

Bond Reimbursement and Grant Review Committee Meeting  
 December 5, 2007  
 Talking Book Library  
 Anchorage, Alaska

<u>Committee Members</u>	<u>Staff</u>	<u>Other</u>
Eddy Jeans, Chair Tom Richards Robert Tucker Carl John Mark Langberg (9:30)	Don Carney Kimberly Andrews Sam Kito III (via phone)	Robert Bechtold--Mat-Su Borough Sandy Burd—Senator Hoffman Juli Lucky—Rep. Hawker Don Hiley—SERRC Henry Cottle—Mat-Su Deb Morse—Juneau SD Kathy Christy—NWABSD John Phillips—MSBSD Ronald Alstrom--LYSD

**9:00 a.m.**

Eddy Jeans, Chair, called the meeting to order and proceeded with Roll Call. Sen. Hoffman, Mark Langberg, Harley Hightower, Dee Hubbard, Rep. Hawker were not present. Sam Kito III attended via phone. A quorum was not established and Mr. Jeans proceeded with the packet overview. (Committee member Mark Langberg arrived at 9:30).

The committee reviewed the agenda. One change was made to the minutes which was noted and fixed. The Committee accepted the July meeting minutes.

Mr. Jeans recognized Sandy Burd representing Senator Lyman Hoffman, and Juli Lucky representing Representative Mike Hawker.

**Staff Briefing**

***Preventative Maintenance Update***

Mr. Kito provided a summary of PM activity to date. Mr. Carney visited 13 districts, 8 of the districts did not have compliant programs. The staff report details concerns regarding level of compliance with the PM program, and the levels of staffing at the districts. Mr. Carney’s observations included a general reduction in maintenance staff in the districts. Mr. Kito also reported that the department will finish up the second round of district reviews this coming year, and then work to implement a rotating schedule so that an equal number of districts will be reviewed each year.

Mr. Carney elaborated on plans for the future including letting the districts know the value of maintaining a state compliant program, including providing a reason for the work orders. Mr. Carney spent some time discussing the benefits of the rotating schedule for district visits, including the ability to spend more time with each district. In addition Mr. Carney discussed future travel plans for district visits.

Carl John congratulated Mr. Carney on his work with assisting districts to have a compliant program.

## ***Debt Funding***

Mr. Kito went over the overall debt application and approval number from the staff report. A total of \$149.5 Million was both EED approved and voter approved as of November 27, 2007.

Mr. Kito also reported that House Bill 13 will expire November 2008, renewal will be up this legislative session. Changes in debt applications since last meeting include project requests from Dillingham and Juneau. Juneau's projects received voter approval in October, and the Dillingham projects had not received voter approval as of November 27, 2007.

Mr. Tucker asked if there was any word about extending the bond program. Mr. Kito deferred to Mr. Jean's, but did indicate that the Anchorage School District and Juneau School district had both indicated that they will be working on extending the Bond Debt program. In a follow-up statement, Mr. Kito reported that during the last update of the bond program (HB 13), there was discussion from legislators about changing the bond program first to a 50%-60% reimbursement program, then to an 80%-90% program, but neither option was moved forward. Mr. Kito also indicated that the legislature had always extended the program that he knew of, at least from 1992 [further research indicates that the bond statute has existed since 1970].

## ***Priority Lists***

Mr. Kito reported that the initial lists were released on November 4, 2007, and provided a briefing of the statistical information included in the staff briefing indicating the numbers of applications submitted, scored and those determined ineligible. The revised priority lists will be issued December 17.

Mr. Kito reviewed the top projects and summary statistics on the School Construction and Major Maintenance priority lists.

Mr. Tucker asked whether or not there was a group of applications that were ineligible. Sam replied that there were five applications where a receipt of funding wasn't identified until 2010. Mr. Tucker also asked what can be done in the future to reduce the ineligible applications? Sam replied that staff will be focusing on those issues during the May CIP training for the districts.

## **Statute and Regulation Issues**

Mr. Kito reported that the proposed statute changes are clean-up and clarification items.

Mr. Kito reviewed the statute information included in the staff report. One of the key items that is different from the July report was in Mr. John's request to change the category of "Achieve Operating Cost Savings" from a construction category to a maintenance category. In the review of the issue, Mr. Kito proposed removing the category, and accommodating the cost savings component of a project into the scoring process for applications.

The next item was to add "protection of structure" to the debt program. This change does not impact the way that we will operate, but will make the debt and grant sections of statute more comparable.

AS14.11.135-definitions will have to be cleaned up if "achieve an operating savings" is removed from the funding categories.

One major change proposed in regulation is to change the document the department references for school facility planning from the old CEFPI “Guide for Planning of Educational Facilities”, to the re-written document published by CEFPI entitled “Creating Connections.” If this regulation change is adopted, each district will receive a copy of the new CEFPI guide compliments of the department.

Mr. Kito completed the overview of proposed statute and regulation changes.

Achieve an Operating Cost Savings discussion — Mr. John stated that he still believes that a project like the electrical retrofit described earlier does fall into the category of maintenance. He asked that the department take another look at this issue and consider moving the category to the major maintenance list as opposed to eliminating the category.

Temporary Facilities Definition discussion — putting attention and focus into whether or not the students are adequately housed is the issue according to Mr. Kito. Mr. John discussed a facility in the Lower Yukon School District that was built as a convertible classroom that was built to house students and then be converted into teacher housing. Mr. Kito indicated that the issue he sees is a difference between the students being housed, and whether they are adequately housed. Students housed in a temporary facility are still housed. For example a BIA structure could be housing students, but it will be demolished. Is the district being penalized for housing the students? Don Hiley commented that districts that take the initiative to build temporary housing are being penalized for making the expenditure, because they will not get credit for un-housed students due to the temporary determination by the department. Mr. Kito countered that districts that do not have the funding to build a temporary facility with their own funds would be penalized because they still have un-housed students, but do not have the money to construct temporary student housing.

### **2010 Application Issues**

Mr. Kito expressed a desire to work with the districts to get them to start looking further ahead in developing their six year plans.

### ***Subjective Scoring Issues***

Mr. Kito presented the existing/alternative subjective scoring matrix for discussion. The major changes appear in the Emergency and Life/Safety components where these two broad categories were broken in to smaller, more specific items.

Don clarified that the points are amounts “up-to” the amount shown on the matrix.

Tom Richards thought that the twenty points for clarity of scope, and 30 points for overall application quality provided a very large amount of points for quality as opposed to the substance of the application.

Mr. John indicated that it would help him as a writer of applications and that the department is going in the direction that he likes. Mr. Tucker also indicated that a matrix for scoring would be a good idea.

Mr. Tucker would like to see more direction, as well as Mr. John. Mr. Kito will keep working on the matrix and indicated that it may be too ambitious to have an updated product by April, but indicated that he will continue to work on the matrix. Mr. John suggested moving clarity of scope points to life-safety.

Mr. Kito indicated that he would like the district to look down the road regarding their six year plans.

## **Behavioral Health Space Guidelines**

Mr. Kito provided a presentation on the recently completed Behavioral Health Space Guidelines. The guidelines describe how a district can take advantage of an existing statute to co-locate facilities with schools. The guidelines provide direction to school districts that wish to work with behavioral health care providers to co-locate with local schools. There are some districts that are interested in taking advantage of this type of scenario. Space developed in accordance with these guidelines would be exempt from EED space calculations.

## **Work Topics**

2010 application—continue to work on points scoring from the department's view. Continue to work on a cohesive database for all of our databases

Mr. Carney started work on a Renewal & Replacement component to the database, and the goal will be to look into incorporating this component with the overall facilities section database.

Staff is also continuing consideration of developing some type of on-line application process for CIP applications.

Harley Hightower requested that a discussion on space guidelines be postponed until the April meeting along with a discussion on whether mechanical/electrical space in rural schools should be counted.

Bob Tucker would like to add on sprinkler space; Mr. Carney indicated that sprinkler space is not counted.

## **Publications**

Mr. Kito reported that as a result of comments made by Representative Hawker, he has re-ordered the priority of publications for review. As a result, the Integrated Facility Management (IFM) Guideline is first up for review. Mr. Kito is about one-third to one-half of the way through this document.

The second publication to be reviewed will be the A/E selection guide, which is referenced in all of our contract documents. Mr. Kito is about a third of the way through this document.

A new document that Mr. Kito is looking at is the development of an outdoor facilities guideline. He is working on defining criteria for districts to use in developing outdoor facilities.

The rest of the publications will be reviewed after the above three are completed.

On the Life-Cycle Cost Analysis Handbook, Mr. Kito would like to consider extension of the current analysis period from 20 years to 50 years, which more accurately reflects the expected life of most school facilities. He would also like to look at the guidelines for quantifying recurring costs in this handbook.

The Swimming Pool Guidelines will be more challenging because the Red Cross does not produce space guidelines anymore. The department may consider looking for a swimming pool expert to assist with a re-write of this guideline.

Since we completed the Capital Project Administration Handbook, we have received good comments; we just need to remember to send it out when new project agreements are sent out.

### *Projected meeting dates*

Mr. Kito went over the proposed meeting dates for the BR&GR Committee. Mr. Tucker commented that December 6-7 of 2008 is a Saturday and Sunday. It was stated that the December meeting is generally coordinated with the Council of Educational Facility Planners International meeting. Mr. John indicated that CEFPI will be in the first week of December so Mr. Kito will change the Anchorage meeting date to the first Wednesday in December of 2008.

### *Any Questions?*

Mr. John has a problem with an on-line scenario for an application because he likes to put charts and pictures in his applications. He likes the idea of a CD-ROM presentation; districts may look at an on-line application as additional work. Mr. Kito referenced the University system where a word document can be attached. We may be years away from this.

Mr. Tucker did not see looking at the subjective criteria on the work topics. Mr. Kito indicated that he may not be ready for this next meeting; he said that he would probably put it on the work topics for next December.

Bob Bechtold with the Mat-Su Borough said he would like examples of previous #1 projects. Ms. Andrews responded that she had put together examples of well written responses to questions for the previous year's training and that she could forward that to him. Mr. Bechtold also had a question on the 30 points for overall quality. He thought that this seems like too high of a weight for this category.

Mr. Jeans indicated that he will spend more time with Sam on the regulations and work to get them on the state board's March meeting. He also indicated that the department will not be working on the statute items this year as the department's plate is full with the educational task force recommendations on the funding formula, pupil transportation, and responding to the Moore case.

Mr. Tucker repeated his question regarding Reauthorization of bond because Mr. Jeans was out of the meeting when the question was asked? Mr. Jeans said that he hasn't heard of anything, and that it would be a Legislative initiative at this point. Mr. Jeans indicated that typically it does sunset for a year or two.

Mr. Tucker said that if we are going to look at space guidelines, perhaps we should look in to combining that with the other statutory changes? Mr. Jeans would like input from the Legislators on the BR&GR Committee, and if the opportunity comes, we will have some ready.

Henry Cottle with Mat-Su had a question; Is EED looking at program based school capacities? No the only discussion at this point on program is the discussion that Harley Hightower would like to have with the BR&GR in April regarding career technical space.

Meeting adjourned at 11:17 am.