

Bond Reimbursement and Grant Review Committee Meeting Draft Minutes
December 7, 2011
Department of Education and Early Development
Talking Book Library
Anchorage, Alaska

Committee Members	EED Staff	Other Attendees
Elizabeth (Sweeney) Nudelman - Chair	Sam Kito	Don Carney – Mat-Su
Carl John	Kim Andrews	Don Hiley – SERRC
Dean Henrick		Robert Reed – LYSD
Doug Crevensten		Charlie Carlson – SERRC
Robert Tucker		
Mark Langberg		
Mary Cary		

CALL TO ORDER AND ROLL CALL AT 1:00PM

REVIEW and APPROVAL of AGENDA

Carl moved to approve agenda; Bob Tucker seconded.
 Agenda approved as submitted.

REVIEW and APPROVAL of MINUTES

Mary moved to approve minutes; Dean seconded.
 Minutes approved as submitted.

PUBLIC COMMENT

No public comment.

STAFF BRIEFING – Refer to attachment for details page 10, 13, 14 of 59

Sam discussed a staffing change of the Building Management Specialist for Facilities stating that the new Building Management Specialist will start in January 2012.

PREVENTATIVE MAINTENANCE

Sam referenced the State of the State report, which is current as of August 15, 2011. Pribilof Island School District has indicated that the certification program is not fair to their district, and they are concerned about their inability to submit a CIP application. Refer to page 10 of 59 in the meeting Packet.

A question was asked about whether Kashunamiut School District certification is pending. Sam explained that districts who have certification pending are working with EED to become certified.

Carl expressed concern that personnel changes in the Building Management Specialist position will affect the ability of certification pending districts to submit an application.

Elizabeth stated that Tanana will have to submit current PM documents to close a current project. She is confident they will be able to provide current documentation.

Sam gave an example of the Pelican School District who did not have a program in place on June 1, but worked with EED to become provisionally certified by August 1 in order to submit a CIP application. A district does not need a full year of data for provisional certification but these schools need to be working with EED by June 1. The three schools not certified have not submitted any reports.

—A question was asked about whether the preventative maintenance program should be standardized across the districts. Sam stated that he doesn't want to tell districts which program to use whether it is a manual program, SERRC, SchoolDude, etc.

Sam talked about upcoming visits to districts and stated that the department is currently up to date on site visits.

DEBT REIMBURSEMENT FUNDING STATUS (SB 237 Report) page 10, 11, 15-18 of 59

Sam referenced the SB237 report and discussed the information listed on page 10 of 59.

The department will now be required to submit a school construction funding report to the legislature along with the SB237 report starting in January 2013.

When SB237 was passed the "sunset date" was removed, meaning that there is not a timeline for the expiration of the debt projects; therefore, project agreements will need to stipulate what the timeline is of the project. Alaska Statutes and Regulations state that there must be voter approval within five years of EED approval of a CIP application or else the application will expire.

INITIAL CIP LISTS page 11, 19-26 of 59

The lists are currently in the reconsideration process and there may be changes before the legislative session. The reconsideration CIP list will be available by 12/22/11.

Sam discussed the summary table on page 11 of 59. When asked if there was a common reason for ineligibility, Kim said that the most common reasons were that a detailed scope and budget was not provided, applications were for routine maintenance, PM information was not provided, and the districts were not eligible for more space.

General discussion ensued about the table and the differences between FY12 and FY13. It was noted that the lower requested amount in FY13 was due to the fact that many districts overlapped their grant applications with bond reimbursement applications in FY12.

Sam pointed out an update to the Participating Share Requirement chart on page 27 of 59, noting that a 20% participating share requirement was added due to SB237. Each project's participating share is calculated by comparing the number of students in the district with the value of taxable property in the district.

A question was asked regarding whether the 70/30 rule still applies and if there is a waiver.

Elizabeth explained what the 70/30 rule is, stating that roughly 28 districts have applied for a waiver and, generally speaking, if a district spends more than 20% of their operating costs on energy or if their operating budget is less than \$3M, they will not meet the 70/30 requirement. The rule strictly considers the districts operating budget and does not factor in any bonds.

There was a discussion about the effect of TERS and PERS on the operating budget.

A question was asked regarding whether EED is concerned that there is not enough funding is being put into maintenance?

Sam stated that districts need to make sure there is enough funding to maintain staff at the facilities. Many maintenance staff hours have been cut so that districts can meet their budget and he would like to see more funding put towards maintenance, but that depends on what instructional and energy costs are.

A question was asked regarding whether EED can provide a list of districts that have requested waivers. Elizabeth offered to distribute the list but cautioned that one may not be able to draw an accurate conclusion when comparing this list to the CIP applications.

As a part of a settlement between the State of Alaska and REAAs, there will be funding for five projects on FY12 list: the renovation/additions of Emmonak K-12, Nightmute School, Kwethluk K-12, and Kivalina K-12; and the replacement of Koliganek K-12.

Bob asked if the allocated funds are scheduled to be released next year, which Sam responded that \$35M will be deposited into the school construction fund for REAAs each year starting in FY13.

Mary asked if there are any significant concerns with these five projects, to which Sam answered there were no imminent concerns.

Carl asked if there is any kind of rule or comment process regarding the rating of elements outside the actual school building that are included on the CIP lists.

Sam responded that the measure in place is the official reconsideration request for projects that have had a change in category which resulted in a change in the list.

The Major Maintenance list is not a first come first served type of system. If a project continues to show up on the list then that means other projects are a higher priority. There are more cases of CIP applications being submitted as a "recovery of funds". This type of application gives districts the reasonable expectation that they will have funding for projects and will just need to recoup the funds.

A question was asked about whether an up-front out-of-pocket expense project moves to the top of the list?

Sam stated they can since costs are known and work has been completed. EED will note how much work is completed on a project, but districts that have a high life/safety need can score higher without having work done. He points out the importance of a well written application and that highlighting life safety, and health issues will help improve a project's score.

Sam discussed two issues with CIP applications: varying levels of experience of personnel at school districts who are preparing applications and inaccurate project cost estimates. EED has a cost model which can be used as a tool. If a district decides not to use this tool or does not hire an architect who can determine a cost for the project, it is difficult to trust the amounts that are in applications because of the inaccuracies. He emphasized that a district needs to put effort into the cost estimates.

Mary asked if there is a way to track projects that have been resubmitted multiple times, and if it can be determined what changes have been made in the application over the years.

Sam responded that projects can change over time but still keep the same name which is why you see a project moving around the list from year to year.

Mary showed concern about a roof replacement or plumbing system replacement that doesn't move up on the list after several attempts by the district. She suggested that there be a new category like a "mini major maintenance" for the smaller projects like roofs and flooring.

Sam reiterated that districts can submit a CIP application as a "recovery of funds".

It was noted that school districts with smaller projects can come up with a well scoring project. If districts are willing to spend money up front on smaller projects they will be rewarded, but

many districts are not willing to pay up front expenses without being guaranteed EED funding. Sam responded that EED cannot address an internal process or decisions of a district.

Sam discussed objective points versus subject points. If a project keeps scoring low year after year, the district is probably not submitting enough information to demonstrate the immediate need for funding.

There was great discussion about the projects that continue to show up on CIP lists year after year, and concern was shown about if these projects are at smaller and poorer districts. It was declared that if there are any inequities against smaller districts that it should be known.

It was mentioned that projects that are funded are the ones who put in the effort to write an application; it isn't always the wealthier districts. It was noted that the Kake, Pelican, and single-site districts without a lot of money still put funding and effort towards writing an application.

Discussion followed about the districts that cannot afford to fund projects out-of-pocket, and the question was raised if it is possibly the districts that are applying for 70/30 waivers. It was then suggested that there be "design only" projects and it was determined that EED will send the last five years' CIP lists to the attendees for their review.

Several districts have been struggling to get projects on the list, but Kim stressed that options are given to districts for writing a grant application. EED helps as much as possible to assist districts who want to submit well-supported applications.

Sam discussed the pros and cons of having the maintenance staff writing the CIP applications. They know about the work that is required but may not be able to articulate it as well as a professional grant writer. Also, the time that the maintenance staff spends on writing the application is a real cost which may be better spent on hiring a professional grant writer.

Sam stated that he would like to keep doing the year-to-year comparison for the CIP applications submitted. Mentioned that a project score can only be reused once, and that EED tries to point out how a district can identify where a project can score better. It is difficult for EED to evaluate how every project can score better, but we will assist if a district reaches out.

BREAK

SITE SELECTION CRITERIA page 11, 29-59 of 59

There have been technical changes made to the transportation/traffic guidelines. Items 0, 2, and 4 were added, and filler information was added to items 1 and 3 in order for differentiation. DOT has attempted to make the "Traffic" section more relevant to rural communities.

Sam answered a question that Kathy Christy posed at the March 16, 2011 meeting about instituting a means test. He stated that it is the district that has control over these criteria.

Sam indicated that there is an action item on the agenda addressing the requirement that a standard size lot be used in all cases. It is suggested that the site selection be based on a calculation which takes into account the type facility being built and what the facility use will be.

There was discussion about the formatting of the "Traffic and Access Related Criteria" section in order to clear the confusion about where that section begins.

DOT has submitted a color version of the Urban/Suburban School Layout on page 59 of 59.

ENERGY REGULATION UPDATE page 11 of 59

It will now be a requirement for EED to collect energy information on school facilities for projects that will have an effect on the ability of a building to retain heat: HVAC, roofing, siding, etc. Districts will need to provide a cost report for utilities detailing their current energy usage and cost compared to an estimated usage and cost after the project is complete. This is beneficial because districts will have a reasonable understanding of expected utility costs after project completion.

Mark recommended completing the energy report at the design development level, noting that these figures are calculated based on the energy consumed and applying the current utility rates.

There was concern about trying to predict future prices of utilities, in which Sam stated that the information being compared are the consumption rates and that today's utility prices can be used as an estimate.

The four standards to take a look at to determine which energy standard to implement are:

- Collaboration for high performance schools (CHPS)

- LEED Program – achieving global sustainability

- ASHRAE 90.1 standard

- International energy efficiency code – EED is leaning more toward this standard because it encompasses the ASHRAE 90.1 standard.

The legislature is asking for a baseline in regulation, but we need to make sure that items identified in the baseline will still be relevant to the smaller districts. The baseline would also depend on if the project's scope involves new construction or major renovation.

It was suggested that there could be different sets of classes like those that IECC has.

Mary asked if there could be information sharing between BRGR and CEFPI as related to the standardizing of the energy baselines.

PUBLICATIONS UPDATE page 12 of 59

Site Selection Criteria Handbook with information updated by DOT. See attachment.

Preventative Maintenance and Facility Management Guide

Revision started in 2005 but it will be worthwhile to start from scratch. It will take another year to compile a booklet that provides relevant and detailed information.

STAFFING UPDATE page 12 of 59

Sam identified Michael Gaede as the upcoming Building Management Specialist.

ACTION ITEMS

Mark moved to accept site selection guideline; Carl seconded.

“Site Selection Guide” as updated passed.

COMMITTEE MEMBER COMMENTS

Carl acknowledged Facilities for working with half the staff and mentioned that the Facilities publications are very important tools.

It was stated that there is a necessity to look at the Energy regulation closely and would like to collaborate with CEFPI to reduce the possibility of smaller districts being negatively affected.

SET DATE FOR NEXT MEETING

Set for April 19, 2012

There were questions about what the next meeting would consist of. Sam stated that the BRGR Committee will review and approve the CIP application for FY14, and that no major changes are expected. There will also be a draft cost model available at the next meeting.

MEETING ADJOURNED