 pm)

**Members Absent:** Mr. Antonio Ortiz, PED

1. **Call to Order** – Chair Guillen called the meeting to order at 1:33 P.M.
  - a. **Approval of Agenda** – Chair Guillen asked if there was any objection to the agenda presented; as there was none, the agenda was unanimously approved with Ms. Leach, Ms. Padilla and Mr. Ortiz absent.
  - b. **Correspondence** – None.
2. **Public Comment** – None.
3. **PSCOC Financial Plan**
  - a. **Financial Plan**

Mr. Evans reviewed the changes to the financial plan noting the possible change to the award schedule detail for the Portales – Brown Early Childhood Center. Mr. Evans reiterated that the Portales request was already reflected on the financial plan and there was no change to be made. Mr. Evans reviewed the changes for the Legislative Appropriation for School Bus replacements; the changes include decreasing the HB285 and PED estimate to \$3.4M. Mr. Evans reviewed the Variance Analysis. Additionally, the general appropriation for Panic Buttons was listed for \$1.0M in FY22. Ms. Gudgel reiterated her comment made during the Awards Subcommittee meeting regarding a potential violation of the constitution from the Grants-Cibola appropriation (HB285). Mr. Guillen asked about the process to pass the appropriation. Mr. Abbey noted his involvement in working on the bill and stated the bill was analyzed from previous cases where voids happened. Mr. Abbey agreed that the appropriation should be discussed and analyzed further. Ms. Leach sought clarification from Mr. Evans that the recertification listed on the consent agenda had previously been certified; Mr. Evans replied in the affirmative. Ms. Gudgel requested an update on the local match advances, as there were a number of projects that owe funding. Mr. Evans provided a brief overview of the completed, current, and pending repayments for FY20 and FY21 and reiterated that invoices have been sent. Payments have been received from Jemez Mountain and Capitan and await replies from Mesa Vista and Santa Rosa. Ms. Gudgel sought further clarification, asking if all of the FY20 repayments have been received; Mr. Evans replied in the affirmative. Ms. Gudgel then requested that the updated information on items that remain outstanding be presented at

the June PSCOC meeting; Mr. Evans agreed to do so. The projected fund balance as of April 23, 2021 is \$432M.

#### **b. Out-year State Funding Scenarios**

Mr. Evans drew member attention to the two scenarios presented in the meeting material. Scenario One talks about the sources of funding and the uses reflect increases expanding the Broadband program, increasing the Pre-K facilities program, teacher housing, setting up a roofing program, demolition program and additional funding for standards awards that are currently not on the financial plan including waivers. Scenario one goes down from \$421M in FY25 to \$189M in direct relation to the increase in programs. Scenario two identifies different sources in revenue. According to Mr. Evans, PSFA/Council would be forgoing some of the revenue for June 2021 and one-half for June 2022. This would bring the uncommitted fund balance down to \$25M by FY25. Mr. Evans stated that the scenarios were for Council review and feedback including whether changes were needed to the programs, or if there should be a delay in requesting future funding.

Referring to the fund balance, Ms. Leach suggested the Committee set a standard for uncommitted balances and making adjustments based on the standard/goal set on what the fund should look like. Mr. Abbey expressed concern about the uncommitted balances and stated from a legislative point of view, the balances could be seen as available money and suggested that other uses be found for it. Mr. Abbey asked the Subcommittee Chairs to think of the scenarios as a proposal and consider what the timeline would be. Ms. Gudgel clarified that the scenarios were requested because carrying a \$400M balance is not reasonable and in the past, the Council worked hard to get the balances down. With fewer standards-based awards and more small awards, Ms. Gudgel suggested that staff do some planning on what the Council should be doing, as the Oversight Task Force will be looking at statutes over the next few years due to the Zuni lawsuit. Some additional work and additional detail from PSFA is needed in order to determine if there is a need, and a way, to get bigger projects in the queue. Ms. Gudgel agreed with Mr. Abbey that the funds need to be used; otherwise, there is a risk of losing them. Ms. Gudgel requested PSFA staff evaluate different ways to spend down the fund, such as teacher housing, demolition and other things authorized by the Legislature. Mr. Guillen agreed that PSFA and Council should think outside of the box to protect the money while balancing new ideas and concepts. Mr. Guillen also stated that local matches are becoming more scarce and thereby limiting the number of big projects being done. Mr. Abbey asked Mr. Chamblin if it was a reasonable possibility to set up several out-of-cycle programs, which could include Housing, Roofing and Demolition programs with applications in September and Awards in November. Mr. Chamblin stated a potential schedule for a teacher-housing program and demolition program, roofing and broadband would be discussed later on the agenda. The work window for the development of the programs would be after the current awards cycle and working through the fall with input from the stakeholders on draft rules and processes. Updates will be brought back over the next few months as the process is being worked through. Workshops are scheduled around the state in the fall for teacher housing discussions with the districts.

#### **4. Consent Agenda**

##### **a. April 12<sup>th</sup> PSCOC Meeting Minutes**

- b. Recertification of SSTBs
- c. Portales – S20-008 Brown Early Childhood Center Phase 2 – Construction Funding
- d. ABQ Charter Academy Lease Assistance Award Adjustment

**MOTION:** Ms. Gudgel moved for Council approval of the consent agenda items. Mr. Abbey seconded and the motion was unanimously approved with Mr. Ortiz absent.

**5. Other Business**

**a. Alamogordo Public Schools Request for Holloman Middle School Letter**

Mr. Chamblin reviewed information listed within the executive summary and drew member attention to the district's letter included in the meeting material. The district is requesting a letter from the Council to support their application for federal funding through the DODEA program. If the district is eligible for a standards-based award for Holloman MS next year, they intend to return with an application for an award; at that point, they would have federal funding and the state funding would supplement the district's funding for the project. Mr. Chamblin disclosed that the draft of the letter included changes made based on Subcommittee recommendation. Mr. Chamblin clarified the item was not an action item; with no opposition from the members, Mr. Guillen agreed to sign the letter on behalf of the Committee. Mr. Guillen thanked Mr. Justin Burks, Chief of Capital Outlay and Facilities for the school district for attending the meeting and reiterated that the letter would be forthcoming.

**b. Schedule for PSFA Teacher Housing Workshop**

Mr. Chamblin reviewed the information listed within the executive summary. Mr. Chamblin stated that workshops are anticipated to begin in the fall 2021; objectives for the workshops were also reviewed. Members were reminded that in 2019 a statewide survey was conducted, where districts were asked to provide information about their teacher housing units; some key facts that were determined from the survey were identified in the executive summary. Mr. Chamblin recalled that at the prior PSCOC meeting, Ms. Padilla had suggested that staff gather input directly from schools districts and teachers who live in teacher housing, to develop rules for a potential program; broadly defined objectives, to be refined later in the fall, were indentified. The workshop and guideline topics included potential building designs, rules, and compliance with code, site development standards, and processes for determining the size of a unit. The guidelines topic could eventually be an appendix to the Adequacy Planning Guide (APG) or fully integrated into the APG. Mr. Chamblin drew member attention to a map of teacher housing units, summarized by district, throughout the state of New Mexico. Ms. Padilla thanked staff for their work on the item. Mr. Guillen stated he hopes staff can cover multiple topics during the teacher housing workshops; Mr. Chamblin agreed. Mr. Guillen mentioned he was surprised with some of the information provided on the teacher housing units and asked what the current request for the program was projected to be. Mr. Chamblin replied that most of the districts who need assistance for the program are listed in the teacher housing unit information sheet.

**c. SB43 Demolition of Abandoned School District Facilities Program Requirements**

Mr. Chamblin reviewed information listed within the executive summary including the possible qualifications for 100% state funding. Two potential program requirements include:

1. The costs of continuing to insure an abandoned facility outweigh any potential benefit when and if a new facility is needed by the school district;
2. There is no practical use for the abandoned facility without expenditure of substantial renovation costs.

Mr. Chamblin noted that districts were contacted and asked if, based on their FMP, a building or campus was still on their radar for demolition. The list, included in the meeting material, reflected buildings around the state that are currently ready for demolition. The potential total cost of \$12M was used as the basis for the \$15M demolition program that was built into the scenarios discussed earlier. Mr. Chamblin stated that based on the research conducted, there is a potential range of up to \$16M of total demolition need/requests around the state.

Potential challenges when formulating the rules for the demolition program include the scope creep and issues/problems that will come with the projects. Referring to the Clayton HS example, the district has not been able to demo the building in the middle of the high school campus because the boiler/heating plant for the main building sits underneath the old building to be demolish. If the district were to demolish the building, they would also need to rebuild their heating system for the high school. Another example provided was for Capitan ES/Mid-High campus. A demolition project was done, however the associated scope that had to be done after demolition, i.e.: finish work, structural stabilization, putting building systems back together, is an inevitable discussion that will need to occur with these type of projects

Mr. Guillen asked if districts would be allowed to request demolition funding for ongoing, previously awarded projects. Mr. Chamblin responded he was unsure of the response because it would depend on the project awarded scope.

#### **d. BDCP SB144 – Remote Education Technology Infrastructure Implementation**

Mr. Viorica introduced Mr. Jerry Smith, BDCP Program Manager, who provided the BDCP updates for SB144. Two funding programs from the bill the Emergency Broadband Benefits (EBB) is a \$3.2B program. The rules are being finalized and is a temporary program that will pay for internet access for students. It is anticipated that the program will last for about one year; it is similar to the voucher program and for New Mexico, it could be worth \$50M-100M in the first year if everyone that qualifies were to apply. The application window opens that EBB will begin to accept applications on May 12, 2021 and PED, the State Public Library, and the Department of IT are working to provide information to schools and the public to help enroll New Mexicans into the program.

The second program being finalized is the Emergency Connectivity Fund (ECF). This program is \$7.2B and is a temporary expansion for E-rate. Mr. Smith noted that on April 23, 2021, PSFA filed comments with the FCC regarding what the ECF fund should look like for New Mexico. Nationally New Mexico is considered a high cost state, high poverty, rural and tribal and should be reflected when funds are made available. Final rules are expected fairly soon and it appears that reimbursement for expenses that have already occurred devices and mobile hot spot purchased between July 1, 2020 through April 30, 2021 will be favored during the 45 day application window that will open as soon as the E-rate program can make it available; anticipated in July or August. The PSFA BDCP team will be working with the

schools to make sure they apply for, and get, the reimbursements. Mr. Smith noted that the E-rate participation would be at 100% and that New Mexico applications would receive priority given the high rate of discount tied to the poverty level. Mr. Smith acknowledged that the BDCP team was working with the State Library and other partners to schedule a webinar to distribute this information starting within the week.

Referring to SB144, Mr. Smith reminded members that it was chaptered and did include an emergency clause. Two main goals of SB144 is to connect students and to create a statewide education network. PSFA convened an advisory committee, which included school districts, charter schools, higher education, several state agencies, and members of the public and a member of the Legislature. Similar to the BDCP program, the goal is to maximize federal funding and create a general framework.

Mr. Viorica drew member attention to the map, which reflected the 2018-2019 student enrollment per district and emphasized the importance of helping districts with less than 400 students. Mr. Viorica explained how the State Education Network would help connect students away from the school site; with the regional hubs leveraging the schools buying power to make low cost, high capacity and high quality internet access available regionally to local providers who can serve students, families and others. Per Mr. Viorica, a set of proposed timelines will be presented to the Council for approval in August. Due to the complexity, it is expected that a phased development and procurement process will last several months. Ms. Padilla encouraged BDCP to use partner agencies and communities to help with communicating important information to the schools; Mr. Viorica strongly agreed with Ms. Padilla.

## **6. Informational**

### **a. Quarterly Maintenance Status Report/FMAR Statewide Performance**

Mr. Tillotson, PSFA Maintenance and Operations Manager, presented an update regarding Preventative Maintenance (PM) Plans. Mr. Tillotson stated the percentage for overall New Mexico districts with a current/approved PM plan has improved since last quarter to 54.95%. A reduction in the use of FIMS (Facility Information Management) was seen throughout the state and was attributed to the pandemic. School districts are rebounding and improvements were noted for Maintenance Direct where 60% used the tools and resources to drive maintenance programs to a higher level. Preventative Maintenance Direct saw a reduction in the use of the module. Utility Direct did see a slight increase to 56% of districts using the module. FIMS use statewide, the average of maintenance direct and preventive maintenance direct, has dropped below the all-time high of 70% to 61.54%. The current statewide average performance rate for FMAR was 72.062%, which is an increase from last quarter. The current charter performance rating, with slightly more than 30 charter schools reporting, was also 72%. The number of districts responding to the FMAR within 60-days, increased to 25.35% of districts responding to their FMARs. The highest FMAR in the state remains at 98.48% and the lowest is a -5.673%. Resources have been put into the district to help them drive and improve maintenance. 12% of New Mexico school districts use the statewide meaningful maintenance metrics report to drive efficiencies in maintenance. Ms. Gudgel asked for the number of schools who are below criteria for previously awarded/currently active projects. Mr. Tillotson stated though the information has recently started being tracked, he would

estimate about 90% of districts. Ms. Gudgel requested specific information be provided for the June PSCOC meeting; Mr. Tillotson agreed.

**b. BDCP 2020-2021 E-rate Cycle**

Per Mr. Smith, noted the current E-rate cycle closed in March and initial data reveals the value of the standard E-rate requests is similar to prior years with PSCOC participation not expected to exceed prior levels. Applications for new fiber optic builds are fewer and smaller and are focused more on rural/tribal/hard to reach areas. There are expansions to existing consortia as well as new regional consortia. The regional consortia are expected to be the foundation for the statewide education network provided for in SB144.

Mr. Viorica reminded members that all requests are technology neutral and all technologies are consistently being considered. Per Mr. Viorica, for the special needs schools, which are the largest broadband consumers in the state, fiber optic is still the only medium that meets their requirements now and in the future. Fiber optic will continue to be necessary and will need to continue to be built throughout the state. Mr. Viorica went on to review information listed within the executive summary and noted the increase in applications from New Mexico charter schools. The support offered by the Council amounts to approximately \$30K in hiring an expert to complete the paperwork; this investment ultimately resulted in approximately \$1.3M in E-rate requests. Equally significant is that with the Council's support, 95% participation by charters has been seen in the last couple of years. The map reflecting the ISP cost by MBPS was reviewed. The BDCP team will continue to coordinate with PED, the State Library and DoIT on internet connectivity throughout the state.

**c. FY22 Lease Assistance Application Update**


Mr. Chamblin provided an update on the status of the lease assistance applications from the executive summary. Applications were opened March 15, 2021 and closed April 23, 2021. PSFA received 107 applications which are currently under review. One incomplete application was received and PSFA staff is working with the school to determine what happened. Per Mr. Chamblin, lease assistance awards will be made in August. With the start of the new fiscal year, many schools will be signing new lease agreements and once updated documents are received and reviewed, staff recommendations for awards will be presented to Council.

**d. Project Status Report**

Mr. Chamblin reviewed the executive summary and noted the COVID impacts on several standards and systems-based projects. A review of projects that are behind schedule was included.

**8. Next PSCOC Meeting** - Proposed for June 14, 2021. Discussion regarding the district presentation meeting and whether it would be in-person or virtual took place. Mr. Burciaga noted the Capitol was open to the public and Ms. Gudgel encouraged having the district presentations in person as holding them virtually would be difficult to conduct, hear, interact, etc. Mr. Robbins agreed with Ms. Gudgel. Mr. Guillen encouraged meeting in person and suggested providing a virtual option for those not comfortable participating in person.

9. **Adjourn** – There being no further business to come before the Council, Mr. Burciaga moved to adjourn the meeting. Ms. Gudgel seconded and the motion was unanimously approved. The meeting adjourned at 3:12 p.m.

 Chair  
6/14/21 Date