

**SUMMARY MINUTES OF
ADVISORY COMMITTEE ON PUBLIC SCHOOL ACADEMIC FACILITIES
MEETING
June 26, 2018**

Committee Members – Present

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

Jon Collins
LaKenya Riley
Malinda Martin-Johnson
Nathan Smith
Rusty Mullen
Craig Boone, *Ex Officio*

Committee Members – Absent

Brent Massey
John Hoy

Scott Archer
Doug Harris, *Ex Officio*
Scott Copas, *Ex Officio*

Division Staff – Present

Brad Montgomery, Director
Carol Bowman, Administrative Analyst

Approval of Meeting Minutes from May 29, 2018

**Letterhead for the Advisory Committee was approved.
Report to Commission – 1st Draft**

Mary Filardo, Executive Director and Alex Donahue, Deputy Director of Policy & Research, of 21st Century School Fund, participated via ZOOM to review the first draft of the Arkansas Academic Public School Facilities Advisory Committee Report. Brad Montgomery asked Ms. Filardo to walk the Advisory Committee through the first draft.

Ms. Filardo thanked Brad Montgomery, Dr. Charles Stein, Dr. Nathan Smith, and Carol Bowman for being very helpful. She also thanked Ms. Bowman for the photographs included in the draft report. She indicated each state is amazing and complicated regarding children and facilities and thanked the Advisory Committee for allowing her to participate in finding the State of Arkansas' voice.

Ms. Filardo discussed the basic outline and organization of the report. The Advisory Committee members and Ms. Filardo discussed changes to the outline and report, and information, data, and graphs. Advisory Committee members answered questions and provided history to explain some of the included data.

Some discussion points included:

- Include in report the fact that since 2013, \$18 million has been funded annually to the Partnership Program but immediately transferred to Employee Benefits Division (*EBD*) for teacher insurance.
- Question asked regarding large difference GSF of non-academic facilities – 5 million GSF in 2004, and 17.5 million GSF in 2017. Response was it appears State of Arkansas funding academic facilities, and that school districts save their money to fund non-academic facilities instead of construction of academic facilities, funding items such as athletic fields instead. That could be an issue with the Legislature.
- 51.5% of the school districts' principals responded to a survey. Of these responders 76% indicated their buildings in excellent/good condition (to non-trained eyes) but they should know first-hand the condition of their facilities.
- Utilities within the 9% Foundation Funding is hot topic and should not be included.
- A local financial institution reportedly stated the option for issuance of \$750 million bonds had expired, but that had not confirmed.
- Bonded Debt process.
- School districts are running a “business” and need to save toward their share of facilities funding so there is less need for additional tax increases or further debt. One Arkansas Legislator tough on this topic.

- State of Arkansas is educating children to compete in the world so use companion table from Southern Regional Education Board on Facilities Investments instead of only comparing data against neighboring states.
- When report submitted to Commission, provide them the additional spreadsheet as a comparison “cheat sheet”.
- Problem still remains that school districts submit many more projects in Year-One, and much smaller number of projects in Year-Two.
- Partnership Program funding competes with State funding for roads, employee raises, tax cuts, etc.
- Partnership Program must be reduced to cut the State’s funding costs.
- By Statute, Division takes to Commission all qualified approved projects. The State determines the amount of funding given to these qualifying projects.
- Headed to another Lake View lawsuit if State does not adequately fund needs which is in State Constitution. Funding amounts not determined by Advisory Committee.

Advisory Committee members stressed:

- Advisory Committee needs to be honest in the report and the report needs to be factual and defensible. Do not back into the State’s suggested funding levels and/or lower Advisory Committee’s professional findings, standards, and recommendations, or the report will not be an honest representation of Advisory Committee’s year-long work.
- Advisory Committee needs to report the actual need. Commission can adjust as desired, the Legislature can edit further, but the Advisory Committee’s decision needs to be the truthful will of this Advisory Committee.
- True facts need presented by Advisory Committee.
- Transparency is very important.
- Advisory Committee needs to make honest recommendation. The State makes funding decisions.
- Advisory Committee members need to know the report was a well thought out, honest recommendation to meet the needs of the Arkansas public schools to provide an adequate and equitable education to all children.
- Advisory Committee has done good work.
- All school districts including poorer school districts have to do their part.
- Not only poor school districts fail to pass millage increases, but some larger ones also. Example provided of Bryant School District.
- Advisory Committee’s recommendations, if accepted, will be in effect in 2021-2023 not 2019-2021.

Other Business

Next Meeting Date

The Committee selected the next meeting date of July 17, 2018, at 9:30 a.m.

Adjourn