

Ted Oberg: In the November 18, 2015 Board Workshop – Ken Huewitt (I believe – if not please let me know) says he will put the request for \$212MM in supplemental funding before the board in December so they can “vote it up or down.” He adds, “We got to decide go or no-go.” Does he still feel that way? If so, why not wait until the external audit is complete? You can see the quote at 57:10 on the DVD you provided last week.

HISD: The outside audit firm has suggested all work continue while the audit is underway. Additionally, halting projects could result in increased costs as inflation and construction costs continue to rise. Though the money is not expected to be immediately needed, the authorization is needed for planning and design purposes. Without authorization, projects must be planned and designed to ensure costs are within the original budget.

Ted Oberg: Mr. Huewitt then suggests that if it is voted down, “they will be instructed to build the schools with the original budget.” Can you explain what that means? If it hard to imagine a scenario where schools that have already signed contracts above original budget amounts will have to stop and cut costs? Is there a document that explains the contract unraveling process to the board? As some of those have already started construction, how will that work?

HISD: Project costs (actual and planned) can't exceed the original project budget without additional funding authorized by the board. The impact to individual campuses is outlined in the documents I provided to you the week before Thanksgiving. It varies project-by-project depending on where they are in the process. Projects underway with signed contracts will continue to move forward as planned. Contracts will not be unraveled.

Ted Oberg: In the same workshop, Mr. Bankhead (I believe – if not please let me know) says, “With Davis (HS) ... we totally kind of whiffed on that budget. We would have to revisit that. ... Honestly that budget for that school was not suffic(i)ent) for the school that was proposed.” Administrators then describe Davis as an anomaly. The per square foot cost on Davis HS is still significantly lower than any other school in Group 2. In fact according to our calculations it is the second lowest of any new HISD school. How is the team certain that is now enough for Davis? You can hear this discussion with Ms. Eastman starting at roughly 24:45 on the DVD you provided last week.

HISD: The cost per square foot is less at Davis HS because we were able to utilize more of the existing building. Also, it was Derrick Sanders speaking about Davis.

Ted Oberg: In the same board workshop, Ms. Skillern-Jones requests a document showing an original budget, what was cut, what was value engineered and what was restored. She was assured, I believe by Mr. Schad that it will be done. Is that document available? And can you forward a copy? This request is around 34:40 on the DVD.

HISD: This was sent to the board this week. I requested a copy and will forward to you as soon as I get it.