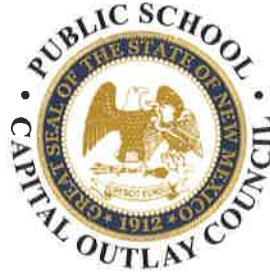


State of New Mexico
Public School Capital Outlay Council

PSCOC Members

Joe Guillen, *NMSBA – Chair*
Shawna Casebier, *LCS*
Charles Sallee, *LFC*
John Sena, *LESC*
Antonio Ortiz, *PED*
Martin Romero, *CID*
Stewart Ingham, *PEC*
Mariana Padilla, *OG*
Ashley Leach, *DFA*



Public School Facilities Authority

Iris Romero | Executive Director
Ryan Parks | Deputy Director of Capital Operations
Larry Tillotson | Deputy Director of Operations & Outreach

MEETING MINUTES SUMMARY

PSCOC Full Council Meeting
State Capitol Building, Room 322 – September 11, 2024

*Unofficial notes drafted for the convenience of subcommittee members and subject to revision at member request.
Please note that further details and information regarding the meeting can also be found in the eBook.*

I. Call to order – Joe Guillen, Chair

Chair, Mr. Joe Guillen, called the meeting to order at 9:01 A.M.

A. Approval of Agenda*

Chair Guillen asked if there were any changes to the agenda as presented; as there were no changes, Ms. Padilla moved to approve the motion and Ms. Padilla seconded the motion. The motion was unanimously approved.

B. Correspondence

No Correspondence.

II. Public Comment

No Public Comment occurred.

III. Finance

A. PSCOC Financial Plan

Mr. Matthew Schimmel (PSFA, Deputy Financial Officer) presented the executive summary of the PSCOC Financial Plan and reviewed key points. During the discussion, several updates were discussed. Mr. Schimmel noted the addition of the SSTBs tracking column. The award for S22-024 Quemado was rescinded, resulting in a reduction of \$105,000. For P23-001 Gallup Central High School, the award language was changed, with the total amount updated to \$3,204,031 and out-year construction costs revised from \$13,340,694 to \$37,841,074. Other updates included P20-001 Alamogordo Chaparral Middle School, where the out-year construction costs were adjusted from \$31,780,895 to \$31,332,600, and the project timeline was moved from Q3 2024 to Q4 2025. Additionally, FY23 and FY24 awarded Pre-K projects were added. An additional note was made regarding Line 9, for Lease Payment Assistance Awards. In the discussion, it was noted that the Pre-K funding for FY25 and FY26 was reduced from \$5 million to \$0, as the request would be tracked through the Awards Schedule moving forward. This change resulted in a \$10 million reduction, as the amount in previous years was appropriated directly to the districts. Additionally, the Emergency Reserve for Contingencies in FY24 was changed from \$10 million to \$0, as none of the funds were used, resulting in another \$10 million reduction. Ms. Leach emphasized the importance of completing the true bond reconciliation before the December certification, highlighting the need for accurate financial records. Ms. Iris Romero (PSFA, Executive Director) identified project closeout as a key challenge, with an update expected at the next meeting. Ms. Romero also said that over 400 projects needed to be closed out, contributing to the reconciliation process. Ms. Leach proposed establishing a closeout policy between the Department of Finance and Administration (DFA) and the Public School Facilities Authority (PSFA), outlining timelines and responsibilities. Ms. Leach stressed that understanding the closeout process is essential for awarding future projects. No action was taken on the item as it was informational only.

IV. Consent Agenda*

All the Consent Agenda items were approved in a single motion.

A. August 13, 2024 PSCOC Meeting Minutes*	
Council approval of the August 13, 2024, PSCOC Meeting Minutes.	
B. S22-024 Quemado - Rescind Award*	
Council approval to rescind the 2021-2022 Systems-based award to Quemado Independent Schools with a state match reversion in the amount of \$105,000.	
C. 2024 BDCP Cat2 Awards (Network Equipment)*	
Council approval for Broadband Deficiencies Correction Program (BDCP) awards of actual E-rate-approved project amounts to provide the state match for application funding year 2024 for Category 2 (Network Equipment) to ten schools/districts for a total of \$130,785.34 up to the amounts listed in column O of the award spreadsheet attached as Exhibit A.	
D. Recertification of SSTBs*	
Council approval to adopt the Resolution, Notification, Certification and Reconciliation of unexpended bond proceeds as follow: <ul style="list-style-type: none">• SSTB18SD 0001 – Decertification in the amount of \$84,100 to be used for other PSCOC awarded projects.• SSTB21SB 0001 – Decertification in the amount of \$105,000 to be used for other PSCOC awarded projects.• SSTB24SB 0001 – Decertified \$23,492,104 to align the estimated bond capacity to the Actual bond sale.	
MOTION: Chair Guillen moved for Council approval of the Consent Agenda. As there was no opposition, the motion was unanimously approved.	APPROVED

V. Other Business

A. Teacher Housing Research and History*

Mr. Ryan Parks (PSFA, Deputy Director of Capital Operations) reviewed some of the history and current information on the Teacher Housing Pilot Program and associated research, proposing to gather information from vendors across the state. Ms. Alyce Ramos (PSFA, Programs Manager) provided a detailed history of the program, legislative actions, and current guidelines. PSFA staff recommended that the PSFA issue a Request for Information (RFI) to local housing manufacturers and contractors to gather information and cost data. Ms. Ramos also noted the possibility of allowing the Teacher Housing Pilot Program to renovate existing district-owned housing units, noting that PSFA had received one application for renovation and previous research indicated many existing units were over 50 years old and in poor condition. Additionally, the PSFA's collaboration with local housing manufacturers and contractors to develop potential housing designs as a baseline for districts was discussed.

The discussion overviewed the program guidelines, emphasizing its focus on rural and tribal areas with populations under 5,000 and insufficient housing. It was noted that housing units must adhere to specific size requirements and HUD standards. The application process was outlined, requiring districts to submit a pre-application letter for PSFA's review to assess needs and potential costs. Awards would be issued in a single phase, covering both design and construction. A ranking system for prioritizing applications was developed but ultimately unnecessary due to fewer requests than expected. Another question addressed whether PSCOC should set a maximum allowable construction cost for housing. Initially, a \$500,000 per unit cap was proposed, but concerns about housing costs led to the decision not to impose a maximum at this time. The motion was approved.

MOTION: Mr. Guillen moved for Council approval to permit PSFA to conduct research on manufactured housing and site-built housing options, to include issuing a request for information (RFI) for local housing manufacturers and contractors to provide information regarding potential pricing data, design options, etc. As there was no opposition, the motion was unanimously approved.	APPROVED
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B. Local March Reduction Data Source Policy*

Ms. Iris Romero (PSFA, Executive Director) presented the executive summary and motion. The discussion addressed several challenges, notably the timing issues districts face with bond elections and tax rate certifications, which delay eligibility for local match reductions. Proposed solutions included having the PED review and validate real-time data in consultation with bond advisors, though concerns about data accuracy and validation persist.

During the discussion, it was discussed how projections can differ from actual tax rates due to factors like land valuations and collection rates, though the exact variance was not specified. Additionally, there was concern about what actions to take if actual results do not meet the requirements, indicating a need for further analysis to determine the best approach. The Council decided the item would be tabled for further information and analysis of options.

TABLED: Mr. Guillen moved for the item to be tabled. As there was no opposition, the motion was unanimously approved.

TABLED

C. FY26 Appropriation Request*

Ms. Iris Romero (PSFA, Executive Director) presented the motion and executive summary key points. Ms. Romero presented the FY26 Appropriation Request, clarifying that the increase was an adjustment rather than a new increase. Ms. Romero provided a handout for the item. Ms. Leach also noted that she had requested for Legal counsel to research funding options for FIMS and SIMs and determined that the expense should stay operational. Ms. Romero also said the budget request was due to DFA on September 3, but noted the submission was contingent upon Council changes at the full council meeting on September 11th. During the discussion, Ms. Romero noted the appropriation request details, which included a 3% cost of living adjustment (COLA) and an increase in employee liability insurance from \$10K to \$100K. For FY25, the request for Personal Services & Employee Benefits (200's) included a 3% performance-based compensation strategy for exempt/permanent positions, totaling \$181,366, excluding the Executive Director position. Additionally, PSFA staff requested two new positions. For FY26, the request for Contractual Services (300's) included increased funding for editing and developing annual reports, improving the website for easier navigation, additional server room support, auditor and audit consultant services, on-call legal services, rebranding based on strategic plan work, and a consultant to continue state/local match analysis. The motion was approved as presented.

MOTION: Mr. Guillen moved for Council approval for PSCOC approval of the proposed \$7,894,228 budget. As there was no opposition, the motion was unanimously approved.

APPROVED

D. Revised Adequacy Standards*

Mr. Parks (PSFA, Deputy Director of Capital Operations) reviewed the proposed changes to the Adequacy Standards, including updates for Pre-K, security, and minimum square footage. The impact on districts and ranking lists was discussed. During the discussion, staff recommended approving the publication of revised Adequacy Standards. If approved, PSFA staff will hold a public hearing in October to address any comments, with the final standards published by December. Major changes from the hearing would require PSCOC review and re-approval before publication. Mr. Andrew Martinez (PSFA, FAD Manager) noted that changes in space allocation could shift the wNMCI ranking, causing some school facilities to rise or fall in their positions, potentially affecting their eligibility for PSCOC funding. To mitigate this, PSFA staff recommended running two rankings concurrently for at least one cycle: one with the new Adequacy Standards and one with the existing standards, allowing potential facilities to remain eligible for funding. The motion was approved as presented. The discussion noted the update on classroom sizes, noting the increase from 650 square feet to 800-900 square feet to align with national averages. Additional space was allocated for special education to better address student needs and ensure adequate facilities. Terminology and space allocations for Career and Technical Education (CTE) and Pre-kindergarten programs were also updated to reflect their importance. During the discussion, it was discussed that the minimum number of air exchanges required for buildings should be 3 to 4, though this is being verified with Mechanical Engineers. The motion was approved.

MOTION: Mr. Guillen moved for Council approval to publish the revised Adequacy Standards. PSFA staff may make minor technical changes after this approval. As there was no opposition, the motion was unanimously approved.

APPROVED

VI. Informational

A. Quarterly Maintenance Status Report

Mr. Tillotson (PSFA, Deputy Director of Operations, Quality Assurance, & Outreach) reported on the latest quarterly maintenance data, highlighting the key points of the executive summary. The report highlighted the preventive maintenance plans, noting that 71.43% of districts had current plans, a slight decrease from the previous quarter. It was highlighted that 61% of districts used the Facility Information Management System to manage work orders, with 67% effectively using it for preventive maintenance. Concerns were raised by the state fire marshal's office regarding districts on fire watch due to deficiencies in fire alarms and suppression systems, prompting consideration of more aggressive measures to ensure compliance. Mr. Tillotson confirmed that several districts were on fire watch and were identified through the FMAR report. PSFA staff addressed these issues with the districts. No further discussion occurred.

B. Statewide Education Network

Mr. Viorica (OBAB, Broadband & Technology Program Manager) presented the executive summary and updates on the Statewide Education Network (SEN), emphasizing the importance of broadband, costs, timeline, and next steps. Mr. Viorica also presented the presentation for the SEN. The discussion overviewed the network components, which include internet connections, a high-capacity backbone, network management, cybersecurity, and last-mile connections to schools. No further discussion occurred.

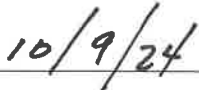
VII. Next PSCOC Meeting – October 9, 2024

VIII. Adjourn

There being no further business to come before the Council, Ms. Leach moved to adjourn the meeting, Ms. Padilla seconded the motion. There being no opposition from the Council, the meeting was adjourned at 11:53 A.M.



Chair



Date

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