

**MINUTES
of the
EIGHTY-FOURTH MEETING
of the**

PUBLIC SCHOOL CAPITAL OUTLAY OVERSIGHT TASK FORCE

**September 20, 2022
State Capitol, House Chamber
Santa Fe**

The eighty-fourth meeting of the Public School Capital Outlay Oversight Task Force was called to order by Representative G. Andrés Romero, chair, on Tuesday, September 20, 2022, at 8:44 a.m. in the House Chamber of the State Capitol in Santa Fe.

Present

Rep. G. Andrés Romero, Chair
Rep. Eliseo Lee Alcon
Scott Elder
Carl Foster
Ashley Leach, Designee for Secretary of
Finance and Administration Debbie
Romero
Julie Lucero
Rep. Patricia A. Lundstrom
Cindy Montoya
Sen. George K. Munoz
Antonio Ortiz, Designee for Secretary of
Public Education Kurt Steinhaus
Rep. Randall T. Pettigrew
Sen. Shannon D. Pinto
Amber L. Romero
Stan Rounds
Karen Sanchez-Griego
Sen. Benny Shendo, Jr.
Sen. Mimi Stewart

Absent

Sen. William P. Soules, Vice Chair
Sondra Adams
Johnny Benavidez
Rep. Jack Chatfield
Rep. Brian Egolf
Sen. Stuart Ingle
Brandy Murphy
Sen. Joshua A. Sanchez

Advisory Members

Sen. Leo Jaramillo
Sen. Michael Padilla
Sen. Cliff R. Pirtle

Staff

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

Tuesday, September 20

Welcome (8:44 a.m.)

Representative Romero welcomed task force members and guests.

Public School Capital Outlay Council (PSCOC) Overview (8:46 a.m.)

Joe Guillen, chair, PSCOC; David Abbey, chair, Awards Subcommittee, PSCOC; and David Robbins, chair, Administration, Maintenance and Standards Subcommittee, PSCOC, reviewed the council's financial plan, the 2022-2023 standards-based capital funding awards cycle, Senate Bill 212 (2022) appropriations and project status reports. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=PSCO&Date=9/20/2022&ItemNumber=1>.

Public School Facilities Authority (PSFA) Update and Responses (10:04 a.m.)

Martica Casias, executive director, PSFA; Ryan Parks, deputy director, PSFA; and Brad Mathews, chief financial officer, PSFA, addressed the authority's total budget based on total bonds sold, using a three-year versus five-year comparison. The panel also reviewed the 2022-2023 weighted New Mexico Condition Index and compared the index's rankings of rural and urban public schools. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=PSCO&Date=9/20/2022&ItemNumber=2>.

Approval of Minutes (10:34 a.m.)

Upon a motion duly made by Senator Stewart and seconded by Mr. Rounds, and without any objections, the task force approved the minutes of the July 15, 2022 meeting.

2023 Legislative Scenarios (10:34 a.m.)

David Abbey, director, Legislative Finance Committee; Gwen Perea Warniment, director, Legislative Education Study Committee (LESC); Sunny Liu, senior fiscal analyst, Legislative Finance Committee; and Tim Bedeaux, senior policy analyst, LESC, addressed the local match waivers, the phase two local-state match formula and legislative offset scenarios. The presentation can be found here:

<https://www.nmlegis.gov/handouts/PSCO%20092022%20Item%203%202023%20LFC%20LESC%20Proposals%20.pdf>.

Student Population Trends and Forecasts (11:33 a.m.)

John M. Valdez, facilities master planner, PSFA, presented an overview of New Mexico public school enrollment trends and projections, along with related demographic data. Robert Rhatigan, director, University of New Mexico (UNM) Geospatial and Population Studies (GPS); and Jacqueline A. Miller, senior research scientist, UNM GPS, reviewed the factors behind New Mexico's flat population growth and the impact on public school enrollment. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=PSCO&Date=9/20/2022&ItemNumber=4>.

House Bill 43 (2022), Charter School Facility Improvements, Implementation (12:21 p.m.)

Matthew Pahl, executive director, Public Charter Schools of New Mexico, and Marquita Russel, chief executive officer, New Mexico Finance Authority, presented an overview of New Mexico charter schools and the impacts of House Bill 43 (2022), including the establishment of the Public Project Revolving Fund for public charter school lending. The presentation can be found here:

<https://www.nmlegis.gov/handouts/PSCO%20092022%20Item%205%20HB%2043%20Charter%20Schools%20of%20NM.pdf>.

Supplemental Severance Tax Bonding Capacity Update (1:45 p.m.)

Ashley Leach, director, State Board of Finance, reviewed the severance tax bond funding of public school capital, along with the historical supplemental bond and note issues, expenditures and projected bond capacity. The presentation can be found here:

<https://www.nmlegis.gov/handouts/PSCO%20092022%20Item%206%20DFA%20SSTB%20Capacity%20Update%20.pdf>.

Direct Legislative Appropriations (Offsets) (2:06 p.m.)

Scott Elder, superintendent, Albuquerque Public School District; V. Sue Cleveland, superintendent, Rio Rancho Public School District; and James Olivas, director of data and operations, Bloomfield School District, addressed the challenges that the offsets and the state-

local match requirements pose for funding capital projects in their local school districts. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=PSCO&Date=9/20/2022&ItemNumber=7>.

Waivers and Waiver Criteria (2:59 p.m.)

Kodi Sumpter, superintendent, Des Moines Municipal School District; Cody Diehl, superintendent, Farmington Municipal School District; Ted Lasiewicz, chief of operations, Farmington Municipal School District; Cody Patterson, superintendent, Carrizozo Municipal School District; Regina Gaysina, director, Municipal Finance, RBC Capital Markets; and David Lackey, superintendent, Quemado Independent School District, discussed the challenges of the waiver criteria and the limitations of the adequacy standards for funding capital projects in their local school districts. The presentation can be found here:

<https://www.nmlegis.gov/handouts/PSCO%20092022%20Item%208%20Des%20Moines%20Municipal%20School%20District.pdf>.

Public Comment (3:39 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 3:46 p.m.

F

T