

**SUMMARY MINUTES OF
THE COMMISSION FOR ARKANSAS PUBLIC SCHOOL ACADEMIC
FACILITIES AND TRANSPORTATION
MEETING
ADE Auditorium, 2:00 p.m.
April 30, 2015**

Commission Members in Attendance:

Johnny Key, Commissioner, Arkansas Department of Education
Larry Walther, Arkansas Department of Finance and Administration
Gene Eagle, President, Arkansas Development Finance Authority

Others in Attendance:

Tony Wood, Arkansas Department of Education
Jeremy Lasiter, General Counsel, Arkansas Department of Education
Lori Freno, Deputy General Counsel, Arkansas Department of Education
Dr. Charles C. Stein, PE, CEF, Director, DPSAFT
Terry Granderson, Assistant Director, DPSAFT
Murray Britton, Senior Project Administrator, DPSAFT
Carol Bowman, Administrative Analyst, DPSAFT

Quorum was met.

Meeting called to order.

Commissioner Key apologized for the meeting date change from April 29, 2015, to April 30, 2015, due to a death in his family.

Commissioner Key thanked the out-going Commission member, Gene Eagle, who was in attendance on his last day of service as President of the Arkansas Development Finance Authority.

Agenda item:

1. Summary Meeting Minutes – January 6, 2015

The Commission approved the meeting summary minutes for the January 6, 2015, Commission meeting.

2. Partnership Program – Summary of Committed and Expended Funds

Murray Britton summarized the 2006-2015 Committed and Expended Funds. He indicated the 2006-2007, 2007-2009, and 2009-2011 cycles are 100% completed, 2011-2013 is 90% complete, and 2013-2015 is 23% complete.

No Commission action required.

3. Academic Facilities Partnership Program Available Funds Status

Tab 3a Educational Facilities Partnership Fund

Mr. Britton explained the 2006-2015 Partnership funding estimated amount of \$928,646,586 and that the FY15 actual funded bond assistance total will not be available until the end of the year. He stated the \$48 million carry forward includes \$18 million rescinded by the Bryant Public Schools as a result of their failed millage.

Tab 3b Available Funding for Year One of 2015-2017 Academic Facilities Partnership Program Funding Cycle

Mr. Britton reviewed the \$134.8 million in 2015-2017 Partnership Program funding. He expressed the Division's appreciation to the 90th General Assembly generously funding Act 158 of 2015 for \$40 million of General Improvement Funds. Additionally, he indicated there is \$7 million in the Category C General Revenue funding.

No Commission action required.

4. 2015-2017 Partnership Program Projects

Tab 4a Partnership Program Timelines - 2015-2017 Projects

Murray Britton reviewed the 2015-2017 Partnership Program Timelines. He explained that since the appeals process can take nine months, the Division mailed determination letters on July 10, 2014, to allow the school districts time to complete the appeals process prior to the May 1, 2015, funding announcements. He indicated that the Division was before the Commission for the May 1, 2015, Year One funding approval, and that the Division would return before the Commission before May 1, 2016, for the Year Two funding approval.

Tab 4b 2015-2017 Summary of Disapproved Projects

Mr. Britton stated that overall 125 projects (46%) were disapproved. Twenty-nine percent (29%) of the applications had been disapproved for four reasons as a result of incomplete applications which had been incorrectly prepared. He explained the other disapproved projects were disapproved because they did not qualify per Rule.

Tab 4c 2015-2017 Partnership Program Disapproved Projects

Mr. Britton explained that the disapproved project list has a Primary Reason and some have a Secondary Reason for project disapproval. He indicated the Commission will probably see some school districts that did not submit acceptable applications, resubmit applications in the 2017-2019 cycle. Mr. Britton stated additional funding may be necessary for the 2017-2019 funding cycle as a result.

Tab 4d Appeals Process

Mr. Britton explained the Division made the decision to send written determination letters on July 10, 2014, to allow the nine month appeal process time to be resolved for benefit of the school districts prior to the May 1, 2015, Partnership Program funding. All appeals have been completed.

Tab 4e 2015-2017 Partnership Program Approved Projects Summary by Funding Category

Murray Britton explained that per Section 5.05 of the Partnership Program Rules, the Warm, Safe, and Dry System Replacement projects have a \$10 million funding limit that will be applied to the \$19,170,321 State Financial Participation amount of all the Year One approved projects.

Larry Walther asked if the remaining Year One projects would receive funding in Year Two. Mr. Britton explained the school districts with non-funded projects could re-apply in the 2017-2019 cycle.

Tab 4f 2015-2017 Partnership Program Approved Projects (*Sorted by Project Ranking*)

Mr. Britton reviewed the ranking of approved projects and the Funding Lines. He pointed out that the April 29, 2015, Commission meeting date was changed to April 30, 2015, after the Commission books were distributed. The Date of Funding on the Division's website will reflect the new Commission meeting date of April 30, 2015. The available funding (*Tab 3b*) is sufficient to fund \$10 million of Warm, Safe, and Dry System Replacement projects; all Space projects; and all Warm, Safe, and Dry Space Replacement projects.

Tab 4g 2015-2017 Partnership Program Approved Projects (*Sorted by School District*)

Mr. Britton reviewed the approved projects sorted by school districts. He indicated the date-corrected April 30, 2015, list would be posted on the Division website following the Commission's approval.

Tab 4h Commissioner's Memo

Murray Britton stated the if the Commission approves the 2015-2017 Partnership Program funding, the Commission Memo would be released.

Mr. Britton recommended that the Commission provide State Financial Participation for 2015-2017 Partnership Program Year One projects listed in Tab 4f, prioritized per current Rules Governing the Academic Facilities Partnership Program, to a funding level of \$128,716,693.19.

Commissioner Johnny Key indicated that the Commission and Division would need to keep the Governor and Legislature updated on 2017-2019 funding needs.

Per the Division's Recommendation, the Commission provided state financial participation for 2015-2017 Partnership Program Year One projects listed in Tab 4f, prioritized per current Rules Governing the Academic Facilities Partnership Program, to a funding level of \$128,716,693.19.

5. Millage Elections – February, March, April 2015

Terry Granderson indicated that in 2015, there had been five millage elections and that two elections had failed. He stated the Division and Bryant Public Schools had already met and, as Mr. Britton had previously stated, the district rescinded the State Financial Participation of approximately \$18 million. The Division will meet with White Hall School District next week. He also reported that the Crossett School District had been directed by the State Fire Marshal to correct some fire safety issues prior to the start of the 2015-2016 school year.

Larry Walther asked if White Hall School District would also have funds to rescind like Bryant Public Schools, and Mr. Granderson indicated no since the projects will be 2017-2019 projects.

No Commission action required.

6. Draft Rules

Tab 6a Rules Governing the Academic Facilities Partnership Program, Appendix A, Arkansas Public School Academic Facility Manual – For Public Comment

Lori Freno stated the Facility Manual was released for Public Comment on September 25, 2014, and a Public Comment Hearing was held on November 3, 2014. Many comments were submitted and a copy of the Public Comments was provided on the attached matrix. The Advisory Committee on Public School Academic Facilities met and several comments were accepted. The Division requested the Rule be released for Public Comment again.

The Commission approved the proposed Rule for release for a second thirty-day public comment period.

Tab 6b Rules Governing the Academic Facilities Partnership Program, Appendix B, Program of Requirements (POR) – For Approval

Ms. Freno explained the Commission released the Program of Requirements (*POR*) for Public Comments on November 12, 2014. She indicated the Public Comment Hearing was on December 9, 2014. The Public Comment period ended on December 16, 2014. There were two non-substantive changes that were accepted. One was changing "Workforce Development" to "Career Education", and the second change was to clarify "2008 or before" and "After 2008". The Division requested the Rule be approved for further review and approval per the Administrative Procedures Act.

The Commission approved the proposed Rule for dissemination as required by law.

Tab 6c Rules Governing Advertising on School Buses – For Public Comment

Ms. Freno stated this is a new Rule per Act 941. She indicated the Rule mirrors the Act and provides detail as to the location and types of materials that may be used on the bus exteriors.

Larry Walther asked if the Act had an emergency clause, which Ms. Freno stated no.

The Division requested the Rule be released for Public Comment.

The Commission approved the proposed Rule for release for a thirty-day public comment period.

7. Legislative Session Update

Jeremy Lasiter reviewed the various Acts enacted during the 90th General Assembly session that affected the Division.

No Commission action required.

Commission Johnny Key expressed to Dr. Charles Stein the appreciation of the State of Arkansas, Arkansas Department of Education, and the Division of Public School Academic Facilities and Transportation for his years of dedication and service to the State and students in Arkansas. He wished Dr. Stein luck in his retirement July 1, 2015, and future endeavors.

Meeting adjourned.