

**Minutes of the School Facilities Commission
Game & Fish Department – Regional Office Building
Pronghorn Room
3030 Energy Lane, Casper Wyoming**

**Joint Meeting with Select Committee
November 8, 2006**

Chairman Marsh called the meeting to order at 9:10 a.m.

Present: Commissioner Algier, Commissioner Ferris, Commissioner Gilpatrick, Commissioner Goodson, Mary Kay Hill representing Commissioner McBride and Chairman Marsh.

Commissioner Goodson made a motion to convene into Executive Session. Commissioner Ferris seconded the motion. Motion passed unanimously.

A Joint Meeting with the Select Committee convened at 10:05 a.m. after Executive Session. Minutes for the Joint Meeting are attached.

Approval of Meeting Minutes

Commissioner Goodson made a motion to approve the meeting minutes from June 26, 2006, July 18, 2006, August 18, 2006, and August 24, 2006. Ms. Mary Kay Hill seconded the motion. Motion passed unanimously.

Adjournment

Commissioner Goodson made a motion to adjourn the SFC regular meeting at 3:20 p.m.; Commissioner Gilpatrick seconded the motion; motion passed unanimously.

COMMITTEE MEETING INFORMATION

November 8, 2006
Pronghorn Room
Game and Fish Department Office Building (3030 Energy Lane)
Casper, Wyoming

COMMITTEE MEMBERS PRESENT

Senator Henry H.R. "Hank" Coe, Co-Chairman
Representative Del W. McOmie, Co-Chairman
Senator Jim Anderson
Senator John J. Hines
Senator Mike Massie
Senator Kathryn Sessions
Representative Alan C. Jones
Representative Mick Powers

COMMITTEE MEMBERS ABSENT

Representative W. Patrick Goggles
Representative Debbie Hammons

LEGISLATIVE SERVICE OFFICE STAFF

Dave Nelson, School Finance Manager, Brenda Long, School Finance Analyst, Joseph A. Rodriguez,
Staff Attorney

Others Present at Meeting

Please refer to Appendix 1 to review the Committee Sign-in Sheet
for a list of other individuals who attended the meeting.

EXECUTIVE SUMMARY

The Select School Facilities Committee met in Casper on November 8, 2006. The meeting was held in conjunction with the meeting of the SFC. A joint meeting of the SFC and the Committee was held and then the Committee held its own meeting. The SFC presented historical budget data as well as their supplemental budget request to the joint meeting. The SFC and the Committee received the results of an initial study on excess school capacity and major maintenance issues. The SFC and the Committee received proposed legislation regarding the resident contractor subcontracting limit, major maintenance enforcement and other amendments to the school facilities statutes.

JOINT MEETING OF THE SELECT SCHOOL FACILITIES COMMITTEE AND THE SCHOOL FACILITIES COMMISSION (NOVEMBER 8, 2006)

CALL TO ORDER/OPENING REMARKS

Jeff Marsh, Chairman of the SFC, called the joint meeting of the SFC and the Select Committee on School Facilities to order at 10:08 a.m. The following sections summarize the Committee proceedings by topic. Please refer to Appendix 2 to review the Committee Meeting Agenda.

SCHOOL FACILITIES COMMISSION BUDGET OVERVIEW.

Director Shivler of the SFC addressed the Committee and presented the Committee with Appendix 3 and Appendix 4. Director Shivler announced his resignation from the SFC effective March 30, 2006.

Director Shivler gave a concise history of the SFC's budget and what they have spent since the Commission's inception. Since its inception the Commission has seen a great increase in construction costs statewide. Initially the Commission did not have flexibility in its budget to deal with rising costs. The 2007/2008 budget was their second budget. In this budget health and safety was the major issue. This budget allowed for more flexibility by allowing the Commission to replace projects on the list that were not ready with projects that were ready to go. Their request for the 2008 supplemental budget will be 129 million dollars (\$129,000,000.00). This figure includes 98 million dollars (\$98,000,000.00) that was previously used for health and safety projects that is being refunded to their budget. They have also included 5 million dollars (\$5,000,000.00) for unanticipated projects like land for schools coming onto the market. The Commission is looking to the legislature for guidance regarding paying for roads, utilities and water. Director Shivler discussed with the Committee the entire process from identified project all the way to construction. The director also discussed in detail the concept of value engineering. Director Shivler also discussed problems faced by contractor such as bonding, skilled labor force and remote locations. All of these factors play into the cost of school buildings. Director Shivler went through specific examples of issues dealing with school construction. There was some discussion amongst the Commission and the Committee about removing local control and letting the state dictate design and construction issues.

SCHOOL FACILITIES EXCESS CAPACITY STUDY

Dave Teeter of MGT and Mike O'Donnel, state's counsel, addressed the Committee. The issue they addressed is state support of school maintenance. The study by Mr. Teeter was done as a result of the most recent Supreme Court decision. Statewide there is excess square footage in many school buildings. The legislative answer to this issue was to adopt a declining scale for major maintenance payments. This is a preliminary broad scope study, additional studies are being contemplated. MGT found that gross square footage can be greatly reduced statewide. Currently there are 8 districts at 115% of needed capacity, 4 districts at 125% of needed capacity and 27 districts at 135% of needed capacity. After the revisions recommended in the study, if all implemented, would change to 8 districts at 125%, 1 district at 125% and 1 district at 135%. MGT further recommends that additional studies be conducted. Mr. Teeter thinks that the SFC's guidelines are pretty accurate. Mr. O'Donnel is funding the next study through his office.

FACILITY PLAN REVIEW POLICY-REEVALUATION OF COMMISSION PRIORITIZATION PROCESS.

Director Shivler addressed the Committee and the SFC. Many of the issues surrounding this topic have previously been addressed in previous discussion. The SFC is in the process in completing their FCI (facility condition index) assessments. The FCI, once completed, will drive the priority list of the SFC. This will enable the SFC and the Legislature to look in at any time and assess the priorities of the SFC.

CONTRACTOR LIMITATIONS

Mike O'Donnel addressed the Committee. Mr. O'Donnel discussed three bills with the Committee and the Commission. Mr. O'Donnel indicated that statewide many contractors are having difficulty complying with the 80/20 rule which requires that 20% of a contractor's subcontractors must be Wyoming companies. Mr. O'Donnel gave the Committee and the Commission Appendix 5, 07-LSO-0251.W1. This proposed bill carves out an exception to the local preference rule. Allows in-state contractors to retain their 5% preference but does away with the 80/20 rule for school construction projects.

Mr. O'Donnel indicated that Appendix 6, 07LSO-0263.W1, contains proposed modifications to major maintenance statutes. The SFC has situations where major maintenance funds are being spent on projects that do not actually qualify. There is no vehicle to allow SFC to recoup monies from districts money misspent. This allows SFC to reduce subsequent payments to recoup the money.

Mr. O'Donnell presented the Committee and the Commission with Appendix 7, 07LSO-0297.W1. Mr. O'Donnell indicated that this bill is designed to address the situation where facility plans, currently designed to be reviewed on an alternating year basis, are submitted outside of the biennial process. This request is to allow SFC the discretion in reviewing plans submitted outside of the schedule rather than requiring them to do so. The second part of the bill is designed to address the issue that there is no entitlement for projects that are contained in the five year plan or approved by the SFC. These are not entitlements and the SFC guidelines requiring that the projects be cost effective be enacted in statute.

MEETING ADJOURNMENT

There being no further business, Chairman Marsh adjourned the joint meeting of the SFC and the Select Committee on School Facilities at 2:48 p.m.

SELECT SCHOOL FACILITIES COMMITTEE MEETING (NOVEMBER 8, 2006)

CALL TO ORDER

Co-Chairman McOmie called the meeting of the Select Committee on School Facilities to order at 3:06 p.m. The following sections summarize the Committee proceedings by topic. Please refer to Appendix 2 to review the Committee Meeting Agenda.

APPROVAL OF MINUTES

Upon motion duly made by Representative Jones and seconded by Senator Anderson the minutes of the September 19, 2006 meeting of the Select Committee on School Facilities were approved as presented.

BUILDING ENHANCEMENTS

The Committee was presented with four (4) bills regarding building enhancements. These bills were requested by the Committee at its September 19, 2006 meeting. Dave Nelson of the Legislative Service Office presented the bills to the Committee.

07LSO-0203.W1, School facilities – enhancement maintenance-1 (see Appendix 8) This bill requires the districts to spend the 10% enhancement maintenance monies each fiscal year. Representative Jones made a motion for “do pass” on the bill. The motion was seconded by Senator Massie. Discussion on the bill ensued and the Committee, after a vote, decided not to carry the bill as a Committee bill. (See Appendix 13).

07LSO-0204.W1, School facilities – enhancement maintenance-2. (see Appendix 9) This bill allows districts to carry over to the next fiscal year the 10% enhancement maintenance monies. A motion for "do pass" was made by Senator Anderson and seconded by Representative Powers. A motion to amend the bill was moved by Senator Sessions and seconded by Representative Jones (See Appendix 12). The Committee voted to incorporate the amendment as presented. After discussion, a vote having been taken the motion for do pass is approved. (See Appendix 14).

Appendix 10, 07LSO-0205.W1, School districts – bond issues Dave Nelson of the Legislative Service Office presented the bill to the Committee.

MAJOR MAINTENANCE

Appendix 11, 07LSO-0206.W1, School facilities – surplus buildings Dave Neslon of the Legislative Service Office presented the bill to the Committee. Request by the audience to include BOCES programs along with developmental preschool and child care facilities.

OTHER BUSINESS/FUTURE SELECT COMMITTEE MEETINGS

Appendix 5, 07LSO-0251.W1, Public works-resident contractor subcontracting limit.

Appendix 6, 07LSO-0263.W1, School facilities-major maintenance enforcement.

Appendix 7, 07LSO-0297.W1, School facilities-amendments

MEETING ADJOURNMENT

There being no further business, Co-Chairman McOmie adjourned the meeting at 3:21 p.m.

Respectfully submitted,

Representative McOmie, Co-Chairman

