

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL
MINUTES
OCTOBER 2, 2014
STATE CAPITOL BUILDING, ROOM 317
SANTA FE, NEW MEXICO**

Members Present: Mr. David Abbey, LFC Mr. Michael Heitz, Governors' Office
 Mr. Joe Guillen, NMSBA Mr. Tom Clifford, DFA
 Mr. Pat McMurray, CID Ms. Frances Maestas, LESC
 Mr. Gene Gant, PEC Mr. Paul Aguilar, PED
 Mr. Raul Burciaga, LCS

1. Call to Order – Mr. David Abbey

a. Adoption of Agenda — 9:00 AM

Clerk call roll noting that the Council reserves the right to change the order of the agenda as deemed necessary.

MOTION: Mr. McMurray moved for adoption of the agenda as presented. Mr. Gant seconded. Motion carried.

b. Correspondence

Mr. Gorrell referred the Council to the correspondence section in their meeting notebooks noting that there are four items of correspondence that includes (1) a letter from the Raton School District informing the Council that the district is declining their awards due to the failure of their bond election on September 9, 2014; (2) Mr. Gorrell informed the Council that there has been a ruling from the Judge in Española on Cariños de Los Niños Charter School emergency motion for injunctive relief regarding the old Middle School East; (3) a letter from Mr. Pat McMurray that designates Mr. John Woolf to represent the Construction Industries Division in his absence and (4) an invitation to the Council to for APS to host a PSCOC meeting at the recently completed Sandia High School Library and Classroom Block. The Council indicated that they will visit the campus in the near future.

2. Adoption of Minutes (September 4, 2014)

Upon review by the Council, Mr. Guillen moved for adoption of the September 4, 2014 PSCOC meeting minutes subject to technical corrections. Mr. Burciaga seconded. There being no objection the motion carried.

3. District Presentation –Deming High School

Representing the district were Mr. Ted Burr as well as other district representatives. Mr. Burr provided the Council with a timeline for the Deming High School. The district will begin the schematic design and review in January 2015; the design development phase and review in April-May 2015; the construction phase in December 2015-Janaury 2016 with substantial completion by August 2017. The final acceptance and project close-out is

estimated for September 2017 with an 11-month correction period for inspection and report by February 2018.

The district was given options on how to move forward with the high school. The district has chosen to build the new high school without touching the old school and continue to use the old building since it has the athletic fields. Once new school is complete the district will demolish the old facility and reconstruct the ball fields. Mr. Burr indicated that the intermediate school would have a similar timeline as it is easier to build. The district is working with PSFA to assure that all guidelines are followed.

Mr. Burr noted that their intermediate school is different in that it is 6th grade only and is housed in an old facility. The board has approved the Ed Specs which have been submitted to PSFA. The district has the site for the school and the community is in support of the school and are sure that the bond issue will pass. The district has purchased land for the middle school.

Mr. McMurray encouraged the district to submit all construction plans and documents to CID in a timely manner so their project can move forward as quickly as possible.

4. Awards Subcommittee Report

a. Financial Plan—Executive Summary PSCOC Financial Plan Changes since 9/4/14

PSCOC Action—Out-of-Cycle, Emergency, Additional Funding

Belen - Family School - P12-004 - Phase II construction—Net Award: \$653,203

Grants - San Rafael Elementary School - R14-009 - Additional funding to complete roof construction

Net Award: \$53,391

2014-2015 Lease Assistance Awards - Albuquerque Institute for Math & Science (AIMS) additional award \$29,598; Aztec Mosaic Academy additional \$53,700 for gym and portable classrooms; Española Cariños de Los Niños Charter School hold application open for an additional month. Increase in total award amount \$39,430 (previous lease assistance award \$14,320,909)

Net Award: \$14,360,339

Project Award Schedule Detail Adjustments (Crossing Fiscal Years) — No Change

PSCOC FUND PROJECT AWARD SCHEDULE DETAIL - PHASE 2 ESTIMATE MODIFICATIONS — Total \$0 \$0 \$0

PSCOC Fund Project Award Schedule Detail—Phase II Estimate Modifications

Project	FY	Previous Estimate	Current Estimate	Change
Espanola (P13-005) Los Ninos Kindergarten	15	\$1,532,318	\$1,943,583	\$411,265
Roswell (P14-023) Parkview Early Literacy	15	\$6,804,000	\$8,631,374	\$1,827,374
FY 15 Subtotal		\$8,336,318	\$10,574,957	\$2,238,639

These projects will be presented later in the agenda for potential council action.

FINANCIAL PLAN ASSUMPTIONS:

Carlsbad rejected the award for Pate (P15-003) and Riverside (P15-004) combined elementary school. Total change to financial plan is \$5,316,438 of which \$252,984 impacted FY15 and \$5,063,454 impacted FY16.

Raton's bond election did not pass. Therefore, Raton has rejected their awards for Raton Middle School Roof (R15-011) and New Combined Elementary School (P15-012) Total change to financial plan is \$14,779,487 of which \$1,942,640 (\$516,324 roof + \$1,426,316 design Combined ES) impacted FY15 and \$12,836,847 for construction Combined ES in FY16. If the district passes a bond issue the Council may be able to assist with their roof issues. The district may be eligible for emergency funding but would have to demonstrate that no other funding is available.

Updated the proposed lease assistance awards to include 5 additional charter schools: Robert F. Kennedy Charter School \$129,304; Española - Cariños de los Niños Charter School \$164,269; Santa Fe - Monte de Sol Charter School \$251,070 and Taos - Vista Grande High School \$54,386; Taos Integrated School of Arts \$122,832 and the exclusion of the 80/120 day phase-in MEM counts which has a total increase of \$289,445 to the financial plan.

Included the estimated due to CID reimbursement \$199,973 for FY14 inspections. Operating transfer submitted to DFA for processing on 9/10/14.

Total change to the financial plan is \$17,567,841

Notes:

CMAR costs are estimated using the following percentages: 5% pre-construction in quarter 1; 5% early work in quarter 2; 90% remaining balance of award in the third quarter.

The financial plan does not include any potential local match reduction for Phase II funding.

In regard to the Las Cruces repayment in the amount of \$9,894,260, Ms. Irion informed the Council that she has spoken to Terry Dean regarding the repayment and stated that this award will be adjusted on the subsequent award for Phase II construction Las Cruces High School. The district is asking for an extension of time to pay and agreed to pay the repayment by FY15 and will be paid by reduced awards while moving forward. The PSCOC directed staff to contact the district and obtain the extension request in writing.

b. 2014-2015 Lease Assistance Awards—Update

Executive Summary

The PSCOC awarded \$14,360,339 for lease assistance during its September 4, 2014 meeting.

There are five charter school revisions to the lease award (highlighted in blue on the lease assistance schedule):

- Albuquerque- Robert F. Kennedy Charter Middle School is requesting lease assistance for six portables for grades 7 and 8. No additional lease costs were added only the student enrollment and square footage amounts. A separate lease application was submitted. Previous award amount was \$127,694 and the revised proposed award amount to include the new data is \$129,304 or an increase of \$1,610.
- Española – Cariños de los Niños Charter School submitted a signed lease application and a conflict of interest questionnaire on September 22, 2014. PSFA has requested a current lease document be submitted. The Charter School is unsure of the location where they will reside. The proposed lease assistance award is based upon the member amount of \$164,269. Staff is recommending the award be contingent upon receipt of a current valid lease and adjustment to the award be made should the actual lease payments are less than the member amount for the leased property.
- Santa Fe – Monte de Sol Charter School – Submitted a timely and complete application packet to the PSFA. The application was submitted with Santa Fe Public Schools and was stapled to another application. Therefore, Monte de Sol Charter School application was inadvertently left off of the Lease Assistance Schedule. Requesting a proposed award amount of \$251,070.
- Taos – Integrated School of the Arts – Submitted a timely and complete application packet to PSFA. The lease for the 5th – 8th grade campus was inadvertently omitted from the lease assistance schedule. Previous award \$108,000 and the revised proposed award amount is \$122,832 or an increase of \$14,832.
- Taos – Vista Grande High School submitted a completed application, however the lease application submitted by the charter school had the incorrect lease payment amount. Taos previously submitted lease payment amount of \$10,020 and corrected the amount to \$102,023. Vista Grande High School is requesting the Council to reconsider the award to include the correct lease payment amount. Previous award was \$6,258 and the revised proposed award amount is \$54,386 or an increase of \$48,128.

PED revised the MEM counts to exclude phase-in grades per statutes 22-24-4 paragraph I.6. a. “MEM” means: 1) the average full-time equivalent enrollment using leased classroom facilities on the eightieth and one hundred twentieth days of the prior school year. Therefore, 11 charter schools were adjusted.

Total of 97 applicants were received with 96 completed applications. Staff is recommending a total award of \$14,649,784 based upon the information listed above. This results in an increase of \$289,445 from the previous award of \$14,360,339.

Discussion:

Ms. Maestas noted Mr. Danny Trujillo, Superintendent, Española School District, was present at the Awards Subcommittee and stated that the charter moved to another district and received an emergency waiver from PED. She stated that the primary concern is for the students.

Council voiced concern stating that Mr. Vernon Jaramillo, Superintendent, Cariños Charter School, has gone beyond control in regards the location of the charter school as well as other issues. Ms. Maestas emphasized that the primary concern is for the students that have moved to various sites and have often missed school and not getting the proper education so the Awards Subcommittee decided to move forward with the lease assistance.

Mr. Aguilar stated that judge ruled that charter school would temporality located at the El Rito Campus at the Northern New Mexico College for only 4-6 weeks until the issue of housing is resolved, the charter will then relocate to the Española School District. The judge also ordered that the Española District to provide the charter with food and transportation. There is concern that the charter school is physically located at another district. Mr. Aguilar pointed out that the charter remains authorized under the control of the Española School District. He noted that PSFA, CID and the State Fire Marshal visited and letters were sent to PED. PED is close to getting the charter school housed in El Rito and the charter requested a waiver for lost time which is being analyzed and PED will not issue a waiver until the charter modifies their calendar to assure that the full school year has been carried out.

Mr. Aguilar noted that there are concerns regarding portables requested by the charter to house their students. The charter prefers to remain in their current location. Mr. Aguilar noted that the district has offered the charter school the old Alcalde site. The judge has asked for briefing from both attorneys and the judge may make a ruling on Monday. PSFA may become involved and come before the Council to assist the charter in getting the portable facility.

Mr. Aguilar stated that the charter has requested 32 portables. PED sent a letter to Mr. Jaramillo informing him this is an unreasonable request. Mr. Jaramillo's argument is that he believes that the judge in a previous order in May indicates that the he is entitled to a facility equal to the current facility, however, the facility has too many classrooms. Part of the request was a portable with two classrooms that would house staff and other uses. PED sent a letter to the charter information them that they will need to submit a more reasonable request. Members of the Española Board, Mr. Jaramillo, PED, and Superintendent Trujillo held a mediation and agreed that if an agreement is not made the students will be dispersed around the Española School District and the agreement was signed. PSFA and PED may have to work together to find a different facility that will meet the needs of the students and will present the information before the judge.

Mr. McMurray informed the Council that CID and PSFA have visited Mesa Vista site and noted that there are minor changes and improvements that need to be made to the facility. CID allowed the district to make minor changes themselves under their annual permit.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to make amended awards in the amounts specified for lease payment assistance on the accompanying spreadsheet provided to the Council. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

c. Espanola — Velarde ES (P12-006) —Project Update

Executive Summary—Award History

July 2011 – Planning & Design Award - \$0 State Share Due to Offsets. Planning and design to renovate and make additions to existing facilities to adequacy for 145 students, grades K-6 with certain adequacy standards for variance at district's request. Award also includes a modification of the previous 05-06 Alcalde ES award to reduce core capacity to 200 serving grades K-6. District may, at its own expense, fund increased construction of the core for Alcalde ES to the original award capacity of 400. District shall demonstrate ability to maintain facilities and create a plan to pass SB-9 election.

May 2013 – Phase 2 Construction Funding - Mr. Art Blea, Superintendent, represented the district. He reported that their School Board rejected the recommendation for the construction firm to proceed with the project; therefore, the district is not prepared to move forward with the project. There is a possibility that the School Board will revisit the possibility of consolidation of the Velarde and Alcalde elementary schools.

Financial Plan Award Schedule Changes following May 2013 PSCOC:

July 2013 – Phase 2 estimated to return for funding 2013 Q4

August 2013 – Phase 2 estimated to return for funding 2014 Q2

April 2013 – Phase 2 estimated to return for funding 2014 Q4

Estimated State Share of Phase 2 \$2,671,855-- *End of History*

DISCUSSION: Dr. Danny Trujillo informed the Council that, as discussed with the Awards Subcommittee, the district has opted not to use the funding source to improve the Velarde School. At the last board meeting the School Board voted 4-1 to close the school for 2015-2016.

Mr. Aguilar stated that the district has not submitted a request for approval to close the school. PED would also need justification from the board with a board resolution or a copy of their minutes before taking action. He noted that PED would take action 60 days from receiving the request. The current request is to consolidate Alcalde and Velarde Elementary Schools. The district and board make the final decision on closure of schools. The Council requests that the district provide the Council information regarding the capacity of the district elementary schools.

Dr., Trujillo and Dan Cordova gave a brief on the decision to close the school. Mr. Trujillo stated that there is 5-year master plan that was completed and submitted December 2012 approved by the board. He stated that the district conducted surveys and collected data as well public input to determine whether or not the school should remain open. The data was conclusive in 2012 which indicated that the schools needed to be consolidated due to loss of enrollment and other issues. Mr. Trujillo noted that many of the students have migrated to the Alcalde School. The district also looked at comparable schools and realized that some schools in the state are looking at consolidation. He stated that closing the school was a very difficult decision to make. In terms of quality education, the district feels that the students would benefit from consolidation. He noted that within the past 2 years the district has lost close to 1,500

students due to the quality of discipline at the middle school and the quality of education at the high school but an incline of kindergarten students.

Ms. Maestas informed the community members and parents that the PSCOC has no authority to decide closures of schools but is the decision of the school board. She voiced concern regarding the project not moving forward stating that voters voted for the bond for the school. Ms. Maestas voiced concern that the district did not follow through with the project. Mr. Guillen stated that he has always supported local decision making and although he hoped the district and the Velarde parents would reach agreement, closing the school is a local decision and noted that the funding cannot be used for other schools and would be reverted. The district/PSFA are directed to provide the Council information on the district's capacity at the next scheduled meeting.

Public Comment: Ms. Kim Lopez, Parent and community member, voiced concern regarding the closure of the Velarde School and how important the school is to parents and children. She stated that the school board had previously approved the project but the current board did not approve the contractor. Ms. Lopez noted that the Velarde students would have to be combined to Alcalde Elementary which may cause over-capacity which would result in another annex building to be built which would cause an increase in taxes. Ms. Lopez went on to state the negativities the closure would produce. She stated that if the renovation at the school is not considered parents will take children to other schools. Other parents voiced their concern as to why the school is closing and urged the Council to reconsider keeping the school open and make the district and the school board accountable for the closure of the school. A parent stated that there was no public input and the district moved forward with consolidating the school and indicated that the project has become political.

d. Espanola — Los Niños Kindergarten (P13-005) — Phase II Funding Executive Summary

Staff recommends additional funding Española Public Schools for Los Niños Kindergarten to complete construction to adequacy with an increase in the state share amount of \$1,943,583 (63%), contingent upon an increase in the local share amount of \$1,141,471 (37%).

Estimated project amount at time of award: \$2,702,500

Project total including pending additional funds award: \$3,355,304

Maintenance Program Status		Recommended District Performance
PM Plan	Current-Due 1-15-2015	1. Address all major/minor findings on FMAR reports through FIMS and/or develop capital planning strategies towards resolution.
Using FIMS, (MD,PMD)	2.0-Satisfactory	2. Recommend the district improve their PM Work Order Completion rate of 90% to 95% or better.
Utility Direct (UD)	2.0-Satisfactory	3. Adopt the Meaningful Maintenance Metrics to track and improve performance.
FMAR	62.96%- Poor	
M3 Metrics Report	No	

Discussion: Mr. Volpato informed the Council that the bids for this project came in higher than expected. This is a Phase II funding request based on the contractor's proposal and are actual costs. The majority of the project is a renovation and the district has their match to complete the project. PSCOC will monitor the districts FMAR and district will report to PSFA every 6 months.

Mr. Clifford voiced concern regarding the 25% increase in costs of the project and asked if the Council should expect to see an average 25% higher costs for all previously awarded projects. Mr. Volpato indicated that the number for this project may be a little skewed as compared to other projects that have come in higher, however, there have been projects that have come in at a higher cost than anticipated due to construction cost.

Mr. McMurray asked if the enrollment of 196 was verified since Los Niños was housed at Cariños Charter School for a period of time and not near the number of students. Dr. Trujillo stated that recently the district submitted an application to PED and were granted 40 slots and anticipate they will pick up all slots next year, the district will then apply for an increase of funds. Based on the consensus the district is anticipating 300 students age 4 in the Española Valley.

Mr. Aguilar voiced concern regarding the dollar amount stating that if the funding is for Pre-K classroom and the Council has never funded Pre-K classrooms from the PSCOC fund. Mr. Gorrell explained that unless the students are 3-4-DD students the Council cannot participate in the Pre-K classroom. However, if DD students are housed in inclusion classrooms those students can count in the school capacity. Mr. Aguilar stated that there is an available fund balance and a legislative appropriation fund of \$2.5 million for Pre-K funding that will be released once the application process is opened. Staff is directed to provide further information on this item before the end of the year.

Mr. Gorrell informed the Council that in the original award the population was 164 and growing quickly. The five-year projection was to build for 196 and the school could be renovated to accommodate this amount of students. Since the population has declined there are currently 148 students. Of the 148 students, 27 are DD students with the remaining students being Pre-K. Mr. Gorrell indicated that the population cannot be justified for PSCOC participation, however the Council may proceed with the project which may be justified as it is a renovation project. The Council suggested that staff request an adjustment through a change order.

Mr. McMurray does not feel that Council can make a decision on this until they can ascertain what PSCOC funding is being used for and what the district contribute to the project. He stated that Council would need further information before making a final decision. The Awards Subcommittee is delegated to hearing the report at their next meeting and make recommendations to the full Council. Staff is directed to work with the district regarding this matter.

Mr. Abbey clarified that the smaller amount is appropriate for the Council and the award can be adjusted contingent on staff fine-tuning the adjustment.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2012-2013 standards-based award to the Espanola Public Schools for Los Niños Kindergarten to include phase 2 construction to adequacy for 196 kindergarten students, with an increase in the state share amount of \$1,943,583 (63%), contingent upon an additional local share of \$1,141,471 (37%). The district shall incorporate the additional maintenance contingencies of: (1) address all major/minor findings on FMAR reports through FIMS and/or develop capital planning strategies toward resolution (2) improve PM work order completion rate from 90% to 95% or better, (3) adopt the Meaningful Maintenance Metrics to track and improve performance, and (4) the district shall report to the PSFA every six months on the status of their maintenance program. Should the district fail to meet the FMAR score of satisfactory (70.1%), the district may be required to report to the PSCOC. There being no objection the motion carried.

SUBSTITUTE MOTION: Mr. McMurray moved that Council get additional information validating the enrollment and what PSFA funds are responsible for, ascertain what the additional amount for the district would be and whether or not the district can share in the cost of the project. The district is to adjust the scope of the project to a smaller population with the inclusion of Pre-K students as well as proper treatment of DD students. The Council delegates the Awards Subcommittee to determine the appropriate size for the lower population. Mr. Aguilar seconded. Motion carried.

e. Espanola — Carlos Vigil MS (P13-011) — Extension of Award Contingency Deadline

Executive Summary--Awarded Date: July 26, 2012

Beginning in FY13, the standard contingencies to all awards included: Any legitimate project expenses expecting PSCOC/PSFA participation, reimbursement or credit shall be submitted and approved by PSFA in advance of the expenditure through the construction information management system (CIMS). Exception: Allowed project expenses made prior to award and submitted within 90 days of the executed MOU.

During the district-requested financial audit for closeout of the project, it was discovered that none of the project contracts were submitted through CIMS as required by the award. The district contracted directly with all vendors and paid 100% of the fees. The district was notified of the contingency of the MOU, and is complying with the requirement for other PSCOC-approved projects.

At the March 2014 PSCOC meeting, the Council delegated approval of future requests for extension of this award contingency on 2012-2013 standards-based awards to the Director of PSFA, in an amount not to exceed \$100,000, with a report of extensions to be made to the PSCOC. As this request exceeds the threshold, it is being presented for PSCOC consideration.

Staff recommendation is to approve the district request and provide credit to adequacy for expenditures to adequacy in the amount of \$1,305,235; state share for reimbursement \$822,298 (63%).

Discussion: Ms. Cano noted that the prior award had a contingency that the district use CIMS, in addition it required advanced approval of all expenditures. When this project was awarded the design was complete and the construction contracts were signed. The contingency did allow for this scenario but the CIMS was not used nor the expenditures approved once the project was awarded. The district requested an audit of this contract due to the fact that they contracted 100% of the work and requesting reimbursement. The district is currently using CIMS for their remaining awards. Staff provided Council with a listing of the contracts applied to the project. It is the staff recommendation to provide credit to adequacy if the total expenditures in the amount of \$1,305,235 and a potential reimbursement of \$822,298. The Council addressed this item March 2013 delegated the approval of this request scenario up to \$100,000 but since the amount exceeds the threshold, the district is requesting consideration of this request.

Mr. Abbey asked where the expenditure occurred. Mr. Gorrell stated that staff is not involved in the procurement which is why it takes so long to close out projects. Council authorized staff to use CIMS to track jobs more effectively.

Mr. Guillen noted that the contingency was added in the middle of the construction which is why the waiver was originally granted and all contracts were valid. Dr. Trujillo committed to use all PSFA tools in the future.

Mr. McMurray stated that he understands the reimbursement but part of the expenditures were for redesign and due to the site location the district chose another site. He stated that part of the responsibility falls on the district for this project in incurring the expense of redesign due to the site they chose. Ms. Cano explained that the district is only being provided credit to adequacy for the redesign portion.

Mr. Aguilar voiced concern that the contracts were signed before award was made and asked why should the Council consider paying this amount? Mr. Aguilar then asked if the contingency was in place after the construction began. Ms. Cano explained that during the application process the design was paid for 100% under the districts funds. At the time they had enough to accommodate the original design. She went on to explain that the construction contract was signed in June prior to the awards in July 2013. Under normal circumstances PSFA would submit a change order and participate in the agreement. But the district had to the resources to fund the project at 100% with the expectation that PSFA would reimburse them for their share of the award which is \$822,298. Ms. Cano explained that the contingency requires the district utilize CIMS. Ms. Cano pointed out that any expenditures made prior to the award would have 90 days to submit prior expenditures for PSFA approval but the contingency was not met by the district. She stated that if the contingency had been met and had been addressed by the district these issues this would not have to be addressed by Council. The Council cautioned the district that they have to do much better in moving forward with their projects as well as follow all requirements and contingencies of awards granted to the district.

Motion: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the award contingency requiring the advance approval of expenditures for the 2012-2013 standards-based award to Espanola Public Schools for

Carlos Vigil MS and provide district credit for expenditures to adequacy in the amount of \$1,305,235 with state share for reimbursement upon project closeout of \$822,298 (63%).

Roll was called:

Pat McMurray—No
Tom Clifford—No
Paul Aguilar--No
Michael Heitz—No
Joe Guillen—Yes

Gene Gant—No
Frances Maestas—Yes
David Abbey—Yes
Raul Burciaga—Yes

MOTION FAILED with 4 members voting in favor of the motion and 5 members voting in the negative.

f. Magdalena — (E13-004)—Emergency Award Update

Executive Summary-- Award Date: June 20, 2013

Award Amount (Advance): \$300,000

The award Scope: Design and implement a temporary water supply to the school using the current school irrigation well or other sources.

The school has been using city water since the beginning of the 2013 school year to the present without any delays or closures to the school that PSFA staff is aware of. This situation is no longer considered an emergency.

Staff recommendation is to complete the design, NMED Application for Construction and State Engineers change of use application then revert the remaining funds in the emergency award.

Design of a storage tank, water treatment system and piping to connect the current well to the school is at 95% complete.

The NMED Application for Construction and the State Engineers change of use application are close to being approved and should be completed by the end of 2014.

Advance Funds Encumbered: \$39,248.13

Estimated Advance Funds Available to Revert: \$4,260,751.87

Discussion: Superintendent Mike Chambers presented this request to the Council. He stated that he can't disagree that this is not an emergency at the district. He stated that if the funds are reverted he expects to present before the Council again in the near future as the water issues have not been resolved. Mr. Chambers stated that he was not aware of the legal issues to get the water issues taken care of. The School Board met and reiterated their desire to move this project forward. He noted that there have been times when the students have no water at the school due to frozen or broken pipes. Mr. Chambers stated that the village has filed a protest against the application to change the use of the well from irrigation to consumer usage because the city could possibly go bankrupt they don't have the district monthly water payment. The intent of the well was to provide water to the school and also designed for to provide water to the school district and a backup to the village in the event that they had similar water issues. When the city realized the financial impact they backed away and instead filed

a letter of protest based on the district's application. Mr. Chambers indicated that the city was offered assistance from the state and at the time the city's audit was backed 6-7 years in arrear and were not able to get assistance. There have not been any improvement to date of the water system although two other wells were available one is not working. Mr. Chambers indicated that the district may have to hire a contractor to fix the water issues.

Mr. Gorrell stated that the emergency has lessened and this issue may be resolved by hiring a contractor. Mr. Guillen stated that this item went before the subcommittee but he cannot tell if this is an emergency or not. He noted that it would be up to the independent judgment of the Environmental Department. Mr. Kearney informed the Council the Environmental Department does not consider this an emergency which is why the district is going through the whole application process. Mr. Chambers stated that they do not have their district match in place and this request would be considered an advance. Mr. Gorrell stated that another option that would involve the district to go through NMFA. The Council encouraged the district to find other funding options.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee motion to amend the 2012-2013 emergency award to Magdalena Schools to complete the design, NMED Application for Construction and State Engineers change of use application and revert the remaining funds.

SUBSTITUTE MOTION: Mr. Guillen moved to table this request and delegate it to the Awards Subcommittee and all parties involved to determine the effect this issue has on the village and what kind of action should be taken by the Council. Mr. McMurray seconded. There being no objection the motion carried.

g. Roswell — Parkview Early Literacy (P14-023) — Out Year Estimate Update Executive Summary

Parkview received an award for an addition and renovation for 350 3&4-year-old DD students. Because adequacy standards are not yet defined for this group, the Parkview educational specifications will be used to begin developing and refining these standards. PSFA recommends adjusting the award amount for out-year planning purposes due to the budget change as a result of the educational specifications process. This amount is a very loose estimate based upon square footage and expected costs per square foot for renovation and new construction costs. The estimate will be refined through the design process, and any additional changes will be brought to the PSCOC for review before a request for Phase II funding is made.

Estimated project amount at time of award: \$10,500,000

Project total including pending additional funds award: \$12,999,131

Current Estimated Phase 2 State Share: \$6,804,000

Revised Estimated Phase 2 State Share: \$8,603,374

Total Estimated State Share Increase: \$1,799,374

Discussion: Mr. Volpato noted that in the original award was for DD students. The adequacy standards were not defined for these types of students. The district and staff have completed the Ed Specs for Parkview and recommend 55,000 square feet to

adequacy for the facility. The old school is approximately 32,000 square feet. Based upon the increase of square footage and before moving into design and making a commitment to build to this size, and the increased cost, staff is bringing this request to the Council. The increase presenting in the amount of \$1.8 million is not based on the 55,000 square footage but instead a reduced footage of 48,000 square footage. Staff and the district feel that they can work with the design professional to utilize the space and look for as many shared spaces as possible to accommodate these students. It will be a challenge to work with the design professional to bring the project to adequacy to meet the needs of the students and reduce the square footage as much as possible. Additionally this amount is what the district can match and currently with this amount of square footage the project will cost approximately \$13 million.

Mr. Aguilar voiced concern regarding the large cost increase in the Ed Specs. Mr. Volpato stated that much of the cost is the increase of the needed spaces for the program that includes specialty classrooms, therapy rooms, testing and screening rooms and pull out rooms that require changing tables and additional offices for required staff.

Ms. Casias stated that the school required more space due to the disabled students. Staff is in the process of developing draft standards for disabled students and will put out a public notice, a public meeting will be scheduled for community and stake holders input. Staff will then bring the adequacy standards before the Council for approval.

Mr. Aguilar stated that he would like to work the district get a better understanding of their request and justify their needs due to increase of square footage.

Mr. Clifford and Mr. Abbey agreed that the district should come back before the Council for consideration.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the estimated total project cost of the 2013-2014 standards-based award to the Roswell Independent Schools for Parkview Early Literacy. At this time, approval is limited to an adjustment of the financial plan, with an increase to the out-of-cycle state share in the amount of \$1,799,374 (72%), contingent upon an additional local share of \$699,757 (28%).

MOTION TO TABLE: Mr. Aguilar moved to table the motion pending further information to the Council. Mr. McMurray seconded. There being no objection, the motion carried.

h. Las Vegas City — Robertson HS (R14-011) — Additional Funding Executive Summary

Staff recommends additional funding to Las Vegas City Schools for Robertson HS to complete construction to adequacy. Due to an offset carryover, there will be no increase in the state share. There will be a deduction from the offset for original state share amount of \$39,958 (61%). There is an increase in the local share amount of \$65,505, including the offset and the original share amount of \$25,547 (39%). Estimated project amount at time of award: \$298,523

Project total including pending additional funds award: \$364,028

Maintenance Program Status		Recommended District Performance
PM Plan	Pending review	1. PM Plan adopted by School Board on September 19, 2014. PSFA Maintenance to review and score.
Using FIMS, (MD,PMD)	1.75 -Satisfactory	2. Recommend the district improve their PM Work Order Completion rate of 36% to 90% or better.
Utility Direct (UD)	2.0-Satisfactory	3. Address all major/minor findings on FMAR reports through FIMS and/or develop capital planning strategies towards resolution.
FMAR	50.88 Poor	4. Adopt the Meaningful Maintenance Metrics to track and improve performance
M3 Metrics Report	No	

Discussion: Mr. Guillen noted that this project does not require additional state funding. The district is requesting that Council apply the amount requested to their offset.

Ms. Maestas asked why the districts FMAR is so low. Mr. Les Martinez, PSFA staff, explained that the district is attempting to improve the score but staffing at the district has decreased. District will work with PSFA to improve the FMAR score. Staff also conducts site visits to assure that the district is using all tools available to them through PSFA. Mr. Martinez stated that the staffing at the school has been reduced by 50% in the last 6 years.

Motion: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2013-2014 standards-based roof award to the Las Vegas City Schools for Robertson HS based on actual cost to complete the work. The state share amount of \$39,958 is offset to \$0, contingent upon an additional local share of \$65,505 (100%). The district shall incorporate the additional maintenance contingencies of: (1) address all major/minor findings on FMAR reports through FIMS and/or develop capital planning strategies towards resolution, (2) improve PM work order completion rate from 36% to 90% or better, and (3) adopt the Meaningful Maintenance Metrics to track and improve performance.

i. Certification of HB-55 Appropriation

Executive Summary

Included in your packet in the meeting notebooks is the proposed HB-55 certification for PED totaling

\$14,895,000.00 for the following appropriations:

- \$2,500,000 – Pre-kindergarten classrooms statewide;
- \$7,395,000 – School buses statewide;
- \$5,000,000 – Education technology infrastructure

SSTB11SB 0001 bond series is identified as the funding source.

Discussion: Ms. Irion noted that this resolution has been reviewed by the Bond Council and it has been determined the unexpended balances through SSTB11SB 0001

bond series is identified as the funding source. The Council was provided original resolutions and notifications related to the bond series as well as a listing of unexpended proceeds by project for FY-13 identified by PSFA to fund PED's appropriation.

Motion: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to adopt the Resolution, Notification, and Certification Amendment for HB-55 Appropriations to PED in the amount of \$14,895,000. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

5. Administration, Maintenance & Standards Subcommittee Report

a. Draft 2015-2016 wNMCI Ranking

Executive Summary

The draft wNMCI is compiled from data collected by PSFA's three assessors, districts and districts Facilities Master Plans; throughout the year. Ms. Casias noted the rankings will be shared with the districts for their input.

Motion: Mr. Clifford moved for Council approval of the Administration, Maintenance & Standards Subcommittee recommendation to release the Draft wNMCI Rankings, including charter schools that have been reassessed based on programmatic needs after completing at least one renewal period, for the 2015-2016 Standards-Based Award cycle based on criteria and weightings previously adopted by the Council. Districts are encouraged to review and provide feedback to the PSFA based on technical corrections to the data in order for a Preliminary wNMCI Ranking to be released by the PSFA in December and subsequent release of the application which is tentatively scheduled for early March 2015. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

b. Process to Update FAD

Executive Summary

The following process describes how Districts interact with PSFA in regards to the release of the Draft Ranking.

Below is the time frame for Districts and PSFA to review the draft ranking:

- October 8th, 2014 – Draft Ranking released to Districts
- October 8th through November 14th – Districts/PSFA Staff review/refine wNMCI data
- November 14th – Districts proposed corrections due to PSFA
- December 11th, 2015-2016 Preliminary Ranking

PROCESS TO UPDATE FAD

- Notification of Draft Ranking release via email; directing Districts to the location on the web.
- District review ranking
- District log on to the FAD to review their data; each district has their own log on
- District notify RM of concerns/discrepancy

- District print out and mark up FAD Assessment Sheets; these sheets show condition and age of their systems, such as HVAC, roof, foundation, windows.
- RM notifies FAD Manager of districts concerns, via email or phone. He or she and the district send the marked up assessment sheets to FAD Manager.
- FAD Manager reviews the information and;
 - If the information is justified/verifiable, enters it into the data base
 - If there is need for more information, PSFA sends Assessor to the facility
- The Assessor notifies the Superintendent and the RM of a proposed assessment date at their school, via email.
- The Assessor does his assessment, sends the data to the FAD Manager
- A score is generated and the district is notified via email.
 - As a result of the assessment the school either rises or falls in the current ranking.

This is an informational item.

**c. Required Six-Month Maintenance Status Report: Central, Gallup, Las Vegas City, Mesa Vista, Reserve, Tularosa, West Las Vegas
Executive Summary--Informational**

Results cover a very wide range, and should be reviewed individually on a district-by-district basis. As previously noted, smaller more remote districts especially are having challenges with cost, skillset and availability of maintenance personnel, to include contract resources that should be considered in the greater context.

Central-Positive progress

Gallup-Positive progress (**NOTE:** *The district is having difficulty understanding the program and question the amounts. Staff has spent several day training them on the FMAR reporting.*)

Las Vegas City-Positive progress

Mesa Vista-Staffing concerns-Progress slow (**NOTE:** *This district lost their maintenance director and are having difficulty hiring for this position*)

Reserve-Positive progress

Tularosa-Positive progress

West Las Vegas-Staffing concerns-Progress slow

Staff will continue to monitor these districts. It was noted that the above districts with slow progress are required to provide a report to the Council on a quarterly basis as directed by AMS. If the district fail to improve their maintenance the district(s) will be brought before the AMS to explain their situation and how they plan to resolve the issue.

Informational item no action required.

d. Personnel Actions — Update
Executive Summary

940 Personnel/Position Summary

- FY15: PSFA currently has 49 FTE which include 2 Term and 3 Student Intern positions. PSFA currently has 9 vacancies, with approval to hire for 4 of the vacant positions.
- Summary of Positions:
 - Positions to maintain vacancy savings:
 - Regional Manager (position 00052663)
 - Communications Specialist (position 00052862)
 - Attorney (position 10109146)
 - Positions approved for hire:
 - IT Business Process Manager- Re-advertised, closes 9/20
 - Technical Coordinator- Advertisement closes 9/20
 - New hires:
 - Scott Ficklin- Field Assessor 9/27
 - James Kneeland 10/11
 - Pending requests:
 - Facility Specialist (position 10109166) - Reclassify to Project Technician and hire Student Intern to assist Maintenance division.
 - Regional Manager III (position 00052638)- Reclassify to Regional Manager I and advertised

The pending positions were approved as of October 1, 2014 by Budget Review and DFA.

Mr. Gorrell noted that the new Broadband Manager is Mr. Ovidiu Viorica. Mr. Viorica was promoted to this position and was interviewed by the PSFA Managers and they assured that he can do this job. He stated that Mr. Viorica is experience program management and telecommunication management.

Informational item. No action required.

e. 2014-2015 PSCOC Strategic Issues
Executive Summary

In May 2013, the Council directed PSFA staff to draft a Strategic Issues document for the PSCOC and delegated the Administration, Maintenance & Standards Subcommittee to take the lead. Staff surveyed PSCOC members of potential issues, compiled the ranking results and presented them on July 25, 2013. The Strategic Issues document was finalized at the September 30, 2013 meeting though it was presented for informational purposes only. No action was taken by the Council.

Council pointed out the importance of a periodic review to assure that items in the plan keep are current and keep moving forward.

Mr. Eaton noted that staff presented this item to the AMS Subcommittee. He presented a first draft of strategic issues that the Council may want to consider. Staff was directed at the September 4, 2014 meeting to begin another review.

Staff is requesting Council input on how to proceed with the Strategic Plan. Council directed staff to distribute the draft plan to the Council for their input.

Informational item. No Action Required.

f. Definition of Prudent Use

Executive Summary

Grant Assistance Determinations, including any potential reduction of the local match requires that the school district has used its resources in a prudent manner as demonstrated by the school district's adherence to the priorities established in its master plan, its implementation of a preventive maintenance plan and such other information as the council finds relevant.

The following is a definition of prudent use for Council discussion.

Prudent Use of Public School Capital Resources Defined
(For use in the PSFA Guidelines and Advisories)

In accordance with **22-24-5 (B) 11(b) and (d) NMAC 1978** no application for grant assistance from the fund shall be approved by the Public School Capital Outlay Council unless the council determines that:

- 1.) the current Facilities Master Plan (FMP) approved by the Board of Education for the District or the Charter School demonstrates that the available capital funds (from SB-9, HB-33 and District Bonds) have been used to:
 - a. ensure the health and safety of all users
 - b. maximize educational functions
 - c. protect existing facilities
 - d. mitigate additional damage
 - e. create, renew, and replace educational facilities when necessary to adequately house educational functions based upon location, enrollment, and utilization
- 2.) the district has a preventive maintenance plan not older than 13 months that has been approved by PSFA pursuant to Section 22-24-5.3 NMSA 1978, that is followed by each public school in the district, that prudent capital planning is demonstrated in the current FMP, and that the district utilize the Facilities Maintenance Assessment Report (FMAR) in this effort to score 70.1% (Satisfactory) or better on all of their schools. 22-24-5 (B) 11(b) and (d) NMAC 1978 –“the school district has used its capital resources in a prudent manner”

DISCUSSION: Mr. Gorrell informed the Council the he and Ms. Casias visited the Gallup School District to assess their projects. The district indicated that they did not understand the waiver process which ties to their maintenance. They believed that if they had available funding that they would have to hold and use it as their local match instead of replacing roofs, etc. The district did not understand what the prudent use of funds were and had over \$60 million in needs and did not know that they could use the

money generated by their local bond issuance for maintenance and could have gone above adequacy on projects regarding health/safety issues.

Staff developed a definition to use internally for the purpose of this discussion. The definition will assist districts giving them clear direction on how to proceed with the application process.

Mr. Gorrell referred the Council to the definitions that state “The council may adjust the amount of local share otherwise required if it determines that a school has made a good faith effort to use all of its local resources before making any adjustment of the local share, the council shall consider whether: no application for grant assistance from the fund shall be approved unless the council determines that: the school district has used its capital resources in prudent a manner; the school district is willing and able to pay any portion; the district is willing and able to pay any portion of the total cost of the public school capital outlay project.” Staff recommends that council allow the prudent fund definitions to be used to advise school districts of prudent uses of their funds. The definitions also allow or districts to determine if they are eligible for a waiver.

Mr. Gorrell stated that AMS requested that he advise the Public School Capital Outlay Oversight Task Force (PSCOOTF) Chair of discussions with the Gallup District and staff on what items can be presented to the task force.

Mr. Clifford voiced concern regarding comprehension of definitions specifically PSCOC participation in security features and all other over adequacy features will be paid by the district as reflected in the draft letter to Representative Mimi Stewart dated October 2, 2014. Mr. Gorrell stated that these issues are reflected in the current adequacy standards and approved by the Council. Mr. Abbey suggested that staff circulate the definitions/descriptions to Council members for their input then presented to the task force for their recommendations.

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.

- 2 Projects in the development of their Educational Specifications
- 39 Projects in the planning & design Phase
- 40 Projects in Construction

Of the 32 projects that are running behind in their current phase, the below are of concern:

1. P14-024 – Aldo Leopold Charter School – District has delayed due to difficulty meeting award contingencies (providing evidence of inadequate capacity at Silver Consolidated Schools)
2. D09-001 – Central – Teacherage Demolition – Delayed due to expiration of lease with BIE

3. P14-006 – Central – Newcomb HS – Intentionally delayed by district to stagger projects
4. P07-005 – Deming High School – Delayed due to delays in RFP approval but project is moving forward
5. P12-006 – Espanola – Velarde ES – Delayed due to district decision
6. P12-008 – Espanola – E.T.S. Fairview ES – Delayed due to interpretation of fire suppression design requirements by the DP
7. P13-006 – Farmington HS – Delayed due to change in DP
8. P10-007 – Las Cruces – Loma Heights – Delays due to additional work requested by district at the end of the project
9. P14-017 – Lordsburg HS – Delayed due to reissuance of RFP
10. P11-013 – Los Alamos MS – Main building is complete and occupied, project is delayed due to construction of gym
11. P13-008 – NMSD Santa Fe Site – Demolition of Old Laundry and Sosoya Buildings added to the scope of work

There are 3 roofing projects running behind schedule. Of those three, only R10-002 (Albuquerque – MacArthur) will not meet the award deadline. This is an offset with no state participation that has been incorporated into the P12-001 MacArthur ES renovation.

There are 13 standards based projects and 5 roofing projects that are late in their current phase because they are awaiting financial closeout. PSFA Staff is currently working to close out these projects.

Informational Item. No action required.

b. Master Plan Project Status Report

Executive Summary

- 18 Facilities Master Plans working towards completion
- \$445,779.00 awarded
- \$434,244.00 committed
- \$34,326.52 expended
- \$11,535.00 balance

Informational Item. No action required

c. Lease Assistance Status Report

Executive Summary

Ninety Seven (97) Lease Assistance Awards totaling \$12.9 million; \$12.8 million disbursed to date, an increase of \$106 thousand since last meeting September 4, 2014.

PSFA issued letters for the 2013-2014 remaining balances on the lease assistance schedule requesting that the lease reimbursement be submitted no later than October 17, 2014. Lease reimbursement amounts requested are:

Creative Education Prep Institute #1	\$ 24.00
21st Century Public Academy	\$ 81.00
La Tierra Montessori School of the Arts & Sciences	\$ 411.00
McCurdy Charter School	\$ 16.00
Chief Manuelito Middle School	\$ 7,618.00
Church Rock Academy (Land)	\$ 5,500.00
David Skeet Elementary School (Land)	\$ 3,557.00
Ramah Middle School (Land)	\$ 4,858.00
Alam d'arte Charter High School	\$ 751.00
Vista Grande High School	\$45,814.00
La Jicarita	\$ 280.00
Total	\$68,910.00

Note: \$2.00 rounding difference in lease assistance award schedule due to rounding formula in the worksheet provided to the Council.

Informational Item. No action required

d. Maintenance Program Status Report

Executive Summary

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

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

The current status across New Mexico Schools

- FIMS usage -70.03 % of district use FIMS effectively down 2 percentage points from last quarter 72.53%
- PM plan currency-65.93% of the districts have a current PM plan up 15 percentage points from last quarter (50.55%).
- FMAR average score – 58.02% (where 70% is 'passing') no change.
- Total FMARs completed to date –631, up from 622. This is 86% of the total 734 school building baseline.

Informational Item. No action required

e. Broadband Deficiencies Correction Program Status Report

Executive Summary

The PSFA would like to brief the Council on the current timeline for the Broadband Deficiencies Correction Program (BDCP).

As exhibited by the enclosed slide, this program needs approximately one year to estimate the time and costs required to correct broadband deficiencies in public

schools and charter schools across the State of New Mexico (totaling about 900 schools).

At a prior meeting staff gave an overall strategy and budget request as well as a break down structure. The budget request reflected how staff would move forward and priorities.

The first step will be to get to the baseline and measure what is in school districts and equipment needed as well as their application for usage to develop standards. Staff has been in discussion with contractors and have made progress. The staff will present an update at the next PSCOC meeting.

Informational Item. No action required.

f. 2014-2015 Proposed Work Plan/Timeline

Executive Summary

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

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

7. Next PSCOC Meeting—Proposed for November 6, 2014

Upon discussion the Council agreed to hold their next PSCOC meeting on November 6, 2014.

8. Public Comments

There is no comment at this time

9. Adjourn

There being no further business to come before the Council Mr. Clifford moved to adjourn the meeting. Mr. Gant seconded. Motion carried



CHAIR



DATE