

**SUMMARY MINUTES OF  
ADVISORY COMMITTEE ON PUBLIC SCHOOL ACADEMIC FACILITIES  
MEETING  
May 29, 2018**

**Committee Members – Present**

Jim Alessi, Chairman  
Charles Stein, Vice Chairman  
Brad Montgomery, Secretary  
Jim Tucker  
Jim Yeager

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

**Committee Members – Absent**

Brent Massey  
Cody Beene  
Jeff Steiling

John Hoy  
Rusty Mullen  
Craig Boone, *Ex Officio*  
Scott Copas, *Ex Officio*

**Division Staff – Present**

Brad Montgomery, Director  
Carol Bowman, Administrative Analyst

**Approval of Meeting Minutes from April 28, 2018**

**SchoolDude – PM Site Visit – Form Demonstration**

Brent Hair, Program Manager, presented via ZOOM teleconference the sample template created from the Division's site visit inspection form. He indicated this was a unique custom solution for Arkansas instead of the State purchasing additional products for each school district from SchoolDude. The template only allows Division staff to select pre-formatted responses and prohibits entering text. Charles Stein asked for clarification regarding an APM-M's ability to enter a comment, such as the amount of life for a roof, and was told that would be not available. Jeremy Helms, Data Visualization Developer, stated SchoolDude could potentially customize reports for the Division at a fee. Nathan Smith confirmed with Mr. Helms that a CSV format data download should be available.

**Manual Sub-Committee Update**

Brad Montgomery reported on behalf of Jeff Steiling, Manual Sub-Committee Leader, that the sub-committee still needed to meet with Representative Charlotte Douglas to determine if all her concerns had been addressed. Scott Archer indicated he would be available next week if the meeting could be arranged. Mr. Montgomery stated that any Legislator could hold up rules until his/her questions were addressed as had happened with the last changes to the Facilities Manual which were delayed for a year.

**Wealth Index Discussion**

Jimmy Alessi expressed concerns about the data and Wealth Index Dr. Smith e-mailed to all Advisory Committee members. The Advisory Committee had voted and selected the Wealth Index model #4 at the last meeting. Dr. Smith indicated his big concern was the cost to the State. Mr. Alessi stated the Advisory Committee was required to make a recommendation to the Commission after looking at what school districts needed in order to provide an adequate and equitable education to the Arkansas public school students, not State funding amounts.

Dr. Stein reviewed the program from 2005 to present. He stated that years ago, he had been concerned there was no State plan and that funding had been based on school district wants, which amounted to approximately \$100 million per year. He indicated that at the April meeting of the Advisory Committee, the State plan was reviewed, splitting funding into two pots with an annual average of \$90 million, POR with 5-year instead of 10-year growth, saving the State overall \$10 million annually. Dr. Stein stated throughout the Advisory Committee's year-long process, several Wealth Index models had been presented, discussed, and reviewed, and that at the last meeting model #4 was voted on and selected because it helped the poorer school districts and had a legislative sponsor.

Dr. Stein stated he re-ran numbers against Dr. Smith's data and was concerned with the information Dr. Smith had provided.

Dr. Smith stated his Wealth Index would reduce State costs, which would not happen each year but wanted to protect the State's cost going forward. Dr. Stein asked about two specific school districts as an example. Dr. Smith replied you cannot use only one biennium as an example. Dr. Stein stated there were 12 years of data with larger schools receiving large amounts of funding.

Dr. Smith stated Mr. Alessi, Dr. Stein, Mr. Montgomery, and he met on May 24. Dr. Stein indicated Dr. Smith's assumption regarding WSD and Space/Grown was incorrect. Dr. Smith stated Dr. Stein was being too detailed, but that possibly Dr. Stein was correct.

Dr. Smith indicated the Act 962 of 2015's early review processes increased the number of approved projects and raised the funding level to \$240 million. Funding a lesser amount on all projects would eliminate non-funded projects, which he considered a "danger" if the State used the approved model #4. Mr. Montgomery stated that with the two pots of funding, WSD would not be ranked third priority and would receive equal amount of funds.

Mr. Alessi stated there would always be a "cap" of sorts. Dr. Smith agreed but stated his proposal reduced the State Financial Participation (*SFP*) and reduced the amount of funds each Arkansas school district would receive so everyone would receive a little funding and eliminate a funding line, which he indicated was what he was trying to keep from happening by giving all school districts less money instead.

Dr. Stein stated that it is up to the school districts to fund the remaining unfunded amounts, so if the *SFP* were lowered, the local citizens would need larger millage rates to fund the balance due. Dr. Smith stated yes, that would happen in order to cover the additional needed funds.

Melinda Martin-Johnson voiced concern about giving all school districts less funds so that each school district received something. She stated that would mean poorer school districts who were already struggling would get even less funding than they presently receive. Dr. Smith agreed, but said at least his way everyone got something, the State saved money, and there was no funding line.

Dr. Smith asked for a lower percentile for averaging instead of 95% and felt 85% was "sufficient".

Jim Yeager asked what was the point of giving all Arkansas school districts a little funding when the struggling school districts cannot pay now. Dr. Smith stated he did not know what to do about poor school districts who could not pay their portion other than possibly putting them in Facilities Distress.

Mr. Montgomery asked Dr. Smith where the State would get the funds for the repairs/construction if a school district was placed in Facilities Distress, and how would the State re-coop the money after school repairs/construction completed and school released from Facilities Distress. Dr. Smith stated the State could control their expenses. Mr. Montgomery stated that placed the Division in a bad position working to help the students in Arkansas.

Dr. Smith stated that during the Lake View lawsuit, it was proposed all superintendents work for the State, which did not happen, and now local school districts were making decisions that the State had to fund. He thought his proposal would help some poorer school districts.

Dr. Smith referred back to the new process placing a "cap" which other Advisory Committee members corrected him by stating \$90 million was not a cap, but levelized funding which was what the Governor had suggested. Dr. Smith stated the members were not even meeting the Governor half way on lowering funding levels. Mr. Montgomery read the minutes with the Governor's speech where the Governor asked the Advisory Committee to establish a standard funding level for State budgeting purposes.

Dr. Smith stated that Lake View was to provide equal education for all children; that the 1719 biennium was unique, not normal; by lowering the percentile for averaging the Wealth Index model #4 from 95% to 85% and providing all Arkansas school districts less money, it would satisfy the Governor.

Dr. Smith proposed the Advisory Committee vote on changing the averaging percentile to 85% and made the motion himself. There was no second to the motion, and Mr. Alessi declared the motion dead. Mr. Alessi thanked Dr. Smith for all his hard work. Mr. Montgomery asked if Dr. Smith would consider doing more analysis for the report for the Commission, and Dr. Smith stated he would even though he is not in favor of the Advisory Committee's decisions.

## **21<sup>st</sup> Century School Funding – Report**

Mary Filardo, Executive Director

Mr. Montgomery referred to the biographical information provided on Mary Filardo, Executive Director of 21<sup>st</sup> Century School Funding, who had been selected to write the Advisory Committee report due to the Commission for Public School Academic Facilities and Transportation by July 31, 2018. Three companies had been contacted to bid on the preparation of the report, but 21<sup>st</sup> Century had been chosen.

Ms. Filardo stated she was in Little Rock to learn about what the Advisory Committee wanted in the report and that she had a lots questions such as what the Advisory Committee process would be for reviewing her team's work. She indicated she would have a detailed outline by the end of the week in order to meet the June 15<sup>th</sup> deadline for the first draft of the report. She indicated

- Brochure about program would be historical and review accomplishments of the funding program in a non-technical way so the general public and legislature could easily understand. (*Such as, where are we and what progress have we made?.*)
- The report itself would include a timeline and what the Advisory Committee had done, and that she needed the Advisory Committee's process in order to meet the deadline.

Dr. Smith stated that she should work closely with Dr. Stein who made great contributions and that Ms. Filardo would get 90% of what was needed from him. He also indicated he would help, but Dr. Stein would be her best source. Ms. Filardo confirmed with Dr. Smith he was a "number cruncher". Volunteers to help review for Ms. Filardo's documents included Jimmy Alessi, Dr. Charles Stein (knowledge), Dr. Nathan Smith (numbers), Lakenya Riley, and superintendents who would tag-team in participation.

Dr. Stein indicated that WSD/Systems was for maintenance of school districts and some school districts needed more funding than others, so the new process has two equal pots of funding. Mr. Yeager stated the perception in Arkansas is students in poorer school districts should not expect as good schools as the richer school districts.

Ms. Filardo asked if economic development was being done elsewhere with State funds that school district could receive, i.e. 10%, to fund their needs. Dr. Smith stated no.

Mr. Alessi stated several Arkansas legislators do not support providing funding to school districts who do not maintain their facilities, and the Advisory Committee needs to provide the Division "teeth" if the facilities are not maintained but the school district(s) want State funds. Mr. Collins stated some school districts do not maintain their facilities. Mr. Yeager stated cooperatives play huge roles in communicating information from the State to local level. Ms. Filardo asked about consolidation. Mr. Montgomery enrollment would need to drop for two years.

Ms. Filardo indicated she would be in Little Rock working closely with Mr. Montgomery and the Advisory Committee this week.

### **Other Business**

#### **Next Meeting Date**

The Committee selected the next meeting date of June 26, 2018, at 9:30 a.m.

### **Adjourn**