

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL  
MINUTES  
MAY 1, 2014  
STATE CAPITAL BUILDING, ROOM 317  
SANTA FE, NEW MEXICO**

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| <b>Members Present:</b> Mr. David Abbey, LFC<br>Mr. Joe Guillen, NMSBA<br>Mr. Tom Clifford, DFA<br>Mr. Pat McMurray, CID<br>Mr. Gene Gant, PEC | Mr. Michael Heitz, Governor's Office<br>Mr. Raul Burciaga, LCS<br>Ms. Frances Maestas, LESC<br>Mr. Paul Aguilar, PED |
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**1. Call to Order – Mr. David Abbey, Chair**

**a. Approval of Agenda**

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

**MOTION:** Mr. Burciaga moved for approval of the agenda as presented. Mr. McMurray seconded. Motion carried.

**b. Correspondence**

Mr. Bill Green, Superintendent of Reserve School District presented before the Council noting that the district is looking for direction on how to proceed with repairs on the old gym. The main purpose of their bond election was to repair to maintain or replace the structure. Some concerns shared by the district include project costs. When the district did their Education Specifications (ed specs) process the cost was coming in at approximately \$10 million or more. The project is early on in the process and the district is concerned about areas where they may have to cut. Another area of concern is the Glenwood Elementary School. While the school needs repairs, the district would like to keep it as it serves the community. The district would like to keep the school due to pre-school children having to ride the bus over the pass to Reserve. The district would consider moving in a portable building which has not been addressed but should be addressed with the Combined School project instead of separately and would be cost effective. As noted above, there is concern regarding the old gym. In previous consultation with PSFA staff and because of community concerns, the district passed a bond election to make improvements on the gym. Mr. Green stated that architects have looked at the gym and the district is attempting to have CID visit the site for their opinion early in the process. He asked the Council how much of the district's bond money can be used for the project. Mr. Green noted that the district will take care of the projects that have been funding by PSCOC.

Mr. Gorrell noted that the district has the right to use their bond funds in the way that was sold to the community. A promise to pass bonds was based on the repair the old gym. He stated that he reminded Mr. Green that the Council looks at the way the district is using their funding before they are responsible for the local match. Mr. Gorrell indicated that a request for a waiver may come from the district. Regarding the cost of the gym for replacement or repairs, there are concerns on structural integrity. Staff will work with Mr. McMurray and his staff to determine a sensible solution. Regarding Glenwood Elementary, Mr. Gorrell stated that a pre-application has not been submitted by the district although it is ranked #6 in the wNMCI and suggested that the Council may allow

a modification of a previous award or allow the district to apply for an award for this award cycle. It was stated that a portable may be the better idea as there are 8-9 students housed at the school. Mr. Gorrell noted that the district has 2 options that include using their bond funds to work independently on Glenwood ES or encourage the district to submit a late application.

Chair Abbey asked if there is an objection to award the district an advance if they amend their application from a prior award. Mr. Green noted that the district raised \$2.4 million on their bond election but spent over \$600,000. Mr. Abbey stated that it is guaranteed that if the district adds Glenwood ES the Council is looking at waiving their district match requirements because they met their bonding requirements. Some members are in favor of amending the current project and submitting a late application. The district is encouraged to apply for the funding from the Council within the next month. Staff will work with the district in submitting their late application.

## 2. Approval of Minutes

Upon review by the Council, Mr. Guillen moved for approval of the April 9, 2014 PSCOC meeting minutes subject to technical corrections. Mr. McMurray seconded. There being no objection, motion carried.

## 3. Awards Subcommittee Report

### a. Financial Plan

#### Summary of PSCOC Financial Plan Changes since 4/9/14

#### PSCOC ACTION - OUT-OF-CYCLE, EMERGENCY, ADDITIONAL FUNDING

Gallup-McKinley – Church Rock ES – P11-006 – Phase II Funding—Net Award: \$413,897,567

Central – Naschitti ES – P13-004 – Phase II Funding-- Net Award: \$5,397,499

Tularosa – Tularosa MS – R14-018 – Additional Funding-- Net Award: \$47,889

**Total Net Awards: \$19,342,955**

#### PROJECT AWARD SCHEDULE DETAIL ADJUSTMENTS (CROSSING FISCAL YEARS)

| Project                                      | FY14                  | FY15               | FY16                |
|--|-----------------------|--------------------|---------------------|
| P12-004 Belen Family School                  | (\$1,600,408)         | \$1,600,408        |                     |
| P12-006 Espanola Velarde ES                  | (\$2,671,855)         | \$2,671,855        |                     |
| P13-005 Espanola Los Ninos Kindergarten      | (\$1,532,318)         | \$1,532,318        |                     |
| P13-006 Farmington High School               | (\$32,151,783)        | \$32,151,783       |                     |
| P13-007 Gadsden Desert View ES               | \$13,939,200          | (\$13,939,200)     |                     |
| P14-005 Belen Rio Grande ES*                 | (\$980,061)           | (\$8,074,484)      | \$9,054,545         |
| P14-006 Central Newcomb HS**                 | (\$665,626)           | (\$5,874,005)      | \$6,539,631         |
| P14-018 Mesa Vista Ojo Caliente ES           |                       | (\$2,898,000)      | \$2,898,000         |
| P14-021 NMSBVI Recreation/Ditzler Auditorium | (\$1,852,647)         | \$1,852,647        |                     |
| <b>Total</b>                                 | <b>(\$27,515,498)</b> | <b>\$9,023,322</b> | <b>\$18,492,176</b> |

\*FY15 \$980,061 increase for design, \$9,054,545 decrease for construction moved to FY16, net change (\$8,074,484)

\*\*FY15 \$665,626 increase for design, \$6,539,631 decrease for construction moved to FY16, net change (\$5,874,005)

Mr. Denise Irion, PSFA staff referred the Council to the financial plan that is made available in their meeting notebooks/e-books. Included in the report are the PSCOC Financial Plan definitions, sources and uses, PSCOC fund project encumbrance schedule and PSCOC balances.

Ms. Irion noted that staff has made changes requested by the Council in the schedule with regards to PSCOC commitment and how they are aligned. Mr. Clifford stated that the plan is not working as he expected and feels that the money is moving too quickly. He recommends an independent review from an auditor. A member of the Council disagreed noting that there is nothing wrong with the system that is currently being used. It was noted that conditions change at a local level and once staff knows the changes in the financial plan it is reported to the Council. Mr. Clifford argued that complimentary skills are needed in accounting. Members agreed that both subcommittees need to look at the financial plan and the Awards Subcommittee needs to make judgments soon regarding reasonable amounts for projects. Mr. Aguilar stated his concern that there are a number of projects budgeted, at the local level and are being changed to full construction. Mr. Rico Volpato, PSFA staff, referred the Council to the project status report that is made available in their meeting notebooks/e-book. He briefly explained how the process works in the early stages of projects to the completion of the project. Mr. Volpato also noted that the numbers in the financial plan are for the state share only. He went on to explain funding for various school districts and how they are moving forward. Chair Abbey noted that this is still a work in progress and new estimates may be coming in. He recommends the sums of action taken by the Council be included in the financial plan by fiscal year. It was noted that there will be an estimated bond sale in the amount of \$65.2 million in June. Mr. Eaton presented issues and balances that include the operating budget and various scenarios for upcoming fiscal years. He also informed the Council that staff will be meeting on May 14<sup>th</sup> with the Board of Finance as well other entities to discuss the financial plan and the PSFA budget. Chair Abbey feels that the staff is on the right track with the financial plan.

The staff will make needed adjustments and will present the financial plan at the next PSCOC meeting.

*This report was reviewed by the AMS and the Awards Subcommittee and is for informational purposes.*

## **b Options to Bring PSCOC Commitments in Alignment with Program Revenues**

### **Executive Summary:**

The current PSCOC Fund balance projection shows that the pace of SSTB sales and the budgeted program revenues are insufficient to meet the current projected PSCOC budget needs per the program and project schedule in the current financial plan.

Pursuant to Council request, a memorandum was presented to the Council that describes the current PSCOC Financial Plan outlook which considers current and projected state share funding needs. The current outlook presented shows that state revenue projections are insufficient to meet the current projected funding needs on the current schedule.

The memo describes the options available to the PSCOC to bring program revenues into alignment, including delaying project delivery, postponing an award cycle and issuing a long-term bond. The combined effects of the scenarios changes would likely allow resumption of the PSCOC awards cycle at normal program levels in FY2016.

Options to bring into alignment state funding revenue (budget) availability to project awards may include a combination of the following actions:

- Limit or temporarily suspend current and/or out year standards-based awards;
- Delay (“push out”) Phase 2 awards to allow funding to “catch up” with commitments/needs;
- Suspend or delay secondary PSCOC programs:
- Lease assistance awards
- Standards-based roof awards
- Master planning awards
- IT Infrastructure Deficiencies Correction Program
- Issue a long-term SSTB bond to avoid extended Phase 2 project delays on existing commitments.

Included for discussion purposes, is a scenario that employs a combination of the above as follows:

- Maintain funding for 2015-16 SB-9, Lease Assistance & PSFA Operating but delay the 2014-15 Awards by six months – to be made in January 2015, instead of July 2014;
- Make the 2014-2015 Awards to the Top 50 wNMCI ranked pre-application respondents only;
- Schedule a long term bond sale in December 2014 totaling \$150 million;
- Cancel the 2015-16 awards until the following year;
- Maintain funding for 2015-16 SB-9, Lease Assistance & PSFA operating;
- Resume Awards in the 2016-17 Awards Cycle at the normal amounts (including the establishment of reserve fund (see below in #7);
- Set Aside a \$20M of capacity in FY16 and FY17 and out years in a “Reserve” Fund” for phase 2.

Under this scenario commitment and revenue alignment will be achieved in the latter half of FY16 at which time resumption of a new standards-based awards and standards based roof awards cycle at normal award levels may occur. Commencement at an earlier date may not be possible due to the timing and budgeting of revenues and projected commitments. A detailed description of the estimated (scheduled) revenues and commitment needs are included with the memo for discussion. Revenues and Commitment schedules are subject to change based upon updates to project schedules and updated revenue forecasts.

Mr. Eaton briefly highlighted the areas of the capital budget analysis and budget availability that was made available in the meeting notebooks/e-book. He noted that upon discussion with staff and certain members of the subcommittee the financial plan does not include the long-term bond sale of \$150 million in December and does not have a reserve fund.

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

**c. Analysis of the wNMCI of 2014-2015 Standards-Based Award Applications**  
**Executive Summary:**

The pie charts provided in the meeting notebooks/e-books of the applicant schools demonstrate the distribution of dollars throughout the nine FAD categories as well as paints the picture of need according to the size of the pie slice. Mr. Chris Aguilar referred the Council to a “scatter gram” that is made available in the meeting

notebooks/e-book. The scatter gram reflects where the schools are in the wNMCI score and the pie charts include all applicant schools presented to the Awards Subcommittee in an attempt to get some consolidation schools to tag along with anchor schools for projects. Mr. Aguilar noted that the subcommittee had no desire to further expand the full amount to fund additional projects. Additional pie charts representing the scenario of combining schools in Alamogordo, Carlsbad and Raton are provided for discussion.

Mr. Aguilar explained a scenario of inclusion of schools outside of the funding pool would be to use the simple wNMCI average of the schools that are part of the consolidation. Eligible Anchor School falls in Range of Districts Encouraged to Apply: PSCOC participation in full project including core and classrooms to accommodate current enrollment for the anchor school. Inclusion of Schools Outside of the Range of Districts Encouraged to Apply: PSCOC participation in a partial project; consisting of core for awarded amount of students and classrooms for current enrollment.

Council requests that this item be included on the June 2014 PSCOC meeting agenda. The Council will discuss whether or not the weighting system is working.

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

**d. Gadsden/Gadsden HS/P08-003C/Phase II Funding**

**Request:** This request is for phase II construction funding of Gadsden High School Phase III-Part II (site work, renovation of the North Building, classroom addition to the North Building, and renovation of the Main Building).

**Executive Summary:**

Staff recommends additional funding to Gadsden Independent School District for Gadsden HS to complete the project to adequacy with an increase in the state share amount of \$13,193,444 (88%), contingent upon an increase in the local share amount of \$1,799,106 (12%).

| Maintenance |                     | Recommended District Performance                               |
|-------------|---------------------|--|
| FMAR        | 75.93%              | 1. Remedy all Minor & Major findings on district FMAR Reports. |
| Using FIMS  | Yes                 | 2. No further recommendations at this time.                    |
| PM Plan     | Current<br>10/18/13 |  |
| Work Orders | Yes                 |  |
| M3 Metrics  | Yes                 |  |

The district is represented by Mr. Rafael Gallegos and PSFA Regional Manager Mr. Earl Franks. There is one phase remaining that includes the refurbishing the annex classrooms, cafeteria, and science classrooms. The district will make a funding request when the projects are ready to move forward.

Upon review the Awards Subcommittee recommends approval. The action of the Council will be reflected in the next financial plan using footnotes.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2007-2008 standards-based award to the Gadsden Independent Schools for Gadsden High School to include funding for Phase 3, Part 2 construction to renovate the existing facilities to adequacy for 1,850 students, grades 9-12, with an increase in the state share amount of \$13,193,444 (88%), contingent upon an

additional local share of \$1,799,106 (12%). The district shall incorporate the additional maintenance contingencies of: (1) remedy all major and minor findings on district FMAR reports. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

**e. Alamogordo/Yucca ES/P11-001/Phase II Funding**

**Request:** This request is for phase II construction funding for the Yucca ES renovation based on General Contractor bid price MACC. Project K13-007 (APSD Yucca ES pre-K) has been incorporated into the construction documents for this project and was bid as an alternate.

**Executive Summary:**

Yucca ES to complete the project to adequacy with an increase in the state share amount of \$3,732,665 (70%), contingent upon an increase in the local share amount of \$1,599,714 (30%).

**Maintenance Recommended District Performance**

| <b>Maintenance</b> |                               | <b>Recommended District Performance</b>  |
|--------------------|-------------------------------|--|
| FMAR               | <b>58.12%</b>                 | 1. Remedy all Minor & Major findings on district FMAR Reports to a Satisfactory rate.                  |
| Using FIMS         | <b>Yes</b>                    | 2. Recommend re-establishing Maintenance Metrics monthly maintenance reporting to district leadership. |
| PM Plan            | <b>Current-8/27/13</b>        |  |
| Work Orders        | <b>Yes</b>                    |  |
| M3 Metrics         | <b>Pending Implementation</b> |  |

Mr. Volpato informed the Council that this project is based on actual pricing. The cost of the project came within budget. He noted that the funding will not flow unless the contingencies are met. It was noted that this project has been delayed many times. The school qualified as a new elementary school and was being designed for 550 students. The school had to be moved because of site issues.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2010-2011 standards-based award to the Alamogordo Public Schools for Yucca ES to include Phase II construction to renovate the existing facilities to adequacy for 350 students, grades K-5, with an increase in the state share amount of \$3,732,665 (70%), contingent upon an additional local share of \$1,599,714 (30%). The district shall incorporate the additional maintenance contingencies of: (1) remedy all major and minor findings on district FMAR reports to a satisfactory rate; (2) Re-establish Maintenance Metrics monthly maintenance reporting to district leadership. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

**f. NMSBVI/Site Improvements/P13-015/Phase II Funding**

**Request:** This request is for phase II construction funding based on the engineer's estimate for construction cost.

**Executive Summary:**

Staff recommends additional funding to NMSBVI to complete site improvements to adequacy with an increase in the state share amount of \$1,337,562 (50%), with a district share amount of \$1,337,562 (50%) to be funded from the balance of the Senate Bill 60 appropriation.

**Maintenance Recommended District Performance**

| <b>Maintenance</b> |                        | <b>Recommended District Performance</b>   |
|--------------------|------------------------|---|
| FMAR               | <b>81.09%</b>          | 1. Remedy all Minor & Major findings on district FMAR Reports.                                      |
| Using FIMS         | <b>Yes</b>             | 2. Recommend establishing Maintenance Metrics monthly maintenance reporting to district leadership. |
| PM Plan            | <b>Current-2/15/14</b> |   |
| Work Orders        | <b>Yes</b>             |   |
| M3 Metrics         | <b>No</b>              |   |

Mr. Volpato stated that this is a Phase II project based on an estimate. He noted that the work needs to take place this summer. This is a key part of a project to future projects that have been awarded that included replacement of sewer, existing electrical upgrades to buildings remaining on campus and other related upgrades. There will not be an absolute cost until the district receives an estimate of the electrical upgrades.

Mr. Aguilar voiced concern regarding the district having to submit more reports. He asked who is overseeing the contingencies. Mr. Gorrell explained that the major and minor findings are part of the FMAR score. He explained the PSFA Regional Manager and maintenance staffs oversee the maintenance projects. The deficiencies are measured and verified by pictures. Mr. Gorrell noted that the M3 Metrics is a report used on all systems and is verification that there is an implementation. Mr. Martinez stated that the reporting only takes approximately 15 minutes per month and is streamlined. PSFA staff visits the districts and trains them on how to use the programs and tools. The Council directed the staff provide further information to the AMS Subcommittee, at their next meeting, on how the programs work and how they benefit the districts.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2012-2013 standards-based award to the NM School for the Blind and Visually Impaired to include Phase II construction to complete infrastructure site improvements with an increase in the state share amount of \$1,337,562 (50%), contingent upon an additional local share of \$1,337,562 (50%) to be funded from the balance of the 2013 Senate Bill 60 appropriation. The district shall incorporate the additional maintenance contingencies of: (1) remedy all major and minor findings on district FMAR reports; (2) Re-establish Maintenance Metrics monthly maintenance reporting to district leadership. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

- g. **APS/Marie Hughes ES/P14-001/Award Language Change & Additional Funding Request:** The district is requesting an award language change to replace rather than renovate and additional funding to complete design.



**Executive Summary:**

Staff recommends amending award language for Marie Hughes ES to replace rather than renovate and additional funding to complete design with an increase in the state share of \$739,071 (55%), contingent upon an increase in the district share of \$604,695 (45%).

Original award made on July 25, 2013 as follows: “Planning and design for classroom addition to replace existing portables, renovation/expansion of existing cafeteria and kitchen, and related site improvements to adequacy for 600 students, grades K-5.”

During the development of the Master Site Plan as required by the PSCOC award it was determined by APS Planning and Design that just adding a new classroom addition to replace the portables and renovation/expansion of the kitchen & cafeteria would not solve the inadequate function, circulation, security and the adequacy deficiencies of the old existing school building. Nor would it address the long-term operations, maintenance, long-term energy costs and sustainability of the old existing building.

**Maintenance Recommended District Performance**

| <b>Maintenance</b> |                        | <b>Recommended District Performance</b>   |
|--------------------|------------------------|---|
| FMAR               | <b>58.12%</b>          | 1. Remedy all Minor & Major findings on district FMAR Reports to a Satisfactory rate. |
| Using FIMS         | <b>Yes</b>             | 2. No further recommendations at this time.   |
| PM Plan            | <b>Current-7/27/13</b> |   |
| Work Orders        | <b>Yes</b>             |   |
| M3 Metrics         | <b>Yes</b>             |   |

Mr. Guillen noted that upon discussion at the Awards Subcommittee, it was determined that further information is needed for this request. Mr. Volpato stated that the district is requesting award language change from renovation to replacement based upon a site master plan for the school. Upon request of the subcommittee the district presented their request to the Council.

Mr. Kizito Wijenje and Ms. Karen Alarid represented the Albuquerque School District. Mr. Wijenje referred the Council to a handout from the district that gives a review of the school and the reason for the request. He reported that if the district builds in the field site of the existing site there would be a possible 30 month reduction in construction time (current timeline is June 2019 versus November 2016); more flexibility in the design of the new school's building “pieces”; possibly less antagonism from neighbors because tall buildings would be farther away from houses; continue using existing bus drop-off while new building is being built; continue using existing parent drop-off while new building is being built; kids use existing playground; existing mini-gym stays up and running until move to new building (no gym loss); based on conversation with Jon Balis, comparing 18 month construction schedule to 48 month construction schedule will save 8% to 12% total construction cost (10% x \$16M = \$1.6M savings); and cost for re-building existing field is about \$7/sf (x 55,000 sf = \$385K). The original project considered and approved by the Council was an \$8 million project which consisted of a classroom wing, upgrades additions to the cafeteria and kitchen, additional parking and funds for design. The project request scope is for total school replacement which will reduce final total cost of total rebuild in a 5 month period by \$3.5 million; reduce severe disruption to students and the learning process due to multi-year, multi-phased project; will drop project from NMCI needs list for the next 15 years; reduce the project timeline from 5 years to 2 years; and eliminates all portables from the school. Mr. Wijenje explained the phases of



the project of building the entire school noting that the district worked with the city to build two elementary schools using the phases presented to the Council.

Mr. Guillen noted that there are two concerns regarding the length of time to make the decision from the original request and determining the replacement is the better option than the original award of \$8 million. Mr. Wijenje explained that the funding was for the first phase but in speaking with a construction manager and PSFA staff the district saw this as an opportunity to not only accelerate the project but to do it in one phase that would take care of the destruction, the inflation and take care of the long term 5-year trend of the project.

The Council asked if this request has already been presented to their school board. Mr. Wijenje responded in the negative stating that it will be presented to the board upon PSCOC approval. He stated that the school board basically approves the complete master plan as the projects come they are presented individually to the board before the project begins. Ms. Alarid stated that the district would have to go before the board for design development review which would not happen until the program and schematic design phase for the project. The project is based on a site master plan and will go before the board for design development.

The Council voiced concern regarding the increase of square footage and the decline of enrollment. It was stated that at the time the original award was made for 600 students and at the time there were 600 students, however, the number of students has decreased by 25. Mr. Gorrell indicated that the district contemplated a significant number of portables and this is a different approach to eliminating the portables. The adequacy standards allow 73,740 square feet for 600 students so the Council would participate on the replacement of the school. The Council noted that there is discrepancy on the square footage in the amount of 4,000-8,000 difference. Mr. Wijenje noted that the district has been in anticipation of doing a major project of the school and beginning to do utilization, short-term recommendations to the school and consolidation of schools. He stated that the district has been double-loading students in classrooms so they can have minimum disruption when the project begins in 6 months. He stated that it is an on-going scenario anticipating within the next 6 months. In regard to the declining enrollment, Mr. Wijenje indicated that is declining enrollment data on the west side which coincides with the housing slump and the employment slump. The trend changes as the economy stabilizes and the area is right for development growth. The district builds schools for the upcoming 5-year trend. A Council member commented that another school is not needed for the district and noted that the data provided by the district does not match for the increase of square footage in the planning design. Mr. Wijenje noted that the plan is an anticipation of an enrollment increase. He indicated that schools will consolidate and portables will be utilized during the construction phase.

Mr. Aguilar voiced concern regarding the process of PSCOC awards. He noted that the districts come before the Council for planning funding and then construction funds. He noted that there is no indication of funding on the documents or the verbal presentation provided to the Council other than the seven-phase project. The district received awards for planning and construction not multiple phases for the project. Mr. Aguilar wonders why there was no indication of future phases when the district requested the original award. Mr. Wijenje stated that the district develops master plans to bring the schools to full adequacy, in the design phase it is possible to attempt to design to full adequacy to

save time and money. He continued stating the project is done in phases and requests funding from the Council for full adequacy. In discussion with internal and PSFA discussions, there is a possibility to do the project at once. The district determined that it would serve no means to show the internal planning mechanism and planning for the entire project to the Council. Mr. Aguilar stated that the Council needs to discuss, as a policy, the layout of encumbrances, allowances and dollars available. He voiced concern that the Council may be over-awarding some projects in excess of original estimates.

Mr. Gorrell stated that staff recognizes the needs and look for way to resolve the issues. Staff works on ways to make improvements or replacement of schools at the 60% that the Council uses as a guideline for the weighted NMCI. There is no solution to pre-conceive what schools would need to be replaced. Some Council members indicated that they trust the staff knowledge and skill as well as their work regarding renovating and replacing schools. Staff will meet with school districts regarding their master plan and other issues provide a report regarding these issues. Mr. Gorrell noted that the pie charts and tables that were presented to the Council are only estimates in categories and are not weighted. The tables do not create the cost of repairs. The staff will report back to the Council regarding the population. Mr. Aguilar indicated that he will come before the Awards Subcommittee with a proposal of moving to a 3-tier instead of a 2-tier award cycle as the Council is awarding planning and design money to schools without knowing their needs. His proposal will include that Council award Ed Spec design funding first and then they would have a better idea of what the design should be.

Mr. Guillen stated that once the planning and design of the project, the Council will have clearer understanding of the number of students attending. .

**MOTION:** Mr. Guillen moved for Council approval to amend the 2013-2014 standards-based award to the Albuquerque Public Schools for Marie Hughes ES to include replacement in lieu of renovation and additional funding to complete design to adequacy for up to 600 students, grades K-5, with an increase in the state share amount of \$739,071 (55%), contingent upon an additional local share of \$604,695 (45%). The district shall incorporate the additional maintenance contingencies of: (1) remedy all major and minor findings on district FMAR reports to a satisfactory rate. Ms. Maestas seconded.

**AMENDMENT:** Mr. Clifford moved to add a contingency to the motion to the school size and request staff report back to the Council their assessment of the population projections to assure the Council of the scope of the projects.

**AMENDMENT:** Mr. Gant moved to include the Board of Education approval.

Upon further discussion the motion passed by a majority vote with Mr. Aguilar, Mr. Clifford and Mr. Abbey voting in the negative.

#### **h. Farmington/Northeast ES/P14-009/Phase II Funding**

**Request:** Phase II Construction Funding for replacement of existing facilities for 600 students grade level K-5.

##### **Executive Summary:**

Staff recommends additional funding to Farmington Municipal Schools for Northeast ES to complete the project to adequacy with an increase in the state share amount of \$10,862,400 (60%), contingent upon an increase in the local share amount of \$7,241,600 (40%).

**Maintenance Recommended District Performance**

| <b>Maintenance</b> |                         | <b>Recommended District Performance</b>                        |
|--------------------|-------------------------|--|
| FMAR               | <b>74.51%</b>           | 1. Remedy all Minor & Major findings on district FMAR Reports. |
| Using FIMS         | <b>Yes</b>              | 2. No further recommendations at this time.                    |
| PM Plan            | <b>Current-12/18/13</b> |  |
| Work Orders        | <b>Yes</b>              |  |
| M3 Metrics         | <b>Yes</b>              |  |

Mr. Volpato informed the Council that this is a CMAR delivery at which the district has chosen for this project. The district is requesting early construction funding because they have CMAR contractor on board. Mr. Volpato stated that the district is moving into the early design of the Phase because they already have the contractor. Mr. Ted Lasiewicz represented the district.

Mr. Gorrell noted that the district determined that replacement of the school was better than renovation due to issues regarding to the layout of the school, traffic, and drainage. The Council was provided with all the information regarding this school and agreed that a new school should be built.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2013-2014 standards-based award to the Farmington Municipal Schools for Northeast ES to include Phase II construction for facility replacement to adequacy for 600 students, grades K-5, with an increase in the state share amount of \$10,862,400 (60%), contingent upon an additional local share of \$7,241,600 (40%). The district shall incorporate the additional maintenance contingencies of: (1) remedy all major and minor findings on district FMAR reports. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

**i. Farmington/Hermosa MS/P14-010/Phase II Funding**

**Request:** Phase II Construction Funding for renovate and replace existing facility to adequacy for 650 student grades 6-8. The district has completed their FMP per their original award requirement.

**Executive Summary:**

Staff recommends additional funding to Farmington Municipal Schools for Hermosa MS to complete the project to adequacy with an increase in the state share amount of \$10,475,400 (60%), contingent upon an increase in the local share amount of \$6,983,600 (40%).

**Maintenance Recommended District Performance**

| <b>Maintenance</b> |                         | <b>Recommended District Performance</b>                        |
|--------------------|-------------------------|--|
| FMAR               | <b>74.51%</b>           | 1. Remedy all Minor & Major findings on district FMAR Reports. |
| Using FIMS         | <b>Yes</b>              | 2. No further recommendations at this time.                    |
| PM Plan            | <b>Current-12/18/13</b> |  |
| Work Orders        | <b>Yes</b>              |  |
| M3 Metrics         | <b>Yes</b>              |  |

Mr. Volpato informed the Council that this is also a CMAR delivery which the district has chosen for this project. The district is requesting early construction funding because they have CMAR contractor on board. Mr. Volpato stated that the district is moving into the early design of the Phase because they already have the contractor. Mr. Ted Lasiewicz represented the district.

The Council noted that there are no Ed Specs for the project due to the program and delivery will not change for the new facility and asked if this is the usual practice. Mr. Gorrell stated that Ed Specs do not define the configuration and how the school is built. He stated that the district defines the individual spaces that will support the educational curriculum, the architect then determines what it would take to repair the school.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2013-2014 standards-based award to the Farmington Municipal Schools for Hermosa MS to include phase 2 construction for facility replacement to adequacy for 650 students, grades 6-8, with an increase in the state share amount of \$10,475,400 (60%), contingent upon an additional local share of \$6,983,600 (40%). The district shall incorporate the additional maintenance contingencies of: (1) remedy all major and minor findings on district FMAR reports. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

**j. Silver/Aldo Leopold Charter/P01-024/Phase II Status**

**Request:** The charter met with Mr. Lon Streib, Superintendent of Silver Consolidated Schools, he has indicated that the district does not have space available for Aldo Leopold Charter School to occupy. The charter is requesting that Council allow them to proceed with the feasibility study.

**Executive Summary:**

Charter School requests design funds to Aldo Leopold Charter School for early planning, update of educational specifications, and a feasibility study to consider various sites, funding requirements, and financing options to construct or acquire publicly owned facilities. The original award states that: "The PSCOC shall first determine availability of existing facilities at the Silver Consolidated School District that meet the programmatic needs of the charter. If none are available, then this award is for early planning, update of educational specifications, and feasibility study to consider various sites, funding requirements, and financing options to construct or acquire publicly-owned facilities for 210 students, grades 6-12." The Silver Consolidated School District has determined that it does not have the space to accommodate Aldo Leopold.

**Maintenance Recommended District Performance**

| <b>Maintenance</b> |                     | <b>Recommended District Performance</b>  |
|--------------------|---------------------|--|
| FMAR               | <b>39.75%</b>       | 1. Remedy all Minor & Major findings on district FMAR Reports to a Satisfactory rate |
| Using FIMS         | <b>Not Provided</b> | 2. Charter schools are not provided FIMS tools.                                      |
| PM Plan            | <b>No Current</b>   | 3. Develop and submit a PM Plan. A Written template was provided to the district.    |
| Work Orders        | <b>No</b>           | 4. Work orders and M3 Metrics cannot be developed without FIMS.                      |
| M3 Metrics         | <b>No</b>           |  |

Mr. Guillen stated that the Awards Subcommittee received a letter from school district indicating that it is not a feasible option to accommodate the request of the Aldo Leopold Charter School for space to house their school. The Awards Subcommittee also indicated that Western University may be a potential site to house the charter. Mr. Gorrell noted this does not exclude either the district, Western University or any other facility. He explained that the issue is finding a site to accommodate educational needs. Staff will have to meet with them to discuss their needs and determine why the specific needs for their school that cannot be met by the district.

Mr. Gant indicated that the charter has not made the request to move from their authorizer and needs to get their facts in place with PSFA and has concerns regarding Council approval for this request. Mr. Gorrell noted that the Silver Consolidated Schools has approximately a 50% capacity based on the charter's master plan. Mr. Volpato gave specifics of the Silver High School noting that the current enrollment is 726 students with available capacity without portables of 694 students. The Council voiced concern regarding building a new school for 200 students when there is a capacity at the local school district for almost 800 students. It was stated that the charters intention is compile information to present more detailed information for the service schools and the Western University to determine if there is space for the charter students. In discussion at the subcommittee it was a very general request but it was not clear what was needed and how much space would be required. In developing the Ed Specs staff would be in a better position to request additional information.

Mr. Gorrell noted that the law states that if districts have space, they are required to offer housing charter schools but is not clear as to what the spaces entail. Some Council members noted that it is incumbent that charter schools to get what they need but they also need to get PEC approval. They would also need assistance in developing feasibility studies. Members noted that the charter would also need to have their Ed Spec and explain why they are coming to the Council for funding. Council stated that the school needs a plan of what they are going to do and present it to the full Council. Mr. Gant stated that the sequence is to develop a plan and present it PEC for approval before coming before the Council for funding. It is not clear whether or not the school has funding for their plan. Mr. Gant also noted that the school cannot be built without Ed Specs. Mr. Guillen commented that it is incumbent that upon the charter school to define their needs and present them to PED for approval if necessary. He informed Council that the charter is up for renewal and scheduled to come before PEC in October 2014. PEC will approved/disapproved in December 2014. Mr. Volpato informed the Council that the school has their design phase funds in place. The district currently has an Ed Spec facility master plan dated 2012-2017 but will need to be updated upon approval of the Council.

**MOTION:** Council approval of the Awards Subcommittee recommendation to accept the letter from Silver Consolidated School District indicating no available existing facilities to house the Aldo Leopold Charter School, which will fulfill the contingency applied to the 2013-2014 standards-based award. The Aldo Leopold Charter may proceed with early planning, update of educational specifications, and feasibility study to consider various sites, funding requirements and financing options to construct or acquire publicly-owned facilities for 210 students, grades 6-12. The charter shall incorporate the additional maintenance contingencies of: (1) remedy all major and minor findings on district FMAR reports to a Satisfactory rate; (2) Develop and submit a PM plan.

Upon further discussion and various amendments to the original motion, Council members felt that neither the motion nor the amendments comply with the intention of the Council and suggested tabling the motion.

**MOTION:** Mr. Burciaga moved to table the motion until the district/charter submit further information that identifies the facility needs before coming back before the Council. Mr. Heitz seconded. There being no objection the motion carried.

Council directed staff to include the Aldo Leopold Charter School in at a future PSCOC meeting and insist that the charter is present at the meeting.

**k. 2014-2015 Lease Assistance Award Application**

**Executive Summary:**

New Mexico state law provides that the Public School Capital Outlay Council (PSCOC) may approve lease assistance awards for the purpose of making reimbursements to school districts and charter schools for leasing classroom facilities.

The amount of a grant to a school district shall not exceed: (a) the actual annual lease payments owed for leasing classroom space for schools, including charter schools, in the district; or (b) seven hundred dollars (\$700) multiplied by the number of MEM using the leased classroom facilities; provided that in fiscal year 2009 and in each subsequent fiscal year, this amount shall be adjusted by the percentage change between the penultimate calendar year and the immediately preceding calendar year of the consumer price index for the United States, all items, as published by the United States department of labor (22-24-4(I)(1.) NMSA).

In a departure from previous years, the 2013-14 Lease Assistance Award adjustments were calculated using the average asking rental rate per sq ft/year for office properties in Albuquerque.

The CPI is 1.5%. The year over year change in the average asking rental rate per sq ft/year for office properties in Albuquerque is 0.6%.

| <b>Lease Rate/MEM (2013-14)</b> | <b>Adjustment</b> | <b>Adjusted Rate 2014-15</b> |
|---------------------------------|-------------------|------------------------------|
| \$739.95                        | 1.5%              | \$751.05                     |
| \$739.95                        | 0.6%              | \$744.38                     |

Ms. Martica Casias, PSFA staff, presented this item to the Council referring them to the draft lease assistance memo that is available to them in their meeting notebooks/e-books. She noted that there are changes that the Council needs to consider. Ms. Casias stated that last year the lease reimbursement was \$739.95 per MEM and this year, per the statute, there is a considered CPI adjustment which would increase the reimbursement to \$744.38 per MEM. She noted that in previous years the Council voted not to consider the CPI increase. Mr. Gorrell noted that at the time of the award the increase can be considered. It was noted that this item was not discussed at the Awards subcommittee meeting. Mr. Gorrell indicated that the Statute states that the full time equivalent enrollment may be adjusted. He stated that the subcommittee discussed the reimbursement that may be adjusted by a CPI. The subcommittee discussed readjusting the reimbursement by what the Council agrees for the CPI. Other changes discussed at the subcommittee meeting were that applicants indicate the cost or percentage of total amount for maintenance, custodial, utilities, taxes and capital improvements to the

application. Mr. Abbey requested that reference to the CPI adjustment be removed from the application prior to release.

**MOTION:** Mr. Guillen moved for Council approval to authorize release of the 2014-2015 Lease Assistance application and conflict of interest questionnaire that will include sufficient lease information to facilitate PSCOC staff analysis; applications are due June 6, 2014 and tentative award date will be at the July 22, 2014 PSCOC meeting.

**I. June 2014 Certification to Sell SSTB's**

Mr. Abbey noted that its constraint to be about \$65 million and the request can be much higher when the local bonds are sold. This item was discussed at the Awards Subcommittee meeting.

**MOTION:** Mr. Guillen moved for Council approval to adopt a Certification and Resolution to sell SSTBs subject to review by Secretary Clifford and Chair Abbey verifying the amounts. There being no objection the motion carried.

**4. Administration, Maintenance & Standards Subcommittee Report**

**a. Broadband Deficiencies Correction Program—Update**

**Executive Summary:** Senate Bill 159 amended the Public School Capital Outlay Act directing the development of guidelines and standards in coordination with DoIT and PED for an education technology deficiency corrections initiative. A total of up to \$10 million dollars a year of the Public School Capital Outlay Fund may be allocated by the Council for expenditure in fiscal years 2015 – 2019. Staff has met with PED and DoIT staff in drafting the following which outlines the “what, why and how” of creating a Broadband Deficiencies Correction Program.

This item was discussed at both subcommittees. It was presented before the Awards Subcommittee to inform them that there is a motion from the AMS subcommittee. Mr. Gorrell noted that before the awards the Council may have to make some rules and the districts will be involved in the rule making process. He noted that all districts have been involved in the IT advisory group for years and generally this is accepted. Mr. Gorrell stated that there was a meeting held and districts attending also were in support of the Broadband Deficiency Correction Program.

**MOTION:** Mr. Clifford moved for Council approval of the AMS Subcommittee recommendation of two definitions to allow a uniform standard to equivalently measure broadband access deficiencies and define potential award parameters for expenditures.

- A. The PSCOC (Broadband Deficiency Correction Program) may participate in corrections that will provide per student/staff broadband access speed of no less than 100 Kbps and no more than 1,000 Kbps except LAN distribution speeds that may be higher.
- B. The PSCOC (Broadband Deficiency Correction Program) may participate in the acquisition and installation of physical hardware and associated software for corrections that include network infrastructure related equipment both on and off school sites such as servers, switches, wire, fiber, transmitters, receivers, and similar. Excluded are any and all ongoing support services; and, end-user devices, hardware and software.

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



**b. Personnel Actions—Update**

**Executive Summary:**

**1. Review current Personnel/Position Action Requests:**

Positions pending DFA approval:

- Financial Auditor I (position 00052627) – reclassification to Executive Secretary [Programs Support Manager]
- Financial Specialist (position 00052759) - advertise and hire.
- Regional Manager I [Field Assessor] (approved expansion position) –create, advertise and hire.
- Regional Manager I (position 00053016) - advertise and hire.

**2. Director's Evaluation**

Ms. Selena Romero, PSFA staff, presented this item noting that this item was reviewed by the AMS Subcommittee to bring the Council personnel action which are currently pending budget approval. She noted that the DFA Budget Analyst is reviewing the pending requests. Ms. Romero stated that in discussion with the AMS Subcommittee, the FY15 budget for personnel and how PSFA would accommodate for a manager for the IT Broadband initiative. The position would require that PSFA leave four vacancies that would include; the attorney position, facility analyst, communication specialist and a regional manager position.

Staff will meet with leadership on May 2, 2014 to discuss IT Broadband Manager term position. Approval of the program would allow for PSFA to hire for the position and manage the program. Mr. Gorrell indicated that the law requires that PSCOC and staff manage the program. He noted that in the PSFA FIR, eight FTE and the agency was not funded for the positions. Council noted that upon conversation a meeting was supposed to be held for discussion of the position and feels that it would be appropriate to revisit this item. Mr. Gorrell stated that PSFA would not advertise the position until after the meeting on May 2, 2014.

**MOTION:** Mr. Guillen moved for Council approval Council delegate Mr. Abbey, Mr. Clifford and Mr. Burciaga be authorized to make the final decision on approval of the IT Broadband Manager position. Ms. Maestas seconded. Motion carried.

**Director Evaluation:**

The Council was referred the Council to the director's evaluation form that was made available in the handout provided. Mr. Clifford stated that the AMS Subcommittee is asking the Council members to respond to the evaluation so a report would be completed by the end of the month. Ms. Romero and Mr. Clifford will determine the deadline for the responses. The AMS members will come back before the Council for full recommendation.

**5. 2014-2015 Standards-Based Capital Outlay Awards Cycle**

**a. Draft Site Visit Schedule & Possible Locations for Presentation Meetings**

Staff presented the Council with a draft site visit schedule. The potential school districts that staff will visit are; Albuquerque, Carlsbad, Alamogordo, NMSBVI, NMSD, Raton, Gallup, Mountainair, Clovis and Ruidoso. The final schedule will be forwarded to Council members in the event that they may want to be involved in the site visits.

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

**b. 2014-2015 Proposed Work Plan/Timeline**

**Executive Summary:**

Mr. Gorrell presented the 2014-2015 Work Plan/Timeline to the Council noting that the Work Plan was reviewed by both subcommittees. Staff will modify the Work Plan/timeline as deemed necessary.

Mr. Gorrell stated that site visits will follow the full application submittals which are due on May 5, 2014. He presented tentative week of June 23-27, 2014 for the presentation meetings. It was suggested that Council hold the meetings in Northern and Southern districts with the possibility of splitting the dates to hold the meetings at two designated school districts.

*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:**

Involved in guiding various projects through the stages of Project Development including, Programming, Planning & Design and the Construction Phase.

- 5 Projects in the development of their Educational Specifications
- 57 Projects in the planning & design Phase
- 38 Projects in Construction

The Council requests that the Pre-K needs be included in the status report as well as ingoing projects that are shovel-ready.

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

**b. Master Plan Project Status Report**

**Executive Summary:**

Staff reported that 19 Facilities Master Plans are working towards completion

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

**c. Lease Assistance Report**

**Executive Summary:**

Staff reported that 97 Lease Assistance Awards totaling \$12.9 million; \$8.6 million disbursed to date, an increase of 800,000 since last meeting April 2, 2014.

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

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

- FIMS usage -64% of district use FIMS effectively
- PM plan currency-42.86% of the districts have a current PM plan
- FMAR average score – 58.76% (where 70% is 'passing')
- Total FMARs completed to date –622

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

**7. Next PSCOC Meetings (2)/District Presentations/Week of June 23-27—Location TBA**

Upon discussion the Council agreed to designate staff to select an appropriate date that would not have scheduling conflicts. The locations will be determined by the Chair.

**Public Comments**

There is no public comment at this time.

**Adjourn**

There being no further business to come before the Council, the meeting adjourned at 1:50 PM.

Sarah Rhy Chair  
6/25/14 Date