

Backlog of Maintenance and Repair



Excellence For All

Every student achieving, everyone accountable.

Report to Operations Committee of the
Seattle Public Schools' Board of Directors



Limiting the Growth of BMAR

Background

This presentation is a review of the District's Backlog of Building Maintenance and Repair (BMAR). The plan for this work was presented to The Board of Directors of Seattle Public Schools at the BTA III Work Session in June of this year.

Reducing BMAR

Reducing Backlog of Maintenance & Repair (BMAR)

- August Report to Operations Committee
 - How has capital construction helped?
 - What is required to reverse the annual increase?
 - How will BTA III help?

Report Methodology

- Compare Change in Building Condition Between 2006 Meng Survey and 2009 Meng Survey
 - For buildings in both surveys (“sample”)
- Adjust for capital improvements and general fund maintenance to sample
- Apply adjusted sample to “population” of all District Buildings
- Estimate annual additional maintenance required

Assumptions for Modeling

- Average annual maintenance costs and requirements for all buildings (population) the same as sample
- Annual maintenance cost per square foot for an old building in excellent condition is the same as a new building
- General Fund Maintenance overhead a fixed percentage (no economies of scale)
- Average major maintenance spending per square foot the same for sample and population

Not Included In Analysis

- Effect of inflation on maintenance budgets
- Proportion of BMAR that cannot be reduced or controlled with capital funds
- Change in state law allowing more maintenance to be funded with capital dollars
- Portion of general fund maintenance spending on improvements (some “paid work”)
- Changes in design of future buildings to reduce
 - Maintenance and operating expenses
 - Construction costs, allowing more schools to be renovated

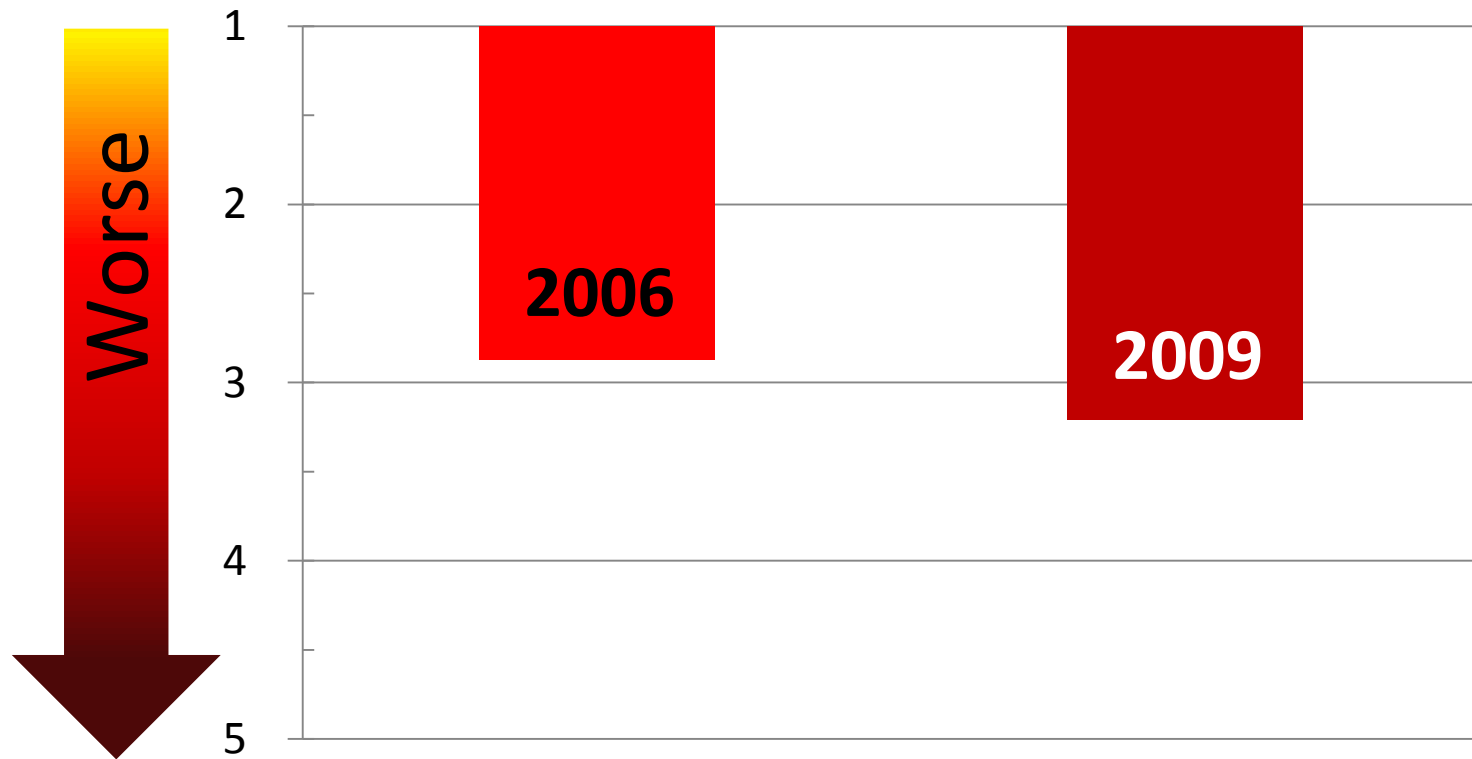
Reported 3 Year Change in Building Condition For Sample Buildings

Meng average building condition score for sample (buildings common to both studies): 1 = New, 5 = Worst

- 69 buildings (54% of District building area; 58% of major maintenance capital spending)
- 2.87 2006 score
- 3.21 2009 score (higher is worse)
- 0.34 Change: 13% decline

Reported 3 Year Change in Building Condition For Sample Buildings

Meng Facility Condition Score



\$ Change in Building Condition For Sample Buildings

Meng backlog of maintenance & repair dollar (BMAR) cost for sample

- \$519.3M 2009
- \$463.4M 2006 (calculated)
- \$ 55.9M increase in cost for buildings in sample or
- \$ 3.83 per square foot per year

Sample Cost Extended to All Buildings

9.04M Square feet of buildings

X

\$ 3.83 per square foot (from sample)

\$ 34.6M Average annual increase in
BMAR after average annual
District's investments of:

\$ 25.8M (capital fund) and

\$ 8.4M (general fund)

Conclusion: \$35M Needed Above Current Spending

To keep the Building Maintenance and Repair Backlog from growing, *Estimated* general and capital fund spending on maintenance and repair should increase approximately \$34.6M per year *above current spending*.

Conclusion:

Would Have Been Worse

For each of the last 3 years, the Backlog of Maintenance and Repair would have averaged

- \$ 34.2M higher (50% worse) without general and capital fund spending
 - \$ 20.4M higher (30% worse) without BTA II

Conclusion: Proposed BTA III Can Help

BTA III contribution towards limiting the increase of the BMAR will vary according to the

- Size of the levy
- \$ directed toward the BMAR

Conclusion:

Proposed BTA III Can Help

The estimated increase in annual BMAR that would be offset by a \$200M and \$300M levy as the proportion of levy funds directed to the BMAR changes:

| | | | | Annual BMAR Increase Off Set# | |
|--|-----|-----|------|----------------------------------|-------------|
| | "B" | "T" | "A"* | \$200M Levy | \$300M Levy |
| | 33% | 33% | 33% | \$17M | \$25M |
| | 50% | 25% | 25% | \$21M | \$31M |
| | 67% | 17% | 17% | \$25M | \$38M |

* 50% of Academic projects assumed to reduce the BMAR

rounded

Conclusion: Proposed BTA III Can Help

The estimated increase in total BMAR that would be offset by a \$200M and \$300M levy as the proportion of levy funds directed to the BMAR changes:

| "B" | "T" | "A"* | Total BMAR Increase Off Set | |
|-----|-----|------|-----------------------------|-------------|
| | | | \$200M Levy | \$300M Levy |
| 33% | 33% | 33% | \$100M | \$150M |
| 50% | 25% | 25% | \$125M | \$188M |
| 67% | 17% | 17% | \$150M | \$225M |

* 50% of Academic projects assumed to reduce the BMAR