



Advisory Committee on Public School Academic Facilities

**Rules and Wealth Index Sub-Committee
January 23, 2018**

Goals / Objectives

- Adequacy and Equity
- Support all districts and students
- Reduce Partnership Program funding
- Establish uniform Annual Budget
- Emphasis on Warm, Safe, and Dry as well as Space/Growth
- Make State funding “fairer”
- Focus Program and make more efficient



Processes Wealth Index Funding

Processes

- Master Plan
- Partnership Program
- Timelines
- Project Categories and Definitions
- Project Prioritization

Wealth Index

- Percentage of State share
- District's ability to pay
 - Poverty
 - Mill Value

Funding

- Wealth Index
- Millage Rates
- Mill Value
- Fund Balances
- Sources of Funds
- Excess Debt Service
- Funding vs. Approved Projects

Proposed Timeline – 2018

Advisory Committee on Public School Academic Facilities

January	Roll out – Processes
February	Approve – Processes Roll out – Wealth Index and Funding
March	Discuss – Wealth Index and Funding
April	Approve – Wealth Index and Funding
May	Approve – First Draft Report
June	Approve – Final Report
July	Brief – Commission

Master Plan and Partnership Program Timelines for 2019-2021 Projects and 2018 Master Plan

February 1, 2017	District submits Report (Preliminary Master Plan)
Summer, 2017	Division/District conduct Master Plan consultation meeting
November 1, 2017	Deadline to submit Project Applications (Early Review per Act 864 of 2017)
January 14, 2018	Final date for Division and District Review Conference (no longer than 75 days after early application)
February 1, 2018	District submits Master Plan
March 1, 2018	Final Deadline to submit Project Applications
September 1, 2018	Division approves 2018 Master Plan
by May 1, 2019	Commission funds Year One 2019-2021 projects after Legislative Session
by May 1, 2020	Commission funds Year Two 2019-2021 projects after Fiscal Session

Partnership Program Funding Prioritization Process

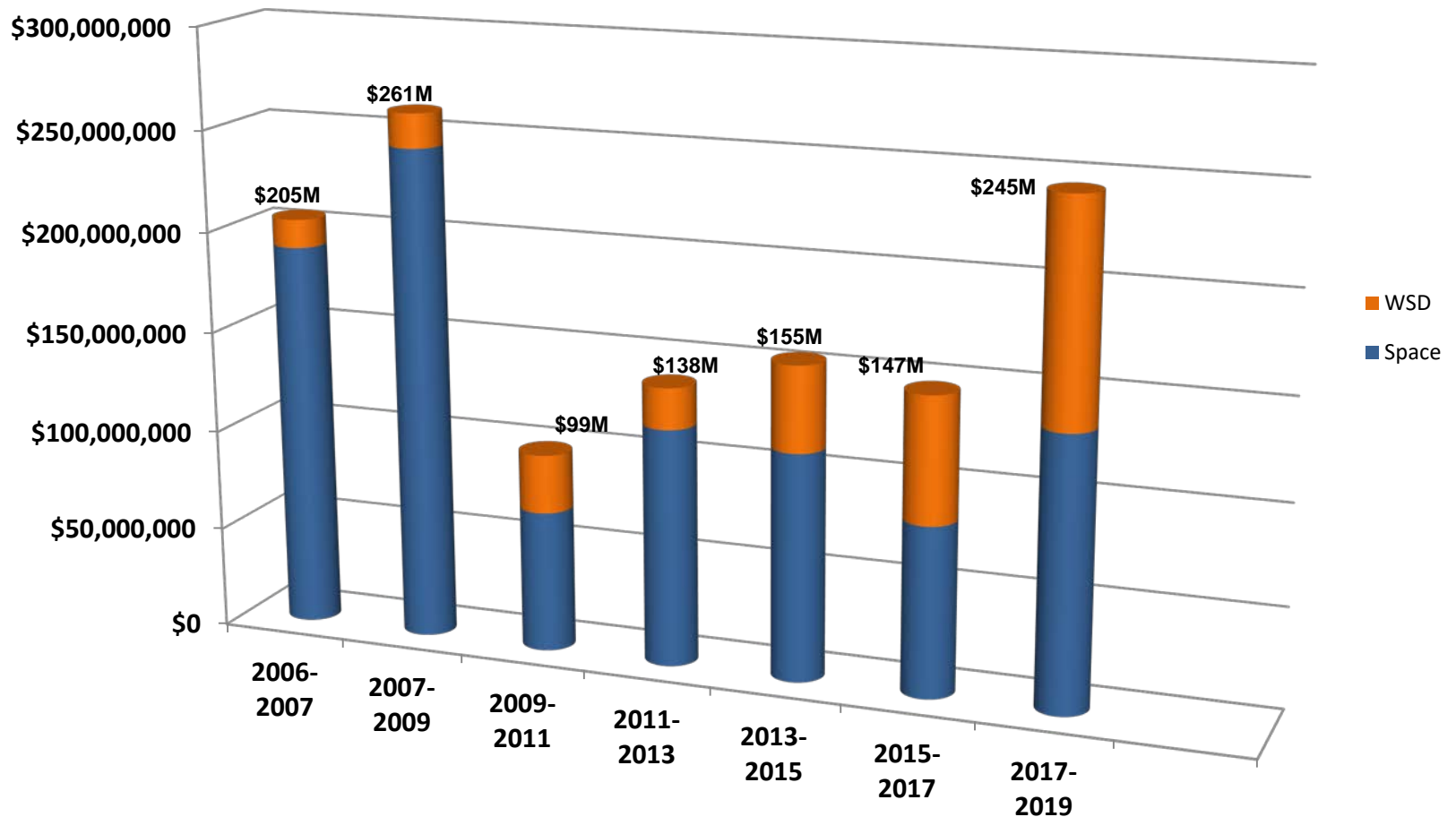
\$150,000 Minimum
Project Cost (\$300 per
student)

		2015-2017, 2017-2019	2019-2021
FIRST PRIORITY	Project Type:	WARM, SAFE, DRY <i>(System Replacement)</i>	SPACE → <i>(Growth, Suitability)</i>
		\$10M per Year	
	Ranking Factors:	Wealth Index	
		District Student Enrollment <i>(3rd Quarter ADM)</i>	10-Year Enrollment Growth %

SECOND PRIORITY	Project Type:	SPACE <i>(Growth, Suitability)</i>	WARM, SAFE, DRY <i>(Space Replacement or Total Renovation)</i>
	Ranking Factors:		Campus Value Ranking
			Wealth Index
		10-Year Enrollment Growth %	

THIRD PRIORITY	Project Type:	WARM, SAFE, DRY <i>(Space Replacement or Total Renovation)</i>	WARM, SAFE, DRY <i>(System Replacement)</i>
	Ranking Factors:	Campus Value Ranking	Wealth Index
		Wealth Index	District Student Enrollment <i>(3rd Quarter ADM)</i>

Partnership Program State Financial Participation



Issues with Current Process

- Project based – projects can be submitted, reviewed, and approved prior to Master Plan submission and approval
- One funding “pot” – Space/Growth projects and Warm, Safe, and Dry projects compete for funds
- Non-level funding needs by fiscal year
 - By funding cycle and Year One/Year Two in cycle
- Warm, safe, and dry (systems) projects
 - New construction or maintenance/repair?
 - 9% of foundation funding requirement for maintenance, repairs, utilities, etc.
- No State Plan – have most critical needs been addressed?

Master Plan and Partnership Program Timelines for 2019-2021 Projects

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January 14, 2018	Final date for Division and District Review Conference
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by May 1, 2019	Commission funds Year One 2019-2021 projects after Legislative Session

In 2005 Statute at Program Start-Up

Master Plan and Partnership Program Timelines

In Statute - §6-21-806

- Undated** Division publishes “division statewide facility needs priority list” as basis of District Master Plan – (a)(2)
- February 1, odd year** District submits Report – (a)(6)
- Undated** District submits Preliminary Master Plan as basis for consultation meeting with Division – (c)
- February 1, even year** District submits Master Plan – (a)(5)
- September 1, even Year** Division approves Master Plan – (d)
- by May 1, odd year** Division notifies Districts of funded projects – (d)



Review of Proposed Timelines

Project Categories

- Current Project Categories
 - Space/Growth
 - Warm, Safe, Dry (*Space Replacement*)
 - Warm, Safe, Dry (*System Replacement*)
 - One “pot” of funds

- Proposed Project Categories
 - Space/Growth
 - Warm, Safe, Dry
 - Two “pots” of funds

Definitions Project Categories

Space/Growth

Project Definition. Space/Growth projects should be limited to the following based on demonstrated suitability per the Partnership Program rules.

- New schools. Must use phased approach – 5 year enrollment projections for academic core with 10 year enrollment projections for single purpose spaces - student dining, media center, PE, and performing arts. (May use 10 year projections with justification and Division approval.)
- Additions of only spaces required by the Program of Requirements (*POR*), with funding for support spaces limited to new school % - 10% for elementary and 15% for middle and high school.
- No stand-alone additions of less than 10,000 square feet to ensure safety and security of additions. Smaller additions may be approved when final configuration of existing building and addition are under one roof. (*Open-air breezeways are not considered under-roof for purposes of this requirement.*)
- Student dining additions with conversion of existing dining to *POR*-required spaces.

Definitions Project Categories

Warm, Safe, and Dry

Project Definition. Warm, Safe, and Dry projects should be limited to the following:

- Space or system replacements for entire schools, based on the prudent expenditure of funds.
- No stand-alone space replacements of less than 10,000 square feet. Smaller space replacements may be approved when final configuration of existing building and replacement are under one roof. (*Open-air breezeways are not considered under-roof for purposes of this requirement.*)
- Minimum system replacement project costs of lesser of \$500,000 or \$1,000 per student. Multiple system replacements in one building may be combined to reach the minimum. (*Lesser cost projects are considered maintenance or repair and should be performed using the district's 9% of foundation funding per A.C.A. § 6-21-808(d)(1)(A) or other local funding.*)
- No stand-alone HVAC projects. (*HVAC projects should be part of an energy savings contract with performance of a comprehensive energy savings plan.*)

Needs – Space/Growth

- All Districts Ranked
 - 3 Factors
 - Actual Enrollment Growth % – Last 10 Years
 - Projected Enrollment – Next 5 Years
 - Projected Enrollment % - Next 5 Years

Needs – Warm/Safe/Dry

- All Campuses Ranked
 - 3 Factors
 - Campus Value – from District Report
 - District Value – to be computed from District Report
 - Facility Condition Index (FCI) –
 - $FCI = \text{Combined system replacement costs} / \text{building replacement costs}$
 - Use District Master Plan Tab 12 system/sub-system ratings to determine system replacement costs in Years 0-5 and Years 6-10.



Review of State-wide Needs List Process

Master Plan Process

Undated

Division publishes “division statewide facility needs priority list” as basis of District Master Plan

- Needs priority lists show needs (not projects)
- District develops comprehensive plan and projects to address needs
- Division will conduct Master Plan consultation meetings at Districts for high need Districts
- Master Plans will contain all project information including schematic drawings and PORs for Partnership Program projects

Approved Projects - Prioritization

- Space/Growth and Warm, Safe, and Dry separate priorities and funding - % TBD
- 2 Factors - % TBD
 - Statewide needs priority list
 - Financial ability
 - Wealth Index – Revised
 - Poverty Index

Recommendations

- 1. Project Categories
 - Change from 3 to 2 – Space/Growth and W/S/D – Partnership Program Rules (Rules)
 - Split Partnership Program funds into two “pots”
- 2. Project Definitions (Rules)
- 3. Approved Project Prioritization (Rules)
- 4. Timelines and Process
 - All statutes in place
 - Repeal Act 864 of 2017 – Early Application
 - Remove March 1 final application date (Rules)

Summary

- Revised process and timeline
 - Places emphasis on District Master Plan and Division review
 - Districts have more time to prepare Master Plan and project applications and Division has more time to review
 - All applications receive “early” review
- Division state-wide needs priority lists
 - Helps to direct funding to priority needs
 - In combination with wealth index, can forecast and level funding requirements
 - Develops state plan/goals
- Two categories
 - Prioritize warm, safe, and dry and growth/space with funds for both categories
 - Focus Program to reduce Partnership Program funding requirements



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**Rules and Wealth Index Sub-Committee
January 23, 2018**