

# Public School Capital Construction Assistance Board Meeting Minutes



**COLORADO**  
Department of Education

## Vision

*All students in Colorado will become educated and productive citizens capable of succeeding in society, the workforce, and life.*

## Goals

*Every student, every step of the way*



**Date & Time:**  
April 27<sup>th</sup>, 2016  
1:00 p.m.

**Location:**  
201 E. Colfax Ave., Room 101  
Denver, CO 80203

## Capital Construction Assistance Board Members

Lyndon Burnett – Chair  
Cyndi Wright

Tim Reed  
Denise Pearson  
Ken Haptonstall

Scott Stevens  
Karl Berg  
Kathy Gebhardt

### I. Call to Order – 1:01 p.m.

### II. Pledge of Allegiance

### III. Roll Call – Karl Berg, Kathy Gebhardt, Ken Haptonstall, Denise Pearson, Tim Reed, Cyndi Wright, Lyndon Burnett. CDE Staff Attendees: Scott Newell, Heidi Dineen, Anna Fitzer, Dustin Guerin Kevin Huber, Jay Hoskinson, Cheryl Honigsberg, Ashley Moretti

### IV. Approve Agenda

The CCAB Chair called for a motion to approve the agenda:

- Discussion: Karl Berg asked if the minutes from the January 2016 and February 2016 meetings have been approved yet. Scott Newell explained they would be approved at the May 2016 meeting;
- So moved by Ken Haptonstall;
- Kathy Gebhardt 2<sup>nd</sup> the motion;

*Scott Stevens joined the meeting*

- Motion to approve the agenda carried unanimously.

### V. Board Report

Kathy Gebhardt informed the CCAB that she had attended the Colorado Association of School Boards Member Day at the Capitol and lobbied for the BEST program. She conversed with the legislature to get the COP bill through senate appropriations. Ms. Gebhardt said that she became aware the governor does not support the BEST Program, though she does not know why, but that the bill went through appropriations. Ms. Gebhardt asked Henry Sobanet to get \$5 million dollars per year to have more money to build more schools, because financing costs are so expensive. She said she asked the Senate to consider reducing the total amount by which the bill would raise the COP cap from \$20 million over five years to \$10 million over a shorter time frame so that the annual allocation would not change; she explained the high cost of financing COP projects would. Ms. Gebhardt suggested if the senate is worried about overall numbers then give BEST fewer years with the same amount of dollars to have more money to build a few more schools and then see where BEST is. Ms. Gebhardt said she was not sure if this argument was successful in regards to the bill, but if it is not successful on the senate side, then the next step would be to get a house amendment. Ms. Gebhardt said that she believes the trouble with getting the bill passed is that the BEST program is not well understood and time should be spent re-emphasizing the good that the BEST program does.

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Ms. Gebhardt also mentioned that School Finance is looking at taking into account debt service as part of the overall amount of money that is available to school districts, though debt service money is not tangible and cannot be used for operations. She stressed that educational conversations need to be had about how debt service money can make some districts look wealthier than they are. She explained that this would affect BEST because it would make it appear as though those districts which have received BEST grants and have passed bonds, are financially better off than they really are.

Tim Reed told the CCAB that his district is preparing to update their facility master plan and has been holding community meetings. He explained that during these meetings he has been approached by community members asking about BEST funding, and specifically wondering where their share of money is from marijuana tax revenues. Mr. Reed explained that there is some confusion within his district about what the BEST program is, where the marijuana money goes, and why it is not benefiting all schools. Mr. Reed has conversed with his community, explaining that marijuana tax dollars support the BEST grant program which districts must apply for and be awarded in order to receive the funding. However, he said his district has not seen the benefit in applying for BEST grants because the overhead cost associated with the match percentage is high and would take away funds for other schools in the district if the district focuses on one BEST project. He asked if an educational piece could be made available to districts to explain BEST funding, and how the marijuana excise tax dollars are part of this. Scott Newell said that the requested information is available and can be found under the financial section of the Capital Construction website.

Denise Pearson informed the CCAB that she had visited Deer Trail School District for a board meeting with staff member Jay Hoskinson, where she answered questions from the district regarding facility issues and the district's plans moving forward.

Kathy Gebhardt informed the CCAB that she and Ken Haptonstall had given a presentation on BEST at the Western Slope Superintendent's meeting.

## VI. Director's Report

### a. Division Updates

Scott Newell publicly announced the resignation of David Tadlock, former Vice Chair of the CCAB. Mr. Tadlock chose to resign due to conflicting interest in a project associated with BEST, and a desire to pursue his professional career. Mr. Newell said that he is reaching out to various organizations to solicit interest in the position. Scott Newell reminded the following CCAB members of their coming reappointments: Denise Pearson, Karl Berg, and Scott Stevens. He informed the CCAB that Lyndon Burnett, Board Chair, would be term-limited at the end of his current term, and that a replacement for the CCAB Chair would need to be appointed by June so they could be presented to the State Board at their June meeting. Because of this, he proposed that both elections for Vice Chair and Chair take place at the May 2016 CCAB meeting.

Scott Newell announced the Division had selected five applicants for the assessor positions with the statewide facility assessment program. Facility Insight will officially commence in July 2016 and the web portal will be operational in August 2016.

Scott Newell stated that the recommendations from the May 2016 grant selection meeting will be presented to the State Board at their June meeting in Pueblo, Colorado.

Scott Newell announced he will be resigning from his position as Director of the Division of Capital Construction, effective June 1, 2016. He informed the CCAB to be on the lookout for information regarding filling his position.

### b. Legislative Update

Scott Newell announced that SB-72 and SB-35 both passed out of appropriations to the committee as a whole. SB-72 was amended; Senator Stedman introduced an amendment to reduce the increase in the COP cap from \$20 million to \$10 million dollars and stagger the allocation in \$5 million increments over the next two-years.

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## VII. Discussion Items

### a. Discuss the usage of the current balance remaining in closed lease-purchase grants

Scott Newell began the conversation by explaining that when lease purchase projects close out, the remaining funds are placed in a state expense account. Currently there is a balance of roughly \$10 million dollars in this account. Mr. Newell explained there are two options to utilize the money:

- 1) Fund another project through financing; the funding would be additive to the \$60 million available this grant cycle, and would give the CCAB an additional \$10 million to use to fund one large project, freeing up cash grant dollars for smaller projects.
- 2) Use the funds to pay down debt service, freeing up cash funds which could be used to fund additional project(s) in a later cycle. Mr. Newell asked the CCAB to discuss the options and direct him on which option they feel is best.

The CCAB Chair expressed concerns about the cost of financing a new project. Heidi Dineen, the Assistant Attorney General, said there would not be underwriting fees associated as the funds are already underwritten. The CCAB asked about the amount of funds BEST has to grant this year compared to previous years, which Scott Newell said that the FY16-17 cycle would have the highest amount of cash grant dollars available than has been available previously, but that future cycles would not likely have as much based on the declining projected revenues from State Land Trust. The CCAB Chair asked if debt service payments are made, how much funding would be available to use in future grant cycles. Mr. Newell informed the CCAB that the funding would be one for one; if they used the \$10 million for debt service, it would allow for \$10 million to be freed up in the assistance fund to fund projects in a future grant cycle. The CCAB asked Mr. Newell if he had a recommendation on how the funds should be used. He told the CCAB that BEST still has a few projects to close out and the remaining balances from these projects would go into the state expense account as well, creating another balance. In addition, if CCAB used the \$10 million to fund another project, any remaining funds from this project would also create excess monies in the state expense account. His recommendation was to use the \$10 million dollars to pay debt service as it is a cleaner process, although funding a large priority 1 project could open up for a few smaller projects further down the priority list. Mr. Newell said either choice made will eventually serve the same purpose.

### b. Review and collect the CCAB Conflict of Interest Disclosure Form

Scott Newell asked if anyone had any conflict of interest forms to submit. Mr. Newell told the CCAB that the conflict of interest form is for any project that is coming for a grant this cycle that a CCAB member may have a conflict of interest with as stated in the BEST Rules. Ken Haptonstall announced that there are two projects (both for Garfield 16 District) that are a conflict of interest for him, and submitted the conflict of interest form for each project.

### c. Review and discuss the FY2016-17 BEST Grant Applications Summary Book

Scott Newell announced that there is a photo presentation that will go along with each grant request submission. Mr. Newell told the CCAB they could access this presentation by following the link that was provided to the CCAB. The CCAB received two books: the summary book and a book with evaluation sheets, waiver sheets, and letters of support for applicable schools. Mr. Newell reviewed the entire FY2016-17 summary book with the CCAB in detail. He explained how the summary book is organized, and what information is included in the grant summaries. Denise Pearson asked a question about what year the school finance information is from, and Mr. Newell answered by stating the FY 2014-2015 is the most current year BEST has access to. Kevin Huber added that the per-pupil counts are up to date as of October 1, 2015. Kathy Gebhardt asked if there is a way to find out if the scope of a project changed from when a district previously applied for a grant for their project. Mr. Newell answered by saying that there isn't, but that is something that can be included in next year cycle. He also added that some projects made the shortlist during last year's cycle, but funding wasn't available which prompts districts to have reapplied. Mr. Huber added that in the grant evaluation section, BEST staff has written comments that will possibly address specific questions like this, which would assist the CCAB during their review process.

Mr. Newell then went over the application evaluation sheet in detail with the CCAB. He explained the Conditions of the Entire Public School Facility, Financial Capacity, Project Proposal, and Other Application

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Consideration sections on the sheet. He then pointed out where on the evaluation sheet the CCAB would give their own recommendation for a priority rating, as well as where to find information about the condition of the facility and any additional information related to the project. Denise Pearson asked a question about what the different data points meant in regards to the FCI and CFI. Mr. Newell answered by stating there is data for the facility building as a whole as well as to the scope (specific part of the building that needs the capital construction improvements). Scott Stevens asked a question about the cost per square foot, and cost per-pupil factor, and if this referred to the entire school. Mr. Newell answered by stating the cost per square foot, and cost per-pupil is specific to the school but also to the affected area itself.

## d. Training session on FY2015-16 BEST Grant Selection Overview

Scott Newell began the training session on the Grant Selection by stating each applicant will have the opportunity to present on their presentation to the CCAB for two-minutes. After the applicant has completed their presentation, the CCAB has the opportunity to open for a question and answer session, before the CCAB fills out their evaluation sheet and publically votes on if they would like to shortlist the project. If there is a waiver associated with the project, the CCAB has the opportunity to open up for questions and answers about the waiver, fill out the waiver evaluation, and then hold an additional public vote on whether to approve or deny the waiver. Mr. Newell added, if the project was approved for the shortlist, it will still remain on the shortlist regardless if the waiver was approved or denied. Denise Pearson asked if the project was voted no for the shortlist, would the CCAB still consider the waiver. Mr. Newell answered Pearson's question by stating no. Newell continued with his training explaining how projects on the shortlist get awarded funding and once the CCAB approves the final project list, then the list has to be approved by the State Board of Education.

Scott Newell then asked Dustin Guerin to present the slideshow presentation with images specific to each grant proposal to the CCAB. Mr. Guerin gave the presentation and also stated that the slideshow would be accessible to each CCAB member before the May's meeting, as well as be presented at the May meeting.

The CCAB Chair asked if there were any other questions.

Ken Haptonstall asked if the evaluations should be filled out prior to the May meeting. Scott Newell answered the question by saying each CCAB member has the option to fill out their evaluations before the May meeting, or they can fill it out as presentations are being given. Cheryl Honigsberg asked that the CCAB write clear and complete comments on their evaluation sheets, as the BEST staff uses these comments to provide information to the districts on why their project wasn't selected.

Scott Newell announced to the CCAB that if any member needs hotel accommodations for the May meeting to contact Ashley Moretti to get that set up. The CCAB chair added that this year's May Grant Selection meeting will be held at Adams 12 in Thornton, CO. Scott Stevens asked if he or any other member of the CCAB have questions about a project, if it is appropriate to contact the BEST staff. Mr. Newell answered by saying any questions can be directed to himself, Ashley Moretti, or the Regional Manager of the project.

## VIII. Future Meetings

- May 24<sup>th</sup>-25<sup>th</sup>, 2016 – 8:30 a.m. – 5 p.m. Grant Selection Meetings – Adams 12 Conference Center 1500 E 128<sup>th</sup> Avenue, Thornton, CO 80241
- June 22<sup>nd</sup>, 2016 – 1:00 p.m. Location: 201 E. Colfax Avenue, Room 101, Denver, CO 80203
- July 27<sup>th</sup>, 2016 – 1:00 p.m. Location: 201 E. Colfax Avenue, Room 101, Denver, CO 80203

- IX. **Public Comment** – The CCAB Chair asked if there was anyone signed up for public comment, or if anyone from the public would like to speak; Ashley Moretti announced that Pat O'Connor, with Lightspeed Technologies was at the meeting and invited him to speak to the CCAB.

Pat O'Connor introduced himself and Lightspeed Technologies' sound amplifier product. Mr. O'Connor stated that he was aware of the CCAB's impact on creating better learning environment for all students throughout

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Colorado's K-12 public schools, and indicated speech illegibility is an impediment to student's learning environment.

*O'Connor then gave a demonstration of the Lightspeed Technologies product.*

After the demonstration, O'Connor asked that the CCAB consider the product when building and/or renovating school facilities in Colorado's K-12 public schools.

## **X. Adjournment**

The CCAB Chair called for a motion to adjourn:

- So moved by Kathy Gebhardt;
- Tim Reed 2<sup>nd</sup> the motion;
- Motion to adjourn carried unanimously;
- Meeting adjourned at 2:23 p.m.