**Bond Reimbursement and Grant Review Committee Meeting**
**April 16, 2009**
**Department of Education and Early Development**
**Auxiliary Board Room**
**Juneau, Alaska**

| Committee Members | EED Staff | Other Attendees |
|---|---|---|
| Eddy Jeans – Chair | Sam Kito III | Dean Henrick-Ketchikan School District |
| Mark Langberg (Teleconference) | Kim Andrews | Woody Koning-Kodiak Island Borough |
| Carl John | Wayne Marquis (until 1st break) | Scott Williams-Kodiak School district |
| Harley Hightower | | Richard Ritter-CBJ Engineering |
| Bob Tucker | | Nathan Coffee-CBJ Engineering |
| Tom Richards | | Don Carney-Mat-Su Borough School District |
| Dee Hubbard (not present) | | Charlie Carlson-SERRC |
| | | Henry Cottle-Mat-Su Borough School District |
| | | Don Hiley-SERRC |
| | | Pat Walker-Sen. Hoffman's office (via Teleconference) |

Eddy Jeans, Chair, called the meeting to order and proceeded with Roll Call.

Dee Hubbard, Sen. Hoffman, and Rep. Hawker, were not present. A quorum was established and Eddy proceeded with the packet overview.

The committee reviewed the agenda and made no changes. Without objection, Eddy moved to adopt the Agenda.

The April meeting minutes were reviewed and Mr. Tucker requested that the statement "one application" in paragraph four of the staff briefing be amended to "one six-year-plan". No other changes were noted. Minutes were approved with no objection.

## Public Comment

Nathan Coffee – comment on proposed regulation change to 31.060 in page 68 of the packet. Adding section M requires debt projects to meet space requirements of the chapter when construction new space or adding space. Mr. Coffee indicated that he saw that in conflict with AS 14.11.100(j)(4)(B) which states that "facilities that require repair or replacement in order to meet health and safety laws or regulations or building codes." Mr. Coffee stated that this doesn't say anything about these kinds of facilities needing to meet student population requirements in order to be replaced. So the regulation as proposed, is altering the statute

instead of trying to implement the statute. Mr. Coffee doesn't think that's what regulations are meant to do.

Also had comment on adjustments in the application; Page 39 of the packet, allowable total project costs. Item 6 in table one modified the language regarding the art requirement which is identified in statute. It only says that renovation and construction projects over $250,000 have 1% for art in public places, it doesn't say anything about requiring an educational specification. It's not the application's place to modify statute, if statute is to be modified, it should be done in the statutory process, not in a department publication or regulation.

Also requested a clarification on the Equipment and Technology line item. Does this mean if you can increase the equipment and technology per student amount and increase it by 5% from the 1998 publication date? [Sam answered yes]

[Eddy acknowledged Pat Walker with Sen Hoffman's office who had joined on teleconference]

Sam indicated that there were letters submitted and included in the packet that can be considered under public comment.

Don Carney commented that the applications shouldn't be limited to 10.

Don Hiley agreed with Don Carney's comments. Mr. Hiley also commented that he disagreed with the proposed regulation change that restricted a new school authorization to district's showing 25 unhoused students.

# Staff Briefing

**Debt Reimbursement Report**

Mr. Kito introduced Wayne Marquis, the new Building Management Specialist.

Mr. Kito reviewed the PM state of the state report pointing out that the format has changed slightly. He reviewed the district's that are not certified at this time.

Tom Richards asked how much contact we have with non-compliant districts. Mr. Kito replied that the department sends out an annual notice, and works with districts informally at other times with district's that are not certified.

Carl John asked a question regarding the CIP eligible and certification pending columns. Mr. Kito answered that certification pending includes the districts that are currently certified, but are up for review. Other districts that were reviewed in the past and only received provisional certification

**Debt Reimbursement Report**

Mr. Kito presented the updated debt report information stating that the only change from the December meeting was a debt request from Anchorage that was not approved by voters.

**State Board Actions**

Mr. Kito indicated that the State Board of Education considered the final CIP list. The final CIP list included a reduction in cost for the Alakanuk project that was requested by the school district.

**CIP List**

Mr. Kito presented the final CIP lists. There were no questions.

**Ineligible & Reuse Application List**

Mr. Kito presented information in the staff report relating to ineligible and reuse projects.

Mr. John requested that we provide information on why projects were identified as ineligible for next year's report.

[Mr. John asked if the Kalskag School replacement project will be on the list. Mr. Kito replied that the project was included in the supplemental budget.]

**Cost Model Update**

Mr. Kito indicated that the cost model was not final, but HMS is working on it. Mr. Kito indicated that the previous year's escalation was close to the actual amount. Mr. Kito also indicated that escalation for the upcoming year will be essentially flat.

**Legislative Update**

Mr. Kito provided a legislative update and went through the information that was included in the staff report.

**Statute and Regulation Issues**

Mr. Kito went through the regulation package in the packet.

Mr. John asked what the goal was in changing the regulation that discusses replacement space [4 AAC 31.022]. Mr. Kito replied with the example that a school district that has a declining student population, is eligible for 13,000 SF of space based on current student population, but that the district wants to replace the entire school at a square footage of 20,000 SF.

<BREAK>

Review of regulation package continued.

## Achieve Operational Costs as Maintenance

Mr. John presented the case for making statute change that would change the 'Achieve Operating Cost' category from construction to major maintenance.

Mr. Kito indicated that there may be a possibility of addressing the issue by reviewing the definition of maintenance in regulation.

## Career Technical Space Discussion

Mr. Kito introduced the topic and indicated that there is a working group from the educational summit that took place in November of 2008, but that the working group had not started work yet.

Some options that have been discussed include regional training centers such as Galena, Mat-Su, Kotzebue and Bethel.

There are opportunities for having the department consider a waiver under existing regulations for a unique program that cannot be housed using the current space guidelines.

<LUNCH BREAK>

Bob Tucker reconvened the meeting and Mr. Kito started the review of the FY2011 Application.

## FY2011 Application Review and Approval

Mr. Kito reviewed the application as presented in the meeting packet.

Mr. Kito- proposes going through application beginning on page 35.

Mr. Kito- discusses the proposed changes beginning with the first proposed change on pg. 11. "Department considering a change to only score 10 projects from each district during a single rating period."

Mr. Tucker- clarifies this is only for grant applications.

Mr. Kito states yes

Mr. Tucker- asks if everyone is in agreement to move forward with the 10 projects.

Mr. John -states he has a problem with the statute allowing school district to provide an application where the need is there as long as they are qualified. Afraid what we are doing is overstepping our bounds by limiting district

Mr. Langberg- asks if the department has received more than 10 applications from districts.

Mr. Kito says yes- 4-5 school districts have sent more than 10 applications in the past couple of years since I've been doing it. Yes. It's a valid concern.

Mr. Kito -says concern from a staff perspective is we are doing a significant amount of effort to score and prioritize that will very likely not be considered and then we score and prioritize again, significant amount of time so we can have this list.

Mr. John- states I don't know what the answer is, but I don't think taking and limiting a large number of districts out there, potential of submitting district to show need.

Mr. Tucker- says this 6-year plans seemed to be turned in, nothing done with them, that he knows of, doesn't go to legislature, in bulk form that show needs across state.

Mr. Kito -encourages districts to fill out their 6-year plan. Some districts do fine, but several want 100% of their projects done in year one and leave year two, three, etc. with nothing. Submitting to legislature will not show need across year. How many submitted could be done and funded in year one? It seems it would be in districts best interest to focus priorities, get shorter list, with focused needs, and not list of 10 years worth of need. Plan we are putting together is the first 1-2-3 years of a 6-10 year plan.

Mr. Richards- ask when you prioritize them is there a possibility that your priorities are different from the districts?

Mr. Kito- says, yes, possibility. Priority comes with an identification of points. So, districts could submit a list of priorities until they are out of points. Likelihood of them getting points enough to score higher goes down as their priorities go down. Some projects that are lower on the list don't have as much advance work so, cost estimates may be less accurate, if they do get funded, there may be a challenge making sure they have enough funding to complete project, scopes are less defined. When we did get 100 percent of maintenance list funded in 2003, we get to bottom of list, hard to identify scope, and make sure the amount of money was adequate to complete the scope anticipated.

Mr. Tucker–districts want to have their projects on the list. If this is an area we're going to go to, the 6-year plan has to be the back-up list for all the other projects the district has so that can be relayed along with the other list, but not with all the needs.

Mr. Kito- good idea- idea I have that will get us there is- we do receive the 6 year plan. What we don't do with it is collate it. So, as part of this effort, we could develop an excel spreadsheet as data entry, for 34 districts that submit info. Enter their 6-year plan and use spreadsheet as an attachment sent to governor as evidence of our plans.

Mr. John-I don't think limiting the number of applications is going to improve the application's content. I think it all comes down to who is writing the grant and what information is being provided.

Mr. Kito- For example, district A has 30 applications in system and trying to put them together with backup. Now say we ask them to only put 10 applications. They have to go through their own internal vetting to say what are the top 10 most important projects and then they put that same amt. of effort in 10 applications rather than 30 which gives them a lot more resources to make those 10 applications very well.

Mr. Hightower- Personally I don't believe limiting number of applications will help. Can we require something in application that is contrary to statuary requirements?

Mr. Kito- My impression is we are putting before legislature what the annual spending plan is going to be. The statue doesn't say limit to 10, but it does say we're putting in an annual spending plan in front of the legislature for them to act on, and what we put in front of them is actually a 10 year spending plan/10 year's worth of work. It is a gray area.

Mr. Richards-To me…history of how can we get to an annual spending plan that gets fully funded? I feel like there is a compromise. Why not limit to 12?

Mr. Tucker- I think legislators would get a better idea of what's happening if districts were not so focused on "getting on the list." Go to 6 year plan, and see what everybody's top priorities are.

Mr. Carney- Districts with small number of schools being able to put in 10 applications as well as districts with 40+ schools only being able to put in 10 applications is not a level playing field. Likewise, we are submitting a spending plan. I can do all our projects, start year funded, 14 applications. Grant, some districts wouldn't complete their project in 10 years if you gave them1 project. We are looking at 34 districts submitting 10 applications which is more than last year. If all 50 submitted that's considerably more. That's not the answer. You need to decrease the size of the need, size of the list. Somebody has to put a spike in the legislative body. They have funding in the rainy day account, and folks, it's rainy.

Mr. Kito- This committee has no control over what's appropriated. What we can do is look at past to see how much we've received in any year. What I'm putting in front of us is that we'll receive more than we've received in any single year since this program has been in place.

Mr. Tucker- Is this something we want to move forward with?

Mr. Kito- Yes. It's something I'm putting forward and want the committee to decide if we're going to implement.

Mr. Kito- Question for Kim, if we got reused projects, how do we handle the prioritization?

Kim- With reused scores, one possibility is to change the priority of that project. Mr. Tucker-Question -You're allowed to do that?

Mr. Hightower- Does this system take care of the disadvantage to larger districts?

Mr. Kito- I am anticipating this would actually benefit the larger districts because of the attention that goes in to the smaller number of prioritized applications will result in better scoring of the applications, so they'd have more projects in the run for funding. This can be disputed.

Mr. John- I agree. Those applications 10 and above don't receive as much attention as those that are under the 10 and above. It's difficult to say because they don't supply as much information to the lower priority projects that they don't warrant to be on the list.

Mr. Hightower- It indicates "some school districts have seen significant percentages of their schools already improved when there was no limit of the number of applications and other districts have a lot of schools that have not seen improvement, so those districts would be at a disadvantage." Last one here is they list 4 years where legislature chose the funding time major restraints and we may end up with missed opportunities if that happens. Practical standpoint, I agree with Sam. We're going to have to look over some major defaults.

Mr. Kito- Not sure about the 4 years….

Ms. Andrews- It was 1 list over 2 years of funding.

Mr. Kito- Legislature had to add additional money because first list was funded a year later. Another point I wanted to make about adding additional staff, it's not a matter of adding staff. We can only have 3 people reviewing the applications. We could have support staff helping, but we have a system where we are getting the support staff we need. It's the number of hours we spend reviewing the applications. Suggestion is moving deadline from Sept. 1st to Aug. 1st. The problem with that is we would have several other deadlines that need shifted.

Mr. Tucker- Let's go around the table and see if we can come to an agreement/compromise or if we need to take it from here. I'm feeling compromise with the reuse as long as we do a 6 year plan that attaches with a report that goes to legislature so they can see what's out there beyond this.
Mr. Tucker- Well, I think that we should couple that six year plan with this as whole report. So they get the whole picture from what everyone is turning in. I don't think it should go up without it, because they (Legislature) really aren't getting a good look at it. Mark what do you think?

Mr. Langberg- My feeling is why not try it for a year, what is the worst thing that's going to happen if we limit everyone to ten. Maybe some grumbles hopefully not any formal complaints.

Mr. Tucker- So in the first year they could reuse any number, but in the second year they could only use 10?

Mr. Kito- No, in any year they can reuse as many as they wanted. I think what we are saying is just limiting the number that have to score in any given year. If we limit a district to 10 they could have 20 projects on the list at any given time.

Man- Bob Tucker- Do you want to put this off and see what Eddy thinks, or are you good with doing this for a year. Then let's just put it in front of the board and see what everyone says.

***REUSE OF SCORES, LIMIT IT TO 10, WITH A 6 YEAR PLAN ATTACHED TO THE REPORT THAT EVERYTHING GOES UP AT ONCE?***

-MOTION PASSED-

Mr. Kito- One thing we have not been doing is posting things on the BR&GR website in a timely manner and that is one of the things on my to do list.

**BOARD COMMENTS**

Mr. Hightower- We have had several discussions on different issues. Will the minutes reflect agreeing/disagreeing?

Mr. Kito- Summary in minutes and on web. E-mail from Al Wineberg is a concern of consistency from year to year. Concerns are regarding scores from his fire alarm project. He thought by rewriting it he would be able to get more points, but the points actually went down. We reviewed the application and the one they submitted this year was clearer on the "task of work completed in previous year." This change in application resulted in a clear understanding of the work to be completed so the effect was a decrease in life safety points. There are a couple of other issues with respect to consistency to bring to the committee. A concern of consistency from year to year with raters but what we've done is change raters. It's only my second year rating so there is some variability. We also have another rater who has rated before but his scores are different from the previous rater. So whenever you have a change in raters it's impossible to have each rater be able to score like the previous rater if it's not the same rater. So, not being able to have a year to year consistency as much we are trying to have consistency and goal to have same group be able to rate from year to year.

Mr. Richards- I know our agenda is getting longer, but maybe we can have a topic called correspondence to include letters from various districts.

Mr. Hightower- I need to submit my resignation as I'll be retiring. I'll attend next meeting if Eddy doesn't have someone by then.

Mr. Langberg- It's been a pleasure working with you Harley.
Other comments made to Mr. Hightower regarding his work and participation and other staff for their work.

Mr. Kito- Another item is time/date for next meeting. July 16th and 17th is what I've put on here. I'll work out schedule with Eddie and committee on establishing location.

**Adjournment**

Mr. Richards made motion and Mr. Hightower seconded the motion. Motion carried and official business of the meeting closed.