

State of New Mexico
Public School Capital Outlay Council

PSCOC Members

Joe Guillen, *NMSBA – Chair*
Raúl Burciaga, *LCS – Vice Chair*
David Abbey, *LFC*
Gwen Perea Warniment, *LESC*
Antonio Ortiz, *PED*
Martin Romero, *CID*
Stewart Ingham, *PEC*
Mariana Padilla, *OG*
Ashley Leach, *DFA*



Public School Facilities Authority

Martica Casias | Executive Director
Ryan Parks | Deputy Director

Meeting Minutes Summary

PSCOC Full Council Meeting
State Capitol Building, Room 317 – April 17, 2023

*Unofficial notes drafted for the convenience of subcommittee members and subject to revision at member request.
Official Transcriptions available upon request.*

I. Call to order – Joe Guillen, Chair

Chair Joe Guillen called the meeting to order at 9:02 A.M.

a. Approval of Agenda*

Chair Guillen asked if there were any changes to the agenda as presented; Mr. Antonio Ortiz requested for item *VII.A HB2 School Bus Appropriation* be moved to *Item IV.H* under consent, Mr. Raúl Burciaga moved for Council approval of the amended agenda. Mr. Ortiz seconded the motion and **the motion was unanimously approved.**

b. Correspondence

Mr. David Abbey requested that Raton be added to the next Awards Subcommittee Meeting scheduled for May 17, 2023.

II. Public Comment

Tom Sullivan (former Moriarty-Edgewood School District Superintendent) spoke on behalf of himself regarding the Town of Edgewood and Moriarty discussion that took place during the October 11, 2022 PSCOC meeting. The purpose of his attendance was to clarify his position on public record regarding the issue. The complete statement is available upon request.

III. Finance

A. PSCOC Financial Plan

Ms. Iris Romero, PSFA Deputy Chief Financial Officer, presented the PSCOC Financial Plan highlighting changes from the executive summary since the last meeting. Ms. Romero noted that the CFO had resigned and accepted a different job. Mr. Abbey commented that it was important for the Project Award Schedule to be updated as delays occurred. The Subcommittee members also asked staff about the distribution of the FY24 CTE/Security funds for \$100M. Staff clarified that the funds would be distributed the same method as SB212. The Subcommittee asked about the timing of the distribution. Staff responded that the funds would be dispersed after receiving information from the Public Education Department (PED). The Subcommittee requested for ways to make the districts accountable for the funds and that moving forward the Financial Plan should reflect accurate projections.

B. Bond Reconciliation Update

Ms. Romero, PSFA Deputy Chief Financial Officer, presented the updates from the Bond Reconciliation. The reconciliation concluded an \$8.3M reversion of funds to Board of Finance. The motion was taken by the Awards Subcommittee and was shown on the consent agenda. The reverted funds were from reconciliation's unidentified projects. Mr. Guillen and Ms. Leach thanked PSFA staff for their work on the reconciliation project.

C. Bond Draw Procedures

Ms. Romero, PSFA Deputy Chief Financial Officer, presented the updates from the Bond Draw Procedures Executive Summary. The proposed action plan for staff was to reconcile two different reports every month and to implement new deadlines for processing payments. No further discussion occurred for the item.

IV. Consent Agenda*

Items on the Consent Agenda were not discussed; all Consent Agenda items were approved in a single motion.

A. January 9th and February 14th, 2023 PSCOC Meeting Minutes*

Council approval of the January 9th and February 14th, 2023 PSCOC Meeting Minutes.

B. Finalizing Bond Reconciliation*

Council approval to revert the remaining \$8.3M unreconciled bond balance back to the Board of Finance.

C. FY23 Lease Assistance Awards Updates*

Council approval of the FY23 Lease Assistance Awards and updated Lease Assistance Awards to the following:

- Siembra Leadership High School – update existing award to increase by \$41,994, for a new total award amount of \$189,627, to include the finalized Lease Purchase Agreement for the school's new facility.
- Southwest Aeronautics, Mathematics & Science Academy – new award of \$208,794, to include school's original facility and relocated facility (prorated).
- Rio Grande Academy of Fine Arts – update existing award to decrease by \$2,447, to reflect 80th day MEM (new charter school requirement).
- THRIVE Community School – update existing award to increase by \$816, to reflect 80th day MEM (new charter school requirement).

Total increase of \$249,157 to the Lease Assistance Funding Program. Upon acceptance of the award by the applicant charter school or district, Council authorizes PSFA staff to distribute the award amounts quarterly, on a reimbursement basis, upon receiving proof of the actual lease payments. Council authorizes PSFA staff to make reductions to award amounts subject to PED and/or Public Education Commission written certification to PSFA that a condition exists that warrants an award adjustment or suspension due to a school closure, charter revocation, financial violation or irregularities, and or adjustments to certified attendance numbers (MEM counts). Adjustments to lease amounts may also be made due to a lease termination or amendment. Reimbursements are contingent on the submittal of an E-Occupancy certificate, current facility master plan, audit report, invoices and other statutory requirements, as set forth in the application.

D. P23-003 David Skeet ES (Gallup-McKinley) – Technical Correction*

Council approval of a technical correction to the previously approved award language to Gallup-McKinley County Schools for David Skeet Elementary School to include planning and design funding for teacher housing in the amount of \$1,771,462 state match, and a \$388,858 district match, for the replacement of the existing facility, for 224 students, grades K-5, and 31,499 gross square feet (GSF). Enrollment projections and GSF (not to exceed the maximum gross square footage pursuant to the Adequacy Planning Guide) must be updated and approved by the PSCOC prior to the completion of the planning and design phase. Each allocation is intended to fully complete the project, phase or specified purpose. Upon completion of this awarded phase of work, including conformance with all contingencies, out-of-cycle funding for future phases of work may be considered at any upcoming regularly scheduled PSCOC meeting.

E. P16-002 Abiquiu ES (Espanola) – Restart of PSCOC Standards-based Award*

Council approval to reactivate the Fiscal Year 2015-2016 Standards-based award to Espanola Public Schools (EPS) for the renovation/replacement of the following systems; roof, parking lot, fire alarm and suppression systems, HVAC systems, electrical, gas and water distribution/piping and fixtures at Abiquiu Elementary School, including incidental systems directly related to the work in this award, for 26,000 GSF. To include an increased amount of Design phase

funding totaling \$406,312 with a state match of \$255,977 (63%) and a local match of \$150,335 (37%). Upon completion of the design phase work, the district may return to the PSCOC for out-of-cycle construction phase funding.

F. Recertification of SSTBs*

Council approval for the adoption of the Resolution, Notification, and Certification and Reconciliation of unexpended bond proceeds as follows:

- SSTB19SD 0004 in the amount of \$12,465,140 for PSCOC awarded projects.
- SSTB21SB 0001 in the amount of \$52,566,249 for PSCOC awarded projects.
- SSTB21SD 0001 in the amount of \$11,836,400 for PSCOC awarded projects.

Delegate authority to the PSCOC Chair to approve any changes to the resolutions and recertifications that may be required upon review by the State Board of Finance.

G. 2023 Work Plan Timeline*

Council approval to adopt the proposed 2023 PSCOC work plan timeline, (Scenario 1 - PSCOC and subcommittee meetings held on Wednesdays). Schedule is subject to change as deemed necessary by the PSCOC.

MOTION: Dr. Gwen Perea Warniment moved for Council approval of the consent agenda. Mr. Burciaga seconded the motion. As there was no opposition, the motion was unanimously approved.

APPROVED

V. Awards Cycle

A. Pre-Applications Received

Ms. Alyce Ramos, PSFA Programs Manager, reviewed the Pre-Applications received. Ms. Padilla asked about the plan for SB131. Ms. Ramos mentioned that there was ongoing outreach to the districts, preparation in eBuilder, and an increase in staffing. Mr. Guillen requested that SB131 be discussed at the Subcommittee meetings. Mr. Abbey suggested that the 120 enrollment data be implemented into the criteria before awarding to districts. Staff responded that they would gather the latest data from PED.

B. Las Cruces Public Schools Pre-Kindergarten Planning Award*

The item was not presented, but Mr. Abbey noted that Pre-K is fully funded and that Las Cruces did not fully understand the need of Pre-K in their district. The district should be provided with more accurate data on enrollment. Mr. Abbey also mentioned that the Master Plan was not helpful during the process. Mr. Abbey requested for Early Childhood Education Department to be invited to the PSCOC to speak on the topic.

MOTION: Application was withdrawn prior to the PSCOC Meeting. No Action was taken from the PSCOC Council.

**NO ACTION WAS
TAKEN**

VI. Out-of-Cycle Awards

A. P19-003 Red Rock/Rocky View (Gallup-McKinley) – Construction Funding Request*

The Awards Subcommittee Chair, Dr. Warniment reviewed the motion. The Executive Summary noted that the project cost has increased and only had one bid. The Council was highly concerned about the noncompetitive bid participation on the project, and asked if PSFA did any outreach. Staff responded by saying that PSFA did pursue outreach with the districts. The Council was concerned about the limited workforce in labor. Mr. Bailey commented that the construction workload was available, but finding trained individuals was a challenge in the State. The Council mentioned the importance of CTE, ACG, AIA, and ABC.

MOTION: Mr. Guillen moved for Council approval to amend the current Standards-based award to Gallup-McKinley County Schools (GMCS) for Rocky View/Red Rock Elementary School to include Construction Phase funding for a replacement facility totaling 55,181 gross square feet (GSF) for 420 students, grades Pre-k through 5, for a state match of \$36,943,198 (80%) and a corresponding local match of \$9,235,800 (20%). As this was a subcommittee recommendation, a second was not needed and **the motion was unanimously approved.**

APPROVED

B. P19-005 Desert Hills ES (Las Cruces) – Construction Funding Request*

The Awards Subcommittee Chair, Dr. Warniment reviewed the motion. The Council noted that the district should consider Pre-K facilities and for PSFA to continue monitoring the enrollment data for the district.

MOTION: Mr. Guillen moved for Council approval to amend the current Standards-based award to Las Cruces Public Schools (LCPS) for Desert Hills Elementary School including;

- Part 1: A 135 student increase in the design enrollment for a total 783 students grades Pre- K-5, with an increase of 11,304 gross square feet (GSF), for a maximum allowable gross square footage of 89,477 GSF.
- Part 2: Construction Phase funding for renovation and a partial addition of the existing facility totaling \$18,494,375 including a state match of \$11,836,400 (64%) and a local match of \$6,657,975 (36%).

As this was a subcommittee recommendation, a second was not needed and **the motion was unanimously approved.**

APPROVED

C. P20-008 Bluewater ES – (Grants-Cibola) – Construction Funding Request*

The Awards Subcommittee Chair, Dr. Warniment reviewed the motion. There was no discussion on the item.

MOTION: Mr. Guillen moved for Council approval to amend the current Standards-based award to Grants-Cibola County Schools for Bluewater Elementary School to include Construction Phase funding for a replacement facility totaling 22,959 gross square feet (GSF) for 102 students, grades Pre-K-6, for a state match of \$15,623,051 (75%) and a corresponding local match of \$5,207,684 (25%).As this was a subcommittee recommendation, a second was not needed and **the motion was unanimously approved.**

APPROVED

D. P19-017 Tularosa MS (Tularosa) – Design Funding Request*

The Awards Subcommittee Chair, Dr. Warniment reviewed the motion. There was no discussion on the item.

MOTION: Mr. Guillen moved for Council approval to amend the current Standards-based award to Tularosa Municipal Schools for Tularosa Middle School (TMS) to include Design Phase funding for the replacement of the existing facility in order to construct a new school for a design enrollment of 240 students grades 6-8 that includes a shared Career Technical Education (CTE) and student dining with Tularosa High School, up to the maximum allowable gross square footage of 61,461 GSF, with an increase in the state match of \$2,792,788 (71%), and a local match of \$1,140,716 (29%) for the design phase up to a total of \$3,933,504. Upon completion of the design phase work, the district may return to the PSCOC for out-of-cycle construction phase funding. As this was a subcommittee recommendation, a second was not needed and **the motion was unanimously approved.**

APPROVED

VII. Other Business

A. HB2 School Bus Appropriation*

The item was discussed and approved after the consent agenda as item IV.H. The motion was reviewed by Ms. Martica Casias. Mr. Guillen asked about the process of administering the funds. Mr. Ortiz clarified that the purchase was already made for last year, and that the item was for a deficiency to draw down the fund. Mr. Ortiz said there would be a new appropriation for this year,.

MOTION: Mr. Guillen moved for Council approval to provide the Public Education Department with \$7,500,000 as referenced in HB2, year 2023 for school bus replacement. As this was a subcommittee recommendation, a second was not needed and **the motion was unanimously approved.**

APPROVED

B. 5% Local Match Reduction for Exemplary Maintenance*

Mr. Larry Tillotson, PSFA Maintenance and Operations Manager reviewed the Motion. Ms. Ashley Leach, AMS Subcommittee Chair, reviewed the Scenarios and Cost of the item and noted this maintenance incentive would be beneficial long term. The Council asked if there was a cap amount for the incentive or any projections on cost. Staff responded by saying no, but that a semi-annual report on the item would be presented to the Council.

MOTION: Mr. Guillen moved for Council approval to adopt the Exemplary Maintenance Program criteria applicable to the 2023 capital outlay award cycle. School districts meeting this criteria may be eligible for up to five percent (5%) reduction in its local match on capital outlay awards. Mr. Abbey opposed; Mr. Ortiz was absent during the vote. **Motion carried with seven votes.**

APPROVED

C. Measurement and Verification Pilot Program*

Mr. Ryan Parks, PSFA Deputy Director, reviewed the Motion. There was no discussion from the Council.

MOTION: Mr. Burciaga moved for Council approval to contract with a measurement and verification (M&V) vendor to perform M&V technology and software services for selected school districts, for a term of three years, and a total cost of \$735,740. Mr. Abbey opposed; Mr. Ortiz and Mr. Guillen were absent at the time of the vote. **Motion carried with six votes.**

APPROVED

VIII. Informational

A. Espanola Public School District – Velarde ES

The item was presented as an informational item. Mr. Abbey noted that concern of the Subcommittee regarding the enrollment and prioritization of projects in the district. The district is challenged with resistance from the community.

B. 2023 Legislative Session Update

The item was presented as an informational item. Ms. Casias reviewed the key points of the Executive Summary.

C. FY22 PSFA Audit

The item was presented as an informational item. Ms. Casias reviewed the findings and solutions from the Executive Summary.

D. PSFA Staffing Update

The item was not presented.

E. Process Improvements Update

The item was not presented.

F. Project Status Report

The item was not presented.

G. SEN Phase I Contract Update

The item was not presented.

IX. Next PSCOC Meeting

Proposed for May 24, 2023 – (tentative).

X. Adjourn

There being no further business to come before the Council, Ms. Padilla moved to adjourn the meeting. Mr. Burciaga seconded, and the motion was **unanimously approved**. The meeting adjourned at 11:52 A.M.



Chair

Date

*Please Note: Italic in motions indicate amendments.
* Denotes Action Items on the Agenda*