

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL  
AGENDA  
January 10, 2013—9:00 AM  
STATE CAPITOL BUILDING, ROOM 326  
SANTA FE, NEW MEXICO**

**Members Present:** Mr. David Abbey, LFC                      Mr. Gene Gant, PEC  
                         Mr. Joe Guillen, NMSBA                      Ms. Frances Maestas, LESC (arrival @ 9:35)  
                         Mr. Paul Aguilar, PED                      Mr. Raul Burciaga, LCS  
                         Mr. Dee Dennis, RLD

**Designee:**                      Mr. Brad Galbrieth for Mr. Keith Gardner, Office of the Governor.  
                         Mr. Andrew Jacobson for Mr. Tom Clifford, DFA.

**1. Call to Order at 9:05 AM** **Mr. David Abbey, Chair**

**a. Approval of Agenda**

The clerk called roll noting that Mr. Brad Galbrieth would serve as designee for Mr. Keith Gardner, Office of the Governor, and Mr. Andrew Jacobson would serve as designee for Mr. Tom Clifford, Department of Finance & Administration.

Mr. Gorrell presented the agenda to the Council noting that the PSCOC reserves the right to change the order of the agenda

**MOTION:** Mr. Joe Guillen moved for adoption of the agenda as presented. Mr. Dee Dennis seconded. The motion carried.

**b. Correspondence**

PSFA staff provided a letter from Secretary Tom Clifford designating Mr. Andrew Jacobson to represent the Department of Finance & Administration in his absence. Mr. Brad Galbraith will represent the Governor's office in the absence of Mr. Keith Gardner.

**2. Approval of Minutes (December 11, 2012)**

Upon review by the Council, Mr. Joe Guillen moved for approval of the December 11, 2012 PSCOC minutes subject to technical corrections. Mr. Paul Aguilar seconded, the motion carried.

**3. Subcommittee Reports**

**a. Awards Subcommittee**

• **Financial Plan**

Mr. Jeff Eaton, PSFA staff referred the council the financial plan that was made available in their meeting notebooks that reflects action taken by the Council at their last meeting regarding projects and adjustments.

Mr. Eaton noted that there have been a number of advances extended to the New Mexico School for the Deaf and the New Mexico School for the Blind and Visually Impaired, pending possible appropriations from the legislature for their 50% share the

awards. The Council will take action for the award of \$7.2 million for their Phase II funding request. This amount needs to be included on the next subsequent resolution to the Board of Finance.

**Projects and adjustments are listed below:**

**Las Cruces—High School**

This award is to amend the 2010-2011 standards-based award to the Las Cruces Public Schools for Las Cruces High School, to include out-of-cycle construction funding for Phase 1 of 2, to renovate and replace facilities to bring school to adequacy for an estimated core of 2,000 students with classrooms estimated for 1,800. Included to adequacy is the site required pedestrian bridge connecting the new classrooms and administration structures, providing additional safety to the campus for an estimated \$1 million cost, with a total increase in the state share amount of \$35,104,740 (66%), contingent upon an additional local share of \$18,084,260 (34%). An advance of \$9,894,260 toward the local share is authorized and will be repaid upon passage of local bond in 2014 and dedication of the necessary proceeds or HB-33 funds to meet the required match for the project to be repaid by the first quarter of FY2015.

**NMSD Infirmary at Santa Fe Campus**

This award is to make a supplemental 2012-2013 standards-based award to the NM School for the Deaf, due to delays in adopting standards for the special schools and recent completion of the district Facility Master Plan. \$16,318 for planning and design to relocate the Health Center Building into the basement of Dillon Hall based on an estimated project cost of \$460,049. The local match share (50% - \$8,159) shall be advanced contingent on review of available district finances. The district shall request funding from the 2013 or subsequent NM Legislature to accommodate the local share of the total estimated project cost. The balance of the funding may be requested out-of-cycle upon completion of construction documents and submission of a plan to dispose of the existing Infirmary.

**West Las Vegas—Union Elementary School**

This award is to amend the 2011-2012 standards-based award to the West Las Vegas Schools for Union ES, to include out-of-cycle construction funding to renovate facilities to adequacy for 91 students grades 2-5, with an increase in the state share amount of \$859,921 (76%), contingent upon an additional local share of \$271,551 (24%).

**Pre-Kindergarten Awards**

These awards are to make final pre-kindergarten classroom renovation/construction awards pursuant to Laws 2012, Chapter 64, Section 33 (HB191) from existing, unspent proceeds from previously issued supplemental severance tax bonds, in the form of project reversions. Allocations are to the districts set out in the award spreadsheet for the purposes and in the amounts specified. These allocations represent the state share portion of the estimated cost to renovate or construct pre-k classrooms, subject to a local match as set forth in the state/ local match formula. Any funds freed by non-acceptance of the awards or unused proceeds shall be reallocated to fully fund the Rio Rancho, Farmington, or Hatch district requests in order, based on score and validated need. Nine awarded were granted to nine districts.

- **District Presentations**

- **Deming Public Schools - Deming High School Project Status**

This issue went before the Administration, Maintenance & Standards (AMS) subcommittee in which they spoke with the district.

Ms. Harvielee Moore represented the district via video cam. Mr. Gorrell explained that this project was awarded in 2006 and has had difficulty in moving forward. The district has worked diligently in gathering public opinion and working on a new master plan. The district indicated that they now have a clear direction and would like to continue with the project. Mr. Gorrell stated that currently there are \$2.7 million that is set aside for design and as soon as the district completes their Facility Master Plan and the community works with the district they can begin the design process.

Mr. Gorrell reminded the Council that they had directed staff to contact the districts to determine whether or not the districts would revert their funds due to the lack of the projects not moving forward in a timely manner.

Ms. Moore reminded the Council that the district had intended to build at a different site but the bond failed. Ms. Marilyn Strube is assisting the district with their master plans and the district has had many meetings regarding their plan. The board has committed to renovating in phased planning to solve a long-term problem and the district has community support. Ms. Strube noted that the school is staying on the same site but the field site is very restrictive and will serve the intermediate school, the Hofacket Building, the main high school campus and the maintenance facility.

This issue has been reviewed by the Awards Subcommittee. Mr. Guillen stated that construction amounts were decertified and \$2.7 million remains for planning and design. He noted that the city and the county are on board with the district in moving forward with the project. He also stated that any action to take away the planning funds might hinder the success for a bond issue moving forward.

The Council noted that new board members may be elected and voiced concern regarding the new board focusing on this project. Ms. Moore informed the Council that the master plan is a priority due to the fact that they need to hold a bond election. The district hopes to complete their revised master plan by February to begin construction on the high school in September 2014. The district has a board election in February 2013. Ms. Strube noted that the district currently has \$20 million in bonding capacity and can go up to \$26 million without increasing the taxes. The district match is 27%. She stated that there are 125 students (grades 7-9) that take the bus from Columbus, which is driven 32 miles, every day. The 6<sup>th</sup> graders would be moved from Columbus to Deming to alleviate the over-crowding.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to accept the information presented and postpone a recommendation for a final decision on the status of the project until the April 2013 PSCOC meeting. Since this is a subcommittee recommendation a second is not required. The being no objection the motion carried.

- **Additional Funding/Emergency Funding/Award Language Requests**  
**NMSBVI – WEC – Out-of-Cycle Construction**

Mr. McMurray presented this item noting that this funding request is for phase 2 construction of a new education building to replace the existing Watkins Education Center (WEC), under the DCP. The existing WEC will be renovated in a future project by NMSBVI for administrative space per the facility master plan. This project includes the demolition of the existing Wanda Raney building per the facility master plan.

Representing the school were Superintendent Linda Lyle and their architect, Mr. Benjamin Gardner. Ms. Lyle noted that this is first project they are presenting as part of their facility master plan that was done through the PSFA process.

PSFA staff recommends that the PSCOC approve the state funding request totaling \$7,576,828 (100%) as requested to complete Phase II construction to adequacy. The Awards Subcommittee reviewed this request and recommends approval.

Ms. Lyle noted that the students attending the school are Braille students. The project is driven by the master plan and the new adequacy standards which had a role in determining the space needed and balanced it with the educational space.

The Council asked if there would be demolition associated with this project. The district responded that there would be one demolition of an 11,000 square foot building that would replace spaces that did not meet adequacy. There will also be two other demolitions in the near future. In regard to the site improvement projects, the school is in the process of contracting for the design process. The Historical Society is not in agreement in terms of San Andres because it is mid-century modern art. They do not have the authority to enforce anything and accept that the school cannot keep the old WEC building. The school has the right to select either building as they are not occupied.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2009-2010 deficiencies correction program award to the New Mexico School for the Blind and Visually Impaired for the Watkins Education Center, to include out-of-cycle construction funding to replace the existing facilities with a total increase in the state share amount of \$7,576,828 (100%). Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

**Roswell – Berrendo ES – Out-of-Cycle Construction**

Mr. McMurray presented this item noting that the award is for complete renovation of the existing 47,471 square footage facility originally constructed in 1956. The addition includes new Media Center, enlarged Administrative Area, and 4 Kindergarten classrooms to adequacy.

PSFA staff recommends that the PSCOC approve the state funding request totaling \$8,068,427.04 (72%) as requested to complete Phase II construction to adequacy. The district has in place their required additional funding amount totaling \$3,137,715.96 (28%) as submitted.

The Awards Subcommittee has reviewed this request and recommended approval.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2010-2011 standards-based award to the Roswell Schools for Berrendo Elementary, to include out-of-cycle construction for renovations/additions to the existing facility to adequacy for 564 students, grades K-5, with a total increase in the state share amount of \$8,068,427 (72%), contingent on an additional local share of \$3,137,716 (28%). Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

**Roswell – El Capitan ES – Out-of-Cycle Construction**

Mr. McMurray presented this item to the Council noting that this award is for a new Facility to adequacy for 446 students, grades K-5. PSFA staff recommends that the PSCOC approve the state funding request totaling \$10,464,359.62 (72%) as requested to complete Phase II construction to adequacy. The district has in place their required additional funding amount totaling \$4,069,469.38 (28%) as submitted.

The Awards Subcommittee has reviewed this request and recommended approval.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2010-2011 standards-based award to the Roswell Schools for El Capitan Elementary, to include out-of-cycle construction to replace the existing facility to adequacy for 446 students, grades K-5, with a total increase in the state share amount of \$10,464,360 (72%), contingent on an additional local share of \$4,069,469 (28%). Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

**Roswell – Military Heights ES – Out-of-Cycle Construction**

Mr. McMurray presented this item to the Council noting that this award is to complete renovation of existing facility constructed in 1955. Included are the addition of a Media Center, a 4 Classroom Kindergarten addition, and one classroom.

PSFA staff recommends that the PSCOC approve the state funding request totaling \$7,319,755.13 (72%) as requested to complete Phase II construction to adequacy. The district has in place their required additional funding amount totaling \$ 2,846,566.87 (28%) as submitted.

The Awards Subcommittee has reviewed this request and recommended approval.

In regards to the funding versus enrollment the district stated that the facility has a lot of breakdowns including educational programs especially the elementary schools. The district indicated that they utilized the existing space by breaking them down to smaller spaces to accommodate educational needs. There is shifting growth within the district and students are shifting around to different districts.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2010-2011 standards-based award to the Roswell

Schools for Military Heights Elementary, to include out-of-cycle construction for renovations/additions to the existing facility to adequacy for 443 students, grades K-5, with a total increase in the state share amount of \$7,319,755 (72%), contingent on an additional local share of \$2,846,567 (28%). Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

The Council commended the district for caring for their facilities over the years and developed a plan for local bonding effort to move the projects forward.

The Council will consider holding the District Presentations at the Roswell School District.

**Santa Rosa – Anton Chico ES/ Rita Marquez MS – Out-of-Cycle Construction**

Mr. McMurray presented this item to the Council noting that this request is for funding for the construction of the new Rita Marquez ES / Anton Chico MS. The new facility size is 20,200 SF and will be approximately 9,000 SF smaller than the existing school. The new building will provide an adequate learning environment for the students while allowing the district to maintain the different building systems more easily. The building is designed to be more energy efficient and includes durable finishes. The facility requires an onsite wastewater system designed for the specific water usage of the school. The building and site include a fire suppression system and water storage tank. The site infrastructure is designed as the most cost effective way to meet code and operational requirements.

Current funding request is based on a contractor bid and the project was approved by the Santa Rosa Consolidated Schools Board of Education. The district has the funding for the local share. The land was donated to the school by the land grant and the off-site infrastructure (access road, water and electrical) contract work is awarded as well, which was fully funded by the district. The district is currently working out the details associated with the disposal of the existing school building and property when the students will move in the new building, scheduled for the summer of 2014.

PSFA staff recommends that the PSCOC approve the state funding request totaling \$4,398,000 (60%) as requested to complete Phase II construction to adequacy. The district has their required additional funding amount totaling \$2,932,000 (40%) as submitted. The Awards Subcommittee has reviewed this request and recommended approval.

Mr. Ovidiu Viorica, PSFA Regional Manager for the Santa Rosa District, introduced Superintendent Ted Hern, and Jeremy Trumble, Architect.

Mr. Hern noted that the community continues to grow due to the economic situation and cost of living in the area is much lower. At the time of the original application, the school had 86 students and has grown to 118 students. The school can accommodate 135 students. The district looked at four options (1) remodeling the existing building, (2) a combination of a remodel and replacement of the existing building, (3) full replacement of the existing building site, and (4) replacement of the existing building at a new site. Mr. Hern indicated that the studies showed that replacement at a new

site is the most cost effective option and would be the most beneficial to the district and community because the existing site is less than 3 acres, there are issues with waste water, fire suppression, parking, and existing structure cannot be retrofitted to fit the educational specifications. Mr. Hern stated that the district has passed a bond for their local share. He indicated that the construction will start within weeks of the construction funding.

The Council requested that the district provide a copy of the energy comparison and up-front cost of the project. Mr. Viorica noted that the project is at \$300 per square foot but for the building alone is \$250 square foot.

The Council recognized former Representative Jose Campos as a strong advocate for the Santa Rosa School District.

**Motion:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2011-2012 standards-based award to the Santa Rosa Schools for Rita Marquez ES/Anton Chico MS, to include out-of-cycle construction funding to replace the facilities to adequacy for 100 students grades K-8, with an increase in the state share amount of \$4,398,000 (60%), contingent upon an additional local share of \$2,932,000 (40%). Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

#### **Bernalillo Public Schools – Status of Lease for Santo Domingo EMS**

Mr. Gorrell presented this item to the Council noting that the PSFA was informed that the Bernalillo Public Board of Education approved and signed the lease on December 20, 2012. A copy of the lease is made available to the Council in their meeting notebooks.

Mr. Gorrell stated that one of the conditions of original award was that the lease be in place prior to the beginning of 2013. There were conflicts between the tribe and the district and the performance-based lease was broken and a separate land lease was needed.

The lease is two 25-year leases with options to renew. Mr. Gorrell referred the Council to the Memorandum of Agreement (MOA) was signed by all parties involved. The lease states that “The Lessee may renew the lease for one additional term (25 years) if at the time of renewal the Lessee is not in breach of its obligation under this lease”. The MOA reflects conditions of the lease that include fire and damage insurance on the facility and other government regulations.

Mr. Gorrell noted that the approval of the motion below, the project would go to the design process, education specification process, and the early programming statement. It will be approximately a year before the project goes to the construction phase.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to accept the Land Lease for Public School between the Board of Education of the Bernalillo Public Schools and The Pueblo of Santo Domingo, which will fulfill one of the contingency applied to the 2012-2013 standards-based award to the Santo Domingo Elementary/Middle School, subject to final approval by the Bureau

of Indian Affairs. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

**Zuni Public Schools – Status of Lease for New ES**

Mr. Gorrell presented this item to the Council noting that the district is in the process finalizing the lease agreement. He stated that staff visited the site and reviewed the area and the soil conditions. He noted that the Council has invested a substantial amount of money into the high school project due to bad soil conditions. Some sites were determined to be safe for the district to negotiate with the tribe. Unfortunately, the site that worked the best for the facility has a little league field and the tribe was unwilling to let the land go to the school district.

Mr. Gorrell referred the Council to a letter addressed to Mr. Gorrell from the Zuni District dated December 12, 2012 that reads as follows:

**Subject: Extension request for land lease deadline**

On behalf of the Zuni Board of Education, I respectfully request a 45 day extension to the land lease deadline identified in the Memorandum of Understanding for the proposed new combined elementary school. The deadline indicates that the land lease for 50 years must be in effect by January 1, 2013. I request an extension until February 15, 2013 for the following reasons:

1. There were four sites identified for the proposed new elementary. While the tribe dedicated acreage at the "Fair Grounds" site, the site was initially too restrictive at 16.5 acres and there was some community opposition because the existing playing fields would no longer be available for community use. The other sites were reviewed and while these sites have ample acreage, (20+) all require substantial utility and access infrastructure development as well as land clearance and leveling. These costs limited our choices and one of the proposed sites also requires extensive traditional properties clearances and mitigation. Another site (Old Zuni High School site) was favored. However, the cost to purchase family assigned lands would be prohibitive and family politics is a reality for that site. Since none of these sites were acceptable, we met with the tribal Council to seek additional acreage at the "Fair grounds" site. The request for additional acreage was agreed upon by the tribal Council at a meeting held on 12/4/12. This additional acreage at the Fair Grounds site will bring the total acreage available to over 23 acres.
2. Benefits of selected site: The fairgrounds site has several benefits. It is the site identified and approved with the award. With the additional acreage, the site will allow ample ingress/egress, parking, and recreational fields near the proposed facility. A 14 inch water main is located near the property line and parallels Highway 53. The water main also crosses to the north in an adjacent field. The sewer line is located nearby as are the three phase power and fiber optic connections. Bus routes to the site will be located off of tribal route 301 N. on the north side of the property.
3. Surveys required: The following surveys and assessments will be accomplished: plat and property survey; topographical survey; soils survey; environmental impact assessment; traditional cultural properties survey and report. The Fairgrounds site is the most feasible site for the proposed combined elementary school. Mr. Paul Meyer, ZPSD Director of Operational Support has been tasked to arrange for all surveys to be conducted in an expedited manner. The property, topographical, and soils surveys will be accomplished under contract by Dyron Murphy Architects. They are a qualified CES provider. The environmental assessment will be conducted by EMI, another CES qualified provider and a Traditional Cultural Properties survey will be accomplished locally by the Zuni Conservation Enterprise. We anticipate having these surveys completed by the end of December, 2012. Mr. Andrew Othole, Director of the Tribe's Office of Planning and Development will provide GPS drawings of the expanded Fairgrounds site with overlays for utilities.
4. Tribal Council commitment to lease: The Zuni Tribal Council has verbally committed to a 50 year lease of the fairgrounds property and has instructed me to work with Mr. Othole to develop a draft



resolution for this purpose. I have begun this activity and look toward to presenting a draft transfer resolution to the tribal Council for review by 12/17/12.

5. 50 year lease: The Zuni Tribal Council has verbally committed to a 50 year lease for the site and provided a similar assurance for the hearings requesting support for this project. The lease terms and conditions will be included in the transfer documents and tribal resolution. We are confident that the required surveys, assessments and transfer documents will be substantially completed by the end of December and finalized in January 2013.

Mr. Gorrell stated that the tribe will lease this piece of property to the district to build a new school which combines two elementary schools. The lease agreement provide in the meeting notebooks is without input from the PSFA or the district. The lease was drafted by the Bureau of Indian Affairs. The district has agreed to use the previous lease that was drafted with the assistance of the Legislative Council Service with the high school as the basis of the new lease. PSFA is confident that this project will move forward successfully. Mr. Guillen indicated that the entire lease will be revised.

The Council noted that there was concern at the Awards Subcommittee meeting regarding item #3 in the letter from the district that states the soil service would be accomplished under contract. The concern is that they are a certified CES provider. Mr. Gorrell responded that staff directed the district that there is no design professional selected and has to go through a competitive selection process and cannot select design professionals from CES at the direction of the Council.

In regard to the soil issue, the Council wanted to be assured that the issue is addressed. The staff is directed to work with Mr. Dennis to consider a minimum of a 50% cost weight for all RFP for Construction procurements. Mr. Dennis stated that this was discussed in the AMS subcommittee meeting to use the information gathered by the Procurement Task Force that addresses interviews and appropriateness of interview structure and brings up the value of 50 or higher.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to extend the deadline for acceptance of the executed 50 year or equivalent term land lease for the 2012-2013 standards-based award to the Zuni School District for Dowa Yalanne/A:Shiwi Elementary Schools until the April 2013 PSCOC meeting. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

- **2012-2013 Lease Assistance—Verbal**

**LFC Program Evaluation on Lease Assistance Program – Preliminary Report**

Mr. Abbey noted that the LFC report will be posted online. Mr. Abbey encourages staff to attend the LFC meeting regarding charter schools.

**Revised Lease Assistance Award Recommendations**

Mr. Jerry Pertner and Mr. Eaton presented this item to the Council noting that last fall the Council approved a number of leases and approved seven for one quarter only. The Council has authorized staff to review the leases periodically and make the necessary amendments.

Mr. Pertner stated that the lease assistance recommendations are for lease assistance for the remaining charters upon adjustments made by staff for the next 3 quarters.

Mr. Pertner referred the Council to the Lease Assistance spreadsheets that were made available in the notebooks. He highlighted the adjustments as indicated below:

- Alice King Community School: increase in MEM from 285 to 305 verified by Beverly Aguilar, Senior Budget Analyst PED. Adjustment to award increase from \$209,005.00 to \$223,672.
- Cottonwood Classical Preparatory School: error in calculation total sf increased from 16,969 to 28,107. No change in award (MEM).
- Horizon Academy: error on application of calculating sq ft of total leased space. Does not include the library, computer lab, pre-K, multipurpose room and other. Increase in sf. from 17,633 total to 33,762 (*cost/sf* \$15.49). No change in award (MEM).
- La Academia de Esperanza: error on application of calculating sf of total leased space. Increase in total sf from 13,678.5 to 20,875 (*cost/sf* \$17.25) No change in award (MEM).
- La Resolana Leadership Academy: error on application of calculating sq ft of total leased space from 4,152 to 10,954 (*cost sf* \$9.34). Correction of lease amount from \$118,084 to \$102,352. Adjustment to award decrease from \$48,401 to \$33,255 (Lease).
- New America School: classroom sf decreased from 16,153 to 10,096, lease decreased from \$663,149 to \$614,348.00. No change in Award (MEM).
- Middle College High: error in sf calculation school is leasing 2 acres plus classroom space of 334 sq ft. and 2 double wide portables. Adjustment to award increased from \$13,160 to \$14,820.
- School of Dreams Academy: error in sf calculation from total 20,106 sf to 22,000 (*Cost/sf* \$20.68). No change in award (MEM).
- William W. & Josephine Dorn Charter School: number of students projected estimate 90 to actual students of 9. Adjustment of award decrease from \$66,002 to \$6,600.
- New Mexico Virtual Academy: . PSFA to validate number of students attending and using classroom spaces.
- New America School-Las Cruces: error in sf calculation total of 6,778 to 17,046 (*Cost/sf* \$14.87). No change in award (MEM)
- Estancia Valley Classical Academy errors in sf calculation total of 23,660 to 23,470. Lease cost reduced from \$600,000 to \$342,240 (*cost/sf* \$14.58). No change in award (MEM)

In regard to the New America School in Albuquerque, the Council recalled the charter school stating that they had under-reported the total square footage on the application which resulted in the previous \$56 per square foot calculation. Mr. Aguilar noted that the spreadsheet now reflects \$37.66 per sq. ft. He also requested that the charter school meet with the Council to better understand the various issues related to the facilities and lease terms. He also noted that the charter does not own the land and someone else owns the building.

Mr. Guillen noted that the representative for the charter indicated that the cost per square foot would change considerably because there was a new agreement executed that would further expand the facilities with the cost being paid from the lease assistance fund to improve the facility. The Council needs clarification of many issues involving this school and suggested deferring action until a future meeting.

Mr. Berry stated that currently New America has multiple leases with the foundation for various land lease, buildings and improvements. He explained that combining all the terms brings a higher cost. The charter is currently working on additional improvements and refinancing existing agreements. According to the charter, once they get the full build-out and refinancing complete, in the long term, they will be looking at \$12.10 per square foot over a longer period of time.

Mr. Berry noted that the lease reimbursement award is limited to the lesser of the actual lease cost or no more than the per MEM cost. Limiting the square foot cost has no effect on the lease assistance award because they are limited by their number of MEM. The remainder of the lease is paid from their operational funds.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2012-2013 Lease Assistance awards to the charter schools in the spreadsheet and release the remaining three quarters of reimbursements upon receiving proof of lease payments made.

After further discussion, the motion was amended as follows:

**Amendment**—Mr. Guillen moved for Council approval to limit the New America School funding to reimbursement for the second quarter, and request that the charter meet with Mr. Aguilar to get a better understanding of what makes up the \$38 per square foot lease. The remaining third and fourth quarter amounts will be delayed until a future meeting. Mr. Aguilar seconded, motion carried.

**b. Administration, Maintenance & Standards Subcommittee**

• **Adequacy Planning Guide – GSF Reduction Plan**

Ms. Martica Casias, PSFA staff presented this item noting that previously Council directed staff to work on preserving the standards-based process per status quo when the first guidelines were produced. The staff visited parts of the state to gather input. Mr. Gorrell pointed out that the Council has made certain constraints on awards on Union Elementary (Las Vegas), Anton Chico ES (Santa Rosa) and the Roswell District which would fit into the new guidelines.

Ms. Casias informed the Council that district representatives, design professionals and planners were encouraged to provide input regarding the GSF portion of the Adequacy Planning Guide. All comments were taken into consideration. The comments are proved in the Council meeting notebooks.

Ms. Casias noted that by reducing the APG GSF per student, every project may be challenged with regards to space utilization efficiency. The revised APG are intended to functionally support all of a school's educational programs, yet to encourage multi-use spaces and other utilization maximizing strategies that will reduce facility size. It is however recommended that guideline maximums be allowed to be challenged first to the PSFA on a case-by-case and educational program-by-program basis. If agreement cannot be reached, districts may to appeal any PSFA decisions to the PSCOC. Appeals to the PSCOC should be required to be in writing and no later than 20 days prior to the next PSCOC meeting

Ms. Casias noted rural areas will be the hardest to work with due to students moving out of those districts and will require more work from staff. She noted that educational programs will be supported.

Ms. Casias pointed out that although this is a formal adoption, it can be re-visited at any time.

**MOTION:** Mr. Dee Dennis moved for Council approval of the Administration, Maintenance & Standards Subcommittee recommendation to approve the revisions to the Adequacy Planning Guide Appendix A Tables for publication, distribution and use on future awards. Awarded projects currently in design, but not having reached design development phase, shall adhere to the revised Appendix A Tables for gross square footage per student. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

**4. 2013-2014 Standards-Based Capital Outlay Award Cycle**

**a. 2013-2014 Application Announcement & Preliminary Funding Pool**

Mr. Berry presented this item to the Council referring them to the letter announcing the application made available to them in their meeting notebooks. He noted that the letter is ready to be sent to districts and charter schools upon approval of Council and would be posted on the PSFA website.

**Awards Subcommittee Recommendation**

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to release the 2013-2014 application announcement and timeline with an initial funding pool to the top 50 of the Preliminary wNMCI ranking, with priority given to projects for major renovation or replacement with a weighted NMCI score of 55.0 or greater. In addition, the Public School Capital Outlay Oversight Task Force (PSCOOTF) is proposing a potential new funding program for needed repairs or replacement of critical building systems. This new program requires approval by the 2013 Legislature, with specific details and requirements to be sent to districts at a future date. Based on the number of pre-applications received by the March 22, 2013 due date, a final funding pool will be established that will be used to determine eligibility to complete the full application and be considered for an award. Council may consider limited approval of requests for waivers or advances upon districts qualifying under certain conditions and evidence that no other funds are available.

Standards-based roof awards are available up to a maximum of \$10 million. Council may consider approval of requests for advances for this funding program upon districts qualifying under certain conditions and evidence that no other funds are available.

**AMS Subcommittee Recommendation**

Mr. Dee Dennis moved for Council to amend the Awards Subcommittee motion to the top **100** of the Preliminary wNMCI Ranking

Mr. Berry noted that there was discussion regarding how far down to go in the ranking. AMS discussed this at their last meeting and recommends that the ranking go to the top 100 as opposed to the top 50 that the Awards Subcommittee recommends.

Mr. Guillen stated that this item went before the Awards Subcommittee for discussion and consideration on how far down to go down the rank and anticipated that the 2013 Legislature will allow for systems would be successful but not knowing whether or not it will be passed by legislators. He reminded the Council that last year there was a problem in funding the top 99 projects and lower.

Mr. Dennis stated that the AMS Subcommittee had a thorough discussion and determined that of the projects that are in the top 50, there are several facilities in districts that have no intention of applying and reducing the number of potential grants. In regard to the need for construction, Mr. Dennis stated that funds already dedicated in bonds that have been sold should be considered, not necessarily in the manner that Council is looking at the lower ranking project, but more in the fact that some legislation that is potentially going to be adopted, that would affect the current cycle on the building system portion. He indicated that the Council has the funding and needs to expand the applications to the top 100.

Mr. Gorrell referred the Council to draft legislation made available in their meeting notebooks. He referred to a draft bill 190439.5 that targets some of the schools where systems can be fixed in a facility that otherwise is fairly good shape. The important part of this concept, if the legislature moves forward, is for the Council to adopt rules which will allow funding only in cases where the Facility Condition Index will be significantly lowered..

Mr. Guillen asked if the recommendation by the AMS Subcommittee would affect the projects that the Awards Subcommittee feels need top priority consideration with wNMCI scores of 55 or greater.

Ms. Maestas stated that the language developed by the Awards Subcommittee was to address the concerns of all Council members in regard to funding districts with the most need for health and safety issues. Mr. Gorrell stated that the task force debated these issues and there were recommendations and considerations that were presented to the Council. The task force was encouraged by some districts being able to do reduced projects that will still help the statewide average of school facilities using the system based approach. Mr. Abbey stated that if the Council was constrained on funding and had a substantial amount of schools needing help, that the goal would be to concentrate funding on the schools in most need of major renovation or replacement as it is more cost effective to do all at one time.

Upon further discussion Mr. Guillen made the following motion.

**Awards Subcommittee Recommendation:**

**AMENDED AND FINAL MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to release the 2013-2014 application announcement and timeline with an initial funding pool to the top 100 of the Preliminary wNMCI Ranking, with priority given to projects with the highest weighted NMCI. In addition, the Public School Capital Outlay Oversight Task Force (PSCOOTF) is proposing a potential new funding program for needed repairs or replacement of critical building systems. This new program will be considered by the 2013 Legislature, with specific details and requirements to be sent to districts at a future date. Based on the number of pre-applications received by the March 22, 2013 due date, a final funding pool will be established that will be used to determine eligibility to complete the full application and be considered for an award. Council may consider limited approval of requests for waivers or advances upon districts qualifying under certain conditions and evidence that no other funds are available.

Standards-based roof awards are available up to a maximum of \$10 million. Council may consider approval of requests for advances for this funding program upon districts qualifying under certain conditions and evidence that no other funds are available. There being no objection the motion carried.

**b. 2013-2014 Proposed Workplan/Timeline—*Informational***

Mr. Berry presented this item to the Council, noting that both subcommittees have reviewed the workplan/timeline. He highlighted various changes in the timeline noting that it is subject to change. *This report is for informational purposes only. No action is required by the Council.*

**5. Director's Report**

**a. PSCOC Project Status Reports**

Mr. McMurray presented the Project Status Report to the Council, noting that the report was reviewed by the Administration, Maintenance & Standards Subcommittee.

Mr. McMurray highlighted the various projects in the report along with the projects that are moving forward and projects that are behind schedule.

Mr. McMurray reported that most projects are on schedule.

In regard to the Church Rock (Gallup) project Mr. McMurray reported that Design Professional has been selected. The district and PSFA are completing the contract. Design development is scheduled to start early January.

In regard to New Yucca Elementary School (Alamogordo), Mr. McMurray informed the Council that design of this project has been delayed for a yet to be determined amount of time due to some unforeseen site issues that are currently being evaluated. The district is considering other sites currently owned by the district that will allow the completed SD work to be utilized while avoiding excessive cost to develop the original site and to avoid construction of costly building foundations to mitigate subsurface conditions at the original site.

In regard to San Antonio Elementary School project (Socorro) project, Mr. McMurray stated that there is a problem with BLM ownership of the land and the district is still attempting to resolve the issues.

In regard the James Bickley Elementary School (Clovis) project, Mr. McMurray stated that district is looking into civil engineering and other issues. He reported that a bond has been scheduled for May 2013. However, the district may need an advance if the bond election does not pass because they have not sold their bonds and do not have their local match.

*This report is for informational purposes only. No action is required by the Council.*

**-- Master Plan Project Status Report--Informational**

Ms. Casias presented the Master Project Plan Report to the Council noting that the report was reviewed by the Administration, Maintenance & Standards Subcommittee. She highlighted various portions of the report.

In regard to the master plan for the Deming School District, the Council asked if the high school situation is causing delays in terms of finalizing the plan. Mr. Gorrell responded that the district purposely want a delay until the new board is elected.

*This report is for informational purposes only. No action is required by the Council.*

**-- FMAR Scores--Informational**

Mr. Abbey stated that this issue was discussed at the Awards Subcommittee at their last meeting. He stated that the FMAR is constructive. He stated that in regard to the smaller districts that are branded as poor in the FMAR scoring process that they are not penalizing them because they do not have staff to fill out the paperwork. Mr. Guillen also voiced his

concern regarding the consequences of neglect. The Council commended Superintendent Bill Green for his part in keeping up with FMAR while managing two districts. Mr. Guillen stated that the School Board Association has been working with PED in regard to eliminating the number of reports required of districts. Mr. Aguilar reported that the number has been reduced by 15%.

Mr. Gorrell stated some districts do not have the funding to hire staff and resources are limited. He pointed out that the FMAR report is not a reflection of district staffing, it is to identify problems.

*This report is for informational purposes only. No action is required by the Council.*

-- **Lease Assistance Report-- Informational**

Mr. Gorrell presented the Lease Assistance Payment Report to the Council noting that the report was reviewed by the Administration, Maintenance & Standards Subcommittee. He highlighted various portions of the report.

*This report is for informational purposes only. No action is required by the Council.*

-- **Chama Project Update--Informational**

Mr. Gorrell presented this update as follows:

- **Escalante Roof:** Roof was re-inspected after contractor completed punch list. The contractor was given a list of unsatisfactory items and they are scheduling with the district to address them. A leak was discovered over Christmas break. The contractor is working on the repair this week.
- **Escalante Heating/Mechanical Systems:** Fixes to the existing system are in place to serve the school through the winter. Design work on the permanent fixes is under way and should be complete in March. Permanent mechanical systems work to be scheduled with the district after design complete. This work may need to be done over the summer to minimize disruptions to school operations.
- **Escalante Loading Dock Roof Enclosure:** The loading dock will receive a roof enclosure to address snow and ice build-up problems that prevent winter access to the fire pump and a boiler room. Design is complete for this work. Work will commence in the spring at the district's convenience.
- **Escalante Cooking Pot Floor Drain:** The work to enlarge the drain will occur after school breaks for the summer to minimize disruptions to school operation. PSFA is confirming the necessity for this to drain into the grease interceptor with NM Environmental Dept.
- **TA Elementary Electrical Repairs:** Work will complete the week of January 14<sup>th</sup>.
- **TA Elementary Boiler Issues:** The PSFA contracted to have electronic ignition installed. This has corrected the boiler outage problem. The issue of noise from air in the system still exists. The PSFA is soliciting a proposal from a boiler company to bleed air from the system. This is a maintenance item for the district.
- **TA Elementary Paving around the Gym:** To aid snow removal, curbs have been cut down this past fall. The paving around the gym will commence after the weather is clear and temps are high enough. Work will be coordinated with the district.

- **TA Elementary Water Pressure:** Two valves used to allow air to escape from the system were closed. These were opened and the system will be monitored to see if water pressure returns to design tolerances.

*This report is for informational purposes only. No action is required by the Council.*

## 6. Other Business

### a. PSCOOTF Proposed Legislation

Mr. Berry presented this legislation to the Council referring them to the matrix that is made available in their meeting notebooks. The legislation was reviewed in both subcommittees.

The matrix reflects the following legislations:

ID Number	202 Number	Description
1 White	190438.4	Defines "building system"; allows a specific distribution each year (\$15 million placeholder) from FY 2014 through FY 2018 from the Public School Capital Outlay Fund for building systems repair, remodel or replacement; provides guidelines for council determination of grant award recipients.
2 Yellow	190439.5	Provides more flexibility to the Public School Capital Outlay Council (PSCOC) to determine local match waiver eligibility –changes “shall” to “may” and adds districts with fewer than 800 students to the eligibility.
3 Ivory	190441.4	Allows the PSCOC to modify or not grant the automatic consumer price index adjustment from the lease-assistance program -changes "shall" to "may".
4 Lavender	190444.6	Expands powers of chartering authorities to consider the charter school facility standards in 22-8B-4.2, including requirement to submit a plan to meet designated facilities standards within eighteen months of occupancy or relocation; allows the PSCOC to recommend to the chartering authority for the suspension, non-renewal or revocation of charter of new or relocating charter schools based on the facility condition index.
5 Blue	190747.2	Reestablishes the Charter School Capital Outlay Fund that was repealed July 1, 2012 and reestablishes criteria for grant awards from that fund.
6 Salmon	190926.1	Makes an appropriation of \$10 million from the Public School Capital Outlay Fund to the PSCOC for expenditure from FY 2014 through FY 2016 to establish a program to assist districts and charter schools with deferred maintenance issues.

Mr. Berry noted that the task force has not selected sponsors for these specific pieces of legislation that were endorsed. The LESC will discuss these drafts at their next scheduled meeting.

*This report is for informational purposes only. No action is required by the Council.*

### b. PSCOC Strategic Issues

Mr. Gorrell presented this item noting that the Council directed the PSFA staff to make a presentation regarding PSCOC Strategic Issues. He noted that the standardized lease program was supported by the PSCOOTF. Many of the issues reflected in the LFC report would be resolved before charters even get started.



## 1. Leases

### a. Leases—Policy Considerations

- Create Standardized Leases- AMS ✓, Awards ✓, PSCOOTF ✓ (PSCOC Approval)
- Standardized leases for facilities, land and lease with option to purchase
- Conflicts of interest significant issue
- Leases not subject to procurement code
- Would required statutory change
- Standardized Intergovernmental Land Lease for Building or Renewing School Facilities
- 50 year minimum term for land leases - AMS ✓, Awards ✓, PSCOOTF ✓ (PSCOC Approval)

### b. Charter School Facilities Issues—Policy Considerations

- Provide Charter Schools with Increased (access to) Facilities Knowledge and Experience
- Authorizers should provide facilities - Awards ✓
- Would require statutory change
- Provide for Better Charter School Facility Planning
- Reinstating Charter School Capital Outlay Fund - PSCOOTF ✓
- Would require statutory change
- Enforce Facility Sharing Requirements of Section 22-8B-4 NMSA 1978
- Charters have unique space needs and may not want district space; process must address districts offering space but charter refusal
- Assist Charter Schools in Lease Management (see strategic issue I)
- Strengthen the “Be in Public Facilities” language of the PSCOA
- If no space available, another planning year - Awards ✓
- May require statutory change
- Develop Capabilities to Respond to Innovations in Charter School Program Delivery and Facilities Needs
- Provide no lease assistance to virtual schools - Awards ✓
- Provide lease assistance to virtual schools only at whatever the percentage of the schools total population on site or in that district - Awards ✓
- May require statutory change

### c. Lease Assistance Program—Policy Considerations

- Set Annual Award Maximums and Remove the CPI Adjustment - PSCOOTF ✓ (CPI)
- Cap total dollars and remove CPI adjustment AMS ✓, Awards ✓ (May require statutory change)
- Set \$13.4M annual cap Awards ✓ (May require statutory change)
- Payments made to school districts is an issue

### d. PSCOA Funding Formula—Policy Considerations

- Decrease State Share for Districts with High Population Densities
- Adjust Funding on Projects with “Above Adequacy” Spaces
- Expand PSCOC authority to grant Waiver of Local Match AMS ✓, Awards ✓, PSCOOTF ✓ (Would require statutory change)
- Strengthen the Recalcitrant District Language in the PSCOA

### e. School Size—Policy Considerations

- Decrease APG GSF Per Student Allowance for Schools AMS ✓, Awards ✓, PSCOOTF ✓ (by PSCOC policy)
- More discussion on percentage to reduce
- More discussion on small schools
- Reduce state share when schools build above adequacy (see strategic issue IV)

### f. School Condition—Policy Considerations

- Maintain Focus on Facility Renewal of Whole Campuses for Schools with High wNMCI Scores AMS ✓, Awards ✓, PSCOOTF ✓ (by PSCOC policy)
- Discuss maximum wNMCI for a school

- Discuss acceptable wNMCI for a school
- Discuss acceptable statewide average wNMCI for schools
- Create a Secondary Capital Grants Process to Allow Renewal of Certain Facility Systems That Are at or Near Their Observed End of Cycle. AMS ✓, Awards ✓, PSCOOTF ✓
- More discussion on this following a regular awards cycle for whole campus projects (May require statutory change)
- Expand Oversight of Maintenance Effectiveness to Extend Capital Investments and Sustain a Functional Environment for Education - PSCOOTF ✓

The Council requests that the AMS discuss this item at their next scheduled meeting. Council will revisit this item at their next scheduled PSCOC meeting.

**c. 2013 QZAB & QSCB Application**

Upon discussion, Mr. Guillen made the following motion:

**MOTION:** Mr. Guillen moved for approval for Council approval of the Awards Subcommittee recommendation to authorize release of the 2013 applications for Qualified Zone Academy Bonds (QZAB) and Qualified School Construction Bonds (QSCB). Applications are due February 22, 2013, and tentative award date will be at the April 9, 2013 PSCOC meeting. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried

**d. Next PSCOC Meeting — Proposed for April 9, 2013**

Upon discussion, the Council unanimously agreed to held their next PSCOC meeting April 9, 2013.

**Public Comments**

Mr. Gorrell stated that PSFA staff would like the Council to consider going paperless for all subcommittee and PSCOC meetings. PSFA can supply a projector and only a few laptops to members but the supply is limited. Staff will continue to provide a few notebooks for members who choose not to use an electronic device.

**Adjourn**

There being no further action to come before the Council the meeting adjourned at 12:30 PM.

David Abbey Chair  
4/9/13 Date