

**Arkansas Division of Public School**



**Academic Facilities & Transportation**

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

**Dr. Ken James, Chair**

**MEETING AGENDA**

**July 22, 2008  
8:30 A.M.**

**Arkansas Department of Education Auditorium**

**Call to Order/Roll Call**

- 1. Minutes Meeting March 17, 2008**
- 2. High Growth Rule**
- 3. Bus Specifications Rule**
- 4. Special Report Transportation Activities 2007**
- 5. Special Report: Millages**
- 6. Special Report: Catastrophic Loss**
- 7. Special Report: Facility Condition Index**
- 8. Hermitage Academic Facility Distress**
- 9. School District Appeals**
  - a. Lavaca School District**
  - b. Lincoln School District**

Summary minutes of  
Commission for Arkansas Public School Academic  
Facilities and Transportation  
July 22, 2008

Place: ADE Auditorium, Little Rock, AR

Attendees: Dr. Ken James, Commissioner of Arkansas Department of Education  
Mr. Richard Weiss, Director Arkansas Department of Finance and Administration  
Mr. Mac Dobson, President Arkansas Development Authority  
Mr. Douglas Eaton, Director PSAFT  
Dr. Charles Stein, Assistant Director PSAFT  
Ms. Barbara Dobbs, Admin, Assistant PSAFT

Call to Order/Roll Call. Dr. Ken James called the meeting of the Commission for Arkansas Public School Academic Facilities and Transportation to order. All Commission members were present.

Tab 1: July 2008 Minutes:

MR. EATON: opened the meeting with the minutes from the March 17, 2008 Commission Meeting.  
**Commission Action: Approved**

Tab 2: Rules Governing the Academic Facilities High-Growth School District Loan Program.

MR. EATON: Act 995 of 2007 codified as Arkansas code annotated 6-21-2511 requires the Commission to adopt rules to implement the Academic Facilities High-Growth District Loan Program. This program is to assist high-growth school districts with building new academic facilities that as a result of high-growth will cause the school district to incur indebtedness for academic facilities that exceeds the maximum expected millage. Pursuant to the program, school districts which meet the statutory definition of high-growth may apply to the Department of Education for an interest free loan. The district's mills required to service the bonded indebtedness incurred for academic facilities must exceed the maximum expected millage for the district.

In January 2008, the Division presented the rules to the Commission for review with a recommendation that they be approved to begin the open comment period. The rules were made available to the general public. A public meeting was held February 20, 2008, there were ten people in attendance. Written comments were received from four individuals through March 13, 2008. The Division's recommended high-growth rule has additionally been closely coordinated with the Arkansas Department of Education recent rule update governing the Loans and Bonds applications. To the extent that the submission to the Commission of this rule specifically held in abeyance pending the approval of ADE's rule governing the Loan and Bond Applications by the Legislative Rules Committee.

The Division recommends that the High Growth Rule be approved for submission to the ALC Rules and Regulations Committee.

**Commission Action: Approved the rule and the submission of the rule to the Administrative Rules and Regulations Subcommittee of the Arkansas Legislative Council.**

### Tab 3 Rules for Specifications Governing School Bus Design

MR. EATON: Arkansas Code Annotated 6-21-304(b)(2) designates the Department of Education with responsibility for drawing up the new specifications for all school buses. It further prescribes an advisory committee made up of ten school administrators representing all sizes and areas of the state shall assist the Department in drawing up the specifications.

The rules for the Specifications Governing School Bus Design were adopted by the Commission in September 2005. The Transportation section of the Division tries to update the school bus specifications every few years in order to keep up with changing technology and changes in the school bus industry.

The current rule and the changes recommended hereto reference the National Standard, a document produced by the National Congress on School Transportation. This body meets every five years and consists of six delegates from each of the fifty states.

The Divisions recommends that the amended rule with the complete adaptation of the Specially Equipped School Bus Specification section, of the National Standard, be approved by the Commission to begin the open public comment process.

**Commission Action: Approved beginning the open public comment process.**

### Tab 4 Executive Summary Special Report: Transportation Activities

MR. EATON: The Division is reporting on the Transportation activities of 2007. The Transportation Section of the Division administers a program of statewide school bus inspections and driver training. The report summarized activities for 2007 and I thought we'd take the opportunity to give you a brief report on some of the facts that the Division has completed over the last year with regard to these two areas. Michael.

MR. SIMMONS: April 15, 2008 we had completed 99 percent of our inspections, which is 6,619 school buses inspected by five guys, so they -- they stayed busy, they stayed on the road. We still have 51 unavailable. We did ground 102 buses over the years and that's -- we found quite a few more major deficiencies than that 102. In fact I'd say we found probably close to 500 major deficiencies. But if a district could get that bus fixed before that inspector left it was not considered as a grounded bus, so it didn't go into that count. A lot of these buses had more than one major deficiency when they got grounded, so -- We're running just shy of 5,000 ground buses. We've got about 1,200 spare buses, 6,300 are diesel and 319 are gas. We've still got 23 buses that operate on an alternative fuel, natural gas out there and they are slowly dying out.

We've trained 8,194 school bus drivers over the last year, which is the mandatory three hour in-service that they are required to have. Ms. Sherry Perry in my office does special needs training on top of doing the other regular driver training. She trained 136 drivers over a two-day -- she has two-day training sessions for them, which includes CPR and other special needs, special training. 95 aids on top of that 136. And on top of that our driver trainers also do record checks out there. The districts are required to have certain items in their driver files, which include physicals, driving records, proof of criminal background checks, and proof of drug and alcohol testing and that type of thing.

We are also conducted and helped with the Arkansas School Bus Mechanics Workshop, which was June this year. It had 321 school bus mechanics attend, which is a week-long conference in Conway every year. It went very well.

We also had a good attendance this year at the Arkansas Association for Pupil Transportation, (AAPT) this association is steadily growing. And, also, our driver trainers are helping the local districts establish their own regional small associations through co-ops. Northwest Arkansas started this about seven years ago and we've seen it just blossom, so we decided to help the other co-op areas to do that. It develops a great network for those guys. And what we planned on was that the transportation director may know the guy next door to him, but he doesn't know that one two or three doors down. And this just offers them a network to ask questions and have --plus it then offers us a good communication avenue. Things are going well, we're excited.

Recommendation: No action is required by the Commission

**Commission Action: Report Filed.**

#### Tab 5 Executive Summary Special Report Failed Millage District

MR. EATON: The Division of Public School Academic Facilities and Transportation is required to take action pursuant to Arkansas Code Ann. 6-21-811 regarding school district who have sustained a millage election failure to support their master plan. The Division is responsible to notify the school district and meet with them within ten days of the date of the failed election and to examine the criteria as outlined by law. In March 2008 the Division reported 3 failed millage elections:

#### Bentonville School District:

Bentonville is perhaps a little bit different situation because there have been two different things that the other school district do not have. One is that Bentonville is more rapidly growing area so; therefore, the need to be able to watch that and to be able to provide them assistance is perhaps slightly more urgent than the other school districts. Secondly, with regards to that bill, that bill indexes that they get .000005 monies. So anything that they do absolutely has to be constant with what the board wants to do because they are footing 99 percent of the bill.

#### Harrison School District:

Harrison School District, has decided to wait until the October-November timeframe because they have fluctuating enrollment that involve four elementary schools. The school board is waiting for a recommendation from the superintendent and the superintendent wants to wait for the October figures.

#### Twin Rivers School District:

Twin Rivers District is going to go out for a second millage in April 2009. They're prohibited from going out this year because you can't have but two elections within one year. All three of these districts; they were partnership projects we did insist on. They were approved by the board. The Commission is still holding onto that money pending the final decision made by the districts.

The other school districts I mentioned to you have progressed very well. We did a lot of on-the-ground work with Green Forest. We've done a lot of on-the-ground work with Huntsville. These are districts, even though Huntsville did not go out a second time, they are going to go out in January for a restructuring of their debt to meet their needs. Green Forest's millage passed and they're on

their way to solve their problem. So we were very fortunate. Strong-Huttig was successful, Hermitage was successful, so these districts are slowly coming along but it's being more difficult because of the economy. So in terms of this report, it's primarily to bring you an update on the three districts that had elections since we met in March.

There is no recommendation or action requested. Commission, is there any questions?

CHAIRMAN JAMES: Doug, can you give us just a brief update, probably the Commission has read about it in the paper, about the Dollarway situation, because I know that's one we've been monitoring closely.

MR. EATON: In 2006, the Dollarway Community Partnership Project, one was the replacement of the middle school and the renovation of the high school. Shortly thereafter, talking to these people, they were in fiscal distress. This was also compounded by conditions that were brought to us by legislators when they were dealing with the condition of the middle school. We did a number of inspections down there; we provided a number of recommendations to the superintendent. The board went out and had an election. Unfortunately an honest mistake was made in that when they produced the information given to the public upon which they would make their decision to the vote, they switched two figures. The two figures they switched had to do with the relative taxes to be paid to the Dollarway and the Altheimer School Districts, because they had been, or they were going to be consolidated. The millage passed barely but there was a protest raised or a lawsuit rose with regard to the mills situation. That has since been resolved and the district is able to go forward with the results of the millage. Secondly, the Department of Education has taken them out from underneath facility in distress. As of this last month we are taking the two projects that were approved by the Commission in 2006, we have put them back on the 2006 list the superintendent has been made aware of the fact that he can now proceed with those projects for both the middle school and for the high school.

CHAIRMAN JAMES: Thank you. Any questions on that? I just want one thing for the record. Doug, I think you said facilities in distress and its fiscal distress.

MR. EATON: Fiscal distress, right. I'm sorry.

CHAIRMAN JAMES: Yeah, that's okay. Just wanted to make sure we had that in the record because no one is on facilities distress at this point in time.

Recommendation: No action is requested of the Commission

**Commission Action: Report Filed.**

#### Tab 6 Executive Summary Catastrophic Events

MR. EATON: Unfortunately we did have damage in three areas: Earle School District, and Helena-West Helena School District and Stuttgart School District.

Earle School District: has been able to recoup all of their losses from their insurance, with the exception of one. That exception was a building that wasn't occupied nor was it insured. Since it was not insured, it is then incumbent upon the school district to provide any funds that they think are necessary, if they want to go back to repair that building. That also makes the Earle School District non-eligible to apply to the Academic Catastrophic Program because the building was not insured. We have offered to the Earle School District, that if they decide to build this building back

in a permanent configuration to the state standards then they can apply to the Academic Catastrophic Program. So far they have not done so.

Helena-West Helena School District: was primarily hail damage from a past storm that occurred in April 2008.

Stuttgart School District: all three of the Stuttgart schools were damaged. The middle school was damaged the hardest. The elementary and the high school just had minor damage and they were up and running within a short period of time. The middle school, something that's very common during tornados is if the tornado passes close enough to the school, but doesn't hit the school, but it causes the school to move. In this case the roof went up and came back down, when it came back down it was not back down in the same place, so we've got reconfiguring problems, we have structural problems, and we have problems with regard to the building. The insurance company has completely taken care of the Stuttgart School District situation. They've replaced all the air conditioners, they are providing any temporary assistance that the school district needs, and they're taking care of all of the physical structural areas.

The school district also had a project in the Academic Facilities Partnership Program list which was approved by the Commission, for a new air conditioner. We are taking the opportunity while there is a contractor on the ground and since part of the rooms have been reconfigured and replaced by the insurance company to go ahead and complete the Partnership Project at the same time. All we will simply do would be a legal deed. We're not circumventing the law, but are using the ability that we have for the project in place. We have a design team in place, we have a contractor in place, and while they are there redoing the rooms go ahead and install the heating while they're there. So the district is not regressing into catastrophic assistance, they are completely covered by their insurance and our only involvement has been instructions to Dr. Bednar, Superintendent and give her advice on what she can and cannot do and the course of action that she can take. The insurance company was very responsive to that and they were able to meet their needs. Right now it's going to be very close as to whether or not the school will be open at the start of the school year. If it's not, the district is going to have to secure or rent portable air conditioners which are available to get that school up and running. I feel very confident the middle school should be on line very close to the regular scheduled start of school this year.

CHAIRMAN JAMES: Any questions on catastrophic loss? Anybody -- Doug, just one comment. I know we've had similar situations in the past where we found that school districts did not have buildings insured, and I think we did a broad based campaign, I guess, is the best way to put it to make sure that everybody quickly understood that that was an issue that they shouldn't find themselves in. And so that's -- as we've just heard here presented, that's an issue we've got to continue to work on.

CHAIRMAN JAMES: Because in the past we've found several districts that had buildings that were not insured and not even on the insurance list. So that's something we've got to continue to work on and hopefully the Earle district has this message now and will continue to move ahead.

### **Commission Action: Report Filed**

#### Tab 7 Special Report Facility Condition Index (FCI)

MR. EATON: The Facility Commission Index (FCI) is an index which compares the cost to address the facility condition to the cost of replacing the same amount of square footage. It is measured on a scale of zero to 100%. The higher the percentage the closer the cost to repair the

building condition is to the cost of replacing the building. A lower FCI indicates a better condition of the building. A higher FCI indicates a poorer condition. a school against what it would cost to This special report is be generated due to interest by some school districts to have the Facility Condition Index of their district or campus reestablished because they believe the assessment taken in 2004 was not correct.

The original assessment as presented to the Legislature was to provide the joint Committee and Legislature a uniform basis of comparison of the states facilities and to assist in determining policies and procedures for renovation, replacement or discontinuation of inadequate buildings and facilities based upon statewide adequacy standards and other requirements necessary to ensure adequate and substantially equal school buildings and facilities. The intent of the FCI was to use it as a master planning tool in further analysis as the master planning process developed to correct inadequacy at the campus. It is a guide, an indicator not an absolute with regard to facility replacement.

It is not prudent to replace the FCI that was established in 2004. That's base level data. That is the data that was put in very specific way by which it would change, and one of those is not individual assessments of individual districts. The FCI has very specific purposes that were used by the task force with the legislature to formulate the rules, policies, laws and funding programs. It is used by the Division as: 1. the planning factor that I mentioned to you, and 2. as one of the cost measures.

CHAIRMAN JAMES: Okay, members, you've heard the presentation. Any questions at this time?

COMMISSIONER WEISS: Well, Doug, I'm not really sure what you're trying to tell us in this. It is a whole lot of information. Is this flying -- are you saying this in opposition to that special task force revision of the thing, or are you agreeing with it or what exactly are the issue here?

MR. EATON: All right. So the issue actually is I want to make you aware of the fact if districts started coming forward and demanding that the state reassess their facilities I would be willing to assist the district to do that for the intended purpose of analyzation of (Inaudible) but not to change the 2004 assessment, because of the reason that the 2004 assessment was done and how it's already programmed to be changed. Like I said, there have only been two districts that have raised this question. If it's used as a planning tool, it works quite well, but not to go back in and reassess the districts.

COMMISSIONER WEISS: Okay.

MR. EATON: I can also tell you that I've been told quite simply that the state is not going to reassess all of the school districts, not at the cost of what it cost us the first time, which at that time was about 15 cents a square foot, now it would be closer to 20 cents a square foot. You're looking at about 18 million dollars if you wanted to reassess the state, and you wouldn't get anything out of it. You wouldn't get out anything that we can't tell you by what the districts are reporting were, as the deficiency is completed and life cycle items, which they haven't done. We're looking at the same numbers. Plus, a reassessment now for an FCI is going to be based on the '04 information, based on the '07 information, you would get the same differential between repair costs and new costs that you did in 2004. So if you have a building with an FCI of 30, you reassess it, you may end up only with an FCI of 32, because of all of those measures to be repaired versus the replacement costs.

CHAIRMAN JAMES: Doug, I think we all understand that the cost factor and what would potentially equate to in terms of total reassessment. Now, you said only a couple of districts had raised this issue?

MR. EATON: Yes, sir.

CHAIRMAN JAMES: And come to talk to you at this point in time over this particular issue?

MR. EATON: Yes, sir.

CHAIRMAN JAMES: I think -- and just to kind of go back and maybe rephrase what Commissioner Weiss was posing, is this a difference in opinion or position versus what the task force that we've had working on this particular facilities issue in totality, is this a deviation from that? Is this in contradiction to what they were talking about or what's your assessment of that?

MR. EATON: No, sir, I don't believe it is. The items that I brought out in my paper that establish why the task force did what they did are directly in the executive summary, I mean they're directly in the final report that was given to the legislature, which explained the FCI as to what it was intended to do, and what the legislature was expecting to be able to do with regard to the state program. The second part with regard to the FCI comes out of the manual, where it indicates it is part of a planning tool. I don't believe, while it may not be written, it was never intended to reassess a facility for the sole purpose of raising the FCI. I believe we are in line with what the task force reported in the executive summary in the final report. Absolutely.

CHAIRMAN JAMES: I would suggest, Commission members, that, Doug, as you have additional districts come forward to talk about this that you keep us abreast.

MR. EATON: Sure.

CHAIRMAN JAMES: And let us know if there are additional concerns that are being expressed about this particular issue from the school districts, so that we can closely monitor that as well. Okay?

MR. EATON: Yes, sir, will do.

CHAIRMAN JAMES: Any other questions on the FCI report at this time?  
(No response)

**Commission Action: Report Filed.**

Tab 8 Hermitage Academic Facility Distress

MR EATON: We have not had to do this before. What the Division is getting ready to do is to make our Commission that a school district be placed as a facility in distress. The procedures that we're going to follow are the ones that were outlined in the rules and procedures dated March 2008, paragraph 4.02. The school district in this case, the Hermitage School District, was notified by letter that a recommendation will be made to the Commission that they be placed as a facility in distress and specifically what aspects of the law the Division intended to address.

The following procedure is outlined in paragraph 4.02, and at this time I would introduce Mr. Richard Rankin, who is the current superintendent and he will have the opportunity to give you an

opening statement, with regard to our recommendation. When I come back I will make that recommendation to you Mr. Rankin.

CHAIRMAN JAMES: Mr. Rankin, just in terms of procedure and things of that nature, we would ask that the court reporter also swear this particular testimony.

(Witness sworn)

MR. RANKIN: Chairman and Commission, I am Richard Rankin, superintendent of Hermitage Schools. We were contacted by the Division back in February to fill out the paperwork through the auditors. They had walked through our buildings and had discussed it with me and said it didn't look like we got what we paid for. So from there we contacted Mr. Eaton and he sent some people down to go through our buildings and look at it. They also agreed with what we were looking at with the auditors, and as we brought in the group from the Health Department and Labor Department, and the different departments to go through our buildings and look at the deficiencies that we had, as far as code violations. We have identified those code violations according to what the daily records are here, I agree with those records. I was there with them when they went through those things. From that point we have been working with the original contractors that have worked with the school district in remodeling the building or building the building to make sure that they come back and repair or replace the equipment or make sure it's up to code. We have worked with those. We have not been able to get everything done, we are making progress. We have worked with the electrical contractors, the plumbing contractors and the building contractors to get them in. Also have worked with the architect as far as a new high school because the fire alarm and also the fire rating for our building, and the architect is working with the fire marshal to make sure everything comes into compliance there. We do know that we have code violations and we have been working with the Department and taking their recommendations and agree that however they need to tell us to do, we're agreeing to work with them.

CHAIRMAN JAMES: Doug, let me ask if there's any questions at this time from Commission members for Superintendent Rankin, or do you want to hold those at a later point? No questions?

UNIDENTIFIED: No.

CHAIRMAN JAMES: All right, go ahead, Doug.

MR. EATON: Yes, sir. By way of opening statement to the Commission the Division is prepared to introduce evidence which was already provided to you under separate cover and make any oral argument necessary with regard to placing the Hermitage School District as a facility in distress. When I make my presentation we will outline the steps that we have taken, the steps that the school district taken, the expenses, and we believe we are now in line with the recommendations that are being made.

(Inaudible)

CHAIRMAN JAMES: Okay. Any questions?

(No response)

CHAIRMAN JAMES: No questions on that, so we will go ahead and proceed with Mr. Rankin.

MR. RANKIN: I think I started out with describing what the process was that we followed and we were following the Division process as far as taking care of our code violations. And we have made progress. We do not have all the code violations taken care of. One of the things that we have done is we did pass a millage in our election, but I mentioned earlier we passed a five mill debt service mills, which would result in about \$210,000 that we'll -- in case we do need the money

to make sure these violations are taken care of, we do have money set aside for that. And we will continue to make sure that we work with the Division and that these code violations in our school district are taken care of and in a timely manner. The original contractors do not come back and the board has already said we are going to make sure that we hire new contractors to come in and get the job taken care of. What we have done so far is been able to take care of any of these code violations without any cost back to the district and, of course, we have tried to take care of first.

CHAIRMAN JAMES: Just a question, a follow-up question, those code violations that you've been able to take care of without any cost to the district, then the assumption is that those were included in your contract and that the contractor just did not fulfill that particular component in the contract; is that a correct assumption?

MR. RANKIN: That is correct.

CHAIRMAN JAMES: Any questions for Mr. Rankin?

(No response)

CHAIRMAN JAMES: No further questions, Mr. Rankin. Mr. Eaton?

MR. EATON: Yes, sir. The summary facts pertaining to the case. The Division recommends to the Commission of Public School Academic Facilities and Transportation that the Hermitage School District be placed in academic facility distress in accordance with Arkansas Code Annotated 6-21-811, for the following reasons: Section 621-811(a)(1)(b), material violation of local, state or federal fire and health or safety code provisions or law, and 621-811(a)(1)(e), material failure to comply with state law governing purchasing or bid requirements in relation to academic facilities projects.

MR. EATON: The district is correcting the deficiencies as we have brought to your attention and that we work it from the inspection list but they are not done. The other thing I'll point out is the Division has not entered into any discussions with regard to the procurement violations. Since you were not -- did not have the final report until it was presented to the legislature. At that time we found the full complexities of procurement violations and inherent within the recommendations that made we to you as part of their plan to correct the deficiency we need to address the procurement issues, and we will go ahead and discuss that with them. And I think Richard would have to answer to -- Mr. Rankin would have to answer for you any interface between the school district and the contractors.

CHAIRMAN JAMES: Mr. Rankin, do you understand the question that is being posed?

MR. RANKIN: We have been working with the contractors and the contractors have come back and repaired and are -- sometimes they're slow in getting back but none of them have refused to come back yet. If they did refuse that would be a legal action we would probably take next. We would go into legal action. But right now I have not had a contractor refuse to come back and fix -- and a lot of our air conditioning, heat and air systems have already been fixed, a lot of the electrical has already been fixed, a lot of the plumbing. There are some areas, though, that still need to be worked and the contractors are still able to come back and do those. Part of the time that school was going on and we had kids in school and some of the jobs could not be done until summer got here. And that kind of slowed us down in some areas.

COMMISSIONER WEISS: I'd just like to follow up, I guess, with Doug. What is the effect of us voting to put them in facility distress above and beyond them actually getting the facilities fixed?

MR. EATON: Well, sir, of course it would be a deficient designation that they were put in facility distress by the Commission; only the Commission has that authority. Secondly, it would cause the district to go on a mandated schedule according to the recommendations I made to you, in conjunction with us to assure that they correct all of the things identified through the recommendations made to you, the first of which would be (Inaudible) which is step one for a facility in distress. The second or I think the third recommendation is we would establish the time lines and take into consideration that those things that have to be done in order to be able to get the school open on time. This would lock the district into that time line. If they are unable to do it then the district -- then the Division does have the ability to issue short term loans or request that short-term loans be issued to them. We also have the ability to direct the Division - the Division to direct the district to go into the millage money that they've recently received and pull money to correct these deficiencies. So, basically, by the Commission designating it as a facility in distress it puts a more regimented schedule in place to insure it happens.

CHAIRMAN JAMES: Okay. Thank you. Mr. Rankin, let me ask you one other question, just -- and I'm not -- this question is not to mean to put you on the spot, although it probably will. The question from my perspective and what you've gone through, and let me tell the Commission members just because I'm aware of it, Mr. Rankin has been totally cooperative with everything that has gone on and inherited a very, very difficult situation, not only this one but some other issues that we don't have time nor is this the purpose to go into. But I want to thank you for that and your willingness to -- and your cooperative spirit in terms of this process. I know it's difficult. I think my question to you -- and sometimes these kinds of things raise their head in terms of being of assistance to you as the superintendent and to your board and as a message to your community, also, that this is a serious situation. So it may -- it could give you, I guess, is what I'm saying, if the Commission votes to do this some additional leverage from within your own community. Do you see that as being something that would be helpful to you or what's your position and what's your take on that? And if you don't want to answer that I understand, but I just felt the need as a previous superintendent and understanding some of these issues that sometimes these kinds of things can assist as well in terms of different things that you need to get done and your board may need to get done.

MR. RANKIN: So far everything has been helpful in the respect of showing to our community this needs to be done, this needs to be taken care of I think even the passing the millage knowing that this is over our head. Also allowed our people to see that we needed to make sure the school stayed there. So I think it's been very important and, again, the help that we've had, once we recognized the problem the Division has been helpful. And it has not been anything but a correct way to take care of a problem. They've been very helpful and I've been very thankful for the help that I've had in the process.

CHAIRMAN JAMES: Thank you. Okay. Commission members, you have heard the presentations by the Division and the response by the district. What is your pleasure at this time? The motion before us, if you need me to restate that is to place the district on fiscal -- excuse me, facility distress. Doug outlined the criteria that would force a plan of action that would have to be submitted within 30 days. It would also trigger on-site technical assistance from the Division. Notification, specific notification of deficiencies and a timeline for taking care of those deficiencies and action necessary in terms of the specific timeline would be also mapped out specifically. And you have those before you; you've heard those, so what is the pleasure of the Commission members at this time?

A complete excerpt may be found in the DPSAFT transcription by contacting Barbara Dobbs 683-1195.

**Commission Action: Approved the staff recommendation to place Hermitage School District on Academic Facility Distress**

Tab 9 School District Appeals

Lavaca School District

The Lavaca School District is appealing a decision, rendered by the Division, to the Commission regarding the partial denial of funding under the Partnership Program for the construction of an auditorium.

The facility, which is presently under design, was applied for and approved for funding under the Partnership Program. The school district disagrees with the basis of calculation used by the Division to determine the financial participation.

A complete excerpt may be found in the legal transcription by contacting ADE attorney.

**Commission Action: Uphold the Division's determination and deny the Lavaca School District appeal.**

Lincoln School District

The Lincoln School District is appealing a decision, rendered by the Division, to the commission regarding the disapproval of submitted projects and the subsequent denial of funding under the Partnership Program for district HVAC projects. The school district submitted projects for consideration under the Partnership Program. The Division recommended disapproval of the projects. The school is appealing the basis for that denial.

A complete excerpt may be found in the legal transcription by contacting ADE attorney.

**Commission Action: Uphold the Division's determination and deny the Lincoln School District appeal**

CHAIRMAN JAMES: And we thank you for your presentation today. And we need a motion to adjourn, Commission members.

COMMISSIONER WEISS: So move.

COMMISSIONER DOBSON: Second.

CHAIRMAN JAMES: We are hereby adjourned.  
Thank you.