

**MINUTES
of the
FIRST MEETING
of the
PUBLIC SCHOOL CAPITAL OUTLAY OVERSIGHT TASK FORCE
LEGISLATION SUBCOMMITTEE**

**January 18, 2009
Room 326, State Capitol
Santa Fe**

The first meeting of the Public School Capital Outlay Oversight Task Force (PSCOOTF) Legislation Subcommittee was called to order by Representative Rick Miera, co-chair, at 4:15 p.m. on Sunday, January 18, 2009, in Room 326 of the State Capitol in Santa Fe.

Present

Rep. Rick Miera, Co-Chair
Sen. Cynthia Nava, Co-Chair
Sen. Vernon D. Asbill
Cecilia J. Grimes
Rep. Larry A. Larrañaga
Sen. Carroll H. Leavell
Rep. James Roger Madalena
Dr. John Mondragon
Bud Mulcock
Mike Phipps

Staff

Sharon Ball, Legislative Council Service (LCS)
Bob Gorrell, Public School Facilities Authority (PSFA)
Aldis Philipbar, LCS
Paula Tackett, LCS

Guests

The guest list is in the original meeting file.

Sunday, January 18

Review of Legislation

The PSCOOTF Legislation Subcommittee began with some general discussion about the reversion of funds appropriated for a specific project. The subcommittee then discussed the comprehensive bill dealing with amendments to the Charter Schools Act, the Public School Capital Outlay Act and the Public School Capital Improvements Act (called "SB 9"). Paula Tackett, director, LCS, discussed the provisions of the bill while fielding questions. She said that the Public School Capital Outlay Council may choose to fund projects that are highly cost-

effective (e.g., HVAC systems) and that special projects do have local matches. In response to a question, Ms. Tackett said that the formula for funding is based on the local match and other criteria listed in the bill. Ms. Tackett discussed the rural community credit, issues with "incorporated" criteria and a training program for maintenance staff. In terms of capital improvements, the subcommittee expressed concern with setting the precedent of using capital outlay funds for operational expenditures. Ms. Tackett said that the bill clarifies what "maintenance" includes and allows charter schools to be included in receiving SB 9 funds, but pointed out that the burden is on the charter school to ask for and use the funds.

The subcommittee discussed a two-year sunset on the use of SB 9 money for operations and for training of regional education cooperative personnel who will be working in school districts. The subcommittee also discussed drafting a separate bill for the use of SB 9 funds for operation costs to gauge the reaction. If the reaction is negative, then the subcommittee would consider pulling that section from the larger bill.

Gary Carlson, drafter, LCS, reviewed the lease-purchase legislation with the subcommittee. He said that the bill would extend lease-purchase agreements from 20 years to 30 years and clarified that a property that is being used by a school is exempt from property tax. Mr. Carlson said that the bill amends the Public School Lease Purchase Act, but the major change occurs in Subsection G on page eight of the bill. The subcommittee suggested striking "exclusively" on page three, line three of the bill and inserting "primarily".

Ms. Tackett then reviewed and discussed legislation related to the following:

- amending the Public School Buildings Act to clarify the definition of "administration" to include, under certain circumstances, projects funded in whole or in part by the Public School Capital Improvements Act or by school district general obligation bonds and to eliminate the five percent of total project cost limitation for administration;
- providing for insurance for the private use of school facilities;
- providing certain exceptions to the bonding requirement for subcontractors; and
- funding the development of the Geographic Information System (GIS).

Bob Gorrell, director, PSFA, said that the funding of the GIS is very important to the PSFA in the long run. In response to a question about the minimum needed to get the system started, Ms. Tackett said that authorization is needed from the legislature in order to move forward and have access to funding. Mr. Gorrell added that this would allow the program to go statewide. With regard to the legislation that would provide exceptions to bonding requirements for subcontractors, Ms. Tackett said that the bill would not apply to contractors on public works projects using design build. She said that the prime contractor is the construction manager and is selected through competitive-qualifications-based proposals. The subcommittee suggested

adding an emergency clause to the comprehensive bill of amendments to the Charter Schools Act, the Public School Capital Outlay Act and the Public School Capital Improvements Act

There being no further business, the subcommittee adjourned at 6:15 p.m.

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