



## Advisory Committee on Public School Academic Facilities

One Capitol Mall, Suite 4D-200, Little Rock, AR 72201

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*Chairman*

**Dr. Charles Stein**  
*Vice Chairman*

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Jim Yeager

Craig Boone  
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July 31, 2018

Commissioner Johnny Key, Chairman  
Commission for Public School Academic  
Facilities and Transportation  
Four Capitol Mall, Suite 304A  
Little Rock, AR 72201

Dear Commissioner Key:

In accordance with Section 6 of Act 801 of 2017, the Advisory Committee on Public School Academic Facilities ("Advisory Committee") is pleased to submit its report and recommendations. The Advisory Committee was guided by the State's commitment to providing adequate and equitable public school facilities, as clarified in the Lake View court case and evidenced by the strong State and local partnership that works to deliver modern and educationally appropriate public school facilities for all school children across Arkansas.

Throughout the process, the Advisory Committee reviewed ideas and opportunities for reforms that could bring greater value to State investment, balance local demand for State financial participation, and still meet the statutory obligations to partner in the planning, financing, and construction of high quality educational facilities to meet the needs of Arkansas students. The Advisory Committee held 12 public meetings in Little Rock beginning July 27, 2017, and concluding July 17, 2018. These meetings included participation from a diverse set of stakeholders which included members of the executive and legislative branches of State government, school leaders, education advocacy groups, and civic leaders. The agendas and summary minutes are available at <http://arkansasfacilities.arkansas.gov/reports/advisory-committee-dpsaft>.

While considerable progress has been made to ensure that all children who attend Arkansas public schools have adequate school facilities, the Advisory Committee recognizes that it is an ongoing and ever evolving process, and that modernization of the State's public school infrastructure must involve renewed commitment to stakeholder engagement, consistent State and local long-range planning, and funding. This report includes the Advisory Committee's initial findings and recommendations to achieve those goals.

Sincerely,

Jimmy Alessi  
Chairman

Dr. Charles Stein  
Vice Chairman

Brad Montgomery  
Secretary

JA/cb

Enclosure

cc: Larry Walther, Commissioner  
Aaron Burkes, Commissioner

# ARKANSAS

## Committed To Adequate & Equitable K-12 Academic Facilities

### PROGRESS, ONGOING NEEDS, & RECOMMENDATIONS

*from the Advisory Committee on Public School Academic Facilities*



Arkansas Division of Public School Academic Facilities and Transportation

JULY 2018



# ARKANSAS

## Committed To Adequate & Equitable K-12 Academic Facilities

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### **PROGRESS, ONGOING NEEDS, & RECOMMENDATIONS**

*from the Advisory Committee on Public School Academic Facilities*

Arkansas Division of Public School Academic  
Facilities and Transportation

**JULY 2018**



# MEMBERSHIP

## *Advisory Committee on Public School Academic Facilities*

NAME	BACKGROUND	CITY	NOMINATING ORGANIZATION
Jimmy Alessi, <i>Chairman</i>	General Contractor	North Little Rock	Arkansas Chapter of the Associated General Contractors
Charles Stein, <i>Vice Chairman</i>	Facilities Consultant	North Little Rock	Arkansas Association of Educational Administrators
Brad Montgomery, <i>Secretary</i>	Division Director	Little Rock	Commission for Public School Academic Facilities and Transportation
Scott Archer	Engineer	Fort Smith	Arkansas Society of Professional Engineers
Cody Beene	Superintendent	Center Ridge	Arkansas Rural Education
Jon Collins	Superintendent	West Memphis	Arkansas Public School Resource Center
John Hoy	Superintendent	Helena	Arkansas Rural Education
Malinda Martin-Johnson	Retired Teacher	Little Rock	Arkansas Education Association
Brent Massey	Engineer	Bentonville	Arkansas Society of Professional Engineers
Rusty Mullen	Engineer	Little Rock	Arkansas Society of Professional Engineers
Lakenya Riley	School Board Member	Huttig	Arkansas School Boards Association
Nathan Smith	Arkansas Development Finance Authority	Little Rock	Commission for Public School Academic Facilities and Transportation
Jeff Steiling	Architect	Jonesboro	Arkansas Chapter of the American Institute of Architects
Jim Tucker	Superintendent	El Dorado	Arkansas Association of Educational Administrators
Jim Yeager	Institutional Technology	Ola	Commission for Public School Academic Facilities and Transportation
Craig Boone	Architect	Fort Smith	Ex-Officio
Scott Copas	Construction	Little Rock	Ex-Officio
Doug Harris	Superintendent	Bigelow	Ex-Officio

Joe Claude Wishard, Bryant School Board Member, served on the Advisory Committee until his passing on January 14, 2018. Joe was deeply passionate about our children, and the impact of high quality education facilities on building successful education systems across our state.

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*The Advisory Committee on Academic Public School Facilities expresses its appreciation to Mary Filardo, Executive Director of the 21st Century School Fund and her Team; Alex Donahue, National Council on School Facilities; Dr. Jeff Vincent, Deputy Director at the Center for Cities + Schools, at U.C. Berkeley; and Emily Yahn at Tangible Designs; for their support in preparing Arkansas Committed to Adequate & Equitable K-12 Academic Facilities: Progress, Ongoing Needs, & Recommendations.*





# Purpose of this Report

On April 3, 2017, Act 801 was approved by the Arkansas General Assembly and Governor Asa Hutchinson requiring the Division of Public School Academic Facilities and Transportation use an advisory committee to do a comprehensive review of academic facilities programs “to ensure that the most efficient and effective programs are in place.” The Act clarified the necessary composition and selection of the Advisory Committee on Academic Public School Facilities (Advisory Committee) and identified eight specific issues for review:

1. Long term viability of the program
2. Efficacy of the academic facilities wealth index
3. Project ranking and prioritization process of partnership program
4. Program funding cycles
5. Enrollment projections
6. Cost factors
7. Rules governing academic facilities programs
8. Degree of public school district compliance with Computerized Maintenance Management System (CMMS)

Following 12 months of work, this report contains the Advisory Committee’s recommendations on each of the eight issues and a suggested roadmap for the state’s role in school facility funding going forward. The report also provides basic information about Arkansas public school facilities and describes the progress made to deliver adequate and equitable public school facilities since 2004, when the Arkansas Public School Academic Facilities Program was established. Additionally, the report provides an estimate for what is needed to ensure adequate and equitable public school facilities in Arkansas over the next five years.

Communities, education, and buildings all change. Adapting to and guiding change requires significant attention from diverse stakeholders. This Advisory Committee looks forward to public discussion on the reporting and recommendations contained in this report to be sure Arkansas is prepared to guide districts toward a future of even greater adequacy and equity in our public schools.

# Arkansas's Constitutional Responsibility for Public School Facilities

The Arkansas Constitution provides for the free and universal provision of public education. The State of Arkansas's role in school facility funding is based in its 1874 Constitution, which puts on the State an "absolute duty" to provide an adequate education to each school child. It was further clarified by the Arkansas courts in key decisions in 2001 and 2002. In 2001's *Lake View School District No. 5 v. Huckabee*, the Pulaski County Chancery Court found the Arkansas school funding system to be constitutionally inequitable and inadequate and that "school buildings properly equipped and suitable for education are critical for education and must be provided."<sup>1</sup> In 2002, the Arkansas Supreme Court upheld the lower court's findings and mandated that the State correct the deficiencies.

In response, the General Assembly passed Act 1426 of 2005, which asserted that the state would:

- "Provide constitutionally appropriate public school academic facilities" for each student regardless of where the student lives;
- "Require all public school academic facilities to meet applicable facilities standards"; and
- "Provide that all public school students are educated in facilities that are suitable for teaching."

School facilities, as an integral part of delivering public education, are a part of this general, suitable, and efficient system. School districts, as the agent of the state, are responsible for providing school facilities that are reliably healthy, safe, educationally suitable, efficient to operate and maintain, and located and sized appropriately.

**"State shall ever maintain a general, suitable and efficient system of free public schools and shall adopt all suitable means to secure to the people the advantages and opportunities of education."**

ARKANSAS CONSTITUTION ARTICLE 14 § 1



# The Importance of K-12 Facilities to Children and Communities

In 2017-18, the Arkansas Department of Education reports that there are 235 public school districts with 1,053 public schools across the state. The gross square footage (GSF) area of the academic facilities is 86.5 million GSF.<sup>2</sup> These facilities support the delivery of instruction and educational programs to 466,863 kindergarten through 12th grade public school district students and they are the work place for 72,090 teachers, administrators, and other support staff. Each school day, nearly 18% of the state's population are in Arkansas public school facilities.

The findings and decisions of the Court and actions of the State Legislature over the last 15 years are supported by research findings on the importance of the condition and quality of school facilities to the delivery of education and academic achievement. Studies find significant correlations between poor structural conditions and aesthetic attributes of school buildings and low student learning and achievement.<sup>3</sup> Poor school facility conditions have been found to be a barrier to the basic delivery of education and to school reform implementation.<sup>4</sup> Schools without major facility maintenance backlogs have higher average daily attendance and lower dropout rates.<sup>5</sup> Researchers find that cumulative heat exposure inhibits cognitive skill development and that school air conditioning can mitigate this effect.<sup>6</sup> Teachers report that facility conditions affect teacher turnover.<sup>7</sup> Today's school facilities need the physical elements essential to modern education, such as up-to-date science labs, technology, and special education spaces. School facilities that have not been modernized often lack these important educational spaces.

Properly planned, designed, and maintained school facilities promote the health and well-being of children and adults in schools. School buildings

impact student health, thinking, and performance, according to research synthesis by the Harvard School of Public Health.<sup>8</sup> Exposures to mold, poor ventilation, uncomfortable temperatures, inadequate lighting, overcrowding, and excessive noise can harm students' health and contribute to absenteeism.<sup>9</sup> The EPA estimates that 46% of schools in the U.S. have environmental conditions that lead to poor indoor air quality.<sup>10</sup> Children, with their developing bodies, have sensitivities and vulnerabilities to such conditions – much more so than adults. Children are especially vulnerable to the harm of the many “legacy toxics” (such as lead, asbestos, PCBs, and others) found in schools built before the 1970s.

Not only do students and staff benefit, but there are wider community benefits to modern, high-quality K-12 infrastructure. Schools that make their indoor and outdoor facilities available to communities after school hours for physical activity and other health-promoting community activities support community well-being.<sup>11</sup> Facility modernizing programs increase local property values, boost school enrollments, and help rebuild confidence in struggling school districts. A major school renovation program in New Haven, Connecticut, a small urban public school district, resulted in increased test scores, raised housing values, and increased enrollment.<sup>12</sup> The work associated with a well-managed K-12 infrastructure involves thousands of contracts and millions of jobs, which boosts local economies. Using the Bureau of Labor Statistics, the Economic Policy Institute estimates that for every billion dollars invested in school facility capital construction, there are an estimated 6,664 direct construction jobs, and another 11,121 indirect or induced jobs created.<sup>13</sup>

# Arkansas's Progress in Public School Academic Facilities Since 2004

There has been measurable progress in the adequacy and equity of Arkansas public school facilities since 2004 when the State's Public School Academic Facilities Program began. In this section, basic comparisons of school facility adequacy and equity are made by looking at changes in building conditions, design, and equity indicators.

Arkansas has seen its overall population and public school enrollment rise since 2004, but there has been a decline in the number of school districts and schools due to consolidations, as shown in Table 1. There has been an increase in the amount of academic space. Within the 86.5 million GSF

of space is 22 million GSF of new academic space since 2004. The new space is the result of additions and conversions to meet educational suitability requirements; replacement schools; new school construction where enrollments have increased; and in some cases, new schools as a result of school closings and consolidations. In addition to academic facilities, as defined in statute, school districts also are responsible for non-academic facilities. In 2018, school districts also had an additional 17.5 million GSF of early childhood, athletic, administrative, and operational facilities that they operate, maintain, and improve.

**TABLE 1: COMPARISON OF PUBLIC SCHOOL ACADEMIC FACILITIES AND POPULATION SERVED, 2004 AND 2018**

Arkansas Public Schools	2004	2018
Building area of academic facilities	80 million GSF	86.5 million GSF
Arkansas population	2,750,000	3,004,279
K-12 enrollment in public schools	455,515	466,863
# of school districts	306	235
# of schools	1,177	1,053

*Data Source: DAPSFT Web Tool, ADE Data Center, U.S. Census. NOTE: Excludes 83 charter schools for 2017-18, enrolling 14,123 students.*



KEY SYSTEMS MEASURED IN THE FCI	
SYSTEM	SUB-SYSTEM
Structural	Foundations
Exterior	Walls, doors
Roofing	Roofing systems, openings, etc.
Interior	Partitions, doors, stairways, wall, ceiling, and floor finishes
Plumbing	Fixtures, domestic water and gas distributions, sanitary and vent piping
Electrical	Service & distribution, lighting, emergency generators
HVAC	Primary heating & cooling, air handling, terminal & packaged units, building controls
Fire & Safety	Sprinkler systems & standpipes, fire alarms, security system
Technology	Telephones, computer infrastructure, public address & intercom
Specialties	Elevators & lifts, cabinetry, lab equipment, lockers, writing surfaces, stage & fixed equipment

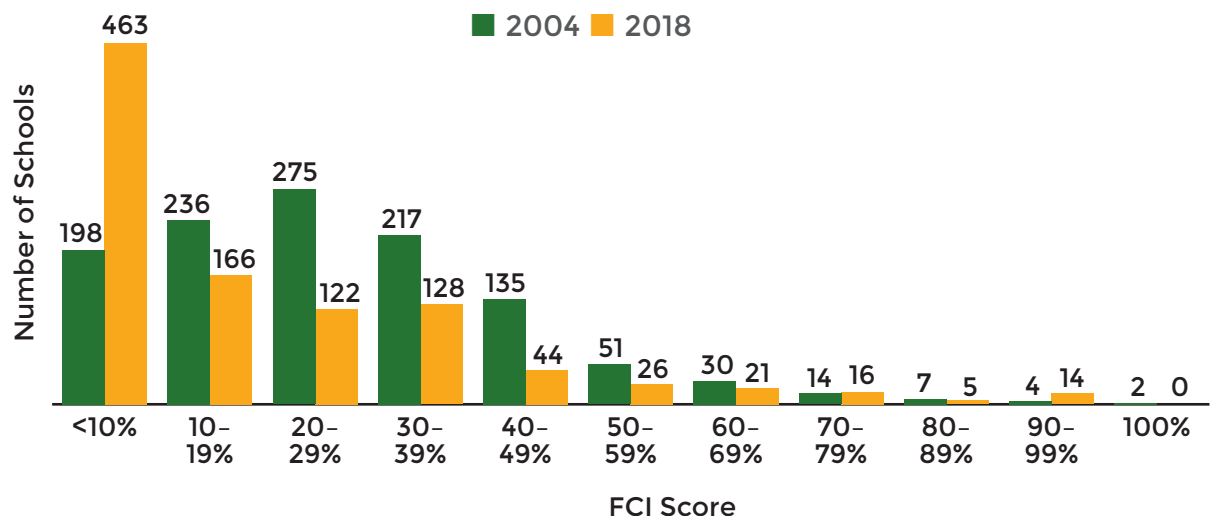
## Building Condition Improvements

One important aspect of facilities adequacy is the physical condition of school building systems, components and finishes—everything from their roofs to the door hardware. Building condition is captured with the facility condition index (FCI), which measures the cost to repair a facility compared to the cost to completely replace the facility. A lower FCI indicates a building in better condition; a higher FCI indicates a building in poor condition.

In 2004 a statewide detailed building assessment was done of all academic and non-academic facilities. This facilities assessment, conducted in 2004, as adjusted in the 2005 addendum, is the basis for the 2004 comparisons. The 2018 measures are from the Division of Public School Academic Facilities and Transportation (DPSAFT) — the Division which tracks the condition and age of at least 10 major building categories through a Master Plan Web Tool. The condition and life expectancy of each major system are reported by the district and combined to create a high-level schedule and estimate for major systems upgrades and renewals.

Figure 1 shows the average FCI of schools in 2004 and 2018. In 2004, 434 (37%) schools had their deficiencies at 20% or less of their replacement value, but in 2018 629 (62%) schools had deficiencies at 20% or less of their replacement value. In other words, the percent of schools with poor quality facilities in Arkansas decreased.

**FIGURE 1: COMPARISON OF FACILITY CONDITION INDEX (FCI) BY SCHOOL 2004 AND 2018**



Data Source: DPSAFT Master Plan Web Tool and Final State Report on Assessment 2004.



The 2004 statewide school building assessment estimated a five-year need for \$3.06 billion to address immediate needs lifecycle upkeep of building systems. The replacement value of the 80 million gross square feet (GSF) of academic facilities in 2004 was \$94.31 to \$108.93 per GSF. Using \$100 per GSF to estimate replacement value, means that the replacement value of Arkansas facilities in 2004 was \$8 billion. With a deficiency estimate of \$3.06 billion, the statewide average facility condition index in 2004 was 38%. Using the FCI of the major building systems tracked in the Master Plan Web Tool, the statewide average FCI in 2018 is 19%, and the 10 year deficiency estimate of academic buildings is \$2.65 billion.

The statewide average FCI is estimated to be 50% lower in 2018 compared to 2004.

This level of improvement on overall school facility conditions statewide is consistent with the Bureau of Legislative Research’s (BLR) 2017 survey findings that 76% of principals rate their schools in excellent or good physical condition.<sup>14</sup>

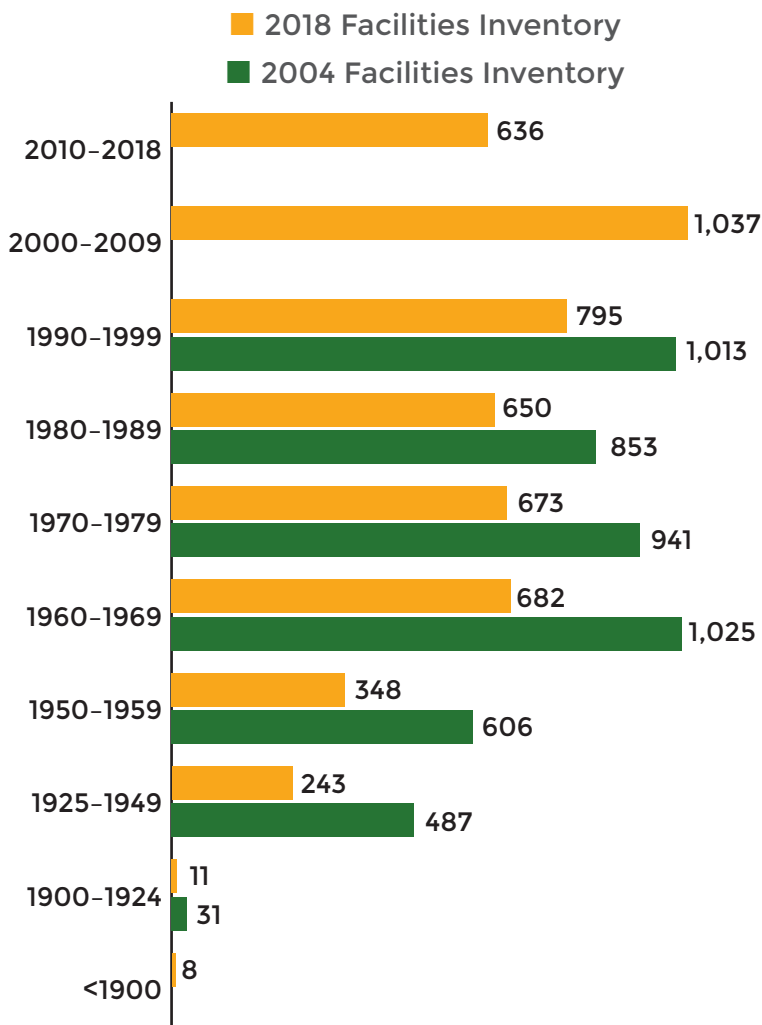
Another indicator of condition adequacy is the age of the buildings. Figure 2 compares the age of buildings in 2004 and in 2018. More than 1,600 academic facilities have been built since 2000 and more than 1,500 of the facilities built since 1925 have been retired. Many campuses are a mix of buildings of different ages.

### Average Facility Condition Index (FCI)

<b>.38</b>	<b>.19</b>
<b>2004</b>	<b>2018</b>
<b>Deficiency Estimate</b>	
<b>\$3.06</b>	<b>\$2.65</b>
<b>billion</b>	<b>billion</b>
<b>2004</b>	<b>2018</b>
<b>(2004\$)</b>	<b>(2018\$)</b>



**FIGURE 2: COMPARISON OF ORIGINAL YEAR BUILT FOR ACADEMIC FACILITIES 2004 AND 2018**



Data Source: DPSAFT Master Plan Web Tool and Final State Report on Assessment 2004

### Building Design Improvements

Adequacy is not just a function of building condition and age. It is also about the amount of space and the characteristics of the spaces to support education activities. A school can be in good condition, but not have science labs, or the instructional or administrative spaces needed for special education programs or services. In Arkansas the quality of building design is assessed for its suitability and its adequacy. As described in an internal Division of Public School Academic Facilities and Transportation memo,

*“Suitability is the size a school must be for a given number of students to ensure that there is ample space to conduct all the academic programs and*

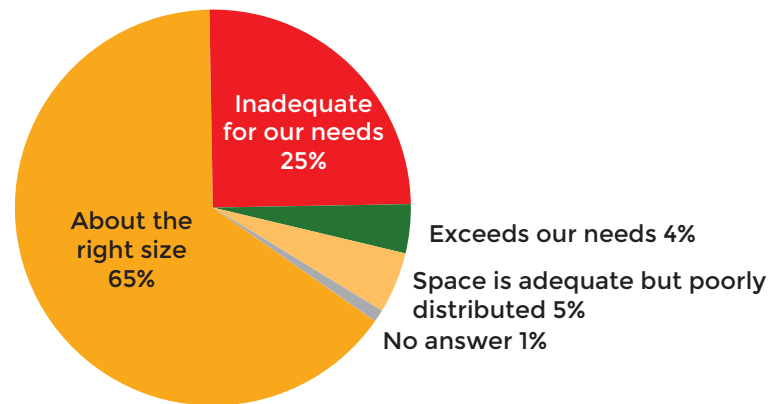
*to provide space proportionally for non-academic areas. However, building design adequacy is the required space to conduct a function in the school and is tied to the number of students through a matrix of allowable class sizes and accepted criteria for the design of both academic and non-academic space.”*

The standards for design suitability and adequacy are based on the Program of Requirements of the Arkansas Public School Academic Facility Manual, required by Arkansas Code ACA § 6-21-809. The manual outlines criteria for amount and type of spaces, preventing new schools from being built too small. Partnership Program rules establish the maximum gross square feet of space qualified for state funding.



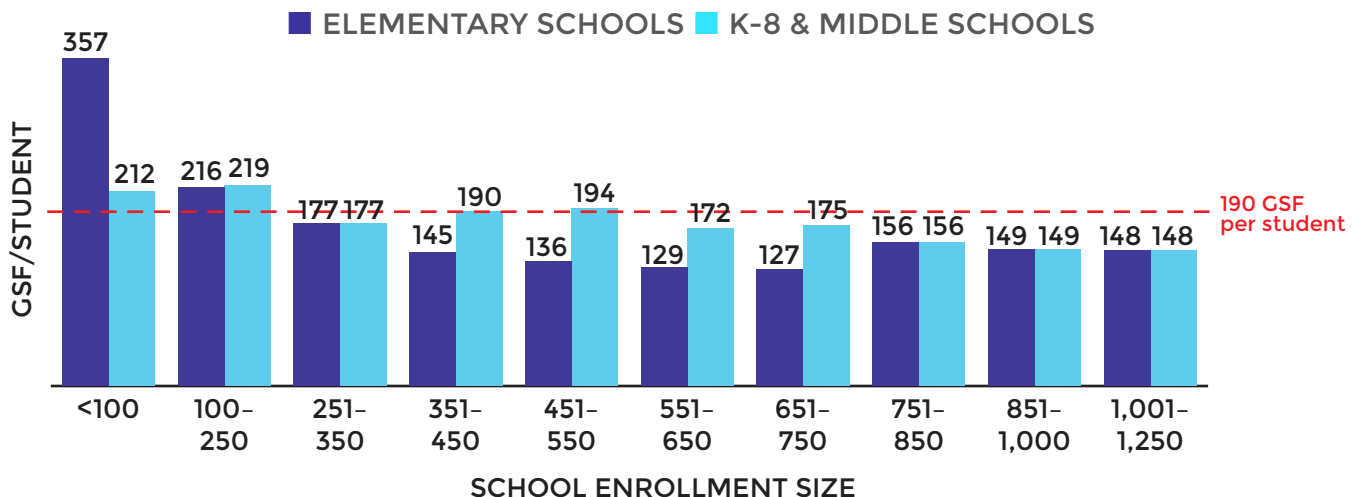
Findings from the BLR's 2017 survey of principals also indicates that the State has made progress improving the educational suitability of school facilities statewide. Figure 3 shows that nearly two-thirds (65%) of principals reported their schools were about the right size and 4% reported that their space exceeded their needs. However, 30% report that their space is inadequate or poorly distributed. Figure 4 shows how close elementary, K-8 and middle schools are to 190 GSF per student as the nominal standard. The actual program of requirements standard varies for schools of different grade levels and enrollment sizes.

**FIGURE 3: PRINCIPAL SURVEY RESULTS ON SPACE ADEQUACY & SUITABILITY**



Data Source: Bureau of Legislative Research, Academic Facilities Funding, Expenditures and Distress, November 29, 2017.

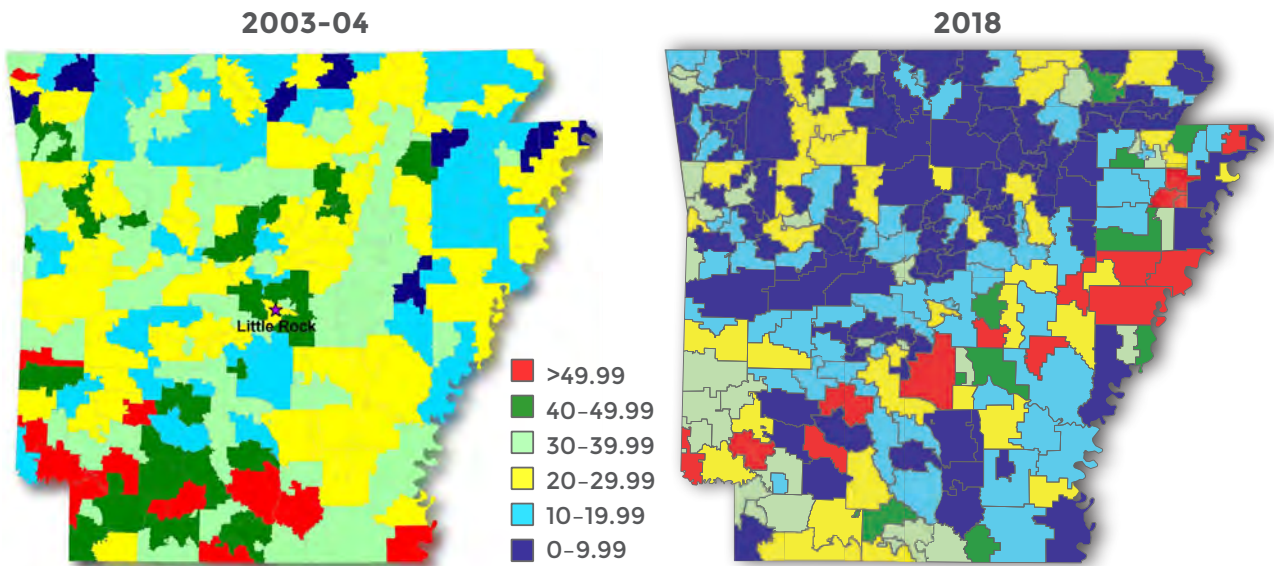
**FIGURE 4: 2017-18 GROSS SQ FT PER ES, MS, AND K-8 STUDENT BY ENROLLMENT OF SCHOOL COMPARED TO NOMINAL GSF/STUDENT**



Data Source: DPSAFT Master Plan Web Tool.



**FIGURE 5: FACILITY CONDITION INDEX BY DISTRICT, 2003-04 AND 2018**



*Data Source: Arkansas Statewide Educational Facilities Assessment - 2004: Final Report to the Joint Committee on Educational Facilities, November 30, 2004 & District reported assessments, DPSAFT Master Plan Web Tool.*

### Facilities Equity

The fact that the statewide average FCI is improving and that there are also indicators that school building design suitability and adequacy are improving are important accomplishments of local school districts and the state. The distribution of these improvements is also important. All students are meant to benefit from attending adequate school facilities, no matter where they live.

Figure 5 compares district-level FCI scores statewide from the years 2003-04 and 2018. In 2018, there are far more districts with buildings in excellent condition (FCI <10%) as shown by the dark blue color. Yet, there are still districts with average FCI of 30% or greater in the state (yellow, light green, and dark green) and some districts with schools in very poor condition (red).



# How Was Progress Made?

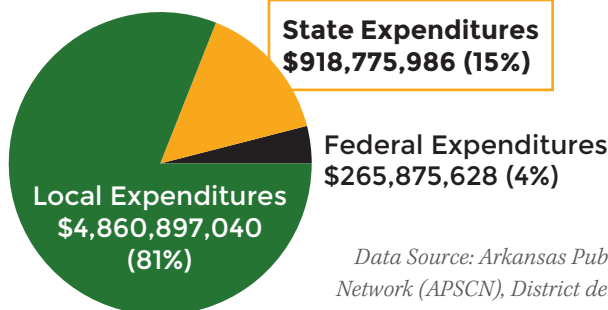
Effectively managing the academic, administrative, operational, and athletic facilities of district public schools, requires relevant data and information, regular planning, sound decision making, professional management, adequate funding, and internal quality controls and external oversight. There was considerable effort by the State and school districts in each of these areas resulting in improvements in Arkansas public school facilities.

## Investments in Public School Facilities

The investments made in school facilities were a primary factor enabling improvement in school facility adequacy and equity since 2004. There was a comprehensive legislative initiative to align State

law to its constitutional responsibilities. In the body of legislative accomplishments, the legislature established new state funding programs identified in Table 2. These programs created incentives for increased local effort. From 2004 through 2017, the total actual spending (a subset of authorized expenditures) on Arkansas's public school facilities from all sources for capital related costs, including for land and land improvements, construction and major capital maintenance, and the school districts' in-house professionals and contracts was \$6 billion, in non-adjusted dollars. As shown in Figure 6, the vast majority (81%) of this funding came from local funds. Only 15% came from state funds (primarily Partnership Program Funding).

**FIGURE 6: ACTUAL FACILITIES CAPITAL EXPENDITURES 2004–2017 (IN UNADJUSTED \$)**



*Data Source: Arkansas Public School Computer Network (APSCN), District detail is in Appendix 1*

**TABLE 2: ARKANSAS STATE CODE PROVISIONS FOR THE PRIMARY STATE PUBLIC SCHOOL FACILITIES FUNDING PROGRAMS**

ARK. CODE ANN. SECTION(S)	YEAR	DESCRIPTION
6-20-2503 Bonded Debt Assistance	2005	State funding for eligible school districts to help them retire outstanding bonded indebtedness in existence as of January 1, 2005.
6-20-2507 Academic Facilities Partnership Program	2005	State program to provide cash payments to school districts for eligible new construction projects, with the state's level of funding to be determined by the school district's academic facilities wealth index.
6-20-2508 Academic Facilities Catastrophic Program	2005	State program to provide cash payments to supplement insurance or other public or private emergency assistance received by or payable to school districts, for academic facilities damaged due to an act of God or violence, with the level of state participation determined by the school district's academic facilities wealth index.
Ark. Code Ann. § 6-21-808(d)(1) 9% Foundation Funding Set-aside	2005	Requires school districts to dedicate nine percent of foundation funding exclusively to payment of utilities and costs of custodial, maintenance, repair, and renovation activities, which include related personnel costs, for public school facilities.

In 2005, following the directives of the Court, the State created the Division of Public School Academic Facilities and Transportation (the Division), under the supervision of the Commission for Arkansas Public School Academic Facilities and Transportation (Commission). A thorough report *Academic Facilities, Funding, Expenditures and Distress*, by the Bureau of Legislative Research provides a full description of the history of the Arkansas Public School Academic Facilities Program.<sup>15</sup>

Through the Commission and the Division, the State increased direct funding for capital expenditures for public school facilities. In

addition, as part of the overall education funding formula, the State required that districts spend at a minimum standard for their operations and maintenance of their buildings and grounds. The State funding programs included immediate repair funding, transitional funding and state catastrophic funds. The most significant program and the one that defines the State facilities program, is the Partnership Program. Although only \$918 million of State funds have actually been expended, the funding that has been authorized, since FY2005 from the Partnership and all other Academic Facilities programs is a total of \$1.37 billion, as shown in Table 3.

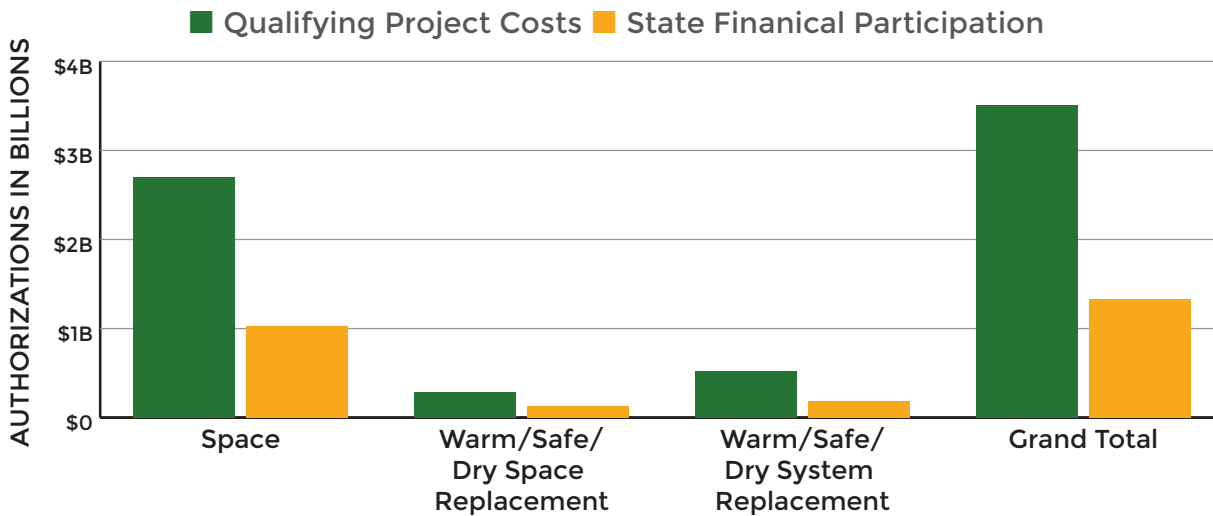
**TABLE 3: AUTHORIZED ACADEMIC FACILITIES PROJECTS, FY2005 THRU FY2019 EST**

IMMEDIATE REPAIR	\$28,079,953
TRANSITIONAL	\$86,000,000
ACADEMIC FACILITIES CATASTROPHIC	\$5,500,000
<b>PARTNERSHIP PROGRAM</b>	
2005 - 2007	\$205,246,949
2007 - 2009	\$261,196,796
2009 - 2011	\$98,779,215
2011 - 2013	\$138,266,697
2013 - 2015	\$154,940,440
2015 - 2017	\$145,651,778
2017 - 2019	\$239,319,746
<b>SUB TOTAL PARTNERSHIP</b>	<b>\$1,243,401,620</b>
<b>CONTRACTS</b>	<b>\$7,429,512</b>
<b>TOTAL AUTHORIZED PROJECTS FUNDED</b>	<b>\$1,370,411,085</b>

*Data Source: ADE Finance 6/29/2018, Division of Public School Academic Facilities and Transportation.*



**FIGURE 7: TYPE OF PROJECTS FUNDED IN THE ARKANSAS PUBLIC SCHOOL ACADEMIC FACILITIES PROGRAMS 2004-2019**



Data Source: DPSAFT, capital projects report March 2018.

As is illustrated in Figure 7, most of the Partnership Program funds have been allocated to funding new facilities construction, with far less for “warm, safe, and dry” systems replacements.

In addition to the Partnership Program funding, the State also provides bond indebtedness assistance to 177 school districts, which had debt before 2005. In 2017, \$12.1 million was provided to these districts toward their bond indebtedness. However, this is just a fraction of the \$130.5 million Arkansas school districts paid for their bond indebtedness in 2017.<sup>16</sup>

### Local Funding of School Facilities

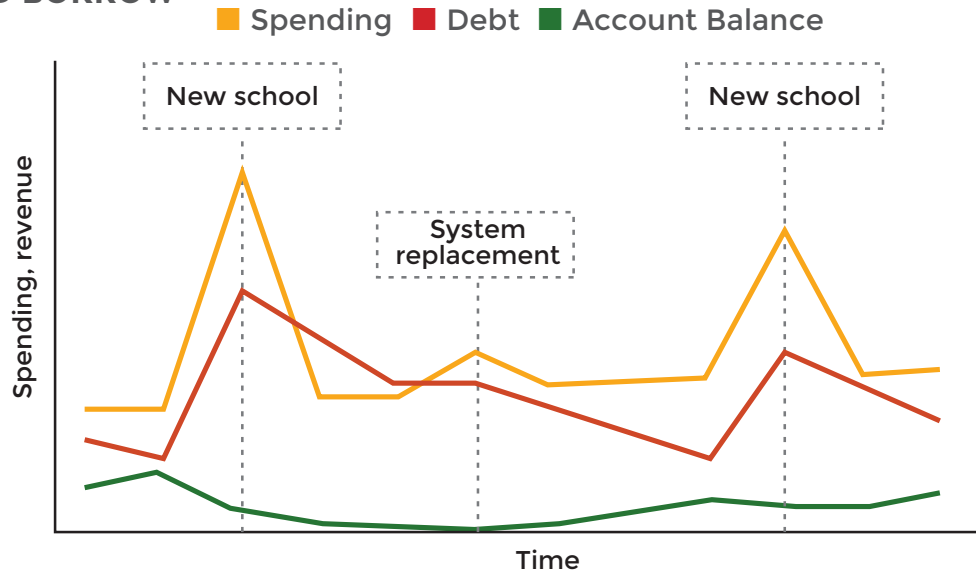
While state funds enabled local districts to go to their voters with millage requests that were more affordable due to state help, the local districts were responsible for the lion’s share of capital spending for facilities. Local districts applied outstanding effort to improve the conditions and design of their communities’ public school facilities. School districts raised nearly \$5 billion from their local communities for capital improvements for their public school facilities.

In order for local districts to make investments in their public school facilities and to secure their state share of funding for an eligible project, they must save or borrow funds. Often, school districts do a combination of both. When an entire facility

or a major building system needs to be replaced, the school district faces large spending needs in the short run, but afterwards, can benefit for many years with only limited ongoing maintenance expenses. By contrast, school district revenues vary with property values and millage rates, which, while they shift over time, are not generally very volatile from year to year, so rarely would a school district be able to cover large increases in costs with current revenues.

Figure 8 illustrates how facilities investments might affect a school district’s financial situation. In this hypothetical district, annual revenue is adequate to cover costs over the long run, but the district must spend more than it receives in revenue to cover the spending surges associated with new school construction and systems replacement. When new construction is not taking place, revenues exceed costs, so if the school district has no debt, it can save. If it has debt, it pays that debt down. When new construction projects occur, costs exceed revenues, so if the school district has savings, it spends down its savings—“dissaving.” Otherwise, it borrows. Importantly, because the State’s Partnership Program requires a local match, the district must be able to have savings OR borrow to be able to participate in the program. School districts save and manage the proceeds of borrowing in their building fund accounts.

**FIGURE 8: THEORETICAL MODEL SHOWING WHY SCHOOLS SAVE AND BORROW**



A school district like that shown in Figure 8 will either *save* or *pay down debt* during years when revenue exceeds costs, and either *dissave* or *borrow* during years when costs exceed revenues, depending on its financial net position (not shown in graphic).

As of June 30, 2017, Arkansas public school districts had registered outstanding loans and bonded indebtedness totaling \$4,498,964,300 excluding non-bonded debt from energy savings contracts. Of the 235 Arkansas school districts in fiscal year 2016-2017:

- 2 districts had no debt;
- 49 districts had a debt ratio over 0% up to 5%;
- 86 districts had a debt ratio over 5% up to 10%;
- 58 districts had a debt ratio over 10% up to 15%;
- 28 districts had a debt ratio over 15% up to 20%;
- 12 school districts had a debt ratio over 20%.<sup>17</sup>

A high debt ratio, means that the a school district has high level of debt compared to its assessed value. A 20% debt ratio, means that 20% of its assessed value equals the district’s level of debt. Arkansas’s local school districts proposed to raise revenue through millage elections 296 times from 2005 to 2017. Of these, 171 passed and 125 failed. At the end of FY 2017, local districts had \$1 billion in their building funds that represents savings, proceeds of borrowing, and reserves required from holding their \$4.5 billion of debt. In contrast, while the state law permitted the Commission to borrow

up to \$750 million on behalf of the state facilities program (A.C.A. § 6-20-2603), the Commission has not borrowed and so the State has no debt for school construction.

### Maintenance and Operations Funding

To make progress toward adequate school facilities, both capital and operating funds are needed. Capital funds pay for planning, design, construction, financing costs, project management and furniture fixtures and equipment. Annual appropriations from school district operating budgets are used to operate and maintain school facilities—including utilities, cleaning, grounds keeping, routine, preventive and reactive maintenance and small repairs. School districts are required under state law to spend or save at least 9% of their foundation funding for facilities maintenance.

In 2016-2017, 9% of foundation funding required for maintenance and operations spending was \$375 million. However, all but 11 districts paid MORE than 9% of their foundation funding for their operations and maintenance of plant. In fact, their actual spending in the operating budget categories assigned to this expenditure requirement, was \$475 million. On average, in 2016-17 school districts paid 11.4% of their foundation funding for their utilities, custodial, maintenance, repair, and renovation activities in the operating budget. Because nearly all districts spend more than the required amount, there is little activity associated with escrow

accounts, which must be established to keep 9% funds dedicated for facilities maintenance.

### Federal Funding for Public School Infrastructure

Of the \$6 billion spent on Arkansas public school facilities from 2004-2017, federal funds provided 4% to school districts for their capital facilities spending. Following the 2008 recession, the State elected to use \$170 million from Federal Stimulus funding for school construction. During the same period, another \$83 million of federal funding came from Federal Emergency Management Assistance Agency (FEMA) to rebuild schools after natural disaster—floods, severe storms, and tornados.<sup>18</sup> FEMA also provided a small grant for building a safe area. Another \$13 million in federal funds for facilities capital came from a variety of other federal

sources (See Appendix 2). Except for FEMA, there are not direct grant programs to help states with their public school infrastructure. There is however, a growing coalition of civic, education, and industry practitioners and advocates working to secure funding for states for public school infrastructure as part of any upcoming federal infrastructure package.<sup>19</sup>

### Arkansas Compared to the Nation

School districts and most states across the country put out tremendous effort to provide adequate public school facilities. Nationally, the nation’s public school districts and states spent an estimated \$49 billion per year for capital outlay in 2014\$ from 1994-2013 and over the same period, another \$50 billion on maintenance and operations.<sup>20</sup> The national average state share

**TABLE 4: COMPARISON OF STATES IN SOUTHERN REGIONAL EDUCATION BOARD ON FACILITIES INVESTMENTS**

State	1994-2013 Enrollment change	TOTAL SCHOOL CONSTRUCTION CAPITAL OUTLAY FY 1994-2013 IN 2014\$		
		per 2013 student	per GSF	State share
National Average	11.3%	\$20,157	\$129.00	18%
Alabama	1.4%	\$15,431	\$ 89.98	22%
Arkansas	7.0%	\$11,116	\$51.71	12%
Delaware	18.2%	\$25,430	\$166.64	57%
Florida	23.9%	\$22,035	\$138.81	15%
Georgia	26.6%	\$19,502	\$140.70	12%
Kentucky	4.3%	\$12,751	\$75.44	33%
Louisiana	-19.3%	\$12,703	\$71.16	0%
Maryland	10.1%	\$18,811	\$117.24	26%
Mississippi	-2.6%	\$11,730	\$68.52	2%
North Carolina	22.8%	\$14,896	\$95.90	8%
Oklahoma	10.0%	\$9,013	\$53.33	0%
South Carolina	10.9%	\$21,145	\$137.52	8%
Tennessee	12.7%	\$10,834	\$63.31	0%
Texas	26.3%	\$22,010	\$179.07	9%
Virginia	17.3%	\$17,373	\$114.79	14%
West Virginia	-11.4%	\$10,687	\$71.73	9%

Data Sources: *State of Our Schools 2016*, using data from the U.S. Census of Governments, state facilities officials, and the National Center for Education Statistics.



for funding of capital outlay for school facilities was 18%, however, this varied from 12 states who provided no direct funds to their local districts to states that provided all capital funds, such as Wyoming and Hawaii. Arkansas's 20-year state share of support for school construction capital outlay, ranked 7th along with Georgia out of the 16 states in the Southern Regional Education Board as shown in Table 4.

### Data, Planning, Standards, and Accountability

In addition to increasing funding for school facilities, the Arkansas Legislature created an Academic School Facilities Program on a strong foundation of planning, data, and information, standards, guidance, and accountability. Through the following statutes, planning, data management, standards, and accountability requirements were enacted, helping to create the supports, standards and accountability for adequacy and equity.

The Division works to meet its mandate to support districts by providing training and support for master planning and maintenance. Planning is the step where quality, efficiency, and equity are first made possible. The Division offers master plan training every year. It also works in partnership with the Arkansas Association of Educational Administrators (AAEA) and the Arkansas School Plant Managers Association with a facilities director certification program. This program currently has 71 school facilities directors or other school personnel qualified as Certified Facilities Directors in public schools in the state of Arkansas, with another 171 facilities directors who are enrolled in the program to become certified.

In addition to working to improve the skills of the school facilities staff, the Division works closely with the districts to assure that all legally required inspections set by state agencies are strictly enforced and all districts comply with health and safety codes. Those inspections consist

**TABLE 5: ARKANSAS CODE SUPPORTING EFFECTIVE FACILITIES PRACTICES**

Ark. Code Ann. Section(s)	Year	Description
6-21-805 & -806: School-District Facilities Master Plans	2005	Each school district shall develop and adopt a six-year facilities master plan and submit the plan every other year to the Division for approval. The school district's Master Plan should review short and long-term needs in the school district and provide strategies for addressing those needs. The Division shall meet with and advise each district regarding its plan.
6-21-805 & -807: State Facilities Master Plan	2005	The State shall develop a comprehensive state facilities master plan that includes a four-year rolling forecast of planned new construction projects and the projected costs of those projects.
6-21-808 & -809: Facility Manual & Uniform Standards	2005	The Division shall publish and maintain a Facilities Manual containing standards for custodial operations; maintenance, repair, and renovation activities; and planning, design, and construction of new facilities and additions to existing facilities.
6-21-813: Facilities Inspections	2005	The Division shall conduct inspections of all school districts' academic facilities and report within 30 days on each inspection to the school district and the Commission.
6-21-811: Oversight of Schools or Districts in "Facilities Distress"	2005	The Division shall conduct oversight and support activities for any school or district identified as being in "facilities distress" as a result of material failure to maintain a facility or violations of state laws, rules, or codes regarding school facilities.
6-21-808: Statewide Computerized Maintenance Management System	2009	School districts must participate in any state-level computerized maintenance management system established by the Division at no cost to the school district.

of inspections for boilers, elevators, gas pipe leak tests, fire inspections, food service and exhaust hood inspections, to name a few. The Division Area Project Managers monitor these inspections and their due dates and contact any district that may be out of compliance.

Division staff inspect public school buildings throughout the state. Custodial and maintenance items discovered during inspections are recorded on the inspection report as an action item and the district is given a time to correct the problem. Anything that may involve a building or fire and safety code is reported to the appropriate state agency for enforcement. The Division staff then monitors to see that the district comes into compliance with codes.

The complexity of individual student, family, school, and community factors that affect school performance outcomes make it difficult to specifically identify the effects of the state and local facilities work toward overall progress. But improvements of the Arkansas public school facilities since 2001 are a part of the improving adequacy and equity. In every school measure evaluated by the Senate Interim Committee on Education in the Final Report on the Legislative Hearings for the 2016 Educational Adequacy Study, Arkansas had either improved or held steady since 2001.<sup>21</sup>





# Ongoing School Facility Needs

The management of public school facilities is an ongoing responsibility. There are daily requirements for operations, maintenance and repairs, but also regular upgrades and replacements needed for major systems. Schools need modernizing for educational change, and districts may need new school construction when there are increasing enrollments. While each district and school have unique history and requirements, and there are variations in costs based on regions, there are some useful industry standards that can be used to provide an understanding of the scale of funding needed for good stewardship.

## Statewide Facilities Inventory

The current replacement value (CRV) of Arkansas's inventory of public school academic facilities is \$17.3 billion. This is calculated by multiplying \$200 per gross square foot (GSF) the 2018 replacement cost estimate, times the current area of academic buildings across all Arkansas school districts (86.5 million GSF.)

**TABLE 6: ESTIMATING FACTORS**

<b>Area of academic facilities</b>	<b>86,500,000 GSF</b>
<b>CRV of academic facilities</b>	<b>\$200 per GSF</b>
<b>CRV 2018 Academic facilities</b>	<b>\$17.3 billion</b>

In addition to academic facilities, school districts must also operate and manage non-instructional spaces, such as bus barns, warehouses, administrative buildings, and athletic facilities. There are now 17.5 million GSF of non-academic facilities, with an estimated replacement value of \$150 per GSF totaling \$2.6 billion for the non-academic inventory.

## Educational Facilities Standards

To maintain the existing inventory of school and non-academic facilities in good repair, the State should estimate that school districts will need to spend about 2% of the current replacement value of this inventory annually toward condition adequacy. In order to maintain academic facilities that support instructional requirements for design suitability and adequacy and other community activities they must support, the standard recommended by state officials of the National Council on School Facilities, is an annual expenditure of 1% of CRV.<sup>22</sup>

**TABLE 7: INDUSTRY STANDARDS FOR ESTIMATING CAPITAL NEEDS**

<b>Condition Adequacy of Facilities</b>	<b>2% of CRV</b>
<b>Design Suitability and Adequacy</b>	<b>1% of CRV</b>
<b>New School Construction</b>	<b>190/GSF per student X \$200/GSF</b>

*Source: State of our Schools 2016*

Keeping facilities in good repair is “Condition Adequacy” and includes the projects that the State refers to as “warm, safe, and dry” systems projects. The 2% standard assumes that the average life of a facility is 50 years. Clearly, some parts of a building, like the foundation last more than 50 years, but many parts of a facility, like mechanical systems, roofs, bathroom fixtures, door hardware, most flooring, among many other building components, systems, finishes, furniture, fixtures and equipment last less than 50 years and must be replaced during the life of the facility.

Education delivery and the role of schools have changed dramatically in the last 50 years and are likely to continue to change and require changes in public school facility design. The 1% of CRV

standard gives districts a planned budget to work with to sustain and improve design suitability and adequacy—projects such as creating controlled entrances for greater security, occupational therapy spaces such as kitchens to teach life skills to special needs students needing to prepare for independent living, as well as modernizing science and technology labs so high school graduates are well-prepared for college and technical jobs.

The standard space for new construction is based on the Program of Requirements for school design and will vary depending upon the grade levels served, the programs to deliver and the size of the enrollment and planned community uses. The 190 GSF per student is an average.

### Five Year Estimate of Arkansas School Academic Facilities Capital Needs

Using industry standards and inventory data from the districts, the Advisory Committee has estimated the five year facilities needs of the state. A planning estimate of 2% of replacement value for Condition Adequacy—keeping existing academic facilities in good repair is \$346 million per year.

However, because school districts are also responsible for another 17.5 million GSF of non-academic space, their actual level of fiscal responsibility will include an additional \$52.5 million per year for administrative, operational, and athletic “non-academic” buildings. However, even this may underestimate the level of fiscal responsibility, as the models for estimating building requirements do not include estimates for site-related improvements and replacement—for fences, driveways, curbs, outdoor stairs, retaining walls, septic systems, or wells, for examples.

Public school facilities do not just house children and staff, they must support the varied and specialized activities of educators and children—everything from recess to experiments in high technology labs; from dramatic performances to lunch, for nearly half a million children daily.



**TABLE 8: ESTIMATE OF ANNUAL ACADEMIC FACILITIES CAPITAL NEEDS 2019–2023**

<b>Condition Adequacy of academic facilities</b> (2% of Table 6 CRV)	<b>\$346,000,000</b>
<b>Design Suitability &amp; Adequacy of academic facilities</b> (1% of Table 6 CRV)	<b>\$173,000,000</b>
<b>New construction of 11,274 seats—over 5 years</b>	<b>\$85,682,400</b>
<b>Total Annual Needs</b>	<b>\$604,652,400</b>

Finally, in 2018 there are 33 school districts that are projected to increase enrollment over the next five years by 100 or more students—for a total projected increase of 11,274 students. The estimate for addressing the five-year growth needs of just these 33 districts is a total of \$428 million—\$85.6 million per year. The land costs that may be needed for new construction are not in this estimate.

These estimates may seem daunting, but over the last 14 years, with help from the state and federal government, school districts spent a total of \$6,045,548,654—an average of \$432 million per year on facilities related capital outlay. However, to sustain the improvements and address new and left-over deficiencies, the state should work with districts to develop plans to meet an estimated \$605 million of district facilities capital related requirements.



# Recommendations

The Advisory Committee's recommendations are organized by the eight issues identified in Act 801 of 2017: Long term viability of the Partnership Program; Efficacy of the academic facilities wealth index; Project ranking and prioritization process of partnership program; Program funding cycles; Enrollment projections; Cost factors; Rules governing academic facilities programs; and Degree of public school district compliance with required Computerized Maintenance Management System (CMMS) Usage. Within each area, there are five sections: first, brief background on the issue; second, the problems identified by the Advisory Committee; third, the recommendations of the Advisory Committee to address the problems; fourth, the rationale for the recommendations; and finally, the fiscal impact of the recommendation, if it can be estimated. The Committee did not organize its own deliberations according to Act 801, so the recommendations, exactly as they were voted on by the Committee are included in Appendix 5: Recommendations as voted on by the Advisory Committee on Public School Academic Facilities.

## ISSUE #1: Long Term Viability of the State Program

The viability of a state facilities program is measured by its capacity to meet its responsibilities to support and advance adequate, suitable, and equitable public school facilities across the state. Based on the State Constitution, the State of Arkansas has the responsibility for school facilities, but because local school districts have the authority to plan, finance, design, build, operate, and maintain their school facilities, the viability of the State program rests on how well it is able to support and incentivize good stewardship by local school districts for their buildings and grounds.

### PROBLEMS IDENTIFIED BY COMMITTEE

A central challenge identified by the Committee and the Governor is the level and the predictability of funding for the Partnership Program. In his opening remarks to the Advisory Committee, Governor Hutchinson encouraged the Committee to pursue changes and efficiencies that would meet school district needs *while lowering the state financial participation*. He noted that the \$100 million per year of additional funding required for Year-One of the 2017-2019 project funding cycle was “not sustainable.” This level of funding was particularly challenging to sustain because since 2013,

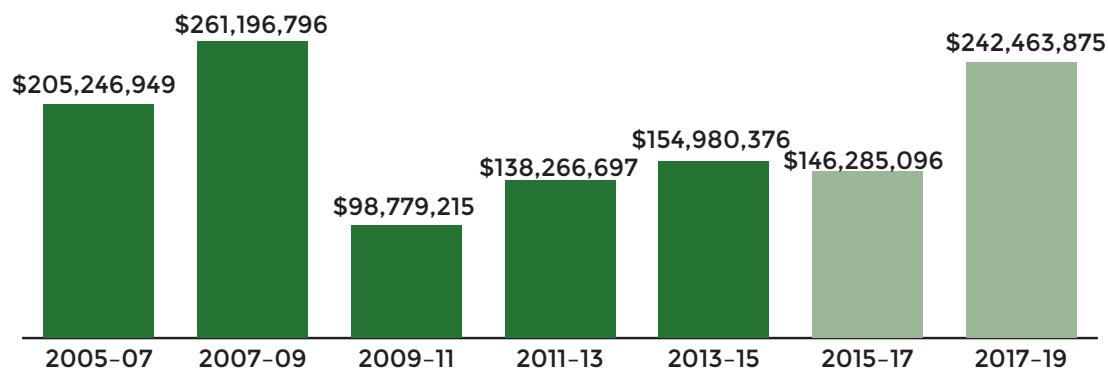
approximately \$17 million a year from the savings from the General Facilities and Supplemental Millage Incentive Funding was transferred out of the Educational Facilities Partnership Fund Account and used to cover a shortfall in Teacher Insurance. These funds are now distributed to the Employee Benefits Division of the Department of Finance and Administration “for the exclusive benefit of public school employees participating in the State and Public School Life and Health Insurance Program.”<sup>27</sup>

However, the Advisory Committee noted that while progress has been made, there are still districts and schools in poor condition and in need of assistance. Both statute (ACA § 6-21-806 (a)(2)) and rule (Master Plan Rule 4.02.2.2) require that school district Master Plans be developed “on priorities established by the Division’s statewide facility needs priority list...” But, the Division does not currently develop a statewide priority list to guide the school district’s Master Plan preparations. As a result, the State finds itself reacting to the school districts’ Master Plans, rather than leading school districts’

Master Plan development in accordance with where the highest needs are. The lack of a statewide needs list has meant that disparity of condition and design adequacy has continued. In addition, facility deficiencies naturally recur over time with basic wear and tear, and enrollments and educational needs change requiring design modification of facilities.

Another problem cited affecting the viability of the program is the fact that the current project ranking and prioritization puts the state in a reactive mode. The current school district-led Master Plan and Partnership Program application process does not allow the State to plan the Partnership Program funding for each project funding cycle. The Division does not know the number of Partnership Program project applications or the funding amounts until school districts submit applications by March 1 of each even-numbered year. Currently, each school district prepares its Master Plan to address school district-specific facility wants and needs. The Division reviews the applications for completeness

**FIGURE 9: TOTAL PARTNERSHIP PROGRAM FUNDING PER TWO-YEAR FUNDING CYCLES, 2005-07 TO 2017-19**



Source: ADE April 13, 2018, NOTE: Light green in years 2015-17 and 2017-2019 denote that these allocations are not fully expended as of this writing.

and understanding of scope to determine if the project application is approved or disapproved. The Division then estimates a qualifying project cost for each approved application. State financial participation amounts for each approved project are computed at the beginning of each odd-numbered year using updated values of the Academic Facilities Wealth Index.

This process has led to large fluctuations in required funding for the various project funding cycles, as illustrated in Figure 9, and between the Year-One and Year-Two of *each* funding cycle. State financial participation amounts have averaged \$102 million per year, but have varied from high amounts of \$261.2 million in the two-year funding cycle for 2007-2009 to a low amount of \$98.8 million in the 2009-2011 project funding cycle. Partnership Program funding for Year-One of the 2017-2019 project funding cycle was about \$209 million. Within each two-year funding cycle, Year-One funding requirements have been approximately 75% of the total two-year funding requirement.

## COMMITTEE RECOMMENDATIONS

- 1.1 Facilities planning should transition from the current school district-led plan to a systematic statewide plan focused on prioritizing and addressing aggregate statewide needs. Such an approach would be consistent with existing statutory language in ACA § 6-21-806(a)(2) referencing a statewide facility needs priority list to be developed by the State.
- 1.2 Beginning with the 2021-2023 Partnership Program project funding cycle and the 2020 Master Plan, the Division will develop statewide needs priority lists to initiate the school districts' planning process.
- 1.3 The Division will develop two Statewide Facility Needs Lists – for Space/Growth needs and for Warm, Safe, and Dry needs.
- 1.4 State Partnership Program funding should be an annual budgeted amount of \$90 million.
- 1.5 Districts should be ranked in the Statewide Space/Growth Needs List on four equally weighted factors:
  - 1.5.1 Actual enrollment growth percentage for the last 10 years;
  - 1.5.2 Projected 5-year enrollment percentage;
  - 1.5.3 Projected 5-year enrollment (students); and
  - 1.5.4 Nominal school district suitability (estimated school district suitability versus existing academic space).
- 1.6 School campuses Warm, Safe and Dry Systems should be ranked in the Statewide Warm, Safe and Dry Needs List on three equally weighted factors
  - 1.6.1 Campus value ( from Division District Report as a composite of academic building values). Note: Building value is based on nominal 50-year life of building with 2% depreciation per year;
  - 1.6.2 District value (computed as a composite of Campus values), and
  - 1.6.3 Facility Condition Index (FCI) (computed as the ratio of system replacement costs to building replacement costs).
  - 1.6.4 Data from school districts' Master Plans will be used to determine system replacement costs in Years 0-5 and Years 6-10.
- 1.7 Partnership Program funds should be distributed equally between Warm, Safe, and Dry System projects and Space/Growth projects.
  - 1.7.1 Processes should be established for carryover and/or redistribution of funds if all funds in one category are not used during one funding cycle.

## RATIONALE FOR RECOMMENDATIONS

By shifting to a State-directed Master Plan and Partnership Program process, the State can lead rather than react to the required funding amounts to address school facility needs across the State. There will be stable and transparent levels of state Partnership funding so local districts will be able to align their plans with the state. State Partnership Program funding should be a predictable annual budgeted amount based on statewide needs. Using the systemic statewide plan, the State should budget for uniform funding amounts for each fiscal year and comply with the State Master Plan language contained in ACA § 6-21-807(b)(3) that requires “a four-year rolling forecast of planned new construction projects related to public school academic facilities.”

If the state were to fund the statewide estimated needs of \$605 million (Table 8) for academic

facilities at a statewide average share of 15% (Figure 6), the State would need to plan for about \$91 million per year. Local school districts still have an estimated \$57 million per year requirements for life cycle improvements on non-academic facilities, so the State share of total facilities needs would be about 13.7%.

## FISCAL IMPACT

State funding for the Partnership Program is made up of several budget components. Current sources of funding are: Revenue Stabilization funds of about \$41.8 million per year, and Bonded Debt Assistance funds of about \$17.1 million per year, for a nominal annual budget of about \$58 million per year. The Committee recommendation for stable funding of \$90 million per year, would require an increase in Revenue Stabilization funds or annual budgeted General Improvement Funds (GIF) of about \$32 million per year, but will enable local districts to slow local tax increases.

## ISSUE #2: Efficacy of the Academic Facilities Wealth Index

All projects funded by the Academic Facilities Partnership Program are cost-shared with school districts, who are required to provide a local match of funds. The Academic Facilities Wealth Index (“wealth index”) is the statutory (ACA § 6-20-2502 (1) computation that determines the school district’s local match percentage of project cost. It is important to note, that the wealth index does not describe the state share of all district capital facilities costs, only of approved project costs. In other words, school districts have capital expense responsibilities that are not eligible for cost-sharing with the state. So even though the state share of a *project* may be as high as 88%, over the last 14 years, the average state share of total capital spending by Arkansas’s school districts was only 15%.

The recommendations on viability of the Academic Facilities Program focus on the state’s financial commitment to public school facilities. The wealth index sets how to fairly apportion what the state funds—whatever the amount. The important criteria for the wealth index is what is a fair state share when funding a project in one district as compared to the other districts. The objective of the wealth index is to direct state funds to the districts with the least local fiscal capacity to deliver adequate school facilities.

Currently, the wealth index computation determines the dollar value each school district could raise at one mill of local property assessment per student. That value is then compared to the

	CURRENT WEALTH INDEX	Value of 1 mill per student 95th percentile district’s value of 1 mill per student	
<b>BENTONVILLE</b>	$\frac{\$1,776,386 \text{ (Value of 1Mill)}}{16,052 \text{ (Students)}}$	$=\$110.66$ (Value of 1Mill/ student)	$\frac{\$110.66}{\$168.96} = 65.5\%$ (State share 34.5%)
<b>MARVELL</b>	$\frac{\$64,995 \text{ (Value of 1Mill)}}{379 \text{ (Students)}}$	$=\$171.68$ (Value of 1Mill/ student)	$\frac{\$171.68}{\$168.96} = >100\%$ (State share 0.5%)

value of the school district at the 95th percentile for all districts in the state. (In 2017, the value of one mill per ADM for the school district (Russellville School District) at the 95th percentile of students was \$168.96. The FY17 Academic Facilities Wealth Index computed in February of 2017 will be used for the FY18-FY19 Partnership Program.<sup>28</sup>) A wealth index of 0.48 means that the school district's local percentage share of the project would be 48% and the State's share would be 52% of the qualified project cost. If the school district's value is above the 95th percentile they qualify for the lesser of .5% or the state share equal to that of the District at the 95th percentile.

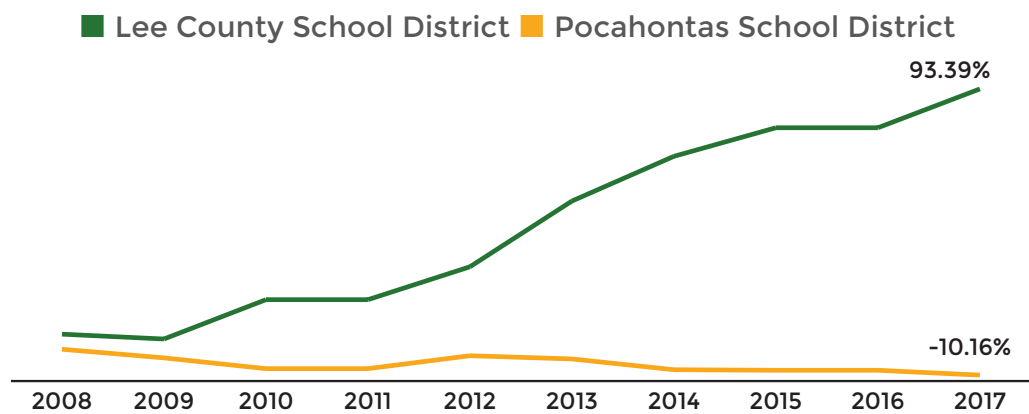
**PROBLEMS IDENTIFIED BY COMMITTEE**

Multiple concerns about the fairness of the wealth index have been raised, based on the way the factors used in the calculation affect the index.<sup>29</sup> The wealth index uses the ratio of average daily membership and assessed value at its foundation.

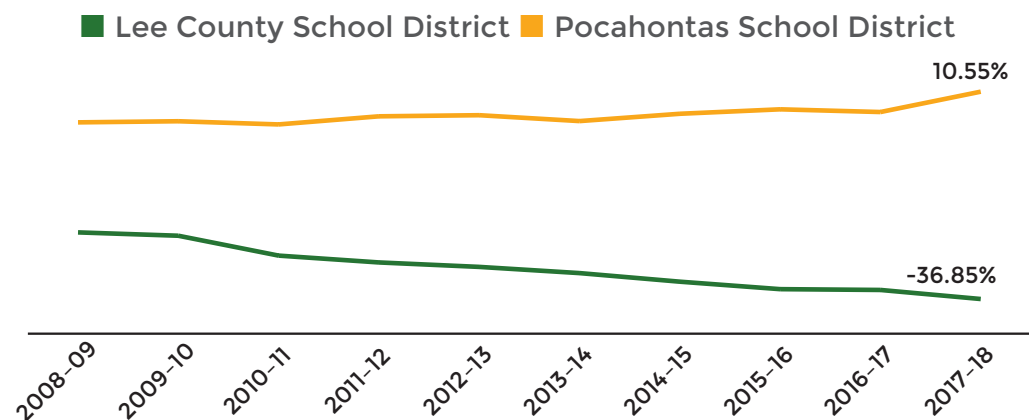
This means that if a school district loses students, even if its assessed value stays the same, it will be eligible for less state funding. By the same token, if a school district gains enrollment, even as its assessed value stays the same, it will be eligible for more state funding. The Committee views this as an unintended consequence of the current wealth index.

For example, Pocahontas School District in northeast Arkansas and Lee County School District in the Delta (Eastern Arkansas) illustrate this issue. In 2008, these two school districts had similar Academic Facilities Wealth Indices (0.45856 and 0.48708, respectively). By 2017, their wealth indices greatly diverged: Pocahontas (0.41197) and Lee County (0.94198), as shown in Figure 10, with the wealth index history and in Figure 11, with the enrollment history.

**FIGURE 10: CHANGE IN WEALTH INDEX 2008 THROUGH 2017**



**FIGURE 11: CHANGE IN ENROLLMENT 2008-09 THROUGH 2017-18**



**TABLE 9: COMPARISON STATE FUNDING ENTITLEMENTS, LEE COUNTY AND POCAHONTAS SCHOOL DISTRICTS**

	Lee County SD	Pocahontas SD
2015 Value of 1 Mill	\$130,359	\$131,675
Greater of FY16 ADM or 3 year average	819	1892
2015 Value of 1 Mill/ADM	\$159	\$70
FY17 Adjusted State Share of Financial Participation	6%	59%
Project name	New K-6 School	New K-4 School
Project Size/sq ft	59,540	94,612
Project Cost Funding Factor	\$175	\$173
<b>Total State Share of Funding</b>	<b>\$603,580</b>	<b>\$9,613,707</b>

This divergence in wealth indices was caused by enrollment changes, not because Lee County became richer or Pocahontas became poorer.

The value of 1 Mill of these two communities is nearly the same. But because the wealth index is calculated on the assessed value of one Mill divided by ADM, the index fluctuates by enrollment. Enrollment is a volatile factor when working with small enrollments, particularly. The driver of very different state funding is local enrollment. The current formula's use of ADM drives the wealth index for Lee County higher (and thus the state share lower) and the wealth index of Pocahontas lower (and thus the state share higher).

These enrollment changes in the face of stable property assessments can have a dramatic effect

on the state funding for which district is eligible. As shown in Table 9, both school districts are building new elementary schools with state assistance, but Pocahontas (the growing district) will receive \$9.6 million in state funding, while Lee County (the district with enrollment decline) will receive only about \$600,000.

**COMMITTEE RECOMMENDATIONS**

The Committee examined five different models for revising the wealth index before making their recommendation. The Bureau of Legislative Research developed a Model at the request of Senator Blake Johnson and Representative Charlotte Douglas, which the Committee used as the basis for its recommendation.

<b>PROPOSED WEALTH INDEX</b>	(Value of 1 mill per student x Relative Median Income)	
	$\frac{95\text{th percentile district's wealth index}}{\text{(Value of 1 mill per student x Relative Median Income)}}$	
<b>BENTONVILLE</b>	$\frac{\$70,341}{\$83,302} = .8444$ <p>(Median income) (Highest median income, Valley View) (Relative Median Income)</p>	$\frac{(\$110.66 \times .8444 = \$93.44)}{\$93.44} = 100\%$ <p>*Bentonville's value is at the 95th percentile (State share 0.5%)</p>
<b>MARVELL</b>	$\frac{\$31,342}{\$83,302} = .376$ <p>(Median income) (Highest median income, Valley View) (Relative Median Income)</p>	$\frac{(\$85.49 \times .376 = \$32.14)}{\$93.44} = 34.4\%$ <p>(State share 65.6%)</p>



- 2.1 The Advisory Committee recommends adjusting the existing mill value per student by the median income in the school district to account for poverty and calculate the value of the mill per student based on the greatest enrollment of the last 10 years to adjust for significant enrollment changes.
- 2.2 Adopt the revised Academic Facilities Wealth Index during the 2019 Legislative Session and implement it to become effective for the 2021-2023 project funding cycle.

### RATIONALE FOR RECOMMENDATIONS

The proposed wealth index gives districts experiencing enrollment decline the opportunity for a more substantial state share of approved eligible projects by using the highest 10-year enrollment to calculate the value of 1 Mill per student. Unlike instruction and administration funding, which can more quickly respond to changes in enrollment year-to-year, school facilities are 50+ year assets, which justify a longer funding adjustment period. However, it is important to note that the high enrollment factor is for calculating the state share via the wealth index. It does not determine the building size that would be eligible for state funding, so it would not result in overbuilding.

The Committee’s proposed wealth index also uses the median income to introduce a weight for personal income. As a result, districts are ranked by not just property, utility, and personal assessed values but also by personal wealth in the community. In this proposed calculation, a district

with less assessed value per student AND a low median income would be entitled to more of a state share, and conversely, a district with more assessed value per student AND high median income, would be entitled to less of a state share.

### FISCAL IMPACT

The proposed wealth index change will favor districts that have had sharp declines in enrollment, particularly small districts. It will also reduce state funding participation for large, fast growing school districts. The Advisory Committee’s analysis of the recommended wealth index revision finds that: 174 districts will see an increase in the state share they are eligible for, with an average increase in eligible state share of 14.18%; 51 districts will have a decrease in the state share that they are eligible for, with the average reduction being -8.46%; and 10 districts will see no change in the state share they are eligible for. These results will change. The specific amounts for highest Average Daily Membership (ADM), particularly associated with consolidated districts; median income by district; and the value of 1 mill per student will change. The time and official setting of the amounts for district-specific wealth index factors will be clarified in rules. If the legislature enacts the change, it would not be in effect until the 2021-22 Bienium. See Appendix 3 for using this proposed formula on preliminary district level factors. The specific amounts for highest Average Daily Membership (ADM); relative median income by district; and value of 1 mill per student will be adjusted annually if the proposed revised formula is adopted.

## ISSUE #3: Project Ranking and Prioritization Process of Partnership Program

Managing limited state resources requires clear definitions for what is eligible for state funding, and criteria for how to rank eligible projects so there is fair and transparent competition for the resources. The objective of the State project ranking and prioritization of the Partnership program is to target its funds to highest need and lowest capacity districts.

The Partnership Program statute (ACA § 6-20-2507) provides in general terms the requirement for the State to provide “cash payments to a school district

for eligible new construction projects.” Currently, Partnership Program project funds are contained in one funding “pot,” and Partnership Program rules in Section 5.05 establish a prioritization for distribution of those funds to approved projects in the three funding categories:

- **Warm, Safe, and Dry (Systems Replacement):** projects are defined in Section 3.36.1 of the Partnership Program rules. These projects must be total system replacements for only the following six systems: fire and

safety, HVAC, roofing, electrical, plumbing, and structural.

- **Warm, Safe, and Dry (Space Replacement):** projects replace buildings or campuses in two situations: when the building or campus is no longer sufficient to provide an adequate education; or when it is a more prudent expenditure of State and school district funds to replace space rather than renovate.
- **Space/Growth:** projects are meant to meet needs for additional space. This space need is known as suitability. Suitability needs may occur because of actual or projected enrollment growth, or because an existing campus does not contain the amount of space required in Partnership Program rules for a new school campus. Computation of suitability is based on 10-year enrollment projections.

## PROBLEMS IDENTIFIED BY COMMITTEE

Concerns were raised about what projects are eligible for state funding in both Space/Growth projects. Local districts are responsible for most of the costs associated with the construction and renovation of their facilities and the state has had a “light touch” in school design decision making. However, there are some areas where the Division has had some concerns. There were concerns that the state may be “overbuilding” some of its new schools, particularly as the overall enrollment is projected to decline slightly. Current rules provide that new schools be built according to locally prepared 10-year enrollment projections. In the case of one high school, which was built for 1100 students, the enrollment has never reached more than 850 students, as the projected rate of growth, did not continue.

In another concern, the State does not want to pay for additions of space in small stand-alone buildings. These additions can create campus safety and security issues and are inefficient. Concerns were also raised about new school/building designs making educational suitability design changes that add new support spaces, which are not required in the Program of Requirements (POR). Additions of non-required spaces can increase State financial share in the Partnership Program.

The Committee discussed the types of projects that should be eligible for Warm, Safe and Dry Systems funding, and focused on HVAC, security, and roofs. At a time when new standards are being developed for safe and secure schools, Committee members were concerned about the prohibition on security project funding from the Partnership Program. The Division reported that HVAC system projects have received the largest amount of Partnership Program systems funding – about \$54 million (\$5 million per year). However, many times the stand-alone HVAC Partnership Program projects are not efficient because replacement of an HVAC system should be part of a comprehensive energy management review of a building that may also include lighting, insulation, replacement of windows, and energy management controls.

## COMMITTEE RECOMMENDATIONS

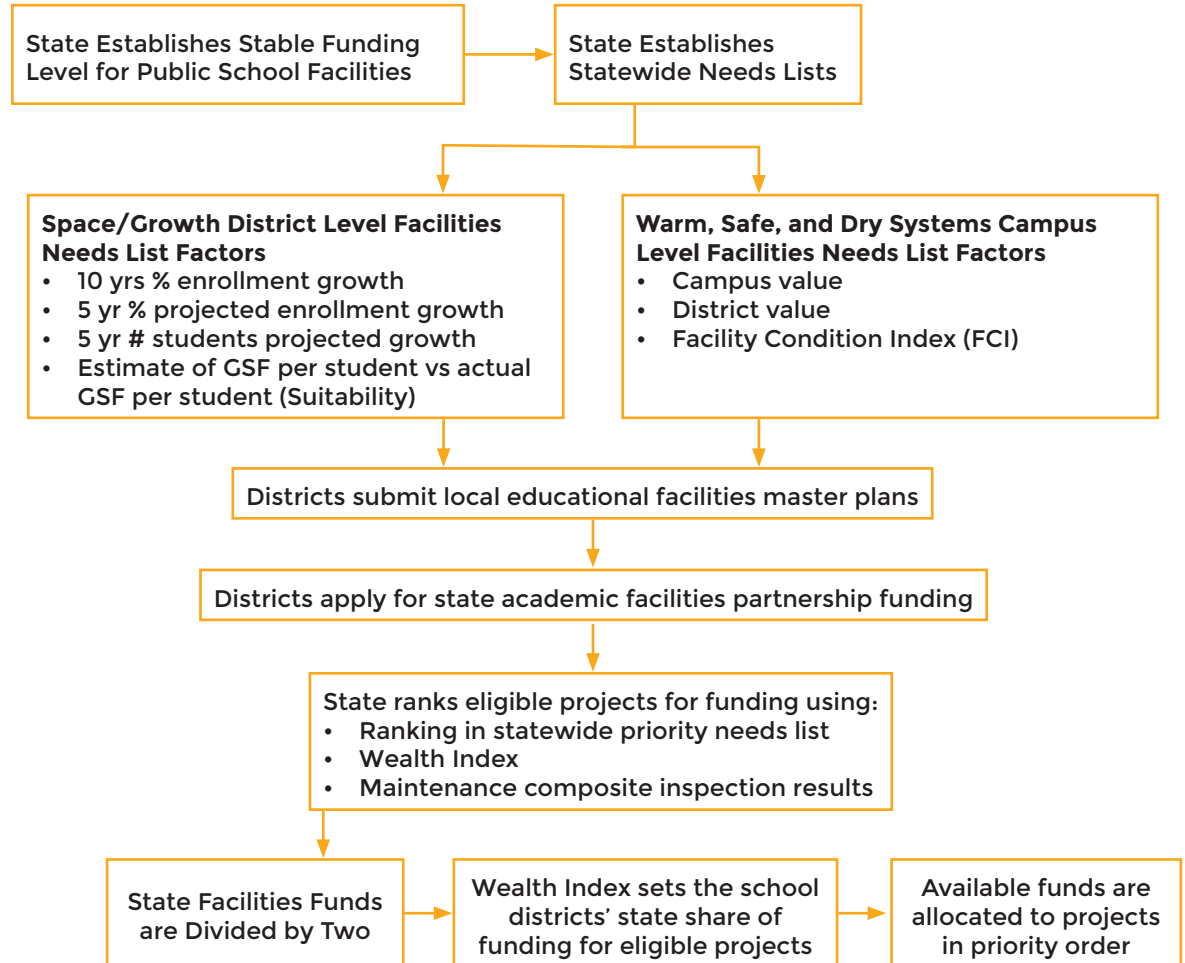
- 3.1 The three Partnership Program project categories of Warm, Safe, and Dry (Systems Replacement); Warm, Safe, and Dry (Space Replacement); and Space/Growth should be changed to split Partnership Program Funds into two “pots” — one “pot” for Warm, Safe, and Dry systems projects and a second “pot” for Space/Growth projects.
- 3.2 Project definitions should be refined to focus the Partnership Program to address the most critical facility needs.
- 3.3 Space/Growth Project Definition: projects should be limited to the following based on demonstrated suitability per the Partnership Program rules.
  - 3.3.1 New schools. Phased approach with 5-year enrollment projections for academic core and 10-year projections for single purpose spaces: student dining, media center, PE, and performing arts. (May use 10-year projections with justification and Division approval);
  - 3.3.2 Additions only for spaces required by the POR with funding for support spaces limited to new school percentage of: 10% for elementary and 15% for middle and high schools; and

- 3.3.3 No stand-alone additions of less than 10,000 square feet, for safety and security purposes. Smaller additions may be approved when final configuration of existing building and addition are under one roof. (Open-air breezeways are not considered under-roof for purposes of this requirement.) The Division may grant waivers when site conditions do not allow attached additions.
- 3.4 Warm, Safe and Dry Systems Projects Project Definition: should be limited to the following:
  - 3.4.1 Roofs, plumbing, electrical, fire and life safety, structural, and security.
  - 3.4.2 Partial system replacement HVAC projects are allowed, although it is desirable that they should be part of an energy savings contract with performance of a comprehensive energy savings plan. (The Division should explore other similar funding opportunities for roof systems.)
- 3.4.3 Minimum project costs should be \$150,000 or \$300 per student, but the Division may grant waivers of this minimum for life safety or security projects.
- 3.5 Space/Growth projects and Warm, Safe, and Dry projects will be prioritized in two lists using three ranking factors.
  - 3.5.1 Statewide Facilities Needs Lists
  - 3.5.2 Academic Facilities Wealth Index, and
  - 3.5.3 Facilities Maintenance Composite Assessment
- 3.6 Projects on the two lists will be funded in priority order using funds available for that category.

**RATIONALE FOR RECOMMENDATIONS**

Clarity on state priorities and funding will inform local school district master plan decision making on whether to replace or modernize, add on space or build a new school, whether to consolidate schools

**SUMMARY OF PROPOSED PARTNERSHIP PROGRAM PROCESS**



or invest in existing schools, even with declining enrollments.

Under the State's current reactive funding program, the most critical school facility needs are not necessarily met first. The urgency to address these shortcomings is that project funding cycles beginning in the 2019-2021 biennium, are expected to be insufficient to fund all eligible projects and so a fair way of ranking projects and targeting state funds to critical needs and lowest wealth is essential.

There were concerns that increasing the priority for Warm, Safe, and Dry, System Replacements may discourage districts from doing routine

and preventive maintenance and that school districts would replace systems whose lives could be extended with enhanced maintenance, or that districts would replace entire systems when only a portion of the system needs to be replaced or repaired. However, establishing the Facilities Maintenance Composite Assessment Program (Issue #8) and including the maintenance assessment in the ranking of projects should address this concern.

#### FISCAL IMPACT

Clearer definitions and limits on projects, as well as statewide ranking, will enable the State to better target its funds to critical needs.

### ISSUE #4: Program Funding Cycles

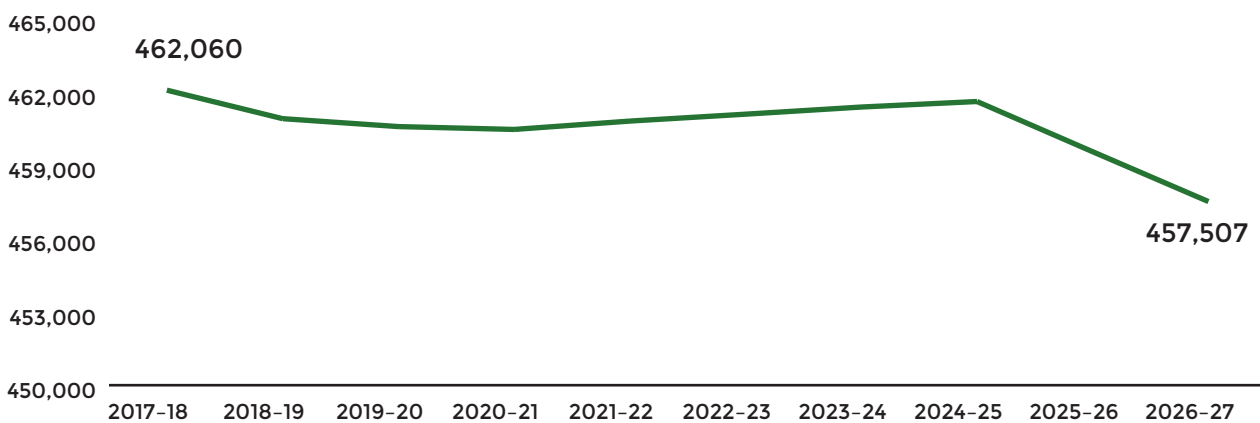
The Committee discussed the funding cycles for project approvals and determined that the alignment of project approvals to the biennial budget process should be retained.

### ISSUE #5: Enrollment Projections

Arkansas public school enrollment increased from 444,271 in the early 1990s to 462,060 in 2017-18, a 4% increase of nearly 17,789 students. Enrollment projections to 2026-27 are nearly flat as shown in Figure 12. However, statewide averages hide the extent to which there can be dramatic variation in enrollment change from district to district and school to school. (See Appendix 3 for District Level Projections.)

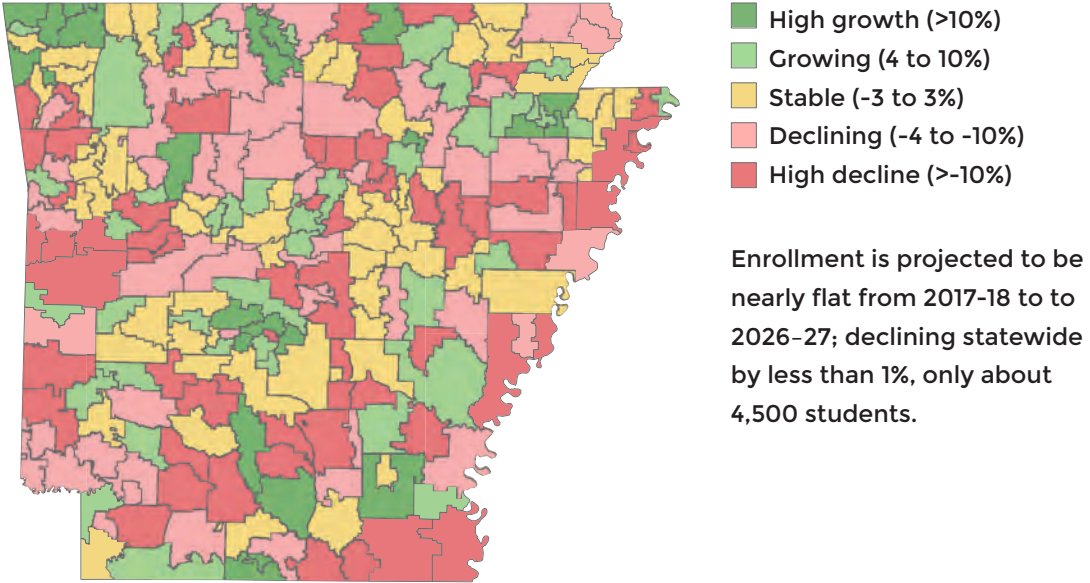
Thirty-seven school districts are projected to increase enrollment by 10% or more while 101 districts are projected to lose 10% or more of enrollment by 2026-27. The map in Figure 13 shows the distribution of growing and declining enrollment districts over the next decade.

**FIGURE 12: ARKANSAS STATEWIDE K-12 PUBLIC SCHOOL ENROLLMENT PROJECTIONS 2017-2026**



Source: Cooperative Strategies for DAPSFT

**FIGURE 13: DISTRIBUTION BY DISTRICT OF PROJECTED ENROLLMENT 2017-18 TO 2026-27**



Data Source: Cooperative Strategies Projected Enrollment Dashboard for DAPSFT.

**PROBLEMS IDENTIFIED BY COMMITTEE**

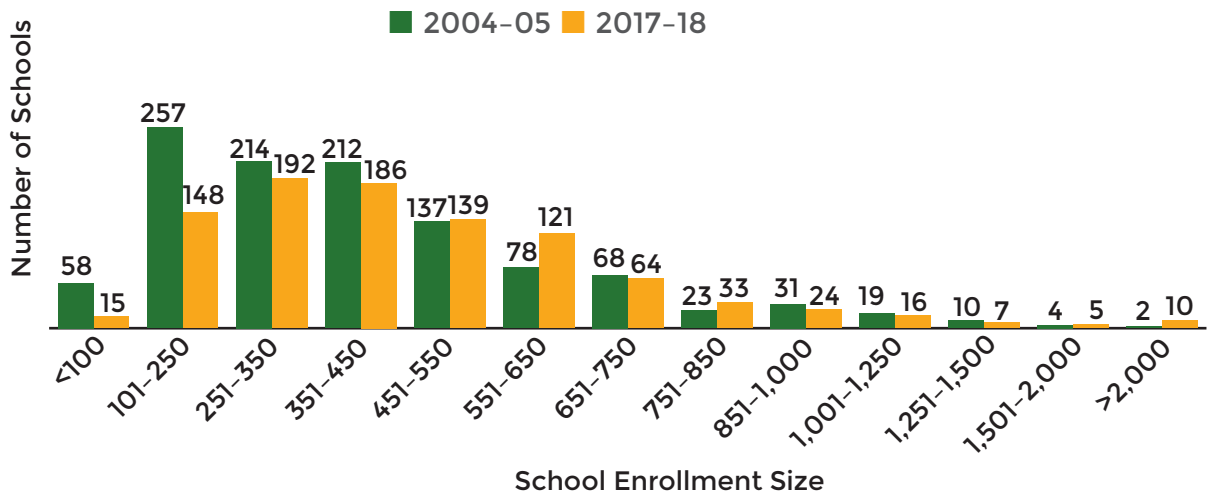
In the 2004-05 school year, there were 529 schools with enrollments less than 350 students, as shown in Figure 14. Although the number of low enrollment schools has declined by a third, there are still 355 schools with less than 350 students (reflecting schools serving all grades). Low enrollment schools continue to be a challenge because infrastructure costs do not decrease in proportion to enrollment—the cost to build a school for 300 students that meets the POR is not 25% less than the cost to build a school for 400 students.

However, the geography and density of population requires that the state ensure condition and design adequacy in schools, “no matter where a student lives.”

**COMMITTEE RECOMMENDATIONS**

Adjustments in the Academic Facilities Wealth Index should help low enrollment and declining enrollment districts provide academic school facilities in their communities that are adequate in condition and design. (See Issue #2)

**FIGURE 14: NUMBER OF SCHOOLS BY ENROLLMENT SIZE CATEGORY, 2004-05 TO 2017-18**



## ISSUE #6: Cost factors

The amount of State funding for a project is based on the qualifying costs of the eligible project and the application of the state share, as set by the wealth index. The State annually updates the cost factors using RS Means, a construction cost estimating service, for 12 regions in the State. The cap for qualifying costs is currently \$175 per gross square foot for new school construction. This qualifying cost is meant to cover “hard” costs for direct and indirect construction costs; and “soft” costs, for architects, engineers, and project managers.

### PROBLEMS IDENTIFIED BY COMMITTEE

The Committee raised concerns that construction costs are rising and the Partnership Program’s project qualifying cost factor cap of \$175 per square foot is too low. Actual new construction costs in 2018 can exceed \$200 per square foot and some school districts have experienced costs in excess of \$220 per GSF. School construction costs, adjusted for Arkansas, are estimated to average \$189.78. to \$204.19 per GSF in 2020. Table 10 shows RS Means construction cost index for select Arkansas regions.

The Division annually reviews actual cost data and projected building costs per square foot for 12 regions of the State. However, the Division does not publish any cost factors greater than the maximum value of \$175 per square foot on its website. The constrained cost factors often confuse school administrators and school boards, and the reduced State financial participation based on the constrained cost factor results in a penalty for the school districts.

Costs for facilities operations, maintenance, and construction are increasing for local school districts and the state. The advertising and procurement processes add time and increased cost to the design and construction processes.

Finally, since roofs were the second largest area for systems funding, the Committee discussed the inefficiencies of all the small roofing contracts individually negotiated at the district level.

**TABLE 10: DIRECT AND INDIRECT COST OF NEW FACILITY**

	K-5	6-8	9-12	6-12
<b>Enrollment</b>	<b>350</b>	<b>350</b>	<b>500</b>	<b>700</b>
Batesville	\$184.31	\$197.90	\$196.45	\$188.85
Camden	\$187.49	\$201.31	\$199.83	\$192.10
Fayetteville	\$184.13	\$197.70	\$196.25	\$188.66
Fort Smith	\$188.25	\$202.12	\$200.64	\$192.88
Harrison	\$184.27	\$197.85	\$196.40	\$188.81
Hot Springs	\$187.86	\$201.70	\$200.22	\$192.48
Jonesboro	\$189.81	\$203.80	\$202.31	\$194.48
Little Rock	\$193.22	\$207.46	\$205.94	\$197.97
Pine Bluff	\$193.31	\$207.55	\$206.03	\$198.06
Russellville	\$184.10	\$197.67	\$196.22	\$188.63
Texarkana	\$188.66	\$202.57	\$201.08	\$193.30
West Memphis	\$193.22	\$207.46	\$205.94	\$197.98

*Data Source: RS Means and Kelly Consulting Services, LLC*

## COMMITTEE RECOMMENDATIONS

- 6.1 The Division should publish actual cost factors based on the annual updates required by ACA § 6-20- 2509.
- 6.2 Partnership Program maximum cost factors for each of the 12 regions should be the lesser of the actual cost factors or \$200 per square foot.
- 6.3 The Division should investigate opportunities for Partnership Program efficiencies in statewide procurement for design and construction services, such as with master contracts that could be negotiated on behalf of the smallest districts to reduce costs for local districts and the state share.

## RATIONALE FOR RECOMMENDATIONS

Because the state share is a percent of eligible costs, a more expensive project increases the cost to the state. While the state has an incentive to help keep costs down, not actually funding its proper share of the project as is promised in the wealth index creates inequities. Wealthier districts can typically afford a project even without the “true” state share, however, lower wealth districts cannot afford to pay without their full state share, and may have to scale a project back, or cancel it altogether.

School districts follow state procurement laws for design and construction for funded Partnership Program projects and for self-funded new construction projects. These laws and rules govern the advertising and selection processes for architects, engineers, and construction managers, and for plan reviews and approvals and bidding of individual contract packages. The State has authority under existing law to procure and negotiate statewide contracts for use by school districts, or to encourage cooperative purchasing by school districts, to leverage savings and efficiencies for design and construction of major

school new construction projects. An expanded use of long-term, statewide contracts could help school districts avoid the risk of cyclical swings in construction material costs, such as those encountered after natural disasters.

New construction projects must follow standards contained in the School Facility Manual and local and state building codes, but there is no requirement for consistency in specifications for projects across the state. Likewise, most new construction projects have unique designs developed by the architects and engineers for each project. Although site conditions often dictate required designs, there may be opportunities for use of a statewide prototype design and guide specifications for new schools and additions.

## FISCAL IMPACT

An increased cost factor to set qualifying costs will increase the amount of state funding for eligible projects, but it should not make the projects actually cost more. Innovations and improvements in procurement, plan reviews and approvals could have a potentially significant effect on costs if they are done to reduce time, and manage bidding and approval risk. For example, the Division may be able to find cost savings associated with roofing procurement, the system receiving the second largest amounts of state financial participation. In addition, the state may be able to assist with HVAC system renewals to ensure savings on state funding for HVAC system renewals. The Division can help districts with the due diligence necessary for Energy Savings Contracts. The Division’s Rule Governing Acquisition of Energy Savings Measures for Public Schools provides for “Energy Savings Contracts” that pay for conservation measures through energy savings, but these can be complicated to do and costly for small districts.

## ISSUE #7: Rules Governing Academic Facilities Programs

The following problems, recommendations, and rationales are all areas where the Division could affect efficiencies or quality with either new or better rules applied to the State’s master plan review with local school districts.

### PROBLEMS IDENTIFIED BY COMMITTEE

During the 2015-2017 project funding cycle, about 50% of the Partnership Program project applications were disapproved due to omissions or errors with technical requirements of the applications. Such high disapproval rates stopped or delayed much needed facilities projects.

Act 962 of 2015 and Act 864 of 2017 allowed school districts to submit “early” applications ahead of the March 1 deadline for Division review to ensure that the applications were complete and thus eligible for Partnership Program funding. For the 2017-2019 project funding cycle, use of Act 864 of 2017 for many project applications was successful in reducing the application disapproval rate. However, the timing permitted in Act 864 of 2017, which required districts to submit “early” applications 120 days before the March 1 deadline, placed the project applications *before the submission of the* Master Plans, which are due on February 1. This

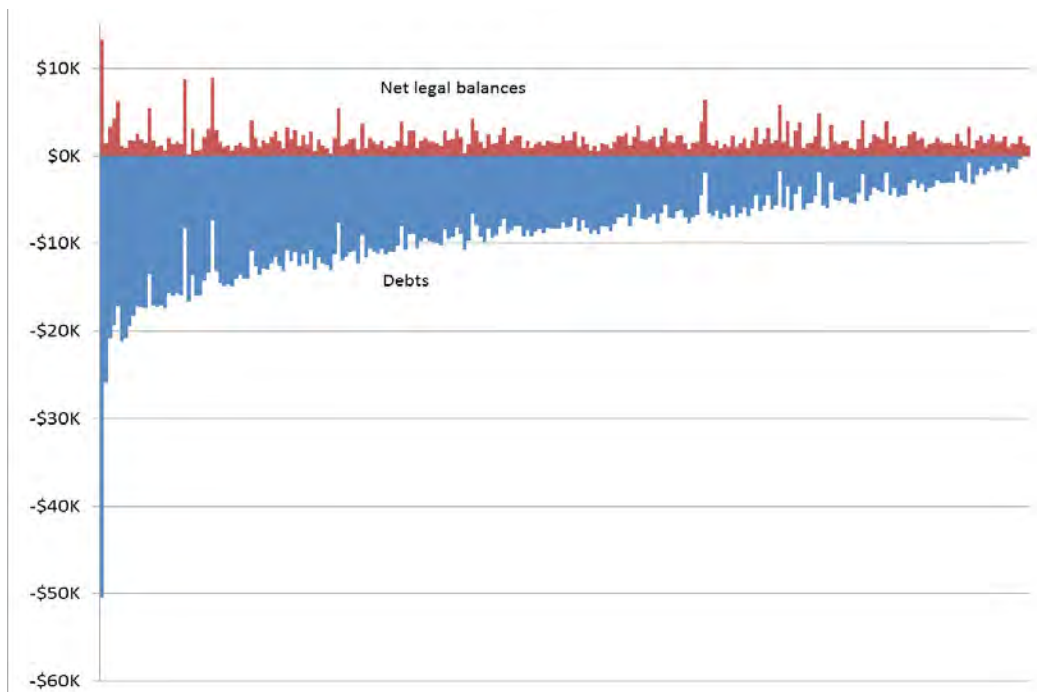
“backwards” timing meant the Division had to review and approve project applications without knowing the overall facilities plan for the school district.

In another master plan related issue, some districts have had large balances in their building funds as they seek Partnership Program Funding as illustrated in Figure 15 showing legal fund balances per student in 2016–17 in red as compared to debt in blue. The master plan review process does not examine or consider the size or uses of the building fund balances when approving projects. Act 1105 of 2017 limits the amount of fund balances a school district may maintain and requires the Arkansas Department of Education to withhold subsequent state funding if fund balances detailed in the law are not achieved.

### COMMITTEE RECOMMENDATIONS

- 7.1 The Division should establish Master Plan and Partnership Program project application timelines to ensure that all project applications receive an “early” review to ensure completeness and compliance and to ensure that the Master Plan remains the foundation of the State’s and school districts’

**FIGURE 15: NET LEGAL BALANCE AND DEBT PER STUDENT BY SCHOOL DISTRICT FY2017**





facilities programs. With processes to ensure “early” review of all Partnership Program project applications, Act 864 of 2017 can be repealed.

- 7.2 The Division has the authority pursuant to Master Plan rules to require additional information in the Master Plan narrative. The Division may wish to consider requiring schools to list their respective building fund balances in their Master Plans filed with the state, but the Committee makes no recommendation to restrict state share of funding based on building fund balances.

### **RATIONALE FOR RECOMMENDATIONS**

Partnership Program funding is essential for many school districts to be able to undertake projects that are necessary to providing adequate condition and design of the schools in their districts. Therefore, it is imperative that school districts have ample opportunities to participate in the Partnership Program and receive State financial participation for approved projects to support the school districts’ Master Plans. At the same time, for program equity, all Partnership Program project applications must be complete and comply with all application requirements. The rules can, and should, be improved to make it possible to both undertake early project reviews and ensure that the district master plans are reviewed by the state and appropriately guide local project applications.

Figure 15 shows the district by district per student level of net legal balance and debt. While savings *may* indicate that a school district is financed too generously, and debts *may* indicate financial mismanagement and unsustainability, this cannot

be concluded without taking into account the long-term trajectories of revenue and spending, especially spending on capital projects. Large debts and large net legal balances can both be appropriate side-effects of reasonable facilities planning.

Legal balances primarily serve districts’ cash flow needs rather than functioning as savings vehicles.

Building fund balances provide the district’s match of Partnership Program state financial participation, as well as pay for capital projects that are NOT subsidized by the state. Considering building fund balances in the computation of wealth index for a district that has planned and managed building fund savings, discourages districts from responsible financial planning for district cost shares of Partnership Program projects. However, as part of the master plan review, the questions and issues associated with how and who is paying for which projects is an appropriate and important step and as a part of the master plan financial review, districts should report on building fund balances and how they are planned to be used and managed.

### **FISCAL IMPACT**

It is impossible to put a specific figure to the fiscal impact of having the local master plans and project applications reviewed together, but it is likely through this process that the state and local districts will be able to find savings. Ensuring that the local plan and the statewide needs lists converge so that projects are properly prioritized and ranked will be essential to the state targeting its funds to leverage the greatest effect and adequacy and equity.

## ISSUE #8: District Compliance with Computerized Maintenance Management System (CMMS) Required Usage

The State purchased the computerized maintenance management system (CMMS), as required in ACA 6-21-808, from DudeSolutions (formerly known as SchoolDude) in 2009. Each district is required to record all maintenance work orders and all preventive maintenance work orders in this system for each school district building. In the beginning, the division staff discovered that most maintenance directors did not have, or did not know how to use, a computer. The Division and the vendor spent the first year going to educational cooperatives and providing training sessions for all districts. The Division today offers training to any district that requests it or the Division determines it is needed. With turnover in personnel and superintendents there is always training to be done.

Pursuant to ACA § 6-21-808, school districts are required to participate in any state-level computerized maintenance management system (“CMMS”) designed to track work orders and preventative work established by the Division at no cost to the school district. And, under ACA § 6-21-813, the Division is tasked with conducting random unannounced on-site inspections of all academic facilities to ensure compliance with the school district’s facilities master plan and, if applicable, the school district’s facilities improvement plan, in order to preserve the integrity of and extend the useful life of the public school facility.

### PROBLEMS IDENTIFIED BY COMMITTEE

Current Division rules and procedures do not adequately address the ongoing maintenance and upkeep required throughout the State’s school districts. The State’s approval and funding of public school construction projects is not currently contingent on any appreciable or objective measurement of how well school districts are maintaining their current facility assets. There is no deliberate use of maintenance data at the State-level from the CMMS to inform decisions on future project funding, and to effectively reward good maintenance and upkeep practices or, in the case of poor facilities maintenance practices, to incentivize better maintenance in order to secure State investment in new facilities projects.

The Division currently has a substantial amount of data about school facilities. However, the formats in which some of the data are stored do not permit the data to be merged or statistically summarized at all, while other data elements can be displayed in certain standard reports but not systematically analyzed. Perhaps more importantly, there is no independent inspection of conditions and data reported to ensure consistent and standardized reporting against statewide criteria.

Other data elements are self-reported by school districts and not checked for consistency of standards across school districts. In general, the Division’s data about the current condition of school facilities is comparable to what was collected in 2004, from the statewide assessment. The Division does not have the capacity to process, analyze, and report on data so it can find process efficiencies or so it can be used to inform decision makers and administrators in real time. Because a number of the Committee recommendations involve use of data in decision making, such as for ranking Statewide Needs, and because innovations for procurement efficiencies often require better management of data for assessing risk, the Advisory Committee is therefore taking an interest in the Division’s efforts to upgrade its capacities to collect and manage data.

### COMMITTEE RECOMMENDATIONS

- 8.1 The Division should establish a Facilities Maintenance Composite Assessment program to evaluate Arkansas school facilities conditions and appearances, and, determine and verify the implementation of an effective maintenance management program. The program should consist of multiple weighted components including, but not limited to the following:
  - preventative maintenance plan (in CMMS),
  - corrective action work order completion (in CMMS),

- state mandated inspections compliance, and maintenance personnel professional development.

8.2 The Facilities Maintenance Composite Assessment should accomplish the following:

- i. Provide a statewide overview of Arkansas public school facilities conditions and maintenance operations performance.
- ii. Provide constructive feedback to each school district on its facilities maintenance program.
- iii. Gather and share “best practices” across the State.
- iv. Establish a baseline condition score of current facilities maintenance programs.
- v. Identify school districts that require additional technical assistance from the Division.
- vi. Provide an additional ranking factor to be used in funding requested from Academic Facilities Partnership Program projects.

8.3 To ensure the Division is able to implement the Facilities Maintenance Composite Assessment program and to obtain high quality data about the current condition of the schools, in a format amenable to analysis, the Division needs to bring its capacity for collecting and using data up to best practice standards.

8.4 To improve the overall data quality the Division should have an audit of the Division’s current data assets, map them and create a database structure, and develop and implement recommendations to gain better

intelligence and decision support regarding school facilities in Arkansas.

## RATIONALE FOR RECOMMENDATIONS

The objective of developing a statewide Facilities Maintenance Composite Assessment is to examine schools and to objectively score and rate maintenance management practices. The Division’s existing staff (Maintenance and Operations Section) could be re-tasked to better observe and report assessment of computerized maintenance management systems usage, existing physical conditions, review of building condition assessment data, and the degree of variance from standards in the “*Public School Facilities, Maintenance, Repair, and Renovation Manual, (Custodial and Maintenance Manual)*” as well as “best practices.”

Improved data is also going to be crucial to informing the decisions of key policymakers including the Arkansas Governor’s Office, the Legislature, and the Commission. Such capacity building will be a crucial part of the implementation of any policy that could significantly improve the Division’s effectiveness in support of an adequate education for students while limiting the fiscal burden to the taxpayer.

## FISCAL IMPACT

The Division will need to invest in improvements to its facilities data management and analysis systems and then sustain a level of staffing and support to ensure that there is data integrity, transparency, and analysis appropriate for the application of the data for accountability and decision making to set priorities. The Division estimates it will require an initial investment of a few hundred thousand dollars, but a sustaining level that should be considerably less.





# Conclusion

Arkansas public school districts, in supporting the education of 466,000 students and 72,000 staff, have spent slightly more than \$6 billion (in unadjusted \$) on facilities construction and improvements since 2004. The funding for this work has come from local, state and federal sources. Most of these funds (81%) were from local sources, with 4% from federal sources and 15% from the State. The Division of Public School Academic Facilities and Transportation was established by statute to provide State funds and establish standards and supports to local districts to ensure adequate and equitable academic facilities.

The evidence from district reported building assessments, and recent survey of principals, indicates that the efforts of the districts and state have increased the quality and the quantity of facilities improvement and construction projects. However, there are still disparate facilities conditions and ongoing needs that require a robust state program. There are an estimated \$605 million a year in life cycle, education adequacy and growth related needs for academic facilities over the next five years.

With the recommendations in this Report, the Advisory Committee on Public School Academic Facilities seeks to ensure the State Academic Facilities Partnership Program is sustained by a stable and adequate level of State funding, that

is recommended at \$90 million per year—15% of the estimated statewide academic facilities needs. These funds need to be effectively and fairly targeted to school districts and schools with the highest need and lowest capacity to meet those needs. The changes to the wealth index and the new transparency and guidance for priority Partnership Funding will support these ends. The recommendations of the Advisory Committee encourage innovation to find savings and efficiencies through planning, design and construction and opportunities for statewide procurements. Finally, the Advisory Committee recognizes the importance of data, in the fair application of its recommendations and in supporting adequacy and equity for Arkansas academic public school facilities.

Most of the Advisory Committee recommendations can be implemented with changes in Master Plan and Partnership Program rules. However, some recommendations such as the Academic Facilities Wealth Index and repealing Act 864 of 2017, must be done in statute, hopefully in the 2019 Legislative Session. The Advisory Committee believes that all changes must have ample time for public review and comment. All changes and recommendations should be enacted in the appropriate statute and/or rules to become effective with the 2021-2023 Partnership Program project funding cycle and the 2020 Master Plan.



# Appendices

**Appendix 1: Capital Related Expenditures for Arkansas School Districts, 2004-2017 (in unadjusted \$)**

**Appendix 2: Arkansas Federal Funding for Public School Facilities Fiscal Years 2004-2017**

**Appendix 3: Current Facilities Wealth Index and Proposed Facilities Wealth Index**

**Appendix 4: Projected Enrollment by School District 2017-18 to 2026-27**

**Appendix 5: Recommendations as Voted on by the Advisory Committee on Public School Academic Facilities**

## Appendix 1: Capital Related Expenditures for Arkansas School Districts, 2004-2017 (in unadjusted \$)

School District	Locally Funded	State Funded	Federally Funded	TOTAL
Alma	\$42,408,507	\$3,529,956	\$522,331	\$46,460,794
Alpena	\$1,794,140	\$379,822	\$12,600	\$2,186,562
Arkadelphia	\$5,951,640	\$1,184,099	\$1,535,981	\$8,671,720
Armored	\$3,741,399	\$-	\$20,962	\$3,762,361
Ashdown	\$12,284,466	\$-	\$34,755	\$12,319,221
Atkins	\$9,844,566	\$10,832,942	\$567,254	\$21,244,762
Augusta	\$760,391	\$-	\$34,453	\$794,844
Bald Knob	\$10,875,964	\$3,947,746	\$1,216,411	\$16,040,121
Barton-Lexa	\$4,853,875	\$3,771,112	\$535,000	\$9,159,987
Batesville	\$26,391,832	\$693,223	\$23,577	\$27,108,632
Bauxite	\$18,599,847	\$14,164,409	\$749,038	\$33,513,294
Bay	\$6,245,528	\$2,502,447	\$554,412	\$9,302,387
Bearden	\$3,465,585	\$245,451	\$246,796	\$3,957,832
Beebe	\$21,944,382	\$14,459,418	\$3,108,659	\$39,512,459
Benton	\$97,841,462	\$16,435,362	\$451,102	\$114,727,926
Bentonville	\$274,353,106	\$15,079,670	\$-	\$289,432,776
Bergman	\$10,255,956	\$4,884,993	\$378,783	\$15,519,732
Berryville	\$15,046,567	\$6,338,451	\$1,371,051	\$22,756,069
Bismarck	\$7,902,167	\$8,031,297	\$612,335	\$16,545,799
Blevins	\$2,179,862	\$630,473	\$347,635	\$3,157,970
Blytheville	\$13,257,427	\$607,796	\$295,644	\$14,160,867
Booneville	\$18,040,976	\$99,101	\$1,891,954	\$20,032,031
Bradford	\$4,192,138	\$3,777,007	\$799,706	\$8,768,851
Brinkley	\$1,817,919	\$-	\$30,030	\$1,847,949
Brookland	\$24,804,524	\$10,958,832	\$377,813	\$36,141,169
Bryant	\$100,691,902	\$16,477,036	\$8,746	\$117,177,684
Buffalo Is. Central	\$4,679,126	\$417,696	\$48,544	\$5,145,366
Cabot	\$94,191,615	\$38,346,728	\$483,508	\$133,021,851
Caddo Hills	\$3,507,130	\$1,462,418	\$617,737	\$5,587,285
Calico Rock	\$1,839,526	\$-	\$202,963	\$2,042,489
Camden Fairview	\$2,628,284	\$2,805,916	\$289,461	\$5,723,661
Carlisle	\$15,743,610	\$4,685,368	\$230,673	\$20,659,651
Cave City	\$11,707,049	\$939,033	\$482,799	\$13,128,881
Cedar Ridge	\$10,430,798	\$-	\$84,420	\$10,515,218
Cedarville	\$5,716,707	\$6,790,812	\$3,940,572	\$16,448,091
Centerpoint	\$7,369,247	\$5,567,494	\$959,130	\$13,895,871
Charleston	\$10,529,731	\$2,186,022	\$985,252	\$13,701,005
Clarendon	\$5,415,312	\$717,446	\$700,161	\$6,832,919
Clarksville	\$5,708,234	\$2,055,430	\$3,217,234	\$10,980,898
Cleveland County	\$1,874,447	\$57,026	\$973,855	\$2,905,328

School District	Locally Funded	State Funded	Federally Funded	TOTAL
Clinton	\$19,537,907	\$184,043	\$153,157	\$19,875,107
Concord	\$2,572,731	\$1,353,450	\$453,150	\$4,379,331
Conway	\$144,527,017	\$6,409,728	\$1,524,208	\$152,460,953
Corning	\$1,109,784	\$1,042,988	\$859,207	\$3,011,979
Cossatot River	\$6,566,980	\$9,050,727	\$(19,875)	\$15,597,832
Cotter	\$1,814,822	\$157,408	\$425,897	\$2,398,127
County Line	\$3,924,549	\$1,136,528	\$1,271,106	\$6,332,183
Cross County	\$7,318,866	\$4,101,269	\$490,162	\$11,910,297
Crossett	\$19,139,451	\$-	\$996,849	\$20,136,300
Cutter-Morning	\$4,658,143	\$1,570,830	\$357,384	\$6,586,357
Danville	\$1,942,800	\$2,570,225	\$174,217	\$4,687,242
Dardanelle	\$12,142,587	\$7,900,180	\$23,503	\$20,066,270
Dequeen	\$8,295,611	\$6,873,656	\$2,152,928	\$17,322,195
Decatur	\$5,128,293	\$270,774	\$44,683	\$5,443,750
Deer/Mt. Judea	\$4,023,295	\$50,348	\$232,674	\$4,306,317
Dermott	\$2,136,516	\$241,005	\$512,387	\$2,889,908
Des Arc	\$2,688,657	\$88,633	\$448,114	\$3,225,404
Dewitt	\$9,844,868	\$1,430,581	\$525,508	\$11,800,957
Dierks	\$881,210	\$248,073	\$142,063	\$1,271,346
Dollarway	\$11,777,404	\$7,205,947	\$1,979,567	\$20,962,918
Dover	\$13,560,142	\$12,118,442	\$1,017,537	\$26,696,121
Drew Central	\$11,011,526	\$2,118,974	\$246,822	\$13,377,322
Dumas	\$8,712,416	\$1,427,835	\$1,124,280	\$11,264,531
Earle	\$3,431,919	\$111,720	\$1,223,011	\$4,766,650
East End	\$4,796,177	\$1,928,544	\$366,908	\$7,091,629
East Poinsett Co.	\$2,821,567	\$1,010,232	\$494,339	\$4,326,138
El Dorado	\$43,251,819	\$14,135,888	\$1,788,092	\$59,175,799
Elkins	\$10,250,327	\$6,871,113	\$-	\$17,121,440
Emerson-Taylor-Bradley	\$8,227,787	\$2,081,083	\$200,240	\$10,509,110
England	\$6,869,233	\$250,646	\$-	\$7,119,879
Eureka Springs	\$15,924,402	\$-	\$88,389	\$16,012,791
Farmington	\$33,697,941	\$10,721,941	\$-	\$44,419,882
Fayetteville	\$159,567,012	\$-	\$5,116,097	\$164,683,109
Flippin	\$8,851,468	\$652,419	\$2,075,977	\$11,579,864
Fordyce	\$5,123,514	\$-	\$466,712	\$5,590,226
Foreman	\$2,268,253	\$983,560	\$210,752	\$3,462,565
Forrest City	\$7,930,161	\$3,948,593	\$1,460,748	\$13,339,502
Fort Smith	\$100,811,216	\$8,643,647	\$26,148,693	\$135,603,556
Fouke	\$3,904,676	\$1,704,061	\$59,782	\$5,668,519
Fountain Lake	\$18,754,482	\$-	\$2,500,512	\$21,254,994
Genoa Central	\$6,252,735	\$1,369,909	\$191,702	\$7,814,346
Gentry	\$17,234,188	\$369,160	\$112,285	\$17,715,633
Glen Rose	\$6,965,182	\$871,081	\$919,507	\$8,755,770



School District	Locally Funded	State Funded	Federally Funded	TOTAL
Gosnell	\$4,264,269	\$3,308,510	\$666,162	\$8,238,941
Gravette	\$36,566,148	\$-	\$432,551	\$36,998,699
Green Forest	\$6,671,758	\$3,138,759	\$445,814	\$10,256,331
Greenbrier	\$36,785,180	\$15,008,630	\$61,866	\$51,855,676
Greene County Tech	\$46,700,960	\$15,187,412	\$761,536	\$62,649,908
Greenland	\$5,129,595	\$306,273	\$1,069,333	\$6,505,201
Greenwood	\$29,516,734	\$3,639,153	\$5,285,335	\$38,441,222
Gurdon	\$4,750,238	\$779,704	\$495,885	\$6,025,827
Guy-Perkins	\$3,183,166	\$3,257,174	\$241,133	\$6,681,473
Hackett	\$14,634,176	\$2,434,482	\$823,479	\$17,892,137
Hamburg	\$15,370,973	\$4,630,484	\$1,636,945	\$21,638,402
Hampton	\$12,523,351	\$1,787,205	\$642,349	\$14,952,905
Harmony Grove (Saline)	\$7,592,701	3960550.6	270679.12	\$11,823,931
Harmony Grove (Ouachita)	\$9,228,903	2636903.54	3500	\$11,869,306
Harrisburg	\$7,678,187	\$750,790	\$1,712,454	\$10,141,431
Harrison	\$42,659,403	\$1,512,494	\$545,516	\$44,717,413
Hazen	\$7,392,267	\$688,502	\$179,039	\$8,259,808
Heber Springs	\$21,311,626	\$141,833	\$994,045	\$22,447,504
Hector	\$4,040,809	\$3,454,788	\$454,535	\$7,950,132
Helena/West Helena	\$9,315,072	\$4,004,366	\$82,215	\$13,401,653
Hermitage	\$2,453,184	\$307,484	\$270,184	\$3,030,852
Highland	\$12,460,173	\$26,195	\$1,641,307	\$14,127,675
Hillcrest	\$3,143,346	\$51,160	\$19,232	\$3,213,738
Hope	\$25,285,379	\$1,387,134	\$977,465	\$27,649,978
Horatio	\$5,502,902	\$9,733,989	\$636,756	\$15,873,647
Hot Springs	\$19,921,484	\$1,641,611	\$894,338	\$22,457,433
Hoxie	\$6,765,158	\$2,162,378	\$655,290	\$9,582,826
Huntsville	\$3,326,925	\$1,236,533	\$2,591,792	\$7,155,250
Izard County Consolidated	\$3,753,145	\$29,076	\$314,202	\$4,096,423
Jackson Co.	\$8,361,642	\$249,110	\$762,076	\$9,372,828
Jacksonville North Pulaski	\$14,716,558	\$16,408	\$-	\$14,732,966
Jasper	\$10,026,197	\$3,823,193	\$691,173	\$14,540,563
Jessieville	\$8,739,668	\$4,577	\$881,325	\$9,625,570
Jonesboro	\$49,180,304	\$1,236,909	\$4,869,731	\$55,286,944
Junction City	\$8,797,410	\$67,074	\$203,064	\$9,067,548
Kirby	\$1,737,570	\$596,230	\$859,490	\$3,193,290
Lafayette County	\$4,133,747	\$2,028,367	\$435,669	\$6,597,783
Lake Hamilton	\$58,818,237	\$14,022,706	\$2,005,525	\$74,846,468
Lakeside (Chicot)	\$3,472,231	\$1,726,530	\$3,044,080	\$8,242,841
Lakeside (Garland)	\$35,834,825	\$1,827,169	\$4,246,095	\$41,908,089
Lamar	\$4,941,714	\$917,722	\$1,070,982	\$6,930,418
Lavaca	\$12,992,538	\$4,769,353	\$710,083	\$18,471,974

School District	Locally Funded	State Funded	Federally Funded	TOTAL
Lawrence County	\$3,932,081	\$2,345,764	\$558,858	<b>\$6,836,703</b>
Lead Hill	\$300,995	\$-	\$117,868	<b>\$418,863</b>
Lee County	\$3,199,335	\$449,962	\$2,986,978	<b>\$6,636,275</b>
Lincoln	\$18,475,484	\$6,418,603	\$496,774	<b>\$25,390,861</b>
Little Rock	\$252,986,569	\$-	\$9,716,904	<b>\$262,703,473</b>
Lonoke	\$27,028,256	\$7,197,262	\$517,955	<b>\$34,743,473</b>
Magazine	\$6,939,635	\$1,201,594	\$1,373,689	<b>\$9,514,918</b>
Magnet Cove	\$6,223,344	\$1,411,257	\$537,513	<b>\$8,172,114</b>
Magnolia	\$22,374,503	\$2,676,049	\$2,608,455	<b>\$27,659,007</b>
Malvern	\$17,007,784	\$3,433,055	\$1,622,344	<b>\$22,063,183</b>
Mammoth Spring	\$3,802,700	\$131,137	\$-	<b>\$3,933,837</b>
Manila	\$7,480,196	\$6,462,672	\$53,927	<b>\$13,996,795</b>
Mansfield	\$10,012,321	\$62,519	\$2,600,056	<b>\$12,674,896</b>
Marion	\$38,696,057	\$13,101,988	\$3,719,507	<b>\$55,517,552</b>
Marked Tree	\$697,482	\$308,966	\$907,826	<b>\$1,914,274</b>
Marmaduke	\$3,340,062	\$2,358,099	\$1,249,484	<b>\$6,947,645</b>
Marvell-Elaine	\$2,953,743	\$1,141,480	\$2,036,328	<b>\$6,131,551</b>
Mayflower	\$3,444,725	\$3,870,010	\$383,774	<b>\$7,698,509</b>
Maynard	\$2,646,123	\$2,260,628	\$71,076	<b>\$4,977,827</b>
McCrary	\$8,150,894	\$2,740,842	\$640,943	<b>\$11,532,679</b>
McGehee	\$6,467,078	\$478,746	\$1,892,570	<b>\$8,838,394</b>
Melbourne	\$8,836,551	\$5,196,005	\$450,416	<b>\$14,482,972</b>
Mena	\$20,485,302	\$8,626,323	\$1,854,505	<b>\$30,966,130</b>
Midland	\$8,346,090	\$246,640	\$352,466	<b>\$8,945,196</b>
Mineral Springs	\$3,610,169	\$251,821	\$373,213	<b>\$4,235,203</b>
Monticello	\$8,730,978	\$2,141,377	\$351,780	<b>\$11,224,135</b>
Mount Ida	\$4,642,575	\$133,738	\$222,557	<b>\$4,998,870</b>
Mt. Vernon/Enola	\$20,041,918	\$755,142	\$-	<b>\$20,797,060</b>
Mountain Home	\$40,792,639	\$563,483	\$403,138	<b>\$41,759,260</b>
Mountain Pine	\$1,934,407	\$364,969	\$140,496	<b>\$2,439,872</b>
Mountain View	\$3,745,054	\$2,033,132	\$2,694,139	<b>\$8,472,325</b>
Mountainburg	\$2,824,271	\$1,915,523	\$450,332	<b>\$5,190,126</b>
Mulberry	\$1,953,530	\$330,524	\$326,303	<b>\$2,610,357</b>
Nashville	\$14,237,676	\$5,948,260	\$-	<b>\$20,185,936</b>
Nemo Vista	\$6,385,214	\$3,274,244	\$206,751	<b>\$9,866,209</b>
Nettleton	\$42,751,456	\$795,326	\$1,152,152	<b>\$44,698,934</b>
Nevada	\$111,853	\$-	\$342,608	<b>\$454,461</b>
Newport	\$20,485,522	\$5,374,925	\$1,529,488	<b>\$27,389,935</b>
Norfolk	\$3,375,670	\$320,682	\$447,721	<b>\$4,144,073</b>
North Little Rock	\$221,873,865	\$32,499,278	\$41,324	<b>\$254,414,467</b>
Omaha	\$3,266,685	\$1,171,340	\$467,143	<b>\$4,905,168</b>
Osceola	\$5,355,460	\$11,979,012	\$2,021,071	<b>\$19,355,543</b>
Ouachita River	\$2,165,458	\$392,244	\$744,661	<b>\$3,302,363</b>

School District	Locally Funded	State Funded	Federally Funded	TOTAL
Ouachita	\$4,020,403	\$2,835,064	\$582,082	\$7,437,549
Ozark Mountain	\$2,564,844	\$1,422,826	\$189,678	\$4,177,348
Ozark	\$17,086,487	\$3,548,792	\$1,818,619	\$22,453,898
Palestine-Wheatley	\$4,974,876	\$1,377,310	\$12,230	\$6,364,416
Pangburn	\$14,270,038	\$8,683,900	\$1,459,033	\$24,412,971
Paragould	\$26,205,115	\$6,189,156	\$1,965,125	\$34,359,396
Paris	\$20,284,470	\$1,608,075	\$1,508,948	\$23,401,493
Parkers Chapel	\$8,309,226	\$754,830	\$6,818	\$9,070,874
Pea Ridge	\$26,941,062	\$7,808,843	\$668,324	\$35,418,229
Perryville	\$4,470,197	\$713,941	\$-	\$5,184,138
Piggott	\$7,389,540	\$399,603	\$101,870	\$7,891,013
Pine Bluff	\$44,740,299	\$14,770,010	\$-	\$59,510,309
Pocahontas	\$10,077,591	\$2,006,162	\$1,360,446	\$13,444,199
Pottsville	\$14,323,573	\$2,844,122	\$961,414	\$18,129,109
Poyen	\$9,575,255	\$6,022,110	\$71,445	\$15,668,810
Prairie Grove	\$32,408,818	\$5,457,890	\$-	\$37,866,708
Prescott	\$7,639,885	\$4,597,367	\$699,439	\$12,936,691
Pulaski County	\$230,228,223	\$10,666,685	\$10,134,937	\$251,029,845
Quitman	\$9,540,568	\$1,178,126	\$98,481	\$10,817,175
Rector	\$4,722,826	\$-	\$1,727	\$4,724,553
Rivercrest	\$3,136,530	\$(152,167)	\$-	\$2,984,363
Riverside	\$7,694,919	\$10,538,026	\$-	\$18,232,945
Riverview	\$11,627,875	\$3,767,932	\$2,704,540	\$18,100,347
Rogers	\$149,053,085	\$11,151,920	\$3,342,624	\$163,547,629
Rose Bud	\$8,594,223	\$1,051,752	\$43,516	\$9,689,491
Russellville	\$81,510,351	\$-	\$6,211,121	\$87,721,472
Salem	\$2,828,196	\$2,029,044	\$575,398	\$5,432,638
Scranton	\$1,980,291	\$857,426	\$-	\$2,837,717
Searcy County	\$8,682,554	\$2,202,577	\$223,388	\$11,108,519
Searcy	\$43,094,675	\$1,297,159	\$1,997,030	\$46,388,864
Sheridan	\$19,110,353	\$6,214,451	\$424,692	\$25,749,496
Shirley	\$4,670,062	\$-	\$494,785	\$5,164,847
Siloam Springs	\$64,830,471	\$17,035,908	\$294,352	\$82,160,731
Sloan-Hendrix	\$5,591,007	\$1,966,076	\$598,605	\$8,155,688
Smackover-Norphlet	\$3,099,938	\$65,950	\$-	\$3,165,888
South Conway County	\$39,065,324	\$1,063,540	\$2,528,530	\$42,657,394
South Pike County	\$4,293,811	\$923,719	\$66,786	\$5,284,316
South Side (Vanburen)	\$7,411,871	\$1,095,111	\$147,140	\$8,654,122
Southside (Independence)	\$15,241,237	\$10,245,525	\$291,886	\$25,778,648
Spring Hill	\$2,500,850	\$5,188,955	\$19,767	\$7,709,572
Springdale	\$217,336,323	\$42,591,376	\$4,397,022	\$264,324,721
Star City	\$13,288,703	\$3,028,020	\$348,725	\$16,665,448

School District	Locally Funded	State Funded	Federally Funded	TOTAL
Strong-Huttig	\$499,612	\$18,612	\$157,608	<b>\$675,832</b>
Stuttgart	\$18,598,733	\$266,375	\$742,510	<b>\$19,607,618</b>
Texarkana	\$33,704,151	\$5,037,325	\$5,773,850	<b>\$44,515,326</b>
Trumann	\$21,753,584	\$14,935,190	\$2,492,386	<b>\$39,181,160</b>
Two Rivers	\$15,674,927	\$10,493,969	\$921,046	<b>\$27,089,942</b>
Valley Springs	\$2,761,309	\$625,710	\$347,277	<b>\$3,734,296</b>
Valley View	\$40,566,469	\$5,911,296	\$303,159	<b>\$46,780,924</b>
Van Buren	\$67,780,172	\$6,977,402	\$5,158,514	<b>\$79,916,088</b>
Vilonia	\$22,085,763	\$9,377,824	\$3,378,634	<b>\$34,842,221</b>
Viola	\$3,447,380	\$2,132,222	\$522,641	<b>\$6,102,243</b>
Waldron	\$19,070,297	\$3,590,389	\$883,504	<b>\$23,544,190</b>
Warren	\$8,772,461	\$2,033,763	\$828,397	<b>\$11,634,621</b>
Watson Chapel	\$5,265,046	\$11,614,936	\$36,733	<b>\$16,916,715</b>
West Fork	\$4,386,104	\$4,243,847	\$25,700	<b>\$8,655,651</b>
West Memphis	\$41,440,090	\$13,369,047	\$6,295,667	<b>\$61,104,804</b>
West Side (Cleburne)	\$7,406,801	\$-	\$441,781	<b>\$7,848,582</b>
Western Yell County	\$2,991,849	\$2,831,221	\$409,937	<b>\$6,233,007</b>
Westside Consolidated (Craig)	\$12,973,202	\$2,033,867	\$1,289,974	<b>\$16,297,043</b>
Westside (Johnson)	\$3,465,472	\$907,647	\$1,124,265	<b>\$5,497,384</b>
White County Central	\$4,675,236	\$2,633,040	\$1,114,006	<b>\$8,422,282</b>
White Hall	\$18,487,837	\$1,272,158	\$758,543	<b>\$20,518,538</b>
Wonderview	\$6,430,573	\$1,754,000	\$346,712	<b>\$8,531,285</b>
Woodlawn	\$3,279,540	\$3,259,873	\$39,757	<b>\$6,579,170</b>
Wynne	\$12,490,842	\$2,722,654	\$1,142,282	<b>\$16,355,778</b>
Yellville-Summit	\$8,733,491	\$2,226,783	\$10,068	<b>\$10,970,342</b>
<b>TOTAL</b>	<b>\$4,814,085,026</b>	<b>\$904,437,077</b>	<b>\$261,647,408</b>	<b>\$5,980,169,511</b>

\* Omits data from districts closed since 2004.

## Appendix 2: Arkansas Federal Funding for Public School Facilities Fiscal Years 2004-2017

Program		Funding
6511	ESEA Stabilization-ARRA CFDA# 84.394	4,991,923.51
6579	Carl Perkins Stabilization-ARRA CFDA# 84.394	150,750.40
6721	IDEA-ARRA CFDA# 84.391	6,763,714.95
6722	IDEA CEIS-ARRA	10,901.00
6723	IDEA Preschool-ARRA CFDA# 84.392	61,797.00
6724	IDEA Stabilization-ARRA CFDA 84.394	86,219.32
6801	New Construction Stabilization-ARRA CFDA# 84.394	52,336,367.95
6802	Modernization Stabilization-ARRA CFDA# 84.394	45,855,985.86
6803	Renovation Stabilization-ARRA CFDA# 84.394	54,654,784.09
6804	Repair Stabilization-ARRA CFDA# 84.394	4,748,238.93
6516	Title I Part A-ARRA CFDA# 84.389	673,793.19
6465	"Major Disaster - Repair & Equip Fema Storm Shelter. FEMA Grant Hazard Mitigation Grant Program (HMGP). #'s: #1472-DR-AR, #1744-DR-AR Project #2, #1751-DR-AR, #1819-DR-AR Project #27. Tornado Safe Rooms."	81,339,118.81
6466	Emergency Impact Aid Program CFDA# 84.938 (Hurricanes Katrina and Rita Displaced and Community Disaster Loan. CFDA # 97.030	2,981.55
6468	Arkansas Sever Winter Storm FEMA-1819-DR	1,348,243.42
6599	SAFE ROOMS	1,064,832.70
6441	21st Century Community Learning Centers, Title IV, Part B	8,528.44
6450	Magnet School	302,918.96
6451	"Magnet Schools Assistance Program issued through the U.S. Dept. of Ed, CFDA # 84.165A"	233,233.40
6470	Public Law 815 - Construction	494,973.36
6471	US Dept. of ED Title II. Race to the Top and US Dept of Education. Title III of Div F P.L. 112-74. Race to the Top. CFDA # 84.413	1,693,450.00
6472	US Dept. of Health & Human Svs	495,885.00
6480	Resource Conservation & Development CFDA # 15.902 National Environmental Study Areas	1,133,866.17
6486	Energy Policy Act (2005) 111-5, Recovery Act (2009), CFDA # 81.087	2,420,000.00
6491	Affordable Care Act (ACA) Grants	500,000.00
6497	"Farm to School Program CFDA # 10.575. Authorization (040): The Healthy, Hunger-Free Kids Act of 2010 (HHFKA)."	15,121.26
6501	ESEA Title I Regular Comp Education CFDA #84.010	23,948.95
6508	Even Start Family Literacy Program CFDA #84.213 - Retires 9/30/2012	34,195.72
6509	Learn and Serve America 6508* 45117 Even Start Family Literacy Program CFDA #84.213 - Retires 9/30/2012	20,665.48
6535	Public Charter Schools, Title V, Part B, CFDA #84.282	328,309.83
6557	"Preschool Development Grants (B). CFDA # 84.419. High Quality Preschool Programs (HQPP)"	604,510.40
6560	DHS - Childcare Assistance Grant, CFDA # 93.575	61,198.40
6562	ADHS - Child Care & Dev CFDA # 93.575	43,621.00
6563	AR Dept Human Services - Child Care & Early Childhood, CFDA # 93.575	5,732.90

Program		Funding
6570	Carl Perkins Vocational Education Basic Grant - Formula Grant, CFDA #84.048	9,493.84
6575	Vocational Education Support Programs - Community-Based	137,714.00
6578	Supplemental Grants for Improvement, Title III Part F	2,731.91
6596	Educational Technology - Title II Part D, Competitive Grant Category	9,159.92
6610	Correctional Adult Education	537.60
6700	IDEA Title VI-B Education of Handicapped	8,758.94
6702	IDEA Title VI-B Pass through, CFDA #84.027	394,323.86
6710	IDEA Early Childhood, Section 619, CFDA #84.173	13,648.95
6725	IDEA Resource Grant	405,653.95
6750	MEDICAID	184,264.48
6752	Medicaid General Health Services, ARMAC	514,689.00
6760	Environmental Education Grants, CFDA # 66.951	1,212.51
6766	"Safe & Drug Free Schools. Title IV, Part A and/or Partnership for Success-Youth Leadership Development Grant. CFDA# 93.243. (Reimbursed by AR DHS Behavioral Health Services)"	42,820.00
6769	Child Care & Development Fund, CFDA#93.596	2,857.61
6783	Safe and Drug-Free Schools	6,142.55
6784	Title VI-RLIS - Rural and Low Income, CFDA #84.358B	8,818.00
6785	Comprehensive School Health - Aids Education Act	5,079.96
6790	Other Restrict Federal Through the State (Title I Accountability (includes Ameri Corp Grant)) CFDA #84.348	1,519,032.32
6797	Safe Routes to School	98,876.54
<b>TOTAL</b>		<b>265,875,627.89</b>

## Appendix 3: Current Facilities Wealth Index and Proposed Facilities Wealth Index

School District	Current (FY2017) Facilities Wealth Index (District Share)	State Share Current Wealth Index	Proposed Facilities Wealth Index (District Share)	Proposed State Share	Difference Between Proposed and Current State Share
Alma	32.8%	67.2%	35.9%	64.1%	-3.1%
Alpena	34.8%	65.2%	25.6%	74.4%	9.2%
Arkadelphia	62.6%	37.4%	45.0%	55.0%	17.6%
Armored	99.5%	0.5%	99.5%	0.5%	0.0%
Ashdown	87.1%	12.9%	62.8%	37.2%	24.3%
Atkins	38.2%	61.8%	32.8%	67.2%	5.4%
Augusta	89.8%	10.2%	39.0%	61.0%	50.8%
Bald Knob	55.1%	44.9%	43.8%	56.2%	11.3%
Barton-Lexa	26.7%	73.3%	22.5%	77.5%	4.2%
Batesville	54.3%	45.7%	46.6%	53.4%	7.7%
Bauxite	28.9%	71.1%	34.6%	65.4%	-5.7%
Bay	36.4%	63.6%	30.2%	69.8%	6.2%
Bearden	39.7%	60.3%	26.7%	73.3%	13.0%
Beebe	38.6%	61.4%	42.3%	57.7%	-3.7%
Benton	48.8%	51.2%	59.4%	40.6%	-10.6%
Bentonville	65.5%	34.5%	99.5%	0.5%	-34.0%
Bergman	29.2%	70.8%	29.9%	70.1%	-0.7%
Berryville	43.9%	56.1%	35.8%	64.2%	8.1%
Bismarck	39.7%	60.3%	38.8%	61.2%	0.9%
Blevins	42.7%	57.3%	25.4%	74.6%	17.3%
Blytheville	45.7%	54.3%	27.5%	72.5%	18.2%
Booneville	39.4%	60.6%	26.8%	73.2%	12.6%
Bradford	33.8%	66.2%	24.9%	75.1%	8.9%
Brinkley	82.1%	17.9%	33.3%	66.7%	48.8%
Brookland	36.4%	63.6%	43.8%	56.2%	-7.4%
Bryant	50.6%	49.4%	68.2%	31.8%	-17.6%
Buffalo Island Central	49.5%	50.5%	48.0%	52.0%	1.5%
Cabot	39.1%	60.9%	51.3%	48.7%	-12.2%
Caddo Hills	33.2%	66.8%	22.5%	77.5%	10.7%
Calico Rock	48.0%	52.0%	30.4%	69.6%	17.6%
Camden-Fairview	42.2%	57.8%	26.5%	73.5%	15.7%
Carlisle	56.4%	43.6%	52.7%	47.3%	3.7%
Cave City	31.2%	68.8%	21.7%	78.3%	9.5%
Cedar Ridge	99.5%	0.5%	86.0%	14.0%	13.5%
Cedarville	30.6%	69.4%	25.3%	74.7%	5.3%
Centerpoint	36.8%	63.2%	27.4%	72.6%	9.4%
Charleston	36.3%	63.7%	41.0%	59.0%	-4.7%
Clarendon	61.2%	38.8%	31.4%	68.6%	29.8%
Clarksville	38.3%	61.7%	30.5%	69.5%	7.8%

School District	Current (FY2017) Facilities Wealth Index (District Share)	State Share Current Wealth Index	Proposed Facilities Wealth Index (District Share)	Proposed State Share	Difference Between Proposed and Current State Share
Cleveland Co.	39.9%	60.1%	37.2%	62.8%	2.7%
Clinton	93.8%	6.2%	63.1%	36.9%	30.7%
Concord	99.5%	0.5%	75.1%	24.9%	24.4%
Conway	71.3%	28.7%	80.6%	19.4%	-9.3%
Corning	64.9%	35.1%	37.8%	62.2%	27.1%
Cossatot River	35.6%	64.4%	25.3%	74.7%	10.3%
Cotter	48.1%	51.9%	36.2%	63.8%	11.9%
Co. Line	60.1%	39.9%	47.1%	52.9%	13.0%
Cross Co.	49.7%	50.3%	35.0%	65.0%	14.7%
Crossett	83.8%	16.2%	54.9%	45.1%	28.9%
Cutter-Morning Star	42.4%	57.6%	36.0%	64.0%	6.4%
Danville	30.6%	69.4%	26.6%	73.4%	4.0%
Dardanelle	29.9%	70.1%	24.7%	75.3%	5.2%
Decatur	54.1%	45.9%	51.2%	48.8%	2.9%
Deer/Mt. Judea	40.8%	59.2%	25.0%	75.0%	15.8%
Dequeen	32.6%	67.4%	26.3%	73.7%	6.3%
Dermott	54.8%	45.2%	22.0%	78.0%	32.8%
Des Arc	50.3%	49.7%	30.8%	69.2%	19.5%
Dewitt	71.8%	28.2%	49.9%	50.1%	21.9%
Dierks	43.2%	56.8%	39.9%	60.1%	3.3%
Dollarway	50.4%	49.6%	21.2%	78.8%	29.2%
Dover	36.6%	63.4%	36.7%	63.3%	-0.1%
Drew Central	45.4%	54.6%	35.6%	64.4%	9.8%
Dumas	43.5%	56.5%	22.1%	77.9%	21.4%
Earle	26.4%	73.6%	12.7%	87.3%	13.7%
East End	36.0%	64.0%	35.3%	64.7%	0.7%
East Poinsett Co.	31.1%	68.9%	20.6%	79.4%	10.5%
El Dorado	56.9%	43.1%	47.0%	53.0%	9.9%
Elkins	32.5%	67.5%	34.8%	65.2%	-2.3%
Emerson-Taylor	74.6%	25.4%	60.7%	39.3%	13.9%
England	44.5%	55.5%	37.4%	62.6%	7.1%
Eureka Springs	99.5%	0.5%	99.5%	0.5%	0.0%
Farmington	40.0%	60.0%	48.9%	51.1%	-8.9%
Fayetteville	92.7%	7.3%	86.7%	13.3%	6.0%
Flippin	78.5%	21.5%	55.6%	44.4%	22.9%
Fordyce	42.7%	57.3%	23.8%	76.2%	18.9%
Foreman	47.7%	52.3%	37.6%	62.4%	10.1%
Forrest City	40.8%	59.2%	21.8%	78.2%	19.0%
Fort Smith	62.7%	37.3%	49.6%	50.4%	13.1%
Fouke	32.7%	67.3%	37.4%	62.6%	-4.7%
Fountain Lake	99.5%	0.5%	99.5%	0.5%	0.0%



School District	Current (FY2017) Facilities Wealth Index (District Share)	State Share Current Wealth Index	Proposed Facilities Wealth Index (District Share)	Proposed State Share	Difference Between Proposed and Current State Share
Genoa Central	23.1%	76.9%	23.4%	76.6%	-0.3%
Gentry	65.7%	34.3%	70.4%	29.6%	-4.7%
Glen Rose	32.9%	67.1%	41.1%	58.9%	-8.2%
Gosnell	23.2%	76.8%	20.1%	79.9%	3.1%
Gravette	91.3%	8.7%	99.5%	0.5%	-8.2%
Green Forest	37.8%	62.2%	31.8%	68.2%	6.0%
Greenbrier	43.4%	56.6%	55.2%	44.8%	-11.8%
Greene Co. Tech	45.0%	55.0%	46.0%	54.0%	-1.0%
Greenland	58.4%	41.6%	55.0%	45.0%	3.4%
Greenwood	57.5%	42.5%	73.3%	26.7%	-15.8%
Gurdon	51.8%	48.2%	35.5%	64.5%	16.3%
Guy-Perkins	82.4%	17.6%	68.1%	31.9%	14.3%
Hackett	41.7%	58.3%	46.4%	53.6%	-4.7%
Hamburg	34.4%	65.6%	27.2%	72.8%	7.2%
Hampton	86.4%	13.6%	52.2%	47.8%	34.2%
Harmony Grove	29.9%	70.1%	23.6%	76.4%	6.3%
Harmony Grove	30.6%	69.4%	41.1%	58.9%	-10.5%
Harrisburg	51.0%	49.0%	38.7%	61.3%	12.3%
Harrison	73.3%	26.7%	60.4%	39.6%	12.9%
Hazen	69.5%	30.5%	56.5%	43.5%	13.0%
Heber Springs	99.4%	0.6%	98.8%	1.2%	0.6%
Hector	34.4%	65.6%	27.6%	72.4%	6.8%
Helena-W Helena	50.1%	49.9%	14.7%	85.3%	35.4%
Hermitage	45.9%	54.1%	32.6%	67.4%	13.3%
Highland	61.2%	38.8%	44.3%	55.7%	16.9%
Hillcrest	57.4%	42.6%	45.9%	54.1%	11.5%
Hope	44.6%	55.4%	26.2%	73.8%	18.4%
Horatio	24.3%	75.7%	18.7%	81.3%	5.6%
Hot Springs	95.8%	4.2%	58.3%	41.7%	37.5%
Hoxie	32.2%	67.8%	18.3%	81.7%	13.9%
Huntsville	47.2%	52.8%	37.4%	62.6%	9.8%
Izard Co. Consolidated	66.4%	33.6%	41.9%	58.1%	24.5%
Jackson Co.	40.9%	59.1%	31.1%	68.9%	9.8%
Jacksonville North Pulaski	53.0%	47.0%	62.9%	37.1%	-9.9%
Jasper	40.0%	60.0%	27.7%	72.3%	12.3%
Jessieville	85.3%	14.7%	91.7%	8.3%	-6.4%
Jonesboro	57.3%	42.7%	46.3%	53.7%	11.0%
Junction City	64.9%	35.1%	48.0%	52.0%	16.9%
Kirby	57.8%	42.2%	33.0%	67.0%	24.8%
Lafayette Co.	62.1%	37.9%	29.9%	70.1%	32.2%
Lake Hamilton	55.5%	44.5%	61.6%	38.4%	-6.1%

School District	Current (FY2017) Facilities Wealth Index (District Share)	State Share Current Wealth Index	Proposed Facilities Wealth Index (District Share)	Proposed State Share	Difference Between Proposed and Current State Share
Lakeside	77.5%	22.5%	95.9%	4.1%	-18.4%
Lakeside - Total	67.1%	32.9%	39.0%	61.0%	28.1%
Lamar	34.8%	65.2%	26.7%	73.3%	8.1%
Lavaca	43.5%	56.5%	47.2%	52.8%	-3.7%
Lawrence Co.	54.5%	45.5%	36.7%	63.3%	17.8%
Lead Hill	59.9%	40.1%	39.0%	61.0%	20.9%
Lee Co.	94.2%	5.8%	37.5%	62.5%	56.7%
Lincoln Consolidated	35.6%	64.4%	26.2%	73.8%	9.4%
Little Rock	91.6%	8.4%	87.2%	12.8%	4.4%
Lonoke	44.1%	55.9%	43.0%	57.0%	1.1%
Magazine	35.1%	64.9%	28.9%	71.1%	6.2%
Magnet Cove	58.3%	41.7%	72.6%	27.4%	-14.3%
Magnolia	71.4%	28.6%	56.7%	43.3%	14.7%
Malvern	65.3%	34.7%	48.2%	51.8%	17.1%
Mammoth Spring	52.0%	48.0%	33.0%	67.0%	19.0%
Manila	32.0%	68.0%	25.4%	74.6%	6.6%
Mansfield	44.3%	55.7%	41.9%	58.1%	2.4%
Marion	51.8%	48.2%	59.8%	40.2%	-8.0%
Marked Tree	40.7%	59.3%	22.2%	77.8%	18.5%
Marmaduke	36.2%	63.8%	36.4%	63.6%	-0.2%
Marvell	99.5%	0.5%	34.4%	65.6%	65.1%
Mayflower	42.7%	57.3%	41.9%	58.1%	0.8%
Maynard	39.9%	60.1%	28.0%	72.0%	11.9%
Mccrory	63.4%	36.6%	37.1%	62.9%	26.3%
Mcgehee	67.9%	32.1%	44.8%	55.2%	23.1%
Melbourne	53.8%	46.2%	45.0%	55.0%	8.8%
Mena	50.0%	50.0%	33.2%	66.8%	16.8%
Midland	75.8%	24.2%	58.1%	41.9%	17.7%
Mineral Springs	99.5%	0.5%	99.5%	0.5%	0.0%
Monticello	37.5%	62.5%	26.0%	74.0%	11.5%
Mount Ida	89.9%	10.1%	61.2%	38.8%	28.7%
Mount Vernon/Enola	53.1%	46.9%	64.9%	35.1%	-11.8%
Mountain Home	89.8%	10.2%	71.6%	28.4%	18.2%
Mountain Pine	57.0%	43.0%	36.2%	63.8%	20.8%
Mountain View	55.3%	44.7%	35.4%	64.6%	19.9%
Mountainburg	34.9%	65.1%	27.6%	72.4%	7.3%
Mulberry/Pleasant View Bi-Co	84.2%	15.8%	47.5%	52.5%	36.7%
Murfreesboro	54.5%	45.5%	38.8%	61.2%	15.7%
N Little Rock	53.5%	46.5%	45.0%	55.0%	8.5%
Nashville	42.8%	57.2%	38.7%	61.3%	4.1%
Nemo Vista	99.5%	0.5%	99.5%	0.5%	0.0%

School District	Current (FY2017) Facilities Wealth Index (District Share)	State Share Current Wealth Index	Proposed Facilities Wealth Index (District Share)	Proposed State Share	Difference Between Proposed and Current State Share
Nettleton	81.3%	18.7%	73.2%	26.8%	8.1%
Nevada	48.0%	52.0%	34.0%	66.0%	14.0%
Newport	69.4%	30.6%	35.1%	64.9%	34.3%
Norfolk	85.9%	14.1%	68.8%	31.2%	17.1%
Omaha	48.7%	51.3%	37.1%	62.9%	11.6%
Osceola	53.9%	46.1%	29.4%	70.6%	24.5%
Ouachita	30.4%	69.6%	35.7%	64.3%	-5.3%
Ouachita River	40.2%	59.8%	33.2%	66.8%	7.0%
Ozark	49.6%	50.4%	41.9%	58.1%	7.7%
Ozark Mountain	50.1%	49.9%	41.4%	58.6%	8.7%
Palestine-Wheatley	35.4%	64.6%	32.5%	67.5%	2.9%
Pangburn	85.4%	14.6%	68.3%	31.7%	17.1%
Paragould	46.5%	53.5%	39.1%	60.9%	7.4%
Paris	44.4%	55.6%	33.5%	66.5%	10.9%
Parkers Chapel	48.0%	52.0%	82.1%	17.9%	-34.1%
Pea Ridge	27.8%	72.2%	34.8%	65.2%	-7.0%
Perryville	33.6%	66.4%	27.8%	72.2%	5.8%
Piggott	45.7%	54.3%	29.5%	70.5%	16.2%
Pine Bluff	52.6%	47.4%	31.0%	69.0%	21.6%
Pocahontas	41.2%	58.8%	32.7%	67.3%	8.5%
Pottsville	29.1%	70.9%	31.6%	68.4%	-2.5%
Poyen	13.3%	86.7%	11.9%	88.1%	1.4%
Prairie Grove	42.1%	57.9%	55.7%	44.3%	-13.6%
Prescott	32.1%	67.9%	18.9%	81.1%	13.2%
Pulaski Co.	99.5%	0.5%	99.5%	0.5%	0.0%
Quitman	99.5%	0.5%	99.5%	0.5%	0.0%
Rector	45.8%	54.2%	39.9%	60.1%	5.9%
Riverside	33.2%	66.8%	27.5%	72.5%	5.7%
Riverview	45.9%	54.1%	34.8%	65.2%	11.1%
Rogers	73.0%	27.0%	87.6%	12.4%	-14.6%
Rose Bud	70.2%	29.8%	70.5%	29.5%	-0.3%
Russellville	99.5%	0.5%	85.3%	14.7%	14.2%
Salem	36.4%	63.6%	32.4%	67.6%	4.0%
Scranton	52.1%	47.9%	45.9%	54.1%	6.2%
Searcy Co.	50.7%	49.3%	30.6%	69.4%	20.1%
Searcy Special	81.0%	19.0%	84.8%	15.2%	-3.8%
Sheridan	44.2%	55.8%	46.7%	53.3%	-2.5%
Shirley	99.5%	0.5%	68.6%	31.4%	30.9%
Siloam Springs	46.0%	54.0%	48.2%	51.8%	-2.2%
Sloan-Hendrix	31.4%	68.6%	21.3%	78.7%	10.1%
Smackover	77.8%	22.2%	79.8%	20.2%	-2.0%

School District	Current (FY2017) Facilities Wealth Index (District Share)	State Share Current Wealth Index	Proposed Facilities Wealth Index (District Share)	Proposed State Share	Difference Between Proposed and Current State Share
So Conway Co.	66.0%	34.0%	52.3%	47.7%	13.7%
So Mississippi Co.	43.0%	57.0%	33.0%	67.0%	10.0%
South Side	99.5%	0.5%	99.5%	0.5%	0.0%
Southside	22.0%	78.0%	18.7%	81.3%	3.3%
Spring Hill	17.0%	83.0%	16.1%	83.9%	0.9%
Springdale	43.9%	56.1%	44.9%	55.1%	-1.0%
Star City	35.5%	64.5%	24.3%	75.7%	11.2%
Strong-Huttig	72.5%	27.5%	31.3%	68.7%	41.2%
Stuttgart	77.0%	23.0%	58.3%	41.7%	18.7%
Texarkana	54.6%	45.4%	46.9%	53.1%	7.7%
Trumann	35.8%	64.2%	25.4%	74.6%	10.4%
Two Rivers	52.8%	47.2%	36.8%	63.2%	16.0%
Valley Springs	34.3%	65.7%	29.9%	70.1%	4.4%
Valley View	45.9%	54.1%	87.7%	12.3%	-41.8%
Van Buren	43.6%	56.4%	39.4%	60.6%	4.2%
Vilonia	31.5%	68.5%	44.2%	55.8%	-12.7%
Viola	57.7%	42.3%	43.9%	56.1%	13.8%
Waldron	31.6%	68.4%	20.4%	79.6%	11.2%
Warren	34.6%	65.4%	26.1%	73.9%	8.5%
Watson Chapel	24.1%	75.9%	18.6%	81.4%	5.5%
West Fork	31.8%	68.2%	29.1%	70.9%	2.7%
West Memphis	36.0%	64.0%	23.7%	76.3%	12.3%
West Side	99.5%	0.5%	99.5%	0.5%	0.0%
Western Yell Co.	44.3%	55.7%	38.4%	61.6%	5.9%
Westside	30.1%	69.9%	21.7%	78.3%	8.4%
Westside Consolidated	40.2%	59.8%	44.1%	55.9%	-3.9%
White Co. Central	60.8%	39.2%	69.5%	30.5%	-8.7%
White Hall	56.6%	43.4%	63.1%	36.9%	-6.5%
Wonderview	99.5%	0.5%	99.5%	0.5%	0.0%
Woodlawn	31.8%	68.2%	31.9%	68.1%	-0.1%
Wynne	40.6%	59.4%	33.0%	67.0%	7.6%
Yellville-Summit	56.1%	43.9%	33.2%	66.8%	22.9%

## Appendix 4: Projected Enrollment by School District 2017-18 to 2026-27

School District	2017-18	2018-19	2019-20	2020-21	2021-22	10 Year Projection (2026-27)	10 Year % Change
Alma	3,118	3,066	3,040	2,998	2,958	2,906	-7%
Alpena	500	496	500	482	484	449	-10%
Arkadelphia	1,731	1,675	1,642	1,597	1,558	1,415	-18%
Armored	434	433	431	434	441	452	4%
Ashdown	1,443	1,438	1,444	1,419	1,407	1,340	-7%
Atkins	998	1,006	1,015	1,033	1,038	1,053	6%
Augusta	395	395	391	383	382	352	-11%
Bald Knob	1,205	1,171	1,147	1,106	1,096	1,001	-17%
Barton-Lexa	810	801	781	779	768	750	-7%
Batesville	3,016	3,023	2,997	3,005	3,014	2,928	-3%
Bauxite	1,695	1,739	1,771	1,816	1,835	2,036	20%
Bay	587	596	601	605	617	649	11%
Bearden	455	437	415	401	392	373	-18%
Beebe	3,277	3,302	3,297	3,295	3,278	3,198	-2%
Benton	5,207	5,282	5,357	5,451	5,532	5,785	11%
Bentonville	16,994	17,302	17,756	18,151	18,419	19,566	15%
Bergman	1,089	1,103	1,100	1,104	1,112	1,168	7%
Berryville	1,905	1,887	1,875	1,878	1,880	1,886	-1%
Bismarck	1,019	1,021	1,031	1,026	1,028	1,035	2%
Blevins	472	475	485	478	478	499	6%
Blytheville	2,019	1,927	1,851	1,794	1,761	1,636	-19%
Booneville	1,134	1,082	1,046	1,032	1,009	959	-15%
Bradford	434	431	431	433	432	431	-1%
Brinkley	463	458	462	468	466	467	1%
Brookland	2,451	2,553	2,672	2,805	2,888	3,284	34%
Bryant	9,250	9,378	9,526	9,608	9,752	10,069	9%
Buffalo Is. Central	740	726	715	714	716	725	-2%
Cabot	10,307	10,356	10,339	10,346	10,357	10,400	1%
Caddo Hills	595	608	608	618	609	586	-2%
Calico Rock	429	433	439	434	436	435	1%
Camden Fairview	2,488	2,455	2,410	2,377	2,374	2,161	-13%
Carlisle	628	624	616	607	597	584	-7%
Cave City	1,190	1,180	1,156	1,142	1,127	1,102	-7%
Cedar Ridge	779	755	750	751	747	715	-8%
Cedarville	785	753	739	717	712	657	-16%
Centerpoint	926	912	906	901	879	831	-10%
Charleston	928	935	934	924	937	926	0%

Source: Cooperative Strategies

School District	2017-18	2018-19	2019-20	2020-21	2021-22	10 Year Projection (2026-27)	10 Year % Change
Clarendon	460	452	444	440	439	435	-5%
Clarksville	2,626	2,593	2,563	2,550	2,523	2,466	-6%
Cleveland Co.	855	842	829	810	804	682	-20%
Clinton	1,279	1,265	1,264	1,255	1,237	1,185	-7%
Concord	438	432	426	408	402	361	-18%
Conway	10,031	10,142	10,192	10,250	10,330	10,393	4%
Corning	875	862	847	842	829	800	-9%
Cossatot River	1,000	972	956	935	912	864	-14%
Cotter	695	699	710	731	736	728	5%
Co. Line	453	452	455	454	451	465	3%
Cross Co.	588	577	563	547	546	520	-12%
Crossett	1,692	1,663	1,639	1,600	1,577	1,462	-14%
Cutter-Morning	576	570	575	576	570	552	-4%
Danville	819	811	765	741	720	621	-24%
Dardanelle	2,110	2,118	2,126	2,106	2,121	2,058	-2%
Dequeen	2,357	2,361	2,305	2,246	2,218	2,074	-12%
Decatur	587	590	593	598	603	626	7%
Deer/Mt. Judea	319	310	303	305	298	276	-13%
Dermott	360	368	369	374	374	378	5%
Des Arc	527	528	522	531	529	542	3%
Dewitt	1,296	1,308	1,307	1,304	1,330	1,336	3%
Dierks	609	613	616	630	643	666	9%
Dollarway	1,172	1,169	1,168	1,164	1,174	1,155	-1%
Dover	1,359	1,353	1,336	1,332	1,311	1,256	-8%
Drew Central	1,033	1,038	1,067	1,109	1,123	1,264	22%
Dumas	1,233	1,182	1,129	1,095	1,055	993	-19%
Earle	590	594	573	559	557	527	-11%
East End	642	646	639	653	656	646	1%
East Poinsett Co.	703	696	694	697	688	703	0%
El Dorado	4,260	4,175	4,158	4,146	4,134	4,032	-5%
Elkins	1,220	1,220	1,222	1,228	1,235	1,255	3%
Emerson-Taylor-Bradley	1,022	1,033	1,041	1,059	1,061	1,065	4%
England	728	733	720	716	725	741	2%
Eureka Springs	616	605	604	601	608	595	-3%
Farmington	2,554	2,618	2,665	2,701	2,723	2,813	10%
Fayetteville	9,946	9,998	10,039	10,074	10,124	10,113	2%
Flippin	835	845	870	891	897	932	12%
Fordyce	770	769	769	750	743	690	-10%
Foreman	491	487	482	476	472	470	-4%
Forrest City	2,137	2,033	1,942	1,871	1,827	1,732	-19%

Source: Cooperative Strategies

School District	2017-18	2018-19	2019-20	2020-21	2021-22	10 Year Projection (2026-27)	10 Year % Change
Fort Smith	14,320	14,121	14,154	14,137	14,136	13,771	-4%
Fouke	1,047	1,043	1,041	1,035	1,039	1,044	0%
Fountain Lake	1,427	1,454	1,478	1,504	1,524	1,623	14%
Genoa Central	1,145	1,141	1,138	1,139	1,142	1,089	-5%
Gentry	1,399	1,402	1,386	1,375	1,393	1,400	0%
Glen Rose	1,040	1,040	1,052	1,061	1,072	1,074	3%
Gosnell	1,323	1,323	1,329	1,333	1,342	1,319	0%
Gravette	1,879	1,885	1,909	1,939	1,961	2,099	12%
Green Forest	1,298	1,323	1,332	1,357	1,370	1,397	8%
Greenbrier	3,540	3,581	3,608	3,630	3,660	3,797	7%
Greene Co. Tech	3,639	3,633	3,675	3,678	3,685	3,649	0%
Greenland	783	762	751	731	714	701	-10%
Greenwood	3,697	3,654	3,641	3,631	3,653	3,566	-4%
Gurdon	713	708	722	730	740	718	1%
Guy-Perkins	347	330	316	302	300	267	-23%
Hackett	781	737	710	697	671	583	-25%
Hamburg	1,825	1,790	1,767	1,712	1,683	1,581	-13%
Hampton	567	589	589	601	604	643	13%
Harmony Grove (Saline)	1,286	1,309	1,340	1,378	1,416	1,484	15%
Harmony Grove (Ouachita)	938	909	901	863	851	785	-16%
Harrisburg	1,186	1,154	1,126	1,111	1,105	1,109	-6%
Harrison	2,597	2,615	2,589	2,585	2,590	2,556	-2%
Hazen	636	641	648	643	663	692	9%
Heber Springs	1,712	1,708	1,687	1,663	1,649	1,592	-7%
Hector	590	572	566	571	577	568	-4%
Helena/West Helena	1,338	1,278	1,224	1,183	1,157	1,077	-20%
Hermitage	435	442	440	443	442	426	-2%
Highland	1,575	1,577	1,580	1,600	1,604	1,681	7%
Hillcrest	410	416	420	418	423	443	8%
Hope	2,313	2,262	2,262	2,244	2,232	2,131	-8%
Horatio	846	846	850	859	833	794	-6%
Hot Springs	3,687	3,680	3,645	3,642	3,619	3,620	-2%
Hoxie	806	810	798	784	786	776	-4%
Huntsville	2,353	2,384	2,407	2,433	2,453	2,539	8%
Izard Co. Consolidated	495	485	469	467	467	415	-16%
Jackson Co.	927	935	951	972	991	1,017	10%
Jacksonville North Pulaski	3,983	4,026	4,092	4,154	4,157	4,043	2%
Jasper	859	859	843	851	841	789	-8%
Jessieville	873	871	872	872	877	852	-2%

Source: Cooperative Strategies

School District	2017-18	2018-19	2019-20	2020-21	2021-22	10 Year Projection (2026-27)	10 Year % Change
Jonesboro	6,034	6,094	6,140	6,222	6,254	6,404	6%
Junction City	690	699	699	722	726	774	12%
Kirby	329	330	331	340	340	344	5%
Lafayette Co.	536	526	508	486	476	445	-17%
Lake Hamilton	4,381	4,366	4,360	4,369	4,365	4,317	-1%
Lakeside (Chicot)	1,004	985	957	933	916	781	-22%
Lakeside (Garland)	3,515	3,567	3,602	3,652	3,689	3,729	6%
Lamar	1,356	1,390	1,423	1,452	1,488	1,531	13%
Lavaca	815	795	789	778	757	683	-16%
Lawrence Co.	894	885	869	852	846	802	-10%
Lead Hill	332	331	329	326	324	300	-10%
Lee Co.	764	753	741	734	723	747	-2%
Lincoln	1,170	1,157	1,142	1,136	1,118	1,053	-10%
Little Rock	22,507	22,238	22,105	21,862	21,780	21,069	-6%
Lonoke	1,746	1,748	1,748	1,764	1,752	1,778	2%
Magazine	548	551	549	567	557	570	4%
Magnet Cove	716	734	757	758	768	807	13%
Magnolia	2,733	2,704	2,685	2,671	2,676	2,583	-5%
Malvern	2,059	2,071	2,081	2,099	2,103	2,030	-1%
Mammoth Spring	443	429	427	421	417	365	-18%
Manila	1,054	1,051	1,066	1,066	1,084	1,030	-2%
Mansfield	757	726	717	702	687	629	-17%
Marion	3,721	3,583	3,472	3,409	3,338	3,044	-18%
Marked Tree	551	544	534	541	543	526	-5%
Marmaduke	742	737	733	739	744	735	-1%
Marvell-Elaine	354	342	332	326	310	291	-18%
Mayflower	1,069	1,044	1,043	1,039	1,021	980	-8%
Maynard	444	442	440	437	425	433	-2%
McCrary	618	613	605	583	581	528	-15%
McGehee	1,167	1,179	1,187	1,189	1,190	1,092	-6%
Melbourne	861	847	855	849	830	732	-15%
Mena	1,677	1,637	1,652	1,636	1,607	1,550	-8%
Midland	565	574	589	592	601	617	9%
Mineral Springs	405	406	402	404	398	387	-4%
Monticello	1,928	1,878	1,863	1,850	1,864	1,866	-3%
Mount Ida	465	457	459	463	467	466	0%
Mt. Vernon/Enola	476	473	472	457	443	394	-17%
Mountain Home	3,777	3,717	3,713	3,680	3,655	3,528	-7%
Mountain Pine	541	543	545	547	549	562	4%
Mountain View	1,657	1,631	1,634	1,620	1,604	1,566	-5%

Source: Cooperative Strategies



School District	2017-18	2018-19	2019-20	2020-21	2021-22	10 Year Projection (2026-27)	10 Year % Change
Mountainburg	615	599	571	565	553	533	-13%
Mulberry	359	358	367	373	373	364	1%
Nashville	1,937	1,915	1,926	1,955	1,955	1,900	-2%
Nemo Vista	419	408	407	406	408	409	-2%
Nettleton	3,349	3,383	3,393	3,453	3,493	3,585	7%
Nevada	385	370	361	351	340	305	-21%
Newport	1,153	1,150	1,130	1,118	1,114	1,076	-7%
Norfolk	455	450	451	465	463	458	1%
North Little Rock	8,336	8,260	8,210	8,157	8,117	7,891	-5%
Omaha	395	399	401	406	411	413	5%
Osceola	1,121	1,091	1,065	1,043	1,017	950	-15%
Ouachita River	757	775	782	784	804	809	7%
Ouachita	497	492	503	499	493	434	-13%
Ozark Mountain	645	647	640	647	640	618	-4%
Ozark	1,892	1,912	1,939	1,944	1,958	1,941	3%
Palestine-Wheatley	769	781	777	789	800	819	7%
Pangburn	730	729	725	708	702	650	-11%
Paragould	3,204	3,235	3,265	3,312	3,331	3,467	8%
Paris	1,024	998	986	978	969	911	-11%
Parkers Chapel	793	801	827	844	863	907	14%
Pea Ridge	2,142	2,217	2,296	2,345	2,383	2,647	24%
Perryville	926	909	902	901	898	878	-5%
Piggott	863	859	845	842	838	819	-5%
Pine Bluff	3,762	3,606	3,508	3,343	3,237	2,988	-21%
Pocahontas	1,895	1,882	1,878	1,865	1,867	1,873	-1%
Pottsville	1,706	1,716	1,731	1,748	1,766	1,782	4%
Poyen	590	596	602	609	616	614	4%
Prairie Grove	1,902	1,896	1,886	1,897	1,897	1,864	-2%
Prescott	1,005	991	972	955	930	777	-23%
Pulaski Co.	11,929	11,562	11,305	11,048	10,839	10,184	-15%
Quitman	647	654	652	641	660	700	8%
Rector	587	579	579	576	570	552	-6%
Rivercrest	1,158	1,134	1,105	1,076	1,050	981	-15%
Riverside	813	812	817	832	837	853	5%
Riverview	1,326	1,329	1,339	1,337	1,352	1,363	3%
Rogers	15,605	15,856	16,084	16,264	16,494	17,173	10%
Rose Bud	823	809	813	809	807	802	-3%
Russellville	5,245	5,241	5,225	5,283	5,335	5,399	3%
Salem	828	849	864	892	893	940	14%
Scranton	426	432	434	427	423	456	7%

Source: Cooperative Strategies

School District	2017-18	2018-19	2019-20	2020-21	2021-22	10 Year Projection (2026-27)	10 Year % Change
Searcy Co.	793	801	786	773	785	765	-4%
Searcy	4,109	4,100	4,103	4,063	4,082	4,047	-2%
Sheridan	4,200	4,186	4,183	4,163	4,189	4,204	0%
Shirley	348	333	330	315	304	278	-20%
Siloam Springs	4,249	4,309	4,368	4,428	4,492	4,703	11%
Sloan-Hendrix	721	724	725	733	739	712	-1%
Smackover-Norphlet	1,117	1,100	1,083	1,093	1,098	1,095	-2%
South Conway Co.	2,271	2,268	2,232	2,232	2,243	2,223	-2%
South Pike Co.	691	688	679	687	680	650	-6%
South Side (Vanburen)	500	488	482	472	466	460	-8%
Southside (Independence)	1,830	1,907	1,952	2,000	2,044	2,146	17%
Spring Hill	589	585	587	579	586	561	-5%
Springdale	21,696	21,864	21,971	22,010	22,047	21,929	1%
Star City	1,503	1,492	1,460	1,485	1,485	1,565	4%
Strong-Huttig	296	284	271	269	264	247	-17%
Stuttgart	1,532	1,509	1,484	1,456	1,437	1,375	-10%
Texarkana	4,234	4,300	4,296	4,310	4,336	4,400	4%
Trumann	1,532	1,493	1,480	1,463	1,455	1,379	-10%
Two Rivers	817	832	813	811	827	764	-6%
Valley Springs	897	895	896	896	884	866	-3%
Valley View	2,787	2,821	2,876	2,930	2,963	3,124	12%
Van Buren	5,801	5,789	5,800	5,816	5,860	5,995	3%
Vilonia	3,154	3,135	3,085	3,067	3,055	2,962	-6%
Viola	387	379	373	367	367	345	-11%
Waldron	1,407	1,368	1,326	1,305	1,284	1,147	-18%
Warren	1,596	1,569	1,547	1,527	1,516	1,455	-9%
Watson Chapel	2,534	2,463	2,403	2,340	2,298	2,027	-20%
West Fork	1,058	1,049	1,054	1,037	1,038	982	-7%
West Memphis	5,468	5,392	5,319	5,264	5,207	5,075	-7%
West Side (Cleburne)	433	430	423	420	418	383	-12%
Western Yell Co.	381	375	361	359	352	318	-17%
Westside Consolidated (Craig)	1,747	1,731	1,750	1,773	1,778	1,885	8%
Westside (Johnson)	692	689	693	702	706	709	2%
White Co. Central	734	743	746	746	751	747	2%
White Hall	2,749	2,681	2,642	2,595	2,576	2,446	-11%
Wonderview	467	472	479	490	499	507	9%
Woodlawn	582	600	602	594	586	535	-8%
Wynne	2,648	2,638	2,589	2,587	2,586	2,545	-4%
Yellville-Summit	722	724	734	743	759	807	12%

Source: Cooperative Strategies

# Appendix 5: Recommendations as Voted on by the Advisory Committee on Public School Academic Facilities

Advisory Committee on Public School Academic Facilities  
April 24, 2018

## MASTER PLAN AND ACADEMIC FACILITIES PARTNERSHIP PROGRAM RECOMMENDATIONS

### Recommendation #1 - *Approved*

Facilities planning should transition from the current school district-led plan to a systematic statewide plan focused on prioritizing and addressing aggregate statewide needs. Such an approach would be consistent with existing statutory language in ACA § 6-21-806(a)(2) referencing a statewide facility needs priority list to be developed by the State. Beginning with the 2021-2023 Partnership Program project funding cycle and the 2020 Master Plan, the Division of Public School Academic Facilities and Transportation (*Division*) will develop statewide needs priority lists to initiate the school districts' planning process.

The Division will develop two Statewide Facility Needs Lists – for Space/Growth needs and for Warm, Safe, and Dry needs. The lists will be developed using the following parameters.

#### Warm, Safe, and Dry needs for all campuses (3 factors):

- 1) Campus value (from Division District Report as a composite of academic building values). Note: Building value is based on nominal 50-year life of building with 2% depreciation per year;
- 2) District value (computed as a composite of Campus values), and
- 3) Facility Condition Index (*FCI*) (computed as the ratio of system replacement costs to building replacement costs). Data from school districts' Master Plans will be used to determine system replacement costs in Years 0-5 and Years 6-10.

#### Space/Growth needs for all school districts (4 factors):

- 1) Actual enrollment growth % - last 10 years;
- 2) Projected 5-year enrollment (%);
- 3) Projected 5-year enrollment (students); and
- 4) Nominal school district suitability (estimated school district suitability versus existing academic space).

### Recommendation #2 - *Approved*

The three project categories of Warm, Safe, and Dry (System Replacement); Warm, Safe, and Dry (Space Replacement); and Space/Growth should be replaced with two categories of Warm, Safe, and Dry and Space/Growth. Project definitions should be refined to focus the Partnership Program (See Recommendation #3) and project funding for each category should be revised (See Recommendation #9).

### Recommendation #3 - *Approved*

Project definitions should be refined as follows to focus the Partnership Program to address the most critical facility needs.

#### Space/Growth and Warm, Safe, and Dry (Space Replacement)

Project Definition. Space/Growth projects and Warm, Safe, and Dry (Space Replacement) projects should be limited to the following based on demonstrated suitability per the Partnership Program rules.

- New schools. Phased approach with 5-year enrollment projections for academic core and 10-year projections for single purpose spaces: student dining, media center, PE, and performing arts. (May use 10-year projections with justification and Division approval);

*"This draft is a working document. All information contained herein is subject to change and may differ substantially from the final document. The information contained in this document should not be considered the position or views of the agency or the Governor."*

**Advisory Committee on Public School Academic Facilities**  
**April 24, 2018**

- Additions of only spaces required by the Program of Requirements (POR) with funding for support spaces limited to new school % - 10% for elementary and 15% for middle and high schools; and
- No stand-alone additions of less than 10,000 square feet, for safety and security purposes. Smaller additions may be approved when final configuration of existing building and addition are under one roof. (Open-air breezeways are not considered under-roof for purposes of this requirement.) The Division may grant waivers when site conditions do not allow attached additions.

**Warm, Safe, and Dry (System Replacements)**

Project definition. Warm, Safe, and Dry (System Replacement) projects should be limited to the following:

- Eligible systems include roofs, plumbing, electrical, fire and life safety, structural, and security;
- Minimum project costs should be \$150,000 or \$300 per student. The Division may grant waivers of this minimum for life safety or security projects; and
- HVAC projects should be part of an energy savings contract with performance of a comprehensive energy savings plan. Partial HVAC system replacement projects may be requested by school districts and approved by the division provided they meet minimum project cost threshold and represent a prudent and resourceful use of funds. (The Division should explore other similar funding opportunities for roof systems.)

**Recommendation #4 - Approved**

The Division should establish a Facilities Maintenance Composite Assessment Program to evaluate Arkansas school facilities conditions, appearances and, determine and verify the implementation of an effective maintenance management program. The program should consist of multiple weighted components including, but not limited to the following: preventative maintenance plan (in CMMS), corrective action work order completion (in CMMS), state mandated inspections compliance, and maintenance personnel professional development.

**Recommendation #5 - Approved**

Model #4 (developed by BLR on behalf of Sen. Blake Johnson and Rep. Charlotte Douglas using greatest 10 year enrollment) is recommended for revision of the Academic Facilities Wealth Index during the 2019 Session. The adjusted wealth index should become effective for the 2021-2023 project funding cycle.

**Recommendation #6 - Approved**

The Division has the authority pursuant to Master Plan rules to require additional information in the Master Plan narrative (Tab 6). The Division may wish to consider requiring schools to list their respective building fund balances in their Master Plans filed with the state.

**Recommendation #7 - Approved**

The Division should publish actual cost factors based on the annual updates required by ACA § 6-20-2509. Partnership Program maximum cost factors for each of the 13 regions should be the lesser of the actual cost factors or \$200 per square foot.

**Recommendation #8 - Approved**

*"This draft is a working document. All information contained herein is subject to change and may differ substantially from the final document. The information contained in this document should not be considered the position or views of the agency or the Governor."*

**Advisory Committee on Public School Academic Facilities**  
**April 24, 2018**

State Partnership Program funding should be an annual budgeted amount of about \$90 million. (\$102 million of historic yearly funding minus \$2 million for removal of HVAC project costs, minus \$5 million in efficiencies with revised project scopes, and minus \$5 million due to adjusted wealth index values.) This recommendation would require an increase in Revenue Stabilization funds or annual budgeted GIF funds of about \$30 million.

**Recommendation #9 - Approved**

Partnership Program funds should be split into two “pots” – one “pot” for Space/Growth projects and a second “pot” for Warm, Safe, and Dry projects. Partnership Program funds should be distributed equally between the two “pots”. Processes should be established for carryover and/or redistribution of funds if all funds in one category are not used during one funding cycle.

**Recommendation #10 - Approved**

Space/Growth projects and Warm, Safe, and Dry projects will be prioritized in two lists using three ranking factors:

- Statewide Facility Needs Lists,
- Academic Facilities Wealth Index, and
- Facilities Maintenance Composite Assessment.

Projects on the two lists will be funded in priority order using funds available for that category.

**Recommendation #11 - Approved**

The Division will establish Master Plan and Partnership Program project application timelines to ensure that all project applications receive an “early” review to ensure completeness and compliance and to ensure that the Master Plan remains the foundation of the State’s and school districts’ facilities programs. With processes to ensure “early” review of all Partnership Program project applications, Act 864 of 2017 can be repealed.

**Recommendation #12 - Approved**

All changes and recommendations should be enacted in the appropriate statute and/or rules to become effective with the 2021-2023 Partnership Program project funding cycle and the 2020 Master Plan.

**Recommendation #13 - Approved**

The Division should investigate opportunities for Partnership Program efficiencies in statewide procurement for design and construction services.

**Recommendation #14 – Recommendation Tabled**

ACA § 6-20-2514, Academic Facilities Extraordinary Circumstances, should be repealed in the 2019 Legislative Session.

**Recommendation #15 - Approved**

The Division needs to bring its capacity for collecting and using data up to best practice standards. Such capacity building will be a crucial part of the implementation of any policy that could significantly improve the Division’s effectiveness in support of an adequate education for students while limiting the fiscal burden to the taxpayer.

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# Endnotes

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- 2 Division of Public School Academic Facilities and Transportation web tool data May 2018.
- 3 Maxwell, L.E. 2016. School building condition, social climate, student attendance and academic achievement: A mediation model. *Journal of Environmental Psychology* 46: 206-216; Uline, C. and Tschannen-Moran, M. 2008. The Walls Speak: The Interplay of Quality Facilities, School Climate, and Student Achievement. *Journal of Educational Administration* 46(1): 55-73.
- 4 United States Department of Education, Office For Civil Rights 2014. "Dear Colleague Letter: Resource Comparability." Washington, DC: US ED.
- 5 Branham, D. 2004. The wise man builds his house upon the rock: The effects of inadequate school building infrastructure on student attendance. *Social Science Quarterly* 85(5): 1112–1128.
- 6 Goodman, Joshua, Michael Hurwitz, Jisung Park, and Jonathan Smith. 2018. Heat and Learning. NBER Working Paper Series, #24639. Cambridge, MA: National Bureau of Economic Research.
- 7 Buckley, J. et al. 2005. Fix it & they might stay: School facility quality and teacher retention in Washington, D.C. *Teachers College Press* 107: 1107-1123.
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- 10 U.S. Environmental Protection Agency. 2011. Report of the Indoor Environment Workgroup on Indoor Environment. Children's Health Protection Advisory Committee. Washington, DC: US EPA. [https://www.epa.gov/sites/production/files/2014-05/documents/chpac\\_indoor\\_air\\_report.pdf](https://www.epa.gov/sites/production/files/2014-05/documents/chpac_indoor_air_report.pdf).
- 11 Vincent, J.M. 2014. Joint Use of Public Schools: A Framework for Promoting Healthy Communities. *Journal of Planning Education and Research* 34(2): 153-168.
- 12 Neilson, C. A., and Zimmerman, S. D. 2014. The effect of school construction on test scores, school enrollment, and home prices. *Journal of Public Economics* 120: 18-31.
- 13 Bivens, J. and H. Blair. 2016. A Public Investment Agenda. Washington, DC: Economic Policy Institute. <http://www.epi.org/files/pdf/117041.pdf>.
- 14 Academic Facilities Funding Expenditures and Distress, Bureau of Legislative Research, November 29, 2017. <http://www.arkleg.state.ar.us/education/K12/AdequacyReports/2018/2017-11-29/AcademicFacilitiesFunding-ExpendituresandDistress-ReportBLR13.pdf>
- 15 *Ibid.*
- 16 Annual Statistical Report, District Budgets 2016-17, February 16, 2018. [http://www.arkansased.gov/divisions/fiscal-and-administrative-services/publication-and-reports/report\\_categories/annual-statistical-reports](http://www.arkansased.gov/divisions/fiscal-and-administrative-services/publication-and-reports/report_categories/annual-statistical-reports)
- 17 Outstanding Bond Indebtedness for Arkansas Public Schools, Arkansas Division of Fiscal and Administrative Services, June 30, 2017. [http://www.arkansased.gov/divisions/fiscal-and-administrative-services/publication-and-reports/report\\_categories/outstanding-indebtedness-for-arkansas-public-schools](http://www.arkansased.gov/divisions/fiscal-and-administrative-services/publication-and-reports/report_categories/outstanding-indebtedness-for-arkansas-public-schools)
- 18 See Appendix 2: Federal Funding for Public School Facilities FY2004-2017 from Arkansas Department of Education, Arkansas Public School Computer Network (APSCN).
- 19 [Re]Build America's School Infrastructure Coalition: <http://www.buildusschools.org>.
- 20 Filardo, Mary. 2016. State of Our Schools.
- 21 [Final Report](#) on the Legislative Hearings for the 2016 Educational Adequacy Study; November 1, 2017.
- 22 Filardo, Mary (2016). State of Our Schools: America's K–12 Facilities 2016. Washington, D.C.: 21st Century School Fund.
- 23 Final Report Final Addendum February 2005 and ADE Webtool output, file name: Copy of Advisory Committee Numbers from Web Tool 20180316.

- 24 *Ibid.*
- 25 U.S. Census, <https://www.census.gov/quickfacts/AR> July 2017
- 26 ADE state profile from [data center](#).
- 27 Arkansas Code 6-20-2503 (f) (2) (B): An Act to Support Public School Employee Health Insurance; To allow savings from the General Facilities Funding and Supplemental Millage Incentive Funding to be used for public school employee health insurance; to declare an emergency and for other purposes.
- 28 [http://arkansasfacilities.arkansas.gov/public/userfiles/Partnership\\_Program/2017\\_2019/Facilities\\_Wealth\\_Index\\_2016-17.pdf](http://arkansasfacilities.arkansas.gov/public/userfiles/Partnership_Program/2017_2019/Facilities_Wealth_Index_2016-17.pdf)
- 29 On November 29, 2017, the Bureau of Legislative Research (BLR) released a Research Report, entitled “Academic Facilities Funding, Expenditures, and Distress,” which highlighted several problems inherent in the current wealth index formula (pages 18-21)





