

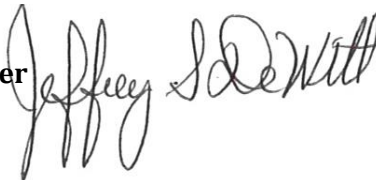
Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

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

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: October 25, 2016

SUBJECT: Fiscal Impact Statement – Planning Actively for Comprehensive
Education Facilities Amendment Act of 2016

REFERENCE: Bill 21-777, Committee Print as shared with the Office of Revenue
Analysis on October 19, 2016

Conclusion

Funds are not sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. The bill will cost an estimated \$800,000 in fiscal year 2017.

Background

The bill makes several changes to the way the District of Columbia conducts school facilities planning and capital budgeting. These changes are outlined below.

Master Facilities Plan

The bill requires¹ the Mayor to submit to Council a 10-year Master Facilities Plan (MFP) for public education facilities beginning on December 15, 2017.² Council is required to vote on the 10-year MFP concurrently with the Mayor's proposed capital budget. If approved, the MFP must take effect on the first day of the next fiscal year.

¹ By amending The School Based Budgeting and Accountability Act of 1998, approved March 26, 1999 (D.C. Law 12-175; D.C. Official Code § 38-2803).

² Currently the MFP is required every five years.

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The bill expands³ the analysis and data that must be included in the MFP. Specifically, the bill requires the Office of Public Education Facilities Planning (OPEFP) within the Office of the Deputy Mayor for Education (DME) to collect, analyze, and report on:

- Public charter school facility condition assessments;⁴
- District of Columbia Public Schools (DCPS) school attendance zone boundaries when considering recommendations for the utilization or reduction of excess space;
- Historical and projected enrollment for all DCPS and public charter schools; and
- Communications and community involvement plans that include Ward and city-wide based volunteer civic groups.⁵

The bill adds⁶ the Office of Planning, Department of General Services (DGS), and DCPS to the list of agencies that the OPEFP must consult with when developing the 10-year MFP.

Supplement to the Master Facilities Plan

The bill expands the analysis and data collection required to be the annual supplement to the MFP. Specifically:

- The Public Charter School Board (PCSB) must submit to OPEFP a five-year projection of facility needs for public charter schools.
- DGS must, in collaboration with DME, DCPS, and PCSB, conduct an annual survey to update information on the condition of each DCPS and public charter school. The survey must include whether each facility has a working carbon monoxide detector, the results of the most recent water tests at each facility for sources of lead, and potential sources of asbestos hazards. The results of the survey must be disaggregated by each facility and be available to the public.
- The bill grants the PCSB with the authority to fine a local education agency (LEA)⁷ up to \$10,000 if it fails to provide the required data for the development of the annual supplement to the MFP.

Public School Facility Capital Improvement Plan

The bill requires a more detailed Public School Facility Capital Improvement Plan (School Facility CIP)⁸ than is currently issued. It must now give recommendations on timing, location, and cost estimates to modernize existing school facilities, new school facility constructions, and other capital improvements.⁹ The annual School Facility CIP must also include:

- A description of guiding principles that frame decisions with the School Facility CIP;
- A description of the process and timeline used to develop the School Facility CIP including community engagement;

³ By amending The School Based Budgeting and Accountability Act of 1998, approved March 26, 1999 (D.C. Law 12-175; D.C. Official Code § 38-2803).

⁴ Current law only requires DCPS to conduct a facility conditions assessment, not public charter schools.

⁵ Current law only requires a communications and community involvement plan for Advisory Neighborhood Commissions, local school restructuring teams, and school improvement teams.

⁶ By amending The School Based Budgeting and Accountability Act of 1998, approved March 26, 1999 (D.C. Law 12-175; D.C. Official Code § 38-2803).

⁷ “Local education agency” or “LEA” means the District of Columbia Public Schools system or any individual or group of public charter schools operating under a single charter.

⁸ DME serves as a coordinator for public school facilities planning in collaboration with DCPS, public charter schools, and DGS.

⁹ Other capital improvements include infrastructure and facility subsystems replacement and upgrades.

- A longitudinal and future analysis of DCPS student enrollment and school facility capacity needs; and
- School specific project recommendations on the timing and funding for modernization of existing school facilities, new school facility construction, or other school facility capital improvements planned for the next fiscal year and the succeeding five fiscal years. A School Facility CIP must include:
 - A description of the scope of work to be done, project schedules, project milestones, and an explanation for project delays;
 - Justification for the project - supported by student enrollment projections and the number students in an attendance zone;
 - A full-funded cost estimate of improvements;
 - A rough estimate of improvements for projects in years 4-6 of the School Facility CIP;
 - A cost estimate of improvements planned for the next fiscal year and the succeeding five fiscal years and a detailed explanation for any proposed increases over 10 percent from the prior year’s School Facility CIP estimate;
 - The estimated cost of annual maintenance and operations of the improved facility;
 - The lifetime expenditure for the project; and
 - The name, address, and Ward of each project.

The bill creates a facility capital improvement priority system. DCPS school facility will receive a score between one and ten, based on the normal distribution of the data and category weightings. The bill requires DCPS to make public each school’s prioritization score and include the score’s corresponding raw data. The following table outlines each categorical weighting:

Base Category	Base Category Weighting	Subcategory Definition	Subcategory Weighting
Facility Condition	0.55	Date and type of last major construction through the preceding fiscal year	0.20
		Expenditures for modernizations and capital improvements for the preceding 10 fiscal years per square feet of the school facility	0.15
		School facility condition score based on the most recent survey completed by DGS	0.20
Demand	0.20	Average percentage of the school’s enrollment growth over the past five school years based on audited enrollment	0.10
		Average percent of facility’s utilization over the past five school years	0.10
Community Need	0.10	Number of in-boundary children who would be served by the facility’s educational program divided by the facility’s capacity	0.05
		Projected percent change in the number of children who would be served by the facility’s educational program in the neighborhood cluster over a prospective six-year time period	0.05
Equity	0.15	Total number of square feet in the school’s feeder pattern that have had a major construction in the preceding 10 fiscal years divided by total square footage of the feeder pattern	0.05
		Number of at-risk students enrolled in the school based on the current school year enrollment projection	0.10

The bill requires DCPS to consider several factors in addition to the prioritization score when determining the inclusion of a project in the School Facility CIP. These factors include:

- Availability of capital funding in the budget;
- Availability of appropriate swing space;
- Immediate life and safety concerns;

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- Need for additional planning for a project;
- New special program space requirements; and
- Scope and sequence of projects as a result of planned grade configuration changes, boundary changes, consolidations, or closures.

DCPS must conduct three public meetings within 180 days of the release of the prioritization data to discuss facility modernizations. Prior to a project being included in the School Facility CIP, the project shall have an educational specification approved by DCPS, a rough estimate of cost, and a general design and feasibility analysis.¹⁰

Financial Plan Impact

Funds are not sufficient in the fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. The bill will cost an estimated \$800,000 in fiscal year 2017.

The five-year MFP is required to be updated and filed on December 15, 2017. The bill keeps this deadline but extends the length of time that the MFP must cover to ten years. Currently, there are no funds budgeted to complete the five-year MFP in fiscal year 2017; however, the Executive plans to reprogram funding to cover the cost of producing the ten-year MFP. The estimated cost of producing a ten-year MFP is \$800,000. Until a reprogramming is submitted, funds are not sufficient to cover the cost of the ten-year MFP in fiscal year 2017.

DGS, in consultation with DCPS, PCSB and DME, is required to conduct an annual survey of all DCPS and charter school facilities' carbon monoxide detectors, water source lead testing results, and asbestos hazards. The bill does not require annual testing but rather annual reporting on the most recent testing results. DGS already prepares an annual supplement to the MFP and monitors DCPS water quality, carbon monoxide detectors, and asbestos hazards. DGS can produce the bill's data reporting requirements without additional resources. PCSB will need to survey each charter LEA to collect the information required in the annual supplement. PCSB already collects information on public charter school facilities and can absorb the bill's data collection requirements without any additional resources.

The new analysis that must be included in the School Facility CIP will increase the amount of time it takes the Executive Office of the Mayor (EOM) to develop the annual capital budget, however EOM can produce the School Facility CIP as required in the bill without additional resources.

¹⁰ A feasibility analysis includes an analysis of educational programming and enrollment needs; an evaluation of whether the existing building and site conditions can accommodate the educational specifications and programming needs; and an evaluation of whether the project will need swing space on site or off site.