

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL
MINUTES
APRIL 14, 2011
STATE CAPITOL BUILDING, ROOM 317
SANTA FE, NEW MEXICO**

Members Present: Mr. David Abbey, LFC Mr. Richard May, DFA
 Mr. Joe Guillen, NMSBA Mr. Gene Gant, PEC
 Mr. Raul Burciaga, LCS Ms. Frances Maestas, LESC
 Mr. Richard Tavelli, CID Mr. Keith Gardner, Office of the Governor
 Ms. Hanna Skandera, PED

Designees: Mr. Antonio Ortiz, for Ms. Hanna Skandera, PED from 10:30 AM through remainder of meeting.

1. Call to Order—9:10 AM

Mr. David Abbey, Chair

a. Adoption of Agenda

Mr. Abbey acknowledged that all Public School Capital Outlay Council (PSCOC) members are present, and the members introduced themselves to the audience. New members include Mr. Richard Tavelli, representative for the Construction Industries Division (CID), Mr. Richard May, representative for the Department of Finance and Administration (DFA), Mr. Keith Gardner, Mr. Gene Gant, representative for Public Education Commission (PEC) and Ms. Hanna Skandera, representative for the Public Education Division.(PED).

Mr. Robert Gorrell, PSFA director, presented the agenda to the Council, noting that that PSCOC reserves the right to change the order of the agenda as deemed necessary.

MOTION: Mr. Guillen moved for approval of the agenda as presented. Mr. May seconded and the motion carried.

The Council recognized Mr. Scott Hughes. Mr. Hughes has accepted employment at the University of New Mexico. Mr. Hughes served on the Council as designee for the Secretary of DFA for many years. The Council expressed its appreciation and thanked Mr. Hughes for his work.

b. Correspondence

Mr. Gorrell noted that a letter was received from Secretary Skandera designating Mr. Paul Aguilar and Mr. Antonio Ortiz to serve as her designee(s) in the event that she is unable to attend a PSCOC meeting.

Mr. Gorrell also noted an email to Mr. Les Martinez, PSFA staff, from Albuquerque Public School District. The email states that PSFA's Facility Information System (FIMS) reports were helpful to the district when FEMA arrived on site to review facilities damage that occurred due to freezing conditions in Albuquerque. The letter states that in a matter of seconds the key details on facilities damages were printed and handed to the

FEMA inspectors. FEMA was impressed with the documentation and indicated that “*out of all entities visited, including City, County, District Court and Federal Court, APS was the most organized and made it very easy to review.*” The email also thanked the PSFA for visits and training with FIMS, which, the email said “*has proven to be a valuable tool for APS maintenance and operations.*”

2. Adoption of Minutes (January 13, 1011)

MOTION: Mr. Richard May moved for adoption of the January 13, 2011 PSCOC minutes as presented subject to technical corrections. Mr. Guillen seconded and the motion carried.

3. 2011 Legislative Changes

Mr. Gorrell presented this item, referring Council to HB 283 (School Lease & Lease Purchase Requirements). HB 283 is specific to charter leases and the bill will assist in making the charter schools more successful. The PSFA will work with the charters to develop their educational specifications in order that charters will be clear on their facility needs before their charter is approved. The bill prevents charters from jumping the queue on the state ranked list of facilities needs, while also working to provide a safe educational environment. Mr. Gorrell stated that the Charter Coalition has agreed to work with the PSFA to develop a standard lease agreement.

4. 2011-2012 Standards-Based Application Process

a. 2011-2012 Standards-Based Pre-Applications Received

Mr. Tim Berry, PSFA deputy director, referred Council to the Standards-Based Pre-Applications received, available in the meeting notebooks. Mr. Berry noted that applications were received from 16 districts for a total of 26 projects. He noted that there are projects that fall outside the current applicant pool limit that was set at the top 60 projects on the NMCI ranked list. Mr. Berry noted that there is a single formal appeal from Belen Family School.

Mr. Berry noted that application requests total approximately \$236.6 million cost. Phase 1 state-share funding for planning and design within the top 60 would be approximately \$9 million.

The Awards Subcommittee asked that the Council be advised of the Rio Rancho projects for Colinas del Norte Elementary and Vista Grande Elementary Schools. Mr. Berry indicated that these two projects were previously funded by the Council for new schools to relieve overcrowding. Historically, when the Council funds a school due to growth there is also funding provided to bring the current schools to adequacy. Because these schools were fairly new it was determined that the facilities were in good shape for the reduced population and the awards were deferred to a future award cycle.

Mr. Berry noted that district growth is slowing and space is available at current elementary schools. However, the district has submitted applications for making various improvements at these two facilities.

Mr. Berry stated that Colinas del Norte was ranked #5 in the 2007-2008 cycle and Vista Grande was ranked #1 in the 2006-2007 due to growth issues. He stated that if the

schools were included in the current rankings, the Colinas del Norte Elementary School would be ranked at #472 and the Vista Grande would be ranked at #545.

Mr. Gorrell stated that the district had made a decision to liquidate all of its portable classrooms, even though the Council determined that portables that are less than 30 years old are to be considered as adequate space. The purpose of the district liquidating the portables is to move students to permanent space, which would cause overcrowding in the schools.

Mr. Berry stated that as they go through the full application process, the PSFA will work with the districts to fine tune the total cost estimates.

The Council noted that Lincoln Middle School is ranked at #8, and voiced concern regarding why the district did not apply for funding for this school. The Council also noted that the Rio Rancho District was awarded funding in 2006 and 2007 for the Colinas del Norte and Vista Grande projects and voiced concerned because the district has not completed these projects.

Mr. Abbey indicated that he does not support funding for the two projects.

Mr. Berry reported on the replies received from the district regarding their pre-application. One of the responses was that the district may be withdrawing its application for Vista Grande, and will go back to its board to re-determine priorities. PSFA staff assured the Council that the schools are being ranked fairly via the FAD System.

MOTION: Mr. Burciaga moved for Council approval of the PSCOC AMS Subcommittee recommendation to approve the PSFA administrative data updates and adjustment to the rankings, subject to necessary revisions due to approval of previous formal appeal. The PSFA is authorized to assists those districts that have submitted pre-applications within the top 60 of the revised preliminary NMCI rankings to develop the full applications and perform site visits, as appropriate, to gather additional information on behalf of the Council.

b. 2011-2012 Standards-Based Roof Projects

Mr. Berry presented this item to the Council on Standards-Based Roof Pre-Applications received with details in the meeting notebooks. He reminded the Council that it can fund roofs annually for up to \$10 million.

Mr. Berry noted that applications were received from 10 districts for a total of 24 projects. Total project costs for the applications would be approximately \$11 million with a potential state match of \$7.6 million which is below the \$10 million threshold.

Mr. Berry noted that the PSFA anticipated that more districts would apply for roof funds and that the majority of districts indicated that they did not apply or request funds because they lacked their local matching funds, and that the timeline for the completion of the project of one year was too short.

Mr. Berry stated that districts projects that were not funded or only partially funded in the January 2010 Standards-Based roof awards were invited to reapply. Mr. Berry pointed out that the staff has to validate the scope and costs of the roofs, and will bring back recommendations to the Council at its May meeting.

The Council stressed the importance of districts using standardized criteria to evaluate roofs rather than hire their own evaluator.

Mr. Gorrell stated that the PSFA has standardized contracts and observation procedures; and that when districts attempt to get contractors to repair their roofs and contractors refuse, the district is directed to write a letter to CID.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to make tentative awards for planning purposes to those districts that have resubmitted standards-based roof applications that were not funded or only partially funded from the previous award cycle due to funding constraints. The project scopes and projected costs shall be verified by PSFA staff and award recommendations brought back to the PSCOC at the May 5, 2011 meeting. The remaining new standards-based roof applications shall be accepted and may proceed in accordance with previously adopted criteria. Districts are encouraged to move expeditiously with hiring roof consultants from the PSFA-approved pool to evaluate these critical roof projects and submission of the required reports to the PSFA for final review and analysis such that award recommendations can be brought to the June PSCOC meeting. Districts must provide evidence of claims against roofing warranty or demonstrate evidence that original roof warranty has expired or contract did not require warranty, as well as, notification to NM Construction Industries Division with evidence that contractor has been contacted to repair roof but has been non-responsive. Since this is a subcommittee recommendation a second is not necessary. There being no objection the motion carried.

c. NMCI Rank Appeals

-- Belen Appeal — Family School

Ms. Patricia Rael, Superintendent, represented the Belen School District. Mr. Chris Aguilar, PSFA staff, informed the Council that the district brought to the attention of the PSFA that they wanted to challenge the ranking of the Family School project.

Mr. Aguilar stated that the project descended in the ranks because the school moved to temporary facilities. Mr. Aguilar explained that although the school previously had a ranking at #9, they moved out of that facility.

Mr. Aguilar stated that upon review of the data, the building had a considerable amount of life/health and safety issues and Ms. Rael felt that it was in the best interest of the students that they move out of the facility. The district then leased a facility at a strip mall and moved the students there.

Mr. Aguilar reminded the Council that FAD only evaluates the building that is currently housing the students. Upon review by the Administration, Maintenance & Standards Subcommittee, it was determined that the district made the right decision in temporarily moving the students from a dangerous facility. The district is appealing

the ranking, based on their previous ranking. The PSFA has reevaluated the district's situation and the facility is now ranked at #22.

Ms. Rael stated that the district understands the rules for approval of funding by the Council. She informed the Council that the district has received complaints from families, students and teachers regarding the problems in regard to odors. Currently there are 82 students enrolled at the Family School and four teachers. It was noted teachers work a three-day week and students are homeschooled for various subjects. Ms. Rael noted that the lesson plans for homeschooling are collaborated with the teachers. She informed the Council that the district is revising its facility master plan and will commit through the plan to work on the Family School. In regard to a February bond election in the amount of \$20,357,000, the district will expend \$3,000,000 on Family School.

Ms. Maestas noted that homeschooled students are not considered public school students unless they attend a public school at least half-time and are registered by the Public Education Department.

The Council voiced concern regarding taking funding from public schools and using the funds for homeschooled students. The Council also voiced concern regarding cost effectiveness, space concerns and eligibility of non-traditional schools.

Ms. Rael noted that the school does not have a bus drop-off for students, no playground and bus transportation is not provided. Ms. Rael also informed the Council that the Board of Education has directed her to look into available property. There is a piece of property but there is no guarantee that the district can purchase it.

Mr. Gorrell noted that the building has to be evaluated by the PSFA staff to ensure that the problems are justified.

MOTION: Mr. Burciaga moved for Council approval of the Adequacy, Maintenance & Standards Subcommittee recommendation to approve the appeal of the ranking for the Belen Family School due to the closure and subsequent movement of the existing students to a temporary lease facility due to structural concerns. PSFA shall use the deficiencies of the previous facility as the basis for including in current NMCI rankings. This approval allows the Belen district to continue with the application process only, and is not a commitment to fund the new school which shall be evaluated and determined through the standards-based process. The anticipated ranking for Belen Family School is #22. Since this is a subcommittee recommendation a second is not necessary. There being no objection the motion carried.

-- **Espanola Appeal—Hernandez Elementary School**

PSFA received an appeal from the Espanola School District that challenges this project's ranking; however, evidence was not submitted that would justify a change in the ranking.

The PSCOC acknowledged a letter from Espanola Public Schools requesting permission to apply for schools ranked outside the top 60 in the preliminary NMCI ranking. Formal appeal procedures were not adhered to for this request and the current rank of subject school is to remain. Due to funding limitations, it is unlikely that awards can be made to this school without impacting out-year funding commitments of higher ranking projects, and therefore the funding pool should remain at the current top 60.

-- **Central Appeal—Naschitti ES**

PSFA received an appeal from the Central School District that challenges this school's ranking. However, evidence was not submitted that would justify a change in the ranking.

The PSCOC acknowledged a letter from Central Consolidated Schools requesting permission to apply for a school ranked outside the top 60 in the preliminary NMCI ranking. Formal appeal procedures were not adhered to for this request and the current rank of subject school is to remain. Due to funding limitations, it is unlikely that an award can be made to this school without impacting out-year funding commitments of higher ranking projects and therefore the funding pool should remain at the current top 60.

d. Potential Funding Pool

Mr. Berry presented this item to the Council, referring to a letter/email that was sent to all districts and State Chartered Charter Schools and which outlines the 2011-2012 Standards-Based Process & Roofing Award process. The letter informs districts that the 2011-2012 Preliminary Ranking and all application documents can be accessed on the PSFA website. The letter also explains eligibility requirements for standards-based funding as well as standards-based roofing funding.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation for the funding pool to remain at the current top 60. Since this is a subcommittee recommendation a second is not necessary. There being no objection the motion carried.

5. Subcommittee Reports

a, Awards Subcommittee Reports

• **Financial Plan**

Mr. Jeff Eaton, PSFA Chief Financial Officer, presented the PSFA financial plan to the Council, highlighting actions taken by the Council at their last meeting regarding the following projects and adjustments.

-- **Roof Awards**

The net award was \$9,748,806 for 15 projects. There is no adjustment for FY-11 Supplemental Reserve. There was a certification in the amount of \$10 million in awards in November 2010. The funding on the next resolution will be adjusted accordingly.

-- **Aztec — Facility Master Plan Award Adjustment**

Award to increase the state share of the 2010-2011 Facilities Master Plan Assistance Award to Aztec Municipal Schools by \$1,860 (10%), contingent upon an additional local share of \$16,737 (90%) based on the estimated cost of \$48,548 that was submitted for developing a five-year facilities master plan. The net award was \$1,860 and the net adjustment was made to the FY11 Supplemental Reserve.

-- **Clovis — New MS — Out-of-Cycle Project Award**

Award to amend the previous 2009-2010 non-award direction to Clovis Municipal Schools and subsequent approval of a new overall plan for various district improvements, including planning and design of a new middle school, to an award for the construction of Phase I of the new Middle School, to adequacy with a core capacity of 900 and initial classrooms for 650 students, serving grades 6-8, with a state share amount of \$19,157,451 (80%), contingent upon a local share of \$4,789,363 (20%). Award amount includes credit for district expenditures to adequacy for planning and design. Future phases must be justified through other district Middle School's becoming eligible through the standard-based process. The net award was \$19,157,451. There was no adjustment to the FY-11 Supplemental Reserve. This amount was certified in November 2010. Funding needs on the next resolution will be adjusted accordingly.

-- **Gallup — Rocky View ES Roof — Additional Funding**

Award to increase the state share of the 2009-2010 Standards-Based Roof Award to Gallup McKinley County Schools to reroof Rocky View ES by \$47,040 (84%), contingent upon an additional district match of \$8,960 (16%) based on the low bid for completion of the work. The district is reminded that this award required completion within one year and that project delays on future projects may be grounds for cancellation of the project and reversion of the funds. The new award was \$47,040. The net adjustment to the FY-11 Supplemental Reserve is (minus) -\$47,040.

-- **Grants — Cubero ES — Out-of-Cycle Construction Funding**

Award to amend the previous 2009-2010 Standards-Based Award to Grants-Cibola County Schools for Cubero Elementary School to include out-of-cycle construction funding for replacement of the school to adequacy for a design capacity of 250, serving grades K-6, with an increase in the state share amount of \$8,160,315 (81%), contingent upon an additional local share of \$1,914,148 (19%). District is required to bid two classrooms as an alternate and award is contingent upon district justifying projected enrollment. The net adjustment was \$30,000. The net adjustment to the FY-11 Supplemental Reserve is (minus) - \$30,000. The district's funding advance funding is due for remuneration by June 30, 2011.

-- **Hobbs — High School — Out-of-Cycle Construction Funding**

Award to amend the previous 2009-2010 Standards-Based Award to Hobbs Municipal Schools for Hobbs High School to include out-of-cycle construction

funding for Phase 2 & 3 to bring the school to adequacy for a design capacity of 1,700, serving grades 10-12, with an increase in the state share amount of \$9,415,766 (56%), contingent upon an additional local share of \$7,398,102 (44%). The net award was \$8,985,484. There is no adjustment to the FY-11 Supplemental Reserve. The amount of \$9,697,173 was certified in November 2010. Funding needs on the next resolution will be adjusted accordingly.

-- Roswell — East Grand Plains ES — Out-of-Cycle Construction Funding

Award to amend the previous 2009-2010 Standards-Based Award to Roswell Independent Schools for East Grand Plains ES, to include out-of-cycle construction funding for renovations/improvements of the school to adequacy for a design capacity of 275, serving grades K-5, with an increase in the state share amount of \$5,116,332 (72%), contingent upon an additional local share of \$1,989,682 (28%). The net adjustment is \$5,116,330. There was no adjustment to the FY-11 Supplemental Reserve. Funding needs on the next resolution will be adjusted accordingly.

-- Roswell — Monterrey ES — Out-of-Cycle Construction Funding

Award to amend the previous 2009-2010 Standards-Based Award to Roswell Independent Schools for Monterrey ES to include out-of-cycle construction funding for renovations/improvements of the school to adequacy for a design capacity of 450, serving grades K-5, with an increase in the state share amount of \$3,862,847 (72%), contingent upon an additional local share of \$1,502,218 (28%). The net award was \$3,862,847. There was no adjustment to the FY-11 Supplemental Reserve. This amount was certified November 2010. Funding needs on the next resolution will be adjusted accordingly.

-- Roswell — Pecos ES — Out-of-Cycle Construction Funding

Award to amend the previous 2009-2010 Standards-Based Award to Roswell Independent Schools for Pecos Elementary School to include out-of-cycle construction funding for renovations/improvements of the school to adequacy for a design capacity of 450, serving grades K-5, with an increase in the state share amount of \$6,161,466 (72%), contingent upon an additional local share of \$2,396,121 (28%). There was no adjustment to the FY-11 Supplemental Reserve. This amount was certified November 2010. Funding needs on the next resolution will be adjusted accordingly.

Mr. Eaton briefed the Council on estimated cost over-runs, sources and uses, and presented a FY11 detailed summary of various projects, estimated funding needs and other portions of the financial plan.

Mr. Eaton also briefed the Council regarding Severance Tax Bonds which are to be sold in January 2012 and budgeted in July 2012. He noted that the estimates are based on capacity of natural gas, oil, taxes and other severance taxes for capital outlay. He clarified that the Council has adopted funding projects in two phases with Phase I being the design phase and Phase II being the construction phase. Districts would have to come before the Council for Phase II funding before the award is granted.

- **Additional Funding/Emergency Funding/Award Language Requests**

- **Central—Nataani Nez—Change in Award**

Mr. Pat McMurray, PSFA Senior Facilities Manager, presented this item to the Council referring to a letter from the Central School District in the meeting notebooks. The letter stated that due to four schools that were affected by the closure of Natanni Nez, the district is requesting that the Council change their 2008-2009 award language. That closure, consolidation and change of grade structure were necessary to more effectively use state and local resources. Also, schools designed and built for one grade configuration need to be adapted to accommodate student grade levels not in the original design. Work must be completed on each of the schools to better facilitate the current grade configurations.

Mr. McMurray indicated that the cost of renovating the four schools may well be less than the cost that was projected for Nataani Nez alone. The district is requesting that the Council modify the previous 2008-2009 Standards-based award to allow the district to renovate Nataani Nez ES, to instead close the school and dispose of by demolition or change in title, with approval for plan and design for necessary improvements to adequacy at the affected schools where the former students were moved.

Mr. Gorrell stated that although this is a significant change to the previous language but that “the money will follow the children.” The Awards Subcommittee has reviewed this request and recommends approval.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to modify the previous 2008-2009 Standards-based award to Central Consolidated Schools to renovate Nataani Nez Elementary School to instead close the school and dispose of by demolition or change in title, with approval for plan and design for necessary improvements to adequacy at the affected schools where the former students were moved. This modification is not a commitment to construction funding, and requires that the district submit a revised capital outlay application which shall be evaluated and determined through the current standards-based process. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

- **Eunice—Mettie Jordan ES—Out-of-Cycle Construction Funding**

Mr. McMurray presented this request to the Council, noting that the district is seeking additional funding for the new Mettie Jordan Elementary School. PSFA staff recommends approval of additional state funds, totaling \$1,728,968, as requested and submitted. These additional funds will allow the state to: meet its required match (10%) regarding this specific project to adequacy for the total project cost. This district has their required match to adequacy (90%) plus additional funding for any and all construction costs above adequacy. Mr. McMurray noted that the project has gone through the educational specification process and is a CMAR project with a contractor on board. The Awards Subcommittee has reviewed this request and recommends approval.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the previous 2009-2010 award to Eunice Public Schools for Mettie Jordan Elementary School to include out-of-cycle construction funding for replacement of the school to adequacy for a core capacity of 400 with classrooms for 300 students, serving grades K-5; with an increase in the net state share amount of \$1,728,968 (10%), contingent upon an additional local share of \$15,660,711 (90%) including adjustment for direct appropriation offset carry-forward. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

NOTE: Mr. Dwain Haynes, Superintendent Eunice Public Schools, stated that he supports the subcommittee motion. He expressed appreciation for the Council on behalf of the community, the school, the school board, and the children attending Mettie Jordan Elementary School.

-- **Jemez Valley—San Diego Riverside Charter—Additional DCP Funding**

Mr. McMurray presented this item to the Council, noting that the district is requesting additional Deficiency Correction Funds for the San Diego Riverside Charter School. Additional DCP funds are being requested due to a shortfall in the budget as result of the roof (11,100 SF). After a structural evaluation of the existing roof was concluded, it was found that the purlins on the main classroom building and its small addition are overstressed beyond their capacity by 180% & 148% respectively, and will need structural reinforcement to properly support the existing and potential new roof loads. The initial budget and scope presumed that the infrastructure below would be sufficient to support a new roof; due to the need to reinforce the purlins, add new insulation, additional structural support, a new structural deck, and demolition of the existing deck, the cost to fix the roof has increased by \$140,772.75 (inclusive of NMGR & contingency). The original MACC for this project was \$188,768 (exclusive of NMGR). If additional funds are granted, this project will be complete as intended per the direction of the PSCOC at its January 8, 2010 meeting. All other CDP work has been completed with the exception of the kitchen hood which is currently in progress.

The PSFA staff recommends that additional state funds, totaling \$158,960.68, be approved as requested, which will allow required structural upgrades to the existing roof structure to support the specified roofing system.

Mr. McMurray introduced Idelee Vogel, Director of Development, and Ms. Arlene Loreda, Principal, of the San Diego Riverside Charter School. Also present was Mr. David Atencio, Superintendent of the Jemez Valley School District.

Mr. McMurray informed the Council that this is a deficiency correction project. He noted that upon reviewing the scope of the project there were structural issues on the existing facility that do not allow a new roof. Mr. McMurray stated that the additional funding would complete the work outlined in the Deficiency Correction Project process.

Mr. Gorrell noted that the facility is on tribal property. The Council asked if there are other instances where the PSCOC has awarded funds for repair to tribal-owned schools.

Mr. Gorrell stated that this is the only charter school that has been funded by state funds for a school on tribal property.

Mr. Berry explained that many districts have schools that are located on tribal land and the improvements are owned by the school district through a long term lease.

Ms. Sharon Ball, Legislative Council Service, reminded the Council that Amy Biehl Charter School is also a federal building and that the Council and Legislature have awarded it a considerable amount of funds through direct appropriation.

The Council asked Mr. Atencio if he is in agreement with the request. Mr. Gorrell noted that funds for charter school flow through the district where the charter is located and that requests are authorized by the district.

Mr. Atencio indicated that the district is in support of the request and assisted the charter in applying for the additional funding.

The Council noted that the charter also has responsibilities in regard to repairs and maintenance, and that the landlord has no obligations whatsoever.

Ms. Vogel informed the Council that the tribe does the repairs for the charter school when needed.

In regard to the charter's short term agreement, the Council asked if the lease is with the Department of Interior, and noted that some leases are short term. Mr. Berry noted that the lease that the Department of Interior approved includes language that requires the federal government and the tribe to maintain the building, and that the charter has little responsibility.

Ms. Ball explained that there is a section in the Public School Capital Outlay Act that provides exceptions that have to do with when schools have to be in public facilities. The schools can be in a private facility if the owner of the facility guarantees that the school will be maintained to adequacy. In this case, San Diego Charter School was awarded deficiency correction funding in 2004. When the school has completed the work specified in the language of the award, the project and the funding is complete. The school will then be required to come before the Council for consideration of funding based upon priority.

Ms. Vogel informed the Council that the charter school is only permitted by law to enter into an annual lease contingent upon continued funding by the legislature. She stated that the charter is only allowed to enter into a lease for a maximum five-year term. Ms. Vogel explained that the lease is with the Jemez Pueblo and approved by the Department of Interior, and that the charter is entering its twelfth year at this location. Ms. Vogel stated that the charter has gone through the due process, which

the Council requested last January, to ensure that the charter school arrangement is appropriate and official. She stated that the tribe continues to service the charter buildings.

In regard to sovereign nation leases, Mr. Gorrell indicated that it has been a recurring problem because school buildings have been lost because of their leases. He stated that considerable time must be spent to review the lease and ensure that the 30-year life expectancy is protected.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to increase the award to Jemez Valley Public Schools for deficiencies corrections at San Diego Riverside Charter School by \$158,961 in order to make structural repairs to the roof structure. This award completes all deficiencies at this school and all future awards shall be through the standards-based capital outlay process. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

-- **New Mexico School for the Deaf—Additional DCP Funding**

Mr. McMurray presented this item to the Council. Also representing the NM School for the Deaf is Mr. Richard Gorman. Mr. McMurray explained that the original DCP funding of \$2,500,000 for this project was approved by the PSCOC at its January 8, 2010 meeting. \$1,500,000 of this amount for the corrections of all deficiencies for Dillon Hall was combined with Severance Tax Bonds, State General Obligation Bonds, and an ARRA grant. \$1,000,000 was left to complete the remaining deficiencies for the whole campus. Further scope review shows the need for including additional funds as requested to complete all remaining deficiencies campus-wide as originally intended, including additional DCP roofs. The Awards Subcommittee has reviewed this request and recommends approval.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to increase the award to the New Mexico School for the Deaf for correcting the current PSFA-validated deficiencies by \$1,796,466, including additional roof deficiencies at the Santa Fe campus. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

-- **West Las Vegas—Family Partnership—Change in Award**

Mr. McMurray presented this item to the Council, referring to a letter received from the West Las Vegas School district. The district is requesting that the Council adjust the district's P07-020 Union School Elementary and the P08-025 Family Middle High School funding awards. The district indicates that the request is in light of the final direction proposed in their Facility Master Plan. It was determined that the district will no longer pursue the relocation of the Union Elementary School students to Tony Serna Elementary, which would allow for the conversion of the Union ES site to the Family Partnership site. Instead, the existing neighborhood school concept will remain in place, and the Family Partnership students will be housed in the existing (former WLVS High School Cafeteria/All Purpose Room) to be remodeled for this purpose.

The district is requesting that the Council authorize the district to utilize the funding awards as follows: (1) PO-070-Union Elementary School—Change in the award language to allow design/planning costs to remodel Union Street Elementary to adequacy, for use by students attending Union Elementary School; (2) P0-0250-Family Middle High School—Utilization of construction funds to remodel the site (WLV High School Cafeteria/All-Purpose Room) proposed to house the Family MHS, as opposed to remodeling the Union ES site for Family Partnership use. If legislative funding is not secured, the district requests authorization to request PSCOC out-of-cycle funding for planning/design costs. It was stated that the district has completed its audit.

Mr. Berry clarified the purpose of the language in the motion, stating that the previous language in the award for the existing Union School was to remodel and provide an addition at Tony Serna Elementary School. The award included planning, design and construction for the project. The motion is a backup to planning/design only, and the district would have to reapply for construction through the current cycle and present before the Council at the district presentation meeting.

Mr. Guillen stated that the intent is to not jeopardize any of the funding and to leave it in place so the district can reapply, but not to proceed with the construction until their funding is considered through this cycle.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the previous 2007-2008 Standards-Based Award to West Las Vegas Schools for the Family Partnership Middle High School to include planning and programming to remodel and relocate the school to the former WLV high school cafeteria/multi-purpose building in lieu of Union ES. The design capacity for this award is for 80 students, grades 6-12, for appropriate facilities necessary to adequacy to support the alternative program needs of the school with other support spaces available at adjacent facilities. This modification is not a commitment to construction funding and requires that the district submit a revised capital outlay application which shall be evaluated and determined through the current standards-based process, including submission of a new, board-approved, facility master plan.

-- **West Las Vegas—Union ES—Change in Award**

This request is covered in the above West Las Vegas item.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the previous 2006-2007 Standards-Based Award to West Las Vegas Schools for the Union Street ES to include planning and programming to remodel the current school facility in lieu of renovating and consolidating the students at the Tony Serna Elementary School Campus. The design capacity for this award is for 125 students, grades 2-5. This modification is not a commitment to construction funding and requires that the district submit a revised capital outlay application which shall be evaluated and determined through the current standards-based process,

including submission of a new, board-approved, facility master plan. Mr. May seconded and the motion carried.

b. Administration, Maintenance & Standards Subcommittee

- **Approval of 2011 QZAB & QSCB Applications**

Mr. Berry presented this item to the Council, referring to the draft applications in the meeting notebooks. He noted that there are no changes in the applications. The Qualified Zone Academy Bonds (QZAB) have been in place for a number of years, however, the Qualified School Construction Bonds Academy Bonds (QSCB) are a new.

MOTION: Mr. Burciaga moved for Council approval of the Administration, Maintenance & Standards Subcommittee recommendation to authorize release of the 2011 QSCB and QZAB applications. Applications are due May 27, 2011 and tentative award date will be at the July 28, 2011 PSCOC meeting. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

- **Approval of 2011 Lease Assistance Application**

Mr. Berry presented this item to the Council, referring to the 2011-2012 PSCOC Lease Assistance Grant Application in the meeting notebooks. He noted that the deadline for submission of completed applications is 5:00 p.m. on June 17, 2011. He also noted that the applications for locally chartered charter schools must be submitted and signed by the superintendent of the chartering school district. State chartered charter schools may submit their applications directly. Mr. Berry informed the Council that the statute allows for up to \$700 per MEM, but not greater than the actual lease, with the ability to adjust per the Consumer Price Index (CPI). The dollar value for the \$700 per MEM with the CPI will go up to \$733.35 (a 1.6 percent increase from last year). The Council directed that staff take CPI adjustment issue to the Public School Capital Outlay Oversight Taskforce (PSCOOTF) in light of the drop in commercial lease prices. Mr. Berry noted that the flexibility is within what the Council awards to charter schools/district.

- **MOTION:** Mr. Burciaga moved for Council approval of the Administration, Maintenance & Standards Subcommittee recommendation to authorize release of the 2011-2012 Lease Assistance application and conflict of interest questionnaire. Staff is also directed to make current statewide lease information available to districts and charters to assist in completing the information requested in the application. The applications are due June 17, 2011 and tentative award date will be at the July 28, 2011 PSCOC meeting upon review of the AMS Subcommittee. Mr. May seconded and the motion carried.

- **Reauthorization Credit for Direct Appropriation Offsets**

Mr. Berry presented this item to the Council. He noted that this issue previously came before the Council as well as before the PSCOOTF to discuss needed statutory changes. Upon review of the PSCOOTF, it was determined that the Council has the authority to apply offsets after appropriations are made and to credit the offset back to districts. Mr. Berry explained that the legislature drew back funds, especially general

funds, so that capital funds were not expended, and that the offsets are actually the district match percentage of the total dollar amounts. Mr. Berry stated that there were potentially \$3.6 million of direct appropriation offsets credits with the biggest offset change affecting APS.

Mr. Guillen indicated that some of the districts were penalized for accepting this funding and requested that the amounts be reviewed and adjusted accordingly.

Upon further discussion, the Council requested that this item be taken before the AMS and Awards Subcommittees for discussion. This issue was deferred to a future PSCOC meeting.

6. Director's Report

a. Project Status Reports

Mr. Gorrell presented this item to the Council, noting that the Project Status Report was reviewed by the AMS Subcommittee and sent to all PSCOC members prior to this meeting. He highlighted the various projects in the report along with the projects that are moving forward. This report is informational only.

b. Red Flag Report

Mr. Gorrell presented this item to the Council, noting that the report was reviewed by the AMS Subcommittee and sent to all PSCOC members prior to this meeting. He highlighted the various projects that have been removed from the Red Flag Report, along with the projects that are moving forward. This report is informational only.

c. Lease Payment Assistance Report

Mr. Gorrell presented the Lease Payment Report to the Council, noting that the report was reviewed by the AMS Subcommittee and sent to all PSCOC members prior to this meeting. This report is informational only.

d. PM Plan & FIMS Status Report

Mr. Gorrell presented the PM Plan and the FIMS Status Report, noting that the report was reviewed by the AMS Subcommittee and sent to all PSCOC members prior to this meeting. He explained that FIMS is a global maintenance system that most districts use locally for their work orders, maintenance work, etc. He noted that districts utilize this system and it assists staff in tracking maintenance work orders and projects. Mr. Gorrell gave a brief overview on the FMAR system, and stated that this item will be bought before the PSCOOTF. This report is informational only.

e. Post Occupancy Evaluation Update

Mr. Gorrell presented the Post Occupancy Evaluation update, noting the current pilot was funded by the Governor through the High Performance School (HIP) project. The Governor awarded \$4 million, which has been applied to additional planning and to value- engineering to projects. This is the final step in the project before evaluating the final outcome. Mr. Gorrell informed the Council that a survey was sent to students, maintenance staff, administrative staff, parents, and to teachers at the Sue Cleveland High School for their input.

f. Proposed 21011-2012 Workplan/Timeline

Mr. Gorrell referred the Council to the 2011-2012 Workplan/Timeline in the meeting notebooks. He highlighted the various changes in the timeline. He informed the Council that a new timeline will be proposed at the next PSCOC meeting that will include the roofing award funding.

7. Other Business

- **Subcommittee Assignments**

The election of Vice-Chair and subcommittee assignments has been deferred until the next scheduled PSCOC meeting.

- **Proposed District Presentation Meetings**

Mr. Berry presented this item to the Council, suggesting possible dates and locations for the district presentation meeting. He informed the Council that Santa Rosa School District has volunteered to host these meetings. It was determined that the Awards Subcommittee Chair will make recommendation at next Council meeting on which districts to request to host the presentation meetings in June.

- **Performance Review for PSFA Director**

Mr. Abbey, PSCOC Chair, directed the Administrative, Maintenance & Standards Subcommittee to conduct a performance evaluation of Director Gorrell at its next subcommittee meeting.

- **Next PSCOC Meeting—Proposed for May 5, 2011**

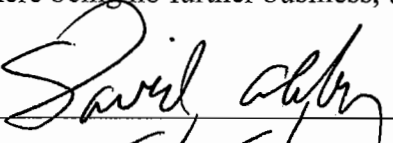
After discussion the Council unanimously agreed to hold its next PSCOC meeting on May 5, 2011.

Public Comments


There were no public comments.

Adjourn

There being no further business, the meeting adjourned at 12:10 PM.



Chair



Date