

Stuart & Associates

Governmental Consultants

TO: Superintendents/Facilities Directors

FROM: Susan Stuart & Associates

DATE: August 21, 2007

RE: August 20, 2007 SAB Implementation Committee Meeting

GRANT ADEQUACY WORKSHEET

Overview

The only item on the SAB Implementation Committee Agenda was the Grant Adequacy Worksheet. The purpose of this item is to gather information to determine the annual increase to the New Construction Base Grant and to collect information for Grant Adequacy discussions. As you know current law allows the SAB to increase New Construction Grants to up to six percent.

As a result of the last SAB meeting, the Chair of the SAB met with interested parties regarding the Grant Adequacy Worksheet. The result of that discussion was presented at this Implementation Committee meeting.

This item will be presented at the August 22, SAB meeting.

Executive Office Statement

Rob Cook opened the meeting by indicating that this worksheet has two purposes. The first is to assist in determining the adequacy of new construction grants (capturing data). The second is to comply with the directive from the Governor regarding Bond Accountability.

It is his vision that the districts and other interested parties could go online and see the status of a project and the funding resources used to construct the facility. In addition districts could use this resource to update changes online, so they aren't forced to reinvent the wheel each time there is a change (i.e., change orders) on the project.

CASH indicated that their understanding of these forms is only to provide an estimate of the costs of the project and not necessarily the final actual costs. Further, they want OPSC to include an introductory statement indicating that this is informational only, and complying with regulation by completing the worksheet would hold them harmless.

Submittal of the Worksheet

The worksheet is to be presented with the fund release request. Further, it will be required with each annual report of the SAB 50-06 form. In an attempt to simplify the submittal, the OPSC is working towards having the form submitted online and the district would only be required to make note of any changes in the information.

OPSC indicated that this new worksheet requirement stems from past experience when districts were asked to provide input on a survey. When this request was voluntary, OPSC could not obtain full participation from districts and the information received was in most cases incomplete and/or inaccurate.

Content of the Worksheet

Since much of the information requested in the original document was redundant, a good portion of the meeting was spent discussing how to consolidate the information.

Certification

Members of the Committee and audience questioned the need for an additional certification on the worksheets, since they would accompany forms that already included a certification. OPSC was willing to consider wording that would reflect the information provided was, to the best of the district representative's knowledge, accurate. However, they still want the form signed by the district representative.

Contract Amount

Part of the discussion addressed whether the contract included site development cost items, and if so, how they were to be included in the report. Some testified that it may not be possible to segregate site development costs and remediation costs from the building cost of the project. Although OPSC stated the schedule of values would be a resource for that information, members of the Committee argued a schedule of values would not be a reliable source.

Building Area

Part of the information requested includes the building area of the project and how it is broken down into various types of facilities, such as classrooms, multi-purpose rooms, library etc. It was explained that DSA and CDE compute the building area differently. OPSC will re-consider the parameters for this information.

Value Engineering

One of the discussion items focused on what is meant by “value engineering”. OPSC indicated their concern was to know what steps were taken to try to get the project under budget. They were not asking for information on small changes such as reduced quality of carpeting.

District Contribution

OPSC wants to know if the district contributed additional funding. It was very important to them that the entire project be described in the worksheet and not just the portion funded by the SAB and the matching share.

Amending New Construction Projects

CDE made it very clear that they want to know if and how the scope of a new construction project is changed. Fred Yeager indicated that if facilities are removed from the scope of work (such as MP or library), that will affect whether the CDE approval is still valid. Districts must report these kinds of changes and get an amended approval letter to insure that the project will still qualify for funding. A funded project must have a valid CDE approval. This is not the case with DSA, as the changes are usually included in Addenda or Change Orders.

Future Items

- ◆ Site Sale Proceeds of sites purchased with State funds
- ◆ Construction Management representation on the Committee
- ◆ Alternate Education Loading Standards and Funding

Future Meetings

September 7, 2007

October 5, 2007

November 2, 2007

December 7, 2007