

ANCHORAGE SCHOOL DISTRICT
ANCHORAGE, ALASKA

ASD MEMORANDUM #204 (2007-2008)

March 3, 2008

TO: SCHOOL BOARD

FROM: OFFICE OF THE SUPERINTENDENT

SUBJECT: TEN-YEAR CAPITAL IMPROVEMENT PLAN ANALYSIS AND
RECOMMENDATIONS: JULY 1, 2008 - JUNE 30, 2018

ASD Goal: Establish and maintain a supportive and effective learning environment by providing safe, caring, barrier-free schools. Ensure public accountability through effective consultation with the community to ensure wise use of financial resources and responsible construction and maintenance of facilities, and effective communication with students, staff, parents, community and government at all levels.

RECOMMENDATION:

It is the Administration's recommendation that the School Board approve the attached Anchorage School District Ten-Year Capital Improvement Plan for July 1, 2008 to June 30, 2018.

PERTINENT FACTS:

School Board Policy 741.12 establishes the requirement for an annual update of the Six-Year Capital Improvement Plan (CIP), including student membership projections; classroom utilization; and recommendations for renewal of existing facilities, including building system renewals, or construction of new facilities.

In recent years, some Assembly and School Board members shared concerns that the plan was neither feasible nor palatable to voters as presented. One concern expressed was that capital improvement costs presented in the CIP extensively burdened Anchorage property taxpayers, and were greater than taxpayers were willing to support. Also expressed were concerns that constituents have elevated expectations that projects listed in the CIP will be fully funded as scheduled. Reality is that adjustments are made to the CIP as a result of failed ballot propositions or changed priorities due to more urgent needs. The Administration's response to these concerns was to size 2007 and 2008 ballot proposition bond issue amounts to approximate retired bonded indebtedness.

This CIP essentially spreads projects listed in the previous Six-Year CIP from six to ten years. Doing so lowers projected capital costs requested each year, and yet recognizes critical and growing needs for the District to renew its aging infrastructure inventory.

A concern expressed by voters revealed frustration with repeated bond issue requests for high school renewal phases. This Ten-Year CIP proposes to fully fund completion of one high school at a time every other year. In years between high school projects, the focus is on renewal of elementary, middle and alternative schools. Every year includes a fixed Building Systems renewal (BSR) amount as a placeholder. (Note: Historical information shows this to average \$16 million in 2008 dollars. Those costs will be replaced with more accurate estimates as they are addressed in near-terms each year.) The Ten-Year CIP costs include an allowance of 5% per annum for inflation.

The Capital Request Advisory Committee (CRAC), which represents the community and provides the District with valuable input in shaping the CIP, reviewed and voted to recommend the Ten-Year CIP to the Administration as presented.

While Capital Projects are distributed across a ten-year period, the demographic projections could not be extended. Demographic projections use birth data to project kindergarten enrollment. The birth data is limited to available information from the State Bureau of Vital Statistics. This information is available only to 2007, which allows the District to project kindergarten enrollment through 2012. Historically, the District has provided projections for the last year of the Plan. However, the Administration is not confident in providing demographic projections beyond 2013.

Staff of the Facilities Department presented this plan to the Municipal Planning and Zoning Commission at a work session on February 11. The Commission unanimously approved the District's CIP, as presented, at their regularly scheduled meeting that same evening.

The CIP is organized as follows:

- Recommendations are in Tables 1-3;
- Tables 4-12 provide information on historical membership and other factors affecting future enrollment;
- Tables 13-23 summarize membership projections and facilities;
- Appendix A shows detailed projection and facilities utilization information for each individual school and is listed alphabetically, by level of instruction;

- Appendix B provides additional information regarding the demographics of the District, in table and graph format;
- Appendix C is a summary of educational specifications utilized for elementary, middle, and high school planning;
- Appendix D is a description of the site selection process; and
- Appendix E provides basic information regarding the current status of each school facility.

The recommendations included in Table 1 are based on the following inputs:

- Detailed six-year enrollment projections
- Input from the District's Capital Request Advisory Committee
- Facility audits
- Maintenance issues identified by the individual units and by the Facilities/Maintenance staff
- Projects identified in prior year CIP recommendations
- Priorities identified by the Administration

Enrollment Projections: The overall student enrollment during the coming six-year period is projected to slightly decline with: elementary enrollment initially decreasing then increasing slightly; middle school enrollment declining; and high school enrollment declining. The recent trend of births and kindergarten enrollment (See Tables 4 and 7 and Chart 4) has been typically downward, with what appears to have been a leveling off in the early 2000's. For the past four years, however, the average kindergarten enrollment has increased slightly. Current and projected kindergarten classes are slightly larger than those of prior years. As these classes work their way through the elementary grades over the coming years, the average enrollment in each of the succeeding grades will begin to increase then level off. This shows up very clearly in Table 13, Projections by Grade. For example, grade 2 enrollment is projected to rise in 2011-2012, with an increase from the current enrollment of 3,581 to a projected level in 2011-2012 of 3,702. Enrollment in higher grades begins dropping off in later years, as the smaller primary grade classes progress to those grades.

Middle and High school enrollments are projected to decline slowly, with middle schools slightly increasing in 2012-2013 and high schools continuing to decline.

Review of Ten-Year CIP Projects: In recent years, the District has been faced with many challenges. The bond failure in April 2006 forced the District to re-evaluate how to package bond propositions that are well-received and supported by the public, as well as addressing the District's most critical needs. The District has addressed this challenge by protracting the Six-Year CIP to a Ten-Year CIP.

The 2008-2009 projects are the same as those included in the proposed April 2008 Municipal Bond. Beyond 2008-2009, this CIP reflects the District's priority to address fully funding the completion of the Service High School renewal, and design for Whaley and Girdwood Schools in next year's plan. In addition, the District has prioritized renewal or replacement of major building systems, such as Districtwide roofs, mechanical systems, electrical systems, and other facility components, shifting the focus away from major capital projects and more towards maintaining current facilities. Building code issues are being addressed in each year of the CIP, as well as various minor building improvements, traffic safety upgrades, and security system upgrades. The high school renewals from prior years also continue in this CIP, but are presented as complete projects. It is anticipated that the high school projects will be accomplished by the end of this ten-year period.

At the middle school level, Gruening and Romig Middle Schools are included for design and renewals beginning in 2013-2014.

At the elementary school level, the 2009-2010 plan includes funding for design of the Girdwood School. Gladys Wood Elementary School design and construction funding is included in the 2010-2011 plan, and 2011-2012 projects include design funding for Inlet View and Turnagain Elementary Schools. The 2012-2013 projects identified for planning are Airport Heights and Bayshore Elementary Schools, with construction funding for Inlet View and Turnagain Elementary Schools. Beyond that, planning/design for renewals and possible additions at Abbott Loop, Birchwood, Eagle River, Huffman, Mountain View, O'Malley, Rabbit Creek, and Tudor Elementary Schools are included in the plan.

Alternative schools and Districtwide projects included for planning/design or construction are Whaley and Steller Secondary Schools and the Information Technology Facility. Studies for a Vocational Education Training Center and a Student Transportation Facility are listed in the plan, as are selections of Chugiak/Eagle River Elementary and Southwest Anchorage Area Middle schools' sites.

The following projects were identified in the previous Six-Year CIP (July 1, 2007 through June 30, 2013), but are not included in the Ten-Year CIP. They are identified projects with no established timeframes. Keeping in mind that the CIP is reviewed and revised annually, these projects may be incorporated into the CIP when timeframes become apparent according to anticipated needs:

Site Selection and Acquisition
Replacement Buses
Districtwide Heavy Maintenance Equipment
Southwest Anchorage Area Elementary School Planning, Design and Construction
Southwest Anchorage Area Middle School Planning, Design and Construction

The total cost encompassing all years of the projects included in this plan is \$784,425,000.

CC/GV/RA/RM/OD/RB/jg

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