DSA/OPSC Program Review Expert Workgroup
Meeting Minutes and Updated Action Items
April 14, 2011 2:00 p.m. – 5:00 p.m.
Ziggurat, 8th Floor Executive Board Room

In attendance:

Expert Workgroup (EWG) Members
Scott Harvey, DGS (Chair)
Kathleen Moore, (Vice Chair)
Lindle Hatton, CSUS (Facilitator)
Howard "Chip" Smith, DSA
Lisa Silverman, OPSC
Scott Gaudineer, Flewelling & Moody Arct. (via teleconference)
Gary Gibbs, CBIA
Ted Toppin, PEGG
Eric Bakke, LAUSD
Kurt Cooknick, AIACC
Tom Duffy, CASH
Susan Stewart, Stewart & Assoc. (substitute for Carri Matsumoto)
Laura Knauss, Lionakis
Jenny Hannah, Kern COE (via teleconference)
Dick Cowan, Davis Reed Construction

Additional Attendees
David Zian, OPSC
Fred Yeager, CDE
Masha Lutsuk, DSA
Delcy Thut, DSA (Note-taker)

Expert Workgroup Meeting Minutes
Welcome

- Chair addressed prompt start time,
- Introductions,
- Recap of meeting handouts:
    - DSA's efforts to date to address the backlog focus in three main areas
    - District Off-Site Development Issues
    - Approach to Implementation Sub-Group: Cost of Building Schools Methodology
    - Construction Phase Document Control at DSA

Sub-Group Updates and Reports

- **Action Item – Offsite Report Conclusions**
    - It was presented that resolutions to many offsite issues can be lumped together as common issues, but a significant number will require a case by case review and will be difficult to lump together with other projects as the issues presented are unique and diverse.
    - Some districts are communicating their circumstances as offsite issues when many may be allowances; some issues depend on the entity or specific site issues involved to determine what is allowable and covered in other grants.
    - It was discussed that regulations limit the cost items that can be funded; some issues may require new/revised regulations; however, current regulations are designed to not be too prescriptive to allow maximum

eligibility; regulations will be a challenge due to the diversity of issues; common sense should be applied to implementing regulations.
    - It was discussed that districts have a concern that the 15% general requirements amount is not large enough to cover certain offsite requirements.
    - It was clarified that some or all of the dust control costs are part of the 15% off-site augmentation for general requirements; some schools were not aware that dust control is an allowable item.
    - Districts would like cost of dust control mitigation as a project augmentation.
    - OPSC does provide additional dollars for these separate stand alone types of issues (dust control) over and above the 15% general requirements included in the base grant.
    - Districts need clarification as there is a lack of knowledge and understanding on:
        - How to request and receive additional funds for offsite issues?
        - How to receive reimbursement for a sound wall?
        - What is meant by and what qualifies for two immediate and adjacent sides of the site?
    - It was discussed that there is concern from districts that when they ask questions they receive different answers from OPSC staff; with the reduction in OPSC staff and realignment of job duties, there may be a training issue.
    - Members discussed the California Watch articles:
        - Overall the articles reported no new issues.
        - Articles lacked clarification on the issues.
        - Uncertified does not mean unsafe.
        - Articles spoke to many of the issues DSA has concern with:
            - Conflict of interest with school districts hiring inspectors;
            - Beneficial occupancy; who should make the determination:
                - Locals or DSA; and,
            - DSA staffing and workload challenges.
    - The Chair moved the California Watch articles discussion to the end of the agenda.

Action Item – Offsite Sub-Group

Sub-group should continue to resolve the following:

- Add offsite mitigation to the training workshop topics;
- Additional communication and clarification is needed to school districts on allowable items;
- Additional clarification is needed on what items do and do not fall into the 15% general requirements;
- Additional clarification and/or definition of two immediate and adjacent sides of the site.

- **CDE/OPSC/DSA MOU**
    - **Report on Tasks**

        - The MOU Task Force meets monthly and members communicated this process is beneficial in creating efficiencies and work relationships between those involved with this group.
        - Agencies have identified key people (technical staff) to work through Part B items in the MOU and the next step is to develop an action plan including:
            - Project Tracking,
            - Teaching station definition/considerations,
            - Site development /considerations issue.
        - It was discussed that joint workshops will be developed and held quarterly; they will include hot topics and discussions on the information gathered from field polling.
        - It was discussed that MOU issues brought forward by this group may proceed to legislation and/or the regulation process to move issues forward.
    - **Status**
        - It was discussed that the MOU will be extended for one year from the expiration date as additional time is needed to address items contained in the MOU.

Action Item – CDE/OPSC/DSA MOU

- MOU Task Force will extend the MOU for one year from the expiration date.

- **Cost of Building Schools Methodology**
    - **Action Item – Dick Cowan**
        - It was discussed to research the availability of information concerning the cost of building schools:
            - What information is available?
            - Who is collecting it and how?
            - What are the different types of costs?
            - What is the definition of a complete school and what is being built?
        - It was discussed that cost information is available but the challenge is having a common school and/or school standard in order to perform a cost analysis and develop the costing methodology.
        - The EWG members communicated that schools should not be cookie cutter versions as each school meets different needs with varying complexities like virtual and charter schools; CDE has initiated a study on school building costs to gather information on what others states are doing; this additional information will be beneficial for bond discussions; this study could glean good ideas from other states on school building costs and efficiencies; this study may not reach down far enough into the details for the purposes of this sub-group.
        - It was discussed that other states pay for schools on a square foot basis; CA pays for schools by the student; other states are doing a better job of providing and producing a less expensive product; the

EWG needs to look at developing greater efficiencies with school building.

- It was discussed there was a Berkeley study on school costs, and this report along with the CDE study due out in the fall should be reviewed together and may provide the EWG with valuable information; another comment qualified that the EWG may want to do a cursory review before a significant amount of time is spent on the two reports.
- It was qualified that the EWG not look at reports for grant adequacy purposes.
- It was suggested that the EWG have the University of California at Davis (UCD) present their project tracking system to the EWG or DSA alone; maybe DSA could do a piggyback contract with UCD/software company; this software could allow DSA to provide a costing mechanism.

Action Item – The Cost of Building Schools Methodology

- Sub-Group should continue the current focus to develop the cost of building schools methodology.

- **DSA Project Close Out**
  - **Action Item – Tom Duffy and Kurt Cooknick**
    - The EWG reviewed the handout presented by the Close Out sub-group addressing the defined problem and the scope of the close out issue.
    - Close Out Handout, page 1, section 1 – Outreach/Problem Definition & Scope
      - It was commented that the reconciled list of uncertified projects have been lowered from 20,000 to 16,500.
      - It was discussed that DSA should analyze the reconciled list, determine critical projects, and focus on those projects with the most significant issues.
      - A suggestion was made to send a letter informing the school districts that they have a potential issue identified as a #4 Letter which could include a possible safety issue.
      - It was discussed that district/school documentation is lacking and will be a challenge with addressing #4 Letter issues.
      - It was discussed that the reconciled list identifies approximately 120 projects with #4 Letters statewide.
      - It was stated that moving forward, only the DSA Regional Managers will authorize issuance of new #4 Letters.
      - It was discussed that inspectors, contractors, school boards, and school districts are making the determination of beneficial occupancy not DSA; locals are determining the safety of their schools.
      - It was proposed that beneficial occupancy be determined by DSA which would require legislative change.

- Close Out Handout, page 1, section 2 – Administrative Process Changes
    - It was discussed that the approval of new regulations has created changes that allow more efficient practices to be put in place; regulation changes should help the focus in the field on timely project certification.
    - The sub-group communicated that one of the first changes will be to separate the fee collection from the change order process.
    - The sub-group is working on revising the policy for the blocking of future projects due to prior non-certified projects.
    - It was discussed that the inspector training will be revamped and given in June; inspectors will be required to have a stronger administrative and project certification focus.
    - It was discussed that DSA met with the representatives of the test labs, and lab engineers reported a disconnect with the field and would like a stronger level of communication.
    - It was discussed that there is a conflict of interest occurring with the practice of school districts hiring the lab engineer; new or revised regulations may be required to address this issue.
    - It was communicated that the school boards provide motivation to certify projects.
    - It was communicated that recordkeeping is an issue with school districts.
    - It was discussed that the sub-group is exploring the ability to have documents sent to DSA electronically.
- Close Out Handout, page 1, section 3 – Additional Regulation Changes
    - It was communicated that future regulations may include:
        - Changes to provisions for testing labs and special inspections (T & I).
        - Changes to inspector evaluation and qualification program.
    - A comment was made that the California Watch articles have reiterated the importance of the above issues; the involvement of the acting director is welcomed and important; articles have reiterated the importance of the role of DSA in the safety of the schools; the EWG was disappointed that the articles did not speak to the accomplishments made by DSA in the last year.
    - It was discussed that there is no strict timeline to reach certification of projects and the only leverage DSA has had in the past to require the certification of projects is to block new projects from moving forward if previous projects have not been certified.
- General Close-Out Discussion:

- A comment was made that DSA needs additional staff and resources to address the communicated action items; the field staff is not able to deal with issues in real time as needed; DSA's lack of resources is hurting the process.
- It was discussed that a transition plan is needed as the DSA's IT system is currently lacking and needs to be updated; an off-the-shelf system could be beneficial; electronic document sharing is a must and all systems need to be up-to-date; appropriate tools are needed.

Action Item – DGS IT review DSA's current eTracker system and potential systems that could better handle DSA tracking needs moving forward
Scott Harvey will contact Tom Jones to initiate a review.

- It was discussed that the process for project certification is lacking and there is a need to do a significantly better job moving forward.
- Close-Out certification suggestions:
    - It was discussed that three documents, containing signatures, be required for project certification; the contractor, the DSA inspector and the client's architect.
    - A suggestion was made to develop a final punch list with the field engineer participating at the final inspection and receiving all the documentation at that time.
    - Another suggestion was the field engineer actually signs off for the structural safety, fire alarm, etc and issue project certification for a more efficient process.
    - It was discussed that DSA send out a 90-Day Letter informing the districts of missing close out documents; districts are waiting to the last of the 90-day timeframe to send the requested documents to DSA; district document packages may still be incomplete.
    - The law implies that there is a time between occupancy and certification. The law only speaks to certification and not closing w/o certification.
- DGS commented on past and current efforts to address DSA's hiring needs.
- CASH will communicate with the Governor's Office that school districts pay fees and are not getting the level of service previously received.
- Several EWG members reiterated the impact of DSA and OPSC staffing shortage; OPSC providing inconsistent answers to funding questions; future OPSC budget concern; additional staff is needed at DSA and OPSC to achieve the needed results.

The Follow-up and Next Step topics below were not addressed at this meeting; these items will be added to the next EWG meeting agenda.

Follow-up

- **EWG Roles and Responsibilities**
- **Rules of Engagement**
- **Frequency of Meetings**
- **Vacancies**

Next Steps

- **2011 Meeting Calendar**
    - Next meeting will be June 9, 2011.
    - Sub-committees will continue to meet with report outs due at the next EWG meeting.
    - It was requested that time be added to the next EWG meeting agenda to address interagency issues.
- **Training**

The Action Items topic below was not addressed at this meeting; this item will be added to the next EWG meeting agenda.

Conclusions and Review of Action Items

- California Watch Articles discussion – topic was previously brought up earlier in the meeting and the Chair moved the discussion to the Conclusions section of the agenda.
- It was mentioned at the end of the last meeting to revisit posting the meeting minutes on OPSC internet.

Updated Action Items as of 04/14/11

Action Item – Offsite Sub-Group
Status: Ongoing
Responsible Member(s): Dave Zian and Jenny Hannah
Designees will provide a report-out on the issues identified on the Offsite Report Conclusions and provide recommendations to the EWG.
A report out was provided at the April 14, 2011 meeting and it was determined the Offsite sub-group should continue to resolve the following:

- Add offsite mitigation to the training workshop list;
- Additional communication and clarification is needed to school districts on allowable items;
- Additional clarification is needed on what items do and do not fall into the 15% general requirements;
- Additional clarification and/or definition of two immediate and adjacent side by side sites (i.e. fire hydrants) in the District Off-Site Development Issues report.

Action Item – CDE/OPSC/DSA MOU
Status: In process
Responsible Member(s): MOU Task Force

- MOU Task Force will extend the MOU for one year from the expiration date.

Action Item – Cost of Building Schools Methodology Sub-Group
Status: Ongoing
Responsible Member(s): Dick Cowan
Identification of the first five steps in developing the methodology of determining the costs of building schools in CA, provide a clear objective statement, and put together a strategy for review by the EWG.
A report out was provided at the April 14, 2011 meeting and it was determined that:

- Sub-Group should continue the current focus to develop the cost of building schools methodology.

Action Item – Training Sub-Group
Status: Ongoing
Responsible Member(s): CDE, OPSC, DSA
Department representatives will identify the members for this group and provide a report out on training; develop an action plan and present recommendations to the EWG.

Action Item – Identify DTSC Member
Status: Ongoing
Responsible Member(s): Not identified
Identify the EWG member that will identify the appropriate DTSC member. The DTSC representative should be the Acting Director or equivalent.

Action Item – Address EWG Members and Vacancies
Status: Ongoing
Responsible Member(s): EWG Members

The EWG members will take the list to determine suggested people to provide adequate representation in needed areas and bring suggestions to the next EWG meeting. It was suggested to remove Jolene Blankenship and Kat Reese from the list.

Action Item- Close- Out Sub-Group
Status: Ongoing
Responsible Member(s): Tom Duffy and Kurt Cooknick
Designees: will have a suggested action plan
Designees will provide a report-out on a suggested Close-Out action plan and provide recommendations to the EWG.
A report out was provided at the April 14, 2001 meeting and it was determined:

- Sub-group should continue the current focus concerning close out issues; and,
- DGS IT review DSA's current eTracker system and potential systems that could better handle DSA tracking needs moving forward; Scott Harvey will contact Tom Jones to initiate a review.

Action Item – Ombudsman Sub-Group
Status: Ongoing
Responsible Member(s): EWG Members
Collective discussion/open forum item will be added to the end of the agenda to communicate new issues – at some point the Ombudsman may be the appropriate forum for this activity.