

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL
MINUTES
DECEMBER 3, 2013
STATE CAPITOL BUILDING, ROOM 317
SANTA FE, NEW MEXICO**

Members Present: Mr. David Abbey, LFC Mr. Gene Gant, PEC
 Mr. Joe Guillen, NMSBA Mr. Raul Burciaga, LCS
 Mr. Paul Aguilar, PED Mr. Tom Clifford, DFA
 Mr. Dee Dennis, RLD Mr. Michael Heitz, Office of the Governor

Designees: Mr. David Craig represented the Legislative Education Study Committee in the absence of Ms. Frances Maestas.

1. Call to Order – Mr. David Abbey, Chair

a. Approval of Agenda

Clerk called roll noting that Mr. David Craig would represent the Legislative Education Study Committee in the absence of Ms. Frances Maestas.

MOTION: Mr. Guillen moved for approval of the agenda as presented. Mr. Gene Gant seconded. Motion carried.

b. Correspondence

Mr. Robert Gorrell referred the Council to a letter of correspondence reiterating the designation of Mr. David Craig.

2. Approval of Minutes (November 7, 2013)

Upon review by the Council, Mr. Burciaga moved for adoption of the November 7, 2013 PSCOC meeting minutes subject to technical corrections. Mr. Dee Dennis seconded. There being no objection, motion carried.

3. Consideration for Approval to Adjourn to Executive Session Pursuant to the Open Meetings Act NMSA 1978, § 10-15-1 (H) and NMSA 1978, § 12-6-5 for the purpose of reviewing draft PSFA FY13 Audit

MOTION: Mr. Guillen moved for Council approval to adjourn to Executive Session pursuant to the Open Meetings Act NMSA 1978, § 10-15-1 (H) and NMSA 1978, § 12-6-5 for the purpose of reviewing draft PSFA FY13 Audit. Mr. Burciaga seconded.

The clerk called roll:

Mr. David Abbey	Mr. Gene Gant	Mr. Joe Guillen
Mr. Raul Burciaga	Mr. Paul Aguilar	Mr. Tom Clifford
Mr. Dee Dennis	Mr. Michael Heitz	Mr. David Craig

There being no objection the motion carried.

4. Reconvene to Open Session

MOTION: Mr. Guillen moved for Council approval to reconvene from Executive Session pursuant to the Open Meetings Act NMSA 1978, § 10-15-1 (H) and NMSA 1978, § 12-6-5 for the purpose of reviewing draft PSFA FY13 Audit. Mr. Aguilar seconded.

The clerk called roll:

Mr. David Abbey	Mr. Gene Gant	Mr. Joe Guillen
Mr. Raul Burciaga	Mr. Paul Aguilar	Mr. Tom Clifford
Mr. Dee Dennis	Mr. Michael Heitz	Mr. David Craig

There being no objection the motion carried.

Only the above-referenced item was discussed.

Mr. Guillen moved for Council approval to reconvene from Executive Session pursuant to the Open Meetings Act NMSA 1978, § 10-15-1 (H) and NMSA 1978, § 12-6-5 for the purpose of reviewing draft PSFA FY13 Audit. He stated that no action was taken in Executive Session and discussion was limited to the draft PSFA FY 13 Audit. Mr. Aguilar seconded.

5. Presentations

a. IT Infrastructure in Schools

Secretary Darryl Ackley, Department of Information Technology (DOIT) and Mr. Garth Clark, Director of the NM Broadband Program at the DOIT presented this item to the Council. Mr. Clifford began by referring the Council to the draft education technology bill that was made available to them in their meeting notebooks/e-books. He noted that the bill was presented to the Public School Capital Outlay Oversight Task Force (PSCOOTF) for their consideration. The draft bill involves using PSCOC funds to provide broadband service to schools and testing requirements for the DOIT services. Mr. Ackley voiced concern regarding the language in the bill noting that it needed the scope in providing broadband services and additional explanations on what the funds would provide. He noted that the task force capped the amount of \$10 million.

Mr. Ackley gave a brief presentation on how the broadband services would be applicable to public schools and its availability. A bill was introduced at the 2012 legislative session that would provide \$10 million to provide schools with broadband and infrastructure. DOIT is requesting funding for equipment. DOIT is interested in meeting with PSFA, PED and legislative staff to discuss the planning perspective. The request is a result of a study conducted on moderation and public safety. There will be a need to develop Adequacy Standards. Mr. Clark indicated that the schools need only minimal standards and most of the schools are in good condition to implement broadband. He stated that they are looking at a two-year plan for devices and implementation. The standards are in the development stage and the bill indicates that the local share can be determined by the council.

Mr. Clifford stated that it is urgent that the standards be developed and begin testing to provide these services to school districts.

Areas of concern are:

- Adequacy standards in Statute
- Support of the Education Technology bill
- Districts would have to add staff. Legislation would require that the burden be put on districts and equalization for all districts

- Plan is not equal for fiber vs. copper
- DSL and speed testing
- Terms of the end user

Council agreed that although funding for this project is important there may be other uses for the funds. The Council thanked Mr. Ackley and Mr. Clark for their presentation.

This item is for informational purposes and does not require action by the Council.

b. Chama—District Maintenance Improvement Plan

Summary: The Chama District was directed to provide an update on their Preventive Maintenance (PM) plan to improve maintenance for the district facilities.

- The district PM plan was enhanced recently to include Snow Removal, IPM (Integrated Pest Management) and Facility Maintenance Assessment Report (FMAR) reporting.
- Facility Information Management System (FIMS) use is Satisfactory (2.0 out of 3.0) and the district has committed to enhancing their use. The most beneficial task will be for them to get additional training in Preventive Maintenance Direct (PMD) and enhance their PM schedules to include Walk-Through -Self inspections.
- FMAR average for the district remains at 55.53% (Poor). The district has taken all FMARs and created work orders for items that were less than Satisfactory or had a deficiency factor of “Major” or “Minor”. Some of these deficiency factors were repaired under the construction contracts. The district has requested a reevaluation of their program and conditions.

Requirements for funding through the PSCOC:

- A current Preventive Maintenance (PM) plan for scheduled maintenance (helps systems reach their design life).
- Effective use of the FIMS (Facility information Management System) for implementation/documentation and protection of the facilities and systems.
- An average FMAR scores of 70% or better.

Mr. Gregory Mares, Maintenance Superintendent, and Mr. Les Martinez, PSFA staff presented this item to the Council. Mr. Martinez reported that the district maintenance is improving and the FMAR score has risen. The maintenance plan has been enhanced and FIMS is satisfactory. Additional training will be added to enhance the district maintenance.

The Council voiced regarding the staffing and funding and do not feel that the districts can improve their maintenance by 5% with only five custodians. Mr. Martinez explained that the staffing model is only a baseline. Of the actual environment, all are involved in assisting with maintenance and he suggested that the district consider these issues.

Mr. Abbey stated that there is a lot of work to be done in the district and the Council has done their part. He noted that the maintenance is the district’s key issue. Mr. Mares

stated that the district is checking and reviewing issues on a monthly basis. The district is requesting a reassessment on their facilities.

The Council noted that previously the district had an issue with rats at the high school and elementary school, in which the PSCOC hold no responsibility to correct the problem. Mr. Mares explained that the district was misinformed that the PSFA would pay to resolve this issue. The Council asked if the district is willing to repay the Council for the funding used to resolve the rat problem. Mr. Mares responded that he would speak with the district Superintendent regarding this issue. The district now has a monthly pest control contract in place.

The Council directed the staff to provide a report by their January 2014 PSCOC meeting.

6. Awards Subcommittee Report

a. Financial Plan

Summary of the PSCOC Financial Plan changes since 11/07/13 Project Adjustments as follows:

Chama Valley - P06-007 TAMS/Escalante HS Additional Funding
Net Award: \$67,189

Chama Valley - P07-003 Tierra Amarilla ES Additional Funding
Net Award: \$161,743

Espanola - R13-013 Espanola Valley HS Roof Additional Funding
Net Award: \$21,465

Mr. Jeff Eaton presented this item referring the Council to the financial plan that is made available in their meeting notebooks/e-book. Included in the report are the PSCOC Financial Plan definitions, sources and uses, emergency funding, PSCOC fund project encumbrance schedule and PSCOC balances.

This item is for informational purposes and does not require action by the Council.

b. Socorro—San Antonio Elementary School—Additional Funding

Summary: Award date is July 29, 2011. Award was for planning and design funds only to renovate/replace facilities to adequacy for 101 students, grades K-5. Staff recommendation is to increase design award \$104,645 state share, \$31,257 district share.

PSFA and the district are requesting additional Phase I funding for planning and design due to a 2 year delay caused by land acquisition approval from the BLM. The original award was for a total project cost of \$3,175,971 current estimate for total project cost is \$4,534,987.

Maintenance Update: The district does have a PM plan, uses the tools, and documents their work but does not meet maintenance performance requirements in the field. FMAR-Average is 6.29% (very poor) for 2013.

There are maintenance issues as noted above. Staff recommends that the district improve their maintenance and operations and the staff will re-evaluate this issue. The

district superintendent stated that the district has addressed many of the maintenance issues and have made an effort for improvement.

Mr. McMurray informed the Council that this project has been delayed for approximately two years due to issues with the land acquisition. Over half of the existing facility was on BLM land that the district did not own. The district and PSFA staff has been meeting with BLM in attempt to acquire the title to the property. The initial concept was for renovation/remodel and demolition of two existing buildings on site. These structures were going to be removed but the cafeteria/kitchen would not be demolished. The community wants to keep the older buildings and utilize them as emergency headquarters. Staff and the district have determined that it is a better investment to relocate the entire school to a different site. There is now an agreement with BLM for a new site to replace the school. BLM issued an approval letter to the district and the land will be a five-year lease, with a sixth year option to purchase. The purchase price is \$10 per acre for 75 acres. The Council asked why the district does not buy the land. The district explained that the purchase was part of the original plan, but BLM has required that the district lease the property for 5 years, and submit the plans for improving the property, and after the 5 year period, the BLM would review/compare the proposed plans to the actual work and would consider the purchase of the property. Mr. Gorrell noted that the Council has always asked for a minimum of a fifty-year lease and could be in two twenty-five year renewals. The lease has to be at least equal to the investment of the property.

The estimated construction cost increased from \$3 million to \$4.5 million. The district is requesting additional planning and design funding only and has their district match. The district is ready to hire a designer upon approval of the Council. The district does not have an RFP as they are awaiting action by the Council and hope to go out for an RFP by the end of December 2013.

The Council agrees that the project should not be delayed and should move forward but wants to see significant improvement on the district's maintenance.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2011-2012 standards-based award to the Socorro Consolidated Schools for San Antonio Elementary School include additional funding to complete planning and design to renovate/replace facilities to adequacy for 101 students, grades K-5 with an increase in the state share amount of \$104,645 (77%), contingent upon an additional local share of \$31,257 (23%). Since this is a subcommittee recommendation a second is not required. There being no objection, motion carried.

c. Peñasco—Elementary School Roof—Additional Funding

Summary: Award date is July 26, 2012. Award was for roof repair on 5th & 6th Grade Classrooms. Staff recommendation is to increase award \$77,409 state share, \$30,104 district share.

Peñasco School District is applying for additional state funding to re-roof the remaining portion of the elementary school building. The district concern is that the seam at the new/old roof (if the whole replacement is not done) will give the school maintenance problems in the future and will be a new source of roof leaks. The replacement of the

whole roof area will eliminate the tie-in joint and eliminate any potential problems associated with it.

Maintenance Update: The district meets maintenance performance requirements, but is partially deficient in documentation. FIMS User-District uses two out of the three tools provided by the state. Must get training and implement the Utility Direct (UD) module.

This is a request for additional construction funding above the original scope of the project to replace the metal roof at the elementary school with a new roof. The project entire roof project can be completed with the one single type of roof. Mr. McMurray referred the Council to background information that was made available in their meeting notebooks/e-book. Letters from the district and the roofing consultant identify the issues with the roof.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2012-2013 roof award to the Peñasco Independent Schools for Peñasco Elementary School based on actual cost to complete the work, with an increase in the state share amount of \$77,409 (72%), contingent upon an additional local share of \$30,104 (28%). Since this is a subcommittee recommendation a second is not required. There being no objection, motion carried.

d. Farmington—Northeast Elementary School—Award Language Change

Summary: The award date was July 25, 2013. Award was for planning and design for renovations/additions to existing facilities to adequacy for 558 students, grades K-5. Prior to the release of Phase II funding, the district shall have a current FMP approved by PSFA.

Current Enrollment: 585 students.

Staff recommendation is to expand project scope from facility renovation to facility replacement including the student enrollment increase to 600.

Additional funding for Phase I planning and design is not needed; however, with the increase of student enrollment and the change to facility replacement anticipated phase II construction funding is estimated at \$19.3 million.

Mr. McMurray noted that at the time of the award the enrollment was 558 and the current request is to increase to 600 students that will be capped. The district is not requesting additional funding at this time but instead request a change in the original award language for 42 additional students. The district conducted a feasibility study and feels that building a new school would be a greater investment as the existing buildings were built in 1960-1962. There are issues with the current facility that include drainage and grading at the site.

Mr. McMurray noted that currently the district is well within the range of the project. The district will replace existing classrooms and build new ones. The School Board is aware of the districts plans and supports the project. The district will return to the Council for Phase II construction funding.

The Council voiced concern regarding the district being aware of the cost of this project and not requesting sufficient funding and concern regarding the district planning. Mr. McMurray stated that the project has been pushed back because the district was

determining whether or not to go through CMAR before entering into a contract with a general contractor and the funds must be readily available. The Council also voiced concern regarding the 75% increased cost for the two elementary school projects. Mr. Gorrell agreed that further information should have been brought forward and the district could provide has better information. The district has reevaluated their resources and plans. The district has determined that they have to go this route instead of wasting more money on remodeling which would not solve their issues. Council members agreed that the projects must move forward but the district can make better decisions.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2013-2014 standards-based award to the Farmington Municipal Schools for Northeast Elementary School to expand project scope from facility renovation to facility replacement to adequacy and an increased design capacity from 558 students to 600 students, grades K-5. The motion passed with a majority vote with Mr. Tom Clifford and Mr. Paul Aguilar voting in the negative.

e. Farmington—Hermosa Middle School—Award Language Change

Summary: The original award date is July 25, 2013. Award was for planning and design to renovate existing facilities to adequacy for 650 students, grades 6-8. Prior to the release of Phase II funding, the district shall have a current FMP approved by PSFA.

Staff recommendation is to expand project scope to allow for demolition and facility replacement/renovation.

Additional funding for Phase I planning and design is not needed; however, with the change to facility replacement the anticipated Phase II construction funding is estimated at \$18.4 million.

Mr. McMurray reiterated that the district is not requesting additional funding at this time and are working within the planning and design for the award that has already been allocated to the district. The district will come back before the Council for Phase II construction funding with a change in scope.

The staff and district feel that this project was underfunded and needed to be scoped and designed. Upon prior discussions, the district and staff determined that the best solution, rather than renovating the entire facility, is to replace the facility as some the school site is on a slope. The district will keep the newest part of the facility and demolish 2/3 of the building and adding new portions. The total project cost is increasing from \$8.2 million to \$18.4 million, for a \$185 per square foot construction cost, which is reasonable for the project. The district passed a resolution for the additional funding. There is a PSFA consensus recommendation that the project proposed is recognized as a need for improvement of the school, however, there is a possibility that the improvements may be used to adjust the weighted NMCI.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2013-2014 standards-based award to the Farmington Municipal Schools for Hermosa Middle School to expand project scope from facility renovation to include demolition and facility replacement to adequacy for 650 students, grades 6-8. The motion passed with a majority vote with Mr. Aguilar voting in the negative.

f. Grants—Los Alamitos Middle School—Award Language Change

Summary: Award Date: July 25, 2013. Award was for educational specifications to replace the existing middle school and utilization study of the elementary feeder schools. The district may return for out-of-cycle planning and design funds to replace the middle school facilities to adequacy for 453 students, grades 7-8, and the possible inclusion of the 217 sixth-grade students from the feeder schools, based on the outcome of the study. The district is required to update their Facility Master Plan to reflect the new grade configurations at the elementary and middle schools. This request does not include the 6th grade students.

Based on enrollment of feeder schools; Staff recommendation is to increase from 453 students to the design for 475 students.

Maintenance Update: The district has a current PM plan and is improving use of FIMS. Maintenance performance in the field has been somewhat deficient, but they have been addressing issues and need to be reevaluated. FMAR-Average is 52.54% (Poor) for 2013. The district staff is taking viable solutions to improve their FMAR scores and PSFA staff recommends that the district request an FMAR evaluation.

There were questions regarding the enrollment at “feeder schools” and what distance the students have to travel to Los Alamitos Middle School. Council also asked how many students from Cubero ES attend Los Alamitos MS. Staff is directed to provide information on where these students attended school for the last 3 years. Mr. Aguilar requested that staff use the information within the STARSdatabase and not contact the district to assure all information is accurate.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2013-2014 standards-based award to the Grants-Cibola County Schools for Los Alamitos Middle School to increase design capacity from 453 students to 475 students, grades 7-8. Since this is a subcommittee recommendation a second is not required. There being no objection, motion carried.

g. 2013-2014 Facility Master Plan Awards

Summary: A total of 19 applications for FMP Awards were received, 18 from school districts and 1 from a state-chartered charter school.

- Total potential amount of state share including waivers is: \$483,136
- Excluding waivers potential state share would be: \$371,892
- A difference of \$111,244

Council was referred to the spreadsheet made available to them in their meeting notebooks/e-books. Districts requesting waivers include the following; Fort Sumner, Hagerman, Hondo, Lordsburg, Maxwell, Mosquero, Roy and Wagon Mound. Final approval of waivers is conditional upon PSFA staff evaluation of local share reduction requests, including verification of the district’s Statement of Financial Position and certification that no other funds are available.

In regard to the “additional conditions” included in the motion, Mr. Gorrell explained that staff must submit the waiver request to the Council which will be approved by the

Awards Subcommittee and presented to the full Council. After the Council approves the waiver request the district may then move forward.

Mr. Abbey noted an area of concern of district locations suggesting that smaller districts combine their efforts for their FMP's. Other members suggested a joint contract as opposed to a joint master plan. There is also concern regarding charter schools housed in rural areas at close distance that would request separate funding.

Regarding SB-9 capacity as part of the waiver request, Mr. Aguilar requested that PSFA staff work with PED Budget analyst to determine the district needs.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to make 2013-2014 Facilities Master Plan awards to the districts and up to the amounts specified in the spreadsheet. These amounts represent the state share portion of the estimated cost to develop a new or updated facility master plan at each of these districts to the PSFA guidelines and require a corresponding district match as set forth in the current state/local match formula unless otherwise waived as indicated. Final approval of waivers is conditional upon PSFA staff evaluation of local share reduction request, including verification of the district's Statement of Financial Position and certification that no other funds are available. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

7. Administration, Maintenance & Standards Subcommittee (AMS) Report

a. PSFA FY14 Budget Projection & Budget Adjustment Request (BAR)

Summary: A BAR is needed due to insufficient budget capacity in the Contracts category. PSFA is requesting \$59,197.36.

PSFA was directed by the PSCOC to develop standardized lease documents. While the standardized lease is in draft format the PSCOC has not yet determined a policy direction for requiring their use. Staff recommends that official rules be drafted and adopted to formalize definitions when and if they are incorporated into required use pursuant to the PSCOC Lease Assistance Program.

Staff is moving forward and has conducted public hearings for the Standardized Lease and invitations have been sent for comment. If the Council chooses to have other requirements for lease assistance, it would be necessary to draft rules (the BAR is anticipating the rule making process). The new application will not be ready for the 2014-15 awards cycle but PSFA requests development begin as soon as possible for adequate development time and testing can be performed well in advance of the 2015-2016 awards cycle

The second part of the BAR request is for development of a web-based application that would make it easier for districts applying for PSCOC funding. Currently, the PSFA web-based application is eight years old and does not function well which makes it difficult for districts to apply for funding as they have limited resources. The application is in need of re-tooling and is no longer supported by the vendor. PSFA does not use the DOIT services as it is not an executive agency. However, PSFA has collaborated closely with DOIT and will do so in this case. The large software deployed by the PSFA were reviewed and collaborated with the Legislative Finance Committee staff and their computer specialist, as well as DOIT, before entering into a large contract obligation.

Mr. Eaton referred the Council to the potential budget adjustment request in the notebook/e-book that reflects notes describing the purpose of the contract, name of vendor, manager owner (PSFA) and amounts. Currently, PSFA has approximately \$15,000 available to enter into the next contract. This amount is available for contingencies if there is a cost over-run in the contracts and services. The request is for the full amount of the development of the application, as well as the cost for developing draft rules in the event that they are adopted for standardized leases that are included in the process.

Staff recommends that a BAR be submitted this fiscal year prior to the legislation session due to the short window of time until the next award cycle, the moratorium of BARs at DFA during the legislative session, and the time to draft rules and get feedback from PSCOC and public comment.

Mr. Clifford suggested that staff meet with the DFA Budget Division staff to discuss systemic patterns, categorizing and forecasting.

MOTION: Mr. Clifford moved for Council approval of the Administration, Maintenance & Standards Subcommittee recommendation to approve a budget adjustment request (BAR) transferring \$59,197.36 from Category 400 (Other Costs) to Category 300 (Contractual Services) to procure legal services to draft rules for use of PSCOC Standardized Lease documents and to procure software development services for the web-based PSCOC standards-based award application. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

b. PSCOC FY13 Annual Report

Summary: PSCOC is required to make annual reports to the department of finance and administration, the governor, the legislative education study committee, the legislative finance committee and the legislature pursuant to 22-24-9(B)(11), NMSA, 1978.

Printing of the annual report is tentatively scheduled for the week of December 2, 2013, following PSCOC approval.

MOTION: Mr. Clifford moved for Council approval of the Administration, Maintenance & Standards Subcommittee recommendation to approve the draft annual report and authorize PSFA staff to complete the report and make final edits and technical corrections prior to printing and distribution. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

c. PSCOOTF Bill Drafts (Building Systems, Waiver/Share Reduction, Ed Tech)

Summary: The interim Public School Capital Outlay Oversight Task Force met on November 18, 2013 to review and discuss potential legislation that may be introduced in the 2014 Session.

1944694.2 - School District Building System Needs - This bill amends the Public School Capital Outlay Act to allow the Public School Capital Outlay Council (PSCOC) to allocate up to \$15,000,000 annually in FY 2015 through FY 2019 for building system repair, renovation or replacement. Projects are to be identified and ranked by the council using a priority methodology based on adequacy standards, with awards subject to

expenditure within three years. This bill was endorsed by the Public School Capital Outlay Oversight Taskforce (PSCOOTF).

194695.2 – School District Funding Match Waivers - This bill amends the Public School Capital Outlay Act to allow the Public School Capital Outlay Council (PSCOC) to determine whether a school district should be eligible for a waiver of its required local funding match. The bill modifies criteria that the PSCOC may consider in granting waivers to districts. The eligibility is to districts with fewer than 600 (from 800), has had a project in the top fifty of the weighted New Mexico Condition Index for the immediately preceding three school years, has a local share of greater than 50 percent, and at least five mills of indebtedness.

194690.2 – Education Technology Definitions – This bill amends the Public School Capital Outlay Act (PSCOA) to allow the Public School Capital Outlay Council (PSCOC) to allocate up to \$10 million in FY14 - FY19 for an education technology infrastructure deficiencies correction program. Projects are to be identified and ranked by the council using a priority methodology based on adequacy standards, with awards subject to expenditure within two years.

Mr. Gorrell noted that the draft legislation was presented to both subcommittees for their review.

In regard to 1944694.2 - School District Building System Needs, Mr. Gorrell suggested that the Council consider setting a 10% minimum as the goal that districts would have to agree on before submitting an application for the standards-based project. This would allow PSFA to focus on projects that cost less. This would also include more front-end work for the district to hire designers ahead of time and define if the project is system based rather than a whole-based contract.

In regard to 194695.2 – School District Funding Match Waivers, Mr. Gorrell noted that the draft legislation has a general endorsement by the Public School Capital Outlay Oversight Task Force (PSCOOTF) and may need to be edited.

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

8. Directors Report

a. PSCOC Project Status Report

Summary: Status Report of various projects through the stages of project development including, Programming, Planning & Design and the Construction Phase.

- 7 projects in the development of their educational specifications(1 project in red flag report)
- 50 projects in the planning & design phase (9 projects in red flag report)
- 31 projects in construction (2 projects in red flag report)

Socorro P12-011 San Antonio ES - Received written authorization from BLM to continue the design of the project utilizing the selected site including the additional property. The district will issue an RFP for Design Professional 1-3-14 District has funding in place.

Zuni Dowa Yalanne ES & A:Shiwi ES - RFP for Design Professional was published 11-4-2013 with proposals due 12-12-2013. Lease was signed by school board and tribal council on 11-13-2013.

Nuestros Valores R13-002 - Funds to be reverted as county did not renew building lease with charter.

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

b. Master Plan Project Status Report

Summary: There are eight Facilities Master Plans under contract:

- Three are 95% complete, estimated to be complete at the end of November;
- Five are 75% complete, estimated to be complete at the end of December.

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

c. Lease Assistance Report

Summary: Ninety-Seven Lease Assistance Awards totaling \$12.9 million; \$1.8 million disbursed to date.

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

d. Maintenance Program Status

Summary: The PSFA 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.

Current status across New Mexico:

- PM plan currency-33% of the districts have a current PM plan
- FIMS usage -65% of district use FIMS effectively
- FMAR average score - 61.27% (where 70% is 'passing')
- Total FMARs completed to date: 544

Mr. Gorrell noted that this program will start immediately.

e. Standard Lease

Summary: Development of the standard leases progresses. The second Charter Lease Review Meeting this Wednesday, December 4 in the Auditorium of 800 Bradbury SE, in

the Albuquerque North Research Park. Invitations have been sent to all stakeholders and with the following drafts attached to the invitation.

- Draft Modified Gross Facilities Lease
- Draft Repairs and Maintenance Amendment
- Draft Lease Purchase Agreement
- Draft Sublease Amendment Provisions

Following general consensus of the above lease documents, final drafts of these documents will be prepared, and draft agreements for land and tribal land will be prepared for review. When all documents are acceptable to the PSCOC, and if the PSCOC wish to require any use of these agreements, rules would need to be developed. Otherwise, the documents could be made available for voluntary use.

Mr. Gorrell referred the Council to the draft standard lease that is made available in the meeting notebooks/e-book. A public meeting with the stakeholders is scheduled to discuss the second draft. The current draft addresses concerns that were submitted to the PSFA. If the Council does not agree to apply to finances administered, the draft is still a voluntary document to districts. Districts and Charters will be able to compare leases to view the differences.

The Lease Assistance application will be released May 8, 2014 and the rules will be adopted before the release of the application. Staff will provide the draft rules to the AMS subcommittee on May 6, 2014 AMS then present to the full Council for final adoption.

f. Proposed 2014-2015 Workplan/Timeline

Mr. Gorrell presented the 2014-2015 Workplan/Timeline to the Council noting that the workplan was reviewed by both subcommittees.

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

9. Next PSCOC Meeting

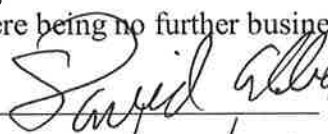
Upon discussion, the Council agreed to hold their next PSCOC meeting on January 16, 2014.

Public Comments

There are no public comments at this time.

Adjourn

There being no further business to come before the Council, the meeting adjourned at 12:35 PM.



1/16/14

Chair

Date