

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

July 21, 2023
State Capitol, Room 322
Santa Fe

The eighty-eighth meeting of the Public School Capital Outlay Oversight Task Force was called to order by Senator William P. Soules, chair, on Friday, July 21, 2023, at 10:03 a.m. in Room 322 of the State Capitol in Santa Fe.

Present

Sen. William P. Soules, Chair
Rep. G. Andrés Romero, Vice Chair
Rep. Eliseo Lee Alcon
Scott Elder
LeAnne Gandy
Sen. Stuart Ingle
Ashley Leach, Designee for Secretary of
Finance and Administration Wayne
Propst
Rep. Tanya Mirabal Moya
Sen. George K. Muñoz
Antonio Ortiz, Designee for Secretary of
Public Education Arsenio Romero
Sen. Shannon D. Pinto
Amber L. Romero
Stan Rounds
Sen. Joshua A. Sanchez
Karen Sanchez-Griego
Rep. Nathan P. Small
Sen. Mimi Stewart

Advisory Members

Rep. Brian G. Baca
Rep. Yanira Gurrola
Sen. Michael Padilla

Absent

Sondra Adams
Johnny Benavidez
Rep. Jack Chatfield
Julie Lucero
Rep. Javier Martínez
Cindy Montoya
Brandy Murphy
Sen. Benny Shendo, Jr.

Rep. Ambrose Castellano
Sen. Leo Jaramillo
Sen. Cliff R. Pirtle

Staff

Clinton Turner, Research and Fiscal Policy Analyst, LCS
Lenaya Montoya, Staff Attorney, LCS
Sheila Keleher, Researcher, LCS
Yessica Marquina, 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, July 21

Welcome and Introductions (10:03 a.m.)

Senator Soules welcomed task force members and guests. Task force members and staff introduced themselves.

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

Gwen Perea Warniment, chair, Awards Subcommittee, PSCOC, and Ashley Leach, chair, Administration, Maintenance and Standards Subcommittee, PSCOC, presented an update on the 2023 PSCOC awards cycle, including pre-applications, potential awards and approved construction funding requests. Ms. Warniment and Ms. Leach also addressed teacher housing guidelines. The presentation can be found here:

<https://www.nmlegis.gov/handouts/PSCO%20072123%20Item%201%20PSCOC%20Update.pdf>.

Public School Facilities Authority (PSFA) Update (11:09 a.m.)

Martica Casias, executive director, PSFA, and Iris Romero, chief financial officer, PSFA, presented an update on the PSCOC financial plan and a summary of the project award schedule. The presentation can be found here:

<https://www.nmlegis.gov/handouts/PSCO%20072123%20Item%201%20PSCOC%20Financial%20Plan.pdf>.

Senate Bill 131 (2023) and House Bill 505 (2023) Implementation and Impact (11:17 a.m.)

Ms. Casias and Ryan Parks, deputy director, PSFA, discussed the implementation and impact of Senate Bill 131 (2023), which reduced local matches and eliminated offsets, and House Bill 505 (2023), which funded career technical education facilities, pre-kindergarten facilities, school building repairs and security infrastructure. Mr. Parks also reviewed the awards application process for public school districts. The presentation can be found here:

<https://www.nmlegis.gov/handouts/PSCO%20072123%20Item%203%20SB131-HB505%20Implementation%20and%20Impact.pdf>.

Approval of Minutes (11:39 a.m.)

Upon a motion duly made by Representative Romero and seconded by Representative Mirabal Moya, and without any objections, the task force approved the minutes of the May 26, 2023 meeting.

Construction Cost Escalation and Construction Employment Trends (11:40 a.m.)

Tim Bedeaux, senior policy analyst, Legislative Education Study Committee, and Cally Carswell, capital outlay analyst, Legislative Finance Committee, discussed the implications of rising construction costs on public school construction projects. The presenters addressed the supply and demand effects of rising construction costs on both the state and national level, noting that there is a workforce shortage, particularly in the rural part of the state, and that New Mexico's construction wages were among the lowest in the nation in 2022. The presentation can be found here:

<https://www.nmlegis.gov/handouts/PSCO%20072123%20Item%205%20construction%20cost%20LESC-LFC.pdf>.

Pre-K Facility and Early Childhood Education and Care Department (ECECD) Program Space Needs (1:40 p.m.)

Ms. Casias and Elizabeth Groginsky, secretary, ECECD, presented an overview of the history of PSCOC pre-kindergarten awards, with a focus on the 2022-2023 pre-kindergarten facilities capital funding awards. The presentation can be found here:

<https://www.nmlegis.gov/handouts/PSCO%20072123%20Item%204%20PSCOC%20Funding%20History%20and%202021-2023%20Awards%20for%20PreK.pdf>.

Industry Perspective on Construction Cost Spike (2:13 p.m.)

Mr. Parks; Martin Romero, chief, General Building Bureau, Construction Industries Division, Regulation and Licensing Department; Shad James, president and chief executive officer, Jaynes Corporation; Dennis Towne, president, Bradbury Stamm Construction; and Phil Campagna, president, Yearout Mechanical, discussed the current challenges facing the construction industry, including workforce shortages, labor and per diem costs, material shortages and delayed project starts. The presentation materials can be found here:

<https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=PSCO&Date=7/21/2023&ItemNumber=6>.

Public Comment (3:30 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 3:34 p.m.