



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:

July 6, 2017
1:30 p.m. – 4:00 p.m.

Location:

201 E. Colfax Ave. Rm. 101
Denver, CO 80203

Capital Construction Assistance Board Members

Tim Reed –Chair
Kathy Gebhardt – Vice Chair
Roger Good

Margi Ammon
Denise Pearson
Ken Haptonstall

Cyndi Wright
Scott Stevens

I. Call to Order – 1:32 P.M.

II. Pledge of Allegiance

- III. Roll Call** – Margi Ammon, Kathy Gebhardt, Roger Good, Denise Pearson, Cyndi Wright, Tim Reed
CDE Staff – Anna Fitzer, Julia Fitzpatrick, Dustin Guerin, Cheryl Honigsberg, Jay Hoskinson, Ashley Moretti, Jim Owens
State Treasury’s Office – Ryan Parsell
Attorney General’s Office – Robin Cochran, Lori Ann Knutson
First Southwest – Mattie Prodanovic, Jason Simmons

IV. Approve Agenda

Kathy Gebhardt requested the agenda be amended to add a discussion item regarding the memorandum that was distributed to CDE, SBE and the CCAB by the League of Charter Schools.

Motion to approve the amended agenda by: Cyndi Wright

2nd by: Denise Pearson

All for: Margi Ammon, Kathy Gebhardt, Roger Good, Denise Pearson, Cyndi Wright, Tim Reed

All opposed: None

Motion passed 6-0

V. Approve Previous Meeting Minutes from April 26, 2017 Meeting

Motion by: Roger Good

2nd by: Mari Ammon

All for: Margi Ammon, Kathy Gebhardt, Roger Good, Denise Pearson, Cyndi Wright, Tim Reed

All opposed: None

Motion passed 6-0

VI. Board Report

No board members had anything to report.

VII. Director's Report

Congratulations to Kathy Gebhardt who was reappointed to the CCAB by the Senate President for her third and final term. Tim Reed was also reappointed to the CCAB by the Governor for his third and final term. Currently, there are three applicants going forward to Minority Chairs for a potential appointment of the Technology position. The Minority Chairs have now asked that candidates for the position be from a rural area. All three applicants put forward met that requirement. The Division hopes to have the position filled soon.

On June 15, 2017, The Division presented the FY17-18 BEST grant recommendations to the State Board of Education (SBE). An overview of all Division programs were also presented. Tim Reed, Cindy Wright, and Roger Good attended the presentations. The SBE unanimously supported the FY17-18 BEST grant recommendations. They did request historical data comparing charter vs non-charter applications & awards. Division staff will send this information later this month.

Jim also informed the CCAB that he presented the lease – purchase projects to the Capital Development Committee in Colorado Springs on June 21, 2017. The Deputy Treasurer Ryan Parsell was also in attendance. The lease-purchase projects were unanimously approved.

The question around ownership of a school facility to establish BEST financial assistance eligibility has been addressed by the Attorney General's Office. They will be issuing an in-formal opinion soon. The Colorado Spring Early Colleges meets the ownership requirement set forth by statute, thus allowing the project to enter into a contract.

Currently the Division has fifty-four open projects. Since the last quarterly update, seven projects have been completed. The FY17-18 projects will be added to the open projects list for the next quarterly update. FY 15-16, the projects need to be completed by June 2018 and the FY16-17 need to be completed by June 2019 according to the appropriation limitation. Kathy Gebhardt asked why the older projects from FY12-13 and FY13-14 were still open. Division staff mentioned the work is completed and are currently in the process of administratively closing them.

Jim updated the CCAB on the progress of the statewide facility assessments. Each month, approximately 600,000 sq. ft. of school facilities are being assessed, totaling over 600 million sq. ft. that has been assessed thus far. The web portal is live and can be used to see the progress of assessments. Jefferson County School District will be the first district that self-reports their own data. Additionally, the VFA contract was amended to allow the Division to utilize their services for another year. Denise Pearson asked what marks the conclusion of a district assessment. Dustin stated once an assessment report is generated, a pdf of the report will be sent to the district for review. If the district is satisfied with the report, then the assessment has been completed.

There will be a Ribbon cutting for DeBeque School District on August 11, 2017 at 5 pm.

Colorado State Lottery recognized Limon School District's BEST project as one of their Starburst awardees. The project was a K-12 replacement from FY13-14 BEST cycle.

HB 17-1306 legislation provides up to \$300,000 for grants from the Water Quality Improvement Fund, as administered by the Colorado Department of Public Health and Environment (CDPHE), to be used for voluntary lead testing at public schools. CDPHE held a webinar on June 22, 2017 that identified a number of processes they want to incorporate into their rule-making this fall. Schools that test positive for water contamination could potentially come to the BEST program for an abatement/correction grant Jim stated.

HB17-1082 legislation, which amended the BEST statute to address financial assistance for instructional technology, has been signed by the Governor. A rule-making will be held by the Division and the CCAB early fall so the Division and CCAB have the appropriate policies set forth to be able to implement technology grants in the FY18-19 BEST cycle.

The long bill for FY17-18 was approved. Funds for staffing, cash grants, and potential COP's are in place.

VIII. Discussion Items

a. Retreat Topics

The CCAB retreat will be held on August 3, 2017 at the Jefferson County School District Administrative Center. The CCAB determined the following topics will be discussed:

- The results of the FY17-18 Client Satisfaction Survey including feedback that has been given to Division staff directly
- HB17-1082 (how ESCO savings will be used as a matching contribution for technology grants)
- Acceptable ADA criteria in BEST grants
- Tiebreak policy
- Grant application scoring sheet
- Appropriate evaluation of expending dollar amounts
- Potential for two separate BEST grant lists (big vs. small projects)
- Grant Waiver (what questions should be required vs. optional)
- Appropriate questions to BEST grant applicants
- Potential lead testing remediation grants
- Potential door hardware grants
- Legislative strategy

b. Charter School Memorandum Issued to Colorado Department of Education

Jim started the conversation around the memorandum that was sent to the SBE, CDE Capital Construction, and the CCAB. The commissioner of CDE asked for a response to be prepared to address the League's concerns and correct mentioned items that weren't factually correct. Division staff will draft the response and then distribute to the Attorney General's Office and CCAB for review within the next few weeks.

The CCAB members disused the League's proposal to drop the highest and lowest scores per application. They felt it would silence the board's vote and wouldn't necessarily have an impact. They also discussed how charter schools are not unique in having to spend general fund dollars on facilities. Some rural schools have to do the same. Tim stated the critical mission of the BEST program is to address all of the schools in Colorado and provide educational equality. Margi Ammon appreciated the expression of frustration of how difficult it can be for a school or district to receive a BEST grant.

IX. Action Items

a. Edison School District's Grant Reserve Request

Jim teed up the discussion explaining there is \$2.4 million set aside in the FY15-16 cycle for reserve requests. The CCAB has not approved any use of this appropriation thus far. Cheryl Honigsberg, Regional Program Manager, presented the grant reserve request on behalf of the district. Currently, the district is in the process of preserving their historic building. The project originally intended to patch and paint the outside of the building. Recently, it was identified that the scratch coats of the paint have asbestos present. The Colorado Department Public Health and Environment assessed the issue and determined any restoration to the scratch coating or paint would disturb the asbestos. The district has started the abatement process but then found sheathing has water intrusion. The reserve request of \$196, 000 is for the abatement of the entire building and the replacement of the sheathing and stucco. The

contingency that was originally identified in the grant has mostly all been used and the remaining will help supplement the grant reserve request.

Motion by: Kathy Gebhardt

2nd by: Roger Good

All for: Margi Ammon, Kathy Gebhardt, Roger Good, Denise Pearson, Cyndi Wright, Tim reed

All opposed: None

Motion passed 6-0

b. Brush School District's Request to Sell Their Own Bonds for FY17-18 BEST Project

Jay Hoskinson, Regional Program Manager, mentioned Brush School District passed a bond measure in November of 2016. Before the November 2016 election the advice given by Division staff was to ensure the bond could be used as a BEST match. In the measure, Brush presented their voters with a wrap bond structure which was approved. Brush School District is now requesting to sell their own bonds in order to use the wrap structure vs. the level structure the CCAB approved.

Jason Simmons, First Southwest explained in the CCAB packet is a memorandum which provides on background on the different options for the board to consideration. Jason also mentioned there is no formal policy in place that would help determine which option is best.

Option 1) Brush School District would participate in the lease-purchase process and issue their bonds to the State of Colorado under a wrap structure. This option would increase the net debt service by \$1 million a year for the next two years, \$500,000 a year following the first two years. This option would eat into the \$5 million that the CCAB allocated for COP projects in future cycles.

Option 2) Brush School District would sell their own bonds, thus providing a cash match to the State of Colorado. This option would have no impact financially on the state or the taxpayers in the district. This option does allow for the district to potentially make a premium off their bond sales, which could cause the BEST program trouble in the long run. If a COP project in the future is bond-dependent, that district could also want to sell their own bonds to receive a potential premium.

Ryan Parsell, Deputy Treasurer, recommended a modified version of option 1. On the back end the Treasury's Office would try to find a work around to reduce the impact on the net debt service while keeping the tax increase close to what was promised to voters in Brush.

Jim suggested if the CCAB goes with Option 2 a policy would need to put in place to avoid another district from wanting to sell their own bonds.

The CCAB agreed to table the item until the August 3, 2017 meeting to allow First Southwest, the Treasury's Office, and Brush School District to explore all options in detail.

Motion by: Kathy Gebhardt

2nd by: Roger Good

All for: Margi Ammon, Kathy Gebhardt, Roger Good, Denise Pearson, Cyndi Wright, Tim reed

All opposed: None

Motion passed 6-0

X. Future Meetings

- August 3, 2017 – Retreat 8:00a.m. – 4:00p.m. Location: Jeffco School District Administration Building

- September 7 @ 1:30 p.m. Location: 201 E. Colfax Avenue, Room 101, Denver, CO 80203
- October 5 @ 1:30 p.m. Location: 201 E. Colfax Avenue, Room 101, Denver, CO 80203

XI. Public Comment – No one was signed up

XII. Adjournment – 3:34 p.m.

Motion by: Kathy Gebhardt

2nd by: Denise Pearson

All for: Margi Ammon, Kathy Gebhardt, Roger Good, Denise Pearson, Cyndi Wright, Tim reed

All opposed: None

Motion passed 6-0

The mission of the Capital Construction Assistance Board is to protect the health and safety of students, teachers and other persons using public school facilities and maximize student achievement by ensuring that the condition and capacity of public school facilities are sufficient to provide a safe and un-crowded environment that is conducive to student's learning.