

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL MEETING  
MINUTES  
January 18, 2019  
STATE CAPITOL BUILDING, ROOM 311  
SANTA FE, NEW MEXICO**

**Members Present:** Mr. David Abbey, LFC                      Mr. Martin Romero, CID  
                         Mr. Antonio Ortiz, PED                      Mr. Joe Guillen, NMSBA  
                         Mr. David Robbins, PEC                      Ms. Rachel Gudgel, LESC  
                         Ms. Nina Carranco, DFA                      Mr. Raúl Burciaga, LCS (arrived at 1:37)

**Designees:**                      There was no designee from the Office of the Governor

1. **Call to Order** – Chair Abbey called the meeting to order at 1:30 P.M.
  - a. **Approval of Agenda** – Chair Abbey requested that item 6A Grants HS – Additional Funding request be presented after item 3 and asked if there was any objection to change; as there was none the agenda was unanimously adopted.
  - b. **Approval of Minutes (December 18, 2018)** – Mr. Guillen moved for Council approval of the December 18, 2018 minutes subject to technical corrections. Mr. Robbins seconded and the minutes were unanimously adopted.
  - c. **Correspondence** – Mr. Abbey welcomed Mr. Romero and Mr. Robbins as new members of the Council and had them introduce themselves and speak to their respective backgrounds.
2. **Public Comment** – Mr. Abbey had audience members and staff introduce themselves.
3. **PSCOC Financial Plan**
  - a. **PSCOC Financial Plan**

Mr. Chamblin reviewed the changes to the financial plan since the last meeting: Lease Assistance for North Valley Academy Art Space for \$37K; 2018-19 Facility Master Plan Awards for \$229K; Roswell Del Norte ES for \$14.4M; Alamogordo Holloman ES reflects no change in the dollar amount, however there was an award language change; total awards made since the last meeting were \$14.7M. Pending Council approval is the Grants HS synthetic turf playing field for \$900K. SSTB revenue updates reflect a total reduction of \$62.2M for FY19-23. SSTB revenue for the December sale is \$163.7M. Facility Master Plan awards reflect the adjustment for the potential \$38K award for Pojoaque Valley Public Schools and results in a total of nearly \$300K in 2018-2019 awards. Emergency reserve for contingency reflects a decrease of \$900K for the Grants HS project; prior year awards for FY19 increases by the same amount. Award scenarios for FY20-23 were adjusted to an estimated amount of \$150.0M for standards-based and \$20.0M for systems-based awards. The projected fund balance of \$395.7M includes the December bond proceeds of \$163.7M and December draw requests of \$7.9M.

**b. FY2018 PSFA Audit** (*informational*)

The FY2018 PSFA Audit was released with an unmodified opinion and zero audit findings. Mr. Abbey congratulated Ms. Irion and PSFA on a job well done.

**6. a. Grants – Grants HS – Additional Funding** (Grants HS presented out of order by request of the Chair and approval of the Council).

District representatives in attendance: Mr. Alton Autrey, Interim Superintendent; Mr. German Martinez, Director of Budget and Finance and Mr. Lane Widner, Grants HS Principal.

The district is requesting Council participation in providing for a synthetic turf playing field and associated running track due to unsafe conditions. Included in the meeting material was a critical hazard write-up from Poms & Associates based on an assessment they did following a student injury. The play field and running track were installed in 1999 and there have been ongoing problems since. The district has invested nearly \$100K in an attempt to mitigate the current condition of the field however efforts have remained ineffective. The project cost is estimated to be \$1.5M and is in alignment with the quotes the district has received. The cost of the project has also been compared with recently completed track and field projects that Council has participated in. It was noted that the proposed local match contribution of \$600K represents 40% of the total estimated project cost, which is in excess of the required 2018-2019 local match of 23% or \$345,000.

Mr. Robbins inquired as to what the life expectancy of the new turf and track would be; Mr. Chamblin replied that depending on the quality of the product used it could be 20-30 years.

**MOTION:** Council approval of the Awards Subcommittee recommendation to award \$900,000 to the Grants-Cibola County Schools for the purpose of providing PSCOC assistance for an artificial turf playing field and running track due to unsafe conditions at the current Grants High School. This award will "bridge" previous critical capital outlay and deficiency correction program funding that had not included this playing field. This award is contingent on the district providing all funding above award amount to complete this project, and demonstrating that it can and will maintain the playing field and running track such to ensure its full expected life. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

**4. 2018-2019 Awards Cycle**

**a. 2018-2019 School Security Program – Review of Carrizozo Request for Waiver of the Local Share**

District representative in attendance: Mr. Todd Lindsey, Superintendent.

After reconsideration and discussion with the school board, the district has chosen to withdraw their 2018-2019 school security award application. Mr. Lindsey stated the district would be evaluating their excess gross square footage and would be eliminating up to 20,000 square feet of space. The district may request reinstatement of their 2018-2019 systems-based award or may reapply in the 2019-2020 capital funding award cycle. The removal of the Carrizozo award from the approved award scenario makes available the funds under the HB306 appropriation which did not apply offsets to the state/local match. Ms. Cano referred to the

handout materials and noted the funds could be allocated to amend funding for eleven awards highlighted in yellow on the spreadsheet. Following additional discussion, Mr. Abbey requested that the Awards Subcommittee meet regarding amending the security awards to districts and the 11 schools included in the spreadsheet handout.

**MOTION: Awards Subcommittee Recommendation:** Council approval of the Awards Subcommittee recommendation to amend the 2018-2019 school security award to the Carrizozo Municipal Schools for Carrizozo Combined School to include an advance of the local share up to \$523,155, which must be repaid. Approval is contingent upon additional information regarding the district's sources and uses, and detail of the prior two years of related actual expenditures, and verification that security systems included in the award are in alignment with the security assessment of the campus. No final action was taken on this recommendation.

**Revised Staff Recommendation:** Rescind the 2018-2019 school security award to the Carrizozo Municipal Schools for Carrizozo Combined School and amend the awards to the districts and the 11 schools highlighted in yellow on lines 112-122 of the attached spreadsheet. No final action was taken on this recommendation.

**Final Staff Recommendation:** Mr. Guillen moved for Council approval to rescind the 2018-2019 school security award to the Carrizozo Municipal Schools for Carrizozo Combined School. Mr. Robbins seconded and the motion was unanimously approved.

**b. 2018-2019 Lease Assistance Awards – Appeal from Explore Academy**

The charter school currently pays \$10,000 per month (July – January), beginning in February the base rent will increase to \$68,000 per month which will result in a total cost this year of \$414,456.00 for their lease agreement. The total amount of the lease was originally estimated at \$120,000 for the entire year. Based upon the new square footage calculation, the amount would be \$259,691; the MEM of 235.5 students multiplied by \$736.25 results in a total MEM amount of \$173,387. Originally awarded \$109,053, the increase in the award would be \$64,334.

**Motion:** Council approval of the Awards Subcommittee recommendation to increase the award in the amount of \$64,334 to Albuquerque - Explore Academy for FY 2018-2019 Lease Assistance contingent upon receipt of final executed lease purchase agreement. Total award \$173,387. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved with Ms. Carranco absent for the vote.

**c. 2018-2019 Master Plan Assistance Program Awards - Pojoaque**

Due to what appears to be an error in electronic communication, PSFA did not receive the FMP application from Pojoaque Valley School District prior to the due date. The current FMP will expire in December 2019; in order to be eligible for PSCOC FMP funding assistance, districts and charter school FMPs must be within one year of expiration. Previously, the FMP awards totaled \$229,575.89; if this application is awarded, the total state share would increase \$38,307.43 for a total state share of \$267,883.32.

**Motion:** Council approval of the Awards Subcommittee recommendation to award 2018-2019 Facilities Master Plan fund assistance to the Pojoaque Valley Schools listed as line 9 on the spreadsheet of this agenda item, for a total up to \$38,307.43. This amount represents the state share portion of the estimated cost to develop a facility master plan to the PSFA guidelines and require a corresponding district match as set forth in the current state/local match formula. FY19 total master plan assistance awards are increased to \$267,883.32. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved with Ms. Carranco absent for the vote.

**5. 2019-2020 Awards Cycle**

**a. 2019-2020 Preliminary wNMCI Ranking**

Ms. Casias drew member attention to the ranking handout and spoke to how projects were listed. It was noted that schools with security awards remained in the body of the ranking list as the intent was not to reduce wNMCI. Upon Council approval, staff will publish the preliminary ranking; once the preliminary ranking is shared, districts will be asked to review their ranked position and ensure that the data is correct. The deadline to make an appeal is March 15<sup>th</sup>.

**Motion:** Mr. Ortiz moved for Council approval of the staff recommendation to release the Preliminary wNMCI Rankings, for the 2019-2020 capital funding award cycle based on criteria and weightings previously adopted by the Council. Release of the ranking is subject to necessary technical corrections and Districts are encouraged to work with PSFA staff to resolve any outstanding technical corrections to the data with ability to make a formal appeal to the PSCOC by the March 15, 2019 deadline. Mr. Guillen seconded and the motion was unanimously approved with Ms. Carranco absent for the vote.

**b. 2019-2020 School Security Program – Program Changes**

As part of the lessons learned from the 2018-2019 school security program award cycle, proposed changes have been made for the 2019-2020 school security program; proposed changes, identified in red in the meeting material, were reviewed. It was noted that districts will be asked to provide a quote/estimate from vendors to better quantify the costs associated with the request. The third party checklist has also been updated with additional questions for better clarity. Upon Council approval, the application announcement and application will be released on February 4<sup>th</sup> in accordance with the work plan/timeline; applications will be due March 29<sup>th</sup>.

**Motion 1:** Council approval of the Awards Subcommittee recommendation to release the 2019-2020 school security program application announcement and timeline with technical changes and additional changes by the AMS Subcommittee regarding procurement-related language in the announcement. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

**Motion 2:** Ms. Carranco moved for Council approval of the staff recommendation to adopt the proposed changes for the 2019-2020 school security program to include an updated Application, Verification of Alignment of Application to Security Assessment, Third Party

Checklist to be used for security assessments and Facility Scoring/Prioritization Method. Ms. Gudgel seconded and the motion was unanimously approved.

**c. 2019-2020 PSCOC Work Plan/Timeline** (*informational*)

There has been a request to move the April AMS Subcommittee from April 2<sup>nd</sup> to April 8<sup>th</sup>.

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

**a. Grants – Grants HS – Additional Funding**

Moved and presented after agenda item 3.

**b. Socorro – S19-001 – Socorro HS – Project Update** (*informational*)

District representative in attendance: Mr. Ron Hendrix, Superintendent

The district has two pending systems-based awards with the caveat there be a district-wide feasibility/utilization study to help the district determine how to better manage their facilities. The district has also initiated a proposal from an energy services performance contractor and is trying to coordinate the work in their district and the money potentially made available through the energy service company (ESCO) with any awards through our programs. The district has contracted with Yearout Energy Services to prepare a district-wide energy services performance contract. Mr. Chamblin noted that the energy audit would save approximately 44% if everything suggested within the audit was put into place. Mr. Guillen suggested this be used as a pilot project to see if it is successful.

**c. BDCP – 2018-2019 Category 1 (Fiber) Award - Socorro**

Socorro is the first of three applicant districts to receive their funding commitment decision letter from the E-rate program for funding year 2018. The estimated project cost is \$1.5M of which the state portion is \$72.5K.

**MOTION:** Council approval of the Awards Subcommittee recommendation to make a Broadband Deficiencies Correction Program (BDCP) award for the actual E-rate-approved project amount, to provide the state match for application funding year 2018 – Category 1 (fiber) to Socorro Consolidated Schools for a total of \$72,500 as listed in column J of the award spreadsheet for this agenda item. The allocation is intended to fully complete the project, phase, or specified purpose. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

**d. BDCP – 2018 Category 2 (Equipment) Awards**

Five schools/districts have received their funding approval letters from the E-rate program. The projects will provide equipment upgrades of \$602K and will impact 30 educational facilities. Mr. Viorica noted that the amount presented differs by approximately \$200 from what had been presented to the Awards Subcommittee due to a calculation error.

**MOTION:** 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 2018 for Category 2 to 5 districts/schools for a total of \$140,764 as listed in column L of the award spreadsheet for this agenda item. Each allocation is intended to fully complete the project, phase, or specified

purpose. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

**e. BDCP – 2019 Category 1 (Fiber) - Budgetary Awards**

Twenty-one districts are in process of category 1 RFPs that could include fiber upgrades. As the projects are still in the procurement process, specific amounts are not yet available; the budgetary funding will allow the projects that include special construction charges to qualify for the extra E-rate match of up to 10%. The submittal deadline for the 2019-2020 E-rate funding cycle is March 27<sup>th</sup>.

**MOTION:** Council approval of the Awards Subcommittee recommendation to make BDCP budgetary allocations of state matching funds for all eligible special construction charges per the spreadsheet attached to this agenda item which may be modified as necessary to include additional applicants for funding year 2019- 2020. 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 for all the 2019 eligible school district applicants. The actual awards 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 FY20, based on funding availability. As this was a Subcommittee recommendation a second was not needed and the motion was unanimously approved.

**7. Other Business**

**a. Disposition of PSFA Property - Portables**

Mr. Chamblin reviewed the information listed within the executive summary and reiterated that the Ruidoso Municipal School district currently has a portable located on the former Nob Hill Early Childhood Center site. The district would like to sell the property and in order to do so, will need to have the portable moved. The district has offered to purchase the portable for \$25.00. Following extensive discussion regarding the value of the portable and the estimated costs associated with moving and/or storing the portable, Mr. Abbey suggested that the portable be given to the district as it has a negative transaction value. Ms. Carranco reiterated that whatever was done with the portable would set precedent for other schools. Mr. Robbins inquired as to the useful life of the portable to which Mr. Chamblin replied 30+ years and noted that the portable has about half of its useful life remaining. Mr. Guillen felt that if the district has a use for the portable it should be given to them. Mr. Ortiz asked whether GSD had been notified and given first right of refusal; Mr. Chamblin replied in the affirmative and noted they were not wanted. Mr. Burciaga drew attention to the disposition of public property statutes. Mr. Abbey asked what the staff was recommending, Mr. Chamblin replied that the staff recommendation was to negotiate a price and sell the portable to Ruidoso Municipal Schools.

**MOTION:** TBD.

**AMENDED MOTION:** Mr. Abbey moved to negotiate a sale price of \$25.00 for the portable. Mr. Robbins seconded and the motion was unanimously approved.

**b. Potential PreK Facility Needs** *(informational)*

Mr. Chamblin reviewed the information listed within the executive summary and the sources and assumptions page included in the meeting material.

**c. Roswell – P16-003 – Del Norte ES – Construction Funding Update** *(informational)*

Mr. Avila reminded members that staff had been directed to provide an update regarding the final budget for the Del Norte ES project. The school board selected a general contractor and based on the contractors proposed costs, it was determined no adjustment was needed to the funding request. The total estimated project cost remains at \$22.0M with a state share of \$16.0M

**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**

The NMSBVI master plan has been extended.

**d. Lease Assistance Status Report**

No significant changes.

**e. Maintenance Program Status Report**

No significant changes.

**f. FY18 & FY19 Budget Projections and Personnel Update**

No significant changes.

Mr. Burciaga suggested that for the benefit of the new Council members, PSFA conduct an orientation on the financial plan, project funding and any other items that may be helpful. Mr. Guillen agreed and requested that the current Council members also be informed.

Mr. Chamblin noted that staff have been working on their individual development plans and that an agency retreat/workshop and a manager's retreat/workshop are being planned for August to further encourage staff development. Mr. Chamblin drew attention to the handout entitled "Respect in the Workplace Policy" and noted that PSFA will be updating their policies and will be presenting them to the Council.

**9. Next PSCOC Meeting – Proposed for April 11, 2019**

**10. Adjourn** - There being no further business to come before the Council, Mr. Burciaga moved to adjourn the meeting. Mr. Robbins seconded and the motion was unanimously approved. Meeting adjourned at 3:17 P.M.

Saved M. Burciaga Chair  
4/12/19 Date