

BOND REIMBURSEMENT & GRANT REVIEW COMMITTEE

Thursday, December 7, 2023 – 1:00 p.m. – 3:19 p.m.

Videoconference

APPROVED MEETING MINUTES

Committee Members Present

Senator James Kaufman
Representative Dan Ortiz
Dale Smythe
Randy Williams
Larry Morris, Jr.
Kevin Lyon
Douglas Hayman
Branzon Anania

Staff

Karen Morrison
Lori Weed
Terry Ryals
Alex Watts
Lucian Blake
Sharol Roys

Additional Participants

Dena Strait

CALL TO ORDER and ROLL CALL

Karen Morrison called the meeting to order. Roll was taken, and a quorum was established to conduct business.

AGENDA REVIEW / APPROVAL

Larry Morris **MOVED** to approve the agenda as presented, **SECONDED** by Dale Smythe. Hearing no objections, the motion **PASSED**.

PAST MEETING MINUTES REVIEW / APPROVAL

Hearing no objection for approval of the minutes of April 19-20, 2023, the minutes were approved as presented.

PUBLIC COMMENT

A public comment period was offered, and no public testimony was received.

DEPARTMENT BRIEFING

FY 2025 CIP Report – Summary Statistics and Initial Priority Lists

Lori Weed reviewed the FY 2025 CIP report with the following highlights:

- Approximately the same number of applications were received this year.
- There were fewer budget revisions this year.
- For technical reasons, there were a couple of ineligible projects.
- An increase in costs was seen for both the construction and maintenance lists.
- There was only one request for reconsideration, and that will be addressed next week.

The top project on the construction list is the Newtok school relocation to Mertarvik, which is in its third year of funding. The first year was devoted to design and demolition of the portion of the school building closest to the eroding river. This fiscal year the project should be fully funded.

The second project is a supplemental request for additional funding to the Minto school renovation-addition to cover cost increases. Number 3 on the school construction list is a school replacement in the Toksook Bay area.

Statewide Six-Year Plan

Six-year plans were received from districts of potential projects for state aid. Not all districts submit plans, but currently about \$1.8 billion is estimated as needed for projects.

School Capital Project Funding Report

The REAA grant funds funded most of last year’s number 1 school construction project and five major maintenance projects. There are a small number of districts that are completing capital projects through the debt reimbursement program.

Preventive Maintenance Update

Districts cannot apply for CIP projects if their program is not compliant. Galena City School District is the only district on a provisional program, and only a few are not currently certified. Dale Smythe commented that the list of ineligible districts is smaller this year.

Larry Morris **MOVED** that the Bond Reimbursement and Grant Review Committee recommend the State Board of Education & Early Development adopt the department’s FY 2025 list of projects eligible for funding under the School Construction Grant Fund and the Major Maintenance Grant Fund, **SECONDED** by Kevin Lyon. A roll call vote was taken with the following result:

YES: Kevin Lyon, Dale Smythe, Larry Morris, Douglas Hayman, Branzon Anania,
Randy Williams, Karen Morrison, Representative Ortiz
ABSTAIN: Senator Kaufman

The motion **PASSED**.

Lori Weed mentioned that the capital needs forecast database is a work in progress and has three components: information dashboards relating to renewal and replacements, a user update form for that renewal and replacement data, and the funding forecast database. The anticipated use would be to forecast current and future project needs.

The life cycle cost analysis did not go out for public comment due to staffing turnover, but Lori hopes to send that out soon. Recruitment for the Facilities Manager is nearing its completion. Lucian Blake was hired as the building maintenance specialist in charge of the preventative maintenance program, and Alex Watts was hired as the new architect assistant/facilities review assistant taking on the design reviews.

BRIEFING PAPERS

FY 2024 CIP Issues and Clarifications

The number of applications remained fairly stable, but participation is down overall from a decade ago. One possible reason for the drop is that districts are not submitting applications because of the effort involved in preparing them. Branzon Anania commented that the cost of preparing the CIP application is a big factor for the smaller districts.

Potential areas for committee discussion and possible change were presented.

For emergency scoring, a question was previously added about insurance involvement, and if the district is receiving insurance proceeds, the state will not participate in the portion of the project covered by insurance.

For weighted average age, the age of the facility is becoming less relevant as the facility goes through renovations since the building systems are not the same age as the original construction.

The average expenditure for maintenance is based on insurance cost, and there is concern that some districts are underinsured. Kevin Lyon mentioned that insurance agents set the values in his district.

For the energy consumption reports, the most common error is not providing data or not providing the full five-year requested data to show the back history.

The prior funding category is explicitly reserved as a 30-point category for projects that were short-funded, perhaps for design one year and construction the next. Several options for requesting supplemental funding were discussed last year, and it was decided that the districts could simply reapply to the lists.

Lori asked the committee for potential changes, improvements, or approval to stay with the status quo. Dale Smythe said he would like to see the emergency scoring and energy consumption reporting reviewed for modification or clarification. Larry Morris would like to have the average age of facility reviewed in comparison with the age of renovations. Kevin Lyon agreed that the age of facility should be reviewed. He also stated that the energy information is readily available from the software, and the district personnel just need to be trained on how to use it. Branzon Anania said the issue is trying to measure waste heat that some districts use from city generators, and Larry Morris said that could be measured with a BTU meter. Lori clarified that the districts that are eligible have already demonstrated they can provide the data, and the energy consumption report is a regulatory requirement.

The committee asked that emergency scoring, average age of facility, and energy consumption scoring criteria be reviewed for consideration at the April meeting.

Fire Protection Renewal & Replacement Schedule

Lori Weed spoke to the renewal and replacement life expectancy period for fire protection systems was originally set at 30 years and has not changed. Certain electrical components,

however, become unavailable in far less than 30 years, rendering the fire alarm system obsolete and not maintainable.

Larry Morris **MOVED** that DEED research and bring back recommendations to adjust the scoring criteria and the R&R schedule for fire alarm systems, **SECONDED** by Kevin Lyon. Hearing no objection, the motion **PASSED**.

SUBCOMMITTEE REPORTS

Design Ratios

Lori Weed reported that the approved recommendations from the subcommittee had not gone out for public comment, but the department intends to send it out soon. The public comments can then be reviewed by the subcommittee and then go to the full committee for review of the public comments and subcommittee recommendations.

School Space

Dale Smythe explained the goals of the subcommittee as follows:

1. ADM revisions.
2. Utility and storage variance.
3. Gross square foot clarification/modification.
4. Mechanical/electrical space adequacy.

Dale hopes to have the subcommittee recommendations ready for full committee review at the April meeting.

BR&GR WORK PLAN REVIEW AND UPDATE

Lori Weed stated that the work plan had not been changed significantly because of the department staff turnover. Comments on the work plan and suggested amendments were as follows:

- Add biennial update of the design construction standards for completion in April 2026 since no significant comments have been received that warrant adjustment.
- Design ratios are still listed but will be sent out for public comment soon.
- School space is still listed and moving forward.
- Two publications were completed and have been removed from the plan, and the Life Cycle Cost Analysis Handbook should be finalized at the April 2024 meeting.
- Add emergency scoring, average age of facility, and energy consumption scoring criteria to section 5.4 to be reviewed for consideration at the April meeting. Dale Smythe will research and determine if there is a simple change for the energy consumption and emergency scoring subjects.
- Sharol Roys asked that work about electronic submission of the CIP application be added to the work plan.

SET DATE FOR NEXT MEETING

Karen Morrison will send out proposed dates for the April 2024 meeting and the CIP workshop after the new Facilities Manager is on board but keeping in mind that Anchorage hotel rates start their summer rates on May 1st now rather than May 15th.

Lucian Blake expressed concern about the lack of appreciation for preventative maintenance and its responsibilities, and he also questioned the benefit of the energy consumption tracking and would like to see more detail in the chart regarding the history of district compliance.

COMMITTEE MEMBER COMMENTS

Branzon Anania welcomed the new people on staff.

Dale Smythe also welcomed the new personnel and advised reading the CIP application interpretation reports.

Senator Kaufman said the meeting was interesting and thanked the committee for all the work that it does.

Representative Ortiz appreciated today's deliberations and the efforts of the committee. He asked if the unfunded projects automatically go to the top of the list for the next year. Lori Weed responded that each year the applications are evaluated fresh, but there is a provision that allows districts to reuse a prior year's score. The projects do not roll up automatically but are dependent on the current year's scores.

Representative Ortiz asked if the districts whose projects did not receive funding have an opportunity to amend the application to try to improve their standing. Lori responded that there is a reconsideration process if the district feels the department made an error, but other than that, there is no further back and forth until the new applications are received.

Representative Ortiz asked if anyone advocates for the overall program and list to the legislative committees. Lori responded that historically department personnel, not the committee members, have gone before the legislature.

Kevin Lyon welcomed the new staff.

ADJOURNMENT

Larry Morris **MOVED** to adjourn, **SECONDED** by Dale Smythe. Hearing no objections, Karen Morrison adjourned the meeting at 3:19 p.m.