

State of New Mexico
Public School Capital Outlay Council

PSCOC Members

Joe Guillen, *NMSBA – Chair*
Cally Carswell, *LFC*
John Sena, *LESC*
Antonio Ortiz, *PED*
Martin Romero, *CID*
Stewart Ingham, *PEC*
Randall Cherry, *LCS*
Ashley Leach, *DFA*
Elizabeth Groginsky, *OG*



Public School Facilities Authority

Iris Romero | Executive Director
Larry Tillotson | Deputy Director of Operations & Outreach

MEETING MINUTES

PSCOC Full Council Meeting
State Capitol Building, Room 322 – June 12, 2025

*Unofficial notes drafted for the convenience of subcommittee members and subject to revision at member request.
Please note that further details and information regarding the meeting can also be found in the eBook.*

I. Call to order – Joe Guillen, Chair

The Public School Capital Outlay Council (PSCOC) meeting on June 12, 2025, was called to order by Chair Joe Guillen at 9:02 AM.

A. Roll Call

Roll call was conducted, and a quorum was confirmed to be present for the meeting.

B. Approval of Agenda*

The agenda was reviewed, and no adjustments were proposed. The Chair called for a motion to approve the agenda as presented, Mr. Sena made a motion, and Mr. Cherry seconded, and the motion passed unanimously.

C. Correspondence

No Correspondence.

II. Public Comment

No Public Comment occurred.

III. Finance

A. PSCOC Financial Plan

Mr. Matthew Schimmel, Deputy Financial Officer at the Public School Facilities Authority (PSFA), delivered a detailed presentation of the executive summary and key components of the financial plan. Mr. Schimmel provided a comprehensive overview of recent updates, emphasizing a net year-to-date change of \$48.2 million in awards. Two notable out-of-cycle award language modifications were addressed: one concerning David Skeet Elementary, which proposed an increase in design capacity and a shift from new construction to renovation; and another for Dexter Combined, which sought to expand the gross square footage. Mr. Schimmel also outlined estimated award cost adjustments, including corrections for Gallup Thoreau and revised state-local match shares for Mountain View in Roswell.

To support the discussion on estimated award timing adjustments, Mr. Schimmel distributed a supplemental handout, which expanded upon the orange table on page 9. This document included project types, original and revised award years, and regional project manager (RPM) status comments. Additional financial updates included the revision of FY26 SSTB notes to \$396.5 million, adjustments to FY25 and FY26 SB-9 distributions to reflect actuals, the reduction of the FY25 emergency reserve to zero, and the elimination of school bus funding for FY26 and FY27 due to legislative constraints. The financial plan projected a negative uncommitted balance of \$43.3 million in FY26, which staff indicated would be addressed through future bond sales.

Council members expressed concern regarding the persistent overestimation of project timelines and emphasized the need for improved forecasting and project readiness assessments. The Council also stressed the importance of consistent and transparent tracking of project delays and extensions. Mr. Romero raised questions about cost per square foot and the fiscal implications of tariffs on future projects. In response, Mr. Gerken Senior, Project Manager at PSFA, confirmed that PSFA was actively monitoring market conditions and requiring contractors to justify cost increases. Mr. Romero proposed a partnership with AGC or ACD to enhance cost tracking efforts. Mr. Ingham cautioned against approving post-bid cost increases, citing contractual limitations, while Ms. Carswell requested that PSFA present potential tariff impacts during out-of-cycle funding requests. Mr. Tillotson acknowledged the Council's concerns and committed to incorporating these considerations into future planning and reporting.

IV. Consent Agenda*

All the Consent Agenda items were approved in a single motion.

A. May 14, 2025, PSCOC Meeting Minutes*
Council approval of the May 14, 2025, PSCOC Meeting Minutes.
B. FY26 Lease Assistance Application Announcement*
Council authorization to release the FY26 Lease Assistance Application announcement, FY26 PSCOC application for Lease Assistance for facilities, and applicable certification forms. Applications will be released July 1st, 2025, and are due August 15th, 2025. Awards are tentatively scheduled for the November PSCOC meeting.
C. P23-003 David Skeet ES (Gallup-McKinley) – Award Language Change*
Council approval to amend the current 2021-2022 Standards based award language to Gallup-McKinley County Schools (GMCS) for David Skeet Elementary School (P23-003) to include. <ul style="list-style-type: none"> • An increase in the design capacity of 36 students for a total of 260 students, for grades Pre K - 6th grade. • Renovation of the existing 39,608 GSF facility in lieu of new construction of a replacement facility. • The district agrees that the existing 39,608 GSF is sufficient for the current enrollment.
D. FY25 Lease Assistance Awards Update*
Council approval of the FY25 Lease Assistance Awards and updated Lease Assistance Awards to the following: <ul style="list-style-type: none"> • La Academia de Esperanza – new award of \$204,716 to include the school's first Lease Purchase Arrangement (LPA) amendment with modified payments and term. • San Diego Riverside Charter School – new award of \$45,482 to include extended lease. <p>Total increase of \$250,198 to the Lease Assistance Funding Program.</p> <p>Upon acceptance of the award by the applicant charter school or district, Council authorizes PSFA staff to distribute the award amounts quarterly, on a reimbursement basis, upon receiving proof of the actual lease payments. Council authorizes PSFA staff to make reductions to award amounts subject to Public Education Department and/or Public Education Commission written certification to PSFA that a condition exists that</p>

warrants an award adjustment or suspension due to a school closure, charter revocation, financial violation or irregularities, and/or adjustments to certified attendance numbers (MEM counts). Adjustments to lease amounts may also be made due to a lease termination or amendment. Reimbursements are contingent on the submittal of an E-Occupancy certificate, current facility master plan, audit report, invoices and other statutory requirements, as set forth in the application.

E. FY26 Final wNMCI Ranking*

Council approval to release the FY26 Final wNMCI Ranking for use during the FY26 application cycle.

MOTION: The Chair called for a vote and all members were in favor of approving the consent agenda items. There being no opposition, the motion passed.

APPROVED

V. Awards Cycle

A. FY26 Capital Funding Programs – Eligibility and Application Announcement*

Mr. Larry Tillotson presented the FY26 Capital Funding Program eligibility and application announcement, confirming that the eligibility criteria remained consistent with prior years. Specifically, schools ranked in the top 100 of the weighted New Mexico Condition Index (wNMCI) were eligible for standards-based funding, while those in the top 300 were eligible for systems-based funding. Pre-kindergarten eligibility criteria remained unchanged. Notably, the pilot teacher housing program was placed on temporary hold pending further analysis of its fiscal impact, cost variability, and alignment with broader state housing initiatives.

Council members expressed unanimous support for the temporary pause on the teacher housing program, emphasizing the need for a thorough reassessment. Ms. Carswell noted that PSFA had been tasked with conducting a detailed analysis of the program, citing concerns about the high and inconsistent costs associated with recent out-of-cycle awards. Mr. Sena and Mr. Romero echoed these concerns, with Mr. Romero specifically highlighting the importance of cost consistency and fiscal responsibility. Ms. Carswell requested that PSFA return with updated findings by the following month, a timeline which Mr. Tillotson confirmed and accepted.

Ms. Leach expressed appreciation for the Council's thoughtful dialogue and a proposed timeline for review. Ms. Groginsky recommended that PSFA coordinate with the Department of Workforce Solutions and the Department of Housing to ensure alignment with statewide housing strategies. Mr. Tillotson confirmed that the motion mirrored the previous year's structure and clarified that tribal schools were not eligible under the current criteria. The motion to approve the application announcement, with the teacher housing program on hold, was passed unanimously.

MOTION: The Chair called for a vote for Council approval to release the FY26 Capital Funding Application Announcement, which specifies the eligibility for the funding programs as follows:

- Standards-based eligibility: school facilities within the top 100, as listed in the final FY26 wNMCI ranking.
- Systems-based eligibility: school facilities within the top 300, as listed in the final FY26 wNMCI ranking.
 - o Eligible systems: exterior envelope, mechanical, electrical, plumbing, special systems, site drainage and utilities;
 - o or any system identified as category 1 in the Facilities Assessment Database;
 - o or demolition of any district owned abandoned facility.
- Pre-kindergarten facility eligibility: school districts and schools with Prekindergarten programs.

There being no opposition, the motion was approved unanimously.

APPROVED

VI. Out-of-Cycle Awards

A. P19-006 Sierra Vista ES (Las Vegas City) – Award Language Change*

Mr. Mathew Gerken, Senior Project Manager at PSFA, presented the executive summary, motion, and key points regarding a proposed award language change for Las Vegas City Schools. Mr. Gerken reviewed Exhibit A in detail, outlining both the district's request and the staff recommendation to consolidate Sierra Vista Elementary and Memorial Middle School into a single 4th–8th grade facility. The proposed project would utilize the uncommitted balance from the existing Sierra Vista award to fund the design phase. Mr. Gerken confirmed that the reorganization request had been formally approved by the Public Education Department (PED).

During the discussion, Mr. Sena contributed additional context, while Mr. Ingham and other Council members requested further clarification on PED's decision to approve the reorganization. Ms. Melissa Sandoval, representing the district, explained that the primary motivation for the reorganization was inadequate spacing at the current facilities, particularly the challenges associated with housing middle school students on the high school campus. Ms. Sandoval emphasized concerns related to student safety, limited instructional space, and the lack of appropriate common areas.

Council members acknowledged the district's rationale and noted that the new facility would support expanded Career and Technical Education (CTE) programming and foster stronger community partnerships. The Council expressed support for the district's efforts to right-size its facilities and improve educational delivery. The motion to approve the award language change was passed unanimously, with no opposition.

MOTION: The Chair called for a vote for Council approval to amend the current Standards-based award to Las Vegas City Schools for Sierra Vista Elementary School to change to:

- The replacement of Memorial MS in the existing Standards-based award for Sierra Vista ES for a combined Elementary/Middle School facility, that consolidates the existing Sierra Vista ES and Memorial MS facilities which include grades 4-8th.
- Design phase funding for the combined Sierra Vista ES/Memorial MS replacement facility totaling 76,365 GSF for the projected enrollment of 407 students.
- Utilize the uncommitted remaining balance from the existing Sierra Vista award to the Standards-based award for the combined Elementary/Middle School facility.
- The existing Memorial MS and Sierra Vista ES facilities will no longer be eligible for PSCOC funding and staff will remove the facilities from the Facilities Assessment Data Base.
- Contingent on the approval of the reorganization request by the Public Education Department.

There being no opposition, the motion was approved unanimously.

APPROVED

B. P24-004 Dexter ES/MS (Dexter) – Award Language Change*

Mr. Mathew Gerken presented the executive summary, motion, and key points regarding a proposed award language change for Dexter Consolidated Schools. The request sought to increase the maximum allowable gross square footage from 78,457 to 91,492 for a combined elementary and middle school facility. Staff recommended a revised increase to 82,868 GSF, excluding space for a kitchen and cafeteria, as the district planned to utilize the existing high school cafeteria to serve the new facility.

Ms. Carswell and Mr. Sena provided an overview of the Awards Subcommittee's concerns, particularly regarding the treatment of gymnasium space and the need for consistency with adequacy standards. Mr. Gerken acknowledged the complexity of the issue, and Mr. Sena emphasized that gymnasiums serve as instructional classrooms and should be considered accordingly. The district referenced relevant provisions in the New Mexico Administrative Code (NMAC) to support their position. Ms. Groginsky requested clarification on whether the project would consolidate into one or two schools, to which the district confirmed it would be a single, unified facility.

Ms. Leach underscored the importance of district flexibility in facility planning and expressed interest in receiving training on the adequacy standards and the use of the square footage calculator. Ms. Leach also noted that the Council currently

had sufficient funding available to support such projects. Ms. Carswell sought clarification on the design status of the project and reiterated the need for transparency in how space allocations were determined. Mr. Romero raised questions regarding cost implications, while Mr. Ingham expressed confusion about the reallocation of space and the exclusion of the kitchen and cafeteria.

Following a thorough discussion, the Council supported the subcommittee's recommendation to allow additional space for restorative rooms and storage. The Council emphasized the importance of balancing flexibility with fiscal responsibility and consistency in applying standards. The motion to approve the revised award language was passed unanimously, with no opposition.

MOTION: The Chair called for a vote for Council approval to amend the current 2023-2024 Standards-based award language to Dexter Consolidated Schools (DCS) for Dexter Elementary/Middle School (P24-004) to include an increase in the maximum allowable gross footage (GSF) from 78,457 to 82,868 (a 4,411) GSF increase). There being no opposition, the motion was approved unanimously.	APPROVED
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VII. Other Business

A. Recertification of SSTBs*

Mr. Matthew Schimmel presented the executive summary and motion regarding the recertification and decertification of Supplemental Severance Tax Bond (SSTB) funds. The Council reviewed and approved the proposed adjustments, which included the certification of \$121,268.38 for Public Education Department (PED) SB-9 distributions and the decertification of \$29.2 million to be reallocated for other PSFA projects. Council members, including Ms. Leach and Mr. Cherry, expressed support for the recommendation. The motion passed unanimously with no opposition.

MOTION: Ms. Leach moved to approve the Council approval to adopt the Resolution, Notification, Certification, and Reconciliation of unexpended bond proceeds as follows: • SSTB22SD 0001 – Certifying the net amount of \$121,268.38 to be used for other the Public Education Department's FY25 (CY2024/2025) SB-9 distributions. • SSTB24SD 0001 – Decertifying the net amount of (\$29,240,000.00) to be used for other PSCOC projects. Mr. Cherry seconded the motion. There being no opposition, the motion was approved unanimously.	APPROVED
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B. FY26 Capital Outlay Awards Cycle Timeline*

Mr. Matthew Schimmel presented the executive summary and motion regarding the timeline for the FY26 Capital Outlay Award Cycle. Ms. Leach provided an overview of the motion, affirming the rationale behind the proposed schedule. Mr. Sena raised several questions concerning the application process, project rankings, and the overall work plan. Mr. Sena specifically requested that staff gather information on the top 20 schools in the wNMCI ranking and include a line in outreach communications asking districts why they are not submitting applications for eligible schools. Mr. Sena said that it would help the Council better understand barriers to participation.

Ms. Carswell inquired about the status of the vacant funding program manager position and suggested that, in the interim, PSFA consider issuing an RFP or contracting external support to develop a targeted communication strategy. Staff acknowledged the feedback and committed to enhancing outreach efforts, particularly to districts with schools ranked in the top 100. The Council approved the revised timeline, which sets the application window from July 1 to September 30, 2025, with awards scheduled for presentation in March 2026. The motion passed unanimously with no opposition.

<p>MOTION: The Chair called for a vote to approve the Council approval to adopt the FY26 Capital Outlay awards schedule, to include:</p> <ul style="list-style-type: none"> • FY26 Capital Outlay Funding Cycle <ul style="list-style-type: none"> o July – open the capital funding application for the Standards-based, Systems-based, and Pre-kindergarten funding programs o September – close the capital funding application o March – awards o Potentially release a second funding cycle round, January – June, pending district interest and readiness <p>There being no opposition, the motion was approved unanimously.</p>	APPROVED
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C. June Bond Sale*

Mr. Matthew Schimmel presented the executive summary and motion for the June 2025 bond sale, outlining a total issuance of \$396.5 million. The proposed bond sale included funding allocations for out-of-cycle capital projects, legislative appropriations, broadband infrastructure, lease assistance, and PSFA operational needs. Ms. Leach reviewed and supported the motion, and the Council engaged in brief discussion.

Ms. Carswell inquired specifically about the inclusion of the Dexter project in the bond sale, questioning its alignment with the project’s anticipated timeline. In response, Mr. Schimmel acknowledged the concern and clarified that, moving forward, PSFA would work to better align bond sale projections with actual project readiness and narrative timelines to avoid premature certifications. The motion was approved unanimously, with no opposition.

<p>MOTION: The Chair called for a vote to approve the Council approval to adopt the June 2025 certification and resolution to sell supplemental severance tax bonds in the amount of \$396,452,729. There being no opposition, the motion was approved unanimously.</p>	APPROVED
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D. FY26 PSCOC Work Plan Timeline*

Ms. Aide Delgado, Council Support Specialist at PSFA, presented the background, key points, and motion related to the FY26 PSCC Work Plan Timeline. Ms. Delgado outlined the proposed scheduling structure and rationale behind the recommendation. The Council reviewed and approved Scenario 1 of the FY26 work plan, which adopts a six-week cycle. Under this schedule, subcommittee meetings will be held on Mondays and full Council meetings on Wednesdays. The motion was approved unanimously, with no opposition.

<p>MOTION: The Chair called for a vote to approve the Council approval to adopt the proposed FY26 PSCOC Work Plan Timeline (Scenario 1 - PSCOC and subcommittee meetings held every six weeks). There being no opposition, the motion was approved unanimously.</p>	APPROVED
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VIII. Informational

A. Bond Reconciliation Update

Mr. Matthew Schimmel presented the executive summary on the bond reconciliation update, outlining the agency’s ongoing efforts to improve financial transparency and operational efficiency. Mr. Schimmel detailed the development of a centralized Supplemental Severance Tax Bond (SSTB) database designed to align data across multiple systems, including SHARE, Trimble, and internal financial records. This initiative aimed to streamline reporting, enhance accuracy, and support timely and strategic bond sales. Ms. Carswell and Ms. Leach both expressed their appreciation for the progress made, while also reiterating the importance of continued momentum. They emphasized the need for greater clarity around the uncommitted balance and the importance of distinguishing between committed and available funds. The Council acknowledged the significance of this work in improving fiscal oversight and ensuring that capital funding is aligned with actual project readiness and timelines.

B. Project Closeout Policy

Mr. Matthew Schimmel presented the executive summary for the project closeout update, highlighting the agency's progress in closing out projects from fiscal years 2023 and 2025. Mr. Schimmel reported improved coordination between PSFA's field and finance teams, which had contributed to more efficient and timely closeout processes. To support these efforts, staff implemented updated procedures and internal policies aimed at streamlining documentation, reconciling financial data, and ensuring compliance with project requirements. These enhancements are part of a broader initiative to improve accountability and reduce delays in project lifecycle management. The Council acknowledged the improvements and emphasized the importance of maintaining momentum in closing out aging projects.

C. PSFA Staffing Report Update

Mr. Nick Lourenco, HR Manager at PSFA, presented the executive summary and key points of the staffing report. PSFA reported a current staffing level of 87.5%, with 49 out of 56 full-time equivalent (FTE) positions filled. Recent hires included facility planner, regional project managers (RPMs), and various technical specialists, reflecting the agency's ongoing efforts to strengthen operational capacity. Mr. Lawrence noted that recruitment efforts remained active for several key vacancies, including the programs manager and staff attorney positions. Mr. Lourenco also highlighted the agency's expanded outreach strategies, such as increased recruitment spending, participation in job fairs, and the use of professional platforms like LinkedIn and Indeed to attract qualified candidates. The Council acknowledged the progress and emphasized the importance of maintaining staffing momentum to support PSFA's strategic and operational goals.

D. Strategic Plan Update

Mr. Tillotson presented the executive summary and key points of the Strategic Plan Update. Staff outlined the agency's updated strategic plan, which identified several high-priority initiatives, including adequacy planning, bond reconciliation, and project closeout. These initiatives were selected to strengthen PSFA's operational effectiveness and long-term planning capabilities. To support these efforts, a formal policy framework was implemented to promote continuity and preserve institutional knowledge, particularly in light of recent staffing transitions. The framework is designed to ensure that critical processes are documented, repeatable, and resilient to personnel changes. Mr. Tillotson emphasized that the strategic plan was being measured with performance metrics. The Council acknowledged the progress and expressed support for the agency's structured and forward-looking approach.

E. Project Status Report

Mr. Tillotson presented the executive summary for the Project Status Report (PSR), highlighting recent enhancements made to improve project tracking and reporting. The updated PSR featured a color-coded timeline system and detailed phase tracking, allowing for clearer visualization of project progress across planning, design, and construction stages. Mr. Jason Guana, CIMS Manager at PSFA, emphasized that the PSR was now maintained as a live document, updated regularly by regional project managers to reflect real-time status. Council members praised the improvements, noting the increased clarity and usability of the report. They requested that the PSR continue to be presented on a quarterly basis to ensure ongoing transparency and oversight of project timelines and performance.

F. Exemplary Maintenance Report

Mr. Jeffrey McCurdy, Maintenance & Operations Manager at PSFA, presented the executive summary and key points of the Exemplary Maintenance Report. Mr. McCurdy reported that three school districts had achieved exemplary maintenance status, each earning a district-wide average score above 90% based on facility maintenance assessments. These districts demonstrated strong preventive maintenance practices, contributing to the extended life and performance of their educational facilities. Council members discussed the critical role

of ongoing maintenance in preserving capital investments and ensuring safe, functional learning environments. The Council emphasized the value of recognizing high-performing districts and suggested that PSFA conduct targeted outreach to underperforming districts to provide support and encourage improvement. The Council expressed appreciation for the report and reaffirmed the importance of maintenance as a core component of long-term facility planning.

G. Semi-Annual Contracts Update

Mr. Hieu Cruz, Chief Procurement Officer at PSFA, presented the executive summary and key points of the Contract Status Report. Staff provided an overview of active contracts currently managed by PSFA, which included agreements for legal services, information technology support, and planning consultants. Ms. Cruz noted that due to ongoing staffing vacancies—particularly in legal and program management roles—the agency anticipated an increased reliance on legal service contracts in the near term to maintain continuity of operations and ensure compliance with regulatory requirements. The Council acknowledged the update and emphasized the importance of maintaining adequate contractual support during periods of internal transition.


H. Adequacy Planning Guide Update

Mr. Larry Tillotson presented the executive summary for the Adequacy Planning Guide Update, outlining the agency's phased approach to revising the guide. Mr. Tillotson explained that an internal committee had been established to oversee the process, with the goal of modernizing the guide to reflect current educational facility needs and standards. The update includes revisions to terminology, structure, and policy alignment, and is being managed through PSFA's strategic planning framework to ensure consistency and accountability. Ms. Carswell expressed concern about the pace of progress and emphasized the importance of completing the update in a timely manner, particularly given its impact on project planning and award decisions. Ms. Carswell also requested a comparative summary of the changes between the current and revised versions to help Council members better understand the implications. Ms. Leach echoed the need for clarity and noted that she had previously requested such a summary. Both members stressed the urgency of finalizing the guide to support consistent application of adequacy standards across all projects.

IX. Next PSCOC Meeting – July 16, 2025

X. Adjourn

There being no opposition the meeting was adjourned at 12:06 AM.



7/16/25

Chair

Date

**Please Note: Italic motions indicate amendments.*