

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL
MINUTES
APRIL 7, 2015 – 9:00 AM
STATE CAPITOL BUILDING, ROOM 317
SANTA FE, NEW MEXICO**

Members Present: Mr. David Abbey, LFC Mr. Michael Heitz, Governors' Office
Mr. Joe Guillen, NMSBA Mr. Gilbert Peralta, PEC
Ms. Frances Maestas, LESC Mr. Raul Burciaga, LCS
Mr. Tom Clifford, DFA

Designees: Mr. Rick Martinez represented Construction Industries Division in the absence of Mr. Pat McMurray. Mr. Antonio Ortiz represented the Public Education Division in the absence of Mr. Paul Aguilar.

1. Call to Order Mr. David Abbey, Chair

a. Adoption of Agenda — 9:00 AM

The clerk called roll noting that the Council reserves the right to change the order of the agenda as deemed necessary.

MOTION: Mr. Burciaga moved for adoption of the agenda as presented. Mr. Peralta seconded. There being no objection, the motion carried.

b. Correspondence

Mr. Gorrell referred the Council to a letter from Superintendent Allan Tapia, Bernalillo School District, regarding a request for permission to issue an RFP for Phase II construction of the Santo Domingo Elementary and Middle School project. "The district received an email from PSFA staff that denies the request citing reduced revenue estimates. The letter states that PSCOC/PSFA required the district to enter into a fifty year lease with the Santo Domingo Tribe in advance of any financial award. After almost 2 years of lease negotiations with the tribe and thorough review by legal counsel, a 25 year initial lease was approved and signed. The current lease calls for an additional 25 year renewal in 2037. The letter reminds Council that "the lease specifically indicates that the construction of a substantially new school facility shall be completed within 5 years of the commencement of the lease. The district commenced on January 1, 2013 and are entering year three since signing the lease and have completed the Educational Specifications and Architectural Design process." The district is requesting permission from the council to issue an RFP for the construction.

2. Adoption of Minutes (January 15, 2015)

Upon review by the Council, Mr. Guillen moved for adoption of the January 15, 2015 PSCOC meeting minutes subject to technical corrections. Mr. Peralta seconded. There being no objection, the motion carried.

3. Awards Subcommittee Report
a. Financial Plan
Executive Summary

Summary of PSCOC Financial Plan Changes since 1/15/15
PSCOC Action—Out-of-Cycle, Emergency, Additional Funding

	Previous	Current	FP Change Fav (unfav)
Albuquerque - P14-004 - Atrisco ES	\$4,877,954	\$4,877,954	\$0
Farmington - P13-006 - Farmington HS	\$37,752,747	\$37,752,747	\$0
Gadsden - P14-011 - New ES	\$17,512,520	\$17,512,520	\$0
Gallup - P11-008 - Jefferson ES	\$17,748,737	\$17,246,119	\$502,618
Gallup - E15-003 - Indian Hills ES (boilers) (award made in the form of an advance)	\$0	\$200,000	(\$200,000)
Grants - P10-005 - Cubero ES	\$1,620,000	\$1,620,000	\$0
Grants - P14-014- Los Alamos ES	\$13,872,780	\$14,664,580	(\$791,800)
Las Cruces - E15-004 - Dona Ana ES Roof	\$0	\$1,060,116	(\$1,060,116)
Reserve - P14-022 - Reserve Combined School	\$11,054,004	\$14,003,072	(\$2,949,068)
Zuni - P13-010 - Dowa Yalanne, A:Shiwi ES	\$26,059,418	\$26,668,418	(\$609,000)
OUT-YEAR ESTIMATE CHANGES APPROVED BY THE COUNCIL (incorporated in last month's FP):			
Gallup - P14-013 - Ramah ES	\$6,647,944	\$8,077,247	(\$1,429,303)
Subtotal:	\$137,146,104	\$143,682,773	(\$6,536,669)
Total Net Awards:		\$135,605,526	

Project Award Schedule Detail Adjustments (Crossing Fiscal Years)

Project	FY15	FY16	FY17
Gadsden - P08-003 - Gadsden HS - PH 2 Funding	(\$13,770,000)	\$13,770,000	
Espanola - P12-006 - Velarde ES - PH 2 Funding	(\$2,671,855)	\$2,671,855	
Belen - P14-005 - Rio Grande ES - PH 1 Funding	(\$980,061)	\$980,061	
Gadsden - P14-012 - Chaparral ES - PH 2 Funding	\$11,545,371	(\$11,545,371)	
Mesa Vista - P14-018 - Ojo Caliente ES - PH 2 Funding	\$2,898,000	(\$2,898,000)	
NMSBVI - P14-019 - Quimby Gymnasium - PH 2 Funding	\$0	(\$1,659,614)	\$1,659,614
NMSBVI - P14-020 - Sacramento Dormitory - PH2 Funding	\$0	(\$2,064,970)	\$2,064,970
NMSBVI - P14-021 - Ditzler Auditorium - PH 2 Funding	(\$3,705,294)	\$3,705,294	
Silver - P14-024 - Aldo Leopold Charter School - PH 1 Funding	(\$399,500)	\$399,500	
NMSBVI - P15-009 - Garrett Dormitory - PH2 Funding	(\$742,350)	\$742,350	
TOTAL	(\$7,825,689)	\$4,101,105	\$3,724,584

Financial Plan Assumptions and Summary

- The Financial Plan was updated for the revised revenue estimates based on Consensus Revenue Estimate dated February 2015.
- Out Year Estimates and Schedule Changes are included in the Financial Plan.
- The Financial Plan does not include any potential local match reductions except previously recognized projects by the PSCOC - Lordsburg High School and Gallup Jefferson Elementary School.
- Reserve for Contingency amount balance is \$2,598,276. Please refer to the Reserve for Contingencies Report for detail. Adjusted Reserve Combined School (\$947,688) for award amount thus, resulting in an increase to the reserve of \$947,688.

Discussion: Ms. Denise Irion presented the financial plan to the Council highlighting changes and noted that the plan contains deficits in the out years. Based upon the deficits, staff has provided numerous scenarios for the financial plan to determine how Council can move forward with PSCOC projects. Staff presented a summary of all presented scenarios, including the 3 which were reviewed by the Council at its March 25, 2015 meeting. As scenarios 1-3 were previously reviewed, Ms. Irion provided an overview on scenarios 4-6. The current financial plan commits the remaining \$7.5 million for the 2014-2015 Broadband Deficiencies Correction Program, and staff has indicated that the current \$2.5 million has been encumbered, and expressed the need for the remaining \$7.5 million to move forward with the program.

Mr. Abbey noted that certain council members want revenue information and council needs to work with available revenue. Extra revenues are needed and council needs to begin with current revenue. He suggested that Council begin with no additional revenue and need to make decisions on whether or not to request a long term debt issuance. Mr. Clifford agrees and suggests staff develop a 10-year plan for each award year and impact of long term debt issuance in the amount of \$75 million. Mr. Guillen commented that there are still unanswered questions and projects that are ready to move forward as well as other projects and Council needs a more clear revenue.

Mr. Abbey directed staff to provide a more organized financial plan that includes past and present awards. He requested that staff schedule a meeting for April 22, 2015 to review scenarios and to determine how to push out funding awards. Mr. Clifford suggested that staff also provide averages and project management. He also noted that there are no senior bonds to certify and recommends that staff meet with the Board of Finance to discuss the bonds. Mr. Clifford also requests that the impact be in the next financial plan.

Council will not take action on any of the scenarios, and will proceed with the current financial plan until the revenue issue is resolved.

b. PSFA Consent on District Request for Proposals (RFPs) Bids for Construction Executive Summary

On February 6, the PSFA issued a memo to districts anticipating phase II funding awards from the PSCOC requiring that they request PSFA approval before issuing RFPs or Bid Solicitations for construction.

Projects requesting authorization to release RFPs:

- Bernalillo – P13-002 – Santo Domingo ES/MS
- Gallup – P11-005 – Washington (Del Norte) ES
- NMSBVI – P13-016 – Health Services and Jack Hall

At this time, PSFA will be approving the release of NMSBVI Health Services and Jack Hall. Pending action from the PSCOC on financial plan solutions (long term bonds, project delays, etc.), PSFA has delayed approval of the Bernalillo and Gallup requests.

Supporting documentation including the referenced memo and requests from Bernalillo, Gallup, and NMSBVI were provided to the Council.

Discussion: Mr. Volpato presented this item, noting that the correspondence with the districts is included in the Council's notebook. These projects have completed design, and

are anticipated to return for phase 2 construction funding within the next 2 months. If the Council were to release these projects for RFP, the total potential funding from the PSCOC totals \$43 million; combined with other items on the agenda there would be a small balance of approximately \$20 million at which point the Council will run out of money after the May 2015 PSCOC meeting. The preference is to have firm estimates from the results of the RFPs prior to funding, though Council has funded projects based on estimates prior to RFPs. This may result in shortages in funding as it did with the Albuquerque request on the current agenda, requiring the district to return for additional funding to complete the project. Due to procurement timelines the current requests may not be able to return to the PSCOC with pricing at the May PSCOC meeting. One of the requests is for Bernalillo Santo Domingo ES which was discussed earlier in the meeting under Correspondence.

Mr. Gorrell reminded the Council that this item is informational only, but comes at a risk to the districts and the PSCOC. If the districts proceed with the RFPs and are unable to enter into contract due to funding issues, the project can be delayed and project costs may increase. Reissuing a RFP often results in higher prices due to an evaluation of all other proposer's costs, but also a reevaluation of each contractor's own price.

Council directs the PSFA Director to release the RFPs/Bids for Construction for Bernalillo Santo Domingo ES/MS, Gallup Washington (Del Norte) ES, and NMSBVI Health Services and Jack Hall.

This report was reviewed by the subcommittees and is for informational purposes. No action is required by the Council.

Items without Recommendation—NO action will be taken by council for some districts with the exception of a few critical requests. Action will be tabled and presented at the May 2015 PSCOC meeting.

Mr. Guillen stated that the Awards Subcommittee discussed the requests below and decided that because scenarios were up in the air it was difficult to make decisions as they did not have a clear picture of the revenue. The Awards Subcommittee directed staff to evaluate the requests and bring forward projects that could not wait until the May PSCOC meeting for funding. All projects that would not be adversely affected would be delayed until the May PSCOC meeting. Mr. Abbey noted that there appears to be available funding capacity to proceed with the requests. Mr. Guillen noted that if the policy direction to the Awards Subcommittee is to proceed and take the projects on a first come first serve as they are ready it will be done, and the Awards Subcommittee welcomes other options, but it is not fair to change rules in middle of game. He stated that this is a unique situation which has not ever been seen before by this Council.

Council asked which requests on the agenda need action at this meeting. Mr. Gorrell stated that the Bernalillo District RFP is one, but the project will also require an advance because they do not have their local funding which will have to be added to the financial plan. Because they are in a lease situation, Mr. Gorrell noted that there are costs to the district and to the tribe in not moving forward with this project.

Mr. Volpato stated that Gallup and Lordsburg requests are also critical projects. Gallup has their construction price in place and have done their RFP as well as awarded a contractor are ready to proceed. The contractor will hold the price for 45 days before they

are no longer valid, and staff has determined that this project must move forward so the pricing is not jeopardized.

Mr. Volpato stated that the Lordsburg School District project is a Construction Manager at Risk (CMAR) project and in order for them to move forward the district needs to get the CMAR contractor on board so they can do some of the early work packages which is required in the challenging project they have which is addressing several different schools in which their students will be housed. The early work can be ongoing and needs to start relatively soon.

Mr. Gorrell summarized that the 4 RFP requests should be released, and staff is recommending that the Gallup Ramah ES project and the Lordsburg project are considered for an award at this meeting. Mr. Volpato stated that there could be arguments for other projects to be addressed at this meeting, including NMSBVI, Raton roof, and Clovis roof projects which impacts their schedules specific to work in the summer months.

Mr. Guillen restated that the staff recommendation is Council approval on item 3B - PSFA Consent on District Request for Proposals (RFPs)/Bids for Construction, item 3H - Gallup – P14-013 – Ramah ES – Phase 2 Funding, and item 3I Lordsburg – P14-017 – Lordsburg HS – Phase 2 Funding. All other Awards Subcommittee agenda items to be postponed until the May PSCOC meeting.

Mr. Abbey requested comment from the representatives from the Bernalillo School District which were in attendance. Bernalillo Superintendent Allan Tapia indicated that this is a critically important item on lease agreement with the tribe. He stated that according to the lease the district has 5 years to build the school, they are now in their third year of the lease. The district has only 2½ years to finalize the project for all phases. If the project does not meet the completion timeline, he clarified that the district will not enter into another lease with the Santo Domingo as the tribe that they will not enter into any more leases with the district. Ms. Calabaza, school board member, specifically noted it is crucial that district complete this project and the school must be built in 5 years or the land and facility will revert to tribe.

Various districts attended the meeting and confirmed that their projects can be delayed until the next PSCOC meeting which is scheduled for May 5, 2015.

c. Alamogordo (P15-001) New Combined School—Phase I Funding
Executive Summary

Staff recommends Phase I funding for the Alamogordo Public Schools for the New Combined School to complete design to adequacy with an increase in the state share amount of \$897,238 (65%), contingent upon an increase in the local share amount of \$483,128 (35%). Staff recommends participation in only Oregon at this time, due to Heights, ranked at 111, being outside of the top 100 ranked schools. This funding is only for the Oregon portion of the request, with classrooms and a core of 300. This request also includes demolition of the existing Oregon ES. Staff also recommends an out year estimate update to the financial plan with a Phase II state share amount of \$8,074,143, based upon an estimated total project cost of \$13,803,663 to adequacy. This request was presented to the Awards Subcommittee. The subcommittee agreed that this request be included on the May PSCOC meeting agenda.

Motion Tabled: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to table this item until the May 5, 2015 PSCOC meeting. There being no objection the motion carried.

d. Albuquerque (P14-004) Atrisco ES—Additional Funding

Executive Summary

Staff recommends additional funding to Albuquerque Public Schools for Atrisco ES to complete construction to adequacy with an increase in the state share amount of \$547,294 (55%), contingent upon an increase in the local share amount of \$447,786 (45%). Phase 2 award was made in January based on the DP estimate. The actual bid came in over the estimated amount. Estimated project amount at time of award: \$9,854,453 Project total to adequacy including pending additional funds award: \$10,849,532 Project cost increase: \$995,079. This request was presented to the Awards Subcommittee. The subcommittee agreed that council should take action on this request at the May PSCOC meeting agenda.

Motion Tabled: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to table this item until the May 5, 2015 PSCOC meeting. There being no objection the motion carried.

e. Clovis (R15-001) Cameo ES Roof—Additional Funding

Executive Summary

District is requesting change in scope to replace rather than repair approximately 47,000 square feet of roof at Cameo ES at an approximate increased cost of \$841,510. Staff recommends awarding additional funding to complete construction to adequacy with an increase in the state share amount of \$639,548 (76%), contingent upon an increase in the local share amount of \$201,962 (24%). This item was presented to the Awards Subcommittee.

Discussion: Mr. Abbey also requested comment from the representatives from the Clovis School District which were in attendance. Mr. John King represented the Clovis School District, noting that after an investigation of the roofing condition the district determined that roof repair (coating) was no longer acceptable, and is requesting a scope change to replacement. In addition to the roof replacement, the district is going to commit additional funds for the replacement of the HVAC, parking lot, playgrounds, drainage, windows, cafeteria, and secure entrance at a cost of \$2 million to the district. Mr. King stated that Cameo ES is ranked at 28 and the district believes that this work will defer of any additional PSCOC funding for 15-20 years.

Mr. Guillen asked if the district can wait until the May PSCOC meeting for approval of this request. Carrie Bunce, Clovis representative, responded in the negative stating that due to the failure of the north wing roof, this project cannot wait. The students have been displaced from that wing due to the water damage; a delay of the work will accumulate additional damage and would require that the students continue to be displaced at the beginning of the school year. Mr. Gorrell noted that the project is currently in design and asked if the district could proceed with the project without Council approval. Mr. King responded that based on the current bond funds available the remainder of the roof can wait but the north wing is a critical project. He indicated that the bond funds they currently have are allocated to other projects.

Motion: Mr. Burciaga moved for Council approval to amend the 2014-2015 standards-based roof award to the Clovis Municipal Schools for Cameo Elementary School to complete replacement in lieu of repair, with an increase in the state share amount of \$639,548 (76%), contingent upon an increase in the local share amount of \$201,962 (24%). Ms. Maestas seconded. There being no objection the motion carried.

f. Espanola (P13-011) Carlos Vigil MS—Reconsideration of Demolition of Espanola MS East

Executive Summary

Staff recommendation is to amend the 2012-2013 standards-based award to the Espanola Public Schools to include demolition funding for the old Espanola MS East facilities. Disposal plan was required as a condition of the award, but did not contain any funding to provide for demolition as an option. In response to Council request, the district has provided a demolition plan for the site, and costs of insurance premiums for the existing buildings. As the demolition is a part of a standards-based award, and not awarded under the demolition of abandoned buildings program, staff does not recommend requiring the district to enter into an agreement for reimbursement to the PSCOF based on the lower insurance premiums for the district. This request was presented to the Awards Subcommittee. The subcommittee agreed that council should take action on this request at the May PSCOC meeting agenda.

Motion Tabled: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to table this item until the May 5, 2015 PSCOC meeting. There being no objection the motion carried.

g. Gallup (P11-008) Jefferson ES—Request for Reduction of Local Share

Executive Summary

District is requesting waiver of 100% of the Phase II local match, totaling \$3,043,430. If the local match is waived, the total phase II state participation will be \$20,289,549.

This request was presented to the Awards Subcommittee. The subcommittee agreed that council should take action on this request at the May PSCOC meeting agenda.

Motion Tabled: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to table this item until the May 5, 2015 PSCOC meeting. There being no objection the motion carried.

h. Gallup (P14-013) Ramah ES—Phase II Funding

Executive Summary

Staff recommends Phase II funding for the Gallup-McKinley County Schools for Ramah Elementary School to complete construction to adequacy with an increase in the state share amount of \$8,751,368 (81%). District is requesting a waiver of 100% local share amount. Staff is recommending an advance of the local share until the district statement of financial position can be verified. The district is also requesting additional funding for inclusion of funding for Teacherage units located on the Ramah ES site (their request is located in the supporting documents for this funding request). The cost of this additional work is not included in this request because PSFA has requested and has not received information regarding the cost of the units or the scope of work. Total project cost to adequacy including pending additional funds award: \$11,716,085. The district may return to the council to request a waiver at another time.

Discussion: In regard to Gallup request for Ramah ES, Mr. Volpato stated that there is a waiver request on this project. The total project cost to adequacy is \$11 million and the state share is \$8.7 million. If a waiver is considered there would be an additional state cost of \$2 million.

Regarding Gallup (Ramah ES), Ms. Irion noted that the district submitted their statement of financial position form. Staff has reviewed it and an email was sent to Mr. Cresto (Gallup District Representative) in regards for additional information. PED did certify their sources of revenue and current financial position it appears that the district is in need of a waiver. Mr. Abbey stated that this request should be approved without the waiver.

Motion: Mr. Guillen moved for Council approval of the staff recommendation to amend the 2013-2014 standards-based award to the Gallup-McKinley County Schools for Ramah Elementary School, to include construction to adequacy for 190 students, grades K-5, with an increase in the state share amount of \$8,751,368 (81%), contingent upon an increase in the local share amount of \$2,052,791 (19%). Mr. Peralta seconded. There being no objection the motion carried.

**i. Lordsburg (P14-017) Lordsburg HS—Phase II Funding
Executive Summary**

Staff recommends Phase II funding for the Lordsburg Municipal Schools for Lordsburg HS to complete construction to adequacy with an increase in the state share amount of \$5,320,415 (35%), contingent upon an increase in the local share amount of \$9,880,770. District is requesting an advance in the amount of \$8,888,270 and intends to request conversion of the advance to a waiver once grant eligibility is confirmed by PED. If the PSCOC awards the advance, the total state share amount will be \$14,208,685.

Discussion: Additional funding request for phase 2 (construction phase) funding. This project is being delivered as CMAR and construction funds will need to be available for early work packages; early work packages to be completed concurrent with High School design. District is requesting an advance of \$8,888,270 and intends to apply for a waiver once able to verify qualification through PED.

Maintenance Program Status		Recommended District Performance
PM Plan	Current, rated satisfactory	1. Address all minor/major findings on the FMAR's through FIMS and/or develop capital planning strategies towards resolution. 2. Improve 2015 FMAR's to a Satisfactory (70%) rating. 3. Improve PM Completion Rate to the recommended 95% through improved PMD use.
Using FIMS (MD, PMD)	FIMS 4 th Qtr. 2014, MD: 2.0 Sat., PMD: 2.0 Satisfactory	
Utility Direct (UD)	Satisfactory 2.0	
FMAR	68.1% Avg. Last: 74.86%	
M3 Metrics Report	Not Using	

In regard to Lordsburg request (High School), the district is also requesting a waiver/advance. The total project cost to adequacy is \$16.7 million and the state share to adequacy is \$5.3 million. The district is requesting an advance of \$8.8 million. The total state share for this would be \$14 million. In response to Council inquiry on tying up funds for years before they are spent, Mr. Gorrell noted that the contracts have been redesigned for CMAR so PSFA would not have to enter into the guaranteed maximum price for the full construction at the execution of the initial agreement. He stated that the new requirement to budget whole projects is causing PSFA to budget the full phase 2 project cost instead of phasing the budget as designed by the CMAR agreement. Mr. Abbey suggested awarding \$2 million today.

Ms. Irion informed the Council that Lordsburg is currently bonded to capacity, however, staff has not received a statement of financial position. Mr. Volpato stated that the district has passed their bond for this project and anticipate requesting this advance and convert it to a waiver after they met the requirements. The district has a possibility of having another bond election for this project in 3-4 years. Mr. Clifford voiced concern that the district is building above adequacy. Mr. Volpato explained that the above adequacy is for administrative space as part of their initial plan that was presented to the Council, and as it is currently housed in the existing Lordsburg HS, will need to be relocated. He noted that the bond is the only available source of funding for this project. The design was stopped on a CMAR project at the schematic phase to bring in the contractor to have a working team to come up with the best value to hold the project within the budget given to the district. Mr. Gorrell explained that CMAR becomes involved in working with the district in attempt to bring the cost of the project down.

Motion: Mr. Guillen moved for Council approval to amend the 2013-2014 standards-based award to the Lordsburg Municipal Schools for Lordsburg High School, RV Traylor Elementary School, Southside Elementary School, Central Elementary School, Dugan-Tarango Middle School and Central Kitchen to include phase 1 (early work) construction to renovate/replace/ consolidate/dispose facilities to adequacy for 480 students, grades K-12, with an increase in the state share amount of \$700,000 (35%), contingent upon an additional local share of \$1,300,000 (65%). Mr. Peralta seconded. There being no objection, motion carried.

j. NMSBVI (P13-016) Health Services & Jack Hall—Phase II Funding
Executive Summary

Staff recommends Phase II funding for New Mexico School for the Blind and Visually Impaired for Health Services & Jack Hall to complete construction to adequacy with an increase in the state share amount of \$356,701 (50%), contingent upon an increase in the local share amount of \$356,701 (50%) funded through the SB 60 appropriation. This request was presented to the Awards Subcommittee. The subcommittee agreed that council should take action on this request at the May PSCOC meeting agenda.

Motion Tabled: Mr. Guillen moved for council approval of the Awards Subcommittee recommendation to table this item until the May 5, 2015 PSCOC meeting. There being no objection the motion carried.

k. Raton (R15-011) Raton MS Roof—Request for Advance
Executive Summary

Staff recommends that the PSCOC award advance of the entire district share of the Raton Middle School Roof award, totaling \$389,508. This would bring the total state participation to \$905,832. The district accepted a state award totaling \$516,324 on August 29, 2014 pending the approval of their bond. On September 12, 2014, the district declined the award after their bond failed. On November 10, 2014, the district requested that the PSCOC consider re-awarding the state funding for the project. The PSCOC granted the award December 15, 2014.

Staff recommendation to amend the 2014-2015 standards-based roof award to the Raton Public Schools for Raton Middle School Roof to include an advance of the local share in the amount of \$389,508. The district commits to repayment by June 30, 2018. This request

was presented to the Awards Subcommittee. The subcommittee agreed that council should take action on this request at the May PSCOC meeting agenda.

Motion Tabled: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to table this item until the May 5, 2015 PSCOC meeting. There being no objection the motion carried.

I. Ruidoso (P15-013) Nob Hill ES—Phase I Funding

Executive Summary

Staff recommends that the PSCOC approve the state funding request as requested to complete design to adequacy. Due to an offset carryover, there will be no increase to the state share. There will be a deduction from the offset for the original state share amount of \$145,554 (11%). There is an increase in the local share amount of \$1,331,629. Offset carry forward of \$8,407 shall be applied to a future award.

Staff recommendation to amend the 2014-2015 standards-based award to the Ruidoso Municipal Schools for Nob Hill Elementary School to include design to adequacy for up to 192 students, grades Pre-K/K. The state share amount of \$145,554 (11%) is offset to \$0, with a total increase in the local share amount of \$1,331,629 (100%). Offset carry forward of \$8,407 shall be applied to a future award. This request was presented to the Awards Subcommittee. The subcommittee agreed that council should take action on this request at the May PSCOC meeting agenda.

Motion Tabled: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to table this item until the May 5, 2015 PSCOC meeting. There being no objection the motion carried.

FINAL MOTION: Mr. Guillen moved for council approval to **table** items 3C, 3D, 3F, 3G, 3J, 3K and 3L until the May 5, 2015 PSCOC meeting. Mr. Peralta seconded. There being no objection the motion carried.

Council directed staff to notify districts and explain why these requests for projects are tabled.

4. Administration, Maintenance & Standards Subcommittee Report

a. Improving Planning Decisions with Collaboration from PED

Executive Summary

Staff reported currently PED collaborates well with PSFA for analysis when a school district makes a reorganization request of PED. PSFA would like to expand the collaboration with PED to include other areas that PED administers such as school closure, approval of a school to become a program, changing from a traditional school to an alternative school and new schools as these decisions effect PSFA early planning.

The following report contains six specific questions, issues, and proposed solutions that we need guidance from PED and the PSCOC members, to either create policy and or for discussion:

1. Approval from PED to close a school prior to a Facilities Master Plan adoption
2. Inclusion of PSFA when PED approves a program to become a school
3. Qualified Student MEM
4. Charter School and E Occupancy
5. Charter Schools relocating prior to wNMCI Assessment

6. Charter Schools relocating without a new lease on file with PSFA

Mr. Clifford noted that Mr. Paul Aguilar would like an opportunity for PED to interact with the Council on this item. The AMS Subcommittee discussed this at their last meeting but there are other issues that requires PED input on how hard it will be to move forward on this item. With regard to coordination with PSFA requesting earlier notification of key administrative decisions made by PED in collaboration with the districts. Mr. Clifford referred the Council to the PSFA report made available in the meeting notebooks. On a high level it does not seem like a problem but there is suggestion of penalties and possibly awards that need to be discussed.

Mr. Gorrell stated that that the issues fall under planning and the earlier direction that staff could get from PED of what will and will not work will allow school boards to make decisions in case of charter governance that will fit into their master plan and will then fit into the capital plan.

This report was reviewed by the subcommittees and is for informational purposes. No action is required by the Council.

b. Personnel Actions Update

Executive Summary—940 Personnel/Position Summary

- FY15: PSFA currently has 60 positions: 53 Perm, 3 Term and 4 Temp.
 - 53 Perm Positions: 45 Filled, 3 Vacancy Savings, 6 Approved to Advertise, 1 Offer Accepted
 - 3 Term Positions: 1 Filled, 2 Approved to Advertise
 - 4 Temp: 2 Filled, 2 Approved to Advertise (Student Interns)
- PSFA currently has a 14.94% annualized turnover rate with 2 involuntary terminations for March
- PSFA has an 11.3% vacancy rate for March and a 12.3% annualized vacancy rate.
- Summary:
 - Positions to maintain vacancy savings:
 - Regional Manager (position 00052663)
 - Communications Specialist (position 00052862)
 - Attorney (position 10109146)
 - Positions approved:
 - Regional Manager (Clovis/Roswell) – Advertised
 - IT Business Process Manager- Advertised (2nd)
 - BDCP Project Manager (X2)- Advertised
 - Regional Manager (Farmington) – Advertised
 - Maintenance Manager – Advertised
 - Facility Analyst (position 00052759) – Hire Timothy Rybarczyk effective 4/11/2015
 - Pending requests:
 - Maintenance Specialist (position 00052889) – Add temporary multi-component pay increase for interim duties.

Ms. Selena Romero noting a correction that there is an indication that PSFA has a 14.9% turnover rate with 2 involuntary terminations but were in fact voluntary terminations.

Ms. Romero referred the Council to the FY15 budget report. She noted that PSFA will revert approximately \$360,000 in personal services for FY15 due to vacancies.

This report was reviewed by the subcommittees and is for informational purposes. No action is required by the Council.

5. 2015-2016 Standards-Based Capital Outlay Awards Cycle

a. 2015-2016 Pre-Application Received/Final Funding Pool Determination

Executive Summary

Priority Projects with wNMCI of 50.00% or Greater

- Six (6) applications from 4 districts
- Potential Phase 1 State Match \$5,688,259
- Potential Out-of-Cycle State Match \$51,194,329
- Total 2015-2016 Award State Match \$56,882,588

Top 100 with wNMCI of Less than 50.00%

- Nine (9) applications from 5 districts
- Potential Phase 1 State Match \$6,921,403
- Potential Out-of-Cycle State Match \$63,729,249
- Total 2015-2016 Award State Match \$70,650,652

Top 100 (Total Funding Pool)

- Fifteen (15) applications from 9 districts
- Potential Phase I State Match \$12,609,661
- Potential Out-of-Cycle State Match \$114,923,578
- Total 2015-2016 Award State Match \$127,533,239

Pre-Applications Received Outside Top 100

- Six (6) applications from 3 districts
- Potential Phase I State Match \$3,687,513
- Potential Out-of-Cycle State Match \$33,187,620
- Total 2015-2016 Award State Match \$36,875,133

* Financial Plan - Scenario 2 includes a total state share of \$64.4 million for 2015-2016 awards. Increase of \$7.5 million based upon PSFA staff recommendation to project school replacement in lieu of renovation for Roswell Del Norte ES request (highest ranked applicant).

This item was discussed that the Awards Subcommittee. Staff recommendation to not proceed with the development of full applications and associated tasks for the 2015-2016 standards-based award cycle. Mr. Abbey observed that 3 of the 6 projects belong to 1 district, and several of the applicant districts currently have PSCOC projects left outstanding. He stated that the cycle should continue in a limited way, rather than to make no awards. Additional criteria should be allowed when considering applications and Council should come up with a substantially smaller award amount rather than \$56,882,588.

Mr. Guillen stated that he would be comfortable supporting the acceptance of the 6 applications. Mr. Gorrell noted that there are many projects in the queue and awards will be made every month even if council does not bring new projects in the queue. Depending

funding that council puts in or awarded, it would be at least a year before districts get the award.

MOTION: Mr. Guillen moved for Council approval to authorize PSFA to assist those districts that submitted pre-applications by the March 20, 2015 deadline with a weighted NMCI score of 50.00 or greater under 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. Full applications are due May 1, 2015. Mr. Abbey seconded. There being no objection motion carried.

b. 2015-2016 wNMCI Rank Appeals

Executive Summary

Three districts contacted PSFA to review their Facility Conditions: Gadsden, Dexter and Las Cruces. After reviewing their FAD data with them their ranking changed, either increased, decreased or caused inclusion into the ranking. Alta Vista Early College notified us they were not in the ranking. Two other schools were added to the ranking as a result of receiving PED's certified 2014-2015 40 day count: Mesilla Valley Alternative Middle School and Arrowhead Park Early College. Two schools, Tucumcari ES and Early College Academy Alternative School, shifted in the ranking as a result of site assessments.

District	School Name	Preliminary Rank	Adjusted Rank	Reason
Albuquerque	Early College Academy Alternative School	1	402	Site Assessment, New Facility Underway
Dexter	Dexter ES (1 space higher in ranking)	71	70	District contact PSFA-Data Updates
Dexter	Dexter MS (1 space lower in ranking)	181	182	District contact PSFA-Data Updates
Gadsden	Alta Vista Early College HS	n/a	248	2014-2015 Enrollment and District Contact
Las Cruces	Mesilla Valley Alternative Middle	n/a	118	2014-2015 Enrollment
Las Cruces	Arrowhead Park Early College	n/a	527	2014-2015 Enrollment
Las Cruces	Hermosa Heights ES (135 higher in the ranking)	571	436	District contact PSFA-Data Updates
Tucumcari	Tucumcari ES	234	166	Site Assessment

Motion: Mr. Clifford moved for Council approval of the AMS Subcommittee recommendation to approve the rank adjustments in the table below, based on appeals, site assessments and necessary technical updates to the Facility Assessment Database. There being no objection, motion carried.

c. 2015-2016 Lease Assistance Award Application

Executive Summary

Ms. Irion referred the Council to the 2015-2016 lease application documents that include: 1) application letter, 2) lease application and 3) conflict of interest forms for council review and approval. Staff recommendation to authorize release of the 2015-2016 Lease Assistance application and conflict of interest questionnaire that will include sufficient lease information to facilitate PSCOC staff analysis; applications are due May 15, 2015 and tentative award date will be at the July 30, 2015 PSCOC meeting.

Discussion: Mr. Guillen noted that this item was discussed at the Awards Subcommittee and they were not sure if this item should be delayed due to the various financial plan scenarios. He stated that upon discussion with Mr. Clifford, he indicated there is a concern along the line of using the long term debt funds for these uses. Mr. Clifford stated that although there is a concern, council could potentially limit the use of these funds for a long term debt for tax-exempt eligible purposes. He indicated that this needs to be discussed with the Bond Council. Ms. Irion stated based on the current certification \$154 million that was sold in December, staff has earmarked the \$15.3 million in funds to the Board of Finance for the potential lease applications for next year so the funding would be in June.

Motion: Mr. Clifford moved for council approval of staff recommendation to authorize release of the 2015-2016 Lease Assistance application and conflict of interest questionnaire that will include sufficient lease information to facilitate PSCOC staff analysis; applications are due May 15, 2015 and tentative award date will be at the July 30, 2015 PSCOC meeting. Mr. Peralta seconded. There being no objection, motion carried.

d. 2015-2016 Proposed Work Plan/Timeline

Executive Summary

This report was reviewed by the AMS and the Awards Subcommittee and is for informational purposes. Staff will revise as deemed necessary.

This report was reviewed by the AMS and the Awards Subcommittee and is for informational purposes. No action is required by the Council.

6. Director's Report

a. PSCOC Project Status Report

Executive Summary

PSFA staff is involved in guiding various projects through the stages of Project Development including:

Programming, Planning & Design and the Construction Phase

- Six (6) Projects in project development (feasibility studies, educational specifications, etc.)
- Fifty (50) Projects in the planning & design phase
- Thirty-Two (32) Projects in construction

Projects that are not currently making progress:

- P12-006 – Espanola – Velarde ES – District has decided to close the school

Projects that are behind, but making progress:

- P06-024 – Las Cruces – New High School – Completing post occupancy evaluation (POE)
- P07-005 – Deming High School – Delayed due to delays in RFP approval but project is moving forward
- D09-001 – Central – Teacherage Demolition – Delayed due to expiration of lease with BIE
- P10-007 – Las Cruces – Loma Heights – Delays due to additional work requested by district at the end of the project
- P11-013 – Los Alamos MS – Main building is complete and occupied, project is delayed due to construction of gym
- P12-008 – Espanola – E.T.S. Fairview ES – Delayed due to interpretation of fire suppression design requirements by the DP
- P13-005 – Espanola – Los Ninos Kindergarten – Delayed due to late selection of design professional

- P13-006 – Farmington HS – Delayed due to change in DP
- P13-008 – NMSD Santa Fe Site – Demolition of Old Laundry and Sosoya Buildings added to the scope of work
- P14-006 – Central – Newcomb HS – Intentionally delayed by district to stagger projects
- P14-017 – Lordsburg HS – Delayed due to reissuance of RFP
- 4 Projects in Roswell (P10-010, P10-011, P10-012, and P10-013) that are complete but the district is reviewing estimates to install energy monitoring and verification equipment.

Roofing projects running behind schedule:

- 3 have been completed and are in warranty.
- R10-002 (Albuquerque – MacArthur) will not meet the award deadline. This is an offset with no state participation that has been incorporated into the P12-001 MacArthur ES renovation.
- R14-001 – Alamogordo – High Rolls ES – Bids came in over budget. District will request extension from PSFA director and will rebid in early 2015

This report was reviewed by the AMS Subcommittee and is for informational purposes. No action is required by the Council.

b. Master Plan Project Status Report

Executive Summary

2014-2015 FMP Awards – 15 awards were accepted and are currently in contract review or the contract has been executed.

2013-2014 FMP Awards – two working towards completion.

- Hatch Valley Schools – the plan is substantially complete. The district wanted more time to review recommendations and capital priorities. Also the district did not have a board meeting in December. PSFA has completed their review and provided comments. The board is set to adopt the plan April 8, 2015
- Fort Sumner – PSFA has reviewed, waiting on final plan submission. Superintendent had a family emergency in December, causing a delay.

This report was reviewed by the AMS Subcommittee and is for informational purposes. No action is required by the Council.

c. Lease Assistance Status Report

Ninety Seven (97) Lease Assistance Awards totaling \$14.6 million; \$8.5 million disbursed to date.

Espanola – Cariños de los Niños submitted a revised lease application. Total square footage reduced from 57,236 to 14,905 resulting in a decrease of award amount from \$164,269 to \$132,979. Revised award letter submitted to charter school for signature acceptance.

This report was reviewed by the AMS Subcommittee and is for informational purposes. No action is required by the Council.

d. Maintenance Program Status Report

Executive Summary

The New Mexico PSCOC maintenance program has three major functions or components:

1. Facility Information Management System (FIMS) – A software tool to help school districts manage their maintenance programs, currently provided by SchoolDude.
2. Preventive Maintenance Plans (PMP) – A written plan based on industry standards, combined with automated schedules and reports using FIMS or other software to manage their operation.
3. Facility Maintenance Assessment Report (FMAR) – Site assessments based on industry and federal building management standards to evaluate how well a site is being maintained and the capital investment protected.

The current status across New Mexico Schools (source: 4th Qtr. 2014 FIMS Proficiency Maintenance Program Status Report)

- FIMS usage: 71.43% of district use FIMS effectively, up 2.93% percentage points from last quarter's 68.5%.
- PM plan currency rate: 61.54% of the districts have a current PM plan, up 9.89% percentage points from last quarter of 51.65%.
- FMAR average score: 59.26% (where 70% is 'passing') no change.
- Total FMARs completed to date: 710, up from 670. This is 91% of the total 784 school building baseline.

District Maintenance Staff Retirement: PSFA was recently advised of district maintenance retirements occurring at the Pojoaque district. This turnover continues to be a challenge as it greatly effects the continued forward progress districts make in their facilities programs. The PSFA continues to find and adopt proven methods of addressing the challenge of high turnover rates to include retirement in school districts

This report was reviewed by the AMS Subcommittee and is for informational purposes. No action is required by the Council.

e. Broadband Deficiencies Corrections Program Status Report

Executive Summary

Phase 1-A of the Broadband Deficiencies Correction Program (BDGP) is complete. Since the last report, the school survey methodology and forms have been tested as part of the Phase 1-B pilot, where staff surveyed thirty two (32) schools (and five data centers serving these schools) in the participant districts and charter schools.

Staff had about ten days of delay for Phase 1-B as a result of negotiations to reduce the cost for this phase. This delay pushed some of the surveys up against the PARCC testing period. Several charter schools and districts, including Bloomfield, Los Alamos, Santa Fe and APS worked hard to allow the HP teams to complete the surveys, while addressing the demands of the online testing. This effort allowed staff to get back on schedule.

PSFA is in the process of adjusting the methodology, forms and the On-line Portal based on their findings. Phase 1-B is in the final stages, and using what was learned during the pilot to establish the agreement for the Phase 1-C statewide survey.

PSFA staff conducted a broadband infrastructure strategy meeting with CTC Technology, DoIT and other broadband experts, to discuss the approach to collecting the information about broadband services and assets available on the providers and carriers side. Staff also reviewed a number of broadband distribution models and discussed ways to maximize E-rate funding opportunities. The new E-rate will provide up to \$3.9 billion in reimbursements for

broadband upgrades. New Mexico could have more than 80% of its expenditures reimbursed by this program. PED, with assistance from DoIT, submitted an E-rate application to increase the level of broadband service for the schools that needed upgrades to comply with PARCC requirements. The application was submitted as a consortium, and this E-rate consortium pilot can be utilized for a larger application next year when the BDCP gap analysis is complete. By February of 2016, PSFA should have some upgraded projects that could be started and with significant E-rate reimbursement. It appears that with E-rate match, the State share for the improvements could be between 5% and 25%.

This report was reviewed by the AMS Subcommittee and is for informational purposes. No action is required by the Council.

7. Other Business

a. 2015 Legislative Session

Staff provided council with a matrix that reflects action taken by the legislature for various legislation that pertains to PSCOC/PSFA.

This report was reviewed by the AMS Subcommittee and is for informational purposes. No action is required by the Council.

b. Next PSCOC Meeting

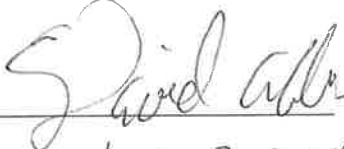
Upon discussion the council agreed to hold their next PSCOC meeting on May 5, 2015.

8. Public Comment

There is no public comment at this time.

9. Adjourned

There being no further business to come before the council, the meeting adjourned at 11:30 AM.



David Albright Chair
June 3, 2015 Date