

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL MEETING
MINUTES
September 19, 2018
STATE CAPITOL BUILDING, ROOM 307
SANTA FE, NEW MEXICO**

Members Present: Mr. David Abbey, LFC Mr. Pat McMurray, CID
 Mr. Raúl Burciaga, LCS Mr. Antonio Ortiz, PED
 Mr. Joe Guillen, NMSBA Mr. Gilbert Peralta, PEC
 Ms. Rachel Gudgel, LESC Ms. Sara Fitzgerald, Office of the Governor
 Ms. Nina Carranco, DFA

1. **Call to Order** – Chair Abbey called the meeting to order at 8:31 A.M.
 - a. **Approval of Agenda** – Chair Abbey asked if there was any objection to the agenda presented; as there was none the agenda was unanimously adopted.
 - b. **Approval of Minutes (August 20, 2018 & August 21, 2018)** – Mr. Guillen moved for Council approval of the August 20, 2018 and August 21, 2018 minutes subject to technical corrections. Mr. Peralta seconded and the motion was unanimously approved.
 - c. **Correspondence** – Mr. Abbey read a letter of appreciation for Karl Sitzberger recognizing his years of service and his work with the Public School Facilities Authority. Mr. Sitzberger was wished well in his future endeavors. All members will sign the letter upon finalization.
2. **Public Comment** – Mr. Abbey asked that those in attendance for lease assistance make their comments during that agenda item; there were no other comments.

3. PSCOC Financial Plan

Ms. Irion reviewed the changes to the financial plan since the last meeting: There were no project awards made at the last meeting as it was a meeting conducted for district presentations. Three NMSBVI projects: Quimby Gymnasium, Sacramento Dormitory and Garrett Dormitory have been moved into FY20 based upon district readiness. Gallup Thoreau ES was moved up one quarter and is on the agenda for discussion. SSTB revenue estimates were received from Board of Finance and increased based upon five-year projections. FY19 January proceeds are projected at \$100.3M more than previously estimated: net FY19 impact is a \$100.3M increase. FY20 July proceeds are projected at \$85.4M less than previously estimated while FY20 January proceeds are projected to be \$99.3M more: net FY20 impact results in a \$13.9M increase. FY21 July proceeds are projected at \$44.6M less than previously estimated while FY21 January proceeds are projected to be \$108.8M more resulting in a total net FY21 increase of \$64.2M. FY22 July proceeds are projected at \$28.5M less than previously estimated and FY22 January proceeds are projected to be \$118.9M more: net FY22 impact results in a \$90.4M increase. FY23 July proceeds are projected at \$12.7M less than previously estimated while FY23 January proceeds are projected at \$105.2M more and results in a net FY23 increase of \$92.5M. Instructional Materials or Transportation Distribution reflects \$25.0M per year in FY20-22. Upon communicating with PED, the SB9 amount has

increased; the financial plan currently reflects \$17.8M for FY19 but will be adjusted to \$18.2M; Ms. Irion will bring a recertification so the bond funds may be distributed to PED. Security estimate of \$10.0M remains the same as last month; it is anticipated to increase next month based upon final review of the applications received. Lease Payment Assistance increased \$3.0M to \$15.0M based upon lease assistance calculation assumptions. Planned awards for 2018 Q3 are \$47.0M. This includes \$13.6M for Gallup Thoreau ES and \$33.4M potential awards for standards and systems-based awards. The total application request for awards is over \$171.0M. Construction costs are recognized in the out-years at \$33.4M in FY19, \$96.7M in FY20 and \$41.4M in FY21. Estimated uncommitted balances are \$197.6 in FY19 and remain flat in FY20-23. The projected fund balance as of September 6, 2018 is \$260,161,539.

Ms. Gudgel expressed concern over the estimated uncommitted zero balances in the out-years and suggested that projections be made to provide a more accurate reflection of the available balances; Mr. Abbey agreed and asked Ms. Irion to provide the scenarios to the Awards Subcommittee.

4. 2018-2019 Awards Cycle

a. 2018-2019 Large Project (Standards-Based Capital Outlay Awards)

Ms. Cano explained how information was listed within the spreadsheet as well as in the handouts provided. Per Mr. Abbey's request, Ms. Cano read through the list of projects and their respective amounts. Ms. Carranco inquired about the possibility of federal funds related to the (Alamogordo) Holloman ES project; Mr. Chamblin responded that PSFA has been working with the district to coordinate communication with the Department of Defense (DoD). DoD has conducted their assessment of the elementary school and the school is awaiting a ranking on base-related schools from Washington D.C. The district anticipates the ranking will be complete later this year with a potential appropriation next summer. The state will not be reimbursed for any funds awarded by Council and Mr. Chamblin stated communication with the district includes potentially waiting for DoD funding before proceeding with design. Mr. Guillen referred to Subcommittee discussion where the award could include contingency language indicating if the district was successful in receiving funds for construction Council funding would be reduced accordingly with the potential for the district to use the federal funds as some of their local match. Ms. Carranco then inquired about the (Los Alamos) Barranca Mesa ES and their receipt of a Pre-K award and sought clarification there was not double funding; Ms. Cano replied in the affirmative. Ms. Gudgel asked if (Zuni) Zuni MS needed a lease or if it was on tribal land; Ms. Cano stated per the district, they are currently in negotiation with the tribe for the lease and reminded members the current award would be only for a feasibility study and staff will ensure the lease meets Council requirements before proceeding with funding anything related to the building. Representatives from the Zuni school district replied that they anticipate closing on the lease quickly and one of the options included is to renew at another 25 years. Ms. Gudgel expressed additional concerns over districts with excess capacity, out-of-district students and whether Council should be funding out-of-district students that are increasing capacity at schools.

MOTION: Make capital outlay project awards under the standards-based capital outlay process to the districts set out in the award spreadsheet on page 2 of this item, for the purposes and in the amounts specified, including any special conditions contained in the award language for each school (see attached). Each allocation is intended to fully complete the project, phase,

or specified purpose. Out-of-cycle design or construction funding may be considered at any future regularly scheduled PSCOC meeting upon completion of early planning, construction documents or equivalent PSFA phase approval and conformance with all contingencies. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

b. 2018-2019 Large Project (Standards-Based) Additional Conditions

Ms. Cano reviewed the red-lined version included in the meeting material.

MOTION: Standards-based capital outlay awards are further subject to the Additional Conditions presented in the document in the meeting notebook. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

c. 2018-2019 Small Project (Systems-Based) Capital Outlay Awards

Ms. Cano explained how information was listed within the spreadsheet. Per Mr. Abbey's request, Ms. Cano read through the list of projects and their respective amounts and noted that awards for six Las Cruces schools - Mayfield HS, Oñate HS, Picacho MS, Vista MS, Highland ES and Hillrise ES - were deferred until the next PSCOC meeting pending consideration of their security applications. It was also noted that staff was recommending no award for Camino Real MS (Las Cruces) as their application was for a basketball court. The award for (Socorro) Socorro HS was also deferred pending the outcome of the work done under the Sarracino MS project. Upon request for additional comments, Mr. Christopher Gutierrez, Superintendent, West Las Vegas schools, stated that the district proposed doing a feasibility study prior to being awarded funds for their systems application. Mr. Abbey thanked Mr. Gutierrez for his proposal while recognizing members concerns regarding effective use of space. Ms. Gudgel stated the award language would need to indicate the change by adding verbiage "*funding to complete district-wide feasibility study.*" Mr. Guillen proposed making the change and all members agreed. Ms. Carranco thanked Mr. Gutierrez and encouraged other districts to do the same. Mr. McMurray agreed it would be a good idea for districts to partner with PSFA as over-capacity square footage cannot be justified. Ms. Olivia Calabaza, Board President and Mr. Martin Montaña, Director, Facilities, Maintenance & Security, representatives for the Bernalillo school district were asked if the district could work on strategies to right-size their facilities; to which they replied in the affirmative. Ms. Gudgel sought clarification on whether the district would be moving forward with the roof before doing a district utilization study; Mr. Montaña replied in the affirmative and stated that the roof would need to be done in order to prevent further deterioration. Mr. Abbey felt the program was still in a pilot stage and suggested staff provide modifications to the systems awards process for the next cycle and to look at master plans and decide if they are part of a meaningful process.

MOTION: Make capital outlay project awards under the systems-based capital outlay process to the districts set out in the award spreadsheet on page 2 and 3 of this item, for the purposes and in the amounts specified, including any special conditions contained in the award language for each school (see attached). Each allocation is intended to fully complete the project, phase, or specified purpose. Out-of-cycle funding may be considered at any future regularly scheduled PSCOC meeting upon completion of early planning or equivalent PSFA phase

approval and conformance with all contingencies. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

d. 2018-2019 Small Project (Systems-Based) Additional Conditions

Ms. Cano noted only technical corrections had been made to the material.

MOTION: Systems-based capital outlay awards are further subject to the Additional Conditions presented in the document in the meeting notebook. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

e. 2018-2019 Lease Assistance Awards

Ms. Irion drew attention to the handouts presented and reviewed the details listed within the executive summary. Members were reminded that the 2016, 2017, and 2018 fiscal years had a lease reimbursement rate of \$736.25 per MEM and that the FY17-18 lease assistance awards totaled slightly more than \$15.4M. There were common areas where applications were incomplete or required follow-up including missing E-occupancy certifications or exhibits, missing or incorrect facility master plans, missing signatures, expired leases or no renewal notifications as well as multiple iterations of square footage amounts.

Land to Building Ratio – this ratio affects five ground and land lease applications: (Albuquerque) South Valley Preparatory School, (Albuquerque) The International School at Mesa del Sol, (Albuquerque) The New America School, (Aztec) Mosaic Academy Charter School and (Los Lunas) School of Dreams Academy. PSFA made a recommendation to the Awards Subcommittee that ground and land leases should not be eligible for lease assistance after the 2019 award cycle. However, should the determination be to continue to provide these leases after the 2019 award cycle, continued work is recommended so that a per acre maximum award shall be the prior fiscal year average amount.

Gross Square Footage (GSF) – In previous years GSF was self-reported by the charter schools. PSFA reassessed schools that had not had an assessment since 2016 or performed a facility assessment database net square footage (NSF) comparison to determine classroom and administration NSF as it relates to statute 22-24-4 (I)(6)(a)(b) in which classroom facilities or classroom space includes the space needed as determined by the minimum requirements for the statewide adequacy standards for direct administration of school activities. The areas defined as classroom facilities or classroom space were detailed within the executive summary. Three specific areas affected the re-calculation of the NSF for charter schools: 1. the minimum adequacy standards space determination for administrative and PE waivers was applied, 2. the eligible classroom NSF was applied, and 3. the schools with PE waivers were revisited. Reassessment has been requested by some charters based on a change in the use of space.

107 applications for lease assistance were received. Per Ms. Irion, four charters: (Albuquerque) Gordon Bernall Charter School, (Albuquerque) Mission Achievement and Success, (Albuquerque) SAHQ Academy (Student Athlete Headquarters) Charter and (Moriarty) Estancia Valley Classical Academy were not included in the lease assistance calculation pending proof of relocation or closure. Three new charter applications were received: (Albuquerque) Collegiate Charter School, (Albuquerque) Altura Preparatory School and

(Gallup) Hozho Academy. Six charters combined sites or were requesting lease assistance for new sites: (Albuquerque) AIMS, (Albuquerque) Gordon Bernall Charter School, (Albuquerque) Mission Achievement and Success, (Albuquerque) Native American Community Academy, (Moriarty) Estancia Valley Classical Academy and (Silver) Aldo Leopold Charter High School. Three charters closed: (Albuquerque) Trades and Technology High School, (Albuquerque) Student Athlete Headquarters (SAHQ) and (Gadsden) Anthony Charter School. One application was received for a new lease for existing space: (Albuquerque) North Valley Academy. Six charters were missing E-occupancy certifications: (Albuquerque) Collegiate Charter School, (Albuquerque) Native American Community Academy, (Albuquerque) North Valley Academy, (Gallup) Middle College High School, (Moriarty) Estancia Valley Classical Academy and (Silver) Aldo Leopold Charter School. Finally, five charters with current master plans are working on their plans to go into the next five year cycle: (Red River) Red River Charter School, (Albuquerque) South Valley Preparatory Charter School, (Albuquerque) Southwest Aeronautics, Mathematics & Science Academy, (Albuquerque) Southwest Preparatory Learning Center and (Santa Fe) Tierra Encañada Charter High School.

Ms. Irion noted discussion during the Awards Subcommittee pertained to applying the CPI which was a 1.9% increase over last year. Also discussed was including tare at either 20% or 30%, a hold harmless provision of either 2/3 or 3/4 and a maximum reduction of 20% from the prior year's award. Ms. Gudgel reminded Ms. Irion she had requested the cost per square foot for each lease and noted it was not included in the material; Ms. Irion replied she would work on the request.

Mr. Matthew Pahl, Executive Director, NM Coalition of Charter Schools (Coalition), addressed the Council. Mr. Pahl spoke of the need to clarify classroom space according to what was listed in statute. When looking at the policy on what classroom facilities means and how it would be applied to lease assistance, the process pales in comparison to other programs. Mr. Pahl stated charters have received two memos from PSFA which state what power the PSCOC has however, they did not state what the proposed change to how square footage would be calculated and therefore charters do not know what the standard is. The Coalition is requesting that Council keep lease assistance the same as last year and work with the charters on what the new policy is. The Coalition has offered assistance in making sure applications are complete upon submittal to the PSFA. Mr. Pahl stressed that a vote on decreasing square footage with a hold harmless provision would actually be a vote agreeing to a policy change that would drastically cut funds in the future. Audience members addressed the Council regarding charter school funding:

- Ms. Lydia Goldfine, parent of a New Mexico International Charter School (Albuquerque) student spoke to the importance of charters meeting the needs of students as well as the importance of school choice.
- Ms. Diane Mittler, Director, Mosaic Academy (Aztec), spoke to the struggle of finding an appropriate building for use by the charter school. The district is working towards future construction of a permanent facility and recognizes if lease reimbursement is cut the district will be unable to proceed with those plans.
- Ms. Kimberly Peña Hanson, Executive Director, Gordon Bernall Charter School (Albuquerque), stated schools need consistency to have good budgeting; the school has

saved a down payment that will cover half of their new facility and the building will be paid off in five years.

- Ms. Debra Bennett Anderson, Chair, McCurdy Charter School (Española) asked that there be no changes to lease reimbursement for this year and spoke of the difficulty of trying to find a space that met the wNMCI requirement. The Charter School Development Corporation, a non-profit organization in Arizona worked with the New Mexico Finance Authority and New Markets Tax Credit Program - a federal program which supports economic development in communities with severe economic distress of which Española qualifies.
- Mr. Sam Obenshain, Executive Director, Cottonwood Classical Preparatory School (Albuquerque), reiterated in order to continue to provide their nationally recognized program they need a facility that includes not only classroom space but office space, gathering space, presentation space, etc. Mr. Obenshain also spoke of funding differences between traditional schools and charter schools.
- Mr. Todd Knouse, Head of School, New Mexico International Charter (Albuquerque), spoke to the confusion of the 20% reduction and expressed concern over the proposals regarding square footage and student enrollment. Mr. Knouse noted that lease rates far exceeded the 1.9% CPI increase PSFA was offering and encouraged Council to fund charters at their full square footage this year and revisit the issue in the future.
- Mr. Daniel Barbour, Director of Finance, The ASK Academy (Albuquerque), stated lease assistance was a key component of overall school funding and challenged members to create a task force to bring together members of all bodies that are part of school funding so that as schools grapple with funding choices they are able to ensure that independent actions of one body don't undo the actions of another.
- Ms. Coreen Carrillo, Head Administrator, SAMS Academy (Albuquerque), stated their entire facility is used to help students and by not counting hallway space or student lounges the school would be greatly affected.

Mr. Peralta referred to a letter from the Public Education Commission (PEC) regarding lease assistance. The intent of the letter was to express strong opposition to any reduction in lease assistance awards for all charters. Ms. Carranco commented that regardless of what action is taken, she would expect to see information on the processes and procedures regarding what is reviewed when applications come in; Ms. Fitzgerald echoed Ms. Carranco's comment. Mr. Guillen reiterated Council is trying to define classroom space consistent with what is being done with all other projects. Mr. Guillen then proposed tabling the issue. Mr. McMurray reminded everyone there were a lot of schools missing numerous items in their applications and recognized that self-reporting has not worked; at the same time, PSFA is looking at the adequacy standards which has a direct correlation with what Council is trying to do with lease assistance. Mr. McMurray reiterated the charters, PSFA and Council need to partner and work this out. PSFA is doing a good job of communicating with the charters and through Mr. Pahl and the Coalition, there is a lot of willingness to do what needs to be done. Mr. Burciaga stated he has recently looked at *Martinez v. State* and noted the ruling stated budgets are determined by budget constraints, and last year when the 20% cut was suggested it was because of a budget shortfall. Mr. Burciaga felt issue involves some policy decisions and hoped there was some consideration of whether or not legislative fixes are needed in statute so there is no question

not just next year, but further into the future or the next time there is a downturn. Mr. Burciaga echoed Mr. Guillen's proposal to table and added that he hoped those in attendance would take the opportunity to attend the LFC and LESC meetings when they are held in their respective areas especially when educational issues are being considered and not just when their child's school is at risk. Ms. Gudgel thanked Mr. Pahl for his work and acknowledged that charters have an advocate working with PSFA and the Council. Ms. Gudgel also supported Mr. Guillen's proposal to table this and move it back to the Awards Subcommittee for further study which would also allow charters to work on ensuring their numbers are correct. Ms. Fitzgerald felt tabling and pushing it back another month was not appropriate as charters would not know if there would be an increase or decrease.

MOTION: Awards in the amounts specified for lease payment assistance on the accompanying spreadsheet for **Option (Lease Assistance Rate)** to make awards to _____ charter schools totaling _____. Upon acceptance of awards by charter schools and school districts, Council authorizes PSFA staff to distribute award amounts quarterly on a reimbursement basis upon receiving proof of actual lease payments. Council authorizes PSFA staff to make reductions to award amounts subject to PED certifying in writing to PSFA that a condition exists that warrants an award adjustment or suspension which may include: school closure, charter revocation, financial violation or irregularities, adjustment to certified attendance numbers (MEM counts), lease termination or amendment. Council may also authorize reductions if scheduled attendance does not fully utilize facility, or operational use changes from classroom to non-classroom uses. Awards made to charters that do not have an E-occupancy, facility master plan or a current audit are contingent upon PSFA receiving the required documentation.

AMENDED MOTION: Ms. Fitzgerald moved for Council approval to hold charters at the same level they received assistance at last year. Use the MEM amount from 80/120-day count while accounting for any increase or decrease and no funding for those charters that have closed over the last year. Ms. Carranco seconded.

Further discussion: Ms. Irion acknowledged that MEM increases would increase lease reimbursement. Mr. Guillen stressed that self-reporting is not accurate and asked what kind of legal liability there would be by acting to approve this motion. Ms. Gudgel proposed delaying so the Subcommittee could make sure the data is correct and suggested moving forward with making a quarter award payment in October then validating total GSF. Ms. Carranco inquired as to how long this would take staff; Ms. Casias replied ideally six months however, if it couldn't be granted staff would do the best they could within three months as they would be moved from their primary duties to do this and would need to work with the charters on availability and scheduling. In addition, staff would look into what is asked of traditional schools; FTEs, utilization, floor plans, etc. in order for there to be a comprehensive comparison. Mr. Guillen and Mr. McMurray felt the process should begin immediately and that charters out of compliance get their issues taken care of and fund at the same level as last year unless there are obvious reductions or increases that have been justified. Ms. Gudgel felt standardized leases should be discussed at some point as things that should not be in leases are being included, leases are unclear and are not consistent; a standardized lease would make processes easier.

Roll Call:

Ms. Carranco – Yes	Mr. Burciaga – Yes	Mr. Peralta – Yes
Mr. Ortiz – Yes	Mr. McMurray – Yes	Ms. Gudgel – No
Ms. Fitzgerald – Yes	Mr. Guillen – Yes	Mr. Abbey – No

Mr. Abbey stated he supports the current funding level but felt there were other ways to do the same thing.

f. 2018-2019 Master Plan Assistance Program – Application & Procedures

No additional discussion.

MOTION: Approval to send the 2018-2019 Facilities Master Plan application and procedures to all school districts and state authorized charter schools in accordance with the timeline presented. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

g. PSCOC Work Plan/Timeline (informational)

Due to conflicts with the currently scheduled December 13th PSCOC meeting, the meeting will be changed to Tuesday, December 18th.

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

a. Farmington – S18-007 – Country Club ES – Additional Funding Request

Mr. Guillen mentioned that the Awards Subcommittee had tabled this item because the district had rejected all bids without additional reason. The Subcommittee had wanted them to return for additional discussion as rejecting the bids and going out for re-bid would result in the project costing more. Mr. Avila noted this was a request for additional funding to complete the renovations at Country Club ES. Bids were received in May 2018 and exceeded the allowable construction cost by \$1.7M. The original award was for \$4.8M total project cost and the maximum allowable construction cost was set at \$4.2M. The district received three proposals, rejected all and placed the project on hold due to district funding availability. Under systems projects, the district would have had to incur the additional cost and at that time it was uncertain if the district had those funds in place. The rise in costs was attributed to industry increases in wage rates and material costs. Mr. Avila reminded members that in May, PSFA had presented on potential increases in wage rates and material costs. During the design process, the district identified design estimates were insufficient to complete the work; bid lots were identified as a means of cost control but not without reducing scope. Dr. Eugene Schmidt, Superintendent, Ms. Bobbi Newland, Chief Financial Officer, Mr. Ted Lasiewicz, Chief of Operations represented the district as well as Mr. Sajay Engineer and Mr. Jeremy Trumble with FBT Architects. Mr. Lasiewicz reiterated the bids received were extremely close and that the bid lots also came in higher than what the district was able to absorb financially. The request for additional funds amounts to approximately \$3.0M of which the state’s portion would be \$1.9M and the districts would be \$1.1M. The district has offered to split the difference with Council at 50%, ultimately raising the district share on the entire project amount from 36% to 41%; the additional district share has been approved by the school board. Dr. Schmidt stated the district has also been in consultation with their bond council to free up additional monies. Mr. Guillen inquired as to the district’s reasoning for rejecting the original bids asking Council for

participation of even higher amounts even though the award language states they would be responsible for any additional funding. Dr. Schmidt replied that he had made a recommendation to the board that all bids be rejected because at that time he did not have the financial wherewithal to proceed with a bid acceptance. During the time in between, the district went back to their bond counselor and asked how it would be possible to accelerate the sale of future bonds to put the district in a position to return to the Council. As for the anticipated project costs, Dr. Schmidt stated it would be approximately \$6.0M. Mr. Lasiewicz added that the original bids were received in March and the timeframe for completing the project within the MOU parameters would not have allowed the district to go forward immediately unless they had the additional funds. Mr. Lasiewicz stated they were advised by PSFA to not consider doing anything less than the full scope of work and that bid lots would not be accepted. Mr. Lasiewicz also stated the district would like to move forward and meet the original timeline and if the additional costs related to the 11-month warranty go past the December 2020 completion date, then the district is willing to pick up those costs. Mr. McMurray was unsure if the Council could arbitrarily change the participation of the project; Mr. Abbey stated it had been done before. Mr. McMurray asked if the district had thought about a change in scope or a change in materials; Mr. Lasiewicz replied that feedback received from PSFA was that it wasn't acceptable and was either an all or none decision. If bid lots had been acceptable the entire \$1.7M excess would have fallen on the district's shoulders which they couldn't incur. Ms. Casias reminded members that during the first round of systems there was a requirement that the FCI be reduced by 1/3 and by eliminating systems from this district's MOU that 1/3 might not be achieved. Mr. Abbey felt the program was still in the pilot stage and if something was learned that causes Council to make changes in a cost effective way then the guidelines could be changed. Ms. Gudgel stated last year's award should be rescinded and be awarded under this year's program which doesn't have the 1/3 reduction requirement. Mr. Abbey proposed authorizing a project at \$6.5M (approximately \$1.8M more than the original award), the scope of the project should be adjusted to fit within the \$6.5M budget with the difference from the original award split at 50%.

MOTION: TBD.

AMENDED MOTION: Mr. Abbey moved to authorize a \$6.5 million dollar project and to adjust the scope of the project to fit within the budget, with the difference from the original award split at 50% state share and 50% local share. Mr. Guillen seconded and the motion was unanimously approved.

b. Gallup – P15-006 – Thoreau ES – Construction Funding

This is a request for construction funding to adequacy; staff has worked closely with the district to bring the project budget within the out-year estimate as approved by Council at its July 31, 2015 meeting. The bid tabulations resulted in no change to the state share to adequacy amount. The financial plan was adjusted and resulted in a shift of funds from 2018 Q4 to 2018 Q3. The district's preventive maintenance plan has been updated and does meet the satisfactory rating performance level. Mr. Mike Hyatt, Superintendent, Mr. Tim Bond, Assistant Superintendent of Support Services and Ms. Roxy Flanders, Maintenance Director and Facilities Construction Representative were in attendance and acknowledged the project is ready to move forward.

MOTION: Amend the 2014-2015 standards-based award to the Gallup-McKinley County Schools for Thoreau ES to include construction to adequacy for 310 students, grades K-5, with an increase in the state share amount of \$13,647,522 (81%), and a corresponding increase to the local share amount of \$3,201,270 (19%). As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved with Ms. Carranco and Ms. Gudgel not in attendance.

c. Santa Rosa – E18-001 – Anton Chico ES/MS – Emergency Award – Award Language Change

The district is requesting to amend their emergency award to allow for repairs and corrections to commence with the work as outlined in the engineering report. The district had been awarded emergency funds in the form of an advance. The engineering team issued a final report in July 2018 which was shared with the district, PSFA and NMPSIA. The remaining balance is \$85,123.75 of the original \$150,000 award. Per Mr. Avila, the funds would be used to take care of immediate issues such as concrete sidewalks outside of the building that have uplifted and prevent the door from opening out. There are areas around the building where the concrete apron has sloped towards the building. There is a bigger plan within the report regarding making additional corrections. Mr. Abbey clarified that the recommendation listed within the engineer's letter are not part of the \$85,123.75 request; Mr. Avila replied in the affirmative. Mr. Abbey then asked how much the additional recommended corrections would be and when they would be done; Mr. Avila replied that the engineering group was working on an estimate on what the work would cost as well as a timeline. Mr. Abbey asked if the cost would be the responsibility of the district and the state and Ms. Gudgel asked if the district had made an insurance claim; Mr. Avila stated that a claim had been made but no determination has been made from MNPSIA and negotiations are underway.

MOTION: Approve the request from the Santa Rosa Consolidated Schools for the emergency award to amend the award language to include repairs to mitigate the immediate issues at Anton Chico. This repair work can be accommodated using the balance of the existing emergency award with no additional funding needed at this time. A comprehensive building scope of work, associated timeline, and cost estimate will be developed to provide the district with a permanent solution to address the current civil and structural problems at the building and surrounding site. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

d. Broadband Deficiencies Correction Program – 2018 Category 2 (Equipment) Awards

The request is for final approval for 21 equipment upgrade projects affecting 108 schools and represents approximately \$2.5M in network equipment upgrades. This is the first group of projects from the 2018 cycle.

MOTION: Make Broadband Deficiencies correction Program (BDCP) awards of actual E-rate approved project amounts to provide the state match for application funding year 2018 for Category 2 to 21 districts/schools, for a total of \$223,428 as listed in column K of the award spreadsheet on page 2 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.

6. Other Business

a. Broadband for Libraries

Libraries are eligible for E-rate funding at the same rate as the schools yet they do not have the resources to develop these projects on their own. The BDCP team and partner agencies are working together to provide assistance on procedures and the use of tools they have developed which can be utilized to help libraries take advantage of federal resources. The idea is to provide assistance and turn it over next year to another group to take over the effort and improve participation in the E-rate program.

MOTION: Authorize the BDCP team to provide guidance and training to the “Broadband for Libraries” pilot participants for the 2019 E-rate cycle. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

b. Presentation from the New Mexico Coalition for Charter Schools (*informational*)

Mr. Matthew Pahl, Executive Director, provided a verbal presentation on charter school facility financing. Mr. Abbey suggested that Mr. Pahl work with Mr. Burciaga and Representative Garcia, Chair of the Public School Capital Outlay Task Force as well as Ms. Carranco, DFA and the AMS Subcommittee to brainstorm ideas.

7. 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

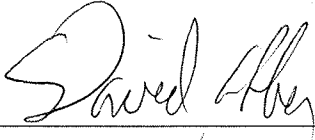
The state-wide average FMAR rating of 71.094% is the first time it has been over 70%.

f. FY18 & FY19 Budget Projections and Personnel Update

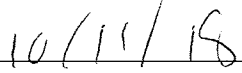
PSFA is working to fill several key vacancies; interviews for some positions are currently taking place.

8. Next PSCOC Meeting – Proposed for October 11, 2018.

9. **Adjourn** - There being no further business to come before the Council, Mr. Burciaga moved to adjourn the meeting. Ms. Gudgel seconded and the motion passed unanimously. Meeting adjourned at 12:39 P.M.



Chair



Date