

## DC PUBLIC SCHOOLS MASTER FACILITIES PLAN 2008

### 5.0 Budget

Based upon the outlined sequencing and phasing plan, OPEFM has developed an annual estimate of the sources and uses of funds required to fund the modernization projects. The budget attempts to make maximum use of the fixed available funds as defined by the OCFO with modernization projects scheduled as early as possible. All values are escalated at 5% annually to account for the time cost of money and assume the availability of starting balances remaining from the FY 2008 allocation to OPEFM. The following chart summarizes the projected sources and uses of funds for FY 2009 through FY 2017.

In response to the September 10, 2008 MFP submitted to the Council of the District of Columbia, the Office of the Chief Financial Officer certified on September 26, 2008 that funds for FY 2009 through FY 2014 are sufficient to implement the MFP. The fiscal impact statement issued by the OCFO and submitted to the Council of the District of Columbia confirmed the multiple funding sources included in the OPEFM budget. Financial officers and budget analysts in the OPEFM office have been and will continue to closely track the budget and ensure that the funding sources adhere to that outlined in the certification.

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### 5.1 8-Year MFP Financial Projection (\$1,000s)

	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
<b>Sources</b>									
G.O.	\$ 102,986	\$ 109,544	\$ 116,622	\$ 123,996	\$ 124,839	\$ 132,308	\$ 137,339	\$ 142,527	\$ 147,874
G.O. Small Caps for DCPS	\$ 14,464	\$ 14,532	\$ 14,478	\$ 14,550	\$ 14,600	\$ 15,476	\$ 16,250	\$ 17,062	\$ 17,915
Paygo	\$ 106,000	\$ 112,359	\$ 119,102	\$ 130,279	\$ 149,447	\$ 158,414	\$ 167,919	\$ 177,994	\$ 188,673
3rd Party Project Funding Sources	\$ 36,894	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Sources</b>	<b>\$ 260,344</b>	<b>\$ 236,435</b>	<b>\$ 250,202</b>	<b>\$ 268,825</b>	<b>\$ 288,886</b>	<b>\$ 306,198</b>	<b>\$ 321,508</b>	<b>\$ 337,583</b>	<b>\$ 354,462</b>
<b>Capital Uses</b>									
Modernizations Underway	\$ 175,818	\$ 37,131	\$ 26,327						
Future Modernizations: High Schools	\$ 15,315	\$ 78,803	\$ 126,673	\$ 160,534	\$ 120,830	\$ 72,623			
Elementary & Middle Schools	\$ 4,341	\$ 38,317	\$ 24,476	\$ 16,140	\$ 46,719	\$ 48,268			
Selective Additions and New Construction	\$ 19,748	\$ 33,180	\$ 20,370	\$ 37,044	\$ 61,945	\$ 88,864			
System Replacements					\$ 37,000	\$ 255,000	\$ 268,000	\$ 281,000	
Stabilization	\$ 30,000	\$ 32,000	\$ 34,000	\$ 36,000	\$ 38,000	\$ 15,000	\$ 16,000	\$ 17,000	\$ 18,000
Athletic Fields	\$ 16,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Third Party Projects	\$ 71,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Program Management	\$ 8,000	\$ 8,400	\$ 8,820	\$ 9,261	\$ 9,724	\$ 10,210	\$ 10,721	\$ 11,257	\$ 11,820
Legal, Finance, Consulting	\$ 2,000	\$ 2,100	\$ 2,205	\$ 2,315	\$ 2,431	\$ 2,553	\$ 2,680	\$ 2,814	\$ 2,955
Capital Staff & Expenses	\$ 5,000	\$ 5,250	\$ 5,513	\$ 5,788	\$ 6,078	\$ 6,381	\$ 6,700	\$ 7,036	\$ 7,387
<b>Total Capital Uses</b>	<b>\$ 347,922</b>	<b>\$ 235,181</b>	<b>\$ 248,383</b>	<b>\$ 267,083</b>	<b>\$ 285,726</b>	<b>\$ 280,900</b>	<b>\$ 291,101</b>	<b>\$ 306,107</b>	<b>\$ 321,162</b>
<b>Operating Uses of Pay-Go Funding</b>									
School Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,000	\$ 30,000	\$ 32,000	\$ 34,000
<b>Total Operating Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,000</b>	<b>\$ 30,000</b>	<b>\$ 32,000</b>	<b>\$ 34,000</b>
<b>Sources Less Uses</b>	<b>\$ (87,578)</b>	<b>\$ 1,254</b>	<b>\$ 1,819</b>	<b>\$ 1,742</b>	<b>\$ 3,160</b>	<b>\$ 3,298</b>	<b>\$ 406</b>	<b>\$ (523)</b>	<b>\$ (699)</b>
Balance Remaining FY 08	\$	\$	\$ 36,000						
Spending Funded by 08 Pos	\$	\$	\$ 56,033						
Prior POs to be De-Obligated	\$	\$	\$ 9,600						
Cumulative Balance	\$ 101,633	\$ 14,055	\$ 15,308	\$ 17,128	\$ 18,870	\$ 22,030	\$ 25,328	\$ 25,211	\$ 24,512
<b>Total Cost of Capital Program (2009 - 2016):</b>	<b>\$</b>	<b>\$ 2,583,565</b>							

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### 5.1.1 Sources of Funds

Generally, the sources of funds included in the OPEFM model are as provided by the Office of the Chief Financial Officer without further analysis or modification by OPEFM. The exception to this is third-party funding sources, which represent funds provided by other agencies via inter-agency transfer for OPEFM to administer projects on those agencies' behalf.

- General Obligation Funds: Proceeds of general obligation bond funding for school modernization, as provided by the OCFO.
- G.O. Small Caps Funds: Proceeds of general obligation bond funding for small capital projects, as provided by OCFO.
- Paygo Funds: Proceeds of District Paygo funds for school modernization, as provided by OCFO.
- 3<sup>rd</sup> Party Funding Sources: Represents funding being provided or planned to be provided by other agencies or parties through development MOUs.

### 5.1.2 Uses of Funds

The uses of funds in the OPEFM model are as estimated by OPEFM based on the phasing schedule outlined in Section 3.0 of this document and reasonable budgeting assumptions. It should be noted that all cost estimates rely on a level of assumptions appropriate to master planning and are not based on detailed design. They are therefore subject to significant refinement at the time of actual project implementation.

- Modernizations Underway: Represents required spending for completion of projects currently in development.
- Future Modernizations
  - High Schools (Phases I, II, and III): Based upon estimates and project schedules developed by OPEFM specific to each school.
  - Elementary & Middle Schools (Phase I): Represents spending in actual dollars estimated at \$30 / square foot in 2009 dollars and escalated 5% annually.
  - Selective Additions and New Construction: Represents spending in actual dollars estimated at \$400 / square foot in FY 2009 and escalated 5% annually.
  - System Replacement: Assumed to begin in Year Five and calculated at \$80 / square foot in 2009 dollars.

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- Stabilization: Represents a continuation of the 2007-2008 Stabilization initiative through 2013 with a reduction in spending every year thereafter.
- Athletic Fields: Represents planned spending for the renovation of athletic complexes consistent with the summer of 2007 and 2008 field improvement activities.
- Third Party Projects: Represents FY 2009 allocations.

### 5.2 Scope of Work and Estimating Methodology

To the extent possible, OPEFM has developed unique scopes of work for each category of funds and an associated cost estimate. Based largely upon the agency's previous two years of modernization experience, informed scopes and cost estimates have been developed using specific cost metrics with an understanding of each facility's unique needs and condition.

#### 5.2.1 Conceptual Nature of Budgeting

It must be emphasized that all budgeting has been completed as accurately as possible, but remains a function of a master plan document. As such, full designs have not been created for each project and all budgets must be considered conceptual, planning-level projections. As each project is designed and implemented, budgets and programs will be refined to provide school-specific data.

#### 5.2.2 Elementary & Middle School Estimate Methodology

Budgets were established for the Phase I elementary and middle school work according to a common scope of work and cost metric. The Receiving Schools and Consolidations work from the Summer of 2008 provided a real-world basis for establishing a \$30 per square foot cost metric. While Phase II and Phase III work remains conceptual at this point, the budget was calculated at \$80 per square foot. In each case, the cost metrics are considered conservative to account for unknown conditions that cannot be discovered until detailed design work is completed.

#### 5.2.3 High Schools

The budgets for the high schools with the combined Phase I, II, and III approach were established less conceptually than that of the elementary and middle schools. For each high school, professional estimators were engaged to review each facility, evaluate the existing conditions, and address specific programming needs. Ultimately, the project budgets ranged from between \$210 and \$255 / square foot with detailed budgets broken down by major improvement category.