

Levies February 2010

Supporting Seattle's Children



Excellence For All

Every student achieving, everyone accountable.

Seattle School Board Operations Committee of the Whole
June 18, 2009

Agenda and Meeting Overview

- Introduction
- BTA & Operations Levies Schedule and Overview
- BTA III
 - Building Component
 - Technology Component
 - Academics/Athletics Component
- BTA III Project Prioritization
- BTA III Finances
- BEX IV Early Planning
- BTA III Next Steps and Timeline

Levies 2010 Overview

- BTA III Levy Planning coordinated with other District Initiatives
 - Provides funds for “Excellence for All” Strategic Plan Projects
 - Student Assignment and Boundary Planning / Demographics
 - Capacity Planning and Management
 - Property Management – Closed Buildings and Building Rentals
 - Funding for Educational Initiatives
 - Continues Investment in Technology

Levies 2010 Overview

- February 2010 Operations Levy (General Fund)
- February 2010 BTA III Capital Levy (Capital Projects)
- Per the current legislation, school levies require 50% plus 1 “YES” vote (Bonds still require 60% super-majority)

Long-Term Levy Plan

- Operations Levy renewal every three years
- Capital Levies and Bonds renewal every 6 years (alternating)
 - BTA Levies (many small renovations and major maintenance projects) and
 - Current BTA II last passed in 2004
 - BEX Levies (new construction, renovations, additions) alternate every three years
 - Current BEX III last passed in 2007

Levy Plan 2001 - 2013

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Oper.	X			X			X			X			X
BTA				X						X			
BEX	X						X						X
Election	X			X			X			X			X

Current Buildings, Technology and Academics II Levy Update

- Six-year, \$178 million, approved in 2004
- Funds more than 600 projects at virtually every school in the District
- Budget: BTA II will finish at or under budget
- Schedule: Projects are on or ahead of schedule

Planning for BTA III Levy Feb. 2010

Utilizing the 2020 Facilities Master Plan Criteria and Guidelines updated and expanded the Facilities Condition Inventory (MENG-Analysis report):

- Building Condition analysis of all open and closed buildings
- Educational Adequacy Evaluation of those buildings
- Seismic Evaluation

School Evaluation Results

Completed by MENG Analysis April 2009

Initial Priority Project Costs: \$431,794,000

Initial Seismic Costs (separate cost): \$119,427,095

BMAR (Backlogs of Maintenance and Repairs)

Project Costs (Including Closed Schools) \$ 535,210,000

Included in the BMAR Project Costs are:

Building Envelope Deficiencies	\$ 71,845,000
Heating and Ventilation Deficiencies	\$ 183,848,000
Health and Safety Deficiencies	\$ 37,595,000

(IAQ, Security Systems, Misc.)

Buildings - Potential Projects (preliminary estimates)

\$267,556,328 Total

• Roofs	\$ 23,631,039
• Exterior Renovations	\$ 30,839,400
• Interior Finishes	\$ 17,381,520
• ADA/Life Safety/Security	\$ 6,132,240
• Mechanical Systems	\$ 69,576,688
• Electrical Systems	\$ 16,606,080
• Site/Playgrounds	\$ 12,411,360
• Seismic Upgrades	\$ 25,920,000 (URM)
• Waterlines	\$ 7,674,560
• Green Building Updates	\$ TBD

CEP Requests - \$39,000,000

(Preliminary Estimate)

- Major Preventative Maintenance & Painting (ESHB 1619)
\$24,000,000
- Emergency/Unplanned Major Maintenance & Construction Projects
- \$12,000,000
- Child Nutritional Services Capital Equipment
- \$2,000,000
- Maintenance, Grounds, & Custodial Capital Equipment
- \$1,000,000

Technology Requests- \$ 80,759,000

(preliminary estimates)

•Data Management **\$ 6,500,000**

Academic Data Warehouse,
SAN Upgrades (Additional Data Storage Needs)

•School Services **\$ 11,675,000**

Student Information Enhancement, Classroom Applications
Library Technology Support

•District Enterprise **\$ 4,660,000**

SharePoint collaboration Enhancement
Public Communications, Web Technology Upgrades

•Classroom Services **\$ 15,900,000**

Ceiling - mounted projectors, elementary schools
Classroom printers, Student computer replacement

Technology Requests (Continued)

(preliminary estimates)

- **IT Infrastructure** **\$ 28,765,000**
 - Increase network capacity in schools
 - IT disaster recovery
 - Increase bandwidth in schools
 - Remote Access Service Expansion

- **Business Operations** **\$ 6,470,000**
 - Upgrade Point-of-Sales, Nutritional Services
 - Project Management Support
 - SAP Enhancements

- **Records Management Plan** **\$ 3,800,000**

Academics Component

- **Support Academic Achievement, School Improvement Plans**
- **Capacity Management**
- **Academic Facilities Upgrades**
- **Special Education Services Improvements**
- **Science, Art and Music Facilities**
- **Early Learning Facilities**
- **Athletic Improvements**

Academics/Athletics Needs- \$ 85,781,900 Total

(preliminary estimate)

• Early Learning Classrooms	\$ 2,996,000
• CORE 24 Computer/ Science rooms	\$ 7,786,450
• Computer Labs (MAP)	\$ 1,070,000
• Test Licenses (MAP)	\$ 3,000,000
• Athletic Field Replacement	\$ 17,120,000
• Program Placement	\$ 2,140,000
• Elementary School Lunch Rooms	\$ 15,000,000
• Convert TVs from analog to digital	\$ 4,280,000
• Skills Center	\$ 5,350,000
• STEM School	\$ 1,605,000
• Educational Technology Tools	\$ 3,370,500
• Capacity Management	\$ 32,100,000
• Program Placement	\$ 4,815,000

Other Items

(preliminary estimates)

BEX / BTA Planning	\$ 2,160,000
LEVY Monies Never Collected (BTA III)	\$ 2,429,600
BEX IV Election Costs	\$ 700,000
TOTAL	\$ 5,289,600

Estimated BTA III Total Need

Preliminary Total \$494,199,468

Levy Planning Information

Board Discussion

BTA III Project Prioritization

- Needs – Based Approach
- Multi-departmental team scoring
- FMP Guidelines (Chapter 11
<http://www.seattleschools.org/area/facilities/FMP/FMP2.xml>)
- Using to-be-adopted “Board Guidance and Principles”
- Supports Strategic Plan Goals
- Identification of Discretionary versus Non-Discretionary
- Illustrates buying power at different levy dollar amounts

BTA III Project Prioritization

Step 2: Determine Non-Discretionary Programs/Projects:

Vital for Seattle Public Schools operations:

- Essential School District Commitments
- Life Safety & Health
- Regulatory Mandates
- Critical Elements Required to Implement Strategic Plan

BTA III Project Prioritization

Step 3: Prioritize Projects

Evaluate based on Seattle Public Schools' Strategic Plan and School Board Overarching guidelines for B, T & A:

- Strengthen leaders
- Improve our systems
- Build an infrastructure
- Excellence in classroom
- Return on Investment

Prioritize to set ranges: \$210M, \$240M, \$270M & \$300M

For Buildings, prioritize classifications of projects

Levy Planning Information

Board Discussion

BTA Finances

Renewal: Adjusting for Inflation

Two options:

- Consumer Price Index (CPI)

or

- Levy (tax) Rate

BTA Finances

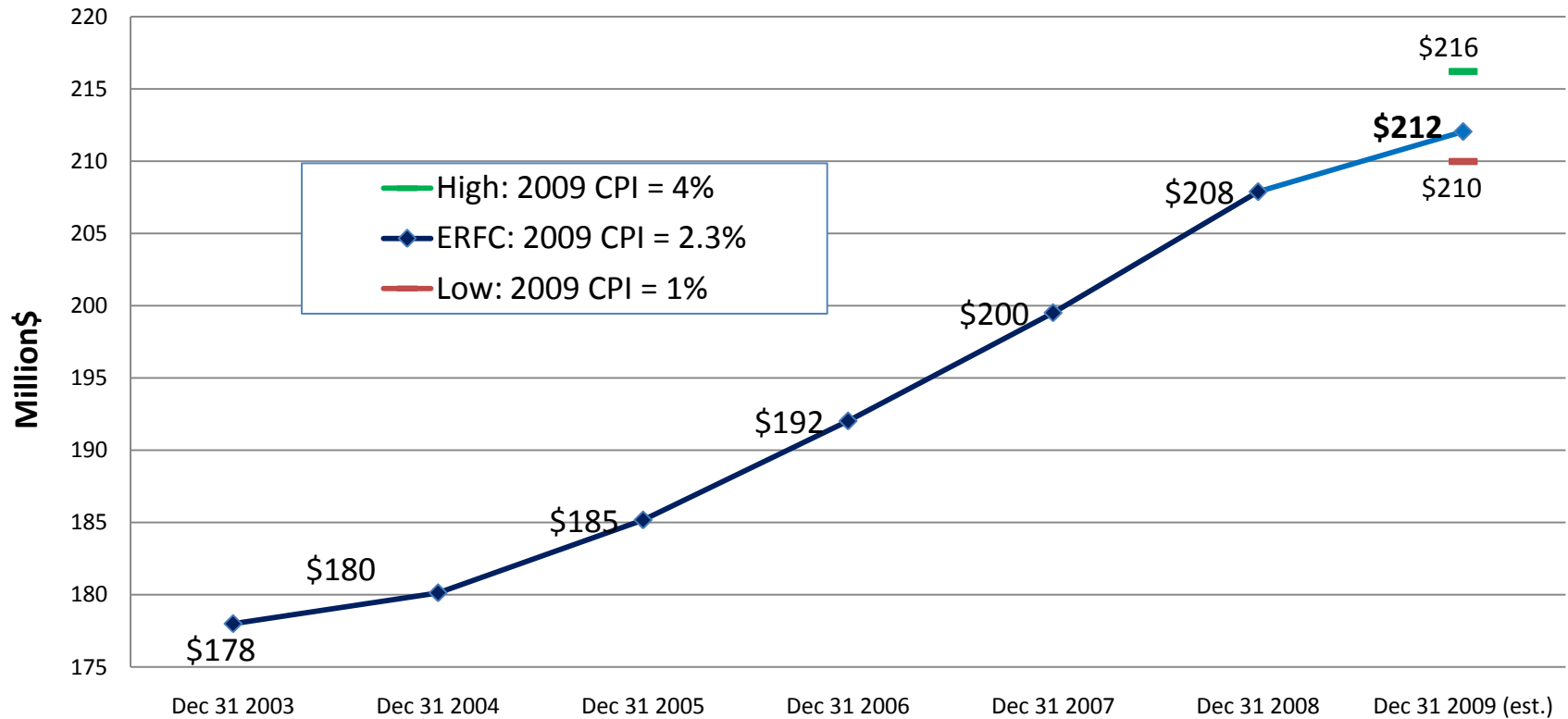
Estimating BTA III Amounts

Future assessed property values are required to:

- Estimate the **levy rate** property owners will pay if BTA II is renewed by using CPI
- Estimate the **levy amount** property owners will pay if BTA II is renewed by keeping the levy rate the same

BTA Finances - CPI

BTA II Adjusted for Consumer Price Index (CPI)



Source: Economic and Revenue Forecast Council (ERFC) June 2009 Preliminary Economic Forecast <http://www.ercf.wa.gov/pubs/f0509.pdf>

BTA Finances

Using BTA II Levy Rate

*Extending BTA II Levy Rates To Estimated Assessed Values**

	Scenario 1 Economy.com	Scenario 2 Conway Pedersen Economics (CPE)	Scenario 3 CPE Slow Growth	Scenario 4 Stagnant Market**
Estimated Average BTA II Levy Rates per \$1,000	\$0.2762	\$0.2749	\$0.2773	\$0.2740
Estimated Levy Amounts	\$243,970,370	\$249,504,420	\$238,186,207	\$238,504,412

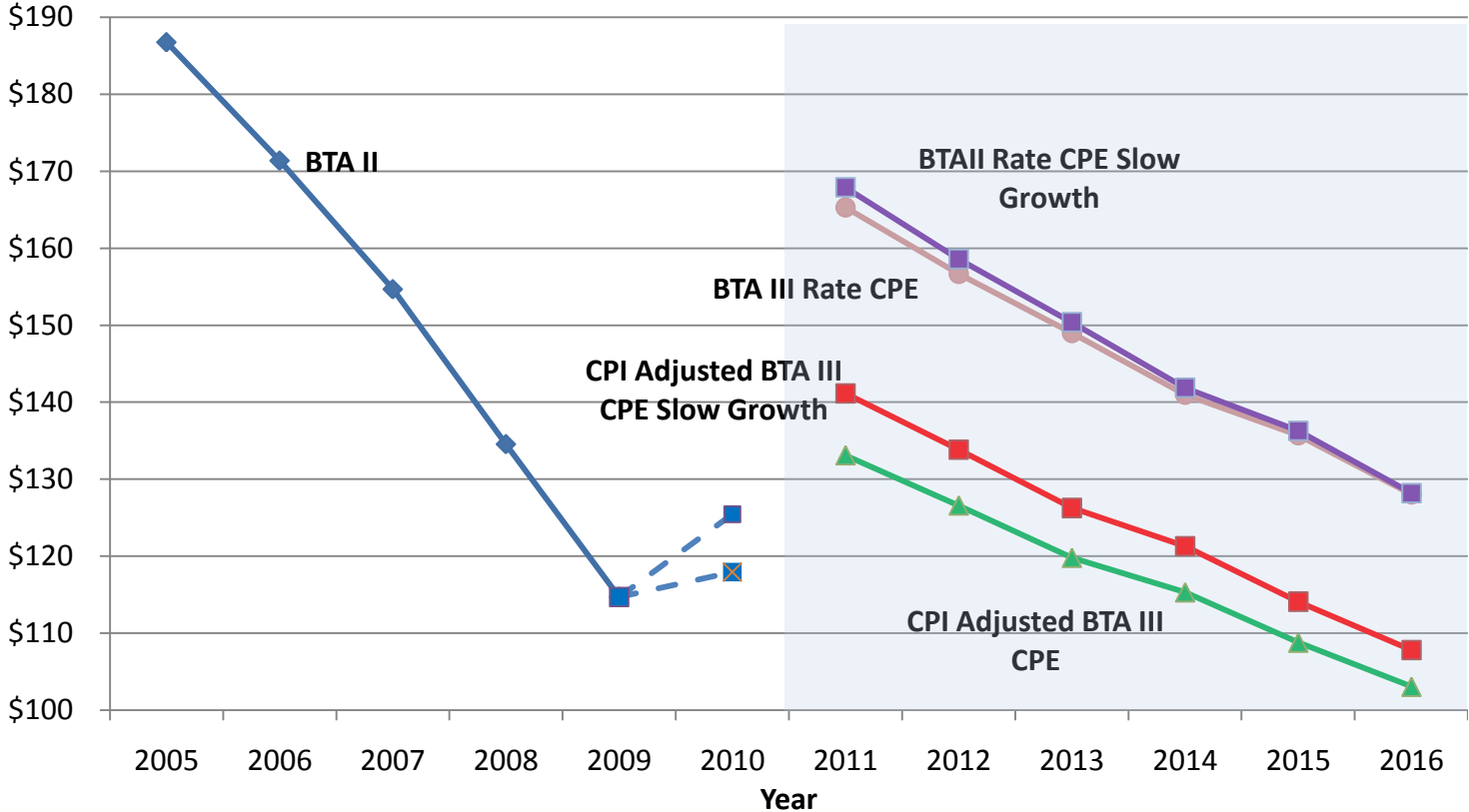
* This model adjusts for inflation of housing values instead of using CPI (which does not measure changes in home prices)

** Assumes worst 6 year period since 1991

sources: King County Assessor, County Attributes

Comparison: CPI & Levy Rate

Estimated BTA Tax Payments at 2009 Average Assessed Value (\$530,800)



Every student achieving, everyone accountable.

BTA Finances - Next Steps

- Select renewal adjustment option
- Update economic information in August
- Analyze updated information
- Estimate voter support
- Present analysis to Board

BTA Finances – Reducing BMAR

- Reducing Backlog of Maintenance and 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

BTA Finances – Reducing BMAR – (continued)

- Report Methodology
 - Compare Change in Building Condition between 2006 Meng Survey and 2009 Meng Survey
 - Apply sample to “population” of all District Buildings
 - Adjust for capital improvements made to buildings
 - Estimate annual additional maintenance required

BTA Finances – Changes to Date

- Council of Great City Schools
 - Review of Maintenance, Operations and Capital Program – implemented changes
- New Leadership Team
 - Maintenance, Operations and Capital
- New Legislation enabling use of local levy dollars for some preventative maintenance
 - Passed by State Legislature in 2009
- Implementation of Performance Management Measures
 - Scorecards, Dashboards and Accountability Standards
- Developing new standards for BTA III and future BEX IV Capital Programs
 - Standardization wherever possible to reduce operating expenses

Levy Planning Information

Board Discussion

BEX IV – Early Planning

- Using same financial assumptions, BEX IV in 2013 would be in the \$550 - \$600 range
- Best information (2009) continue to use historic average of 4% for construction inflation in BTA III and BEX IV
- Identify likely candidates for BEX IV to minimize BTA III investment (potential cap)

BEX IV – Early Planning

- Integrate BEX IV planning with other district initiatives
 - New Student Assignment Plan
 - Boundaries
 - Capacity Planning and Management
 - June 17, 2009 Building Evaluation Motion
 - Policy and Metric development
 - Property Management
 - Closed Building Management
 - Building rentals and leases

BEX IV – Early Planning

- 2013 – 2020 “Buying Power”
 - Elementary –Historic Renovation: \$66 Million
 - Landmarked, at 3 classes per grade, 395 student-capacity
 - Elementary – New Building at Current Standards: \$57 Million
 - Current Model (Brighton – 3 classes per grade, PCP, 395 student capacity)
 - Elementary – Larger New Building on Current Standards Modified: \$64 Million
 - Larger Model 4 classes per grade plus PCP, 500 student capacity

BEX IV – Early Planning

2013 – 2020 “Buying Power - continued

– Middle School / K-8 – Historic Renovation:
\$137 Million

- 1000 seat capacity

– Using Madison / Hamilton House Model

– Middle School / K-8 – New Construction: \$117
Million

- 1000 seat capacity

– Using South Shore Model

BEX IV – Early Planning

Potential BEX IV	\$550 – 600 M
– 4 Elementaries @ \$66M	\$264 M
– 2 Middle School / K-8	\$254 M
• 1 historic + 1 New	
– Technology	\$60 M
– Infrastructure	<u>\$40 M</u>
• (IAQ, Fields, H2O, Prev. M&O, Planning)	
–Total	\$618 M

Levy Planning Information

Board Discussion

NEXT STEPS IN BTA III

Levy Planning

- Senior leadership and staff to prioritize projects
- Develop Green Project list and cost estimate
- Refine cost estimates
- Public input and communication
- Respond to winter 2008-09 school surveys
- Reconcile project list with dollar amount

Levies 2010 Planning Timeline

- ✓ **School/Community Input** Oct 2008 - Fall 2009
- ✓ **Facilities Analysis by MENG** Nov 2008 - April 2009
- ✓ **Develop Potential Project Needs** Nov 2008 - May 2009
- ✓ **Community Informational Meetings** May 2009 - Fall 2009
- ✓ **School Board Work Sessions** May 13 and ongoing
- **School Board Adopt Guidance and Principles** July 1, 2009 (New)
- **Levy Resolutions- Board Introduction** Sept. 16, 2009
- **Public Hearing for BTA III Capital Levy** Between Sept 17-Oct 6
- **Levy Resolutions- Board Action** October 7, 2009
- **School / Community Information Sharing** Oct 2008- Jan 2010
- **Levy Election** February 2010

Levy Planning Information

Board Discussion