

DSA/OPSC Program Review Expert Workgroup Meeting Minutes

January 13, 2011 2:00 p.m. – 5:00 p.m.
Ziggurat, 8th Floor Executive Board Room

In attendance:

Expert Workgroup (EWG) Members

Stephen Amos, DGS (Chair)
Lisa Constancio, CDE (Vice Chair – substitute for Kathleen Moore)
Lindle Hatton, CSUS (Facilitator)
Howard “Chip” Smith, DSA
Lisa Silverman, OPSC
Scott Gaudineer, Flewelling & Moody Architects
Gary Gibbs, CBIA
Eric Bakke, LAUSD
Jenny Hannah, Kern COE (via teleconference)
Laura Knauss, Lionakis
Kurt Cooknick, AIA
Susan Stewart, Stewart & ASSOC. (substitute for Carri Matsumoto)

Financial Hardship Stakeholder Group

Anna Ferrera, Murdoch, Walrath & Holmes
Jeff Becker, FCOE
Andrea Sullivan, OCOE (via teleconference)
Cathy Allen, WPUSD
Chris Cox, SBCSS
Mamie Starr, SJCOE
Matt Petler, SFC
Patti Herrera, Murdoch, Walrath & Holmes
Wael Elatar, SBCUSD

Additional Attendees

Lisa Kaplan, SAB
Shanna Everts, SAB
Masha Lutsuk, DSA
Rick Asbell, OPSC
David Zian, OPSC
Juan Mireles, OPSC
Steve Inman, OPSC
Jason Hernandez, OPSC
Rebecca Kirk, OPSC (Note-taker)

Welcome:

- Introductions
- The Chair provided an overview of the Process Review efforts to date and introduced the Financial Hardship Stakeholder Group members.

Follow Up:

- Memorandum of Understanding (MOU)
 - An update was provided regarding the following occurrences since the MOU was executed between DSA, CDE, and OPSC:
 - The signed MOU has been posted on the OPSC’s website.
 - Three meetings have occurred to date.
 - An internal meeting calendar has been set and target topics have been identified for each meeting.
 - A 90-day plan was assembled based on the key issues.
 - Discussions regarding the formation of a task force have begun.

- Discussions have begun regarding communications issues and beginning to discuss uniform tracking methodology/the Project Tracking Number (PTN).
 - Coordination of a multi-agency training plan and outreach efforts are underway.
 - An inquiry was raised regarding continued participation of the EWG in the event that an issue cannot be solved by the task force.
 - The Chair responded that the purpose of EWG was not only to identify issues, but also to provide oversight and support moving the issues forward.
 - There have been preliminary discussions regarding soliciting stakeholder input for external training topics.
 - One target of the PTN discussion is to hold a stakeholder meeting.
- Training
 - The Chair inquired of the EWG whether the State agencies should move forward with agency-specific, technical webinar trainings, or if such individual trainings should be postponed until after the initial joint-agency training kick-off in March.
 - It was expressed that individual, specialized training and technical services should be postponed until after the joint kick-off training.
- Additional EWG Representatives
 - Guidelines
 - Discussion occurred regarding attrition in EWG membership. Some of the original EWG members thought of the EWG as a 90-day commitment, but others want continued involvement.
 - There is a need to establish guidelines and rules for EWG participation moving forward. What was originally a 90-day, fast-track effort has evolved for sustainability.
 - Guidelines should specify that EWG members who miss two meetings will receive a warning, and EWG members who miss a third meeting will effectively resign from the EWG.
 - An advance schedule of EWG meetings for the year needs to be provided.
 - EWG members need to be decision makers, empowered to represent their organizations.
 - A document will be developed to establish EWG guidelines.
 - State Allocation Board Implementation Committee (IMP)
 - Discussion occurred regarding whether additional IMP members should be invited to join the EWG.
 - IMP members represent various interests and have designated alternates and historical knowledge that could be useful to the EWG.

- In response to an inquiry, it was stated that participating IMP members would not represent the IMP Committee at the EWG, but would instead each represent their individual group or organization.
 - It was expressed that the emphasis for selecting additional EWG members should be the areas that need to be represented.
 - A suggestion was made that EWG meetings be scheduled for the same day as IMP meetings.
 - Concerns were expressed that adding too many additional members could diminish the effectiveness of the EWG, but there was general support regarding the addition of members to backfill membership vacancies.
 - A suggestion was made that the prior sub-group process could be used again.
 - A suggestion was made that a graphical tracking mechanism for the short-term, intermediate, and long-term goals could be established and used to anticipate conclusion and outcome timeframes.
 - The Chair suggested that the original EWG membership matrix be revisited to assess vacancies. Former members could be contacted with the newly established guidelines to be given the opportunity to continue their membership. If there are still critical gaps in representation, suggestions will be made for individuals to fill the vacancies. IMP members will be considered. The EWG will periodically have an agenda item to address vacancies and to ensure adequate and consistent representation.
 - Department of Toxic Substances Control (DTSC)
 - Discussion occurred regarding whether the EWG should invite DTSC participation. No opposition was expressed, but it was stated that the EWG needs to maintain adequate stakeholder representation and that care should be given to ensure that the EWG does not become so large that it is less effective.
- Sub-Committee Issues
 - Further discussion needs to occur regarding the previous sub-group assignments to ensure that the defined items are truly priorities and that they are appropriately assigned.

Strategies to Sustain and Energize the EWG:

- Discussion occurred regarding who should chair the EWG in light of the current Chair's appointment at the California Department of Corrections and Rehabilitation.
- Appreciation was expressed for the efforts of the current Chair and the Chair indicated willingness to continue in the EWG's efforts.
- It was expressed that the addition of the Department of General Services' (DGS) Director as Chair of the EWG would be beneficial.
- It was agreed that the current Chair will continue to serve as Chair of the EWG until a DGS Director is formally appointed. The current Chair indicated that the Acting DGS Director, while willing to serve as EWG Chair, is supportive of the current Chair's continued role in order to ensure continuity in the EWG.

Financial Hardship Program Discussion:

- The Financial Hardship Stakeholder Group (FHSG) presented an overview of the FHSG's formation and provided a matrix of proposed recommendations for improving the Financial Hardship (FH) Program.
- The FHSG has met with the OPSC twice and is having positive dialogue with OPSC Staff regarding ways to change the FH Program to increase equity for FH local educational agencies (LEAs), particularly given the current funding limitations. These discussions will continue and the FHSG will continue to update the EWG throughout the process.
- The FHSG, the OPSC, and the DSA provided updates on two primary issues:
 1. Concurrent reviews of FH approvals and applications for funding
 - FH districts are currently disadvantaged by a two-stage, time consuming process that requires FH approval prior to submittal of the funding application.
 - The FHSG is encouraged that the OPSC is exploring ways of implementing a concurrent review process.
 - In response to an inquiry, it was stated that the OPSC's goal is to follow up with the FHSG and provide recommendations as a result of the meetings, receive feedback, and follow up with a conference call on January 27, 2011. At that time, additional discussion will occur regarding implementation.
 2. FH projects given a lower plan review assignment category than non-FH projects at the DSA
 - The FHSG is working with the DSA to find ways that FH LEAs can provide more information to the DSA regarding their FH deadlines and expiration date. Additional information could assist the DSA in routing and prioritizing FH projects.

- The DSA is considering improvements to its Form 10, which is used to prioritize projects and allows districts to indicate a deadline. The current DSA Form 10 language does not make it apparent that deadlines could include FH deadlines. If FH districts do not use the Form 10, the DSA does not know about the deadline and the project is assigned a lower priority. Additional advertising of the DSA Form 10 is also being discussed.
- A comment was made that a DSA priority distinction between FH and non-FH projects may not be necessary if a concurrent review process is implemented, since projects would then be on the same timeframe. The FHSG indicated that this issue will be discussed further.
- In addition to these issues, the FHSG is also working with OPSC staff on site related planning costs under Financial Hardship.
- It was stated that consideration should be given to the addition of an FH representative to the EWG.
- The FHSG acknowledged the OPSC for postponing a planned FH Program webinar in case changes are made to the Program and new information becomes available.
- The Chair indicated that this agenda item is not an action item for the EWG, but was provided as an informational item. This item will be included on future EWG agendas for continued follow up.

Sub-Group Updates:

- The Chair announced that the three sub-group updates (Cost of Building Schools Methodology, Lease/Purchase Sub-Group, and Cost Containment Life Cycle Sub-Groups) will be postponed to the next EWG meeting.

Sub-Group Reports:

- DSA Closeout (Laura Knauss and Scott Gaudineer)
 - The DSA Closeout Sub-Group provided an overview of the issue paper and suggested solutions. The Sub-Group expressed that there may be an issue with the initial problem statement and that effort should perhaps be focused on administrative remedies rather than legislative remedies.
 - Discussion occurred regarding three suggested solutions that could be explored before consideration of a legislative remedy:
 1. Automation
 - With an automated, electronic system, everything could be stored, tracked, and recorded, resulting in increased

transparency, better management controls, and better anticipation of timelines.

- Costs would include initial infrastructure, data input, and storage capacity.
- It was stated that a certain school district has a model that could streamline the process and documentation. The model is not a proprietary system and the District would be willing to share the model. The Chair commended this offer, but remarked that efforts requiring additional resources and staff are not likely to be realized in the current budget situation.
- It was suggested that automation and technology needs should be discussed in negotiations for the next statewide school facilities bond. Support was expressed for this suggestion.

2. Consistency

- The Sub-Group suggested that clarification of the mandated responsibilities of the DSA, followed by training, is needed to address the fact that DSA offices approach closeout differently.

3. Fees

- It should be determined whether reopening fees for legacy projects is statutorily authorized and whether these fees are a significant hurdle in the closeout of old projects.
- A comment was made that architects cannot be insured for certification. It was suggested that if a project has a DSA number, it should indicate that the project was built to DSA standards.
- The need for systemic change was emphasized.
- The DSA recently completed emergency regulations and is currently working on administrative remedies such as clarification on linked projects. It was stated that the Sub-Group's issue paper provides an overview of key improvements that could be administratively addressed this year.
- It was stated that closeout improvements have been realized throughout the past year; the DSA and the EWG Chair were commended for beginning to address the issue.
- A suggestion was made that the closeout sub-group reconvene in six to nine months in order to examine the new internal approach, help prioritize, and ensure a positive outcome. Support was expressed for this suggestion.
- The Chair applauded the work that has been done to date, and stated that a closeout sub-group will reconvene. A number of EWG members volunteered to participate in the sub-group.

- Response to Off-Site Development (Lisa Silverman and Dave Zian)
 - The OPSC provided an overview of the response to the Off-Site Development issue paper.
 - The spirit of the off-site development regulations is for the State to provide a reasonable, fair, and equitable share for off-site improvements. There is a balance between the State's interests, costs, and off-site developments mandated by local governments.
 - There was agreement that the State cannot be expected to finance all local requirements. It was also agreed that the State, LEAs, and local governments are all collaborative partners in school facility projects.
 - It was stated that OPSC decision makers may be able to provide assistance in complicated situations regarding off-site development expenditures.
 - A concern was expressed that some of the off-site regulations are being interpreted contrary to the original intent. A suggestion was made that the OPSC could consider Interpretive Regulations similar to those used by the DSA.
 - A comment was made that the regulations were carefully crafted in 1998/99, many people consider the regulations successful as they are, and the OPSC has interpreted the regulations well. It was expressed that changing the regulations could place too much pressure on the State's limited resources. An EWG member opined that school districts can use the State's limitations on off-site development funding as a means of negotiating with their local governments.
 - It was suggested that LEAs contact the OPSC early in the process to clarify which off-site development improvements will qualify for State funding. This understanding may provide the LEAs leverage in negotiating off-site improvements with their local governments.
 - There was agreement that preliminary planning is the best approach, but a concern was expressed that LEAs do not want to risk losing their funding by abandoning their place in line in hopes of receiving an off-site adjustment.
 - Due to time limitations, the Chair announced that discussion on this item will continue at the next EWG meeting.

Next Steps/Conclusion:

- The current EWG Chair will continue to serve as Chair until the formal appointment of a DGS Director.
- By consensus, meetings will continue to be held in the Ziggurat building.
- A suggestion was made to agendaize the sub-group reports early in future meetings, and to agendaize informational/process items toward the conclusion of future meetings.

- The next EWG meeting is scheduled for Thursday, February 10, 2011 from 2:00-5:00 p.m.
- The February EWG meeting agenda will include the following:
 - Sub-Group Updates, including a continuation of the Response to Off-Site Development item
 - Training Follow-Up: draft training agenda or articulation of the key training areas for discussion
 - Update on the FHSG: informational report
 - DSA Close-Out Sub-Group: identification of a restructured sub-group to include DSA leadership
 - Configuration of the EWG: DTSC invitation, area specialists, and identification of vacant EWG positions
 - 2011 EWG Meeting Calendar: concurrent with or in consideration of IMP meeting dates