

State of New Mexico
Public School Capital Outlay Council

PSCOC Members

Joe Guillen, *NMSBA – Chair*
Charles Sallee/Cally Carsewell, *LFC*
John Sena, *LESC*
Amanda Lupardus, *PED*
Martin Romero, *CID*
Stewart Ingham, *PEC*
Ashley Leach, *DFA*
Sara Mickelson, *OG*



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 309 – November 12, 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 9:04 A.M.

A. Roll Call

Roll call was conducted, and a quorum was confirmed to be present for the meeting.

B. Approval of Agenda*

Chair Guillen asked if there were any changes to the agenda as presented; as there were no changes, the agenda was approved with no amendments or objections.

C. 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 the key points. Mr. Schimmel highlighted a net increase to the Awards Year-to-Date of \$56.8 million due to various out-of-cycle updates and the addition of previously awarded Pre-K projects to the awards schedule. The first out-of-cycle update included construction funding requests for Zuni Middle School, Zuni High School, and Twin Buttes High School for a total of \$115,496,323. The final out-of-cycle update came from a request for additional design funding for New Mexico School for the Deaf's Albuquerque Preschool location, in the amount of \$835,000. Additionally, the SSTB Notes for FY25-FY27 were revised based on updated capacity numbers from the Board of Finance as of August 2024, resulting in a total increase of \$206.1 million from the last meeting. No further discussion occurred.

IV. Consent Agenda*

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

A. October 9, 2024, PSCOC Meeting Minutes*

Council approval of the October 9, 2024, PSCOC Meeting Minutes.

B. BDCP 2025 E-rate Support for Small Schools*

Council approval for Broadband Development and Connectivity Program (BDCP) award up to \$100,000.00 for consultant agreements to continue providing direct support for the development, the application filing and the implementation of E-rate eligible broadband upgrade projects for charter schools and small districts.

MOTION: Ms. Leach moved for Council approval of the Consent Agenda. Mr. Sena seconded the motion. As there was no opposition, the motion was unanimously approved.

APPROVED

V. Awards Cycle

A. FY25 Round One District Presentations

Ms. Alyce Ramos (PSFA, Programs Manager) presented the executive summary to the Council. Ms. Ramos reviewed the FY25 eligibility, application cycle and introduced the districts for their presentations. The following districts presented their formal requests to the PSCOC for capital outlay funding:

- Hatch Valley Public Schools: The district requested funding for teacher housing for five manufactured units to address the housing shortage for teachers. The presentation highlighted the need for affordable housing to attract and retain teachers in the district.
- Corona Public Schools: Corona Public Schools requested funding for teacher housing for two manufactured housing duplexes. The district emphasized the critical need for housing to support teacher recruitment and retention.
- Rio Rancho Public Schools: The district presented four project requests, including renovations and system upgrades for Lincoln Middle School and Rio Rancho High School, as well as pre-K facility expansions at Shining Star Preschool and Puesta del Sol Elementary.
 - Standards-Based Requests:
 - Lincoln Middle School (ranked #88)
 - Rio Rancho High School (ranked #99)
 - Pre-K Facilities:
 - Kitchen and cafeteria addition at Shining Star Preschool
 - Renovation to convert Puesta del Sol Elementary into a pre-K facility
 - The district also discussed the challenges of moving to full-day pre-K programs and the need for additional classroom space to accommodate the growing number of students.
- Bloomfield Schools: The district proposed consolidating three schools (Central Primary, Naaba Ani Elementary, and Mesa Alta Junior High) into one new campus to right-size the facilities and improve operational efficiency.
 - Standards-Based Requests:
 - Central Primary School (ranked #37)
 - Naaba Ani Elementary School (ranked #58)
 - Mesa Alta Junior High School (ranked #71)
- Silver Consolidated Schools: The district requested funding for the replacement of Cliff Schools, highlighting the age and condition of the current facilities. The presentation included details on the declining enrollment and the need to right-size the facility.
 - Standards-Based Request:
 - Cliff School (ranked #11)

B. FY25 Lease Assistance Awards*

Ms. Alyce Ramos (PSFA, Programs Manager) presented the executive summary to the Council. The staff recommended adjusting the MEM rate to align with the 2023 CPI increase, as required by statute, and adjusting the PSCOC rate per MEM, which would be used to calculate the FY25 lease assistance awards. Staff also recommended approving the lease assistance awards for applicant charter and district schools that had completed the application process, allowing PSFA to calculate the potential lease assistance award amount. Reimbursements were contingent on the submission of all required documents, including the E-Occupancy certificate, current facility master plan, audit report, charter school contract, conflict of interest questionnaire, and other statutory requirements. The award for La Academia de Esperanza was deferred until the application was complete and reviewed by PSFA, as the application was missing the PED Lease Purchase Agreement amendment approval, preventing PSFA from calculating a potential award amount. The lease assistance application was open from July 1, 2024, through August 15, 2024, and PSFA received 107 applications. One application, La Academia de Esperanza, was not ready for an award due to incomplete documentation. William W. & Josephine Dorn Community Charter School had closed and did not apply, while San Diego Riverside Charter School was no longer an authorized charter and thus ineligible for an award. Voz Collegiate Preparatory Charter School and Explore Academy – Las Cruces moved into new facilities without PSFA approval, and PSFA confirmed the facilities met statute.

The lease assistance award amounts were determined by selecting the lesser of two calculated values: based on MEM (prior year's 80/120-day average) multiplied by the rate per MEM or based on the annual lease amount paid by the school. The Council discussed and approved the FY25 Lease Assistance Awards for charter schools, including the adjustment of the MEM rate per the Consumer Price Index and the determination of the Lease Assistance Award amounts. Mr. Ingham commented that the PSCOC MEM rate should be higher and asked the Council to consider a higher amount than the staff recommendation. No motion was formally made by Mr. Ingham. The Council approved the motion proposed by staff. Mr. Ingham opposed the motion. No further discussion occurred between the Council.

MOTION: Mr. Guillen moved to approve the Council approval to:

1. Adjust the MEM Rate per the 2023 Consumer Price Index for the United States, all items, at 3.4% (not to exceed amount);
2. Determine the PSCOC Rate per MEM, to calculate the lease assistance awards.
3. Approval of the lease assistance award recommendations, as specified in the accompanying spreadsheet entitled "FY25 Lease Assistance Program Detail Summary," to 107 charter and district school applicants, in the amount of \$22,771,338.

• This award scenario represents a discretionary 0% increase in the PSCOC Discretionary Rate per MEM.

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 PEC 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. Mr. Ingham opposed to the motion, but the motion carried.

APPROVED

VI. Out-of-Cycle Awards

A. P21-001 Twin Buttes Zuni HS (Zuni) – Construction Funding Request*

Mr. Sallee presented the Awards Subcommittee’s recommendation for the item. Mr. Scott Ficklin (PSFA, Senior Project Manager) and Mr. Ryan Parks (PSFA, Deputy Director of Capital Operations) reviewed the executive summary and key points. The district requested approval of construction phase funding for the consolidated replacement facility, totaling 113,146 GSF. The staff recommended participation in the requested construction phase funding for 109,200 GSF. The request was approved.

MOTION: Mr. Sallee moved to approve the Council approval to amend the current Standards-based award language to Zuni Public Schools (ZPS) for Zuni Middle, Zuni High and Twin Buttes High Schools to include Construction Phase funding totaling \$115,496,323 for a consolidated replacement facility, totaling 109,200 gross square foot (GSF) for 581 students, grades 7th through 12th, with a state match of \$115,496,323 (100%). Mr. Sena seconded the motion. There being no opposition, the motion was approved unanimously.

APPROVED

B. K22-004 Albuquerque Preschool (NMSD) – Additional Design Funding Request*

Mr. Sallee presented the Awards Subcommittee’s recommendation for the item. Mr. Scott Ficklin (PSFA, Senior Project Manager) and Mr. Ryan Parks (PSFA, Deputy Director of Capital Operations) reviewed the executive summary and key points. The staff recommended participation in the additional design phase funding, and the motion was approved. No further discussion occurred.

MOTION: Mr. Guillen moved to approve Council approval to amend the current Pre-Kindergarten award to the New Mexico School for the Deaf (NMSD) for the Albuquerque Pre-School facility to include additional Design phase funding for a replacement facility totaling 30,000 Gross Square Foot (GSF). With a state match of \$835,000 (50%) and a local match of \$835,000 (50%) for a total of \$1,670,000. Upon completion of the design phase work, the district may return to the PSCOC for out-of-cycle construction phase funding. There being no opposition, the motion was approved unanimously.

APPROVED

VII. Other Business

A. FY24 PSFA Annual Report Draft*

Mr. Larry Tillotson (PSFA, Deputy Director of Operations, Quality Assurance, and Outreach) presented the item as a handout and the motion to approve the FY24 PSFA annual report draft. The Council set a deadline to submit feedback to PSFA staff for the draft annual report by December 7th. The Council discussed the importance of timely and accurate data for future funding decisions. The Council approved the item.

MOTION: Ms. Leach moved to approve Council approval of the FY24 PSCOC and PSFA Annual report draft, and authorization for PSFA staff to make final edits, technical corrections, and graphic development prior to printing and distribution. Mr. Ortiz seconded the motion. There being no opposition, the motion was approved unanimously.

APPROVED

B. Local Match Reduction Process*

Ms. Mona Martinez (PSFA, Staff Attorney) presented the item. PSFA recommended that the PSCOC consider a district’s bond advisor mill levy data and projections to determine if the district had made a good faith effort to use all of its local resources, in order to grant a local match reduction when awarded PSCOC funding. The Council approved the process for considering local match reductions, allowing the use of bond advisor data and other factors to determine if a district had made a good faith effort to use all available resources. No further discussion occurred.

MOTION: Mr. Guillen moved to approve Council to approve a Local Match Reduction process. There being no opposition, the motion was approved unanimously.	APPROVED
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C. Recertification of SSTBs*

Ms. Iris Romero (PSFA, Executive Director) presented the item and the motion. The Council approved the recertification of bond proceeds to reflect reversions and additional funding requests, ensuring the proper allocation of funds for awarded projects.


MOTION: Mr. Guillen moved to approve Council approval to adopt the Resolution, Notification, Certification and Reconciliation of unexpended bond proceeds as follows: <ul style="list-style-type: none"> • SSTB21SD 0001 – Decertifying the net amount of \$ (1,482,126) to be used for other PSCOC projects. • SSTB23SB 0001 – Certifying the net amount of \$ (14,867,611) to be used for PSCOC awarded projects. • SSTB24SB 0001 – To recognize a net \$0 certification for the pending award for P21-001 Zuni HS/Twin Buttes HS combo. There being no opposition, the motion was approved unanimously.	APPROVED
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VIII. Next PSCOC Meeting – December 16, 2024

IX. Adjourn

There being no further business to come before the Council, Mr. Guillen moved to adjourn the meeting, there being no opposition from the Council, the meeting was adjourned at 12:50 P.M.


_____ Chair


_____ Date

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