MINUTES for the

NINETY-SIXTH MEETING

of the

PUBLIC SCHOOL CAPITAL OUTLAY OVERSIGHT TASK FORCE

December 17, 2024 State Capitol, Room 322 Santa Fe

The ninety-sixth meeting of the Public School Capital Outlay Oversight Task Force was called to order by Senator William P. Soules, chair, on Tuesday, December 17, 2024, at 12:42 p.m. in Room 322 of the State Capitol in Santa Fe.

Present

Sen. William P. Soules, Chair

Rep. Jack Chatfield

LeAnne Gandy

Ashley Leach, Designee for Secretary of

Finance and Administration Wayne

Propst

Rep. Tara L. Lujan, Designee for Rep.

Javier Martínez

Sen. George K. Muñoz

Secretary-Designate Mariana Padilla

Amber L. Romero

Stan Rounds

Sen. Mimi Stewart

Absent

Rep. G. Andrés Romero, Vice Chair

Johnny Benavidez

Julie Lucero

Rep. Tanya Mirabal Moya

Cindy Montoya

Brandy Murphy

Sen. Shannon D. Pinto

Sen. Joshua A. Sanchez

Rep. Nathan P. Small

Advisory Members

Rep. Brian G. Baca

Rep. Ambrose Castellano

Rep. Yanira Gurrola

Sen. Leo Jaramillo

Sen. Michael Padilla

Sen. Benny Shendo, Jr.

Staff

Simon D. Suzuki, Staff Attorney, Legislative Council Service (LCS)

Clinton Turner, Research and Fiscal Policy Analyst, LCS

Cristina Vasquez, Staff Attorney, LCS

Minutes Approval

Because the task force will not meet again this year, the minutes for this meeting have not been officially approved by the task force.

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, December 17

Welcome and Introductions (12:42 p.m.)

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

Developments in Board of Education of the Zuni Public School District, et al. v. State of New Mexico and the Public School Capital Outlay Council (12:44 p.m.)

Mr. Suzuki presented on the December 2, 2024 order issued by the New Mexico Supreme Court (the court) in *Board of Education of the Zuni Public School District, et al. v. State of New Mexico and the Public School Capital Outlay Council*. Mr. Suzuki advised the task force that the court held that the case was moot and ordered a remand to the district court for further proceedings and that this decision effectively upheld the Public School Capital Outlay Act.

Update from the Public School Facilities Authority (PSFA) (1:06 p.m.)

Iris Romero, executive director, PSFA, provided a general update on the PSFA's work. Ms. Romero was joined by Ryan Parks, deputy directory, PSFA, who presented on the proposed changes to the adequacy standard for public school buildings as well as the PSFA's operating budget for fiscal year (FY) 2026. The presentation materials can be found here:

https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=PSCO&Date=12/17/2024&ItemNumber=2.

Severance Tax Bonding Capacity (2:16 p.m.)

Ms. Leach presented on the estimated severance tax bonding capacity for public school capital projects through FY 2029. The presentation materials can be found here: https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=PSCO&Date=12/17/2024&ItemNumber=3.

Update from the Public School Capital Outlay Council (PSCOC) (2:25 p.m.)

Joe Guillen, chair, PSCOC, provided a general update on the PSCOC's work and discussed the applications that the PSCOC approved for both design-phase and construction-phase projects for the current grant cycle. The presentation materials can be found here:

https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=PSCO&Date=12/17/2024&ItemNumber=4.

Approval of Minutes (2:49 p.m.)

On a motion made and seconded, and without objection, the task force approved the minutes of the ninety-fourth and ninety-fifth meetings of the task force.

Review of Proposed Legislation (2:50 p.m.)

Cally Carswell, principal analyst, Capital Outlay, Legislative Finance Committee, and Mark A. Montoya, senior policy analyst, Legislative Education Study Committee, proposed on behalf of the task force a bill (228682.1) to amend the Public School Capital Outlay Act that would extend through FY 2027 a provision that temporarily allows for reductions of a school district's share of the total cost of a capital outlay project and would eliminate certain criteria that the PSCOC must consider to adjust a school district's share of a project.

Motion for endorsement: On a motion made and seconded, the task force unanimously voted to endorse 228682.1.

On behalf of the task force, Mr. Rounds proposed a joint resolution (228788.1) to amend Article 8, Section 2 of the Constitution of New Mexico to increase the annual levy on real and personal property to twenty-two mills and mandate an annual statewide tax levy amounting to two mills for distribution for the support of public schools.

Motion for endorsement: A motion for endorsement of 228788.1 was not made.

The presentation materials and proposed legislation can be found here:

 $\underline{\text{https://www.nmlegis.gov/Committee/Handouts?CommitteeCode=PSCO\&Date=12/17/2024\&ItemNumber=5.}$

Adjournment

There being no further business before the task force, the meeting adjourned at 3:38 p.m.