

**SUMMARY MINUTES OF
ADVISORY COMMITTEE ON PUBLIC SCHOOL ACADEMIC FACILITIES
MEETING**

November 28, 2017, 9:30 a.m.

Committee Members – Present

Jim Alessi, Chairman
Charles Stein, Vice Chairman
Brad Montgomery, Secretary
Cody Beene
Jeff Steiling
Jim Tucker
Jim Yeager
Joe Wishard

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

Committee Members – Absent

Brent Massey
Malinda Martin-Johnson
Scott Copas, *Ex Officio*

Division Staff – Present

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

Approval of Meeting Minutes from October 23, 2017

Meeting Minutes from October 23, 2017, meeting were submitted and approved.

BLR Academic Facilities Funding, Expenditures, and Distress – August 11, 2015

Brad Montgomery discussed a previous Bureau of Legislative Research from 2015. The Division to forward the November 2017 BLR report following presentation on Wednesday.

Sub-Committee Updates

Assessment Sub-Committee

No report

Wealth Index, Rules, Ranking

Brad Montgomery provided Dr. Stein *“initial reviews, very preliminary draft”* on the wealth index. Dr. Stein’s report indicated:

- There will be baseline funding in future years.
- As bonded debt is paid off, the surplus funds and given to the Partnership Program.
- Partnership funding lowered from \$260 million to \$57 million, or \$114 million per biennium.
- Ranking process and prioritization discussed
- Dr. Stein looking at 10-year average Wealth Index or average Wealth Index.
- If school district enrollment declines, appears wealthier. If school district enrollment increases, appears less wealthy.
- Wealth Index defined in statute, and applied through Rule which can be changed.
- Millage funds needed for local share.
- Excess debt service mills.
- Referenced Representative Charlotte Douglas’ suggestion about “carrots”.

Dr. Stein arrived at meeting following conflicting meeting, and suggested using wealth index in 2005 or the 10-year average.

- Suggestion made to use percentage increase/decrease of enrollment in calculation.

Manual

No report

State Plan

No report

Other Business

Rob Kelly, Kelly Consulting Services

Mr. Kelly participated by teleconference. Kelly Consulting is the vendor who has generated the new facility cost factors annually for last 10 years. Kelly has a step-by-step process to create the report. Explained in detail that he uses a RSM 30-city average cost for all school types and applies adjustment factors and escalates to the mid-point (or July 1) second year of the biennium, reflecting the majority of the state's new facilities' cost factors are now at the \$175 ceiling. The actual cost factor average was \$191.46 across the state.

Discussion:

- Setting a percentage for each funding category.
- Increase cap only if revisions made to funding amount per project category, otherwise no.
- Increase to \$191 now and setup percentage to adjust annually (increase or decrease).
- One superintendent voiced concern on increasing costs. He built building for \$140 per square foot and thinks \$191 is too high.
- Suggestion to use add a wealth index factor and raise the cap.
- Vote taken to release for bid – 11 for, 1 against.

Mr. Montgomery and Mr. Alessi discussed the Program Review RFP.

It will be sent to members with "red-line" edit feature. Responses should be sent to Mr. Montgomery by Monday, December 4, 2017.

Next Meeting Date

The Committee will not meet in December 2017. The next meeting date set January 23, 2018, 9:30 a.m.

Adjourn