

**SUMMARY MINUTES OF
ADVISORY COMMITTEE ON PUBLIC SCHOOL ACADEMIC FACILITIES
MEETING
January 23, 2018, 9:30 a.m.**

Committee Members – Present

Jim Alessi, Chairman
Charles Stein, Vice Chairman
Brad Montgomery, Secretary
Brent Massey
Cody Beene
Jim Tucker
Jim Yeager

John Hoy
Jon Collins
LaKenya Riley
Nathan Smith
Rusty Mullen
Doug Harris, *Ex Officio*
Scott Copas, *Ex Officio*

Committee Members – Absent

Craig Boone, *Ex Officio*
Jeff Steiling
Joe Wishard

Malinda Martin-Johnson
Scott Archer

Division Staff – Present

Brad Montgomery, Director
Carol Bowman, Administrative Analyst

Approval of Meeting Minutes from November 28, 2017

Nathan Smith and Lakenya Riley requested clarification be added to the Summary Minutes from November 28, 2017, which were submitted and approved.

Revision to Funding Formula (Wealth Index)

- Representative Reginald Murdock stated that he had been closely following the Advisory Committee's progress and wanted to reiterate a few points that had already been considered by the Committee:
- Concern regarding Warm, Safe, and Dry especially in school districts with declining enrollment, not just growing school districts' needs.
- No one-size-fits-all rules because parts of the State have unique situations.
- ADM is current "driver" and the Committee should reconsider.
- Existing rules can be changed because recommendations do not effect statute.
- Consider free/reduced lunches in calculations.
- Researching "power mill funding".
- Prioritization should be reviewed.
- Focus on where the needs actually exist.

Wealth Index, Rules, Ranking

- Charles Stein presented an update on the small-group's draft recommendations:
- Three main segments – Processes, Wealth Index, and Funding.
- "Processes" do not have funds attached.
- Need to continue review of Wealth Index and school districts' ability to pay (Poverty and Mill Value).
- "Funding" ties in lastly.
- Planned monthly timeline for January-July 2018 presented and reviewed.
- Master Plan and Partnership Program Timelines for 2019-2021 Projects and 2018 Master Plan discussed.
- Partnership Program Funding Prioritization Process suggested changes.
- Partnership Program State Financial Participation and issues with Year-One and Year-Two funding need levelized.
- Issues with the current process having one "pot" of funds and since there is no State Plan there is no target to strive to achieve.
- Master Plan and Partnership Program Timelines for 2019-2021 Projects have applications before school districts submit Master Plan, and recommended organizing the timeline back into correct order which would include rescinding Act 864 of 2017 since the early applications would already be completed for all districts.
- Master Plan and Partnership Program Timelines in Statute (6-21-806) – Division would publish "division statewide facility needs priority list as basis of District Master Plan" (a)(2).
- Definitions clarified for project categories Space/Growth and Warm/Safe/Dry.
- Space/Growth would have all districts ranked; and Warm, Safe, Dry would have all campuses ranked.
- Master Plan Processes Priority Needs list would reflect needs not projects. The District would develop a comprehensive plan, and the Division and District would work as team with it during Master Plan consultation meetings. Master Plans would contain all project information including schematic drawings and PORs.

- Approved Projects details “TBD”.
- Recommendations included Project Categories changed from three to two – Space/Growth and Warm/Safe/Dry; splitting funds into two “pots”; project definitions; prioritization; and timelines.
- Scott Copas asked how growth falls into adequate and equitable. Charles Stein stated students need seats (adequacy). No information available on how equitable applies.
- Representative Murdock indicated the Legislature was unable to define adequate and equitable. He also stated that the Division needs something in place for school districts who don’t accurately report the condition of their facilities.
- Jon Collins requested a report on Systems Replacements funding to date.

Bonded Debt Assistance, Growth Funding, Declining Enrollment Funding, Excess Debt Service, Average Assessment

Cindy Hollowell reviewed various areas of her responsibilities. She explained how the Bonded Debt Assistance funding was created. Ms. Hollowell suggested contacting a financial firm like Stephens or Beardsley to address the Committee. She further reviewed Growth Funding, Declining Enrollment, Excess Debt Service, and Average Assessment. She indicated that funds for declining enrollment were created to assist affected school districts since they still have contracts that must be paid even though enrollment declining. Brad Montgomery suggested reviewing the millage collection rate, not just consider millage rate.

Manual Sub-Committee Update

Brad Montgomery reported that the Sub-Committee Chairman, Jeff Steiling, had reported the Sub-Committee had concluded their recommendations and forwarded the details to Derrick Black at the Division to make the necessary changes. He also indicated they were contacting AAEA and facilities consultants for input, and reviewing the POR.

Other Business

Chairman Alessi recognized attendance of Commissioner Aaron Burkes.

Jimmy Alessi and Brad Montgomery indicated that since Charles Stein had presented preliminary information to the Committee, the Committee would vote on the recommendations at the next meeting. After that, the final scope could be written and RFP released.

Next Meeting Date

The Committee selected the next meeting date of February 20, 2018, at 9:30 a.m. *(Note, date later changed to February 27, 2018, by Advisory Committee.)*

Adjourn