

MINUTES
of the
EIGHTY-NINTH MEETING
of the
PUBLIC SCHOOL CAPITAL OUTLAY OVERSIGHT TASK FORCE

August 25, 2023
State Capitol, Room 322
Santa Fe

The eighty-ninth meeting of the Public School Capital Outlay Oversight Task Force was called to order by Senator William P. Soules, chair, on Friday, August 25, 2023, at 10:05 a.m. in Room 322 of the State Capitol in Santa Fe.

Present

Sen. William P. Soules, Chair
Sondra Adams
Rep. Eliseo Lee Alcon
Johnny Benavidez
Rep. Jack Chatfield
Sen. Stuart Ingle
Rep. Tara Jaramillo, Designee for Rep.
 Javier Martínez
Ashley Leach, Designee for Secretary of
 Finance and Administration Wayne
 Propst
Julie Lucero
Cindy Montoya
Sen. George K. Muñoz
Antonio Ortiz, Designee for Secretary of
 Public Education Arsenio Romero
Sen. Shannon D. Pinto
Sen. Joshua A. Sanchez
Karen Sanchez-Griego
Sen. Benny Shendo, Jr.
Rep. Nathan P. Small
Sen. Mimi Stewart

Advisory Members

Absent

Rep. G. Andrés Romero, Vice Chair
Scott Elder
LeAnne Gandy
Rep. Tanya Mirabal Moya
Brandy Murphy
Amber L. Romero
Stan Rounds

Rep. Brian G. Baca
Rep. Ambrose Castellano
Rep. Yanira Gurrola
Sen. Leo Jaramillo
Sen. Michael Padilla
Sen. Cliff R. Pirtle

Staff

Clinton Turner, Research and Fiscal Policy Analyst, Legislative Council Service (LCS)
Lenaya Montoya, Staff Attorney, LCS
Sheila Keleher, Researcher, LCS
Joanne Vandestreek, Senior Legislative Librarian, LCS
Ian Stroud, Intern, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file and posted on the legislature's website.

References to Webcast

The time reference noted next to each agenda item in this document is cross-referenced to the webcast of the task force meeting, which can be found at www.nmlegis.gov, under the "Webcast" tab. The presentations made and task force discussions for agenda items can be found on the recorded webcast for this meeting.

Friday, August 25**Welcome and Introductions (10:05 a.m.)**

Senator Soules welcomed task force members and guests to the meeting, and members and staff introduced themselves.

Public School Capital Outlay Council (PSCOC) Update (10:09 a.m.)

Gwen Perea Warniment, chair, Awards Subcommittee, PSCOC, and Ms. Leach, chair, Administration, Maintenance and Standards Subcommittee, PSCOC, presented an update on the new capital outlay awards for fiscal year 2024, which include standards-based and systems-based awards, along with teacher housing awards. Ms. Warniment also reviewed a new award to the Office of Broadband Access and Expansion for network management and cybersecurity services, as well as infrastructure work for the Statewide Education Network. The presentation can be found here:

<http://www.nmlegis.gov/handouts/PSCO%20082523%20Item%201%20PSCOC%20update.pdf>.

Public School Facilities Authority (PSFA) Update(10:34 a.m.)

Martica Casias, executive director, PSFA, and Ryan Parks, deputy director, PSFA, responded to questions from last month's meeting regarding the outstanding PSFA advances to schools, as well as the international building codes on single-user, or gender-neutral, restrooms. The presentation can be found here:

<http://www.nmlegis.gov/handouts/PSCO%20082523%20Item%202%20PSFA%20Update.pdf>.

Approval of Minutes (10:43 a.m.)

On a motion made and seconded, and without objection, the task force approved the minutes of the July 21, 2023 meeting.

Bonding Capacity Update (10:44 a.m.)

Ms. Leach, director, State Board of Finance, presented an overview of the severance tax bonding program, with a focus on statutory parameters, historical funding and projected bonding capacity. The presentation can be found here:

<http://www.nmlegis.gov/handouts/PSCO%20082523%20Item%205%20DFA%20BOF%20Bonding%20Capacity%20Update%201.pdf>.

History and Current Developments of the Zuni Lawsuit (11:18 a.m.)

Nicholas Sydow, deputy solicitor general, Office of the Attorney General, presented a brief procedural history of the 25-year-old *Zuni* lawsuit, which challenged the constitutionality of the state's capital outlay funding system for public school districts. Ms. Casias reviewed the current capital outlay projects in the Zuni Public School District and the Gallup-McKinley County School District, the two plaintiffs in the lawsuit. The presentation materials can be found here:

<http://www.nmlegis.gov/Committee/Handouts?CommitteeCode=PSCO&Date=8/25/2023&ItemNumber=4>.

Construction Cost Escalation Continues (1:05 p.m.)

Ken Simonson, chief economist, Associated General Contractors of America, and Mr. Stroud presented an overview of the national trends in the construction industry in comparison with New Mexico's construction industry. Employment, wages, material costs and availability, project type demands and construction spending changes were among the trends discussed. The presentation materials can be found here:

<http://www.nmlegis.gov/Committee/Handouts?CommitteeCode=PSCO&Date=8/25/2023&ItemNumber=3>.

Public Comment (1:57 p.m.)

A list of individuals making public comment is available in the meeting file.

Adjournment

There being no further business before the task force, the meeting adjourned at 2:04 p.m.