

MINUTES OF
COMMISSION ON PUBLIC SCHOOL ACADEMIC
FACILITIES AND TRANSPORTATION

Date: July 7, 2005

Place: ADE Auditorium, Little Rock, AR

Attendees: Dr. Ken James, Director, Arkansas Department of Education
Richard Weiss, Director, Arkansas Department of Finance and Administration
Mac Dodson, President, Arkansas Development Authority

Others in attendance: Senator Shane Broadway, Dave Floyd, Randy Fischer, Scott Smith, Dr. Charles Knox, Dr. Tom Kimbrell, Mike Stormes and media representatives.

All those in attendance were presented a packet of information that included the following:

- 1) Meeting Agenda
- 2) Minutes of June 21, 2005 Commission Meeting
- 3) Bonded Debt Assistance Information
- 4) Rules Governing Maintenance and Operations of Arkansas Public School Buses and Physical Examinations of School Bus Drivers
- 5) Rules Governing School Bus Design

- I. Call to Order/Roll Call. Dr. Ken James called the third meeting of the Commission on Public School Academic Facilities and Transportation to order. All commission members were present.
- II. Approval of June 21, 2005 Commission Meeting Minutes. The minutes were received prior to the meeting and a name spelling correction was noted on page 1. Mr. Weiss asked that Mike Stormes be added to the attendees as he was present at the meeting. **Mr. Weiss moved to approve the minutes. Mr. Dodson seconded the motion. The minutes of June 21, 2005 were approved unanimously with the spelling correction of Mr. Mahoney's name and the addition of Mr. Stormes as an attendee.**
- III. Approval of Bonded Debt Assistance for Each Eligible School District as Required by Act 2206 of the 85th General Assembly of the Legislature. Dr. James introduced Dr. Stewart as the presenter and Dr. Stewart provided a print out. The new law deals with bonded debt assistance and school districts are only allowed to receive assistance for 90% of the debt until the commission is presented proof that a school district has spent all or any part of the debt for academic facilities. Bonded debt spent for athletics, administration buildings or Pre-K buildings is not eligible for debt service assistance. This calculation reflects the fiscal year debt payments due by the districts in the 2006-year. That number was reduced to 90% and then the calculation was done. The last column reflects the amount of money before the 10% is proven. If a district convinces the commission that the full 100% of the debt is eligible, then the calculation will be redone and the February 2006 payment will be increased by the amount the commission approves.

The plan is to send out half of the last column by August 15 and another payment in February will reflect the true amount of bonded indebtedness proven to the commission as spent for academic facilities. Dr. Stewart asked for questions. Mr. Dodson asked if more than 90% is spent for non-academic facilities, will the percentage be reduced or is it 90%. Dr. Stewart answered 90% as the 10% is going to be difficult enough to deal with. The way the law was written a school district will receive 90% of bonded indebtedness no matter what the bonded indebtedness is spent for. Mr. Weiss asked what is the measure. Is it the wealth index? Mr. Floyd at Dr. James' direction replied that meant their wealth index would remove them from consideration.

Dr. James asked if there were any more questions on the presentation. Mr. Weiss asked if there is an ability to come in for a second range to correct errors. Response was only the 10%. Mr. Floyd responded that will be the next step in our process in developing rules and regulations for the districts to make application. A question was asked if this process was based on the old formula. Dr. Stewart said the wealth index, yes. If you are looking at a printout with a wealth index that is different from this there are now two wealth indexes. This is the same as was computed prior to this session. There is a new one for the facilities assistance that is a different bonded indebtedness. Mr. Dodson asked if it changed every two years. Dr. Stewart said it changes every year based on the assessment and enrollment of a district. Mr. Weiss said that based on the assurances from Dr. James' staff that this has been done properly it should be approved. Dr. James said he had confidence in what had been presented in terms of the 90% and rules and regs would be developed. **Mr. Weiss made a motion to proceed with the bonded indebtedness funding as presented. Mr. Dodson seconded the motion and it was unanimously approved.**

- IV. Rules Governing Maintenance and Operations of Arkansas Public School Buses and Physical Examinations of School Bus Drivers Act 1979 of 85th General Assembly. Dr. James recognized Mr. Floyd. Mr. Floyd stated that the PSAFT requests permission to put these rules and regulations out for public comment on July 28, 2005. The rules contain: Items 1-3 - regulatory authority, purpose of regulations and definitions; Item 4 - written policies school districts will be required to develop; Item 5 - requirements for school bus drivers; Item 6 - physical examinations required for school bus drivers; Item 7 - preventive maintenance inspections required for each bus; Item 8 - annual school bus inspections conducted by PSAFT; Item 9 - replacement cycle for school buses; Exhibit A - physical examination form; and Exhibit B - inspection handbook.

The replacement cycle recommended has an effective date of July 1, 2010 when no Arkansas public school district shall operate a bus more than 20 years old. According to information submitted by the school districts, approximately 1200 schools buses prior to 1990 are in use (regular routes, spares, etc.). According to the three main vendors from which districts purchase buses, approximately 400 school buses are purchased each year. The 2010 deadline will be manageable as school districts are already planning to buy approximately 2000 school buses between now and 2010.

Mr. Weiss asked if these policies are brand new as far as the State mandates. Mr. Floyd said yes. Dr. James asked if there was anything else. Mr. Weiss replied that it looked pretty comprehensive. Dr. James asked Mr. Floyd if school district personnel had previewed this. Mr. Floyd responded that some of the transportation directors (officers of the AAPT) worked with Mr. Simmons in developing this. Dr. James thought it was important to note that the rules and regs were not developed in isolation and there had been that type of participation in the process as well. **Mr. Weiss made a motion that the Rules Governing Maintenance and Operations of Arkansas Public School Buses and Physical Examinations of School Bus Drivers be put out for public comment. Mr. Dodson seconded the motion and the motion passed unanimously.**

- V. Rules for the Specifications Governing School Bus Design. Mr. Floyd stated that PSAFT was requesting permission to put the Rules for the Specifications Governing School Bus Design out for public comment on July 28, 2005. These specifications were developed with input from the transportation directors within the State, specifications adopted by other state organizations and suggestions from Federal regulations. A comment was made that these rules are already out there under the State Board of Education and are being transferred and therefore are not new. Mr. Floyd said the rules are being transferred from the Department of Education to this commission. **Mr. Weiss made a motion to put the Rules for the Specifications Governing School Bus Design out for public comment. Mr. Dodson seconded the motion and it was approved unanimously.**

- VI. Update on the Applications for the Immediate Repair Program. Mr. Floyd said that last Friday, July 1, was the deadline for school districts to submit Immediate Repair Program applications. The contracts for the architect and engineering firms that are going to assist with the program were approved yesterday. Mr. Fischer met with those firms today and will continue meeting through this afternoon. This is an informational item and will require no action. Dr. James asked for any questions and there were none.

- VII. Final Rules and Regulations for the Catastrophic Program. Mr. Floyd said that the emergency rules and regulations had been adopted and now permission is requested to put these out as permanent rules and regulations. Nothing has changed in the proposed rules and regs brought before you as emergency rules and regulations and permission is requested to hold a public hearing on these on August 16, 2005. Dr. James stated that the recommendation from Mr. Floyd is that we put these out for public hearing as final rules and regulations. **Mr. Weiss made a motion to put the Final Rules and Regulations for the Catastrophic Program out for public hearing. Mr. Dodson seconded and the motion passed unanimously.**

- VIII. Final Rules and Regulations for the Immediate Repair Program. Mr. Floyd stated the request was the same as for the Catastrophic Repair Program, going from emergency rules and regulations to permanent rules and regulations, and putting them out for public comment on August, 16, 2005 (same time as Catastrophic and Transitional Program). **Mr. Weiss made a motion to put the Final Rules and Regulations for the Immediate Repair Program out for public hearing. Mr. Dodson seconded and the motion passed unanimously.**

Mr. Weiss asked the Chairman if a short report could be heard on how the public hearing went the day before. Mr. Floyd reported that the first public hearing on the new facilities standards was held in Mountain Home with thirteen people representing three school districts in attendance. There were no written comments and no one

requested to speak publicly. The attendance was a surprise and we can only assume that a lot of people were on vacation, etc. As planned there will be opportunity to attend one of the other public hearings.

Mr. Weiss responded that he saw one article in the Democrat Gazette and wanted to know if sufficient information had been distributed about the hearings. Mr. Weiss asked Dr. Knox and he responded yes. Mr. Floyd replied that notification had been posted in various places and felt sure that attendance would pick up in other hearing places around the State. Dr. James responded that it was announced on a radio station as well.

IX. Executive Session for Personnel Issues. **Mr. Weiss made a motion for the commission go into executive session for the discussion of personnel. The motion was seconded by Mr. Dodson and unanimously approved.** Dr. James, Mr. Weiss and Mr. Dodson remained in the auditorium for the executive session

The auditorium doors were opened and those previously in attendance reentered. **Mr. Weiss made a motion that the commission continue to meet in open session. The motion was seconded and unanimously approved.**

Mr. Weiss made a motion to nominate Dave Floyd by acclamation as the Director of Public School Academic Facilities and Transportation. Mr. Dodson seconded the motion and it was approved unanimously. Dr. James then gave Mr. Floyd the floor.

Mr. Floyd expressed appreciation for the appointment and that Public School Academic Facilities and Transportation would continue to work diligently with the Commission, the Department of Education and the school districts in the State to make this a successful program and that he looked forward to the challenges that face all of us.

Dr. James said it had been a pleasure to work with Dave in his capacity as Interim Director and Dave had been at the table since day one in terms of the process. He said the Commission was excited and pleased that Mr. Floyd was taking the helm as full-time Director and believed that collectively working together the challenges of serving Arkansas' school children could be met. Dr. James offered congratulations to Dave.

A motion was made by Mr. Weiss, seconded by Mr. Dodson and approved unanimously to adjourn the third meeting of the Commission on Public School Academic Facilities and Transportation.