

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL
MEETING MINUTES
STATE CAPITOL BUILDING ROOM 307
October 12, 2021**

Members Present: Mr. Joe Guillen, NMSBA Dr. Vanessa Hawker, LESC
Mr. David Abbey, LFC Mr. David L. Robbins, PEC
Mr. Antonio Ortiz, PED Mr. Clay Bailey, CID
Ms. Ashley Leach, DFA
Ms. Mariana Padilla, Office of the Governor

Designee(s): Clinton Turner for Raul Burciaga

1. **Call to Order** – Chair Guillen called the meeting to order at 1:32 P.M.
 - a. **Approval of Agenda** – Chair Guillen asked if there were any changes to the agenda as presented, as there was none, the agenda was unanimously approved.
 - b. **Correspondence** – None.
2. **Public Comment** – None.
3. **PSCOC Financial Plan**
 - a. **Financial Plan**

Mr. Evans presented the financial plan and documents. Modifications were made to the PSCOC Fund Project Award Schedule Detail for two projects in October 2021; (Socorro) Sarracino MS and (Los Lunas) Los Lunas MS. Both projects were estimated increases to construction and design phases. The figures were not reflected in the favorable or unfavorable category yet because they have not been approved by the Council yet. The changes to the October Financial Plan include changes to Lease Assistance Awards and the Estimated Operational Budget. The Lease Assistance Awards for FY22 was an increase of about \$1.5M based on the Council's approval to add 2% to the MEM rate in September; an estimated 3% increase was applied to FY23, FY24 and FY25 for Lease Assistance. The Operating Budget was submitted for FY23 as an increase of about (\$140,000) over what was projected. FY24 had an increase of \$444,000 and FY25 increased \$763,000.

Ms. Leach asked if PSFA anticipates to bring a recertification not only to Council in November, but also to the Board of Finance for Los Lunas MS and Sarracino MS. Mr. Evans clarified that the recertifications were included in October 2021 Consent Agenda for Lease Assistance as well as Sarracino MS and Los Lunas MS.
4. **Consent Agenda**

- a. Approval of September 13, 2021 Meeting Minutes
- b. 2022-2023 wNMCI Ranking Methodology
- c. Charter Variance Renewal
- d. BDCP – (2019 & 2020) Cat2 Awards
- e. BDCP – (2021) Cat1 Awards
- f. BDCP – (2021) Cat2 Awards
- g. BDCP – E-rate Support for Small School Districts and Charters
- h. Recertification of SSTBs

Mr. Guillen reviewed the items listed on the consent agenda and asked members if any item needed to be pulled for discussion; as there was none, a motion to approve was made.

MOTION: Mr. Robbins moved for Council approval of the consent agenda. Mr. Abbey seconded and **the motion was unanimously approved.**

5. Out-of-Cycle Funding /Award Language Requests
a. P19-015 Socorro, Sarracino MS – Design Funding

Mr. Abbey reviewed the potential motion and executive summary for the proposed increase in funding for (Socorro) Sarracino MS. Ms. Casias highlighted key points on the project. Beginning in 2018, Socorro received a planning award for utilization studies to maximize the use of the existing buildings. The resulting recommendation of that study was to replace the middle school with shared spaces within the high school. This improved the utilization from 50% up to 100% in some cases, especially in classrooms and vocational education facilities. The proposed request was for design funding for the replacement of the middle school, to demolish the existing middle school, and renovation of shared spaces consisting of the cafeteria, vocational education and music education. It is important to note that the estimated out-year construction cost doubled from \$12M in 2018 to \$24M currently. However, back in 2018 the site costs were not considered, which amounted to \$1.1M. The gross square footage cost increased from \$320 per square foot to \$350 per square foot. The amount of gross square footage increased from 36,000 GSF to 39,485 GSF, which is still within the allowable funding. No renovation occurred in 2018 so the 5,188 GSF of renovation cost was still included. Additionally, soft costs were not included in 2018; and now total \$7.3M. There was concern about the utilization for the high school, but if the high school had to be rebuilt for the same number of students, the school would still have the same number of classrooms which is thirty-three in total. Mr. Ron Hendrix, Superintendent of Socorro Consolidated Schools thanked the PSCOC for giving them the opportunity to ask for funding. The Socorro Consolidated Schools community and school board had been pretty thoughtful on the whole process, and has taken time dealing with changes considering a reduction in the square footage. Discussions with New Mexico Tech have begun with possible utilization of the old Sarracino facility as a possible site for community education center. Ms. Padilla asked for clarification, stating that the school district requested demolition funds, but New Mexico Tech was potentially considering to utilize the building. Ms. Casias replied if the school district is unable to dispose the building, the plan would be to demolish the building. The school district is seeking those opportunities; however, the cost for demolition was included as an option to

be determined. A decision as to whether or not the building will be demolished must be determined by the time school district is ready for construction. Mr. Hendrix Socorro Consolidated School District is trying work with New Mexico Tech to reuse these facilities, as they believe it would be a great benefit for community education. Mr. Abbey analyzed the enrollment documentation for the middle school and high school and stated that both were way above capacity and decreasing in enrollment; this is a great project because it produces overall space and it consolidates into one campus. Sarracino MS shows 68% Facility Utilization Rate, 47% Classroom Occupancy Rate. The high school has somewhat low utilization. Mr. Abbey mentioned that the utilization and capacity analysis for Socorro Consolidated Schools table is a very important technical document and the Council should learn more about how to calculate the need for space. Mr. Guillen commented that the Socorro school board has been very supportive on both of these initiatives and is glad to see the project moving along as it has taken some time to make a final decision on the approach.

MOTION: Mr. Guillen moved for Council approval to amend the Standards-based award to Socorro Consolidated Schools for Sarracino MS to include design phase funding for replacement of the existing facility, to construct a new school up to 39,485 GSF, and the renovation of shared spaces within Socorro HS up to 5,188 GSF. With an increase in the state share (72%) for the design phase up to \$1,763,239 and a local share (28%) up to \$685,704. Review of design enrollment shall occur during the design phase with approval of the design enrollment prior to the out-of-cycle construction phase funding request. **The motion was unanimously approved.**

b. P20-002 Central, Newcomb ES – Change in Award Language

Mr. Abbey reviewed the potential motion and executive summary for the (Central) Newcomb ES change in award language. Ms. Casias summarized the reason for the motion, as the district requested adding phases to the existing elementary school award to include additional planning funding for a combined middle school and high school campus, and teacher housing; this request would utilize the remaining previously awarded planning dollars; no additional funding is needed at this time. In 2019, the Newcomb ES planning award was for a campus masterplan Education Specifications to include the elementary school, middle school and high school, which resulted in the planned replacement elementary school. Ms. Casias affirmed that the district is asking for this funding specifically so the Ed Specs can address a combined campus with enrollment and shared spaces in the new combined campus, and additionally to evaluate the building systems. The FCI for the middle school was 67.86%, and the FCI of the high school was 64.31%; as a reminder, when the FCI is 60 or above, generally the PSCOC recommends a building replacement. Mr. Daniel Benavidez, Superintendent of Central Consolidated School District thanked the Council and spoke about how the school district has been working closely with the PSFA and Mr. Abbey on this project the school district was trying to save taxpayers money in the future. The goal was to reduce the size of the facility due to the current enrollment trends, and this will allow the district to move forward and give students what they need. Ms. Candice Thompson, Director of Operations at Central Consolidated School District also thanked the Council, and mentioned that Cooperative Strategies was instrumental to helping the district develop Ed Specs for the elementary school. Getting Cooperative Strategies on board quickly and utilizing Impact Aid funds will save the

Council and taxpayer dollars on this project. Ms. Thompson respectfully asked for the Council to grant this request. Mr. Guillen replied that this was another project that seemed to be looking at enrollment trends and making solid decisions based on that, and also at the same time trying to improve the facilities that are available to those students.

MOTION: Mr. Guillen moved for Council approval to amend the current Standards-based award language to Central Consolidated School for Newcomb ES to include a final planning phase for a combined Middle/High school as Phase two and Teacher Housing as Phase three of the current standards-based award. The final planning phase shall include additional campus master plan tasks to complement the completed elementary school planning phase work, an educational specifications and a building systems analysis for a combined Middle/High School. The amended award qualifies as a standards based project funded at the 2019-2020 state match of 60% and local match of 40%. No additional funding is needed at this time for this final planning phase of work. Upon completion of the planning phase work, the district may return to the PSCOC for out-of-cycle design phase funding to include final approval of the design enrollment, maximum gross square footage pursuant to the Adequacy Planning Guide, and an update to the total estimated project cost for the new combined Middle/High School and Teacher Housing. **The motion was unanimously approved.**

c. S19-013 Los Lunas – Additional Funding Request

Mr. Abbey reviewed the Potential Motion and Executive Summary for (Los Lunas) Los Lunas MS additional funding request. Ms. Casias discussed the reasoning for the increased cost, stating that it was based on an actual bid from the contractor; the bid included an increase to wage rates as they have doubled, also unforeseen drainage issues discovered onsite, which added additional cost. Andy Garcia, Los Lunas Director of Maintenance and Construction spoke on behalf of Superintendent Dr. Arsenio Romero, and thanked the Council for considering the request for extra. Mr. Robbins clarified that the wage rate of \$16 per hour was actually incorrect originally,, and now it is corrected as \$32.00 per hour; the rate went up only because of a correction, this was not really a true increase.

MOTION: Mr. Guillen moved for Council approval to amend the current Systems-based award for Los Lunas MS to include additional funding in the amount of \$3,723,383 with an increase in the state share (76%) for the construction phase up to \$2,836,611 and a local share up (24%) to \$895,772. There will be no expansion of the currently awarded systems. **The motion was unanimously approved.**

d. 2018-2019 Security Projects Bridge Awards

Mr. Abbey reviewed the Potential Motion for the 2018-2019 Security Project Bridge Awards. Ms. Casias reviewed the background of the Executive Summary highlighting HB306, SB39 and SB239. The three bills combined totaled \$16M. The intent of those bills were to allow schools to add security features to their campuses, such as: secure vestibules, cameras, security fencing, and other security measures. The funding was to be spent within three years, ending in October 2021. However, due to a number of circumstances that occurred after the awards in 2018-2019, specifically the COVID-19 Pandemic, many of these project had been

delayed. The PSFA Regional Managers frequently reminded the districts that funds for these projects needed to be spent. Many of the districts were too busy coordinating online learning and handling measures to reopen schools safely during the pandemic. The PSFA had been working with the Council to develop a way to allow for these security projects to be completed, knowing that these funds were going to expire per statute. The Emergency Security Awards would allow an extension for these projects to be completed; however, the language in the motion gives urgency to the matter that these projects need to be completed within the time frame specified. Ms. Casias also cited the list of the various projects from each district, noting the project statuses. Of the 222 awards, approximately 74 projects are complete. 124 projects are ongoing, and 85 projects are under construction. The schools need to re-apply quickly so they can continue making payments to contractors. Twenty-five districts have not started work; there are projects in Chama, Cuba and Espanola that will not pursue their funding at all based on a local decision. The districts that had not started work, but intend to work were Hobbs, Questa, Roswell and Tucumcari. The PSFA will reach out to these districts with a simplified application, asking the district to write the PSFA a letter indicating the amount of dollars that were awarded, the amount of award dollars remaining, and having the districts attest to the timeline stated in the motion. Mr. Guillen reiterated the simplified process, letter format and that there shall be no additional requirements. The Council was doing their best to extend these funds, but there is a need to know if these districts will move their projects forward and utilize the funds on an expeditious basis. Ms. Casias stated that based on the Council approval, the letters describing the process to re-apply would be sent out to school districts the week of October 11, 2021. Mr. Abbey advised to add further statements to the motion. Mr. Abbey also mentioned the Council had been aware of how much time staff were spending on these small projects. Projects range from \$10K-\$100K and some districts received dozens of awards and many of these projects did not move for three years. Mr. Ortiz concluded with the Awards Subcommittee that the requirement to revert the funds was per statute, and there was recognition by staff and members of the emotional background of this funding for safety purposes; therefore there was need to accommodate these districts if it was in reach. Mr. Abbey stated that if districts had not reached the design phase, (about 20 that haven't reached that phase) they would not be eligible to reapply. Any district reapplying would have to move projects expeditiously. Also, by requiring certification by the district superintendents, staff would not have to go through lengthy application review processes. The acceptable amount to revert was noted as \$10M. Ms. Padilla asked staff to do everything they can to make direct outreach, in addition to the written letter, so the school districts are aware of the timeline and that the reversion of funds would occur. Ms. Casias replied that staff will call each of the districts and thanked Ms. Padilla for the suggestion.

MOTION: Council approval to revert the remaining 2018-2019 Security Award funds in the amount unexpended as of October 31, 2021 to the schools listed in Attachment A. The PSFA shall notify all districts of this deadline. Districts may reapply for an emergency system award pursuant to New Mexico State Statute 22-24-4.6. Districts may reapply for the full amount of the unexpended balance upon certifying the design is complete, procurement can be completed and a construction agreement can be executed in three months, and funding can be spent by October 31, 2022.

AMENDED MOTION: Mr. Abbey moved for Council approval to revert the remaining 2018-2019 Security Award funds in the amount unexpended as of October 31, 2021 to the schools listed in Attachment A. The PSFA shall notify all districts of the deadline. Districts may reapply by November 12, 2021 for an emergency system award pursuant to New Mexico State Statute 22-24-4.6. Districts may reapply for the full amount of the unexpended balance upon certifying the design is complete, procurement can be completed and a construction agreement can be executed in three months, and funding can be spent by October 30, 2022. Unexpended balances of these supplemental awards shall revert on October 12, 2022. Mr. Bailey seconded and **the motion was unanimously approved.**

e. P19-004 Gallup, Tohatchi HS – Change in Award Language

Mr. Abbey reviewed the item and mentioned that the Awards Subcommittee received an amendment to the original request from Gallup-McKinley School District about four to five days before the October Subcommittee Meeting, and there was significant discussion about the amendment. The original approval of the project was to demolish the gymnasium, and two days before the Subcommittee Meeting there was a request to not demolish the building. There had been quite a bit of discussion about how the standards apply to gymnasiums, and in general only one gym is provided. With this request the school district would end up with two gymnasiums. The Subcommittee tabled the motion with the understanding to revisit at a later. Mr. Abbey suggested to bring this back to full Council for review and discussion. Ms. Casias communicated the PSFA received Gallup-McKinley School District's request on September 29, 2021 to retain the existing gymnasium, as well as build a new gymnasium. Since the timing was so brief, the PSFA was unable to properly research in an appropriate manner. Mr. Michael Hyatt, Superintendent of Gallup-McKinley School District's thanked the Council for considering this item and explained that the Gallup-McKinley School District brought this proposal forward because the a facility would not take much to improve as a part of this project. Mr. Hyatt continued to explain that these facilities are the hubs for activities in small rural communities, and their students deserve to have opportunities that other school districts have across the state for extra space for those different activities, whether they are a part of the community or apart of the school. Mr. Hyatt asked for the Council's consideration to be done quickly, because, and the facility has not yet started design and the award was in 2018. Mr. Hyatt requested if this is going to be denied, please deny quickly or if it is going to be accepted, please accept quickly so they can move forward; their students need a new facility and they are way behind. Mr. Guillen understood that generally when the Council takes on a project like this the district is normally limited to one gymnasium, and Gallup-McKinley School District feels like their current gymnasium is in better condition than it would be to warrant demolition. Mr. Guillen questioned that if they do not demolish the building, shall the Council still participate in the new gymnasium or shall the Council participate in a renovation of the older facility, and wondered what the policy or standard was. Ms. Casias clarified that the Council policy and standard from the past was when a new school is constructed, or an existing school is and partially replaced, participation is for one physical education gymnasium for the students. That is typically what happens in a case like this, and if the gymnasium they wish to retain is larger than the current student body, the PSCOC participates in funding the gymnasium large enough for the number of students enrolled at the campus.

Mr. Guillen asked if there was an option that allows districts to keep their old facility at their own expense, and build the new gymnasium as well. Ms. Casias said in the past, school districts have kept an older gymnasium for a different purpose, such as donating it to the community or an athletic gymnasium.

Mr. Hyatt said that if that is the Council decision they will live with it, and move forward with what they need to do. Mr. Guillen replied that Gallup-McKinley School District would have both gymnasiums, but the PSCOC would only participate in the construction of the new gymnasium. Mr. Hyatt clarified that Gallup-McKinley School District is asking Council to participate in funding to renovate the older gymnasium, but if Council is not willing to do that they would settle for construction of the new gymnasium only. Mr. Abbey spoke about the Subcommittee struggle with regarding the two gymnasiums. If the district was prepared to build a second gymnasium at its initiative, Mr. Abbey would be prepared to recommend that the state fund the more expensive gymnasium, which would be renovating the existing gymnasium. Ms. Casias shared the figure to renovate the existing gymnasium would be around \$4M, and the new gymnasium amounted to about \$2.4M. If the state was only to fund one gymnasium, not two, Mr. Abbey would recommend the more expensive one, leaving the district the option to build the new gymnasium at their expense. Mr. Hyatt replied and appreciated Mr. Abbey's comments, but if the district had to choose, they prefer the PSCOC to participate in the new gymnasium, and not in the old gymnasium. Mr. Robbins expressed his appreciation for what Mr. Abbey said about participating in the more expensive gymnasium, but based upon the standards that the Council follows across the state, putting in \$2M more into a gymnasium that is beyond the capacity for decreasing enrollment at the school, he does not think that would be an advisable move for the school, and it sounds like the superintendent would prefer the Council to build a new gymnasium. If they keep the old gymnasium it would be up to the school or community to renovate the facility. Dr. Hawker asked if the demolition costs were included. Ms. Casias clarified to demolish the existing gymnasium was initially estimated as a cost of \$376K.

Mr. Abbey proposed a motion to provide the district the cost of demolition, and they may choose either to demolish or repair the existing facility at their own expense. If the district didn't want a second gymnasium, the PSCOC would still pay for demolition and a new gymnasium; this motion would allow them to have the demolition funding as state share even if the district chose not to demolish the old gymnasium. Mr. Guillen responded that the Council could proceed that way, but if the costs were not to be incurred in demolition there would need to be some kind of notice that the district would prefer to use the funding for renovation rather than the demolition, and this would be corrected once the determination is made. Mr. Robbins also clarified that the Council needs to stay with the approved costs including the demolition, and if at a future date if the district decides not to demolish, the Council can make a decision at that time. Ms. Casias stated that this item was not listed as an action item on the agenda. Mr. Guillen said that the motion is stating the Council's intent, and it is not an action item on the project itself. The intent would provide guidance rather than actually allocating funds for a different purpose, the scope is not changing. Ms. Padilla agreed and stated the intent shows the Council's understanding of the districts priority, and that the

Council supports that priority. Mr. Abbey clarified the motion would fund demolition, but give them the option to use the demolition funding for renovations. Mr. Abbey agreed with Mr. Robbins to table the motion until the motion can be stated properly with the district.

This item was neither tabled nor moved forward because the item was not listed as an action item on the agenda. However, the Council provided direction to both staff and the district on the possible discussion for next month's action on the request.

6. Other Business

a. Temporary Salary Increase for Acting Executive Director

Mr. Guillen provided a handout on the item, overviewing the PSFA Executive Director search. The timeline was finalized and the job description had been posted. All Council members had the opportunity to participate in the initial interview committee. So far there are three volunteers: Mr. Robbins, Dr. Hawker and Ms. Leach. Mr. Guillen will serve on the committee as well. Mr. Guillen asked anyone else on the Council if they would like to serve on the interview committee. If another participant from the Council joined the committee they could give public notice and go into executive session to hold the interview. Mr. Guillen did not want that to hold anyone up from participating in the interview committee. Jonathan Chamblin's last day was September 30, 2021 and as of that time Martica Casias has been serving as the acting director of the PSFA. Mr. Guillen has been discussing with, Justin Owens, PSFA HR Director, and asked him to put together a request for a 15% temporary pay increase for Ms. Casias, as she takes on the acting director responsibilities. This action provides an increase of approximately seven dollars per hour, from \$46.50 to \$53.50 per hour during this period. This rate is still slightly less than Mr. Chamblin's \$55.00 per hour. Mr. Guillen recommended approval and action by the Council on the Motion.

MOTION: Mr. Abbey moved for Council approval of the temporary salary increase for Martica Casias to compensate her for performing the duties of Agency Director until one is selected to fill the position permanently. Ms. Casias has worked for PSFA for 19 years in a wide variety of roles, currently as a Deputy Director. Ms. Casias is currently making 46.578561/Hour or \$96,883.40688 annually. PSFA is requesting a 15% increase for MS. Casias to temporarily raise her hourly compensation to \$53.565345 which equates to \$111,415.92 annually. Ms. Padilla seconded and **the motion was unanimously approved.**

7. Informational

a. PSFA Project Process

Mr. Michael Hyatt, Superintendent of Gallup-McKinley School District thanked the Council for allowing him the opportunity to speak on behalf of the school district to share suggestions and ideas on how the PSFA can make improvements on some of their processes. Mr. Hyatt provided a presentation to the Council reviewing the process of working with PSFA from the school district perspective. As the Gallup-McKinley School District is a large customer, the district has had a lot of experience and understanding working with the PSFA on the processes with Standards-based and Systems-based construction projects. Mr. Hyatt mentioned he would try to avoid discussing anything about equity in the presentation. Mr. Hyatt introduced his Deputy Superintendent, Jvanna Hanks, with her unique perspective being brand new to

the system and seeing where there may be opportunities for an area of improvement. Mr. Hyatt gave an overview of the Gallup-McKinley School District facilities and geographical demographics. Gallup-McKinley School District is the third largest district in the country, serving several communities spread out over five thousand square miles. Mr. Hyatt spoke to how the sparsity brings many challenges to the school district, stating that the work and collaboration with the PSFA is very important, and there is a need to streamline processes to be more efficient. Working in remote areas, there are different needs versus working in Santa Fe or Albuquerque, and the processes need to be efficient so the districts can move forward for their students so they are treated the same as the rest of the state. Mr. Hyatt highlighted key points on the slideshow presentation to the Council and audience; stating desires of being more efficient and equitable with state funding, providing correct standards and eliminating barriers and delays as much as possible. Mr. Hyatt believes there are ways to improve inefficiencies in the system as a whole. Mr. Hyatt wanted to make sure tools are in place to so there are continued process improvements, further details were presented noting suggestions on initiatives that need to be addressed to better serve the students and school districts across the state of New Mexico.

Mr. Guillen thanked Mr. Hyatt and spoke about his experience at DFA years ago when they faced similar concerns and how the Agency has developed procedures when changes in administration came in during that time, and how moving forward with initiatives brings opportunities to better serve districts. Mr. Robbins shared his experience working in the construction industry and overseeing projects and planning, and was amazed at how long it takes to complete a government project considering the many approvals, regulation/licensing changes and code modifications. Also as a former planner, Mr. Robbins noted his experience, and his advocacy and dedication for planning, and how many times projects involve very little planning and results with execution that takes a lot longer, concluding projects delay because of the lack of planning up front. Mr. Robbins suggested standard facility designs for schools across entire districts, noting the efficiency benefits of buildings constructed much faster with a limited design phase. When buildings are customized all of the systems end up being customized, and it is very costly and takes time. Streamlining processes will save time and cost. Mr. Robbins also noted working with district personnel brings delays as well, and the PSFA's expertise and knowledge can assist smaller districts, and a lot of the comments Mr. Hyatt presented were relevant and worthy to review. The Council and Subcommittees would like to take a look at streamlining processes and upgraded technological systems, but a lot of the items Mr. Hyatt addressed need to go through the Legislature considering the requirements and restrictions that are placed on the Council and the type of funding presented. Tax payers want efficiency and accountability of funds. Ms. Padilla thanked Mr. Hyatt and the districts involved for taking the time and effort to provide feedback; it is helpful to see what improvements are in need, and she was in agreement that the Council and staff need to take a look at these suggestions for improvement. Ms. Padilla supports the idea of funding an independent reviewer to develop an analysis of the systems and how they can be improved. Ms. Leach also shared her appreciation to Mr. Hyatt, and commended PSFA staff for their open attitude to improving processes, such as the current processes staff is working to improve the financial reporting of budgeting, financial and expenditure. Additionally, PSFA is putting together timelines for the Board of Finance approval process, which is a process that many districts might not be aware of, but can create delays in funding being released as the Board

of Finance give the final approval. Ms. Leach expressed her excitement to be already having conversations with the PSFA staff to partner to improve some of these processes. Mr. Abbey thanked Mr. Hyatt for his report and recommendations and noted the Council did not invent these process, and it has been over twenty years since these processes have been reexamined. Mr. Abbey suggested staff to develop a problem statement and action plan with details, and the next steps to prioritize focus on problems and how to make improvements. Mr. Abbey also agreed to consider hiring an independent consultant to review processes. Another suggestion from Mr. Abbey was a committee of superintendents to be advisory to the staff and Council as they develop a plan considering the district and agency perspectives. Mr. Turner thanked Mr. Hyatt and Ms. Hanks and mentioned the Council is eager to hear more on the recommendations and if they can be categorized with which things need statute changes, items that need to be changed with legislative or PSCOC regulation, PSFA documentation, communication and practices. Mr. Hyatt agreed with Mr. Abbey's comment to create a focus group to collaborate with the PSFA and superintendents to develop recommendations to propose legislation and streamlined processes. Mr. Guillen concurred with the overall discussion and bringing in an outside source to engage and look at these processes objectively. Mr. Benavidez added a suggestion to expand the top ranking eligibility for projects to a wider range of schools so smaller schools and districts on the list can be included and have opportunities to improve schools; some of the larger districts are taking up slots in the ranking and not using any of the state funding opportunities. Ms. Casias shared her appreciation for Mr. Hyatt's presentation, and mentioned the PSFA is beginning to meet internally to make changes on processes to move quicker, starting off with E-Builder applications and reducing steps in application processes. Mr. Guillen concluded the discussion with action to develop a policy statement on the topic with Ms. Casias.

b. Teacher Housing Update

Ms. Casias introduced Alyce Ramos, PSFA Programs Manager, as the presenter of the Teacher Housing funding program. The Council had directed the PSFA staff to start developing a new Teacher Housing Program independent of the Standards-Based Funding Program. The PSFA had been traveling across the state to conduct Teacher Housing workshops; so far a total of five workshops had been completed with two more workshops remaining in the coming weeks. The workshops had been successful so far, and along with the workshops there have been surveys distributed to District Administration/Landlords and Teachers/Tenants to gather information and analyze the data to bring forward information from the findings in the next month or so. The PSFA hopes to bring more information from what they have learned throughout the workshops and surveys in the upcoming Council meetings so that the Teacher Housing guidelines can be released in December of 2021. The applications for funding would then be released in January 2022, with awards in April 2022.

Mr. Abbey was unaware of the goal was to have the Teacher Housing guidelines independent from the Standards-based guidelines, and considering the recent experience with the Security awards, he suggested to not have too many different awards programs. This could create more bureaucracy by having two different processes rather than one, and having to deal with another application cycle Mr. Abbey was concerned more about streamlining the process rather than creating another process. Ms. Ramos replied that the intent of the program separation was to disassociate the Teachers Housing projects from the Standards-Based

projects applications so not just the top 100 schools in the ranking are eligible, and all districts across the state may apply no matter where they stand in the ranking. Mr. Guillen mentioned it is a balancing act with the different applications and simplifying and eliminating duplicate work for staff and also trying to streamline the process. Ms. Casias recalled the second round of Standards-based awards going out, and the PSFA has simplified the process to make it quicker and easier, and in some ways it is easier to have applications year round rather than having fifteen or thirty applications in July every year. Mr. Robbins reiterate the intent of Teacher Housing was to not require to be part of a Standards-Based project. If a school ranked very low for Standards-Based projects they can still participate in a Teacher Housing project at any time that need came up. Mr. Abbey requested to see a draft in November along with a fiscal analysis of the potential demand with the proposed guidelines a month before adoption. Mr. Abbey shared his concern that the Teacher Housing Program could become a very expensive program if multiple districts get involved. Ms. Casias replied that the PSFA will need at least a month to report back with analysis.

c. New Mexico School for the Deaf- Pre-K Facilities

Ms. Casias

d. Budget Projections and Personnel Update

This agenda item was not presented.

e. FY23 Supplemental Budget

Mr. Evans presented the CAFR Budget Status Report current projections the budget balance vacancy savings for personnel only at that point was about \$72K. Other contractual services were showing high dollar amounts, but Mr. Evans suggested to not count on those figures as a budget surplus because at that point in time only half of the P.O.'s were allowed to be opened for the fiscal year in certain cases. There are still large items that are waiting to be opened in January 2022. Mr. Abbey asked what the large item was in the subscriptions and dues; Mr. Evans replied it was software costs for E-Builder and School Dude. Mr. Evans clarified it is not a real surplus because only half of the P.O's have been opened so far for FY22. Mr. Abbey said there was about a \$300-\$400K surplus to use as a resource to hire contractors to help keep projects moving and perform independent studies on streamlining processes. Mr. Robbins cautioned the Council that it would be helpful to have the projected expenditures to year end noted with projected numbers of what is expected to be spent because if you do not have those projections it looks like there is a huge surplus.

Ms. Casias requested to meet with one of the Subcommittee Chairs for guidance considering the upcoming appropriation request to hire more staff. Mr. Robbins clarified the surplus in the current year which contract staff could be hired as temporary initially, and some of that staff could eventually apply for term positions moving forward. There would have to be a budget adjustment to move those dollars into a contractual category. Supplemental budgets have to be submitted soon in order for it to go to the Legislature in January to be considered for the FY23 budget. Mr. Evans followed-up the discussion noting the supplemental will be approved at the FY22 Legislative session and can be used partially in the FY22 year as well as moving forward. Mr. Abbey clarified the difference between a

supplemental (Section 6) appropriation and a special (Section 5) appropriation in HB2, distinguishing the supplemental appropriation finishes funding for the current year and a special appropriation can be used in the current year or in the following year. Mr. Guillen mentioned to Ms. Casias if there is further clarification needed to please reach out. Mr. Abbey asked if the FY23 Supplemental Budget Agenda item was an action item, and Mr. Guillen replied it was not an action item. Mr. Abbey clarified that the agenda item should be an action item because it is no different than an approval for a budget request. Mr. Robbins ended the discussion by thanking Mr. Evans for streamlining the budget projections and making the report more concise.

e. Workplan Timeline


This agenda item was not presented.

g. Project Status Report

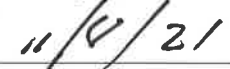
This agenda item was not presented.

8. Next PSCOC Meeting - Proposed for November 8, 2021.

9. Adjourn – There being no further business to come before the Council, Mr. Robbins moved to adjourn the meeting. Dr. Hawker seconded and **the motion was unanimously approved.** The meeting adjourned at 3:41 p.m.



Chair



Date