

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL MEETING  
MINUTES  
SEPTEMBER 3, 2015  
STATE CAPITOL BUILDING, ROOM 317  
SANTA FE, NEW MEXICO**

**Members Present:** David Abbey, LFC                      Ms. Jessica Gonzales, Office of the Governor  
Mr. Paul Aguilar, PED                      Mr. Joe Guillen, NMSBA  
Mr. Raul Burciaga, LCS                      Ms. Frances Maestas, LESC  
Mr. Gilbert Peralta, PEC                      Mr. Pat McMurray, CID

**Designees:** Ms. Cynthia Martinez represented the Department of Finance and Administration in the absence of Dr. Tom Clifford.

1. **Call to Order**—Chair Abbey called the meeting to order at 9:00 AM
  - a. **Approval of Agenda** — Mr. Peralta moved for approval of the agenda as presented. Mr. Burciaga seconded. Motion carried.
  - b. **Correspondence** — No correspondence at this time. Ms. Selena Romero introduced new PSFA staff. Council noted that that Ms. Selena Romero has resigned from her position of PSFA Human Resources & Training Manager to work for another state agency. Council presented Ms. Romero with a letter of appreciation thanking her for her services to the PSFA and for her hard work and dedication to PSCOC and PSFA for the past 10 years. Ms. Romero has been a valuable employee and will be missed by all.
2. **Approval of Minutes (July 31, 2015)**

Upon review by the Council, Mr. McMurray moved for adoption of the July 31, 2015 PSCOC minutes subject to technical corrections. Mr. Peralta seconded. Motion carried.
3. **Awards Subcommittee**
  - a. **Financial Plan**

Staff presented the executive summary included in the PSCOC notebooks for this item.

**Discussion:** Ms. Denise Irion noted that there was a change in the reserve for contingency in the amount of \$5million to accommodate the SB-1 appropriations. Mr. Abbey asked if the updated severance tax forecast has been included in the financial plan. Ms. Irion reported that they have not been included, but she will work with LFC and DFA to obtain the consensus estimates to update the financial plan.

Mr. Abbey inquired about the Gallup waivers and Santo Domingo ES advance. Staff noted that the Gallup District will be submitting requests for waivers for three projects and Santo Domingo was initially requesting a \$6 million advance, but they may reduce the amount of their request. Staff will use the reserve for contingency funds to accommodate these waivers/advances so there would not be an impact to the financial plan.

*This is an informational item.*

**b. 2015-2016 Master Plan Assistance Program – Application & Procedures**

Staff presented the executive summary included in the PSCOC notebooks for this item.

**Discussion:** Mr. Guillen noted that the Awards Subcommittee reviewed this item and recommends approval. Staff indicated that upon approval, the invitation for FMP applications will be released on September 8<sup>th</sup>, 2015, and are due back on October 9<sup>th</sup>, 2015, with an anticipated award date of November 5<sup>th</sup>, 2015. Staff noted that potentially there may be 20 applicants in this award cycle. The application letter to districts and charter schools includes language that capital maintenance must be included in their master plans.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to send the 2015-2016 Facilities Master Plan application and procedures to all school districts and state authorized charter schools in accordance with the timeline presented. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

**c. Animas – Request for Emergency Assistance – Lift Station Repair/Replacement**

Staff presented the executive summary included in the PSCOC notebooks for this item.

**Discussion:** Mr. Guillen noted that the Awards Subcommittee discussed this item and asked staff to verify the scope of work to finalize this request for emergency assistance for a lift station repair or replacement. The District has obtained a single proposal in the amount of \$78,000 (excluding NMGR) to complete the work. To ensure prudent use of state funding, staff recommends that the Council require verification of scope of work and cost as well as solicitation of additional price proposals prior to the district proceeding with the work. Staff recommends an award up to \$100,000. The district submitted an emergency application, a letter declaring an emergency and Statement of Financial Position approved by PED. Staff is working with district to verify the cost and scope of work.

Superintendent Loren Cushman thanked the Council for hearing their request, and emphasized that this a measure by the district to be proactive to avoid future complication. Mr. Gorrell stated that there is a contractor going to conduct additional diagnostics to determine if this project can be repaired instead of replaced and to get additional quotes. Staff will work to get the project completed as soon as possible. Mr. Aguilar noted that failure of the lift station could shut the school down for a few months and that the request is prudent by the district.

**MOTION:** Mr. Guillen moved for Council approval of the staff recommendation to make an emergency award in the form of a grant to the Animas Public School District to complete the lift station repair/replacement work in an amount up to \$100,000, subject to a site verification of need and solicitation of price proposals. Mr. McMurray seconded. Motion carried.

**d. Hagerman – R15-007/R15-008 – Hagerman MS & ES Roofs – Additional Funding**

Staff presented the executive summary included in the PSCOC notebooks for this item.

**Discussion:** Staff noted that in these two projects, one came in over budget and the other came in extremely under budget. Staff is requesting additional funds for the elementary

school and the majority of the funds that were over budgeted on the middle school would be reverted. There will be a net reversion to the fund upon the approval to modify both Hagerman roof awards.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation for the following:

Amend the 2014-2015 standards-based roof awards to the Hagerman Municipal Schools for Hagerman MS based on actual cost to complete the work, with a decrease in the state share amount of \$189,702 (74%), with a corresponding decrease in the local share of \$50,427 (26%).

Amend the 2014-2015 standards-based roof awards to the Hagerman Municipal Schools for Hagerman ES based on actual cost to complete the work, with an increase in the state share amount of \$80,152 (74%), and a corresponding additional local share of \$21,306 (26%).

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

**e. Gadsden – R15-006 – Santa Teresa HS Roof – Additional Funding**

Staff presented the executive summary included in the PSCOC notebooks for this item.

**Discussion:** Staff noted that Santa Teresa came in over budget based upon actual estimates. Cost of the work has been attributed to the large quantity of penetrations and equipment on the roof. Although this is an increase to the state share of this project, with the reversion of the Hagerman Middle School there is no impact to the financial plan or the reserve for contingencies. Mr. McMurray asked if the roof consultants are still doing the estimates for the roof awards, and stated that these penetrations would have been seen. Staff noted that the roofing consultant provides estimates then staff and district review it. Staff will make adjustments to the estimate if necessary. When the estimates for this project were reviewed by staff, cost per square foot was determined based upon a total cost for the awarded roof and the gym roof, which had a lower cost because of the minimal equipment. The gym was later pulled out of the award as above adequacy.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2014-2015 standards-based roof award to the Gadsden Independent Schools for Santa Teresa HS based on actual cost to complete the work, with an increase in the state share amount of \$73,672 (87%), and a corresponding additional local share of \$11,009 (13%). Since this is a subcommittee recommendation a second is not required. There being no objection, motion carried.

**f. Lordsburg – P14-017 – Lordsburg HS – Phase 2 Funding**

Staff presented the executive summary included in the PSCOC notebooks for this item.

**Discussion:** Mr. Guillen noted that this item was reviewed by the Awards Subcommittee and recommends approval of the state request. Staff reminded the Council that the district requested early work and received funding from the Council at the April 7, 2015 PSCOC meeting. The district is ready to move forward with the next phase of the CMAR project

and begin construction which will complete the Phase II funding request for the district. The district is requesting a waiver for \$8.5 million, for a total state share of \$13.2 million.

Superintendent Piper was available for questions. Ms. Irion stated that the statement of financial position has been submitted to PED for review and staff is awaiting response to verify the revenue and cash balances. The bond advisors participated in filling out the necessary paperwork which reflects the current and projected assessed valuation as of tax year 2015. Ms. Irion reported on the districts cash flow, bonding capacity, assessed valuation, outstanding debt, and GO bond authorization. Based on the information provided, the district has demonstrated the need for the waiver. Mr. Abbey inquired about the cash balance requirement. Mr. Aguilar stated that PED recommends a minimum of 5% cash balance be maintained.

Mr. Guillen noted that based on the preliminary information submitted by the district, the Awards Subcommittee was assured that they meet the statutory requirements for waiver eligibility. Mr. Abbey noted that, for consistency, districts need to use their bonding capacity and excess cash balances before requesting waivers. Mr. Aguilar explained that the district would be using all of the funding that they currently have for their district share including their bonds. The Superintendent noted that their last bond election was in 2013 for \$4 million that was used on various projects. Mr. Aguilar complimented Superintendent Piper and the district for all the work they have done for their schools.

In regard to the old high school, Mr. Abbey asked about the resolution of the old high school that was to be demolished. Mr. Piper noted that in the old Enrichment center piece is a historical preservation issue. He stated that he feels that he and the board were misled into and the standard letter that was received from the Historical Preservation Department states that the owner has the authority to do as they want with the property. At the time district had the demolition included on their five-year facility but now the district cannot demolish the building. It will take time to get the facility off the historical registry and determine how to move forward. Mr. Abbey requested that Ms. Gonzales look into this issue with the Cultural Affairs Department. Mr. Piper also noted that the district paid \$12,500 for the insurance on the facility which has not been used and would only be insured for the cost of demolition.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation 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 2 construction to renovate/replace/consolidate/dispose facilities to adequacy for 480 students, grades K-12, with an increase in the state share amount of \$4,620,415 (35%), and waiver of the local share in the amount of \$8,580,770 (65%) for a total state share amount of \$13,201,185. Since this is a subcommittee recommendation a second is not required. There being no objection, motion carried.

**g. Certification of HB55 Appropriations**

Staff presented the executive summary included in the PSCOC notebooks for this item.

**Discussion:** Ms. Irion presented this item to the Council noting that the HB55 requires that the appropriations must be from the unexpended proceeds from the PSCOC fund to be used

for NMSBVI, NMSD and PED. The certification language is being revised to meet the Board of Finance requirements of a single resolution for all HB55 appropriations. The pre-k, school bus and educational technology amounts have been transferred to PED while the remaining certification entails amounts provided for the design portions listed for NMSBVI and NMSD. There will be a subsequent resolution for and certification and revision for when the projects go into the construction phase due to the need of identifying unexpended proceeds.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to adopt the Resolution, Notification, and Certification Amendment for HB55 Appropriations to New Mexico School for the Blind and Visually Impaired (NMSBVI), New Mexico School for the Deaf (NMSD) and the Public Education Department (PED) in the amount of \$15,909,635. Since this is a subcommittee recommendation a second is not required. There being no objection, motion carried.

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

##### a. **2015-2016 Systems Initiative—Systems Bill, Ranking Standards & Draft Application** Staff presented the executive summary included in the PSCOC notebooks for this item.

**Discussion:** Ms. Cano presented this item noting that SB 28, enacted in 2015, allows up to fifteen million dollars (\$15,000,000) of the fund to be expended in fiscal years (FY) 2016 through 2020 for a building system repair, renovation or replacement initiative, and requires development of guidelines and an application. The application includes an assessment of the building system that, in the opinion of the school district, the repair, renovation or replacement of which would extend the useful life of the building itself. The state share of the cost of an approved building system repair, renovation or replacement project is the same methodology for the standards-based awards. Primary eligibility requirements must first be met, and then ranked for eligibility for grant from highest to lowest total score. Requirements are that the project will reduce the campus Gross Square Footage by 50% or more, or that the Campus (school) wNMCI condition must be worse than statewide average, and the applicant must be able to demonstrate that the post-project wNMCI will be 33% or lower than the pre-project wNMCI. Ms. Cano noted that there are other criteria on which the applications will be scored and prioritized.

Mr. Guillen voiced concern regarding the nature of the “trip wires”. This initiative is a means of allowing smaller districts to come forward with smaller projects such as HVAC. He emphasized that the legislation does not mention that this program is intended to reduce the footprint of schools. He suggested incentive points be included in the ranking of projects and should not be an initial eligibility criterion. Mr. Gorrell agreed that the reducing the square footage is not in the law and explained that staff is attempting to build the framework of how to move forward. He clarified that this is not intended to reduce the square footage by 50% but it is one of 2 ways to get into the application pool. Mr. Guillen stated that he feels that it is appropriate to include the gross square footage as an incentive in the rating system, but not as an eligibility requirement. Ms. Maestas noted that the requirement for square footage reduction may make districts feel that they cannot apply, and the intent was to help the districts who do not want to replace their entire school, but a system only. Mr. McMurray agreed, stating that the intent was to help the smaller districts that cannot afford a larger project, and there is no room for “trip-wires” in this program.

Mr. Gorrell also noted that district need to be aware that they will need to include their items such as replacing HVAC, roofs in their master plan for capital spending. If the project is a replacement item the district can hopefully replace these items themselves. It was his understanding that it was the Legislature's intent to extend the life of facilities to reduce the total cost of spending over time through different Council measures. However the districts would not be able to get just a new roof through this system, but would have to add additional work to allow the school to operate for another 20 years. Mr. Abbey agreed with Mr. Guillen about not having the reduction of gross square footage as an eligibility requirement and asked if the weights could be boosted for the reduction in gross square footage instead. Mr. Guillen replied that to make it the criteria with the greatest weight would not be something that is contemplated by the legislation, but should be put to the inadequacy condition of the facility, and replacement of the systems. Staff stated that they would back project scenarios for presentation.

Mr. Aguilar noted that there was discussion in the Awards Subcommittee meeting about the weighting of Category #4 of the NMCI Ranking Factors, and that by reducing Category #4, it does not have a significant effect. Mr. Gorrell replied that Category #4 is "beyond expected life" and is the area Council needs to focus on to get into the master plan so the districts will be aware that they have systems that are still functional but need to be looked at for potential replacement. Mr. Aguilar noted that under the systems initiative it would take a lot of systems change to move the wNMCI score.

Ms. Cano informed the Council that staff will present draft rules at the next scheduled PSCOC meeting. She also presented the timeline for the Systems Initiative with the launch of the application in January 2016 and potential awards at the June 2016 PSCOC meeting. The timeline is made available to the Council in the meeting notebooks and is subject to change.

**MOTION:** Mr. Burciaga moved for Council approval of the Administration, Maintenance & Standards recommendation to authorize PSFA to proceed with development of draft rules for the systems initiative, and continued refinement of the ranking standards and application under the proposed systems initiative timeline. Potential 2015-2016 Systems Initiative awards to be made in June 2016. There being no objection, motion carried.

**AMENDED MOTION:** Mr. Guillen moved for Council approval to remove "the project will reduce the campus Gross Square Footage by 50% or more" from the primary eligibility criteria. Mr. Aguilar seconded. Motion carried.

**b. 2016-2017 Weight/Rank Methodology—NM Condition Index (wNMCI)**

Staff presented the executive summary included in the PSCOC notebooks for this item.

**Discussion:** Mr. Aguilar asked if the weight/rank contains Category #7) Adequacy -Space Related weight factor). Ms. Casias answered in the positive.

**MOTION:** Mr. Burciaga moved for Council approval of the Administration, Maintenance & Standards recommendation to continue the current NMCI Weight Ranking Factors for the 2016-2017 Standards-Based Award cycle. Since this is a subcommittee recommendation a second is not required. There being no objection, motion carried.

**c. 2016-2017 Variance Renewal—Charter & Alternative Schools**

Staff presented the executive summary included in the PSCOC notebooks for this item.

**Discussion:** Staff noted that the variance requires charter schools and alternative schools to meet life health and safety requirements as well as general classroom gross square footage.

**MOTION:** Mr. Burciaga moved for Council approval of the Administration, Maintenance & Standards recommendation to approve the variances for all alternative schools and those charter schools that have been renewed. The charter schools that are in at least their first renewal period will be evaluated based on their current programs, enrollments and alternative facility use to determine specific facility needs and will be ranked accordingly. Since this is a subcommittee recommendation a second is not required. There being no objection, motion carried.

**d. 2016-2017 Proposed Work Plan/Timeline—Reduced Meetings**

Staff presented the executive summary included in the PSCOC notebooks for this item.

**Discussion:** Mr. Burciaga noted that this item did not have a recommendation from the AMS Subcommittee. This is a staff recommendation to approve revision to the PSCOC Standards-Based Capital Outlay proposed work plan/timeline which includes efforts to reduce meetings. Ms. Cano noted that the intention of the motion is to reduce the meeting to seven. The proposal would eliminate meetings in March, October and December from the regular annual schedule beginning in 2016. Special meetings may be called by the Council or by a majority of the members upon a three day notice if needed.

Ms. Cano gave a brief report on how changing the timeline would affect districts and how it would change the awards and the NMCI process. She also noted that a new PSCOC timeline format is included in the books. Mr. Burciaga noted that although the executive summary shows 9-10 meetings a year, that PSFA staff has to come to Santa Fe for meetings 27-30 times per year. The agendas for the subcommittees often mirror what is on the greater PSCOC agenda, and often the subcommittees want to hear what the other subcommittees are doing. Reducing the meetings to 7 still requires the PSFA staff to come to Santa Fe 21 times per year. He recommended that the Council look at a longer PSCOC meeting instead of monthly subcommittees, and if the subcommittees meet, it should be item-specific. Mr. Guillen agreed with Mr. Burciaga about duplicating the items for the subcommittee meetings, and the agendas should be limited to only items for which each subcommittee is responsible. Mr. Abbey suggested that we do not reduce the amount of PSCOC meetings, as there is pressure to award funding expeditiously. Mr. Abbey noted that Awards Subcommittee meetings should meet as soon as funding becomes available. He indicated that the AMS Subcommittee needs to meet when rules are developed. Mr. Abbey directed staff to bring further recommendations to the Council regarding fewer subcommittee meetings noting that the Awards Subcommittee would have to meet prior to the full Council meetings. There was discussion regarding a consent agenda that would give staff authority to package routine reports, meeting minutes, and other non-controversial items not requiring discussion or independent action as one agenda item. If a member selects a specific item for discussion, it may be removed from the consent agenda and placed on the regular Board meeting agenda.

Mr. Burciaga requested that the PSCOC notebook be delivered to the members earlier for review. Ms. Gonzales suggested that if the Council is going to extend the length of the meeting and fewer subcommittees, she then the PSCOC meeting dates not be moved. Mr. Gorrell noted that if there were items that could not receive approval in the full Council meeting, they could be delegated to the appropriate subcommittee to consider and approve after the meeting. Council agreed to meet on October 5<sup>th</sup> beginning at 8:30am-12:30pm to include a consent agenda and no subcommittee meetings prior to the full PSCOC meeting.

**e. FY16 CID Budget & Reimbursements**

Staff presented the executive summary included in the PSCOC notebooks for this item.

**Discussion:** CID estimated budget request is \$330,000 for FY16. Prior to FY15, historically PSCOC reimbursement amount to CID was a maximum of \$250,000. This item was discussed at the last AMS Subcommittee meeting. Included in the PSCOC notebooks is a letter received from CID Director McMurray and the statute which authorizes the reimbursement.

Mr. Burciaga asked Mr. McMurray if the reimbursement supplements the CID operating budget. Mr. McMurray stated that the legislature passed \$330,000 for CID as part of the operating budget. Mr. Gorrell noted that this reimbursement is intended supplement not to supplant the operating budget of CID. The amount of \$193.72 is the full cost of the inspection. Mr. McMurray indicated that the motion is not comparable as to what was written in his letter in that the initial \$330,000 as approved by the legislature and budget by PSFA since last year. Based on the inspection conducted last year, CID did not bill for the last quarter and had an unpaid balance of \$8,000 in the third quarter. The MOU states that additional requests for reimbursement can be made so therefore the motion is incorrect. Mr. McMurray noted that either the MOU needs to be changed to match the motion or the motion needs to be changed to match the current MOU. He noted that CID will not exceed \$450,000. Mr. McMurray questioned the portion of the motion that states that "CID shall provide quarterly billings certified by the Director etc." Mr. Gorrell explained that previous CID Directors were having trouble with accounting and Council directed PSFA to make a judgment call to ensure that those inspections exceeded the amount of the quarter which has been done routinely. Mr. McMurray noted that currently the tracking is improved regarding the number of inspections by CID. Prior year amounts were provided to Ms. Casias and she has verified the amounts.

Mr. Abbey noted that the budget amount is actually \$250,000. Mr. Gorrell noted that the amount of \$330,000 was based on the CID request and the amount carried by the financial plan, but as noted by Mr. Abbey \$250,000 is correct and apologized to the Council and Mr. McMurray and stated that staff will correct the error. Mr. Aguilar stated that the CID Director has demonstrated that \$250,000 is insufficient, and there is language in the Public School Capital Outlay Act that provides for a budget adjustment request. Acting on a \$250,000 reimbursement when \$450,000 expenditure is warranted, is not something he could support. Mr. Guillen stated that historically there has been evidence that additional funds are required. If the motion was left open to allow additional reimbursements, he could support the motion. Ms. Maestas stated that she supports the higher amount, and asked PSFA staff what amount was included in the PSFA budget. Ms. Irion noted that funding for CID does not come out of the PSFA operational fund but instead from the



Capital Fund. She stated that the amount projected in the financial plan is \$330,000 based upon last year's amount.

Mr. Burciaga noted that he understands the reality of what it cost CID for the inspections and stated the staff has also come before the Council with budget request and staff requests which have been turned down, and is curious of why Council is willing to approve a 32% increase for CID's budget. Mr. Abbey stated that he has worked on the CID budget and LFC had a higher recommendation for CID than the \$250,000. There was discussion with the Executive and determined that CID did not need more money. The legislature pushed to get additional funding for the division from the general fund and the budget was too low. He stated that the CID budget is low and Council needs to look at it if their job is going to be done. Mr. Aguilar noted that last year's reimbursement to CID was \$330,000 so there is no increase from last year.

Mr. Gorrell explained that the Council is already putting money towards CID for permit costs and for all inspections which come out of the PSCOC project dollars. The amount CID charges the contractors on the PSCOC projects is less than \$193.72 so they do not get enough for inspections from the project costs. The intent of the legislation was not for CID but instead for the Fire Marshall who was supposed to do plan checks. When plan review and plan check aren't done correctly it costs tremendously in slowing down the projects and change orders. Mr. Abbey noted that this action would require a BAR and LFC would not object. Ordinarily, LFC looks at the CID budget to determine their revenues, what is spent and the shortfall. Mr. Abbey believes that this process should take place, but the Council does not have budget projections from CID to justify the additional amount.

**SUBSTITUTE MOTION:** Mr. Abbey moved for Council approval to allocate an amount not to exceed \$250,000 to reimburse the Construction Industries Division for estimated inspection expenses for FY2016 for PSCOC-funded projects. This allocation is based on the amount allocated in the operational budget passed by the Legislature. CID shall provide quarterly billings certified by the Director that sufficient inspections occurred to warrant at least one quarter of the authorized amount and shall include an analysis of the average turn-around time of school project permits and inspections as compared to other CID inspections. Mr. Burciaga seconded.

#### Roll Call

Mr. Aguilar--No	Ms. Gonzales--No	Mr. Burciaga--Yes
Mr. Peralta--Yes	Mr. McMurray--No	Ms. Martinez--No
Mr. Guillen--No	Ms. Maestas--No	Mr. Abbey--Yes

Motion failed by a majority vote. Council went back to original motion.

**ORIGINAL MOTION:** Mr. Burciaga moved for Council approval of the Administration, Maintenance & Standards recommendation to allocate an amount not to exceed \$330,000 to reimburse the Construction Industries Division for estimated inspection expenses for FY2016 for PSCOC-funded projects. This allocation is based on the average cost per inspection that has been agreed upon between the PSFA and CID of \$193.72. CID shall provide quarterly billings certified by the Director that sufficient inspections occurred to warrant at least one quarter of the authorized amount and shall include an analysis of the

average turn-around time of school project permits and inspections as compared to other CID inspections.

Mr. Guillen moved for a substitute motion to include that this amount will be paid conditionally with the understanding that additional funds can be requested if needed. There was no second. Mr. Gorrell provided additional options for consideration.

Mr. Aguilar called the question on the original motion. Roll was called.

#### **Roll Call**

Mr. Aguilar--Yes	Ms. Gonzales--Yes	Mr. Burciaga--No
Mr. Peralta--Yes	Mr. McMurray--Yes	Ms. Martinez--Yes
Mr. Guillen--Yes	Ms. Maestas--Absent	Mr. Abbey--No

Original motion passed by a majority vote.

#### **f. FY16 PSFA Budget Projection and Personnel Update**

Staff presented the executive summary included in the PSCOC notebooks for this item.

**Discussion:** Ms. Romero presented this item giving a brief on the budget project and staff hires and terminations. The attorney position will be reclassified to an Administrative Assistant position to support the Broadband Program. This position has been approved by DFA, while the remaining pending requests are for an HR Manager and an Administrative Assistant position which is Lena Archuleta's position. With the current vacancies PSFA has a favorable balance of \$188,145 in the budget. Council thanked Ms. Archuleta for her services to PSCOC.

*This is an informational item*

### **5. Other Business**

#### **a. Memorandum of Understanding (MOU) to Support BDCP Coordination**

Staff presented the executive summary included in the PSCOC notebooks for this item.

**Discussion:** Mr. Gorrell explained that the MOU is to support BDCP coordination. PED, DOIT and Education Super Highway (which is not signatory, but have performance in the MOU). The PSFA contacted the Education Super Highway (ESH), a non-profit, whose mission is to bring adequate broadband to all educational facilities in America. PSFA wished to gain assistance from ESH to improve the formation of potential statewide models. ESH will assess capacities and resources of partner state agencies, provide connectivity reports, and provide comparable models from other states and advise on the success/failure of these models. ESH required a Letter of Intent between the parties. Instead the Executive requested an MOU between coordinating parties. PSFA proposed some points to include in the MOU. The current MOU is found to be agreeable to all of the parties.

Mr. Guillen noted that the Council has not made a determination to move forward with Broadband or whether the money that was set aside. For several years there have been questions about the need. He also noted that the Governor's Office is also involved in the program and is curious as to why this is happening now if there has not been a

determination to move forward. Mr. Gorrell gave a history of the development of this program. He noted that ESH highly technical staff and have a history of success with similar letters of intent. The intent of the PSFA is to perfect the information in the assessment and recommendations for Phase I. Staff is confident that the MOU allows the Executive agencies direction/permission to assist moving the program forward for the Governor's approval. The Council retains all funding and decision making on what they have given authority to spend, which is the majority of the funds. PSFA will not exceed authorized amounts given from the Council. Mr. Gorrell, LFC and LESC staff will represent the Council throughout this project. Draft recommendations will be presented to the Council at the October 2015 PSCOC meeting. An amended resolution will be sent to the Executive for their support. Council requested information on ESH and other entities involved in the project. Ms. Abbey directed staff to include this item under the Director's at the next scheduled PSCOC meeting.

**MOTION:** Mr. Aguilar moved for Council approval of the MOU for the purpose of defining roles and responsibilities and to facilitate coordination of all parties towards the successful implementation of the BDCP and within other statewide broadband initiatives, with technical changes to include in the recitals of credits to the legislature for the appropriations. Ms. Maestas seconded. Motion carried.

**b. Certification of SB1 Appropriations**

Staff presented the executive summary included in the PSCOC notebooks for this item.

**Discussion:** PSFA adjusted the financial plan from the last meeting in regards to \$5 million in Senate Bill 1 appropriations to PED. There is \$1 million for NM Pre-K and \$4 million for school buses. In order to meet this, staff adjusted the contingency reserve by \$5 million to be able send the funds to PED based upon the approval of the amended resolution. The resolution was enacted on May 5, 2015.

**MOTION:** Mr. Guillen moved for Council approval of the staff recommendation to adopt the Resolution, Notification, and Certification Amendment for SB1 Appropriations to New Mexico Public Education Department (PED) in the amount of \$5,000,000. Ms. Maestas seconded. Motion carried.

**6. Director's Report**

**a. Broadband Deficiencies Correction Program Status Report**

Staff presented the executive summary included in the PSCOC notebooks for this item.

*This is an informational item.*

**b. PSCOC Project Status Report**

Staff presented the executive summary included in the PSCOC notebooks for this item.

*This is an informational item.*

**c. Master Plan Project Status Report**

Staff presented the executive summary included in the PSCOC notebooks for this item.

*This is an informational item.*

**d. Lease Assistance Status Report**

Staff presented the executive summary included in the PSCOC notebooks for this item.

*This is an informational item.*

**e. Maintenance Program Status Report**

Staff presented the executive summary included in the PSCOC notebooks for this item.

*This is an informational item.*

**f. 2016-2017 Proposed Work Plan/Timeline**

Staff presented the executive summary included in the PSCOC notebooks for this item.

Staff will continue to avoid conflicts of Council schedules in the timeline and review the proposed dates presented to the Council.

*This is an informational item.*

**7. Public Comments**

There is no public comment at this time.

**8. Adjourn**

There being no further business to come before the Council the meeting adjourned at 11:40 AM.

David Abbey Chair  
10/5/15 Date