

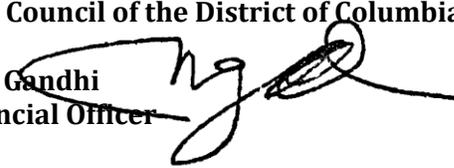
Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: November 6, 2013

SUBJECT: Fiscal Impact Statement - "Comprehensive Planning and Utilization of School Facilities Act of 2013"

REFERENCE: Bill 20-313 - Draft Committee Print shared with the Office of Revenue Analysis on November 5, 2012

Conclusion

Funds are sufficient in the FY 2014 through FY 2017 budget and financial plan to implement the bill.

Background

The bill adjusts the process by which District school buildings are deemed excess school facilities¹ and offered to other eligible entities² for use, purchase, or lease. The bill extends the period eligible entities can submit a proposal to utilize surplus facilities from six months to one year. It also requires that excess school buildings be made available for disposition within six months of being deemed excess.

The bill also expands preference requirements for dispositions, including a secondary preference for public charter schools that the Public Charter School Board identifies as high-performing and financially sound. The existing first preference for public charter schools already occupying part or all of an excess space is not changed. The bill maintains the current requirement that leases must

¹ "Excess school facility" is defined in the bill as a "structure or structure and real property upon which the structure sits, under the control of the Mayor, that the Mayor has determined is no longer needed for purposes of operating or supporting a DCPS school, including any DCPS facility designated as surplus..."

² "Eligible entity" is defined in the bill as "a public charter school, an eligible applicant whose petition to establish a public charter school has been conditionally approved, a Board of Trustees or a charter school facility incubator."

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FIS: Bill 20-313, "Comprehensive Planning and Utilization of School Facilities Act of 2013," Draft Committee Print shared with the Office of Revenue Analysis on November 5, 2012.

be of a period of 25 years, but allows for some exceptions for leases involving co-location agreements.

Lastly, the bill adds new information requirements to the Multiyear Facilities Master Plan that the Mayor is required to prepare and submit to Council every five years. The five-year plan must now include a projection of facility needs for each local education agency—that is DC Public Schools (DCPS) and all public charter schools—and a safety and security assessment of educational facilities. The Multiyear Master Facilities Plan would now have an annual supplement that would report on the existence of a working carbon monoxide detector in each school building, plans for increasing utilization at any DCPS facility with a less than 50 percent utilization rate,³ and a designation of the status⁴ of each DCPS facility. The bill directs multiple agencies⁵ to work with the Office of Public Education Facility Planning in development of the plan and annual supplement.

Financial Plan Impact

Funds are sufficient in the FY 2014 through FY 2017 budget and financial plan to implement the bill.

Adjustments to the disposition process may affect the timing of dispositions and the type of occupants that take possession of excess school facilities. However, because the budget and financial plan does not identify specific intended use and revenues or savings from a specific use, there would not be a fiscal impact.

The modifications proposed to the Multiyear Facilities Master Plan could increase costs, but these costs would not be incurred in the four-year financial plan period. The security assessment will likely require additional resources—the exact amount is not known, but because the plan is not due for another five years, the cost falls outside of the current budget and financial plan in FY 2018.⁶

Lastly, the new annual supplement requires Department of General Services to conduct a "survey" of school facility conditions. The bill does not detail what should be included in this condition survey, but it is expected the survey will not be a full condition assessment of each school. Instead, it will be an update on major, already tracked changes to a facility. For example, a disposition of a property would be listed in the annual survey, but not an assessment of the current roof conditions. Based on this assumption, there is no impact on the budget and financial plan.

³ "Utilization" is defined in the bill as "the ratio of current enrollment to the total number of students that can be served in a space based on programmatic and scheduling requirements."

⁴ A DCPS facility can be primarily designated for classroom instruction, swing space, administrative purposes, vacant, significantly underutilized, or under valid lease or similar agreement with another entity.

⁵ The District of Columbia Public Schools, the Public Charter School Board, the Office of Planning, and the Department of General Services are directed to work with the Deputy Mayor for Education.

⁶ Additionally Department of General Services (DGS) must provide a list of school buildings without functioning carbon monoxide detectors. The bill does not require new detectors to be installed, but it is likely that new detectors will be demanded in schools that do not have them. If this occurs, DGS would then face a cost of approximately \$10,000 per school.