

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL MEETING
MINUTES
April 13, 2017
STATE CAPITOL BUILDING, ROOM 317
SANTA FE, NEW MEXICO**

Members Present: Mr. David Abbey, LFC Ms. Rachel Gudgel, LESC
 Mr. Pat McMurray, CID Mr. Gilbert Peralta, PEC
 Mr. Joe Guillen, NMSBA Ms. Jessica Kelly, Office of the Governor

Designees: Mr. AJ Forte, DFA
 Mr. Antonio Ortiz, PED (arrived at 8:33)
 Mr. Raul Burciaga, LCS, was absent and had no designee appear on his behalf

1. **Call to Order**—Chair Abbey called the meeting to order at 8:32 A.M.
 - a. **Approval of Agenda**—Chair Abbey asked if there was any objection to the agenda as presented; as there was none Mr. McMurray moved for approval of the agenda, Ms. Gudgel seconded and the motion passed unanimously.
 - b. **Correspondence**—Mr. Abbey acknowledged the attending designees. Mr. Kearney referred to the letter from Clovis Municipal Schools to the New Mexico Historic Preservation Division (“HPD”) regarding Lincoln-Jackson Family Center’s possible addition to the New Mexico Historic Preservation Register (“Register”). The district is requesting to not be added to the Register. Mr. Abbey asked Ms. Carrie Bunce, Clovis Municipal Schools Deputy Superintendent of Operations, if she had heard from the HPD to which Ms. Bunce replied the HPD was going to pursue adding the school to the historic register. Mr. Abbey requested Ms. Kelly and Ms. Bunce schedule a meeting with the Secretary of Cultural Affairs and the HPD Director to ensure they recognize the cost and benefits of these actions.
 - c. **Approval of Minutes (December 21, 2016)** - Mr. Peralta moved for Council approval of the January 20, 2017 minutes, subject to technical corrections. Ms. Gudgel seconded and the motion passed unanimously.
2. **Public Comment**—Chair Abbey had all guests and PSFA staff introduce themselves. Mr. Abbey acknowledged Mr. Kearney’s job performance over the last three months in absence of an Executive Director. Mr. Kearney thanked PSFA managers and staff for their hard work.
3. **PSCOC Financial Plan**
 - a. **PSCOC Financial Plan**

Ms. Irion reviewed changes made since the last meeting: awards to Deming Intermediate for \$13.7M, Gallup-McKinley New Combined ES for \$16.5M, Maxwell HS Boiler System for \$15K and BDCP for Category 1 and 2 at \$113K and \$40K respectively. Adjustments made to the financial plan include Bernalillo Santo Domingo MS/HS moved one quarter to FY18 Q1 based upon district readiness for \$1.46M and Capitan ES/MS/HS reflects a reduction in their

advance repayment from \$6.8M to \$5.3M resulting in a favorable variance of \$1.5M in FY17. Projects listed on the agenda for potential Council action include the advance repayment for Capitan ES/MS/HS as previously noted, and a positive variance for Clovis Parkview ES of \$6.5M as the current estimate of \$11.7M was less than the previous estimate of \$18.2M. The previous financial plan reflected Mountainair Jr/Sr HS at \$8.6M, the current financial plan estimate is \$8.5M resulting in a favorable variance of \$104K. Additional adjustments include removing a 5% reduction in the state share for Roswell Del Norte ES which was realized on the prior financial plan and results in a \$1.2M negative impact. Master Plan Assistance Awards are \$360K and Emergency Reserve for Contingency is \$985K following the use of \$15K for Maxwell's boiler system. The 2012-2013 Awards Cycle reflects the Bernalillo Santo Domingo ES/MS project delay of \$1.5M. The 2018-2019 Awards Cycle was decreased \$1.1M and the 2020-2021 Awards Cycle increased by \$100K. With the changes noted the financial plan reflects positive balances in FY17-21. The PSCOC Fund Balance as of March 31, 2017 is \$271,043,969.20.

Mr. Abbey requested that Ms. Irion summarize what is being considered for the systems and standards-based awards programs. Per Ms. Irion, it was decided at the January meeting all awards for the systems and standards-based programs would be moved into FY18. A projected \$16.8M is available for awards which will occur in September. Mr. Abbey then asked about the June bond certification to which Ms. Irion replied the certification will be submitted for Council approval in May. Ms. Irion drew attention to the PSFA Bond Sold sheet which tracks each bond noting each has been identified with a specific need/project and items have been identified as part of SB8 for reversion amounting to approximately \$12.3M. In response to a question posed by Mr. Abbey, Ms. Irion stated that the certification process was changed and there is no longer a certified but unissued amount. If we do not have the funds for a project, the project does not get attached to that bond series and it is certified in the future or projects are moved according to funding availability.

b. Recertification of SSTBs

Discussion: The re-certifications are for Farmington Old Tibbets Middle School for \$468,000 and Deming Intermediate School for \$516,822, both of which were awarded in previous meetings.

MOTION: Mr. Guillen moved for Council approval of the staff recommendation to adopt the Resolution, Notification and Certification amendment for \$984,822 reauthorization of unexpended bond proceeds as follows:

- SSTB13SB 0003 in the amount of \$468,000 to PSCOC award projects totaling \$468,000;
- SSTB16SB 0001 in the amount of \$516,822 to PSCOC award projects totaling \$516,822.

Total certification needs: \$984,822. Mr. Peralta seconded. The motion passed unanimously.

c. Update on Project Closeouts (*informational*)

Discussion: Referring members to the handout, Ms. Cano noted the 144 project closeouts that have been completed providing approximately \$13.1M in reversions. Staff continues to work on the remaining 65 projects and have an estimated reversion date of June 30, 2017 for all

projects. Ms. Cano reminded members \$5.0M was set aside in the financial plan to complete reimbursements to the districts if necessary and staff continues tracking those dollars. Mr. Abbey requested an update be provided to Ms. Cano on the DFA status certifying the need to use the disencumbered amount; Mr. Forte will present the request to Ms. Clarke. Ms. Irion assured Council as project closeouts come through they will be reconciled with each bond series and decertified with the cash transferred prior to June 30th in order to meet the required financial closeout deadline. Mr. McMurray commended staff on a great job; Mr. Guillen concurred.

4. 2016-2017 Awards Cycle

a. 2016-2017 Master Plan Awards

Staff presented the executive summary included in the PSCOC notebooks for this item.

Discussion: The original FMP estimated budget was \$500,000; with a state share of \$451,332.49 without waivers. The application for Truth or Consequences (“T or C”) was received late and Lovington had gone out late for an RFP due to the district’s scheduled board meetings. Statements of financial position were reviewed for each district requesting a waiver: Logan Municipal Schools was not recommended for a waiver due to the district showing adequate funds to meet their local match; the same applied to Loving Municipal Schools. There were questions regarding Cariños Charter School’s available funds and the Awards Subcommittee had requested their operational funds also be reviewed to determine if there was a local match capability. Based upon documents submitted, Cariños is projecting they will have no cash balance to complete FY17 and are projecting zero cash balances in FY18-21. Cariños had projected 175 students but only achieved 105 which has resulted in a major strain on their budget and depleted cash balances the school had from previous years. Cariños is dedicating their operational dollars to their bilingual program and the maintenance and upkeep of their facility. Jemez Mountain Schools has withdrawn their waiver application as they have sufficient funds available to meet their local match.

Ms. Gudel inquired whether FMPs included the same waiver language used in statute that is used for awards; Ms. Cano informed Council there were two different sets of criteria for waiver eligibility. In response to a question posed by Ms. Kelly, Ms. Casias acknowledged late applications are occasionally accepted and that T or C was late due to a miscommunication.

MOTION: Council approval of the Awards Subcommittee recommendation to adjust the 2016-2017 Facilities Master Plan (FMP) awards to districts/state charters up to the amounts specified in column H of the attachment including the late application for Truth or Consequences for a total cost of up to \$357,612.95. Allow staff to adjust the award but not to exceed the amount reflected in the spreadsheet after receipts of actual costs for T or C and Lovington. Since this was a Subcommittee recommendation a second is not required and the motion passed unanimously.

5. 2017-2018 Awards Cycle

a. 2017-2018 Preliminary wNMCI Rank Appeals

Staff presented the executive summary included in the PSCOC notebooks for this item.

Discussion: PSFA received appeals from Central Consolidated Schools - Shiprock HS, Las Vegas City Schools - Paul D. Henry ES and Pojoaque Valley Public Schools - Pojoaque MS. The schools were reassessed and adjustments were made to their ranked position. Ms. Casias clarified that Pojoaque was not in the current funding pool for either standards or systems-based awards. Since Pojoaque's appeal is still in progress, Ms. Gudgel suggested the final decision be redirected to the AMS Subcommittee for final approval; Mr. Abbey and Mr. Guillen agreed.

MOTION: Council approval of the staff recommendation to approve the PSFA administrative data updates and adjustments to the rankings based on appeals and site assessments for Central-Shiprock HS, Las Vegas City - Paul D. Henry ES and Pojoaque Valley - Pojoaque MS.

AMENDED MOTION: Council approval of the staff recommendation to approve the PSFA administrative data updates and adjustments to the rankings based on appeals and site assessments for Central- Shiprock HS and Las Vegas City - Paul D. Henry ES and delegating final approval of Pojoaque Valley- Pojoaque MS to the AMS Subcommittee. The amended motion passed unanimously.

b. 2017-2018 Pre-Applications Received/Final Funding Pool

Staff presented the executive summary included in the PSCOC notebooks for this item.

Discussion: Mr. Guillen commented that La Academia Dolores Huerta had several issues that needed to be addressed prior to submittal of a full application. Also, under the systems-based program several districts were intending to replace entire facilities while using the funding to take care of the systems which was not the intent of the program. Ms. Gudgel indicated that Mr. Octavio Casillas, Director, La Academia Dolores Huerta, was in attendance and that Subcommittee discussion encouraged the school to rescind their application or appear before Council to address the Subcommittee's concerns. Mr. Abbey clarified Mr. Guillen's suggested verbiage changes in the proposed motion: remove "*deny*" and insert "*encourage*" and replace "*Dolores Huerta from proceeding*" with "*Dolores Huerta to not proceed*."

Ms. Cano reviewed the executive summary noting the \$23.6M in systems-based pre-applications. The financial plan reflects \$16.8M and pre-applications, as presented, exceed current planned funding. Referring to the meeting material, Ms. Cano noted the Las Vegas City Schools pre-application for Los Niños ES for renovation and classroom addition did not qualify based on the wNMCI requirement of 60% or greater. An appeal was submitted for Paul D. Henry ES which also does not qualify under standards-based and they will be encouraged to submit under the systems-based program. Albuquerque and Los Alamos have submitted systems-based pre-application requests and both districts are looking to complete larger renovations; in Albuquerque's case they are looking to replace the entire facility. The dollars being requested are for the systems, however, their desire is to do an overall replacement and apply the funds towards the systems for those projects. Albuquerque has a significant direct appropriation offset and both applicant schools currently have a zero dollar net state match. Ms. Cano reminded members under the systems-based program funds won't be allocated separately for design and construction, but will be wholly funded at the time of award and funds must be expended within three years of the allocation. Ms. Cano drew member attention

to the revised proposed timeline to accommodate the awards schedule; highlighting the June and September meetings.

Mr. Abbey requested Mr. Casillas speak to the Subcommittees concerns. Mr. Casillas began by stating that the charter school rejected available space offered by the Las Cruces Public Schools (“LCPS”) because parents felt it was not appropriate for the middle school and high school students to be on the same campus and share common space; students were split on moving to the campus and teachers objected to the move. The charter has been in continuous discussion with LCPS about assisting them with a facility and upon inquiring about purchasing the Bradley Center was told it was not an option and were subsequently offered portable classrooms. The offer was eventually withdrawn due to LCPS district needs of the portables. The charter is taking action to address their declining school grade and Mr. Casillas is confident the grade will improve. The school has also had difficulty recruiting teachers. The charter has a longer school day and an after school program and teachers are taking on more responsibility. There is also the loss of funding for academic support programs. Mr. Casillas is currently working with several sources for the match funding and feels Council denial would set the school up for closure. Following substantial discussion, Mr. Abbey urged Mr. Casillas to work with the various resources available to him; PSFA staff and the charter school association, to learn about the mechanics of leases vs. building and go forward. It was also suggested time be spent on finding a publically owned facility in Las Cruces or continue to pursue private funding for land to build on or purchase.

Ms. Gudgel spoke to her concerns regarding Los Alamos Barranca Mesa ES where the district would like to remodel two buildings as part of their campus which doesn’t comply with the statutory language of systems-based funding.

Discussion took place on why only nine applications were received for systems awards; with money tight and most schools ineligible for standards-based; it is believed some districts didn’t have the match and were waiting to see how the program works. Mr. Abbey suggested opening the program to more schools and reconsider the requirement for improvement. Mr. Kearney agreed.

MOTION: Council approval of the Awards Subcommittee recommendation under the 2017-2018 standards-based program; deny the La Academia Dolores Huerta from proceeding with their full application and recommend resubmission of an application in a future award cycle after their charter renewal in 2019; and deny the Las Vegas City Schools from proceeding with their full application and recommend resubmission of a full application under the current systems-based program award cycle for which they may qualify.

Under the 2017-2018 systems-based program, allow the districts for the 9 applicant schools within the top 100 to proceed with their full application. Full applications for systems-based awards must be limited to building system repair, renovation or replacement renewal and should not include or be applied toward a larger renovation or replacement project which would normally be awarded under the standards-based program.

AMENDED MOTION: Council approval of the Awards Subcommittee recommendation under the 2017-2018 standards-based program; encourage the La Academia Dolores Huerta to not proceed with their full application and recommend resubmission of an application in a future award cycle after their charter renewal in 2019; and deny the Las Vegas City Schools from proceeding with their full application and recommend resubmission of a full application under the current systems-based program award cycle for which they may qualify.

Under the 2017-2018 systems-based program, allow the districts for the 9 applicant schools within the top 100 to proceed with their full application. Full applications for systems-based awards must be limited to building system repair, renovation or replacement renewal and should not include or be applied toward a larger renovation or replacement project which would normally be awarded under the standards-based program. The motion passed unanimously; Mr. Forte was not present for the vote.

c. 2017-2018 Lease Assistance Award Application

Staff presented the executive summary included in the PSCOC notebooks for this item.

Discussion: Ms. Gudgel noted the funding amount needed to be addressed by Council. Following the Awards Subcommittee meeting, Ms. Gudgel and Ms. Irion worked on updating language in the application, specifically the per student funding amount. Reminding members that the prior year awards totaled \$15.6M and the financial plan only included \$12.0M, Ms. Gudgel felt including the funding amount would set unreasonable planning expectations by the charter schools. Additional changes include; the facility questionnaire is no longer needed as statute is to be followed. Certifications do not need to be resubmitted unless the charter renewal is within the current timeframe. The annual conflict of interest questionnaire remains and all certification documents have been incorporated within the application. Ms. Gudgel proposed a verbiage change within the cover letter to state “*maximum allowable lease reimbursements may be adjusted downward up to 20% from prior years due to funding constraints.*” Mr. Peralta agreed.

MOTION: Council approval of the Awards Subcommittee recommendation to authorize release of the 2017-2018 Lease Assistance application and conflict of interest questionnaire that will include sufficient lease information to facilitate PSCOC staff analysis; applications are due May 17, 2017 and tentative award date will be at the July 2017 PSCOC meeting. As this was a subcommittee recommendation a second is not needed and the motion passed unanimously; Mr. Forte was not present for the vote.

6. Out-of-Cycle Funding/Additional Funding/Emergency Funding/Award Language Requests

a. Capitan – P13-003 – Capitan ES/MS/HS – Reduction of Advance

Staff presented the executive summary included in the PSCOC notebooks for this item.

Discussion: The district does not intend to use any additional advance funding and staff recommends the advance be reduced by the unused amount of approximately \$1.5M. The district will have a bond election in August after which they will present a repayment plan to the Council. The terms of their award require full repayment by June 2018. Mr. Sean Wootten,

Superintendent, and Ms. Kimberly Stone, Chief Financial Officer, were in attendance and Mr. Wootten stated the school board was in agreement that Phase 2 funds were not needed.

MOTION: Council approval of the Awards Subcommittee recommendation to reduce the local match of \$6.8million to \$5,292,729 based upon current project commitments; the unused balance of the advance shall revert for reallocation by the Council. As this was a Subcommittee recommendation a second is not needed and the motion passed unanimously; Mr. Forte was not present for the vote.

- b. **Cloudcroft – E15-002 – Cloudcroft HS Emergency – Extension of Advance Repayment**
Staff presented the executive summary included in the PSCOC notebooks for this item.

Discussion: The district is requesting their repayment be extended to begin in May 2018. The project has committed \$18,306 of the advance funding; the remainder of the project is being funded with the district's settlement money. Mr. Abbey inquired as to when the repayment would be complete if it was extended; Mr. Travis Dempsey, Superintendent, believed it would be a one-time payment. Mr. Abbey suggested changing "*will begin*" to "*will occur*" in the proposed motion; Mr. Dempsey agreed.

MOTION: Council approval of the Awards Subcommittee recommendation to extend the advance repayment deadline for Cloudcroft Municipal Schools for Cloudcroft High School in the amount of \$501,791; repayment will begin in May 2018.

AMENDED MOTION: Council approval of the Awards Subcommittee recommendation to extend the advance repayment deadline for Cloudcroft Municipal Schools for Cloudcroft High School in the amount of \$501,791; repayment will occur in May 2018. As this was a Subcommittee recommendation a second is not needed and the motion passed unanimously; Mr. Forte was not present for the vote.

- c. **Clovis – P15-005 – Parkview ES – Phase 2 Funding**
Staff presented the executive summary included in the PSCOC notebooks for this item.

Discussion: Construction proposals received were less than the original financial plan estimate and will result in a favorable impact of \$6.5M. The project team worked to identify cost effective design elements utilizing a Lean Construction approach which resulted in minimizing waste of materials, time and effort. Ms. Carrie Bunce, Deputy Superintendent of Operations, and Mr. John King, Director of Operations, were in attendance. Ms. Bunce commented that Clovis has benefitted greatly from PSCOC awards and the district hopes to continue to be good stewards of taxpayer money and continue to bring projects like this in the future. Mr. McMurray commended the district on the Lean Construction approach.

Mr. Abbey inquired about a database of costs per square foot; Mr. Kearney stated a spreadsheet is maintained and noted the market varies based on availability of subcontractors. Discussion continued on the reasons for cost variations and Ms. Gudgel stated it might be interesting to look at comparable construction, site costs across districts and look at individual contractors and subcontractors to determine if some are higher per project. Mr. Kearney agreed, adding it

would also be interesting to look at building with wood which would be at a bigger cost savings. Mr. Tillotson praised the district for running a maintenance program that should be emulated by other districts. They use the School Dude products to a very high level and set the bar in all core maintenance categories.

MOTION: Council approval of the Awards Subcommittee recommendation to amend the 201-2015 standards-based award to the Clovis Municipal Schools for Parkview ES to include construction to adequacy for 500 students, grades K-5, with an increase in the state share amount of \$11,692,284 (76%), and a corresponding increase in the local share amount of \$3,692,303 (24%). Since this was a Subcommittee recommendation a second is not needed and the motion passed unanimously; Mr. Forte was not present for the vote.

d. Clovis – P16-001 – Highland ES – Phase 1 Funding and Award Language Change
Staff presented the executive summary included in the PSCOC notebooks for this item.

Discussion: This request is for an award language change to include replacement to adequacy and for design funding. The district completed a building systems analysis report which indicates replacement rather than renovation as the best option. PSFA agrees with the recommendation as renovation would be a costly solution as the school would need to be brought up to current code and replacement provides the opportunity to reduce square footage and design a more efficient building. PSFA is confident the current financial plan estimate will accommodate the cost of the project. At the time of award; the wNMCI rank was 24, the percentage was 52.84% and the FCI was 64.52%.

MOTION: Council approval of the Awards Subcommittee recommendation to amend the 2015-2016 standards-based award to the Clovis Municipal Schools for Highland ED to include design for replacement of the facility to adequacy for 320 students, grades K-6, with an increase in the state share amount of \$1,138,683 (76%), and a corresponding increase in the local share amount of \$359,584 (24%). Since this was a Subcommittee recommendation a second is not needed and the motion passed unanimously; Mr. Forte was not present for the vote.

e. Mountainair – P15-008 – Mountainair Jr/Sr HS – Change in Scope
Staff presented the executive summary included in the PSCOC notebooks for this item.

Discussion: Mr. Avila referred to a letter received from the district requesting additional to adequacy participation for a hallway located adjacent to the gymnasium. PSFA has determined the hallway is, and can be, considered to adequacy but the existing gym lobby is not as it serves no educational function. The district agrees the lobby is above adequacy and are requesting an additional waiver amount to free up funding to pay for the repairs. The scope of work could potentially include floor finishes, paint, removing/replacement of overhead radiant heaters, changing light fixtures and eliminating exposed conduit. Rather than increasing the current waiver, the proposed motion reduces the total project budget by \$288,900 to adequacy from unused project contingency. The district's share in reduction of \$184,896 would free up district funding for this purpose; the state share would also be reduced by \$104,004. The project budget

has enough contingency to absorb the reduction. Mr. Ron Hendrix, Superintendent, stated the district is in agreement with the proposed motion.

MOTION: Council approval of the Awards Subcommittee recommendation to amend the standards-based award to the Mountainair Public Schools for Mountainair Jr/Sr HS to decrease the project total to adequacy with a decrease in the state share amount of \$104,004 (36%), and a corresponding decrease in the local share of \$184,896 (64%). The waiver of the local share shall remain unchanged to provide local funding for other capital needs. Since this was a Subcommittee recommendation a second is not needed and the motion passed unanimously; Mr. Forte was not present for the vote.

7. Broadband Deficiencies Correction Program

a. Broadband Deficiencies Correction Program – 2016 Awards

Staff presented the executive summary included in the PSCOC notebooks for this item.

Discussion: **Motion 1** relates to final awards for two Category 1 projects for Clovis and Gallup which replaces microwave circuits with fiber, results in a significant cost reduction and an increase in the broadband capacity. This brings the total number of fiber awards to five; at this time, the remaining 2016 projects are in question. **Motion 2** relates to awards for equipment for 18 projects. This brings the Category 2 approved projects to over 40; a handful of projects remain and are expected to be brought before Council in May. Ms. Gudgel added that the FCC released notification they have reauthorized the next award cycle for broadband at a modest increase for inflation and funding should be available for the next funding cycle.

MOTION 1: Council approval of the Awards Subcommittee recommendation to make Broadband Deficiencies Correction Program (BDCP) awards of actual E-rate approved project amounts to provide the state match for application funding year 2016 for Category 1 to Gallup McKinley Schools and Clovis Municipal Schools for a total of \$101,152 as listed in column E of the award spreadsheet on page 2 of this agenda item for the purposes and up to the amounts specified. This allocation is intended to fully complete the project, phase or specified purpose. Since this was a Subcommittee recommendation a second is not required and the motion passed unanimously; Mr. Forte was not present for the vote.

MOTION 2: Council approval of the Awards Subcommittee recommendation to make Broadband Deficiencies Correction Program (BDCP) awards of actual E-rate approved project amounts to provide the state match for application funding year 2016 for Category 2 to 18 districts/schools for a total of \$318,424 as listed in column K of the awards spreadsheet on page 3 of this agenda item for the purposes and up to the amounts specified. Each allocation is intended to fully complete the project, phase to specified purpose. Since this was a Subcommittee recommendation a second is not required and the motion passed unanimously; Mr. Forte was not present for the vote.

b. Broadband Deficiencies Correction 2017 (Cat 1) Budget Estimates

Staff presented the executive summary included in the PSCOC notebooks for this item.

Discussion: The budget awards pertain to over 20 fiber projects in different stages of the procurement process. The budgetary allocations would allow the schools to submit requests to the E-rate program and certify that state funding may be available to take advantage of the additional E-rate match. The total amounts for the projects is expected to be significantly lower than what is currently included in the financial plan for FY18. Some projects are repeats from last year and USAC was unable to give guidance on if the remaining seven projects from 2016 would be funded. Some districts are considering looking for other funding sources, i.e.: EdTech notes and bonds, and hope the 10% funding from Council will still be available to assist with construction of the circuits. The deadline for E-rate funding is May 11th and additional information regarding actual costs will be available at the June Council meeting. Mr. Viorica added there will be another cycle for E-rate program upgrades which will address internal networking for approximately 270 schools and will also address the fiber connections to approximately 300 schools. This will allow the schools to have infrastructure capable of supporting the goal of 1MB per user. Discussion ensued on the desirability of trying to promote aggregation points which is covered under the purpose of HB113 which directs the Department of IT (DoIT) to work in partnership with the Council and other entities to create the state-wide network, to initiate the aggregation and move forward. Ms. Kelly stated a bill was signed seeking authorization/aggregation through PRC in rural areas and all of this work is in conjunction with HB113. Mr. Abbey remarked it would be helpful to have a chart showing the plan, what has been done and what is pending. Ms. Gudel confirmed that Category 2 requests would be seen annually; Mr. Viorica replied in the affirmative adding that all schools have an established budget available every 5 years to replace equipment.

MOTION: Council approval of the Awards Subcommittee recommendation to make BDCP budgetary allocations of matching funds for eligible construction charges for application funding year 2017-2018. The purpose of the matching funds is to ensure the state receives the full benefit of the additional matching funds from the federal 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 \$3,597,000 as listed 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 2018, depending on funding availability. Since this was a Subcommittee recommendation a second is not required and the motion passed unanimously; Mr. Forte was not present for the vote.

8. Other Business

a. 2017 Legislative Update (*informational*)

Staff presented the executive summary included in the PSCOC notebooks for this item.

Ms. Gudel clarified the wording “*became law without signature*” was incorrect stating until the Secretary of State acts on those bills, they are not law and haven’t yet been chaptered; Ms. McEuen acknowledged the correction.

Ms. Kelly added that SB 147 has great merit and should be taken back to Task Force.

- b. Santa Rosa – Anton Chico ES/Rita Marquez MS Project Update (*informational*)**
Staff presented the executive summary included in the PSCOC notebooks for this item.

Anton Chico ES was substantially complete in June 2014. During a February 2015 facilities assessment, the PSFA surveyor found cracks in the walls and concrete slab. The situation was brought to the attention of Ms. Natalie Diaz, Central Coordinator, and Mr. Ovidiu Viorica, who followed up with the district, superintendent, and design professional and general contractor. The design professional and contractor have been cooperative and PSFA is moving forward trying to determine the cause and implement a solution to stop it from reoccurring. Mr. Kearney spoke with Franken Construction who stated they are willing to do what needs to be done to make it right. Mr. Abbey thanked Mr. Kearney for the report.

9. Informational

Ms. Gudgel stated some of the informational items appear repetitive with items already presented on the agenda and requested in the future the information be combined with the larger reports. Mr. Kearney provided the following informational highlights:

- a. Broadband Deficiencies Correction Program Status Report**

BDCP projects are progressing well; of the 30 projects approved 10 are complete and others are at different stages. Staff is in need of Council guidance on how HB113 affects us and what our responsibilities are going forward.

- b. PSCOC Project Status Report**

Albuquerque is expected to come before Council in May to address Arroyo del Oso ES.

- c. Master Plan Project Status Report**

Ms. Gudgel commented that La Promesa was recently given a conditional authorization to remain open this year if they get a “C” or better and will remain conditional for two years, and suggested Council may want to think about not doing Facility Master Plans for La Promesa until it is evident they are going to stay open. Ms. Casias stated they had reinitiated the Master Plan process and upon Council direction can be told to wait.

- d. Lease Assistance Status Report**

This item was not presented.

- e. Maintenance Program Status Report**

Mr. Kearney commended Mr. Tillotson on a great job with the FMAR response which provides districts an opportunity to correct things and raise their scores. Mr. Kearney announced the Facilities Manager Master Certificate Program is also coming up.

- f. FY17 PSFA Budget Projection and Personnel Update**

This item was not presented.

The next PSCOC meeting will be May 11th.

10. Adjourn

There being no further business to come before the Council, Mr. McMurray moved to adjourn the meeting. Ms. Kelly seconded and the motion passed unanimously; Mr. Forte was not present for the vote. Meeting adjourned at 11:21 a.m.

David Kelly Chair
5/11/17 Date