State of New Mexico

Public School Capital Outlay Council

Present PSCOC Members
Joe Guillen, *NMSBA – Chair*
Charles Sallee, *LFC*
Amanda Lupardus, *PED*
Stewart Ingham, *PEC*
Randall Cherry, *LCS*
Ashley Leach, DFA

Absent PSCOC Members
Martin Romero, *CID*
Elizabeth Groginsky, *OG*
John Sena, LESC

Public School Facilities Authority
Marcos Trujillo | Executive Director
Larry Tillotson | Deputy Director of Operations & Outreach

MEETING MINUTES

PSCOC Full Council Meeting
State Capitol Building, Room 309 – July 15, 2026

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 or recording.

I. Call to Order – Joe Guillen, Chair

The Public School Capital Outlay Council (PSCOC) meeting on July 15, 2026, 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 presented with no amendments. A motion was made by Mr. Cherry and seconded by Ms. Lupardus to approve the agenda as presented. The motion passed without opposition, and the agenda was approved.

C. Correspondence

No Correspondence.

II. Public Comment

Public comment was received from representatives of School of Dreams Academy, Gallup-McKinley County Schools, and Silver Consolidated Schools. School of Dreams Academy expressed concern regarding the status of its standards-based application, the absence of the item from the agenda, and pending legal or agency guidance related to the project. Gallup-McKinley County Schools expressed appreciation for participation in the statewide utility monitoring pilot initiative and encouraged continued evaluation of broader real-time utility monitoring implementation. Silver Consolidated Schools expressed appreciation for PSFA leadership, staff responsiveness, and support on district projects, including Harrison Schmitt Elementary and future projects. No further discussion occurred during public comment.

III. Finance

A. PSCOC Financial Plan

The Chief Financial Officer at PSFA, Mr. Matthew Schimmel, presented the PSCOC Financial Plan, including the executive summary, sources and uses updates, technical corrections, and out of cycle funding impacts. He reported a net increase of approximately $30.8 million and reviewed the out-of-cycle award requests before the Council, including Thoreau High School, San Jon Combined School, Harrison Schmitt Elementary School, and Chaparral Elementary School. He also noted that Springer Combined School would be added or adjusted in the financial plan based on Council action.

Mr. Schimmel reviewed updates related to lease assistance, Facility Master Plan awards, broadband-related changes, the PSFA operating budget, emergency reserve contingencies, the Measurement and Verification Program extension, and out-year project adjustments. He explained that staff had updated projections to better reflect current certifications, fiscal year changes, and the transfer of broadband-related responsibilities outside of PSFA. Council members discussed broadband services and requested that the broadband office provide a future update on statewide progress, particularly related to schools. Staff agreed to coordinate with Director Lopez and schedule an update, with September identified as an appropriate timeframe. No formal action was required.

IV. Consent Agenda*

Mr. Trujillo provided an overview of each item. All the Consent Agenda items were approved in a single motion.

A. June 11, 2026, PSCOC Meeting Minutes*

Council approval of the June 11, 2026, PSCOC Meeting Minutes.

B. S26-014 Chaparral ES (Deming) - Technical Correction*

Council approval of a technical correction to the previously approved award language to Deming Public Schools ("District") for Chaparral Elementary School to include amending the award language by removing references to a two-phase award and the design phase from the award language and adding a single-phase Construction funding award and construction phase funding totaling $315,245 with a state match of $230,129 (73%) and a local match of $85,116 (27%) to the award language.

C. S25-006 Harrison Schmitt ES (Silver) - Additional Construction Funding Request*

Council approval to amend the current 2024-2025 Systems-based award to Silver Consolidated School District (SCSD) ("District) for Harrison H. Schmitt Elementary School to include additional construction funding for the replacement of the Roof, HVAC, HVAC controls, Site Lighting and Exterior Doors, totaling $3,411,675 with a state match of $1,262,319 (37%) and a local match of $2,149,356 (63%).

D. P23-002 Thoreau HS (Gallup McKinley) - Construction Funding Request*

Council approval to amend the current 2022-2023 Standards based award language to Gallup-McKinley County Schools (GMCS) ("District) for Thoreau High School (P23-002) to include construction phase funding for the replacement facility for 389 students' grades 9th through 12th in 80,989 gross square foot (GSF), totaling $80,848,702 with a state match of $66,295,936 (82%) and a local match of $14,552,766 (18%).

E. Measurement & Verification Program Phase One Extension*

Council approval to contract with a measurement and verification (M&V) vendor to continue M&V technology and software services for the Phase I school districts, for a term of three years, and a total cost of $442,800.

F. Emergency Funding Request Authorization*	
Council approval to increase the emergency funding authorization threshold for the PSFA Director and PSCOC Chair from $150,000 to $270,000 to reflect inflation-adjusted construction costs and to establish an annual inflation adjustment beginning July 2027 based on the annual average U.S. Bureau of Labor Statistics Producer Price Index (PPI) for New School Building Construction.	
MOTION: The Chair called for a vote on the Consent Agenda, Ms. Lupardus moved to approve the items, and Mr. Cherry seconded the motion. With no opposition, the motion passed.	**APPROVED**

V. Out-of-Cycle Awards

A. P24-007 Combined School (San Jon) - Construction Funding Request*

Staff presented the construction funding request for the San Jon Combined School project for 124 students in grades K-12 and approximately 55,000 gross square feet. Staff explained that the district requested a full local match reduction waiver of approximately $16.1 million. Staff reported that after discussions with the district and its bond advisor, PSFA confirmed that the district had set aside $250,000 from its 2024 bond sale for existing and future facility maintenance, had maximized available bond use, and did not have bonding capacity through 2028. Staff also explained that the district had used bond proceeds for design phase costs and an owner's representative.

Council discussion focused on the district's maintenance capacity, FMAR score, staffing resources, and ability to maintain a new facility after construction. Members expressed concern that a three-year maintenance agreement should not result in the district delaying the development of internal maintenance capacity. District representatives stated that the district had made maintenance improvements, was working with limited resources, and expected a new downsized facility to reduce overall maintenance burdens. Staff added that the district's FMAR score was outdated and that PSFA maintenance staff believed the district could meet the recommended 70 percent threshold if reassessed.

Council members also discussed the prior design phase waiver amount, the district's maintenance budget, and the potential benefit of working with a regional education cooperative to share technical maintenance resources across small districts in northeastern New Mexico. After discussion, the Council approved the subcommittee recommendation for the San Jon Combined School construction funding request and local match reduction waiver. The motion passed without opposition. Staff and Council members emphasized the importance of continued maintenance planning as the project moved forward.

MOTION: The Chair called for a vote for Council approval to amend the current 2023-2024 Standards based award language to San Jon Municipal Schools (SMS) ("District) for the Combined School (P24-007) to include: • Construction phase funding for the combined replacement facility for 124 students' grades Kindergarten through 12th in 55,000 gross square foot (GSF), totaling $51,901,556 with a state match of $35,812,074 (69%) and a local match of $16,089,483 (32%). • A local match reduction (waiver) $16,089,483 for a revised state match of $51,901,557 (100%) and a revised local match of $0 (0%), for the construction of the combined replacement facility. There being no opposition, the motion passed.	**APPROVED**

B. P24-005 Springer Combined School (Springer) - Construction Funding Request*

Staff presented the Springer Combined School construction funding request and explained that the item had previously been presented to the Awards Subcommittee but was removed from the prior full Council agenda after a technical correction came to light. Staff clarified that there had been a miscommunication regarding the district's available local contribution. The district and its bond advisor confirmed that the district had $1 million available to contribute toward the local match, rather than the $2 million previously discussed. Staff stated that the district requested a partial local match reduction, with the district contributing $1 million once those funds became available in September.

Staff explained that the selected contractor, HP Construction, had agreed to hold its bid beyond the original required date. Staff reviewed the projected state and local match amounts, the requested partial local match reduction, and the revised state and local participation percentages. Staff also described bid lots that PSFA did not recommend funding, including certain landscaping, irrigation, access control, CCTV, audio-visual equipment, site furnishings, shade structures, goal posts, and rubberized surfacing. Staff recommended participation in bid lots related to a three-year maintenance agreement, a synthetic turf play field, track striping, and site work related to the previously approved teacher housing project.

Council discussion focused on maintenance capacity, the purpose of the three-year maintenance agreement, and site work coordination with the teacher housing project. Members expressed similar concerns as with San Jon, emphasizing that districts must use maintenance agreements as training opportunities rather than as a substitute for internal maintenance planning. The district's owner's representative stated that Springer was reducing from two campuses to one and reducing overall square footage by approximately half, and that the district had made efforts during design to select simple, maintainable systems. Following discussion, the Council approved the recommendation for the Springer Combined School project. The motion passed without opposition.

MOTION: The Chair called for a vote for Council approval to amend the current 2023-2024 Standards-based award language to Springer Municipal Schools (SMS) for the Combined School (P24-005) to include: • Construction phase funding for the combined replacement facility for 109 student's grades Kindergarten through 12th in 57,308 gross square foot (GSF), totaling $50,891,839 with a state match of $34,606,451 (68%) and a local match of $16,285,388 (32%). • A partial local match reduction (waiver) $15,285,388 for a revised state match of $49,891,839 (98.04%) and a revised local match of $1,000,000 (1.96%), for the construction of the combined replacement facility. There being no opposition, the motion passed.	**APPROVED**

VI. Other Business

A. Recertification of SSTBs*

Mr. Schimmel presented the recertification of Supplemental Severance Tax Bonds and explained that the item would be updated based on Council actions taken during the meeting, including the Springer approval. He noted that language had been added to allow staff to coordinate necessary recertification adjustments through the Executive Director and Council Chair when Council action resulted in changes. Staff reviewed four bonds being certified or decertified, including 24SD, 25SD, 26SB, and 25SB. The Council reviewed the proposed resolution, notification, certification, and reconciliation of unexpended bond proceeds. No substantive questions were raised. A motion was made to approve the recertification item. The motion passed without opposition.

MOTION: The Chair called for a vote for Council approval to adopt the Resolution, Notification, Certification, and Reconciliation of unexpended bond proceeds. Amounts and projects will be updated based on Council's approval and determination of awards presented at today's meeting. • SSTB24SD 0001 – Certifying the net amount of $11,671,298 to be used for other the PSCOC projects. • SSTB25SD 0001 – Decertifying the net amount of ($12,395,128.40) to be used for other the PSCOC projects. • SSTB26SB 0001 – Decertifying the net amount of ($5,072,668) to be used for other the PSCOC projects. • SSTB25SB 0001 – Decertifying the net amount of ($200,000) to be used for other the PSCOC projects. There being no opposition, the motion passed.	**APPROVED**

B. Memorandum of Understanding Update*

Mark Montoya, Executive Policy & Strategy Officer at PSFA, presented the proposed Memorandum of Understanding update and recommended Council approval of a three-step project timeline notification and award rescission process for planning and design awards for both systems-based and standards-based awards. He explained that the proposed process was intended to address stagnant or delayed projects, improve accountability, reduce cost escalation, and ensure awarded funds were actively advancing projects. Staff described the internal working group that had reviewed project delivery processes and governing documents, including MOUs, within the new planning, design, and construction phase structure.

Mr. Montoya explained the two proposed timelines. The first timeline would begin after execution of a planning or design MOU and require the district to submit an RFP for PSFA review or initiate a contract or commitment within 45 days. If the district failed to meet the deadline, PSFA would issue written notice, provide additional time, and potentially bring the matter before the Council for extension, direction, or rescission. The second timeline would begin after execution of a contract or commitment and would require invoicing to begin within 90 days, with similar notice, appearance, extension, and rescission provisions. Staff explained that districts could request extensions at any time if they provided documented reasons outside their control, such as staffing changes, natural disasters, supply chain issues, or third-party delays.

Council members discussed the need to balance accountability with district capacity and expressed support for the proposal. Mr. Ingham raised concerns regarding districts' leverage over design professionals and emphasized the need to ensure design teams and contractors were also held accountable to project schedules. Staff explained that PSFA jointly executed contracts with districts and used PSFA contract documents rather than standard documents, allowing stronger owner protections and oversight. Chair Leach commended staff for incorporating AMS Subcommittee feedback, particularly regarding extension requests and clearer timelines. The Council approved the AMS Subcommittee recommendation to adopt the project timeline notification and award rescission process and incorporate the requirements into MOUs for FY26 and future planning and design awards. The motion passed without opposition.

MOTION: The Chair called for a vote for Council approval to adopt the proposed three-step Project Timeline Notification and Award Rescission Process for Planning and Design Awards for both Systems and Standards awards and to incorporate the requirements into the Memorandum of Understanding (MOU) for all FY26 and future Planning and Design Awards to promote timely project initiation, improve accountability, and ensure awarded funds are actively advancing projects. There being no opposition, the motion passed.	**APPROVED**

VII. Informational

A. Annual Lease Assistance Report

Mr. Schimmel presented the Annual Lease Assistance Report and reported that 107 lease assistance awards had been issued during the prior fiscal year, representing approximately $23 million to $24 million. He stated that reimbursements were continuing and had increased to approximately $22.2 million, leaving approximately $1.7 million remaining to be distributed. Staff continued working with charter schools to collect documentation and process reimbursements before the DFA deadline. Council members discussed outstanding documentation and acknowledged the challenges faced by charter schools with limited administrative capacity. Staff recognized Staff for assisting with the agenda item title update and thanked financial specialist for continued follow-up with districts and charter schools. No formal action was taken.

B. Project Status Report

Mr. Tillotson presented the Project Status Report and provided an update on capital outlay projects managed by PSFA's field division. He reported that PSFA was managing 136 active projects totaling approximately $1.5 billion in capital infrastructure. He reviewed Standards-based and Systems-based projects, including projects in design, construction, closeout, completion, new project status, and on-hold categories. Council discussion focused on the need for clearer descriptions and more meaningful explanations for projects categorized as delayed, on hold, or not progressing. Mr. Ingham commented that some project status categories were vague and difficult to reconcile with the project list. Mr. Tillotson agreed that future reports would include additional detail and noted that a new version of the report was being developed to provide Council with better information for decision-making. No formal action was taken.

C. PSFA HR Staffing Report

Veronica Batres, Human Resources Manager at PSFA, presented the PSFA HR Staffing Report and introduced herself as PSFA's new HR Director. She reported that under Executive Director Trujillo's leadership, PSFA had welcomed nine new team members with diverse skills and experience. She discussed vacancy rates, recruitment and onboarding efforts, organizational structure review, policy updates, salary competitiveness, and staffing needs associated with the agency's increased capital outlay workload. Ms. Batres explained that PSFA was actively recruiting qualified candidates, including applicants from outside New Mexico, and was working to position the agency as a strong workplace. She also reported that PSFA was exploring a fellowship or internship program for students interested in project management, analytics, and education-related career paths. Council members thanked her for the report and welcomed her to the agency. No formal action was taken.

D. Teacher Housing Update Timeline

Mr. Montoya presented the Teacher Housing Update and Timeline and explained that teacher housing had historically supported educator recruitment and retention, particularly in rural and tribal communities where housing availability was limited. He reported that PSFA's teacher housing pilot program included 16 units and approximately $5.1 million in total investment, including state and local funding. He also explained that the program had been placed on hold in July 2025 due to escalating costs and questions regarding program effectiveness and long-term sustainability. Mr. Montoya described PSFA's proposed study approach, including an assessment of funds invested, units constructed, recruitment and retention outcomes, ongoing housing needs, maintenance and operational challenges, and potential future roles for PSCOC and PSFA. He stated that staff had already begun collecting data and would later engage communities to evaluate outcomes and remaining needs. The Council supported the work plan and requested updates as the study progressed. Staff anticipated providing additional findings and possible recommendations by December. No formal action was taken.

E. Semi-Annual Contracts Update

Mr. Schimmel presented the Semi-Annual Contracts Update and reviewed PSFA's current contract status for operating budget contracts and key technology systems, including FIMS and the Construction Information Management System. He summarized contracts related to legal services, external audit services, financial consulting, IT consulting, internal controls review, annual report production, printing, and staff training. Mr. Schimmel also informed the Council that PSFA's Chief Procurement Officer, Hieu Cruz, would be leaving the agency at the end of the month. He expressed appreciation for her work and noted that her departure would be a significant loss for the agency. No formal action was taken.

F. Bond Reconciliation Update

Mr. Schimmel presented the Bond Reconciliation Update and reported that PSFA had issued an RFP for bond reconciliation services on May 17, received two proposals, and awarded the contract to Hinkle and Landers on June 16. He stated that the purpose of the work was to identify PSFA's true uncommitted balance across outstanding bonds and to reconcile bond proceeds, expenditures, drawdowns, encumbrances, Council actions, MOUs, Board of Finance records, SHARE, Trimble, and other internal tracking systems. Staff explained that the vendor had already participated in introductory and overview meetings and that PSFA was uploading information into a workflow platform. Mr. Schimmel described the timeline as aggressive, with the goal of substantially completing the reconciliation within approximately one month, while acknowledging that older bonds may require additional time. Council members expressed support for the work and noted that the reconciliation could create future opportunities to improve the recertification process, increase transparency, and reduce administrative burden. No formal action was taken.

G. Zuni Lawsuit Update

Executive Director Trujillo provided the Zuni lawsuit update on behalf of the Staff Attorney who was unable to attend. He reported that a hearing on Gallup-McKinley's motion to reinstate had been scheduled for June 22, but the district did not appear. He explained that the judge noted potential confusion regarding rescheduling and granted Gallup-McKinley an additional 10 days to respond with evidence or documentation explaining the missed hearing. Mr. Trujillo reported that the Department of Justice advised PSFA that Gallup-McKinley complied within the required timeframe and that the judge granted a new hearing, tentatively scheduled for September 29 at 11:00 a.m. Staff stated that the Council would be updated after the hearing. No formal action was taken.

H. PSCOOTF Update

Executive Director Trujillo presented the Public School Capital Outlay Oversight Task Force update. He reported that the task force held its first meeting on June 1 and that Representative Andrés Romero was serving as chair. The task force requested updates regarding PSFA staffing, an FY26 overview, and an FY27 outlook. Mr. Trujillo summarized the task force's approved work plan, including monitoring statewide adequacy progress, monitoring program effectiveness, reviewing long-term revenue streams, and overseeing the work of PSCOC and PSFA. Council members requested the task force schedule for the remainder of the interim so members could attend where appropriate. Staff agreed to provide the schedule and continue coordinating with task force staff regarding agenda items, including possible discussion of local match issues. No formal action was taken.

VIII. Next PSCOC Meeting – August 26, 2026

The next PSCOC meeting was scheduled for August 26, 2026. Council members noted that staff would continue providing updates and follow-up information between meetings as needed.

IX. Adjourn

There being no further business, the meeting was adjourned at 10:41 a.m.

______________________ Chair

8/26/26 ______________________ Date

Please Note: *Italic motions indicate amendments.