

**SUMMARY MINUTES OF  
ADVISORY COMMITTEE ON PUBLIC SCHOOL ACADEMIC FACILITIES  
MEETING  
October 23, 2017, 9:30 a.m.**

**Committee Members – Present**

Jim Alessi, Chairman  
Charles Stein, Vice Chairman  
Brad Montgomery, Secretary  
Brent Massey  
Jim Tucker  
Jim Yeager  
Joe Wishard  
John Hoy

Jon Collins  
LaKenya Riley  
Malinda Martin-Johnson  
Nathan Smith  
Rusty Mullen  
Scott Copas, *Ex Officio*  
Doug Harris, *Ex Officio*

**Committee Members – Absent**

Cody Beene  
Jeff Steiling

Scott Archer  
Craig Boone, *Ex Officio*

**Division Staff – Present**

Brad Montgomery, Director  
Terry Granderson, Assistant Director  
Carol Bowman, Administrative Analyst

**Approval of Meeting Minutes from September 26, 2017**

Meeting Minutes from September 26, 2017, meeting were submitted and approved.

**Representative Charlotte Douglas**

Representative Charlotte Douglas, Arkansas State Legislature, discussed HB1576 of 2017 and HB1907 of 2017. She indicated:

- Requested Harvie Nichols be allowed to join Committee discussions for his input
- WSD in Rule not in Statute
- Rescinded WSD Systems funds be awarded to next approved unfunded WSD Systems project with Commission approval. (*Brad Montgomery indicated currently done.*)
- Suggested of a 5-year cycle instead of 4-year cycle to help State, Division, and school districts with budgeting
- Wealth Index issues need addressed to possibly include consideration of density and heavily forested areas
- Facilities Manual should not require anything that exceeds the State building code, and provided examples of snow guards and copper pipes. (*Multiple Committee members indicated the Facilities Manual represents the State and Federal building codes, contains some suggestions but not requirements over code, the Division provides variances when justification presented by school districts, and that snow guards and copper pipes save money in long-run.*)
- Requested priority be given to Extraordinary Circumstances rule, with possible funding by low-interest loan
- Extraordinary Circumstances rule could be catch-all for Wealth Index issues. Examples millage inequity, declining or rapid-growing enrollment, inefficient bond capacity, and low property tax assessments.
- More data available than was available in 2007 for study of issues
- Asked how the State could deliver funding when there will not be as much funding available going forward
- Suggested possibly removing utilities and salaries from 9% Foundation Funding which had integrity until utilities and salaries included. (*Scott Copas indicated when established, 9% was national average to maintain buildings.*)
- Suggested identifying school districts not up to standards, that school districts are afraid of going into facilities distress, so get a median level to get them back on track with maintenance called “Facilities Probation”.
- Presently school districts lead the process, change so State decides what a school district needs, it should be part of school district goals, and school districts should prioritize their projects when submitted.
- Deregulate 9% Foundation Funding for school districts successfully maintaining facilities, and put school districts on probation if failing to maintain facilities.

Discussion between Representative Douglas and Advisory Committee:

- Biggest problem is less State funding available
- State in better financial shape presently and providing less funding, but State previously funded more when in worse financial position
- WSD Systems favors small school districts with low Wealth Index and ADM ranking
- State needs ability to intervene before take-over. Use intervention as “carrot” before next step of take-over
- Study how school districts use savings and Fund Balances, and make accountable for why funds available and for use of savings

- Loss of students to alternate educational systems creates more financial issues for traditional school districts.
- Don't penalize a school district for saving account, but require the school district required to report specific plans to the State on planned use of funds
- Some school districts "scheme" the program by not maintaining buildings and equipment so State pays
- Federal agencies specify needed repairs and maintenance when submitting annual budget request, and Federal government makes decision.
- Non-funded projects stay on list, stack up, and in short time State needs hundreds of millions dollars. In few years, no need to apply for new project because so many projects ahead in back-log
- If school district has facilities consultant and project(s) not funded, do not pay consultant again until project funded, even if 10 years
- If school district has maintained facility and now needs new building, okay. But not same consideration if school district does not maintain facility and equipment.
- Extended warranties cost more on front end so nets limited savings. Maintenance responsibility of school districts.
- Only seven school districts presently have savings in escrow account
- If a school district spends money on competition gym before academic facilities, penalize.
- Reduce required size of classrooms and need for media center

## **Sub-Committee Updates**

### **Assessment Sub-Committee**

Jimmy Alessi reported he and Brad Montgomery met with Commissioner Key who provided clarity the Governor wants evaluation of Division's objectives not individual building assessments, and wants a report similar to the ADE report of 2013. Mr. Montgomery indicated the State of Wyoming did similar assessment and had excellent report. They have spoken to New Mexico, Colorado, Wyoming, and Ohio.

### **Wealth Index, Rules, Ranking**

Dr. Stein stated partnership process not in Statute but in Rule. The value of the Wealth Index being reviewed, and will use data specifics such as poverty and free lunches in analysis.

### **Manual**

Jimmy Alessi and Brad Montgomery reported Sub-Committee's recommendations being prepared. Report will be presented to Advisory Committee for approval, then to the Commission for approval for release for Public Comments. Suggested a superintendent be added to the Sub-Committee.

### **State Plan**

Jimmy Alessi requested Sub-Committee remain following Committee meeting adjournment to re-visit the Sub-Committee's goals.

## **Other Business**

Chairman Jimmy Alessi acknowledged Commissioner Aaron Burkes in attendance at the meeting.

Chairman Jimmy Alessi recognized Advisory Committee member, Jon Collins, the 2017 recipient of the AAEA Superintendent of the Year award.

## **Next Meeting Date**

The Committee selected the next meeting date of November 28, 2017, at 9:30 a.m.

## **Adjourn**