

PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL MEETING
MINUTES
March 15, 2018
STATE CAPITOL BUILDING, ROOM 317
SANTA FE, NEW MEXICO

Members Present: Mr. David Abbey, LFC Mr. Pat McMurray, RLD
 Mr. Antonio Ortiz, PED Mr. Gilbert Peralta, PEC
 Mr. Joe Guillen, NMSBA Ms. Nina Carranco, DFA
 Ms. Rachel Gudgel, LESC Ms. Jessica Kelly, Office of the Governor

Designee: Mr. Jeff Eaton, LCS

1. **Call to Order** – Chair Abbey called the meeting to order at 8:30 A.M and had guests and staff introduce themselves.
 - a. **Approval of Agenda** – Chair Abbey asked if there was any objection to the agenda as presented; as there was none the agenda was unanimously adopted.
 - b. **Approval of Minutes (January 19, 2018)** – Ms. Gudgel moved for Council approval of the January 19, 2018 minutes subject to technical corrections. Mr. Peralta seconded and the motion passed unanimously.
 - c. **Correspondence** – Los Alamos – Barranca Mesa ES.

District representatives Dr. Kurt Steinhaus, Superintendent, Lisa Montoya, Assistant Superintendent for Finance and Operations and Herb McLean, Construction Manager were in attendance to describe a project they are currently working on and requested consideration of an out-of-cycle award. Dr. Steinhaus presented four additional bullet points to those found in the letter included in the meeting material. 1) All schools in Los Alamos are approximately 50-60 years old. 2) The district is bonded to capacity. With 17% of the students out of district students they do not pay property taxes into helping the bonding capacity. Los Alamos National Laboratory has about 10,000 employees; more than half live outside of Los Alamos. There are over 120 students on the waiting list to get into the schools. 3) The Facilities Master Plan was derailed a couple of years ago due to lower property values and the last bond was only \$13.0M instead of \$20M. 4) Due to a bad storm, the Barranca Mesa ES roof was blown off. The district replaced the roof which in turn changed the wNMCI ranking and a school that had been eligible for an award was no longer eligible. There is currently a bid out for this remodel project; the schedule does not align with the funding cycle and the district is requesting consideration for an out-of-cycle standards-based funding request. Mr. Guillen stated this was a much needed project and, referring to Subcommittee discussion, noted that the district should be encouraged to move the project forward and perhaps Council could participate in the future on the regular awards cycle as an out-of-cycle award would be setting precedent. Mr. Abbey stressed the district is eligible to apply. Mr. McMurray agreed Council should support the effort but not do so out-of-cycle. Mr. Abbey asked Dr. Steinhaus if it was the intention of the district to proceed, Dr. Steinhaus replied in the affirmative.

2. **Public Comment** – Mr. Abbey asked if there was any public comment, representatives from Alamogordo Public Schools Mr. Vance Lee, Executive Director of Support Services and Justin Burks, Physical Plant Manager, stated they would like to comment on the Exemplary Maintenance Policy. Mr. Abbey requested that their comments be made when the item was presented later on the agenda; Mr. Lee and Mr. Burks agreed to do so.

3. **PSCOC Financial Plan**

- a. **PSCOC Financial Plan**

Ms. Irion reviewed the changes to the financial plan since the last meeting: awards were made for the Second Round Systems Awards Appeals to Dexter, Clovis and Gadsden school districts in the amount of \$932,763; also awarded were two FMP projects totaling \$20,000; State Fire Marshall Inspections were awarded \$80,000 for January through June 2018 and BDCP Categories 1 and 2 and the E-Rate Central agreement renewal totaled \$3,194,759. Total awards since the last meeting were \$4,227,522. Des Moines rescinded their ES Emergency Advance for \$125,000. A potential award for Belen Rio Grande ES resulted in a favorable change to the financial plan of \$3,165,946; originally estimated at \$9,371,439 actual bids were \$6,205,493. Based upon district readiness, five projects were delayed by one quarter and include NMSBVI Quimby Gymnasium, NMSBVI Sacramento Dormitory, NMSBVI Garrett Dormitory, Gallup Thoreau ES and Alamogordo Oregon ES/Combined ES. An advance repayment of \$1.1M was received from Cobre Bayard ES on January 22, 2018 and results in the advance being repaid in full. SB4 for Instructional Materials/Transportation Distribution decreased \$18.0M in FY19 due to a difference in the HB2 appropriation which was originally set at \$25.0M. SB239 for security appropriates up to \$10.0M per year in FY19-22 and HB306 appropriates \$6.0M for security expenditure within FY18-22. Based upon Subcommittee discussion and applications received, BDCP was reduced from \$7.0M to \$3.0M in FY19. Pre-K awards reflect \$5.0M in FY18 as the applications received are currently over \$6.0M and there was a need for the total \$5.0M to be appropriated this fiscal year. The State Fire Marshall Office reimbursement is projected at \$160,000 in the new fiscal year. Emergency Reserve for Contingencies increased \$125,000 for the Des Moines ES award reversion and \$70,000 for the Glenwood Reserve ES reversion in January. This adjustment brings the FY18 Emergency Reserve for Contingencies balance to \$900K. The 2017-18 awards cycle, originally listed at \$23.0M was adjusted to \$24.2M due to the increase in systems awards following appeals from the Dexter, Clovis and Gadsden school districts. The 2018-19 awards cycle reflects a decrease of \$933K as a direct result of the appealed systems awards. The \$4.0M for BDCP as well as the \$18.0M change for HB2 for Instructional Materials/Transportation Distribution reduction and the \$3.2M bid reduction for Belen Rio Grande ES are also reflected in the 2018-19 awards cycle and results in a total net impact of \$24.3M. The 2020, 2021 and 2022 award cycles were decreased to accommodate for the State Fire Marshall of \$160,000 and the decrease for Instructional Material/Transportation Distribution. The net impact increase to these awards is \$14.8M. Estimated uncommitted balances are \$21.4M for FY18 and \$0 in FY19-22 as all sources have been identified for expenditure. Following two draw requests of approximately \$8.9M and \$6.0M for January and February expenditures, the PSCOC Fund balance is \$220,134,551.50.

Discussion ensued on reducing the SB4 amount within the financial plan due to improved revenues. Mr. Abbey encouraged adding Pre-K authority in the 2019 Legislative Session as

PED was a strong advocate of increasing Pre-K financing. Mr. Abbey expressed concern over the amount for school safety and suggested the Awards Subcommittee revisit this.

4. 2017-2018 Awards Cycle

a. 2017-2018 Pre-K Applications Received – Adoption of Scoring Criteria

PSFA received 15 Pre-K applications from 10 districts with a potential state match of \$6,113,493. Mr. Chamblin summarized the application scoring sheet for the Council. Mr. Abbey asked what the eligibility was for state funding for Pre-K; Ms. Gudgel replied for operational funding it was based on Title I; that the school must be in a Title I community and 60% of the students are eligible for Title I. Mr. Abbey asked if any applicants were ineligible for NM Pre-K funding; Ms. Cano replied that based on information received from PED, one applicant district who is not funded through New Mexico Pre-K because they are not eligible for Title I. Ms. Gudgel suggested the district may not be receiving Pre-K funds but may be spending their own funds. Ms. Gudgel questioned whether PED had ever used these funds for 3&4 year old DD programs; per Mr. Ortiz, PED historically only funded capital outlay for schools receiving the operational Pre-K. Within the last year, Pre-K applications were opened to all schools. Funding ended up being reverted during the Special Legislative Session and nothing was funded. Mr. Abbey asked Mr. Guillen if the Awards Subcommittee would consider prioritizing funding for classrooms that are serving state funded students. Mr. Abbey and Ms. Gudgel suggested prioritization for schools that are eligible for state funded Pre-K and creating either a point scale in the ranking if they are eligible for state funded Pre-K or making a statement within the form Council is prioritizing to state funded eligible programs. Ms. Gudgel commented moving Pre-K from PED to PSFA was appropriate.

MOTION: Council approval of the Awards Subcommittee recommendation to adopt the application prioritization criteria for the 2017-2018 pre-k capital funding applications.

AMENDED MOTION: Council approval of the Awards Subcommittee recommendation to adopt the application prioritization criteria for the 2017-2018 pre-k capital funding applications to include an additional criterion as follows: schools that are eligible for a state funded pre-k program will receive 8 points, ineligible schools will receive 0 points on this criteria. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously passed.

b. PSCOC Work Plan/Timeline (*informational*)

Ms. Cano noted that the June and July Awards Subcommittee meetings have been changed. Due to a schedule conflict, the July 26th PSCOC meeting will be moved to July 27th.

5. 2018-2019 Awards Cycle

a. 2018-2019 Preliminary wNMCI Ranking Status (*informational*)

Ms. Casias presented the executive summary and noted feedback was received from nine districts. Drawing attention to the spreadsheet within the meeting material, Ms. Casias highlighted some districts that had minimal change to their wNMCI but saw significant change in their ranked position following the changes to the ranking methodology. Mr. Guillen asked if any district had expressed concern that required adjustment; Ms. Casias stated PSFA continues to work with districts and noted March 16th is the last day for districts to provide

feedback in order to adjust their rankings. Along with adoption of the final ranking in April, Council will set forth the funding pool criteria and release the pre-application.

Ms. Gudgel requested that staff follow-up on Las Cruces Mesilla Valley as there is a statutory requirement for charters that they have to meet the statewide average when opening a school. Ms. Gudgel sought clarification on verbiage within the spreadsheet stating the school was reopened by PED; Ms. Casias replied it had been a program and was now a school with an official number and was now back in the ranking.

b. Exemplary Maintenance Policy

Mr. Tillotson presented the executive summary and reviewed the eight proposed criteria which will provide demonstration of an exemplary maintenance program for New Mexico public schools. Ms. Gudgel asked if there was a list of who currently qualifies for the potential 5% local match reduction these and if an analysis had been done on how this will impact what Council can fund in light of SB30; Mr. Tillotson replied that a complete analysis had not been done however, there is a report that articulates the current status of performance within the State and identifies schools that are driving exemplary maintenance programs. Currently, nine districts are in the 90th percentile range.

Representatives from Alamogordo Public Schools Mr. Vance Lee and Mr. Justin Burks brought forth their concerns with the policy. Mr. Lee stated the 90% or greater FMAR score was reasonable for newer facilities however, facilities and systems that have reached their lifecycle of 40-70 years cannot be reasonably maintained to the 90% threshold without significant renovation. The district has devoted the last six years to restructuring their maintenance practices to meet the current 80% goal in an effort to capitalize on the additional potential of up to 5% reduction. Now that the goal has been met, the district will be returning to the Council in the next quarter on one construction project and potentially three projects over the next 4-5 years to request additional funds that may be available. Furthermore, the 90% appears rather arbitrary with little scientific research and data to support it. The district agrees that outstanding maintenance practices should be the goal of any district and support funding from Council should only be approved for those that demonstrate quality maintenance. The district is asking that Council table this action until further data on FMAR scores associated or correlated with facility ages be identified to determine an appropriate goal for the schools to obtain. Mr. Chamblin acknowledged this was a valid concern for districts with older buildings. Mr. Tillotson reiterated that the FMAR is a tool used to measure maintenance effectiveness. Using the FMAR as a measuring stick, there is now criteria that if a district identifies something that cannot be managed in their maintenance program but can be managed in their capital programs they will still be given credit. Mr. Tillotson stressed districts can drive an outstanding maintenance program with older facilities since it doesn't have anything to do with the degradation or age of equipment or systems; it is the maintenance efforts being put in to maintaining the facilities. Mr. McLean stated the prior FMAR did not run this way and if this is a new change, the district would like to see something concrete and if personnel changed the rules remained the same. Ms. Carranco acknowledged districts will strive for the 5% local match reduction which will have a larger impact on the fund and stressed it would apply in the year criteria was met, not carried forward when applying for a future award. Mr. Abbey suggested the Awards Subcommittee review and consider an amount less than 5%.

MOTION: Council approval of the AMS Subcommittee recommendation to adopt the Exemplary Preventive Maintenance Program criteria applicable to the 2018-2019 capital outlay award cycle. School districts meeting the following performance criteria may be eligible for up to five percent (5%) reduction in its local match on a capital outlay award:

- FMAR district average performance rating of >90.1% or greater;
- Preventive Maintenance Plan is current;
- Use of all 3 FIMS modules to a level 2.0 performance level or greater;
- More than ten (1) types of equipment being maintained within the preventive maintenance program;
- Preventive maintenance work order completion rate of 90% or greater;
- Transaction rate of above 100%;
- Energy Management Program implemented; and
- Meaningful Metrics (M3) or other data driven report implemented and shared with district leadership up to the School Board level.

Members unanimously agreed to make this an informational item and send it back to the AMS Subcommittee for further discussion.

6. Out-of-Cycle Funding/Additional Funding/Emergency Funding/Award Language Requests
a. Belen – P14-005 – Rio Grande ES – Construction Funding

This request is for construction funding and is based upon actual proposals. Bid results were lower than anticipated due to the continued pursuit of lean construction. The facility will be primarily wood frame construction versus steel columns, steel beams and metal studs. The project includes special education classrooms, a full sized multi-purpose room, cafeteria/kitchen, nurse’s suite, administrative offices and a library/media center. Site development includes bus drop-off lanes, a playground and visitor and staff parking. Per Mr. Tillotson, Belen has a very good quality maintenance program with a PM Plan rated as outstanding, are driving FMARs into the 90th percentile range and are very good users of the SchoolDude/FIMS products. Mr. Paul McCarty, Director of Finance & Facilities was in attendance and represented the district. Ms. Gudgel inquired as to the total original project estimate; Ms. Cano replied it was \$16,027,945 and was the original estimate and award in 2013. Ms. Gudgel pointed out that 20% of the student base was cut from the project; where the original award was based on 410 students, the motion is based on 335 students and current enrollment is 296. Ms. Gudgel asked what future enrollment looks like; if the Facebook Data Center will increase the student population or if there will there be a decline and the district is over-building. Mr. McCarty stated the Chamber of Commerce anticipates some future growth. Ms. Casias stated based on historical data there is an expected steady decline in the next decade. Discussion ensued regarding cost per square foot; Mr. Chamblin reiterated this initiative has started and PSFA will begin asking for additional breakout of costs on bids. Mr. Avila added that PSFA is more active in the design process and has regular design review meetings with the district and district maintenance invited to provide feedback. Mr. Abbey asked Mr. McCarty to request that the district Superintendent submit to the Council, in writing, an improvement plan and how he will address the 19 audit findings; Mr. McCarty agreed to do so and noted that School Board members are now involved with the finance committee meetings and are all aware of what the challenges are.

MOTION: Council approval of the Awards Subcommittee recommendation to amend the 2013-2014 standards-based award to the Belen Consolidated Schools for Rio Grande Elementary School to include construction to adequacy for 335 students, grades 3&4 year old DD through 6th, with an increase in the state share amount of \$6,205,493, and a corresponding increase in the local share amount of \$4,278,391. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

b. Bernalillo – P13-002 – Santo Domingo ES/MS – Phase 2 Construction Funding

This is the final construction phase and includes to adequacy a connecting covered walkway from the phase 1 construction to an existing gymnasium. This funding also includes minor renovation of the existing gymnasium, track and field and basketball courts. There is also additional work which is above adequacy and includes a baseball field, tennis court and over flow parking lots. The district has recently submitted their PM Plan and are using School Dude products to a very high level. The school FMAR was 63.90% in 2015 and was the last FMAR score on file for the school. The current district average is 69% and should go up with the integration of their new PM Plan. Mr. Abbey requested that Mr. Geno Zamora, Attorney, explain how the contingency protects the state and the district regarding construction of the facility. Mr. Zamora reiterated the property has been under lease from the Pueblo by the school district since 1956. There is an extended history of leasing the property and continued use of the property as an educational institution by the district. The current lease is for 25 years with a 25 year option to extend solely within the discretion of the school district; at its shortest, the lease would end in 2038 however, if the district did extend for 25 years the lease would be open for negotiation in 2063. The current lease includes a contingency for construction on all renovations to be completed within a five year time frame; that time frame expired in October 2017. Reiterating that government to government interactions, and negotiations with the Pueblo, can take a considerable amount of time Mr. Zamora stated there had been negotiations prior to October 2017 to create an amendment to protect the state. The existing lease is active until December 31, 2018 and as long as construction is completed during the calendar year, an amendment is not needed however, a first amendment to the land lease was negotiated and signed by the Pueblo stating substantial completion of construction would take place by October 31, 2018. Based on the negotiation, the Pueblo did not want an open ended extension therefore the 90 additional days begins on October 31, 2018. Mr. Zamora reiterated there was zero discussion regarding a possible charter school at that location and every indication from the Governor, Lt. Governor and the elders was in full support of the public school staying at that location. Mr. Ray Vallejos, Director of Facilities, commented that he had met with the tribal council and found they are committed to completing the project, though they did have concerns with how long it took for the main school to be completed. Ms. Gudgel expressed concern with the 90 day extension from the October 31, 2018 construction date; Mr. Vallejos stated the schedule provided by the contractor indicates completion by October 16, 2018. Mr. Avila added that the contract includes provisions regarding liquidated damages if the construction date is not met. Ms. Gudgel stated it would be helpful if Mr. Zamora could get a lease amendment or a letter from the Tribal Council evidencing that they are happy with how the project is progressing and that they don't anticipate revoking the lease even if the construction date is not met. Mr. Zamora stated he would try to change the 90 days to 120 days and take to the school board; if unable to do so, Mr. Zamora will follow up on obtaining a letter from the Pueblo saying they are pleased with the progress, pleased with the extension and do

not intend to revoke. Ms. Gudgel proposed that the contingency verbiage be added to the motion; Mr. Abbey agreed.

MOTION: Council approval of the Awards Subcommittee recommendation to amend the 2012-2013 standards-based award to include phase 2 of 2 construction to adequacy for 375 students, grades K-8, with an increase in the state share amount of \$1,465,175 (42%), and a corresponding increase in the local share amount of \$2,023,337 (58%).

AMENDED MOTION: Council approval of the Awards Subcommittee recommendation to amend the 2012-2013 standards-based award to include phase 2 of 2 construction to adequacy for 375 students, grades K-8, with an increase in the state share amount of \$1,465,175 (42%), and a corresponding increase in the local share amount of \$2,023,337 (58%). This award is contingent on execution of an amendment or new term within the lease agreement allowing sufficient time to complete construction. As this was a Subcommittee recommendation a second is not needed and the motion was unanimously approved.

c. West Las Vegas – P13-009 – West Las Vegas MS – Award Language Change

The West Las Vegas Public School district is requesting to forego demolition and retain the existing middle school gymnasium and adjacent six classrooms. The district indicates the space is necessary for extracurricular programs and will accept sole responsibility for maintaining the facility. Drawing attention to the aerial map of the project, Mr. Avila spoke to what the project entailed and noted the areas the district wishes to keep. During construction/renovation of the middle school, students were displaced and asked PSFA to participate in temporarily relocating those students. PSFA agreed to do so and instead of bringing in a portable campus to house the displaced students at a cost of \$700,000 PSFA invested \$250,000 to minimally renovate the existing classroom spaces. Ms. Casias noted district utilization is 79% without the six classrooms, 46% with and that ideal utilization for the middle school would be 85%. Mr. Avila stated the educational specs were reviewed and indicate the ratio of renovation to replacement cost makes it beneficial for the district to demo the existing gym and attached spaces rather than build a new gym. Demolition of the gym and adjacent addition would help to reduce the excess square footage on the middle school campus. Four options were provided to the district and demolition of the existing gym was the preferred route. Mr. Tillotson stated the district's PM Plan is not current and has not been updated since 2016. They are non-users of the utility direct module for energy management and are non-users of the preventive maintenance module. The district is using the reactive maintenance module to a small level. The current district FMAR is 62.88% indicating marginal performance and should increase once the PM plan is updated. They are also non-users of the PM Direct module. Mr. Christopher Gutierrez, Superintendent, stated the district is under new administration and spoke to the need of retaining the gym as students are using the facility late into the evening. The facility is also utilized for various community events. Mr. Guillen reiterated demolition of a facility previously funded by the community should continue to be used by the community and the local school board should decide whether to demolish it or not. Discussion during the Subcommittee concerned some demolition costs that have been incurred and should be reimbursed. Mr. Gutierrez stated the stage was demolished to add stadium bleachers for the football field and was at a cost to the district; bond money was used for the demo and bleachers. Regarding the six classrooms, Mr. Gutierrez stated they would like to be retained and utilized

as restrooms for the football stadium, a concession stand, and space for the wrestling team and the weight room. Mr. Avila clarified only the six classrooms were remodeled and used as swing space for the students while the middle school was under construction; the existing gym was never remodeled. Ms. Kelly expressed concern regarding the over adequacy aspect and acknowledged her vote would be to not approve the district request and that the facility should be demolished. Mr. Ortiz stated approximately 35% of their maintenance funds come from a state match. Mr. McMurray noted one of the original options was to convert four of the existing classrooms into restrooms, lockers and support space for a new gymnasium and confirmed that was not part of the project; Mr. Avila replied in the affirmative. Mr. Sitzberger added that there were four classrooms in the existing middle school that were renovated for locker rooms. Mr. McMurray agreed with Ms. Kelly the project was above adequacy and that the previous administration understood about right sizing the school for better utilization; however, there is a demonstrated need for the space and if it is considered by Council there would need to be determination of the cost that the district would need to assume as the gym would not have been built if this information had been known prior. Noting there were also grading issues needing to be addressed, Mr. Abbey asked that the district make a proposal to participate in the gym retroactively as Council participated in 75% of the cost which wouldn't have been done knowing they would be over adequacy and suggested the district work with PSFA staff.

MOTION: Approve the request from West Las Vegas Public Schools to retain the existing middle school gymnasium and adjacent six classrooms in lieu of demolition. The district may opt to keep these facilities for other non-educational uses, contingent upon the district maintaining and fully funding these facilities or portions thereof, including any additional costs to the current project for retaining these facilities, and will not seek future funding from the PSCOC for this facility.

OR

Deny the request from the West Las Vegas Public Schools to retain the existing middle school gymnasium and adjacent six classrooms in lieu of demolition. The district should honor its commitment to demolish the facilities as notified to the Code Enforcement Bureau of the State Fire Marshal and as agreed upon as part of the original award language which included a goal to reduce the gross square footage of the facility.

Mr. Guillen moved to table this item and have the district work with PSFA on potential reimbursement of the expenses to construct the new gym to the Fund, Ms. Gudgel seconded and the motion to table was unanimously approved.

d. Broadband Deficiencies Correction Program – 2017 Category 1 (Fiber) Awards

Mr. Abbey requested that the three BDCP agenda items (items 6d, 6e and 6f) be presented together. Mr. Viorica presented the executive summaries for each BDCP agenda item.

This item relates to an award for Category 1 for the Dulce Independent School district. This is the sixth and last project from the 2017 E-rate cycle and represents approximately \$240,000 worth of upgrades; the state portion is \$12,100 and there is no cost to the district.

MOTION: Council approval of the Awards Subcommittee recommendation to make Broadband Deficiencies correction Program (BDCP) Category 1 final awards for E-rate project

amounts to provide the state match to Dulce Independent Schools, for a total of \$12,100, as listed in column J of the award spreadsheet on page 1 of this agenda item, for the purposes and up to the amounts specified. Each allocation is intended to fully complete the project, phase, or specified purpose. As this was a Subcommittee recommendation a second is not needed and the motion was unanimously approved.

e. Broadband Deficiencies Correction Program – 2017 Category 2 (Equipment) Awards

This request is for seven districts and charter schools. The state share is \$48,113 and brings the number of equipment projects approved by Council from the 2017 E-rate cycle to 27. The work is approximately \$470,000 with state and local shares approximately 8.5% and 7.0% respectively. The E-rate program will cover approximately 85% of the upgrade costs.

MOTION: Council approval of the Awards Subcommittee recommendation to make Broadband Deficiencies Correction Program (BDCP) Category 2 awards of actual E-rate approved project amounts to provide the state match for application funding year 2017 for Category 2 to seven districts/schools for a total of \$48,113 as listed in column K of the award spreadsheet on page 1 of this agenda item. Each allocation is intended to fully complete the project, phase or specified purpose. As this was a Subcommittee recommendation a second is not needed and the motion was unanimously approved.

f. Broadband Deficiencies Correction Program – 2018 Category 1 (Fiber) Budget Estimates

This item relates to budgetary awards for new fiber projects. The potential motion will allow the five schools to be eligible for the additional matching funds from E-rate. These budget awards are not expected to exceed \$1.0M for the state participation. Schools would pay nothing if the projects are approved. Mr. Viorica acknowledged the procurement process is not finalized and some numbers are based on estimates.

MOTION: Council approval of the Awards Subcommittee recommendation to make BDCP budgetary allocations of matching funds for eligible special construction charges for application funding year 2018-2019. The purpose of the matching funds is to ensure the state receives the full benefit of the additional matching funds from the E-rate program. The state will fund a total of 5% of the eligible special construction charges approved by USAC if the applicant receives a 90% E-rate discount and 10% of approved eligible special construction charges for applicants with a discount of 80% or lower. The maximum amount of the matching funds will not exceed a total of \$1,056,013 as listed in column I on the award spreadsheet on page 1 of this agenda item. The actual award will be based on the amount ultimately approved by USAC using the criteria stated above and will be presented to the Council for final approval in fiscal year 2019, dependent on funding availability. As this was a Subcommittee recommendation a second is not needed and the motion was unanimously approved.

7. Other Business

a. Recertification of SSTBs

Per Ms. Irion, the recertification will bring the project into alignment with the bond reconciliation to ensure the full amount is awarded and budgeted.

MOTION: Ms. Gudgel moved for Council approval to adopt the Resolution, Notification, and Certification amendment for reauthorization of unexpended bond proceeds as follows:

- SSTB14SB 0001 in the amount of \$265,489 to PSCOC awarded projects totaling \$265,489.

Mr. Peralta seconded and the motion was unanimously approved.

- b. Facility Maintenance Assessment Report (FMAR)/F6 2017 Summary** (*informational*)
Mr. Tillotson stated the meeting material articulates the number of districts that FMARs have been completed on using the new F6 platform from May 1, 2017 - December 31, 2017. Acknowledging the remarkable improvements regarding maintenance, Mr. Tillotson stated for the first time there are 8 districts performing in the outstanding category. Additionally, many of the previously poor performers have improved their performance to marginal and satisfactory levels and the recommended 70% state average for FMARs has been exceeded for the first time ever.
- c. Review of Adequacy Standards** (*informational*)
Ms. Casias drew member attention to the schedule within the executive summary outlining how PSFA will approach the review and potential changes to the Statewide Adequacy Standards. The update is expected to take between 3-4 months and the design community will be involved. Mr. Abbey suggested staff think about splitting this into two phases as security along is a big effort.
- d. School Security Discussion** (*informational*)
Staff has been communicating with districts and looking at what they are doing regarding security; common themes have been identified and are noted within the executive summary. Information gathering will continue through March and site visits will be scheduled. A series of workshops will take place in April regarding the security guidelines that are being drafted and will involve communities, school districts, designers, first responders and security experts to help vet the draft document. It is anticipated this will result in a design best practice.

8. Informational

- a. Broadband Deficiencies Correction Program Status Report**
No significant changes.
- b. PSCOC Project Status Report**
No significant changes.
- c. Master Plan Project Status Report**
No significant changes.
- d. Lease Assistance Status Report**
No significant changes.

e. Maintenance Program Status Report

No significant changes.

f. FY18 Budget Projections and Personnel Update

Interviews for the Deputy Director and Attorney positions will begin soon; candidates for the Closeout, Commissioning Energy Manager are being accepted. Mr. Abbey inquired as to the projected surplus for the year, Ms. Irion replied it was \$439,000 of which \$437,000 is represented within the salaries line item.

9. Next PSCOC Meeting – Proposed for April 12, 2018.

10. Consideration for Approval to Adjourn to Executive Session Pursuant to the Open Meetings Act NMSA 1978, 10-15-1 (H)(7) for the purposes of discussing litigation

At 11:50 Ms. Gudgel moved for Council approval to adjourn to Executive Session for the purposes of discussing a matter pertaining to threatened litigation in which PSFA or PSCOC may become a participant to.

Roll call:

Ms. Carranco – Yes	Mr. Eaton – Yes	Mr. Peralta – Yes
Mr. Ortiz – Yes	Mr. McMurray – Yes	Ms. Gudgel – Yes
Ms. Kelly – Yes	Mr. Guillen – Yes	Mr. Abbey – Yes

The motion to adjourn to executive session was unanimously approved.

11. Reconvene to Open Session

At 12:20 Ms. Gudgel moved for Council approval to reconvene from executive session for the stated purpose of discussing a matter pertaining to threatened litigation. Only the above referenced item was discussed and no action was taken.

Roll call:

Ms. Carranco – Yes	Mr. Eaton – Yes	Mr. Peralta – Yes
Mr. Ortiz – Yes	Mr. McMurray – Yes	Ms. Gudgel – Yes
Ms. Kelly – Yes	Mr. Guillen – Yes	Mr. Abbey – Yes

The motion to reconvene from executive session was unanimously approved.

12. Adjourn - There being no further business to come before the Council, Ms. Gudgel moved to adjourn the meeting. Ms. Carranco seconded and the motion passed unanimously. Meeting adjourned at 12:22 P.M.

David Abbey Chair
4/12/18 Date