

SCHOOL FACILITIES BOARD
September 27, 2007
Phoenix, Arizona

The School Facilities Board held a board meeting at the School Facilities Board Office in Phoenix. The meeting began at approximately 1:02 P.M.

<u>Members Present</u>	<u>Guests Present</u>
Davidson, Frank, Chair (by phone)	Justin Olson, ATRA
Keenan, Brooks, Vice Chair (by phone)	
Marks, Gary (by phone)	
Rushin, Tom (by phone)	
Taylor, Penny (by phone)	
Friesen, Lyle, Superintendent's Representative (non-voting)	
<u>Members Absent</u>	
Gober, Patricia	
Ortega, David	
Private Business Owner Representative, position vacant	
Teacher Representative, position vacant	
<u>Staff Present</u>	
John Arnold, Executive Director	
Monica Petersen, Deputy Director of Finance	
Amber Peterson, School Finance Specialist	
Ron Passarelli, Special Projects	
Kerry Campbell, Manager's Assistant	
Heather Gamby, Executive Assistant	
Debra Sterling, Attorney General's Office	

- I. Call to Order
Frank Davidson called the meeting to order at approximately 1:02 P.M.

- II. Roll Call
There were six board members present at this meeting, all of which participated by phone except Lyle Friesen, the non-voting member representing the Department of Education.

- III. Director's Report - Review, Consideration, and Approval of the following items:
 - a. 21st Century Schools Report - Final

John Arnold proposed four changes to the report:

1. Page 6, recommendation no. 9: Change "to help clean the air of carbon dioxide" to the more broad phrase, "to help clean the air of pollution".

2. Page 8, page header: Change "requirements for financing" to "requirements for funding".

3. Page 8, recommendation no. 3: Strike last sentence. Staff felt that a sentence regarding ensuring adequate assembly space was inconsistent with recommendations later in the report, which suggest that schools should be designed with less assembly-type space and more classroom space.
4. Page 8, recommendation no. 4: Strike “over the next 20 years”.

Gary Marks pointed out that the list of Board members indicates he is from Prescott, but it should read Prescott Valley.

Penny Taylor requested that SFB staff be listed in the report, in order to make it more of a consensus report, since she and other Board members were not present at all of the events that contributed to the development of the report. Dr. Davidson suggested that the acknowledgements section (beginning on page 90) would be a good place to add this list.

Penny Taylor requested that the first word in the second paragraph in the preamble be changed from, “If” to “Since” or “Whereas”, in order to strengthen the statement.

Ms. Taylor suggested that specifically referring to “the digital age” may be too limiting. John Arnold pointed out that the digital age was incorporated in the title of the report. Dr. Davidson felt that the phrase was appropriate for describing the current time period, noting that new technologies will become available within the next 20 years that will likely result in the need to supplement or supplant this report. Tom Rushin agreed that the report should refer to the digital age, as it relates to the current time period.

Penny Taylor asked if page 6, recommendation no. 2 should address other energy items and not be limited to “mechanical system”. John Arnold explained that the LEED, ASHRAE, and IECC standards already address other components of energy systems, but they do not address mechanical sizing.

Ms. Taylor asked if the word, “engineer” should be added to page 6, recommendation no. 10. Ron Passarelli directed the Board members to page 38, which indicates that the commissioner is a certified mechanical engineer. Ms. Taylor asked what the commissioned engineer would be responsible for. John Arnold explained that the commissioner would offer a 3rd party review, ensuring that the mechanical system is appropriately sized for the facility. Dr. Davidson and Mr. Rushin both indicated that their districts’ experience with 3rd party reviewers has proven very valuable with short payback periods.

Frank Davidson moved that the Board approve the four changes suggested by Director Arnold, the word change in the second paragraph of the preamble suggested by Ms. Taylor, the listing of SFB staff members under acknowledgements, and any other grammatical corrections that staff makes before submitting the report. Brooks Keenan seconded. Motion passed 5-0.

Penny Taylor directed the Board members' attention to page 8, recommendation no. 4, and felt that a recommendation to identify a permanent, dedicated revenue source for new schools in lieu of General Fund appropriations would be more optimal than recommending debt. John Arnold referred to the financing analysis in the report, which presents an argument for using long-term debt instead of cash for long-term assets such as school buildings and infrastructure, regardless of the current economic climate. He added that staff does not have the expertise to identify what the alternative revenue source should be, which is why that recommendation was not included in the report. He was not opposed to adding it, if it could be structured such that the revenue source could be used to fund school facilities or provide debt service requirements. Dr. Davidson indicated that he was eager to share the financing analysis with others, including policy makers. He suggested the Board submit a letter to the director of Arizona Business and Education Coalition, an organization tasked with scrutinizing the issue of funding public education. Other Board members were amenable to that idea.

Penny Taylor moved that the Board ask staff to include language in the executive summary and the body of the report relating to finding a dedicated revenue source for either direct funding or debt financing for school facilities. Tom Rushin seconded. Motion passed 5-0.

John Arnold said staff will incorporate the changes, make final grammar checks, and submit the final report to the Governor and the Board members on October 1st.

IV. Future Agenda Items
None

V. Public Comment
Brooks Keenan thanked the Board and staff for their hard work and effort.

VI. Adjournment
There being no further business, Frank Davidson adjourned the meeting at approximately 2:05 P.M.

Approved by the School Facilities Board on October 4, 2007

Frank Davidson
Chair