FIVE YEAR CAPITAL AND EQUIPMENT PLAN 2018-2022

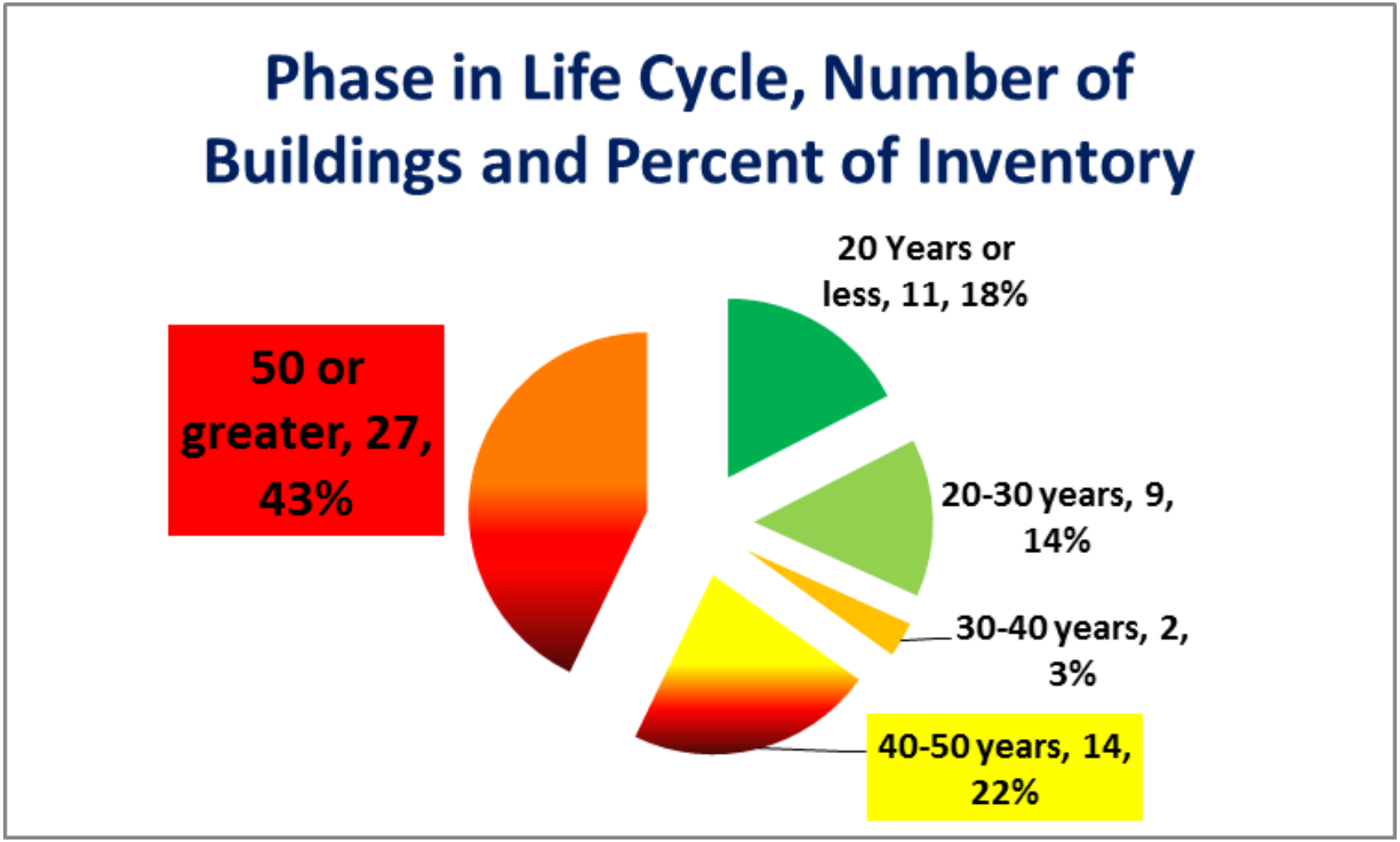
OBJECTIVE OF THE PLAN

- To develop a comprehensive strategy to:
  - Maintain the District's $1 billion dollars in buildings and infrastructure
  - Provide every student/teacher with access to the most current technology in the classroom
  - Supply eligible students with transportation services aboard equipment that is safe and cost effective
  - Furnish equipment for employees and students that stimulates growth, improves efficiencies and reduces costs where applicable

Buildings and Infrastructure

- According to Benjamin Handler from the University of Michigan, school buildings have a five-phase life-cycle:
  - First 20 years – maintenance costs limited to minor repairs
  - 20 – 30 years – require increased annual maintenance and equipment replacement
  - 30 – 40 years – original equipment should all be replaced; roofs, lights, etc.
  - 40-50 years – accelerated deterioration, school may not meet needs, not effective
  - 50 or greater – Building should be abandoned

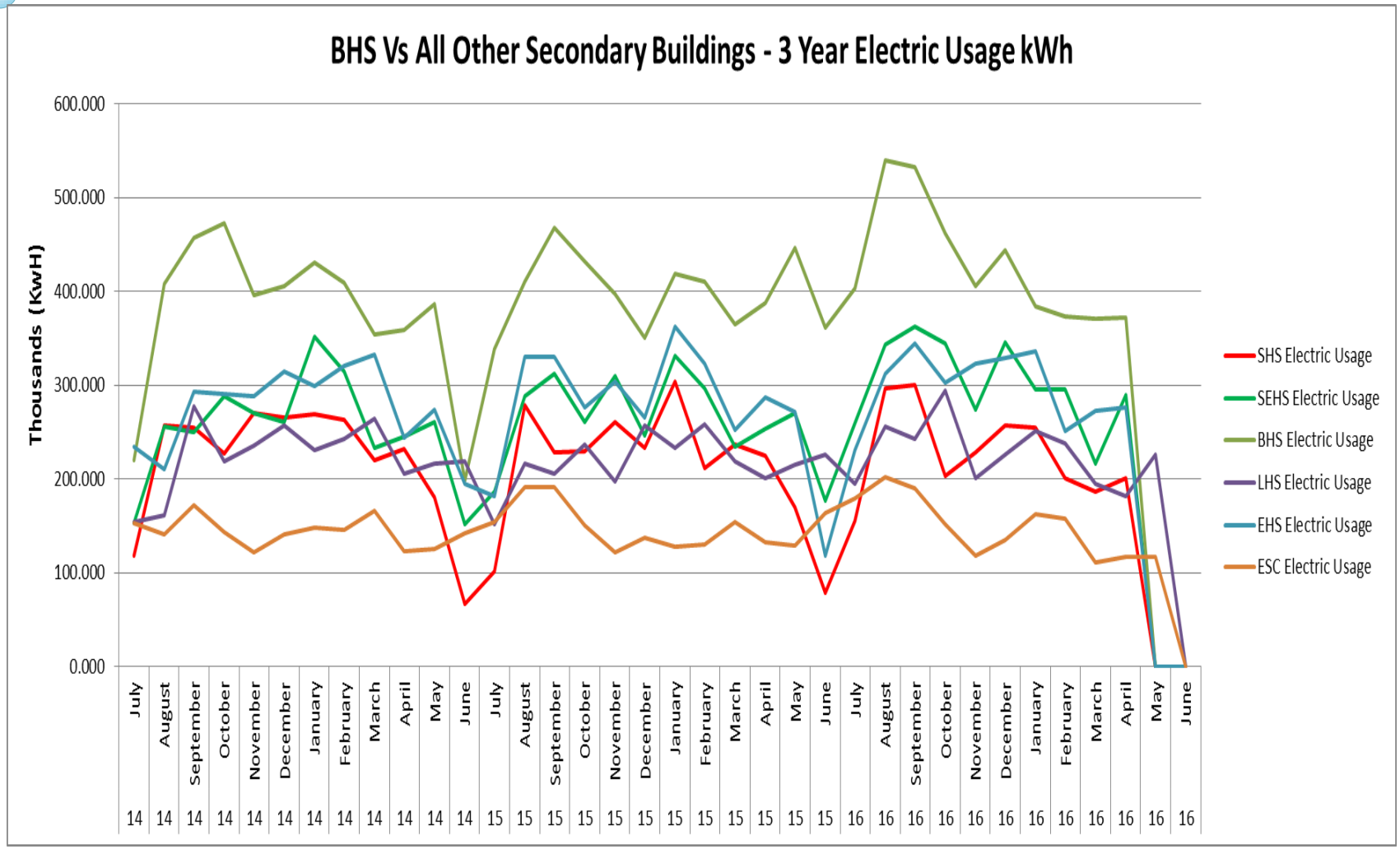
School District U-46 Buildings



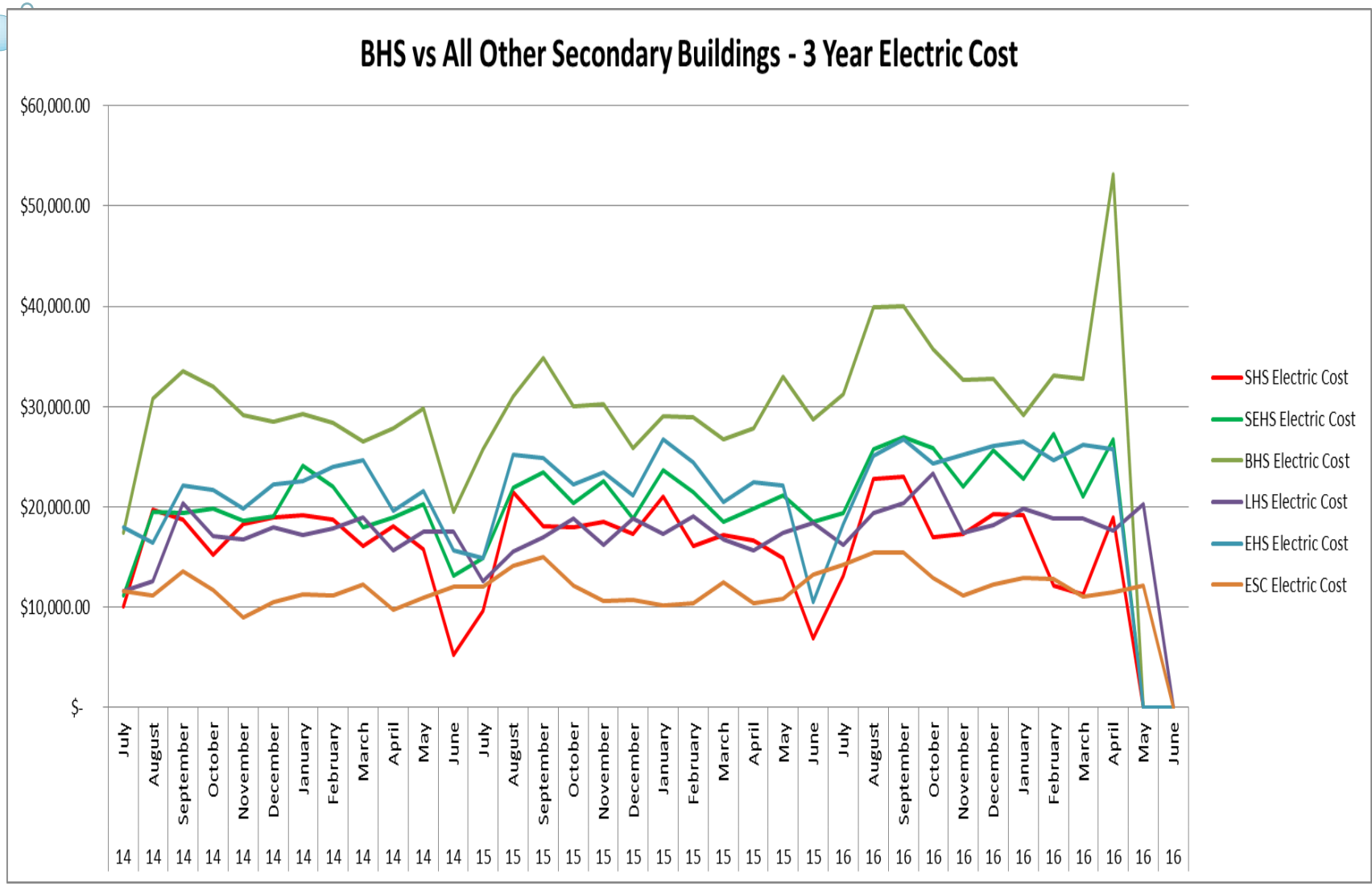
Adequate Funding for Infrastructure

- According to the National Council on School Facilities, school districts should plan on spending 3% of the current replacement value per year on maintenance and operations ($36 million per year for U-46).
- We currently spend 1.25% or approximately $15 million per year.

Secondary Buildings Electric Usage



Secondary Buildings Electric Costs



Infrastructure Recommendation

- Develop a funding strategy that will:
  - Allocate $25 million per year to repair and/or replace:
    - Parking lots
    - Tuck pointing
    - Roofs
    - Mechanical Systems
    - Athletic Facilities
    - Ceiling Tiles
    - Life Safety Items
    - Kitchens
    - Sidewalks
    - Windows
    - Playgrounds
    - Flooring
    - Lights
    - Water Pipes
    - Lockers/Hall Storage
    - Elevators

Integrating Technology and Curriculum

- There are hundreds of studies that have attempted to answer the question, **does technology lead to higher levels of student learning.**
- Research does not allow us to unequivocally state that technology is a cost-effective method to improve student achievement (NAESP).
  - Complex relationship
  - Research methodology problems (controlling variables)
  - Most research does point towards a correlative relationship

Integrating Technology and Curriculum

- Studies definitively point to the following:
  - Technology effectiveness is tied to **instructional design, content and teaching strategies employed by the teacher** (Glenn & Melmed 1996).
  - Computer technology **stimulates teacher-student interaction, cooperative learning, collaboration, problem-solving and student inquiry** (Stratham & Torell 1996).

What Has Changed

- Last year the decision was made to integrate the technology request with the curriculum proposals.
  - The benefits include:
    - Directing technology towards the classroom
    - Integrating technology training with the introduction of the new curriculum
    - Moving away from the lab concept
    - Development of cost-effective solutions with the introduction of new technology

Funding Necessary to Support The Future of Our Students

- Currently the District has over 17,000 (Approximately $11 million in inventory) computers in the District utilized in labs, computer carts, and various other employee uses.
- What is the future direction?
  - **Continue to support curriculum needs with $1.5 million per year**
  - **Introduce a one-to-one program at all middle schools for 2018-2019 at a cost of $2.4 million**
  - **Roll up the plan by one grade level per year until we have equipped all secondary students with a device by 2022-2023. Cost per year of $1.2 million**
  - **Equip all classrooms with projection systems and other supportive technology at $500,000 per year for the next five years**

Transportation and Support Vehicles

Type of Vehicle	Number of Vehicles	Average Age	Industry Average Replacement Cycle	Equipment Beyond Life Cycle
Large Buses	184	5.34	10-12 Years	0
Small Buses	166	4.47	10-12 Years	0
Support Vehicles	86	7.72	10 Years	18
Utility	32	11.32	Varies by Type	8

Equipment Facts

- Using vehicles beyond their life cycle:
  - After 10-12 years the maintenance costs tend to exceed annual cost of replacing with a new vehicle.
  - On average a vehicle loses approximately 1% of its fuel efficiency each year. Our average efficiency loss each year or increased fuel costs for the fleet is approximately $19,000 for each year of ownership.
  - Average maintenance cost per year per bus is $5,500 and the average cost of labor is $1,500 per bus.

Annual Funding to Maintain Fleet

Type of Vehicle	Number to be Replaced Per Yr.	Average Cost Per Vehicle	Total Cost Per Year	Annual Lease Cost (5 -Year)
Large Buses	19	$90,000	$1,710,000	$355,680
Small Buses	17	$79,000	$1,343,000	$279,344
Support Vehicles	18	$38,000	$684,000	$142,272
Utility	6	Varies	$300,000	$62,400
Total Needed to Maintain our Fleet of Vehicles			**$4,037,000**	**$839,696**

Class Room Furniture and Office Furnishings

- The District has 1,952 classrooms
- The average cost of the furnishings per room:
  - Elementary Schools $15,000
  - Middle Schools $18,000
  - High Schools $18,000

Current Value for all locations is **$32,013,000**

Average age of school furnishings is over twenty-five years old

Proposed Furniture Replacement Plan

- Develop a plan to replace all furnishings every 20 years
  - We would need to replace approximately 98 classrooms and four schools' office furnishings per year
  - To fund the plan we would need $1.7 million per year

Total Funds Necessary to Fund Plan Each Year for The Next Five Years

Category	Proposed Amount Necessary per Year	Net Over Five Year Period	Short Fall Over Five Year Period
Infrastructure & Capital	$25,000,000	$125,000,000	$110,000,000
Technology	$2,500,000	$12,500,000	$7,500,000
Buses	$3,053,000	$15,265,000	$15,265,000
Equipment/Vehicles	$984,000	$4,920,000	$3,920,000
Classroom and Office Furniture	$1,700,000	$8,500,000	$6,000,000
Total	**$33,237,000**	**$166,185,000**	**$142,685,000**

Current Obstacles

- Lack of State Funding Plan
- Insufficient resource options to fund major capital projects
- The age and needs of our infrastructure as noted in earlier slides
- Lack of understanding regarding the resource needs to maintain 60 facilities, 350 buses, over 15,000 computers, 118 support vehicles and equipment and the equipment to support 1,952 classrooms

Options For Discussion

- Future Tax Levies
- Exploring Future Debt Options
- Deplete the District's Reserves (currently we have $115 million in working cash and $102 million in surplus balance)
- Begin Leasing program for Tech and Vehicles (may not have the funds in the short term to fund leases)
- Re-allocate resources