

CAPITAL CONSTRUCTION ASSISTANCE BOARD MINUTES OF THE FEBRUARY 23, 2011 MEETING

**Meeting held at:
State Offices Building
201 E. Colfax Ave., Denver, CO 80203
State Board Room, 101
Wednesday, February 23, 2011**

I. Call to Order

- 1:09 p.m. Mary Wickersham called the meeting to order.

Attendees

Mary Wickersham – CCAB Chair

Mike Maloney – CCAB Secretary

Greg Randall – CCAB

Lyndon Burnett – CCAB

Pete Jefferson – CCAB

Dave Van Sant – CCAB

Adele Willson – CCAB

Norwood Robb – CCAB Vice-Chair

Tom Stone – CCAB

Ted Hughes – Staff (CDE)

Kevin Huber – Staff (CDE)

Dustin Guerin – Staff (CDE)

Scott Newell – Staff (CDE)

Jay Hoskinson – (CDE)

Cheryl Honigsberg – Staff (CDE)

Erica Weston – CCAB Legal Advisor

- Agenda reviewed
- CCAB Chair asked for a motion to approve the agenda;
 - So moved by Dave Van Sant;
 - Tom Stone 2nd the motion;
 - No further discussion;
 - Motion to approve the agenda carried.
- CCAB Chair asked for a motion to approve the minutes from the January CCAB meeting;
 - So moved by Lyndon Burnett;
 - Dave Van Sant 2nd the motion;
 - No further discussion;
 - Motion to approve the minutes carried.

II. Board Report

- The CCAB Chair talked about the State Land auctions and the benefits to the BEST Program. The CCAB Chair said the last quarterly auction brought in around twenty-two million, of which BEST gets half.
- The CCAB Chair briefly discussed the CCAB Subcommittee meeting held on February 14th, 2011. The CCAB Chair said there were two requests made to the Division staff; 1) Look at other programs throughout the nation that are similar and see how they calculate their match

percentages, 2) Approach a firm who is familiar with analyzing public school data and request a charter school match percent calculation.

III. Directors Report

- Ted Hughes discussed Centennial School District's ribbon cutting which was held on February 15, 2011. Ted Hughes told the CCAB the project took a while to finish because of budget issues. Ted Hughes said the district is very happy with the school, but there are still a few issues with some of the HVAC system. Ted Hughes also mentioned Lake City is interested in Centennial's old pre-engineered gym and may look into purchasing it from the district. A CCAB member mentioned how Centennial had received two grants prior to BEST, then received a BEST grant to help finish the project.
- Ted Hughes talked about the League of Charter Schools Conference, held on February 17th, 2011. Ted Hughes said he and Coni Wilson, Administrator of Vista Charter School, did a presentation on her school. Ted Hughes said it was a good conference with a lot of breakout sessions and he talked to many schools who wanted to apply for a BEST Grant.

IV. Discussion Items

- Discussion pertaining to the Colorado Historic Society (History Colorado) process and memorandum of understanding (MOU). The CCAB Chair asked Paula Stephenson, with the Colorado Rural Caucus to discuss the MOU. Paula Stephenson told the CCAB the purpose of the MOU was to find a way for History Colorado to interact with CDE regarding buildings that have historic significance. Paula Stephenson mentioned there were many meetings with History Colorado (HC) to come to a resolution regarding History Colorado's level of involvement. Paula Stephenson said History Colorado will be involved from the beginning once CDE notifies them of a potential BEST grant applicant. Paula Stephenson said the decision will ultimately be up to the community unless the building is on the State Register of Historic Properties. If a building is identified or nominated to be on the State Register and an agreement cannot be made between CDE and HC; either party may exercise their right to request resolution from the Governor pursuant to CRS 24-80.1-104 (2) (c). Paula Stephenson said History Colorado is interested in talking to the communities with historic buildings and letting them know the benefits associated with these buildings.

Ted Hughes told the CCAB the Commissioner of CDE, Robert Hammond, and History Colorado's President & State Historic Preservation Officer, Ed Nichols would be signing the MOU. Ted Hughes thanked Paula Stephenson for all of her help in resolving the issue. Ted Hughes told the CCAB the new process was tried out with Otis School District and that it worked out well. A CCAB member asked if the Board was going to take any formal action for this, like a resolution. The CCAB Chair said that may be appropriate and asked the CCAB Legal Advisor to draft a resolution for the next CCAB meeting, the CCAB agreed.

- Discussion pertaining to available funding for FY2011-12 Certificates of Participation.
 - Dave Van Sant made a motion to temporarily postpone this discussion item;
 - Tom Stone 2nd the motion;
 - No discussion;
 - Motion to postpone the discussion item "B" carried.
- Discussion pertaining to the BEST Grant Application Review Process. Ted Hughes talked about the review process with the CCAB and mentioned how the projects will be sorted

based of the new scoring rubric. Ted Hughes noted how he will give a brief presentation to the CCAB for each project. The CCAB Chair mentioned that a lot of applicants wanted a chance to speak to the CCAB and that they should have the opportunity to if they choose to. A CCAB member said if the CCAB allows applicants to speak, there should be a time limit of one-to-two minutes. A CCAB member brought up a previous discussion where the Division staff would present and the grantee would be available to answer any questions the CCAB had that the Division staff may not know the answer to. A CCAB member said grantees want their own voice to sway the CCAB's decisions. The CCAB Chair discussed the time limit and said no presentation materials would be allowed. A CCAB member said applicants should only be there to be asked specific questions pertaining to their project. The CCAB Chair said she saw it two different ways: applicants wanted an opportunity to make their own pitch and they wanted to answer questions that the Division staff did not know. The CCAB Chair asked the CCAB if applicants should do a presentation. A CCAB member said applicants want the last word and that the CCAB should give them their two minutes. The CCAB discussed the topic further, noting that applicants are required to be available to answer questions for the Board. The CCAB agreed upon:

- 1) An initial review by Ted Hughes of each project in their new sort order;
- 2) An optional presentation from the applicant, limited to two-minutes, with no audio or visual aids allowed;

Then, after all projects have been discussed, start at the beginning of the sort list with one BEST staff member and up to two applicant representatives (optional) available:

- 1) CCAB will discuss the project and ask questions of BEST staff and if available, applicant;
- 2) Then CCAB can decide if they want to take action on the project.

The CCAB Chair asked for a revised process and for it to be sent to the CCAB. A CCAB member requested some type of clock or timer to use so applicants would know when their time is up.

The CCAB Chair call for a short break.

- Discussion pertaining to the Amount of Funding Available for FY2011-12 COPs. Rudy Andras with RBC Dain Rauscher reviewed a spreadsheet with the CCAB with assumptions of available funding for the BEST Program. Rudy Andras discussed future projections associated with the Assistance Fund. Rudy Andras discussed the different types of financing used for the COPs and noted the interest free financing was no longer available. Rudy Andras's projections for COPs FY2011-12 were \$178 million and for FY2012-13 were \$175 million, assuming interest rates will increase. The CCAB discussed the projections and asked if the CCAB needs to be in a hurry to use the money to fund projects. A CCAB member said construction costs are rising fast and the CCAB should consider approving as many projects as possible this year and thinks the CCAB has been too conservative in years past. The BEST Legal Advisor noted the CCAB needs to be flexible in their motions when approving grants because of per pupil assessed valuations (PPAV) may change. The CCAB briefly discussed PPAV projections.
- The CCAB Chair asked for a motion to amend the agenda and move the discussion pertaining to the BEST Rules to next month's agenda.

- So moved by Dave Van Sant;
- Lyndon Burnett 2nd the motion;
- No further discussion;
- Motion to amend the agenda carried.

The CCAB Chair excused herself from the meeting; Secretary Mike Maloney assumed the Chairperson's responsibilities.

- Discussion pertaining to a Plan/Policy for Capital renewal Budgets. Ted Hughes discussed a summary of what the CCAB discussed at a previous meeting and cited the statute for capital renewal budgets. The CCAB discussed the information presented by Ted Hughes and agreed that it should be made a procedure since the CCAB cannot force a set amount upon an applicant.
- Discussion pertaining to the Funding of Master Plans. Ted Hughes reviewed a memorandum provided by the BEST Legal Advisor. The BEST Legal Advisor discussed the memorandum with the CCAB and said Assistance Funds could be used as a pre-application type of expense. A CCAB member asked if there would be a pool of money the CCAB gave away. The CCAB Legal Advisor said she envisioned the CCAB awarding a set amount once a year. Ted Hughes said the CCAB needs to determine how much should be allocated and what the criteria is for funding a master plan. A CCAB member said he opposes the funding of master plans and wants an action item on the agenda. Another member agreed, stating the criteria needs to be determined. The CCAB discussed possible criteria and asked Ted Hughes to put together a proposal for the next meeting.
- Discussion pertaining to the Assurances and Certificates found in the BEST grant application. Ted Hughes told the CCAB that during the prior grant program the State Auditor suggested a contract for the grants being awarded. Ted Hughes said the Department of Education does not do contracts, so the Assurances and Certifications were created. The CCAB reviewed the Assurances and Certifications and a CCAB member found an issue with item #14, which conflicts with the sublease agreement for lease-purchase projects. The CCAB further reviewed the document and a CCAB member asked if all items could be listed without numbers and to use the minimum language to make the auditors happy, while clearly stating the points for the applicant. Ted Hughes agreed and asked the BEST Legal Advisor to review the Assurances and Certifications and note any changes for the CCAB.

V. Future Meetings

- The CCAB Secretary reviewed the future meeting dates with the CCAB, noting the next meeting was the subcommittee meeting on March 15th, and the next regular meeting would be on March 23rd.

VI. Public Comment

- The CCAB Chair asked if there was anyone who had questions or would like to speak from the public;

- John Cameron, with LKA Partners talked to the CCAB about the funding of master plans. John Cameron said he thought it was a good idea and will only help districts because master plans offer a variety of options.
- Jim Poole, the superintendent of Idalia School District, talked about the district's assessed valuation with the CCAB and concerns surrounding his community. The CCAB discussed the assessed valuation numbers. Ted Hughes said the motions may have to be adjusted and a date would be picked before the State Board meeting in August and those numbers would be used. Jim Poole said he had heard that if his district consolidated with another district his chances of getting a BEST grant would increase. Ted Hughes told Jim Poole, that was not true and that there was nothing in statute that says that.

VII. Adjournment

- The CCAB Chair asked for a motion to adjourn:
 - So moved by Norwood Robb;
 - Tom Stone 2nd the motion;
 - No discussion;
 - Motion carried;
 - Meeting Adjourned.