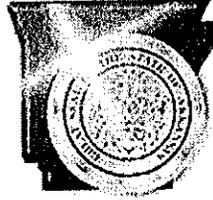

Arkansas Division of Public School



Academic Facilities & Transportation

**COMMISSION ON PUBLIC SCHOOL ACADEMIC FACILITIES
AND TRANSPORTATION**

Dr. Ken James, Chair

MEETING AGENDA

**October 13, 2005
9:30 a.m.**

Arkansas Department of Education Auditorium

- I. Call to Order/Roll Call
- II. Approval of September 15, 2005 Commission Meeting Minutes
- III. Consultant Contracts
- IV. Consideration of Rules
 - A. Transitional Program
 - B. Bonded Debt Assistance
 - C. Academic Facilities Distress
 - D. Academic Facilities Partnership program
 - E. Construction Management
 - F. Public-Public Partnership
 - G. Design-Build Construction
 - H. Maintenance and Custodial Manual
 - I. Unattached Equipment Manual
 - J. Academic Equipment Program
 - K. Facilities Master Plan
 - L. Energy Savings Contract
 - M. Catastrophic Program*
- V. Immediate Repair Program

MINUTES OF
COMMISSION ON PUBLIC SCHOOL ACADEMIC
FACILITIES AND TRANSPORTATION

Date: October 13, 2005

Place: ADE Auditorium, Little Rock, AR

Attendees: Dr. Ken James, Director, Arkansas Department of Education
Richard Weiss, Director, Arkansas Department of Finance and Administration
Mac Dodson, President, Arkansas Development Authority

- I. Call to Order/Roll Call. Dr. Ken James called the fifth meeting of the Commission on Public School Academic Facilities and Transportation to order. All commission members were present.
- II. Approval of September 15, 2005 Commission Meeting Minutes. Dr. James stated that the minutes were received in time for review and asked for questions or a motion. **Mr. Weiss moved to approve the minutes. Mr. Dodson seconded the motion. The minutes of September 15, 2005 as submitted were approved unanimously.**
- III. Consultant Contracts. Dr. James acknowledged Dave Floyd who stated that two contracts were being brought before the Commission. The first one is for permission to enter into a contract on a consultant basis with Drew Coppock. Drew had been with DeJong and Associates throughout the assessment process and has turned in a letter of resignation from the division effective tomorrow, leaving the division one person short. This contract will be sent to DFA as a sole source contract. Because of the expertise needed over the next several months through the end of the year to maintain our database, etc. and the division does not have a position for an IT person in the appropriation, the division has a real need for Drew's contracted services. Drew has started a consulting firm and plans to work with another consultant firm to update infrastructure and computer technology and that sort of thing in New Orleans. Drew can be available an average of 10 hours per week (some weeks more hours and some weeks less).

Mr. Weiss asked if the period of time was calendar year or fiscal year. Mr. Floyd responded fiscal year. Dr. James clarified the time period as June 30, 2006. Mr. Weiss indicated a concern when people work for the state, set up a firm and then seek a sole-source contract. He understood that Drew has the hands on experience the division has to have, but if a contract is entered into it should not last longer than the next nine months and then bids should be taken for this service. He also understood that this cannot be done because of the short timeframe but some assurances are needed. Scott Smith asked for the opportunity to check Drew Coppock's employment status and the contract before the Commission takes action. Dr. James said one other option would be a six months contract and suggested that Mr. Floyd come back with this information and other options that might be available.

Mr. Floyd said that under the Bonded Debt Assistance Appeal Rule, the services of people with expertise in tracking bonded debt issues will be needed and the division simply does not have these people on staff. Four or five people have been contacted and currently have agreed to come on board with a pay rate of \$100.00 per hour. The amount of time anticipated being necessary per person would be less than the \$5,000.00 figure that would require a purchase order request. According to the number of people and the number of anticipated appeals it may be necessary to go to an amount that would require contract approval from DFA. This is just to advise the commission so that continued plans can be made for persons necessary to assist the division in the bonded debt appeal process that districts will follow to appeal the 10% reduction. The reason Department of Education personnel cannot be used will become clear as the process is further defined. The districts have a deadline to submit applications and then the Division reviews the applications and makes notification to the districts and the Commission on what recommendations will be made. If a district decides to call for an appeal on our recommendations then Department of Education financial personnel will be utilized to review what has been done. Today permission is requested to find two other consultants and then follow the process whatever it may be (staying within the \$5,000 or following the contract procedure).

Mr. Weiss asked if the Office of Procurement was being used. Mr. Floyd replied yes, that office had been contacted. Mr. Weiss stated that office has a process for filling out the request for qualifications, etc. and wanted to make sure that resource was being used. Dr. James stated that at this point the Commission is being informed as to the options with respect to consultants and Mr. Floyd will bring this back before us. Mr. Dodson mentioned that his staff tracks bond issues and might be of assistance.

IV. Consideration of Rules. Mr. Floyd stated there was a lengthy list to bring before the Commission.

- A. Rules Governing the Transitional Academic Facilities Program - these rules were approved at the last Commission meeting but some minor technical changes had to be made. These changes have been made and with your approval will be brought back before the Commission in November. Dr. James asked if Mr. Floyd was going one by one on these. Mr. Weiss asked if it held true that minor changes were made to all the rules. Mr. Floyd said that all the rest were being put out for the first time. Mr. Dodson asked if the changes to be discussed now were just for the Transitional Program and Mr. Floyd answered yes. For clarification Dr. James asked that Mr. Floyd go through the changes.

On page 4 - 6.01.1 - (changes go over to top of page 5) *The project may qualify for funding in the amount of the product of \$90.00 or the actual contract dollar amount or a dollar amount established by the Division (whichever is the lesser amount) per square foot multiplied by the difference of one hundred percent (100%) minus the school district's wealth index.* The underlined portion was not in there correctly the last time. On top of page 6 - *of why, beyond any reasonable doubt* has been stricken.

Mr. Weiss asked if it was being brought back before the Commission in November. Mr. Floyd stated this approval would be taken to legislative committee. **Mr. Dodson made a motion to approve the Rules Governing the Transitional Academic Facilities Program with the changes highlighted by Mr. Floyd. Mr. Weiss seconded the motion and the motion passed unanimously.**

- B. Rules Governing the Retirement and Termination of Bonded Debt Assistance, General Facilities Funding and Supplemental Millage Incentive Funding - Mr. Floyd presented the emergency rule governing the retirement and termination of bonded debt assistance, general facilities funding and supplemental building incentive funding. The emergency rule must be in place in order to meet the deadline required by the law to make notification and the process completed in time for the Department to certify the funding by February 1, 2006. At the same time a rule will be put out for public comment with "emergency" stricken - two processes at the same time.

Mr. Floyd asked the Commission to turn to Item 5.07. Information had been put out in a Commissioner's Memo to let the school districts and all interested parties involved know what was going to be proposed at this meeting. At that time the memo stated that only debt that went to January 1, 1995 would be considered and that a district would not have the ability to appeal a multi-purpose facility (a multi-purpose facility could not be included in the appeal it would just be the automatic deduction). Legal counsel and others (both in and out of school) led the division to the realization that setting a mandatory date of January 1, 1995 would not allow districts to make full claim for any bond issues or refunding for which the districts should have the right to appeal.

The language as presented today *takes out the right to appeal anything prior to January 1, 1995.* The statement that *a multi-purpose facility could not be included was also taken out.* This would enable both the Commission and the school districts to maintain a position that all districts have had full opportunity to appeal for any particular reduction due them. That is the change that will be noted because it had to be put out on the web site.

Mr. Weiss made the motion to approve the Rules for the Retirement and Termination of Bonded Debt Assistance, General Facilities Funding and Supplemental Millage Incentive Funding with the explanation and changes presented by Dave Floyd. Scott Smith recommended that the motion be approved on an emergency status basis now and be put out for public comment on a permanent basis. The recommendation was noted and included in the motion, seconded by Mr. Dodson and approved unanimously.

- C. Rule Governing the Academic Facilities Distress Program - Mr. Floyd stated that permission is requested to put this rule out for public comment and the law for this program mirrors the academic distress and fiscal distress programs. Dr. James asked if there was anything Mr. Floyd wanted to highlight. **Mr. Weiss made a motion to put the Rule Governing the Academic Facilities Distress**

Program out for public comment. Mr. Dodson seconded the motion and the motion passed unanimously.

- D. Rule Governing the Academic Facilities Partnership Program - Mr. Floyd requested permission to put this rule out for public comment and stated that it follows along with the language within the law. **Mr. Dodson made a motion to put the Rule Governing the Academic Facilities Partnership Program out for public comment. Mr. Weiss seconded the motion and the motion passed unanimously.**
- E. Rules and Regulations Governing the Use of Construction Management as a Project Delivery Method – Mr. Floyd requested permission to put these rules and regulations out for public comment. Again this follows the language in the law as well as language from our Division to provide proper instruction to districts about what can and cannot be done. **Mr. Weiss made a motion to put the Rules and Regulations Governing the Use of Construction Management as a Project Delivery Method out for public comment. Mr. Dodson seconded the motion and the motion passed unanimously.**
- F. Rules Governing the Use of Public-Public Partnerships by School Districts – Mr. Floyd Stated that school districts had asked that this be put out for public comment. Again it follows the law plus the language necessary to be put out for public comment. **Mr. Weiss made a motion to put the Rules Governing the Use of Public-Public Partnerships by School Districts out for public comment. Mr. Dodson seconded the motion and the motion passed unanimously.**
- G. Rule Governing the Use of Design-Build Construction by School Districts – Mr. Floyd said this rule is exactly the same. **Mr. Dodson made a motion to put the Rule Governing the Use of Design-Build Construction by School Districts out for public comment. Mr. Weiss seconded the motion and the motion passed unanimously.**
- H. Maintenance and Custodial Manual Rule and Regulation– Mr. Floyd said permission is requested to put this out for public comment. The standards for facility operations are on page 5 and the funding is on page 4. These are required by law to be placed in the custodial and maintenance manual. This will be in the process of development at the same the rule and regulation comes out for public comment. When it comes back for final approval, it will be much thicker than it is now because of the public comments and the work of the custodial and maintenance committee that worked with the Task Force. Dr. James stated that what is being presented is the skeleton form of what is being put out for public comment and wanted a full understanding that the commission will see the details. Mr. Floyd responded exactly. Mr. Dodson asked if the people would have something to see that they are commenting on. Mr. Floyd said yes they would. **Mr. Dodson made a motion to put the Maintenance and Custodial Manual Rule and Regulation out for public comment. Mr. Weiss seconded the motion and the motion passed unanimously.**
- I. and J. Mr. Floyd said the Unattached Equipment Manual and the Academic Equipment Program are being merged into one set of rules (Proposed Rules Governing Academic Equipment Program and Manual) to cover both. Permission is requested to put these rules out for public comment as the law was written in order to have a basis established for the program and manual. There was no appropriation for academic equipment so there is no way the Division can take applications for approval, etc. These are being put out now for public comment and the next time the legislature meets there will be the opportunity to establish a process for districts to make application and be approved. **Mr. Dodson made a motion to put the Proposed Rules Governing Academic Equipment Program and Manual out for public comment. Mr. Weiss seconded the motion and the motion passed unanimously.** Senator Broadway stated that one of the reasons an appropriation was not put in is that currently there is no mechanism to account for unattached equipment. The law does not require districts to inventory anything below \$1,000. This interim time is being used to determine a statutory process for an equipment inventory process. An inventory is required before application for equipment can be taken.
- K. Ten Year (10) Facilities Master Plan Rule and Regulation – Mr. Floyd requested that this be put out for public comment at the same time the division will be working with school districts in the development of the master plan. This phasing in was discussed earlier and the division staff has already begun to set up meeting dates with the cooperatives in order for districts to become involved

in this process in order to meet the February 1 deadline for the first submission of the master plan. **Mr. Weiss made a motion to put the Ten Year (10) Facilities Master Plan Rule and Regulation out for public comment. Mr. Dodson seconded the motion and the motion passed unanimously.** Dr. James said that since there are so many pieces to this it would be helpful for the Commission to have a timeline for assurance that everything is being done in sequence.

- L. Rule and Regulations Governing the Acquisition of Energy Conservation Measures for Public Schools – Mr. Floyd requested permission to put out for public comment the rules and regulations governing the acquisition of energy conservation measures for public schools. **Mr. Weiss made a motion to put the Rule and Regulations Governing the Acquisition of Energy Conservation Measures for Public Schools out for public comment. Mr. Weiss seconded the motion and the motion passed unanimously.**

- V. Immediate Repair Program. Mr. Floyd stated that at the last commission meeting permission was received to review the information that had been provided to the Commission and then follow that up with a final report to you today. He stated for the record the Commission has by law the authority to make final actions on a program and there is no appeals process for this program. What is being presented today is a gathering of further information received in our office since the last meeting (not only have the items in question been reviewed but also other comments that have been received). This is not an appeal but a final close out of the Immediate Repair Program (the status of the program and what needs to be done).
 - A. Applications Received Late – Applications for four districts (Ozark, Greenland, IZard County Consolidated and Norphlet) were not received on the date indicated in the specifications. The same procedures with Department of Education applications should have been followed (a postmark date rather than the actual receipt date). This was further complicated by the Fourth of July weekend. Architects and engineers did not evaluate the projects submitted by these four districts. Today permission is requested to consider these four projects, get the architects and engineers out to evaluate them and provide the necessary information so the same process can be followed. This does not mean that these projects will be approved. **Mr. Weiss made the motion to go along with the recommendations of Mr. Floyd to have architects and engineers review the projects of the districts mentioned. Mr. Dodson seconded the motion and it passed unanimously.**

 - B. Applications Not Received – After the funding notification, a copy of a letter from the Mansfield superintendent was received stating that the Mansfield application had been mailed well within the timeframe, but it was never received at the Division. Mr. Floyd stated that his recommendation is that we not go forward since the architects and engineers haven't been there and there is no telling how many other districts might come forward to say an application had been sent in. The question is what can be done at this point - application can be made under the Transitional and/or the Partnership Program. Mr. Weiss asked if this could be done at any point. **Mr. Weiss made a motion to approve Mr. Floyd's recommendation regarding the Mansfield Immediate Repair Application. Mr. Dodson seconded the motion. Mr. Weiss said that the motion was made acknowledging that Mansfield can make application under the Transitional Program. Mr. Dodson seconded the motion and the motion passed unanimously with the clarification that the Mansfield Immediate Repair Application was denied with a clear understanding that they can make application under the Transitional Program.**

 - C. Districts With Enrollment Under 400

Turrell School District - The handout shows a decline in enrollment not only in the previous ten years but also in the projected 10 years beyond that. A letter to Mr. Hogan, Superintendent, Turrell School District from Mr. Samuel Blackmon, Executive Director, Arkansas Housing Group confirms the fact that the Arkansas Housing Group is building a 24-unit multifamily apartment complex in Turrell, Arkansas this year (assuming the fiscal year if not the calendar year). Since this documentation shows that complex could very easily have an effect on the Turrell School District and projected enrollment, the recommendation is that the Turrell School District funding be approved for the submitted project. Dr. James asked Mr. Floyd to highlight the amounts for the funding. Mr. Floyd said recommendation was being made from the state for \$35,519.77 for one project and \$60,738.80 for the other. Mr. Dodson asked what the money was for. Mr. Floyd said the money was to be used for the repair of a cafeteria roof and damaged ceiling tile as well as

exterior and interior doors. There has not been a question of the need for the project, and now there is a better than good chance that the Turrell School District will have an increased enrollment. Dr. James asked if the doors were specifically \$35,519.77. Mr. Floyd responded yes and the roofs and ceiling was \$60,738.80. **Mr. Weiss made a motion to approve the recommendation and to go forward with the projects submitted by the Turrell School District as mentioned. Mr. Dodson seconded the motion and it was approved unanimously.**

Bradley School District – has been in a declining mode and enrollment has been up and down. Mr. King submitted a letter showing that first quarter enrollment was 387 (all projections are based on October 1 data). The enrollment pattern and other information submitted indicate that the Bradley School District's enrollment will not fall below 350 within the foreseeable future. Mr. Floyd stated a recommendation was being made that the Commission approve the Bradley combo project with the state's portion of \$13,690.85. **Mr. Weiss made a motion to approve the recommendation of Mr. Floyd to approve the Bradley School District's project.**

Mr. Floyd stated that last week Mr. King reported that the district's enrollment exceeded 400. The wealth index was backed out of the cost. Mr. King asked for permission to submit actual cost versus wealth index and that would increase the state's portion by \$5,300. Mr. Floyd said his recommendation was to take action on the application that was submitted as calls have already been received from other districts wanting to take the entire approved state portion and apply it to one portion rather than to the projects for which they were approved. Mr. King then stated that the intercom project is \$50,000 and the entire amount should have been submitted, but the wealth index amount of \$20,700 had been backed out. Mr. Floyd said the recommendation was to approve what was submitted and unless further direction is received from the Commission, the Immediate Repair process needs to end because the amount of possibilities of continued application changes would continue. Mr. Floyd said an example would be an email received yesterday from a district with a new superintendent stating that at the time the application was filled out it had never rained and now there is a leaky roof and the district would like to apply under the Immediate Repair Program. The Commission has the legal authority to end the Immediate Repair Program and it is recommended that the Commission do so. **Mr. Weiss made a motion to approve the recommendation as submitted by Mr. Floyd that Bradley School District be funded based on the original application submitted. Mr. Dodson seconded the motion and it passed unanimously.**

Lockesburg School District – enrollment was right at 351 last year and was projected out as 340. A letter submitted by Mr. Owens indicated that enrollment has grown to 368 as of the first quarter of this year. These students are not from the Katrina and Rita Hurricanes. However, seven students and one teacher were from the storms. All have returned with the exception of two students who have moved into this area permanently. He stated that some students are moving in because parents are seeking a smaller school. This may be the case, but there is nothing that indicates expected growth along those lines and it is recommended the Lockesburg School District application be denied. **Mr. Weiss made a motion that the recommendation to deny the Lockesburg School District application be approved. Mr. Dodson seconded the motion and it was approved unanimously.**

Mr. Floyd mentioned that three Department of Youth Services applications were denied because there is no match and this is what this was based on. The Attorney General's office is looking into this to make a determination. These applications would be considered if the Attorney General's office gives us direction.

Dr. James requested that schedules be checked for a meeting in November and asked for any further business.

A motion to adjourn was made by Mr. Weiss, seconded by Mr. Dodson, and unanimously approved.