

October 1, 2007

The Honorable Mike Beebe
Governor, State of Arkansas
250 State Capital Bldg.
Little Rock, AR 72201

Dear Governor Beebe:

Attached hereto is the annual report from the Commission for Public School Academic Facilities and Transportation outlining the Statewide Condition of Academic Facilities. This report is required to be forwarded to your office annually as per current legislation.

Questions concerning these reports and contents therein may be directed to the undersigned, the Division of Public School Academic Facilities.

Sincerely,

Douglas Eaton, Director
Division of Public School Academic
Facilities and Transportation

DE:bo

Attachment

Cc: Senator Shane Broadway
Co-Chairman, Academic Facilities Oversight Committee
Senator Jim Argue
Chairman, Senate Education Committee
Representative David Cook
Co-Chairman, Academic Facilities Oversight Committee
Representative Mike Kenny
Chairman House Education Committee
Dr. Ken James
Arkansas Department of Education
Mac Dodson
Arkansas Development Finance Authority
Richard Weiss
Arkansas Department of Finance and Administration



Statewide state of condition of academic facilities

*For the Governor, the House Committee on
Education, the Senate Committee on
Education, and the Academic Facilities
Oversight Committee*

October 1, 2007

2007 Report on condition of academic facilities statewide

Preamble “...to ensure that adequate facilities and substantially equal facilities are, and will continue to be provided for Arkansas’ school children.” ————Act 1181 of 2003

The Commission for Arkansas Public School Academic Facilities and Transportation submits this annual report pursuant to Act 1327 of the Regular Session of 2005. This report conveys the progress of actions undertaken by the Arkansas public school districts to construct new public school facilities, renovate and convert existing public school facilities, and correct significant deficiencies to state school facilities toward the goal of providing equitable surroundings to support the state’s educational program.

The units of measure to track the advancement of the condition of our public school systems are the 12 general building and design systems of major facility structures as outlined in the referenced act. These are:

- A) site land and improvements
- B) roofing
- C) exterior
- D) structure
- E) interior
- F) heating ventilation and air conditioning
- G) plumbing and water supply
- H) electrical
- I) technology
- J) fire and safety
- K) specialty items
- L) space utilization

Legislation enacted by the state of Arkansas in 2005, 2006, and 2007 formulated four different components designed to guide state and local matters of school facilities from a variety of perspectives. The program, under the supervision of the Division of Public Schools Academic Facilities and Transportation, includes the following:

1. The Academic Facilities Master Plan Program mandates that each school district will develop and submit a facilities master plan for review and approval by the Division. The master plan is a ten year plan developed by a school district that contains current enrollment projections and details the school district’s strategy for managing, repairing, renovating, and improving through new construction, or otherwise, the school district’s academic facilities. The composite of the school district’s master plans will comprise the basis of the state master plan to achieve suitable and adequate facilities in the coming years. Master plans will be submitted and

updated as necessary to keep accurate the school district's goals in accomplishing suitable and adequate facilities.

2. Academic Facilities Custodial Maintenance Repair and Renovation Manual contains uniform standards for custodial maintenance, repair, and renovation activities in public school facilities at the local school district level. School districts are required to dedicate, as a minimum, nine percent of foundation funding exclusively for the payment of utilities, custodial, maintenance, repair, and renovation activities and related personnel costs. The manual details and provides information sufficient to allow school districts to direct their maintenance and custodial endeavors.
3. Arkansas Public Schools Academic Facilities Manual provides the state's uniform standards to guide the planning, design and construction of new public school academic facilities and additions or renovations to existing public schools. The manual provides the basic tenets to develop a master plan by outlining planning techniques, programs of requirements to determine suitable academic facility sizes, and construction standards. The Manual, adopted by the Commission in November, 2005 is annually reviewed and updated as necessary.
4. The Academic Facilities Distress Program is designed to provide extensive state oversight and assistance to those school districts that are unable to conserve and protect their academic facilities. Any school district that fails to properly maintain its academic facilities in accordance with these laws and related rules may be required to cease immediately all expenditures that do not relate to providing an adequate education. Those funds would be placed in an escrow account to be released only by approval of the Division for local academic facilities projects. The Division administers this program through close coordination with the school districts, adherence to their master plans, and periodically measuring progress as to achieving the deficiencies noted in the original assessment and conformance to their approved Master plan.

The programs described herein have been enhanced by various legislative measures that have provided for and defined the state's financial participation into three general programs:

- A) Academic Facilities Immediate Repair Program. State financial participation was made available for eligible projects designed to address the correction of deficiencies in academic facilities that present an immediate hazard to health or safety of students and staff, meeting minimum health and safety building standards, or the extraordinary deterioration of the academic facility. To be eligible for this program the deficiencies must have been in existence on January 1, 2005. Applications must have been made to the Division by July 1, 2005. The

current year dollars of Immediate Repair; FY 06, Transitional Program; FY 06, Partnership Program 06-07; FY 07, and Partnership Program 07-09; FY 08. This is critical so as to understand the inflation of costs that have occurred since the original determination of the deficiencies in the Arkansas Public School Systems as compared to the appropriated amounts necessary to correct these deficiencies, continue the ongoing program initiated by the school districts in 2005, and to successfully begin the program of renovation and new facilities to meet the most current suitability and adequacy standards. In total, the program equals approximately \$1.8 billion dollars of which 42% or \$750 million is the state financial participation.

The Immediate Repair Program is drawing to a close and should be financially complete by December 2007 (as mandated by Act 989 of 2007). As of this report, 222 projects of the 303 originally approved by the Commission have been completed. This totals 73% which equates to approximately 75% of the total Immediate Repair costs. The program was successful in that a number of districts took advantage of the state financial aid. Many districts that were not able to raise the local district match combined their most critical needs into Transitional and Partnership projects for funding. Through the Preventative Maintenance Program required to be established by the state Maintenance Manual, it is anticipated that closer monitoring of school district reaction to needed repairs will be accomplished.

The Transitional Program is also progressing exceptionally well and will be financially completed by June 2009 (as mandated by Act 989 of 2007). This program, which began in 2005 with long range district planning, has shown the completion of 163 of the 222 projects supported by the Commission. This equates to a 73% completion rate. This is further extended to an expenditure rate of approximately 80% of the \$283 million dollars identified for this program.

The Partnership Program, both 2006-2007 and 2007-2009, represents the district efforts to identify projects that support their master plan. These projects are essentially just getting underway. Many are still in the design stage; while many of the smaller projects have, in fact, been constructed and completed, but it is not of sufficient number to warrant mention at this time.

Some school districts have encountered difficulty in raising their local share to support Partnership Projects. Since the beginning of the Partnership Program, 33 projects have been rescinded as the result of failed millages or inability of the district to raise its local share. But it should be noted that of these 33, 19 have been moved into the next partnership biennium, five have been completed using local funds, and the remaining projects have not been rescheduled. Districts are taking advantage of the opportunity to request second millage elections to support their master plans. This shows a positive move forward by the superintendents and school boards to enact their masterplan and secure local support.

The Division has had to enact the Academic Facilities Catastrophic Program due to catastrophes encountered in our public school districts this past year. The Commission

has funded projects in five school districts that have suffered catastrophic loss, due to tornado or fire..

Summary and Conclusion

The success of the Immediate Repair Program and the high level of enthusiasm with which districts have entered both the Transitional and Partnership Programs are clearly reaping results across the state in producing suitable and adequate facilities. At the present time, there are over 90 new schools being constructed throughout the state. Numerous projects, including additions and renovations to existing facilities are ongoing or have been completed. These new facilities, additions, and renovations have gone far in eliminating the deficiencies originally identified in the 2004 assessment.

The Division's role in assisting school districts has expanded as we have taken on responsibilities of providing guidance and assistance in all areas of facility management. With the expansion of the Division and the infusion of qualified staff in the architect, planning, and construction areas, we are fast approaching a point of a high level of professionalism in supporting the state's facilities program.

	2004 Assessment Current Condition and 5-Year Life Cycle	Immediate Repair	Transitional	Partnership 2006-2007	Partnership 2007-2009
System	Project Cost	Project Cost	Project Cost	Project Cost	Project Cost
Site	\$290,976,912	\$1,966,806	\$4,800,732	\$5,009,038	\$1,872,492
Roofing	\$313,277,404	\$26,017,646	\$6,697,967	\$6,483,226	\$17,958,479
Exterior	\$200,282,479	\$1,464,547	\$219,388	\$1,514,547	\$6,565,040
Structure	\$45,366,634	\$1,797,291	\$717,868	\$1,531,400	\$1,060,503
Interior	\$779,021,744	\$4,782,245	\$2,766,418	\$10,761,590	\$7,255,045
HVAC	\$519,174,813	\$19,975,249	\$4,515,408	\$12,037,555	\$47,346,321
Plumbing	\$229,076,007	\$2,523,469	\$450,000	\$881,813	\$2,872,328
Electrical	\$223,810,489	\$120,467	\$802,761	\$3,761,843	\$3,963,380
Technology	\$151,567,110	\$1,674,949	\$757,868	\$556,931	\$293,877
Fire & Safety	\$158,502,486	\$6,836,903	\$50,990	\$5,066,028	\$8,180,132
Specialty	\$290,168,877	\$2,567,461	\$0	\$10,315,053	\$3,473,039
Space Utilization					
Suitability	\$556,735,819	\$0	\$68,914,071	\$203,236,429	\$355,184,444
Enrollment Growth	\$361,769,048	\$0	\$192,850,930	\$327,924,812	\$467,663,392
Totals	\$4,119,729,822	\$69,727,032	\$283,544,401	\$589,080,264	\$923,688,472