

**SUMMARY MINUTES OF
THE COMMISSION FOR ARKANSAS PUBLIC SCHOOL ACADEMIC
FACILITIES AND TRANSPORTATION**

**MEETING
July 2, 2014**

Place: ADE Auditorium
Time: 9:00 a.m.

Commission Members in Attendance:

Mr. Tony Wood, Commissioner, Arkansas Department of Education
Mr. Richard Weiss, Director, Arkansas Department of Finance and Administration
Mr. Gene Eagle, President, Arkansas Development Authority

Others in Attendance:

Dr. Charles C. Stein, PE, CEFP, Director, DPSAFT
Mr. Terry Granderson, Assistant Director, DPSAFT
Mr. Murray Britton, Senior Project Administrator, DPSAFT
Mr. Ronny Brown, Public School Program Coordinator, DPSAFT
Mr. Lynn Robertson, Senior Project Administrator, DPSAFT
Ms. Carol Bowman, Administrative Analyst, DPSAFT

Quorum was met.

Meeting called to order.

Agenda item:

Tony Wood opened the Commission meeting stating he had been integrally involved with the Division as Deputy Commissioner of the Arkansas Department of Education for the last four years. Mr. Wood indicated the Division is a positive benefit to the students, school districts, and the Commission, and that Dr. Stein and his staff do an incredible job. Mr. Wood announced that Mr. Mike Hernandez, Deputy Commissioner of ADE, will assume the responsibilities working with the Division that Mr. Wood had provided previously.

1. Summary Meeting Minutes – April 3, 2014

The Commission approved the meeting minutes for the April 3, 2014, Commission meeting.

2. 2013-2015 Academic Facilities Wealth Index

Lynn Robertson stated that due to recently discovered property assessment errors in Pulaski County, the Division of Public School Academic Facilities and Transportation (*Division*) and the Arkansas Department of Education (*ADE*) have adjusted the Academic Facilities Wealth Index (*Wealth Index*) values computed in 2013. The Division used the 2013 Wealth Index values to compute state financial participation for the 2013-2015 Academic Facilities Partnership Program projects.

Based on the revised 2013 Wealth Index values, the Division proposes to adjust the state financial participation for all funded 2013-2015 Partnership Program projects. The adjustment will increase the state financial participation for all projects by an average of about 0.5%, and the total increase for all projects will be \$ 2,305,597.84. Subsequent to the Commission's funding of 2013-2015 Partnership Program projects, school districts have rescinded projects or reduced project costs so that overall state financial participation for 2013-2015 projects has been reduced over \$5 million. Therefore, the proposed increase in state financial participation for the 2013-2015 projects will not increase the state's obligations above prior commitments.

Mr. Robertson recommended the Commission approve the increase in state financial participation to all 2013-2015 funded Partnership Program projects based on the revised 2013 Academic Facilities Wealth Index. Payment adjustments will be made by the Division with no required action by the districts.

The Commission approved the recommendation.

3. 2015-2017 Partnership Program – Division Notification of Project Approval/Disapproval

Murray Britton indicated that there was a decline in the number of applications especially in Warm, Safe, and Dry (Systems) for the 2015-2017 projects, the number of space applications was stable, and that some of the larger school districts may be self-funding some Warm, Safe, and Dry (Systems) projects since only \$10 million is available per year. He stated the percentage of disapproved projects increased, mainly due to incomplete applications.

Mr. Britton reported that no funds remain in the carryover funds from the State's 2007 one-time funding of \$456 million. He reviewed the projected budgets for Revenue Stabilization and Debt Service Funding Supplement which are estimated to be \$48.8 million and \$49.8 million, respectively, for FY16 and FY17. Mr. Britton explained the projected carryover funds represent funds turned back by school districts, funds remaining when projects came in less than anticipated, or rescinded projects. He also reminded the Commission that General Facilities Funding and Supplemental Millage Incentive Funding were transferred to the Teachers Insurance per Act 1 of the 2013 Special Session.

Mr. Britton stated the Division will send school districts notification of project approval/disapproval by July 10, 2014. This nine-month "early" notification will allow the districts time to decide to self-fund disapproved projects, appeal projects and complete the appeal process prior to the May 1, 2015, list announcement, and/or provide the districts the opportunity to discuss the situation during the consultation meetings prior to their final master plans. He further explained the Appeals process timeline.

4. Act 1288 of 2013 Survey Status Report

Ronny Brown reported on the survey status for Act 1288 of 2013. He indicated the Division sent out a Commissioner's Memo on January 15, 2014, a reminder Commissioner's Memo on April 1, 2014, and had reminded the school districts throughout June at the ASBMA and AAPT meetings.

As of July 2, 2014, 25 school districts had not reported. Additionally, 8 districts had provided the first section of the survey, but not the district-specific details for the second section. Mr. Brown stated the Division could contact the 8 districts to finish their reports. He indicated that Legislative Research and Mr. Richard Wilson had been a great help.

Adjourned