
Arkansas Division of Public School



Academic Facilities & Transportation

**COMMISSION FOR PUBLIC SCHOOL ACADEMIC FACILITIES
AND TRANSPORTATION**

Dr. Ken James, Chair

MEETING AGENDA

**September 19, 2007
2:00 p.m.**

Arkansas Department of Education Auditorium

Call to Order/Roll Call

1. Commission Meeting Minutes July 13, 2007
2. Commission Meeting Minutes August 23, 2007
3. Proposed changes to rule governing Academic Facilities Distress Program
4. Proposed changes to rule governing Academic Facilities Catastrophic Program
5. Proposed changes to rule governing Academic Facilities Partnership Program
6. Proposed changes to rule governing Ten Year Facilities Master Plan Program
7. Immediate Repair Program Update
8. Transitional Program Update
9. Partnership Program 2006-2007 projects update
10. Partnership Program 2007-2009 projects update
11. October 1, 2007 Report, Statewide State of Condition of Academic Facilities
12. Special Report: Dollarway School District
13. Special Report: Arkansas School Facility Manual Revisions

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Place: ADE Auditorium

Commission Members: Dr. Kenneth James, Richard Weiss, Mac Dodson

Others in Attendance: Douglas Eaton, Dr. Charles Stein, Scott Smith (ADE Legal), Roy Blackmon (ADE), Emily Hartman (ADE), Calvin Miller (ADE), Milton Purdy (ADE), Vernon Robertson (ADE), Charles Whitaker (ADE), Barbara Owens (ADE), Gale Umholtz (ADE), General Public

Tab 1 and 2-July 13, 2007 and August 23, 2007 Commission Meeting Minutes

Mr. Eaton opened the meeting with the minutes from the July 13 Commission Meeting (tab one). The minutes were approved. The minutes from the August 23 Commission Meeting (tab two) were approved.

Tab 3-Rules Governing Academic Distress Program

In the July meeting four proposed rules were presented to the Commission, who approved the rules for public comment. The same rules were presented with the public comments and whether or not the comments were incorporated and why. The recommended rules, corrections, and additional changes are a result of the open comment period, review by the Facility Oversight Committee and the Public Meeting. There was a slightly different process regarding these rules; that was a request on behalf of Senator Broadway and Representative Cook that the Division of Public School Academic Facilities and Transportation (Division) talk to the Oversight Committee with the rules prior to going to the ALC. The rules presented to the Oversight Committee were the exact rules presented to the Commission in July. As per the request of Mr. Weiss, the people that attended the Public Hearing and the organization from which they came are listed. The comments made at the public meeting were very general.

Mr. Dodson asked how the comments and rules are to be read. Mr. Eaton clarified that the rules are read as follows: comment made, rationale behind the comment, the Division's response, and the Division's rationale. Many of the comments were not included because the words in the rules were exactly as stated by law with no flexibility for change.

Mr. Eaton recommended that the Commission approve the particular rule and authorize the Division to go forward to the ALC Rules and Regulations Committee.

Dr. James asked for any comments or questions from the Commissioners. Mr. Weiss motioned for more time to look at the rules before making a decision. The motion was seconded by Mr. Dodson. The item was tabled for further review to be brought back before the Commission.

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Tab 4-Rules Governing Academic Facilities Catastrophic Program

The recommended changes and or corrections were a result of the open comment period, the Oversight Committee, ADE Attorney Scott Smith, and any written comments that were received. The attendees of the public meeting are also noted per Mr. Weiss.

Mr. Eaton pointed out the changes on the tab four-the written comments made, the rationale, the Division's reaction to the comments, and the rationale for the reaction to the comments. Mr. Eaton directed the Commission's attention to the change on page five paragraph 3.10. The following sentence was added-Also referred to as "raised funds" for the purpose of defining self funded project. That was added to the definition of local resources. This came about due to concerns about the actual meaning of the word "raised" that were brought forward in the Academic Facilities Oversight Committee meeting Mr. Eaton recommended that the rules be approved and the Division be able to go forward to the ALC Rules and Regulations Committee.

Mr. Weiss motioned for more time to review the rules and Mr. Dodson seconded the motion and questioned if any school superintendents had questions about raised funds. Mr. Eaton clarified that the issue of raised funds was brought about by Legislature. The motion for further review was approved.

Tab 5-Rules Governing Academic Facilities Partnership Program

Mr. Eaton pointed out the changes on page ten, one being the issue of "raised funds" and the second dealing with the request or written comment to explain or determine what a project cost is. The recommendation to put the comment in clarifies to districts that reimbursements to them under the Partnership Program are not what it actually cost the district times the Wealth Index; it is what the state determines the state's share is going to be times the Wealth Index. The change on page 12 paragraph 4.03 came out of the Division office and ADE Legal staff. Scott Smith clarified that the District is asking permission to seek public comment on these rules, not for the Commission's approval at this time.

Dr. James noted that the recommendation on the sheets at hand request permission to go forward to the ALC Rules and Regulations Committee. Mr. Eaton stated that a change was submitted and that it should say that the Division requests that the Commission approve the rules and authorize the Division to go forward with an additional period for public comment. Dr. James advised that there was an insert under Partnership Committee.

Mr. Eaton stated that a multitude of the Projects received in the first round of Partnership was due to not setting a set of priorities to the districts as to how the state wants to proceed. The second round included priorities but were not laid out to the districts in sufficient time for them to react to the state's intentions. The priorities proposed also include a philosophical change to the way the Division has been addressing the districts' needs. The Division is charged with determining the state's course, to get away from

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working with the districts on small projects, but rather work with the districts on a holistic campus attitude. All of the needs being examined and then those needs are prioritized and financial assistance is applied for through the Partnership Program. The optimum situation being the school districts solve all of its problems on one campus at one time and then moving on to the next priority campus. The rationale behind this being the school district's ability to raise money to support its Master Plan Program. The starting point has to be the state's determining its priorities for how it wants to address the problems. The priorities recommended to the Commission tie in directly to a priority of funding. The Division must have clear, concise guidelines to the districts as to how it will review their projects and how recommendations for funding will be made based on the state's priorities. Establishing these priorities is difficult in that it must take into consideration the importance of correcting existing deficiencies through new construction, coupled with that the need to provide suitable and adequate facilities now for students, while considering that this is the state's best opportunity to construct new schools for future needs. Mr. Eaton explained the Division's six priorities as outlined in tab five. Mr. Eaton recommended that the state establish priorities and do it in such a manner that the districts have the opportunity to align those priorities to their Master Plan.

Dr. James stated that these items were collectively talked about previously and additional input is needed and the six priorities are consistent with everything that was talked about with the Executive Branch. Mr. Weiss motioned for the rules to go out for public review and also stated that adequate time should be given to the public for input and review from stakeholders in the field before coming back to the Commission for review. Mr. Dodson questioned the length of time and Scott Smith suggested a minimum of 35 days from the day that notice is put out.

The motion went out for public comment with adequate time for review (35 days from posting on the website) and then it is to come back to the Commission for decision. The motion was seconded and passed.

Mr. Mahoney (El Dorado) asked if it would be possible for the documents that the Commissioners have and the general public does not have be made available. Dr. James clarified that the rationale as noted and into the record would be a part of the items for public view and comment.

Tab 6-Rules Governing Ten Year Facilities Master Plan Program

Mr. Eaton directed attention to the change on page seven dealing with "raised funds" and the change on page nine dealing with the Academic Facilities Master Plan Program. The rationale for the priorities being the same ones read in the Partnership rules. The reason for them being included in the Master Plan rules is that they have to tie together. The recommendation to the Commission is to approve the Academic Facilities Master Plan rules with changes as presented and to go out for additional public comment. The rules

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were sent to AAFA, AEA, and ASBA by letter and those agencies were asked for comment.

The motion to approve going out for additional public comment with a 35 day period from the date of posting on the website was presented, seconded, and approved.

Mr. Eaton stated that the Division is too involved in the districts' minor business on projects and recommended that the Division back off and take a holistic campus attitude. The districts were asked to prioritize the campuses. This would be far more successful in the long run and provide more cohesion between what the Division is asking the districts to do as far as planning and what the Division is asking the districts to do as far as projects. The Division is simply asking the districts to look at the whole campus, figure out what they want to do versus what they need to do and tie them together in a Master Plan so that the Division can support it, not support it, question it, or whatever the options are.

Tab 7-Immediate Repair Program

The Academic Facilities Immediate Repair Program closes out on December 31. Of the 81 districts in July, 22 have canceled the projects which resulted in a net gain of 1.6 million dollars. 59 districts either have the projects underway or are still planning to accomplish them by the December 31 deadline. The Division is still in the process of questioning the other 22 districts on the status of their projects. The rules were set in such a way that the district could fuse their immediate repair into a transitional or partnership project.

Mr. Weiss asked what the shading on the chart denotes, to which Mr. Eaton clarified that shading denotes changes.

Dr. James questioned why the 22 districts did not complete the projects to which Mr. Eaton advised that Division employees were calling each of those districts. Mr. Eaton's concern was that if the need of the district was critical as expressed to the state then why was it not done. Dr. James questioned the responses from the districts. Mr. Eaton replied that there was a plethora of answers ranging from cost to rolling into Master Plan. No recommendations were being made to the Commission at this time, the chart is strictly informational. The Commission gave the Division the charge of finding out why the 22 districts did not complete the projects because when the districts applied for Immediate Repair Programs the impression is that the need is critical.

Tab 8-Transitional Program update

The Division has continued to track construction costs for those projects. The Division will recommend additional funds be transferred to those projects upon completion of the project after validation of the actual final state financial participation. Mr. Eaton clarified that all the projects on the list fall into one of three categories.

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The first category is completed projects whose cost was less than the qualifying cost under the state financial participation allotment. Those projects show as a minus number on the chart. The qualifying cost only pertains to the Transitional Program which has different financial nuances that would not apply under the Partnership Program. Those nuances set the floor and ceiling for the state share.

The second category is projects that have been completed or ongoing whose cost has been either exactly as projected or exceeded the qualifying cost and the state financial participation maximum of showing zero. The Division cannot increase the state qualifying cost because it is capped by law by the new debt incurred between January 2005 and June 30, 2006. The floor was established by taking the regionalized cost model not less than 90 dollars a square foot and applying it to the project. If the estimate of the project was above the new debt, we capped it at the new debt; if it was below that we went with that number. Projects that have had their original scopes reviewed after contract award and that have been completed or are ongoing whose qualifying cost has exceeded the original qualifying cost-the state financial participation may be considered for additional funding. Those districts that have been reviewed are shown as positive numbers. There are no recommendations to be made to the Commission at this time. In July, the Division reported that 163 of the projects were complete which equals about 73.4%. As of September the number has gone up to 169 completed projects which equal about 76%. There are 8 districts that the Division feels qualify for additional funding.

Dr. James opened the floor for follow-up questions from the Commissioners regarding the Transitional Program. Hearing none, the discussion was moved forward to tab nine.

Tab 9-Partnership Program 2006-07 update

Tab nine is the update on the 2006 Partnership Program. Mr. Eaton reiterated that the districts are continuing to submit the required contracts and agreements. The Division continues to have weekly meetings with the districts. The Division took it upon itself to sit down with two school districts about a holistic viewpoint. Lavaca took heed to this and its millage passed. When the Division is done at least one of Lavaca's campuses will no longer be in the top third (half). That is how the list will be readjusted to get districts out of the top third. The other district that this was discussed with was not successful in the millage and the Division will be meeting with them. 172 of 1156 Partnership Projects have been completed. Mr. Eaton brought attention to the fact that the districts have done what was asked but the process itself is long. To date, the Division has distributed 31.7 million dollars which is about 12.6 percent of the monies appropriated for 2006. The recommendation is that the Commission accepts the updated Partnership information and there is no further recommendation.

Dr. James opened the floor for any further comment or questions from the Commission and hearing none advised that the report be filed and the meeting moved on to the next tab.

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Tab 10-Partnership Program 2007 update

Mr. Eaton presented tab ten which is an update on the 2007 Partnership Program. The scopes of the total amount of state financial participation have increased approximately 12.8 million dollars. The scopes continue to be refined as contract plan specifications do come in, the most notable being the El Dorado High School. The Division feels it is too early in the program to transfer funds between programs. The Division is not recommending the transfer of any funds through capping this increase in the 2007 Partnership. The Division will continue to closely monitor the plans, specifications of contracts, and continue to revise the State Financial Participation. There are no projects completed, there are 374 lists. The Division recommends the Commission accept the updated Partnership list.

Dr. James requested an update on the status of the Bald Knob School District as far as the Partnership Projects.

Mr. Weiss questioned the Division's involvement in small projects (i.e. \$849 battery pack in Carlisle). Mr. Eaton clarified that it was safety issue, which qualified it, but the goal is to take a holistic campus approach so that the Division can get away from those things.

Mr. Weiss questioned the status of the El Dorado High School to which Mr. Mahoney expressed the thanks of the School District and the children in El Dorado.

Tab 11-October 1, 2007 Report, Statewide State of Condition of Academic Facilities

Mr. Eaton moved on to Tab 11, which is the Annual Report of the Statewide State of Academic Facilities. Mr. Eaton recommended the Commission accept the report in the current format with permission to go forward to the Governor and necessary House and Senate committees.

The Commission accepted the recommendation with the stipulation of changing the word "advancement" on page one to read "improvement".

Tab 12-Special Report: Dollarway School District

Mr. Eaton presented tab twelve which is a special report on the Dollarway Middle School. On September 10, 2007, in a special meeting, the superintendent presented documentary evidence, construction quotes, and contract agreements that were in place to make corrections. On September 12, 2007, Division staff re-inspected Dollarway Middle School and found that all deficiencies found and contained within the improvement plan had been completed, including fresh air improvement. As a result of this the district will not be placed on the Facilities in Distress and will be reminded of the requirement in Section D of the Master Plan to be submitted in February 2008 to establish a preventative maintenance program to prevent these deficiencies arising again in the future. The district

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will also be reminded of the Division's obligation to provide unannounced inspections and technical assistance to insure compliance with state standards. Dollarway was treated slightly different due to the extenuating circumstances.

Dr. James stated that given the severity and complexity of the situation the Division should continue to monitor Dollarway. The report was accepted.

Tab 13-Special Report: Arkansas School Facility Manual Revisions

Mr. Eaton moved forward to Tab 13 Special Report of the Arkansas School Facility Manual. According to the law, the Division can review the Manual on an annual basis if necessary. The review was divided into sections.

Dr. James asked for any comments or questions and Mr. Weiss asked to be kept updated in layman's language.

Dr. James asked for any further comment. Mr. Eaton gave an update on the millage elections and the districts that failed as of the current time and date. According to law the Division is required to contact the District's within ten days to ascertain the damage and analyze the overall picture.

Dr. James stated for the purpose of the record that Clinton is on Fiscal Distress.

Mr. Dodson stated that there may be some confusion among the school districts as far as the appeal process and that this needs to be clarified.

Dr. James stated that the review of the appeal process would go on the record as an agenda item for the next meeting.

A motion and second to adjourn were made. All members were in favor. Meeting adjourned.

DE:bo