



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, 2008

2008 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 Division of Public School Academic Facilities and Transportation submits this annual report pursuant to Ark. Code Ann. § 6-21-112. 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 improvement of the condition of the states public school system are the 12 general building and design systems of major facility structures as outlined in the referenced statute. These are:

- A) **Site:** Site improvements relate to deficiencies that include lands and all improvements to the site such as grading, drainage, drives, parking areas, walks, landscaping and playgrounds.
- B) **Roofing:** Roofing improvements relate to deficiencies that include all types of roofing system replacements.
- C) **Exterior:** Exterior improvements relate to deficiencies that include window systems, exterior painting, exterior doors and other wall systems.
- D) **Structure:** Structural improvements relate to deficiencies that include systems necessary to maintain the structural integrity of the facility and include structural walls, foundations and structural building members.
- E) **Interior:** Interior improvements relate to deficiencies primarily concerned with interior finishes, walls, flooring materials, ceilings and interior door systems.
- F) **Heating, Ventilation and Air Conditioning (HVAC):** HVAC improvements relate to deficiencies that include air cooling systems, controls, storage tanks and

towers, ductwork, fresh air systems and heating systems.

- G) **Plumbing and Water Supply:** Plumbing improvements relate to deficiencies that include domestic water piping, sanitary sewer piping, fixtures, water heaters, and backflow preventers.
- H) **Electrical:** Electrical improvements relate to deficiencies that include electrical main service, electrical distribution systems, lighting fixtures, emergency lighting and emergency generators.
- I) **Technology:** Technology improvements relate to deficiencies that include public address systems, intercom systems, telephones and computer infrastructure.
- J) **Fire and Safety:** Fire and safety improvements relate to deficiencies that include fire protection systems, emergency lighting, fire alarm panels, fire sprinkler systems and security wiring infrastructure.
- K) **Specialty Items:** Specialty improvements relate to deficiencies that include elevators, fixed cabinetry, movable partitions, stage equipment and lockers.
- L) **Space Utilization:** Space utilization improvements relate to deficiencies that include lack of space and disproportionate space to support the academic environment.

The major building systems identified in this report were derived from the primary areas of inspection conducted during the 2004 statewide facility assessment. The intent of the assessment was to identify the condition of school facilities in Arkansas and to determine their adequacy to serve their intended purpose. The assessment should not be confused with a building repair or renovation program, as the focus of the assessment was to determine the current condition of school facilities. The assessment provided basic information regarding building inventories, existing deficiencies and lifecycle data that could be used to compare the relative condition from one school to another. The assessment can additionally be used for:

- A) Developing and maintaining an inventory of facility information that can be used for planning purposes.
- B) Identifying needs that could impact the continued and ongoing operation of the facility.
- C) Classifying short and long-term needs across a range of facility types and building systems.

- D) Determining major renovations and in some cases building replacements.
- E) Determining lifecycle or replacement needs for building systems that are projected to reach the end of their useful life in the next ten years.
- F) Identifying growing districts and their potential facility impacts.
- G) Comparing the educational suitability of school facilities.

FINANCIAL PROGRAMS:

When the assessment is coupled with financial programs it can be used to give an indication of improvement and progress of correcting the original assessment deficiencies, identifying new deficiencies and the relative cost applied each year in these twelve areas. In comparing relative costs of the initial assessment to funds expended in these twelve areas we must be cautious for three reasons:

(1) Buildings were initially evaluated for compliance with an unofficial set of proposed educational facilities standards developed in 2004,

(2) The condition of every public school academic facility was measured by the most current building code as of the date of the assessment. In other words the assessment measured every current building not on standards and building codes required by law for existing buildings but rather on building codes as applicable to new construction and proposed unofficial standards. (The status of the unofficial standards was changed in November, 2005 when the Commission for Public School Academic Facilities and Transportation adopted the Arkansas Public School Academic Facilities manual),

(3) Not all deficiency corrections completed by the school districts are able to be tracked by the state at this time. The state can classify those projects under programs for which it is providing state financial assistance. But many deficiencies have been suspended by the school districts as not being warranted at this time or as having been corrected under the 9% floor of maintenance funding required by law.

The correction of deficient areas, identified in this report has been enhanced by legislative measures that have created three 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 presented 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 estimated cost of the Immediate Repair project had to have been a minimum of \$100 per student or \$ 50,000.
- B) **The Transitional Academic Facilities Program.** State financial participation was made available to the school districts in the form of a reimbursement for eligible new construction projects for which debt was incurred or funds were spent after January 1, 2005 and on or before June 30, 2006.
- C) **Academic Facilities Partnership Program.** State financial participation is being made available in the form of cash payments to school districts for eligible new construction projects. A new construction project includes any improvement to an academic facility and, if necessary, related areas such as the physical plant and grounds that bring the state of condition or efficiency of the academic facility to a state of condition or efficiency better than the facility's original condition of completeness or efficiency. New construction includes additions to existing academic facilities and new academic facilities.

The financial programs described are functionally different in their application yet related and must be viewed as a three part continuum. The Academic Facilities Immediate Repair Program was to provide immediate state financial support for existing school facility deficiencies. It served as a one time opportunity for school districts to apply for funding to make needed improvements to certain facilities in advance of full implementation of the Statewide Planning Process under the Academic Facilities Master Plan Program. The participating state funds were identified for repairs only and cost shared with the school districts based on their relative wealth index. For any work not completed, the proposed Immediate Repair project could be folded into the school district's master plan or accomplished through transitional funding or partnership

program funds provided they met the construction requirements of those programs.

Applications were received for financial assistance by July 1, 2005, and by legislation enacted in 2007, must have been completed by December 31, 2007. The immediate repair program ended in December, 2007. Under that program the school districts completed 244 separate projects which eliminated deficiencies in 481 system areas at a total cost of \$53,134,238.00. The state's share of that amount was \$28,079,953.00.

The second part of the continuum links the provisions of financial support for existing facilities with the provision of planned financial support to school districts. This program provided reimbursement via the Transitional Academic Facilities Program to school districts for new facilities or renovations for which the debt incurred or the expenses were made to support this construction process after January 1, 2005 and on or before June 30, 2006. The projects for consideration in this program were required to be new construction projects and were allowed to meet the Arkansas Schoolhouse Construction Standards or the new Arkansas Academic Facilities Manual Standards. Repair projects were not considered under this program unless the corrective action resulted in an improvement to the existing condition as per facility manual standards.

The Transitional Program is scheduled to end on June 30, 2009. At present there are 222 approved projects in this program. 198 have been completed, fifteen are ongoing, and an additional 9 been canceled or not started. Canceled projects were moved into the partnership program. The anticipated program amount is \$208,462,434.00 with the state's share being \$85,546,208.00. When completed it is estimated that deficiencies in 202 system areas originally identified in the 2004 assessment will be eliminated.

The third part of the continuum is the Academic Facilities Partnership Program. This program is designed to be the major vehicle for state participation in local school facilities projects over the long term. The Partnership Program began with project applications submitted in February 2006, November 2006 and May 2008. These are designated as Partnership 2006-2007 and Partnership 2007-

2009 and Partnership 2009-2011. Data for Partnership Program 2009-2011 is not available as the state is presently reviewing these project applications in preparation for the 2009 legislative session.

The partnership program to date consists of 1,530 approved projects with an estimated total program amount of \$1,306,729,294.00. The estimated state share is \$560,759,311.00. The state has appropriated \$561,000,000.00 to cover this program.

The enclosed tabular form indicates deficient areas that have been addressed through projects approved and funded under each of the three programs outlined above. It is compared to the 2004 Statewide Assessment of School Facilities so as to indicate the approximate amount of funding necessary to complete the state's goal of adequate and suitable facilities. The 2004 assessment is shown in FY 04 dollars. The funding programs are shown in current year dollars of Immediate Repair FY 06, Transitional Program FY 07, Partnership Program 06-07, FY 07, and Partnership Program 07-09, FY 08. It is critical 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 continue the program of renovation and new facilities to meet the most current suitability and adequacy standards. To date the state facility program equals \$1,568,325,965 of which 43% or \$674,385,472 is the state financial participation.

The Partnership Program listing for 2006-2007 and 2007-2009, indicates projects that support their master plan and cover the full range of deficiencies indicated in the 2004 assessment. The figures shown indicate the approximate value, in current year dollars, of the projects currently in the program, both completed and ongoing, for the categories identified in the 2004 assessment. The total value of the partnership program changes as the program proceeds. Inflation of construction cost, withdrawal of projects, combining projects for efficiencies, projects deleted due to millage failures, re-scoping of projects due to changes in need are all attributable to the fluctuating total dollar value of this program.

When you examine the financial information by program, correlated to the assessment areas, it is extremely difficult to draw a parallel between the deficiencies identified in the 2004 assessment and the progress made in these areas under all of these programs for the three reasons indicated on page three. In addition many of these deficiencies have been combined together into one project under either the Transitional or Partnership program and a number of these have been completed by the school districts within the 9% maintenance floor of foundation funding. As of this report the state does not track the district funds expended against these twelve deficient areas. The financial accounting system totals the maintenance and operation expenditures reported within the 9% but not delineated by deficient area. Therefore in looking at the progress as measured by dollars to correct deficiencies originally identified in the assessment we must consider two factors; (1) that deficiencies are continuing to be identified by the school districts and corrected and (2) that portion of the maintenance and operation 9% funding going toward correcting these deficiencies is not shown.

Beginning with the 2008 master plan submittal, a computerized maintenance management system (CMMS) has been put in place which will indicate the number of work orders identified in these areas and the progress toward completion of these work orders. It will additionally identify the preventive maintenance measures being taken to counter the reoccurrence and hopefully curtail the deficient areas. Once this is in place we will be able to determine how many additional deficiencies are identified by the school districts and corrected on a yearly basis. This information will not be available until the 2009 report.

Presently and the best analysis that we can give is that school districts are progressing towards more suitable and adequate facilities in comparison to the 2004 assessment the academic facility total project cost chart shows the relative percentage of the original assessment in the various system areas. When you compare this to the total expenditures in each of the system areas we can see where the districts are placing their greatest efforts.

ANALYSIS

In analyzing the data on the enclosed chart we see many promising trends with regard to the correction of deficiencies identified in the 2004 assessment. In analyzing the % of total assessment costs identified in 2004 we see that the four highest areas based on cost, in order, are interior work, HVAC, the roofing, and site work. When compared to the funds expended in the immediate repair program we see that the school districts continued correcting deficiencies in HVACR and roofing but their third priority shifted to fire and safety deficiencies. We see that trend extended through the other two programs, fire and safety deficiencies clearly take the lead as being the highest priority in the school district's, based on number of system deficiencies with interior and HVAC activities close behind. Clearly this area is being addressed in a very positive manner across the state.

Roofing, site projects and HVACR dominated the Transitional Program both in numbers of projects and in total project cost. Perhaps because when the Transitional projects were first conceived by the school district's the anticipated level of funding was bonded debt assistance which relied more heavily on the district's ability to raise a greater share of the project cost. Therefore I believe we see many more projects based on want as opposed to identified need. We also see, for the first time, the amount of funds expended for facility additions and new facilities due to growth. It must also be pointed out that these new additions and new facilities corrected the largest number of deficiencies on existing buildings as those buildings were replaced in total. The increase in the number of activities and cost in the site area was largely attributed to correcting deficiencies as new schools and additions were constructed.

As we analyze the partnership program we begin to see a rise in electrical and plumbing projects but a continued effort in HVACR and roofing projects. Since many of these projects are interrelated and it is possible to eliminate a deficiency in one area while correcting a deficiency in another we do not get a true picture of the total effort without examining every project. But we certainly can see a trend toward correcting the most serious safe, dry and healthy activities in the state through complete facility

replacement and specific projects dealing with the deficiencies.

The state program centers on the school districts identifying their problems and correcting them either through maintenance or new construction. Because the state does not mandate what corrections will be made, on any time schedule, we are subject to monitoring the districts action and subsequently can only follow through with inspections tied to those actions. In the future much of our assessment of the condition of school facilities will be tied to the districts ongoing identification and corrective measures.

The data on this chart is in large part from reports received from the school districts as projects are reported through the master plan update required in the odd-numbered year, and through inspections performed by the division of projects partially funded by the state under these programs.

What we are unable to depict at this time is the effort being undertaken by the school district's to maintain their facilities through means not associated with the state programs. The largest missing factor is the identification by the school district's of new or recurring deficiencies and the corrective actions taken by the districts. It is anticipated with the implementation of the computerized maintenance management system and the requirement by law for school districts to track work or requests and preventive maintenance initiatives that we will be able to work with the school districts in determining how successful their programs are and how reactive they are to identifying and correcting problems. The implementation to achieve this will be through reports generated by the computerized system and by on-site assistance visits and unannounced inspections to ensure compliance with the custodial maintenance program.

To date, the Division has only been able to inspect facilities commensurate with either the program projects or by special request to solve problems brought to our attention. These inspections support a rigid process to ensure that all plans and specifications meet the most current standards, and a process implemented through the Partnership Project Agreement to administer the funds to the school districts to complete these projects, we are at a minimum ensuring that facilities are being made more

adequate if the projects are approved by the state. Staffing changes enacted through legislation in 2007 have allowed the Division to increase its manpower and subsequently its physical presence in the school districts in inspecting facilities.

Beginning in late 2008 the division will possess the resources to begin maintenance inspections for program compliance for both work orders and preventive maintenance. It is through these inspections that we will be able to determine if the districts are continuing to identify deficient areas and take the corrective actions necessary to repair them.

Summary and Conclusion

If one were to look at the total number of deficiencies based on project cost from the 2004 assessment and compare it to the total cost of corrective actions to date one can assume that we were approximately 38% complete in solving our problem of inadequate and unsuitable facilities for school children, but you would be completely wrong. The inflation over the past four years distorts the relationship between the two total costs. This means that it has cost us more to correct a given number of deficiencies in 2008 had they been corrected in 2004. This supports the argument that a financial analysis of money spent is not a true basis for analyzing the condition of the Arkansas school system but does give a good indication of the effort expended to provide suitable and adequate facilities for our children. But then it begs the question "what is the best method of determining the status of the condition of Arkansas school facilities". The answer lies in a combination of working closely with the school districts in identifying deficient areas as they develop and monitoring the district's progress toward correcting them. It includes assistance in establishing programs to maintain facilities to offset problems in the future through a preventive maintenance program. The state has this process in place now, but only in the immediate future will it become completely implemented.

The identification of deficiencies as they occur in our facilities is an ongoing process that will eventually give us a current status of the condition of our facilities. It is only through updating the deficiency status and the corrective actions taken and monitoring the cost of those

actions coupled with inspections can we truthfully state the condition of our facilities.

I believe unequivocally that we have made great strides in correcting many of the inequities in the Arkansas school facilities. But we must remember that our facility program consists of over 6,500 buildings on 1,200 campuses and that that number is changing on a yearly basis, and we did not get into this condition in a short period of time. When you couple that with the aging condition of our facilities, the wear and tear on school buildings by their occupants, the damage to facilities by forces beyond the control of the occupants, you clearly see how this is a program in which we are only able to surmise the factors and the corrective actions but not able to accurately forecast when we will be in a position to clearly state that we have arrived at equitable, adequate and suitable facilities.

Annual Governor's Report
October 1, 2008

ACADEMIC FACILITY TOTAL PROJECT COSTS

System	2004 Assessment Current Condition and 5-Year Life Cycle		Immediate Repair		Transitional		Partnership 2006-2007 2007-2009		Percentage of assessment costs from approved projects
	Project Cost	Percentage of Total Assessment Costs	Activity	Project Cost	Activity	Project Cost	Activity	Project Cost	
Site	\$290,976,912	7.06%	11	\$1,498,769	20	\$4,527,758	136	\$8,979,178	5.16%
Roofing	\$313,277,404	7.60%	92	\$19,826,282	27	\$6,782,095	97	\$23,777,128	16.08%
Exterior	\$200,282,479	4.86%	40	\$1,116,031	3	\$195,875	98	\$8,297,635	4.80%
Structure	\$45,366,634	1.10%	20	\$1,369,593	1	\$717,868	20	\$2,077,912	9.18%
Interior	\$779,021,744	18.91%	46	\$3,644,225	13	\$2,449,018	146	\$26,905,393	4.24%
HVAC	\$519,174,813	12.60%	94	\$15,221,781	10	\$1,775,822	126	\$53,971,261	13.67%
Plumbing	\$229,076,007	5.56%	31	\$1,922,964	1	\$653,394	72	\$4,320,810	3.01%
Electrical	\$223,810,489	5.43%	2	\$91,800	4	\$682,106	84	\$6,710,740	3.34%
Technology	\$151,567,110	3.68%	11	\$1,276,365	15	\$528,682	50	\$2,844,224	3.07%
Fire & Safety	\$158,502,486	3.85%	86	\$5,209,939	3	\$38,407	354	\$12,320,730	11.08%
Specialty	\$290,168,877	7.04%	48	\$1,956,488	0		110	\$5,244,268	2.48%
Space Utilization									
Suitability	\$556,735,819	13.51%		\$0	48	\$54,930,669	209	\$366,591,618	75.71%
Enrollment	\$361,769,048	8.78%		\$0	57	\$135,180,739	99	\$784,688,397	254.27%
Growth									
Totals	\$4,119,729,822	100.00%	481	\$53,134,237	202	\$208,462,434	1601	\$1,306,729,294	