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PUBLIC SCHOOL CONSTRUCTION PROGRAM  
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INTERAGENCY COMMITTEE ON SCHOOL CONSTRUCTION

DAVID G. LEVER  
EXECUTIVE DIRECTOR

NANCY S. GRASMICK  
CHAIRPERSON

October 2, 2008

Ms. Sheila McDonald  
Executive Director  
Board of Public Works  
80 Calvert Street  
Annapolis MD 21401

Re: Annual Report on Alternative Financing of Public School Construction Projects in Maryland

Dear Ms. McDonald:

As you are aware, the Public School Construction Program is required to submit annual reports on the status of alternative financing mechanisms for public school construction projects in Maryland. Chapters 306-307, Laws of 2004, Section 13. This requirement, a component of the Public School Facilities Act of 2004, has been met by our agency in September 2005 through September 2007. These annual reports have provided us with information not only about progressive financing approaches to public school construction, but also about the related fields of alternative procurement and project delivery. We believe that the reports have helped to disseminate new and best practices throughout the State, including Construction Management At-Risk (CMR) as a project delivery method.

It has been our practice to request updated information from all of the local educational agencies (LEAs) in July of each year, in preparation for the upcoming September submission of the report. This year, nine LEAs responded to our request for information. Five of these LEAs indicated that there was no change of information, and for the others, the responses typically included minor issues (date changes, minor monetary changes, etc.) or consisted of comments. Since the LEA changes to the latest report we issued on September 17, 2007 were not significant, we have not updated the report for this year.

It is our intention to continue to monitor this extremely important and interesting topic. In particular, we believe that the use of CMR for project delivery will spread, because it combines the risk-transfer advantages of general contracting with the early involvement of the constructor and the multiple-prime advantages of construction management. As this is relatively untried territory for public school procurement, the method appears to be improving with every new solicitation. We anticipate that our next report in September 2009 will include a full assessment of the use of CMR, with sufficient projects underway or completed to allow for an evaluation of its benefit for public school projects in Maryland.

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Please feel free to call me at any time if you have any questions about the current status of alternative financing, procurement, or project delivery in Maryland's public schools.

Sincerely,



David Lever, R.A., D.A.  
Executive Director, Maryland Public School Construction  
Program

cc: Dr. Nancy S. Grasmick  
Mr. Alvin Collins  
Mr. Richard Hall  
Mr. Fred Puddester  
Mr. Tim Maloney