

Bond Reimbursement and Grant Review Committee Meeting Final Minutes
April 14, 2010
Department of Education and Early Development
State Board Auxiliary Room
Juneau, Alaska

Committee Members	EED Staff	Other Attendees
Mark Langberg (acting Chair – beginning of meeting)	Sam Kito	Kathy Brown (SERRC)
Mary Cary	Kimberly Andrews	Don Hiley (SERRC)
Robert Tucker	Wayne Marquis	Henry Cottle (MatSu)
Carl John		Don Carney (MatSu)
Doug Crevensten		
Dean Henrick		
Eddy Jeans (Chair – end of meeting)		

CALL TO ORDER AND ROLL CALL

Mark Langberg called the meeting to order and called roll. Carl John attended via teleconference and Eddy Jeans arrived at the end of the meeting. Senator Hoffman was not in attendance.

ADDITIONS TO THE AGENDA

Carl noted that he has fielded calls from individuals concerned with the fact that energy cost savings item on the application is listed as a school construction element. He would like to add this issue to the agenda.

Sam advised he will address this issue during the legislative information update.

PUBLIC COMMENT

Don brought up the fact that in his borough, they have adopted a code which requires that they build sustainable buildings and include heat specifications as part of the code. When they do this type of work, they are meeting code –he would like to talk with Sam about possibility of including those as part of the maintenance schedule as they tend to get lost on the construction list. He would like to express their disappointment in the 10 CIP application limit – they feel that any limit is not good, but a limit of the same # of applications for a district with 1 school as that allowed for a district with 86 schools is not practical. He feels there was not enough vetting on this issue – it quickly was discussed and then became law. He would like to encourage that the dept look for ways to improve this to a more fair process.

STAFF BRIEFING

PREVENTATIVE MAINTENANCE UPDATE (PM State of the State)

Sam noted that several districts failed certification (see page 16 & 17) and Wayne is working hard with these districts to assist them in becoming compliant so that they may be approved in the future. State

law requires that the school districts comply with preventative maintenance programs – if not, they cannot apply for CIP. Wayne will also be starting on some project management duties. Many districts had not been visited in quite a while and/or have had turnover and unable to provide the reportings and evidence of compliance necessary for certification.

Wayne advised he has been traveling quite a bit and last year – 3 districts had been put on provisional certification preventative maintenance plans. YKSD working, but has fallen short on the PM requirements, the division continues to work them to meet compliance. YFSD has to date met PM requirements. 6 month data will be requested in September. YKSD has not been successful at providing evidence that they were moving forward. Recently they have received additional assistance and clarification and they seem to be on board and motivated to comply including the superintendent. WE will be following up on a monthly basis in an effort to provide the support they need to meet compliance. As noted in the PM State of the State, - Annette Island, Dillingham, Haines, Juneau, Kake, NWAB, Petersburg, SW Region, Wrangell, Ketchikan are up for visits over the next year. Wayne will send out letters notifying the districts of his intent to visit.

A typo in the PM State-of-the-State was noted that the date of the last visit to Yakutat should read November 2009.

DEBT REIMBURSEMENT REPORTS

Sam – pg 18 – Since HB13 passed and starting in 2006 - 25 Listing of all the projects which the department approved and received funding from HB13. Total amounts since 2006 – Requested amt \$401,594,672, voter approved \$296,625,131, EED Approved \$369,269,221. Total projects both voter and EED approved = \$269,703,221. This leaves \$99,566,000 EED funding available which has not been approved by voters. Ketchikan voters just approved the new pool – the approved debt amount has been adjusted from \$5.7 mm to \$7 mm. This fall voters also approved renovations on Gastineau Elementary in Juneau – that figure has been adjusted as well. It was noted that Kodiak High School is not yet on the list. Sam advised that while the voters have approved this project, the department has not yet received an application for it.

STATE BOARD ACTIONS

The board approved the final CIP list (see page 26-34) this information is summarized below:

School Construction – 35 projects - \$412,005,161 – state share

Major Maintenance List – 130 projects - \$272,421,065 – state share

Legislature is currently considering projects under the list – looks like we will get some funding for projects on both lists. They will fund in priority order

This year we had 39 of 53 SD submit applications – ties with or close to the most SD to submit in a year. 140 applications scored and districts requested that 35 application scores be re-used for FY11 list.

10 applications ineligible modified the category of 4 projects resulting in a changed list an adjusted budget to 46 projects.

Major maintenance list contained 130 projects totaling \$272mm.

COST MODEL UPDATE

EED has contracted with HMS Inc to update the Cost Model tool to assist districts. We have seen districts removing UGST and replacing with above ground storage tanks. The department has asked HMS Inc to make this adjustment to the model which will account for this. The cost model is expected to be available prior to the CIP training scheduled for May 18, 2010. We are seeing fewer occurrences of removal of UGSTs. The department expects to post the cost model up on the web mid-May.

LEGISLATIVE UPDATE

Quite a few pieces of legislative pending that will impact the department. The governor's capital budget is moving toward the top – originally had approximately \$24mm for 8 projects on major maintenance list. Senate Bill 230 includes those 8 projects and also includes the top 3 school construction projects as well as some funding for Mt Edgecumbe.

HB310/SB237 – extension of the school debt program – was set to expire Nov 30, this year – SB237 is more than an extension, senator Hoffman is attempting to insert a provision that would provide the dept with regular appropriations of approximately \$40mm into a fund that would fund school construction for REAAs. The bill would eliminate the sunset date on the debt reimbursement program. If this bill passes, approximately \$40mm would go into a fund annually.

HB180 – Participating Share Modification – Adjusts out participating share that we require districts to contribute 5, 10 30 35 – adds another level of 20% part share. 4-6 districts could be affected – moving their participating share from 30% to 20%.

HB305/SB220 – Omnibus Energy Bill – SB220 seems to be the one moving forward – we had worked with the house energy committee on the language – they direct the dept to adopt standards for energy efficiency. Try to adopt an energy standard for AK Schools.

HB393/SB235 – Charter School Facilities Program

Sam – There's an interest from the charter school associations to have the state apply for charter school facility grants. They are not project grants, they're program grants. So the SOA would have to apply and complete w/ other districts. In order to do that, there must be a first student funding of facilities program in the SOA. This bill opens the door – it will help us score a little better, but we don't see any money in the Federal Program yet, so we don't know if we have another competitive effort by the Dept of Education. We don't know how much \$ they will be for, how many grants will be awarded and what other states would be applying. These are programs that are administered through the SOA. That bill was just passed out of house finance and is going back to the house floor w/ no substantial changes from the senate version. Looks like that one will probably pass.

The dept is following other items, but nothing that has direct impact on facilities.

REGULATIONS PROJECT UPDATE

3/25 – the Board of Education considered the regulations following public comment. Public comment resulted in changes which were incorporated by the board. These changes start on page 37.

- Ability to limit grant applications per district to 10
- Clarifies the dept to considers the dept to consider replacement to be school construction
- Amended insurance component – APEI Jeff Bush liked the clarification language change provided

RECESS for LUNCH

APPLICATION

Sam reviewed the proposed changes to the FY2012 Application and corresponding instructions as presented on pages 46-88 of the Meeting Packet. Carl asked about the need to hire a consultant for a seismic hazard assessment. Sam clarified that it is necessary as the district does not have the expertise to put a dollar amount on that without the assistance of a seismic design professional or geologist. Sam also clarified that the Seismic Hazard Line Item to the project cost estimate does not equate to paying for a study, but rather allows the district with the opportunity to go out and identify costs associated with assessing and mitigating a seismic hazard. Reference was made to the December meeting when the board received a memo from the Alaska Seismic Hazard Safety Commission that provided Peak Ground Acceleration levels by community which can be used as a tool to help identify high hazard locations. Mary asked for a threshold from the commission on what level the commission would recommend further study deemed necessary.

There was discussion regarding the clarification added to the Guidelines for Raters of the FY2012 CIP Applications. Carl expressed concern about putting something in writing here that is an interpretation of the current department employees. Sam explained that this is not a change to anything that the department has been doing all along, but rather a clarification to the raters and notification to the districts on how their applications will be reviewed and rated.

BREAK

The committee voted 5:1 to leave the proposed clarifying sentence on page 81 of the application in. Art – In, Mary – in, Carl – out, Dean – in, Doug – in, Mark – in. Sam was asked to come back to the committee later to determine whether there have been any other projects which have been moved from major maintenance to construction because of this issue (or perhaps ones which were not moved).

PUBLICATIONS UPDATE

Sam has not had time since December to look at any publications, he has re-order the priority of those which will be reviewed, with swimming pools raising to the top of the list. There have been a number of

pools applied for and there has been some disagreement as to what portion of these “community” pools related to education. The 1997 swimming pools document is available on the department website and is what will be updated. The goal is to work on one publication per quarter – Swimming Pool in July, the Preventative Maintenance Guideline in December.

STAFF GOALS AND OBJECTIVES

Application scoring – This project is still out there, but we are not currently doing much with it.

Publications – discussed above

Database review – We will look at putting in a budget submission to get money to start a project next summer. Look at whether or not it would be beneficial to consolidate our databases and the possibility of trying to connect that database to the web allowing the possibility for an online application submission. The idea is that this would be done on a contract basis.

Department Reclassification – the Stat Tech II has been reclassified to School Finance Specialist I and we hope to have that position filled in June and available for the FY12 CIP process.

Eddy Jeans entered the meeting, apologizing for missing as he was on the hill at the legislature.

Work Topics – Sam proposes having a mid-March MRGR meeting so that we don’t run up with the end of the session crunch going forward. Mary asked if the application is approved earlier, if they could be made available for districts earlier. The new cost model would still not be available until mid-May, however, it could potentially be published early, as long as the outdated cost model is pulled and no longer available to avoid the districts mistakenly using the outdated cost model.

APPLICATION APPROVAL

Eddy moved that the application be approved as amended. The board voted unanimously to approve the application.

Next Meeting

Kodiak was offered as the July meeting site and scheduled for July 23, 2010.

MEETING ADJOURNED