



**Needs Assessment Committee
Minutes
November 6, 2008
8:30 a.m.**

Meeting Minutes

Thursday, November 6, 2008

**Shelby County Administration Building
4th Floor Conference Room**

Committee members present:

Nisha Powers, Chairman

Scott Fleming, Vice-Chairman

Aubrey Howard

David Pickler, SCS

Tomeka Hart, MCS

Committee members absent:

Commissioner Mike Ritz

Commissioner Sidney Chism

Cato Johnson, Vice-Chairman

Others Present:

Grace Hutchinson

Maura Sullivan

Paula Lewis

Brian Shipp - MCS

Commissioner Mike Carpenter

Carolyn Staskiewicz, DeJong

Denise Sharpe, MCS

Leonard Myers, MCS

Susan Roakes, U of M

Stephanie Jones

Dr. Bobby Webb – SCS

Richard Holden - SCS

Dr. Kriner Cash

Shobhan Koneru, MCS

John Zeanah, MCS

Michelle Stuart, MCS

Jake Allen, MCS

Sybille Noble, MCS

Ethele Hilliard, Partners in Public Education

Betty Mallott, Commissioner MCS

1. Meeting Convened – Nisha Powers

Chairman Nisha Powers called the meeting to order at 8:40 a.m.

2. Approval of the Minutes from the September 25, 2008 Meeting – Nisha Powers

Motion: Scott Fleming moved the approval of the minutes. Second by Aubrey Howard.

Action: Motion Approved.

Chairman Powers recognized Commissioner Mike Carpenter and thanked him for attending the meeting today and also welcomed Dr. Kriner Cash as this was his first Needs Assessment Committee.

2. Background Report from DeJong – Carolyn Staskiewicz

Chairman Powers stated that we have received all of the information for the annual report from the County Schools, but still have not received anything regarding cost per square foot and capital expenditures from the City Schools.

She stated that cost per square foot information and capital expenditures for the last two years were requested at the June meeting. The forms for this submittal were made available in Excel format on CD's, but MCS has been providing information in paper format to date which is difficult to incorporate.

Brian Shipp stated that the information had been sent in PDF format and he just recently received e-mail requesting the information in Excel spreadsheet. That information was e-mailed out this morning, but they are still working on 30 or so projects and it will take some time.

Chairman Powers made a minor clarification that the information that she received was paper copies. Scans were made and PDFs were distributed to the consultant from her office.

Chairman Powers reiterated that this information was requested at the June meeting, and this information is critical to the Annual Report. She stated that the committee is not trying to make this a difficult process, but when she is before the Commission again, she wanted to be able to answer their questions. The cost per square foot was a high priority for some members of the Commission. She stated both schools indicated that the information was readily available when it was requested by the committee at the June meeting.

Mr. Shipp replied that the information that they had issued met the requirements set. Ms. Powers replied that bid dates and final dates were not included, and prevailing wage information had not been provided. She asked MCS when they would be able to provide the information to the Committee such that it can be discussed during the December 12 Work Session and included in the Annual Report.

Mr. Shipp said that he could provide the information by close of business on November 14th. Chairman Powers thanked Mr. Shipp and asked for it to be emailed to her and Carolyn Staskiewicz. Chairman Powers expressed again how important the information would be when presented to the County Commission.

Chairman Powers briefly introduced the information that Carolyn Staskiewicz would be presenting. The committee had developed cost/sf ranges in 2005, and felt that this information needed to be updated for 2008 using the same parameters. Also, enrollment information would be presented by Ms. Staskiewicz.

Carolyn Staskiewicz presented updated information that will go into the Annual Report. Handouts containing this information were made available to the Committee.

Richard Holden addressed the question of growth in the county and the effects of annexation. He pointed out population estimates on page 4 from 1990 to 2000 and a 2012 projection that all show growth. Ms. Staskiewicz replied that it is difficult to determine exactly where the population growth in the county is really coming from and where the people who moved out went. The data is not tracking migration with that level of detail. Mr. Holden then stated that he raised the question of growth because of the possible misunderstanding that funding was not needed due to lack of growth.

Ms. Staskiewicz stated that the housing market and economy are slowing down. That can account for some of the slow growth in enrollment. The birth data has dropped slightly in the city but increased slightly in the county. MCS uses enrollment data from the first 40 day enrollment and SCS uses data from the first 20 day enrollment.

A question was asked about annexation, giving an example of an area that has recently been annexed, thus presenting an enrollment change in students. Ms. Staskiewicz replied that the students will not be reflected in our enrollment data until they show up in their new place of enrollment.

Chairman Powers asked that some language be added with the demographic charts to reference the trends being discussed.

Denise Sharpe stated that there is no exact date when the annexation of South Cordova will be decided, but she will send Ms. Staskiewicz the number of students that have been annexed and are still in the County schools.

Aubrey Howard asked if the decline in the drop-out rate was being factored into the numbers. Sybille Noble stated that they are factoring it into their reports but have to get that information from the academic team and will have it in a couple of weeks.

Chairman Powers mentioned that some information would be presented on the screen that was not included in the meeting packets. The Shelby County Schools cost per square foot information will be discussed but not handed out, to prevent release to the public without comparison information available from Memphis City Schools. This was to ensure that both school systems would be treated fairly.

Cost per square foot – A report was done in 2005 using construction data from both school systems, and trying to compare “apples to apples.” The goal was to provide information so that the Needs Assessment Committee could make recommendations regarding cost per square foot to the County Commission.

The cost of construction varies regionally, but benchmarks reported in the *34th Annual Official Education Construction Report, American School & University, May 2008* estimate that construction costs are approximately 67%, site purchase 2%, site development 9%, FFE 14% and fees/other 8%. This will not be an exact measure by which every school construction project can be compared.

A nationally recognized source of data for construction costs is maintained and published by RS Means Company. This data is a national standard utilized by cost estimators to develop proposals and bids for new construction. Common additives were selected by DeJong based on previously submitted specifications by both schools systems in 2005. They include:

- Gymnasium bleachers (300 ES, 600 MS/K12, 300 HS)
- Clock systems
- Flagpole
- Kitchen equipment
- Sound systems
- Auditorium (seating for 700 at the HS level only)

The RS Means chart shows a difference of 21% increase from 2007 to 2008. Scott Fleming asked school boards what differences in percentages they have seen from 2007 to 2008. Mr. Holden said that County schools have seen approximately 9% increase. Mr. Shipp said the City has seen 7% to 10% increase. Ms. Staskiewicz indicated that these numbers are for comparative purposes and should not be held as absolute.

A question was asked about increases in cost across the board for renovation and new construction. Ms. Staskiewicz stated that she did not look into renovation numbers. These figures are more difficult to obtain and are project specific. There are too many different levels of renovation to compare.

Chairman Powers stated that the Committee has not delved into renovation numbers as we are still in the process of trying to get our arms around new construction and getting data from both schools systems to see where we fall.

Tomeka Hart asked what the end goal here was. She asked if it is to say what costs should be and what is included in the costs.

Chairman Powers stated there was not (prior to the NAC) a means for the County Commission to compare/measure cost per square foot, and the NAC's charge is to provide some common denominator they can use in their decision making. Chairman Powers added that the last time she went before the County Commission, they specifically asked if the schools projects fell within the NAC's cost per square foot range. If they do not, we need to be able to provide an explanation.

Commissioner Carpenter stated that, if the school systems are consistently being built outside of the average range, the Commission needs to know if there are extra items mandated. If not, why the additional cost? We may need to go ahead and fund the additional cost, but if it is consistently over, the Commission should know the educational value.

Ms. Hart replied that it goes back to the politics of who determines which system needs more. She then asked Commissioner Carpenter if it is based on trends or expert opinions and then chosen by what is liked best. Commissioner Carpenter replied that

they don't say whether or not they like it. They look at the costs to build and do not get into determining whether or not something like an auditorium is good or bad. Chairman Powers stated that the role of the NAC is to provide some level of guidance to the County Commission, and that the NAC will never be able to make determinations as per Ms. Hart's concerns.

Ms. Hart added she has heard people in the public and elected officials say that MCS always spend more than SCS, and that we are unnecessarily spending more. How does the funding body determine what is needed, such as an auditorium?

Chairman Powers stated that there may be a perception that MCS spends more than SCS (as it relates strictly to capital). A part of the NAC's purpose is to get the numbers to show the true picture. Ms. Hart went on record to make it clear that the community perceives that Memphis City Schools unnecessarily spends more money than Shelby County Schools. She then reiterated her concerns on how needs are determined.

Commissioner Carpenter stated that he was looking for consistency. There are differences in the two school systems, and the Commission is allowing for that. He stated that his role is to look at all sides of the issue and look at the data to justify the needs. The Commission needs this additional layer of scrutiny to prove this is a good investment.

Carolyn Staskiewicz presented the Shelby County Schools data. Chairman Powers noted that the information was draft and only for discussion at the meeting. It should not be published anywhere. She then thanked Richard Holden for making the information available. Chairman Powers explained how the information helps to note overruns and underruns on budgets.

Mr. Holden mentioned the Southwind project where the county would spend half to three quarters of the budget in two years, while not necessarily purchasing all FF&E because of phased enrollment at that school. There would be larger FF&E purchases on the front end as opposed to other schools such as Arlington.

Ms. Staskiewicz began discussion about presented breakdowns of costs. Richard Holden explained how the costs are figured.

Chairman Powers asked if SCS really pays only 3% of the construction cost for A/E fees because that seems low. Mr. Holden replied that this item is no more than about 4%.

Commissioner Betty Mallott suggested that it would be more appropriate to come up with the cost per student for each school. Ms. Staskiewicz said that the issue with that approach relates to what types of programs are in each school. Differences in programs may show more dollars per student in one school.

Aubrey Howard questioned the benefits of cost per student in terms of cost benefit. From the City's point of view, in terms of land cost, he recognizes that assembling parcels in the city could be much more expensive than assembling in the county.

Carolyn Staskiewicz replied that they could do some examples, but she did not want to do them independently.

Chairman Powers noted that she respected the request of a cost per student evaluation. She stated that she knew they are supposed to provide costs per student and that, with the numbers that they currently have, they can achieve something similar in general terms. Some narrative in regard to utilization will be included in the report.

David Pickler stated that it would be helpful to have discussions on land acquisition costs and compare the systems and their different challenges. Chairman Powers said that once we get all of the data from the City schools we could have that dialogue. We will talk about utilization at the next meeting along with the portable building information.

Mr. Holden pointed out that several of the 2007-2008 Shelby County Schools projects are not completed, even if the buildings are. The capital projects within the finance office are still open, and there may still be dollars expended on the projects.

Ms. Staskiewicz concluded the presentation.

Chairman Powers stated that the Annual Report is being drafted to be complete by Christmas, with a Work Session scheduled with the school systems for December 12th. City schools will submit their Annual Capital Request by December 1, 2008 and the 5-Year Capital Request by June 30, 2009. The next full meeting of the Needs Assessment Committee will be on January 8, 2009 at 8:30 a.m.

Mr. Holden stressed that the projects for which they are requesting appropriations are projects that they have already begun. SCS needs the dollars to finish the projects and needs the Report completed as quickly as possible.

Mr. Pickler asked Grace Hutchinson if no funds can be appropriated until the annual report is approved. Ms. Hutchinson stated that the two projects for the County schools were in the five year plan but were not approved this current year. She also stated that the NAC has nothing to do with the appropriations – only approvals.

Motion: Motion to adjourn by Scott Fleming. Second by Aubrey Howard.

Action: Meeting adjourned at 10:25 a.m.

Jay Weatherington, Secretary

Date