

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL
MEETING MINUTES
STATE CAPITOL BUILDING ROOM 307
November 8, 2021**

Members Present: Mr. Joe Guillen, NMSBA Dr. Vanessa Hawker, LESC
Mr. David Abbey, LFC Mr. David L. Robbins, PEC
Mr. Antonio Ortiz, PED Mr. Clay Bailey, CID
Ms. Ashley Leach, DFA
Ms. Mariana Padilla, Office of the Governor

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 were any changes to the agenda as presented. Ms. Casias requested for the 2022-2023 Preliminary Ranking to be removed from the Consent Agenda (Agenda Item IV.I.) and moved to Other Business for open discussion as Agenda Item VI.C. Ms. Padilla moved for Council approval of the consent agenda. Mr. Robbins seconded and the motion was unanimously approved.
 - b. **Correspondence** – Ms. Casias presented a letter from Mr. Guillen appointing Mr. Abbey as the Chair to the Awards Subcommittee. Mr. Abbey had been serving as the Interim Chair, and this letter confirmed Mr. Abbey’s permanent appointment. Mr. Guillen thanked Mr. Abbey for his work.
2. **Public Comment** – Chair Guillen asked for public comment; Judy Rabon, President of the Alamogordo Public School Board of Education, thanked the Council for working on the district’s current project along with others. Ms. Rabon shared her appreciation as she understood the Council was considering a revision with how things were being completed with school funding. Ms. Rabon shared her experience as a retired teacher and native New Mexican; describing the first facility she taught in was built in the 1960s, and had no windows. Ms. Rabon shared her appreciation and thanked the Council for looking at what could be done to create more efficient processes for all. Reflecting on the pandemic and outdoor classrooms, it has become crucial to consider outdoor classrooms nationwide. Mr. Guillen thanked Ms. Rabon for her comments and service to the community of Alamogordo, and mentioned the Council looked forward to working on new processes as it would be further discussed on the agenda.
3. **PSCOC Financial Plan**
 - a. **Financial Plan**

Mr. Evans presented the material/action from the subcommittees, which included two out-of-cycle actions that occurred in October 2021 for Sarracino MS (Socorro) and Los Lunas MS, totaling \$11.3M. The fund balance totaled to \$557M, which included the bond sale from June 2021. Mr. Evans elaborated on what that number represented as the fund balance, based on actual expenditures and actual awards that have begun. A number of awards had been made, where the project had not encumbered yet, so the dollar amounts looked much higher than

what the amounts really were because a several projects were outstanding, and they have not had encumbrances put against them yet. Dr. Hawker asked Mr. Evans when he expected those encumbrances to be booked; Mr. Evans replied that the RFP process would need to happen first. Mr. Evans offered to identify and present the possible outstanding projects and their true unobligated fund balances at the December 2021 Council meeting. Mr. Evans also clarified that what was noted on the document was where the PSFA finance group actually was, and until the PSFA finance group receives a purchase order or begin an award to the project, the finance group needs to make sure there are funds to complete that project, and rather than restricting the awards, the finance group sets the timing for when the funds are needed.

Mr. Abbey asked for clarification on line four of the Financial Plan, and asked if that was the amount expected to be issued next month for the Supplemental Severance Tax Bonds (SSTBs). Ms. Leach stated that it could be larger than that, based on the funds; the Board of Finance has not finalized the calculation and the number should not change very much. Mr. Abbey asked if the awards from last summer were on line 47 and line 48 of the Financial Plan for the standards and systems-based awards, and if it included anything for the applications that were going to be discussed on Agenda Item VII.B. (FMP Awards). Mr. Evans replied line 47 was an estimate, and that what would be awarded later on was not listed in the figure at that point. Mr. Abbey presented general comments to the Council by saying, that with an extra round of awards, and even in the out years there would be a lot of money that looked to be uncommitted, and it would get harder to certify if the money was not spent. Secondly, when the Council reviewed the agenda item VII.B. Mr. Abbey anticipated there would be a fair amount of interest in systems-based projects and not very much in standards-based projects. Mr. Abbey suggested continuing the conversation with the Council as a whole for at least the standards-based awards, and not for systems-based awards because there are too many programs within the systems-based awards that require a lot of work for not a lot of money, such as the security awards. The discussion in the awards subcommittee was to consider having standards-based awards quarterly or semi-annually. Mr. Abbey brought up that Gallup HS (school indicated was actually Gallup Thoreau HS) will be a large upcoming replacement project projected to be over \$50M, though the district was not eligible under the current ranking. When the new rankings are presented, Gallup-McKinley School District will qualify. Mr. Abbey communicated that Gallup HS (school indicated was actually Gallup Thoreau HS) is a very important project considering they are a plaintiff district, and expressed urgency for the Standards-based awards to occur early next year to accommodate Gallup, rather than waiting for the regular cycle that normally occurs later in the year.

Mr. Abbey brought up potential audit issues, and the Council spoke about just-in-time funding, but the DFA Share Accounting System did not allow for that. A project couldn't be encumbered based on just a project award; it could only encumber based on DFA encumbrance rules that require a contract in order to do the work. Mr. Abbey said maintaining a financial plan shows commitments, but there needs to be reconciliation of the financial plan where money is tracked and counting it as committed when an award is made with the Share Accounting System, which can only make encumbrances based on contracts and when expenditures already happened. An Audit finding from four years ago with the former CFO straightened everything out, and unfortunately the Council was back in a similar position as they were expecting another audit finding. Mr. Abbey stated that this has been fixed before

and it can be fixed again, though it had been challenging with changes in management. Mr. Abbey recommended hiring support for the administrative services team to help work with DFA financial control on the proper reconciliations. Bonds were being certified without the proper coordination with Share amounts. Mr. Abbey concluded the conversation saying that there will be a lot of work involved to remedy the audit findings, and this represented a pretty fair presentation of the Council's financial position in a planning sense, but it will still need to be trued up with the financial records.

Ms. Casias stated that they have found an individual who will assist with the certifications and recertifications going back to 2019. The individual will begin the following week so the PSFA will have a clear record of all of the projects and where they are certified, the A-Codes, and the bonds that they are connected. Mr. Robbins announced the audit is embargoed, and clarified that the findings from the reconciliation, certifications and recertifications will take place. The amounts reviewed did not present an issue in terms of the financials being unbalanced. With the volume and complexities of the projects, Mr. Robbins was in full support of the administration hiring contracted experienced individuals who have experience with the Share Accounting System. This could take 1 to 2 ongoing personnel to manage the efforts. Mr. Guillen was aware of the situation and had been working with both subcommittee chairs and with the PSFA staff. Mr. Guillen thanked Ms. Leach for her assistance on this, and mentioned there was a regulation requiring the correction of those reconciliation records. Ms. Leach added that the overview had been fantastic by both chairs. DFA had been working with Ms. Casias and staff trying to provide assistance on some of the issues, particularly in the realm of the certification and recertification process to make sure there was chronological tracking of approvals. Ms. Leach was happy to work with any of the individuals brought on board with the Share side of things. The Board of Finance had expertise on the Share project module, which was utilized by the Department of Transportation (DOT), which was very successful. DOT had similar projects to the PSFA, in which they released funds in phases for planning and construction. Ms. Leach was looking forward to working with the PSFA staff on getting this up and running.

Mr. Abbey asked if the PSFA could follow-up on moving semi-annual standards-based applications to January 2022, and requested to have this topic noted on the December agenda for standards-based applications only. Mr. Guillen suggested another approach of taking applications anytime of the year because that could help things move along quicker with the Council review. Mr. Guillen suggested to look at both options allowing districts to know they can come to the Council anytime. Mr. Robbins agreed, and said it would be beneficial to have the PSFA bring an estimate of the staffing load it would take to maintain and complete the new review process with ongoing applications so the Council does not put so much work load on the current staff. Ms. Casias mentioned the PSFA had been working internally and planned to put new annual cycle on the December Agenda, recommending standards-based and Pre-K project awards semi-annually, to provide enough time to assess the projects and complete site visits, and systems-based project awards throughout the year. The second round of applications that were just completed haven't had a lot of leg work on the projects because there were only two months of time to review. Ms. Casias said that in December the PSFA was going to present a calendar recommendation and staffing projections.

4. **Consent Agenda**
 - a. **Approval of October 12, 2021 Meeting Minutes**
 - b. **S19-013 Los Lunas MS – Technical Correction**
 - c. **S20-007 Hobbs HS – Construction Funding Request**
 - d. **S22-011 Las Vegas City Paul D. Henry ES – Award Language Change**
 - e. **P19-006 Las Vegas City Sierra Vista ES – Award Language Change**
 - f. **2021 Cat2 Final Awards**
 - g. **2021-2022 Lease Assistance Remaining Awards**
 - h. **Recertification of SSTBs**
 - i. **Roots & Wings – Sale of PSCOC Portable**
 - j. **De-certification and Recertification of Security Funds**

Mr. Guillen reviewed the items listed on the consent agenda and asked members if any items needed to be pulled for discussion; Ms. Casias requested for the 2022-2023 Preliminary Ranking to be discussed separately from the consent agenda. The item was relocated as other business, item VI.C. on the agenda and removed from the consent agenda.

AMENDED MOTION: Mr. Robbins moved for Council approval of the consent agenda as requested by Ms. Casias. Mr. Burciaga seconded and the motion was unanimously approved.

5. **Out-of-Cycle Funding /Award Language Requests**
 - a. **P19-004 Gallup, Tohatchi HS – Award Language Change**

Mr. Abbey reviewed the potential motion and executive summary for the proposed increase in funding for Tohatchi HS. Ms. Casias reviewed the background on the award language change request and also presented an additional letter as a handout that the PSFA received from Gallup-McKinley County school district dated November 5, 2021. The letter requested to have the gym constructed as a stadium size with bleacher seating; however, the Council defined the facility to be constructed as a regular physical education gymnasium. The original award was from 2020 and included design phase funding. In July 2021 the award included teacher housing, and then in August 2021 it was amended to include the construction of a new gymnasium and demolition of the old gymnasium. In September 2021, there was another amendment to include construction of a new gymnasium, cafeteria, and renovation of an existing gymnasium. The dialogue from the letter received on November 5th, 2021 discussed the size of the gymnasium. The new award language allowed the state share amount to decrease to \$21,169,000, rather than the previous amount of \$25M. Mr. Guillen asked Mr. Abbey if there was any reason not to move forward with the subcommittee motion and to consider this letter at the next meeting. Mr. Abbey wanted to move forward with the awards subcommittee recommendation as he suggested there would still be opportunity for the district to ask for reconsideration. Mr. Abbey was not comfortable trying to amend the motion without a clear understanding.

MOTION: Approval to amend the current 2018-2019 Standards-based award language for Gallup-McKinley County Schools Tohatchi High School (P19-004) to include demolition funding for the Kitchen/Cafeteria building in lieu of funding for the renovation of this

building. District shall be responsible for any work on the existing gym, which the district indicates will be used for community purposes. The existing gym will no longer be eligible for PSCOC funding and will be removed from the Facilities Assessment Database. PSCOC will participate in an educational gym as part of the new facility. No additional funding is needed at this time for the amended award language. Upon completion of the design phase, the district may return to the PSCOC for out-of-cycle funding for the construction phase of the project. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

b. E18-001 Santa Rosa Anton Chico MS – Potential Emergency Awards

Mr. Abbey reviewed the potential motion and executive summary for the Anton Chico ES/MS (Santa Rosa) potential emergency awards. Mr. Abbey recommended amending the motion, and suggested providing clarity in the language of the executive summary. Mr. Abbey explained his awareness of this project when legislators came to speak about the building being in very poor shape. Mr. Abbey said it was a good thing that staff went out to the site to validate immediate concern of the building condition considering the building was only seven years old. The building was built on sand that liquefies when it gets wet, and the soil was not compacted properly; the soil needs to be properly engineered. Regardless of fault, what is clear is that this represents a danger to investment, and it may be past saving. The purpose of the motion was to move expeditiously, to protect the investment, and to keep the kids safe. Along the way, Mr. Abbey shared concern the Council held, and did not want this step to impair the ability to seek relief for improper work while the litigation is pursued. Mr. Ortiz believed and supported ongoing litigation to see who was at fault for the poor design/construction presenting life safety issues, and also echoed to the Council that they need to find a quick resolution. Mr. Ortiz's main concern was the pursuit to determine who was at fault, and have them come back and payback what they owe to the state. Mr. Guillen agreed when he heard about the issue of litigation being contemplated, and if the district was successful, some of the money would be reimbursed to the Council. Mr. Guillen did not want to discuss the details of the liability, and Mr. Abbey interjected that the potential recoveries may be used to defray the project cost. Ms. Padilla was in support of the motion; however, she was not aware of the background on the conditions of the facility at that time.

Mr. Ryan Parks, Senior Facilities Manager of the PSFA, reviewed a timeline of the facility; the school completed construction of the facility in 2014 and subsequently the school noticed cracks in the interior walls and slabs in 2017. The school immediately closed down and called the design team and structural engineer to complete an assessment; the assessment indicated that the building was not in danger of structural failure and it was safe to have the building occupied. Subsequently, there had been at least four engineering reports completed on the project, all in which have come to the same conclusion. The site had poor soil conditions, and the facility was built on engineered fill. Mr. Parks did not want to get into specific details due to the ongoing litigation, but he reported that it was apparent that water was compromising the earth, and it had been settling into the building in a pretty rapid measurement, resulting in substantial cracking, which is only exacerbating the problem because now the exterior slabs and sidewalks are separating and allowing even more moisture into the soil. That is the reason of the accelerated nature of this request. Mr. Guillen asked Mr. Parks if there was a representative present from Santa Rosa School District, and Mr. Parks clarified they were not

on the phone, but they were listening in to the meeting on the live webcast, they were unable to attend in person. Mr. Parks also mentioned he visited the site right after Mr. Abbey spoke with Ms. Casias, and the PSFA assessors also visited the site the same week. Mr. Parks talked with the principal who had been with the school since 2017, and she gave Mr. Park's a breakdown of occurrences and history, and they also walked the site together, and the result of their findings gave reason to now come back to the Council with this.

Ms. Mona Martinez, Staff Attorney from the PSFA, presented a generic version of what had been going on in terms of the litigation so it did not compromise attorney-client privilege and therefore would not compromise the litigation. Ms. Martinez highlighted the following timeline:

September 7, 2018 - the school district sent a demand letter to Franken Construction Company, the general contractor on the project and FBT Architects, the design professional group to complete the repairs or agree to reimburse the district for the repairs of the school building due to the defects in the design and/or construction of the building. It also noted the recommendations in the Chavez-Grieves report, which mentioned the issues that had been discussed, and requested a joint meeting with all of the parties to resolve the situation on or before October 5, 2018. Several pre-mediation meetings were conducted amongst all of the parties without any success.

May 6, 2020 - the school district informed Franken Construction Company and FBT Architects through its attorney that the school board was willing to let the parties resolve or try to resolve the structural settling problems that had been noted in the report and the suggested repairs. It requested that the parties submit proposals and establish criteria in those proposals to try and determine how the repairs were actually going to be determined successful. In this request, the school district also requested a tolling agreement to the statute of limitations so that when the parties were trying to resolve the situation that the statute of limitations wouldn't run. All of this occurred towards the end of May of 2020, and the district also indicated to the parties that if they didn't reach any type of suitable resolution that the district would then move forward with filing suit.

December 8, 2020 - the school district, Franken Construction Company, and FBT Architects engaged in a formal mediation and unfortunately the mediation was unsuccessful. As a result, the school district did file suit against Franken Construction Company and FBT Architects. Ms. Martinez had not yet obtained a copy of the complaint so she was unable to provide details about what was in the complaint, but there was notice that the parties are scheduled for arbitration in October of 2022.

With respect to the motion that was discussed earlier about holding the funds or reverting any type of funds that may result from successful litigation, Ms. Martinez presented the PSFA Memorandum of Understanding (MOU) that the PSFA always engages in with school districts when projects are awarded. The language in the MOU indicates that funds recover from an insurance claim that pertain to work within the award, and is part of the corrected part of the work; this money will be transferred to the PSCOF in the amounts equal to the amounts of the state funds encumbered or expended for said items in the scope of work as defined in the

MOU agreement. Because contractors that are in this particular situation are required through their contract to insure the work and to name the school district and the PSFA as additional insured, the proceeds from these insurance certificates should be transferred into the fund. Ms. Martinez clarified that the Council is covered in that area and suggested to the Council they should make it more robust in their motion, but it might be a little bit duplicative, but it will be covered.

Mr. Abbey asked if the state should be partied to the litigation with the district against the two firms. Ms. Martinez clarified that the PSCOC did not enter into a tolling agreement so the statute of limitations has run and suggested that should be discussed in an executive session. Mr. Abbey mentioned that Ms. Martinez did not talk about bonding at all, and asked if this would have recourse to bonds with the quality of work. Ms. Martinez reiterated that she did not have a copy of the complaint so it was unsure of what the nature of the complaint was, though it was known that in terms of the insurance proceeds it would cover the bonding surety and the different aspects of the insurance. Mr. Abbey asked if the complaint was a public document, and Ms. Martinez replied that it was a public document and that there was not enough time to access the documentation through the court system. Mr. Abbey requested follow-up and executive session on these issues at the next meeting. Mr. Guillen wanted to remind the school district, contractor and architect that they are still off the hook for any settlement that might occur as result of their work. The main thing the Council was looking at that point was the safety for the kids and the correction of those deficiencies.

MOTION: Council approval to amend the current Emergency award for up to \$1,643,844 to Anton Chico ES for design to determine repair or replacement of the existing school. Additionally while design is underway, funding may also be used to mitigate any immediate health, life safety issues discovered by the design team.

- Site-wide storm drainage improvements
- Foundation stabilization
- Addressing safety hazards, both interior and exterior
- Repair all interior damage caused by settlement

AMENDED MOTION: Mr. Abbey moved for Council approval to amend the current emergency award to Anton Chico ES/MS with an increase up to \$1,643,844 for design of repairs or replacement of the existing school. Additionally while design is underway, funding may also be used to mitigate any immediate health, life safety issues discovered by the design team.

- Site-wide storm drainage improvements
- Foundation stabilization
- Addressing safety hazards, both interior and exterior
- Repair all interior damage caused by settlement

Mr. Bailey seconded and the motion was unanimously approved.

6. Other Business

a. BDCP – T or C Pre-K Eligibility

Mr. Abbey reviewed the subcommittee motion. Mr. Viorica introduced Mr. Andy Isely, consulting director for E-rate Central, the E-rate consultant that had supported the broadband program over several years statewide in what has been over \$100M in broadband upgrades to schools across the state. There had been tremendous success getting the E-rate program to fund the projects related to this program. Mr. Isely also assisted the state with the Pre-K eligibility research and conversation that has happened over the last few years because the request relates to E-rate funding. The request included an upgrade in connection as a fiber project from Arrey Elementary School to T or C Municipal Schools Data Center. Mr. Viorica presented the project's history and difference of funding, comparing E-rate fully funding versus the approved motion of only approving \$4K. Pre-K is not currently eligible for E-rate funding under state statute. Mr. Viorica advocated for that because the statute has not been changed and is causing the state to lose millions of federal dollars. In such situation, the district ends up paying for the cost difference because federal/state funding does not cover the cost. Mr. Viorica said that per PED, the change would take a small effort because the only thing required to make the change is to prove that Pre-K is part of elementary school education. Mr. Viorica pointed out that E-rate and PSCOC funded an upgraded project that served as a foundation for a broader partnership between Sierra County and vendors, which resulted in \$8M. The project will provide high quality internet to 1,600 users in the area. Mr. Isely commented on the Pre-K eligibility and reviewed eligibility. Mr. Isely supported correcting the Pre-eligibility and directed the issue to PED. Mr. Guillen asked if Mr. Ortiz was aware of the issue. Ms. Padilla asked for Mr. Ortiz to comment on the issue and said she had followed up with PED about the issue. Ms. Padilla said PED is aware of the issue and that she was in support of correcting the issue because E-rate is important. Mr. Guillen requested for staff to follow up with PED on the issue. The Council is concerned about the issue and would like to correct it. Mr. Viorica accepted the request, and said he would bring a follow-up report to the Council in December. Ms. Padilla agreed to the suggestion.

MOTION: Approval of the Awards Subcommittee Recommendation for Council approval to award \$4,078.06 to correct the original state share award. District will be responsible for the costs that are not matched by the E-rate program. As this was a subcommittee recommendation a second was not needed the motion was unanimously approved.

b. 2021-2022 FMP Awards

Mr. Abbey discussed the motion/executive summary for the item. Mr. Guillen asked for Ms. Casias to list the 2021-2022 FMP Awards recipients. Ms. Casias noted eleven school districts which included: Belen, Bernalillo, Clayton, Central, Estancia, Farmington, Los Lunas, Tularosa, Albuquerque, Amy Biehl High School (state charter school), and La Academia Charter School (state charter school). Mr. Guillen asked why the Farmington award was larger than the others. Ms. Casias explained that the award originated from the number of facilities and the square footage. Farmington had a larger number of facilities, compared to the other schools.

MOTION: Approval of the Awards Subcommittee Recommendation for Council approval to make the calendar year 2021-2022 Facilities Master Plan Awards as listed to the district/state-

charters up to the estimated amounts specified on lines 1 through 10 in Column H of the spreadsheet for this agenda item. These amounts represent the state share portion of the estimated cost to develop a facilities master plan at each of these districts/state-chartered charters to the PSFA guidelines and require a corresponding district match as set forth in the current state/local match formula. As this was a subcommittee recommendation a second was not needed the motion was unanimously approved.

c. 2022-2023 Preliminary Ranking

Mr. Robbins did not have the motion with him as it was originally on the consent item. However, Mr. Robbins noted that the item was approved upon some pending updates. Ms. Casias explained that she requested for the motion to be removed from the consent agenda because the PSFA staff discovered that the ranking listed obtained some charter schools that lease privately owned facilities. According to Ms. Casias, these schools are not eligible because state funding to improve a privately owned facility would violate the anti-donation clause. Staff is recommending amending the motion by removing the specific charters from the list. The second option would be to delay the Preliminary Ranking approval to December 2021. The process usually includes releasing the preliminary ranking and providing the districts with a month for discussion with the PSFA staff. Mr. Robbins was in favor of amending the motion and not delaying the preliminary ranking release. Mr. Guillen suggested releasing the ranking list and removing the charter schools from the list and releasing the corrected list to districts and the PSCOC members. Mr. Guillen clarified to approve the list minus all of the charter schools that are in privately owned buildings, and do not distribute this list until it is corrected. Mr. Robbins agreed to the amended motion suggested by Mr. Guillen.

MOTION: Approval of the AMS Subcommittee Recommendation for Approval to release the 2022-2023 Preliminary wNMCI Ranking based on criteria and weightings previously adopted by the Council. Release of the ranking is subject to necessary technical corrections. Districts are encouraged to work with PSFA staff to resolve any outstanding technical corrections to the data, with the ability to make a formal appeal to the PSCOC by the December 8, 2021 deadline.

AMENDED MOTION: Mr. Guillen moved the motion to include the following: Preliminary Ranking shall be released once the charters schools are removed from the list and released to the school districts/PSCOC members. Mr. Robbins seconded and as there was no opposition the motion was unanimously approved.

7. Informational

a. Statewide Education Network Overview and Timeline

Mr. Viorica discussed the history, goals, and executive summary for the Statewide Education Network (SEN). Mr. Viorica reminded Council that \$300K was previously approved by Council for engineering procurement. According to Mr. Viorica the procurements are being finalized, and are due in November. Mr. Viorica continued to review the SEN conceptual map with the hub locations around the state. The benefits of such funding would be an incentive for schools because it would allow them to join the network faster. Additionally, the billing center would be established and the variations in percentages would equal to the E-rate

coverage. Mr. Viorica also highlighted the RFP/SEN timeline and said that final approval from the PSCOC would be required by March 2022. The PSFA is expected to work with districts on their E-rate applications. The Awards Subcommittee Meeting discussed possibly an annual fee to provide cost sharing for E-rate applications. Mr. Guillen asked for clarification on the application process. Mr. Viorica was not sure of the process because the process would change if PSFA became the primary owners of the agreements, and noted that the network had multiple parts but all parts were needed for funding. Mr. Abbey expressed his concern about 100% state funding with and was in favor of cost sharing. Ms. Padilla understood Mr. Abbey's concern but also expressed the importance of the network. Mr. Robbins ended the discussion by commenting on the pros/cons of the topic and said that it was important to consider the cost of collecting the annual fee if that was the direction of the Council in the future.

b. 2021-2022 Second Round Applications Received

Ms. Ramos, PSFA Programs Manager, presented the executive summary which overviewed the second round of applications received. 32 applications were received from 16 districts for Pre-K, Standards, and Systems. Ms. Ramos noted that two districts applying for standards-based awards were ineligible because one did not have their local share and the other did not place within the top 100 or have an FCI score over 70%. 10 of the Systems-based applications were for demolition. Additionally, 3 of the Systems-based applications were outside of the preliminary funding pool (Magdalena, Gallup, and Deming). 6 Pre-K applications were received from 5 districts and two districts requested waivers (Rio Rancho and School of Dreams Academy). Three of the districts that applied for the demolition program had offsets. Ms. Ramos reviewed the spreadsheet and said that the PSFA was still reviewing applications and would bring staff award recommendations in December. Mr. Guillen asked why demolition applications had offsets. Ms. Ramos clarified that the demolition program included in the Systems-based program, and was not a direct appropriation. Ms. Ramos also noted that Las Cruces and Farmington had previously applied for awards, but withdrew their applications in the past because of COVID. Mr. Abbey asked for the Gallup HS rank and requested for staff to discuss the School of the Deaf application with the school, in order to clarify the school's request. Mr. Abbey also expressed concern about the Rio Rancho application. Ms. Ramos said that based on the two month analysis conducted by staff, the enrollment and projections were difficult to determine. Rio Rancho requested 8 new classrooms for Pre-K and proposed their existing Pre-K facility as their local share waiver. Ms. Casias also responded to Mr. Abbey's question and said that Gallup HS had an existing award, and that Gallup McKinley had applied for Thoreau HS. One the last note of the discussion, Mr. Abbey pointed out that the formula, cost sharing, and changes was generous to disadvantaged districts, but was not favorable to the rest of the schools on the ranking. Mr. Abbey commented that the PSCOC fund is high and that PSCOOTF should reevaluate the formula for local/state match. Mr. Guillen agreed and said that PSCOC should spend more money and districts should also be prepared to invest in their local match in capital funding.

c. PSFA Project Processes


Ms. Casias presented the PSFA process update and discussed the ongoing internal work that was occurring to improve the PSFA processes. During the month of November and December, the PSFA expects to work with districts to discuss improving processes. Ms. Casias continued the discussion by reviewing the improvements that have already been made by the PSFA, which reduce time and steps. Additionally, Ms. Casias mentioned how the Lease Assistance and Facilities Master Plan applications became web-based. Although training and upgrades were implemented with DFA and CID, the PSFA will also analyze/upgrade processes in finance, broadband, and contracts. Ms. Casias noted that the PSFA would be meeting with MEP (a firm who is dedicated to helping organizations improve processes). Staff will report to the Council in December regarding the updates. Mr. Guillen and Ms. Padilla thanked staff for their work and highlighted the importance of the external groups and improvement needed. Alamogordo School Board President also thanked the PSFA staff on their willingness to improve.

d. Project Status Report

Ms. Casias noted the executive summary and the updates for the projects listed within it. Mr. Abbey requested an updated from Roswell and Las Cruces on an update/explanation of the lack of progress projects in their district. Staff will notify the districts about the request.

8. Next PSCOC Meeting - Proposed for December 13, 2021. Mr. Burciaga shared that the Special Session was to begin Monday, December 6, with unknown length of time. He suggested a potential alternative site to hold the December Council Meeting. Mr. Guillen also noted that the executive director search was progressing and the search committee would report and update soon.

9. Adjourn – There being no further business to come before the Council, Mr. Robbins moved to adjourn the meeting. Ms. Leach seconded and **the motion was unanimously approved**. The meeting adjourned at 3:25 p.m.


_____ Chair


_____ Date