

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL MEETING  
MINUTES  
May 22, 2018  
STATE CAPITOL BUILDING, ROOM 321  
SANTA FE, NEW MEXICO**

**Members Present:** Mr. David Abbey, LFC                      Mr. Pat McMurray, RLD  
                         Mr. Joe Guillen, NMSBA                      Mr. Gilbert Peralta, PEC  
                         Mr. Antonio Ortiz, PED                      Ms. Nina Carranco, DFA  
                         Ms. Rachel Gudgel, LESC                      Ms. Sara Fitzgerald, Office of the Governor

**Designee Present:** Mr. Jeff Eaton, LCS

1. **Call to Order** – Chair Abbey called the meeting to order at 8:30 A.M.
  - a. **Approval of Agenda** – Chair Abbey asked if there was any objection to the agenda as presented; Mr. Chamblin requested that item 3B be remove from the agenda as it was no longer needed. Members agreed and the amended agenda was unanimously approved.
  - b. **Correspondence** – Mr. Abbey acknowledged the letter from Mr. Kirk Carpenter, Superintendent for Aztec Municipal School District.
2. **Public Comment** – Mr. Abbey had guests and staff introduce themselves. Ms. Casias introduced Ms. Ramona Martinez as the new PSFA Attorney.
3. **PSCOC Financial Plan**
  - a. **PSCOC Financial Plan**

Ms. Irion reviewed the changes to the financial plan since the last meeting: an award was made for \$11,703,209 for Alamogordo New Combined School ES and BDCP Category 2 for \$23,708. Two awards were rescinded for Capitan ES/MS/HS; the design portion for \$57,338 and the remaining construction funding for \$1,000,000. Total awards made since the last meeting were \$10,669,578. The estimate for SSTB Notes that will be sold in June was received and results in an increase of \$1.5M and is reflected on the financial plan at \$6,800,000. Ms. Irion will update the out-year projects once received. Project closeouts are in progress and it is anticipated the amount will be adjusted by the end of the fiscal year. Due to Council action regarding the advance repayment from Capitan ES/MS/HS being moved, there was a negative impact on the dollar amounts available for awards this year with the current fiscal year decreased \$4.8M. A repayment of \$500,000 will occur this current year as well as the next two fiscal years and a balloon payment of \$3.8M in FY21. Notification was received regarding PEDs SB9 allocation. Originally \$18.4M was distributed at the beginning of last fiscal year. The actual amount came in at \$17.8M which results in a reversion of \$612,994 and is the amount listed in the out-years. The 2012-2013 awards cycle was decreased \$1.0M in FY19 as that amount was removed for the Capitan construction funding and is no longer available. The financial plan has also been adjusted based upon the pre-application estimates; 10% is recognized in FY19 and the remaining 90% is split with 70% placed in FY20 and 30% in

FY21. Projects will be listed after final applications are determined. Estimated uncommitted balances are \$41.9M in FY18, \$49.0M in FY18 and \$600K in FY20-22.

Ms. Gudgel asked if the West Las Vegas repayment was included in the financial plan, Ms. Irion replied it had just been received and the financial plan would be adjusted. Ms. Gudgel then asked how the SB9 funds for PED would be handled; Ms. Irion replied that the resolution stated funds would revert back to the PSCOC Fund and she was working with Board of Finance on available options.

Mr. Abbey asked if pre-k awards would be coming in June, Mr. Chamblin replied in the affirmative.

**b. PSFA Operational Budget Adjustment Request (BAR)**

This item was removed from the agenda.

**4. 2018-2019 Awards Cycle**

**a. Review of Pre-Applications & Final Funding Pool**

Ms. Casias reviewed the executive summary and the spreadsheets included within the meeting material. Mr. Abbey asked for comment as to why so few standards-based applications were received; Mr. Guillen replied that expediting the application process it was difficult for districts to get items in; another concern was the requirement to have the match in order to apply. Ideally, staff would work with districts that have higher ranked projects to get them ready for the following year. Discussion continued on whether more applications would have been submitted had the funding pool been larger and districts who may have applied had they had their match in place. Mr. Guillen asked if a column could be added to the spreadsheets indicating which districts had projects currently in progress; Mr. Chamblin replied in the affirmative.

Drawing attention to the spreadsheet listing the systems applications, Ms. Casias noted that Floyd Combined School was a previously funded project not ranked under the improved methodology and that NMSBVI was an actively funded project. Mr. Guillen replied that they were not technically eligible since they were not within the ranking. Mr. Abbey asked if they should be rescored based on the improvements being made; Ms. Casias replied it would not be an equal way to rank them since they came from a different set of criteria than the new applicants. Mr. Abbey asked if Floyd could be ranked as if the work had been done, estimating what the rank would be if the work had been completed; Ms. Casias stated it could be done. Ms. Gudgel asked why Floyd wasn't requesting a modification to their existing award as opposed to applying for a new award; Ms. Casias replied that they had received a systems award and under that, you are not supposed to come back for adjustments. Mr. Abbey suggested that waivers, size of the funding pool and any other criteria be discussed at the Awards Subcommittee. Ms. Carranco commented that upon looking at the lists for both systems and standards-based pre-applications, there is a lot of requests for security related items whether Council should be funding the security items through the systems-based process or if they should be funded through the security process. Ms. Gudgel replied that the definition for systems-based awards included security items. Ms. Carranco added that schools that have offsets might not be applying for systems-based awards however the list identifies schools that



have applied for systems and probably won't submit a security application. Other schools may see themselves at a disadvantage when they could have gotten some of the security work done through the systems process without submitting a security based application. Mr. Chamblin stated that as the security program is being formulated, it will potentially fund more things than the systems program would fund for security. Mr. Chamblin then drew attention to the Texico Combined School which submitted an application outside of the funding pool; staff has been working with the district as they are a combination school that would like to have three separately ranked facilities. They were encouraged to submit a pre-application however, it appears they will not be eligible for systems funding this year though one system they are applying for is exterior windows which could potentially be funded under the security program. Mr. Eaton acknowledged it would be beneficial to know which districts have their match as well as the sources of the match. Ms. Casias replied that districts are required to have their match and the FMP must list the project as a priority. Mr. Chamblin added some districts have left over bond money or excess operational funds they need to redirect into capital.

Ms. Gudgel suggested Council reserve the right to shift any systems-based project if it should fall under the security program without having them do another application; members agreed. Ms. Casias sought clarification on whether members wanted to discuss the schools outside of the funding pools; Mr. Abbey stated they need to go back to the Awards Subcommittee for additional discussion and determination of an equitable way to address them. Ms. Casias inquired about the two projects without rankings; Mr. Abbey proposed they also go back to the Awards Subcommittee so staff can try to re-rank them in a manner that is equitable and doesn't favor/disfavor them. Regarding Alamogordo, Ms. Gudgel acknowledged that statute includes language authorizing Council to demo buildings. Mr. Guillen reiterated that some districts were ineligible and Council should not proceed with them as other districts outside of the funding pool may come back.

**MOTION:** Adopt a final funding pool of the 2018-2019 Final wNMCI Rankings as follows: for large projects (standards-based), facilities within the Top XX; for small projects, (systems-based) facilities within the Top XX. The PSFA is authorized to perform site visits on the final funding pool as appropriate to gather additional information on behalf of the Council, and to assist those districts to develop the full applications.

**AMENDED MOTION:** Mr. Guillen moved for Council approval to adopt a final funding pool of the 2018-2019 Final wNMCI Rankings as follows: for large projects (standards-based), facilities within the Top 75; for small projects, (systems-based) facilities within the Top 300. The PSFA is authorized to perform site visits on the final funding pool as appropriate to gather additional information on behalf of the Council, and to assist those districts to develop the full applications. Ms. Gudgel seconded and the motion was unanimously approved.

**b. School Security System Project Initiative – Adoption of Program Guidelines, Application, & Scoring Criteria**

Mr. Chamblin drew member attention to the draft application and proposed schedule which also references all potential project funding methodologies for this cycle: pre-k, systems and standards-based and security. Mr. Chamblin stated districts have indicated the need for additional time to determine which projects they want to do and to get their applications in;

Option B reflects the districts preferred option based on that feedback. A significant number of security applications are expected and as security assessments and site visits are required the schedule in Option B allows for additional time to complete the necessary requirements; members agreed Option B can be incorporated into the timeline.

Discussion then turned to the offsets and Mr. Chamblin referred to the application where districts could select which funding pool they wanted to apply for; Ms. Gudgel felt districts should not have that option and that Council should manage it internally. Mr. Chamblin stated that during the upcoming site visits, staff would verify the best approach for the district. Mr. Abbey suggested verbiage might state “matching will be required; offsets may be applied.” Ms. Carranco suggested including, for Council reference only, what each district offset is in order for the Awards Subcommittee to determine if it was affordable and equitable. Ms. Carranco noted that 30 districts have no offsets and 21 have offsets larger than \$300,000. Mr. Guillen stated Council does not have the authority to give an offset waiver and reminded members that waivers do not apply to one of the security bills. Referring to statute, Ms. Gudgel spoke to the different provisions of determining waiver calculations; given the bill and the authorization to use \$10.0M from the fund, offsets must be applied; there is no equivalent language on the capital outlay bill. Ms. Carranco clarified that Council has never been in a situation where the calculation has not been followed and agreed with Mr. Guillen stating Council doesn’t legally have the option to waive offsets per the senate bill; Ms. Gudgel agreed.

Discussion on the bullet points listed on the cover page and the application scoring resulted in edits being suggested; Mr. Chamblin agreed to the proposed edits. Ms. Gudgel acknowledged advances are probably unconstitutional as districts are not allowed to indebt themselves unless they are entering into a lease purchase agreement and suggested that an internal discussion take place on whether Council should allow advances. Mr. Guillen expressed concern that districts without their match may be the most in need of safety. Since statute allows Council to grant waivers, Mr. Abbey asked if it needed to be announced that a waiver may be granted; Ms. Gudgel indicated it did not. Mr. Abbey favored the flexibility with the understanding that they will be applied very conservatively.

Ms. Carranco spoke to assessments helping make the determination on what security features were best for the school and stressed that they should be non-biased. Mr. Guillen felt a general statement should be made that costs will be looked at to ensure they are not exorbitant.

Referring to the scoring criteria, Mr. Chamblin stated it lists objectively measurable criteria and that if a district scores higher, it is a direct indication they are a less secure campus.

**MOTION:** Adopt the 2018-2019 school security application, guidelines, scoring and timeline, including the following:

- HB 306 appropriation will require matching participation per the state/local match calculation. Offsets will not be required or applied to the HB 306 applications.
- SB 239 appropriation will require matching participation per the state/local match calculation. Offsets will be required and applied to the SB 239 applications.
- Security system components 1-26 listed on the application.
- Security cameras will be funded at \$XX per square foot.



- Hand held radios will be funded at \$XX per school staff (FTE).
- Waivers and advances will/will not be considered for this cycle.

**AMENDED MOTION:** Ms. Gudgel moved for Council approval to adopt the 2018-2019 school security application, guidelines, scoring and timeline, including the following:

- HB 306 appropriation will require matching participation per the state/local match calculation. Offsets will not be required or applied to the HB 306 applications.
- SB 239 appropriation will require matching participation per the state/local match calculation. Offsets will be required and applied to the SB 239 applications.
- Security system components 1-26 listed on the application.
- Waivers and advances will not be considered for this cycle.

Mr. McMurray seconded and the motion was unanimously approved.

**c. Adoption of PSFA School Security Guidelines Document**

Comments received from members have been incorporated and following approval from Council, the document will be posted on the PSFA website.

**MOTION:** Mr. Guillen moved for Council approval to adopt the May 2018 PSFA School Security Guidelines Document. Ms. Carranco seconded and the motion was unanimously approved.

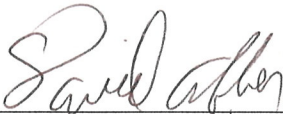
**5. Next PSCOC Meeting** – The next regularly scheduled PSCOC meeting will be June 14, 2018.

Mr. Abbey encouraged members to attend the upcoming site visits which will be scheduled through mid-June

Mr. Guillen announced that the 39<sup>th</sup> annual all school conference will be June 8-9 in Albuquerque and will focus on school safety.

Mr. Eaton announced that the Public School Capital Outlay Task Force (PSCOTF) kick-off meeting would be June 13<sup>th</sup> and Mr. Chamblin would be presenting school security initiatives. Ms. Gudgel requested that calendar invites or emails be sent to all Council members notifying them of PSCOTF meetings; Mr. Chamblin agreed to do so.

**6. Adjourn** - There being no further business to come before the Council, Ms. Gudgel moved to adjourn the meeting. Mr. McMurray seconded and the motion passed unanimously. Meeting adjourned at 10:20 A.M.



Chair



Date