

Statewide School Infrastructure Study

MSBO ISD Committee Meeting

October 5, 2023





Agenda

- SECTION 1 Introductions
- SECTION 2 The Challenge
- SECTION 3 The Opportunity
- SECTION 4 Progress to Date
- SECTION 5 Next Steps
- SECTION 6 Q & A



SECTION 1

Introductions

Your Speakers



Paul R. Wills
Partner
Plante Moran Realpoint

Project Role:
Partner-in-Charge



Kristin Mixon
Vice President
Plante Moran Realpoint

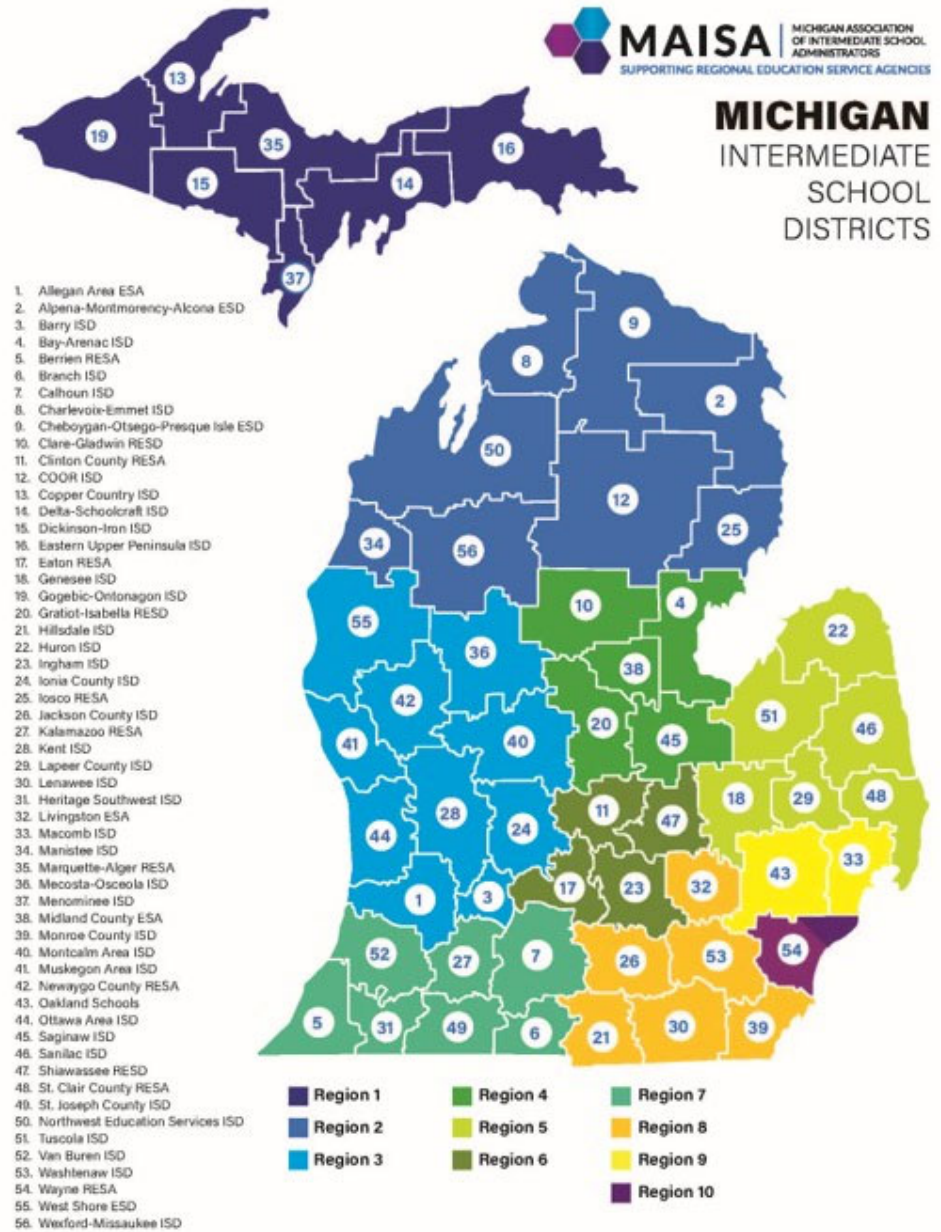
Project Role:
Overall Program Manager



plante moran
REALPOINT

Who is the School Finance Research Foundation?

- The School Finance Research Foundation (SFRF) is a diverse group of business leaders and education experts, from Metro Detroit to the U.P., who agree it's time to change the way Michigan's schools are funded.
- The group is a 501(c)(3) made up of 12 Intermediate School District leaders from the 10 MAISA regions across the State
- 2018, the School Finance Research Collaborative (SFRC) completed Michigan's first comprehensive school adequacy study, providing a roadmap to address Michigan's school funding challenges.





SECTION 2

The Challenge

Funding for Infrastructure Improvements

State Level

The State gives school Districts a set amount per pupil - \$9,608 for the 2023-2024 school year

This money is given to District's in a **General Fund**.

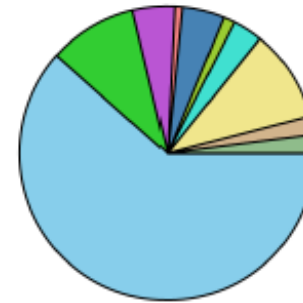
- Used to pay for instructional expenditures, pupil support, administration, operations, etc.

Infrastructure funding typically accounts for >1% of a school District's funding.

Facilities Acquisitions, Debt Service, & Capital Outlay

\$115,690
or 0.16% of State Funding

Typical District Funding



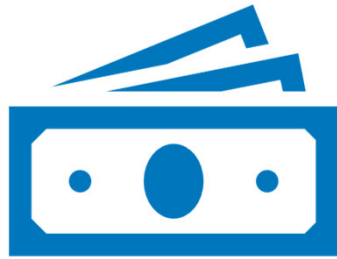
Operating Expenditures		
Instructional Expenditures (1xx,293)	\$45,761,447	61.55 %
Pupil Support Services (21x)	\$7,223,726	9.72 %
Instructional Staff Support Services (22x)	\$3,336,145	4.49 %
General Administration (23x)	\$622,233	0.84 %
School Administration (24x)	\$3,444,305	4.63 %
Business Services (25x)	\$947,154	1.27 %
Operations and Maintenance (26x)	\$7,562,733	10.17 %
Transportation (27x)	\$1,512,765	2.03 %
Central & Other Support Services (28x, 291,292,295,296,298,299)	\$2,439,728	3.28 %
Total Current Operating Expenditures	\$72,850,236	98.00 %

Remaining Expenditures		
Community Services (3xx)	\$1,123,475	1.51 %
Facilities Acquisitions (45x), Debt Service (51x) and Capital Outlay	\$115,690	0.16 %
Subgrantee/Flow-Through Distributions (41x-44x)	\$16,159	0.02 %
Other Transactions (49x)	\$0	0.00 %
Fund Modification (6xx)	\$246,589	0.33 %
Total General Fund Expenditures	\$74,352,149	100.00 %

Funding for Infrastructure Improvements

Local Level

School Districts have two additional methods to raise funds for infrastructure improvements:



Bond

Districts borrow funds (typically substantial) up front and pay back over a long period of time.



Sinking Fund

Districts collect an annual allowance that allows them to pay for improvements as needed

Challenges



Residents of school Districts must vote/approve these programs, leaving funding up to local support of the Districts



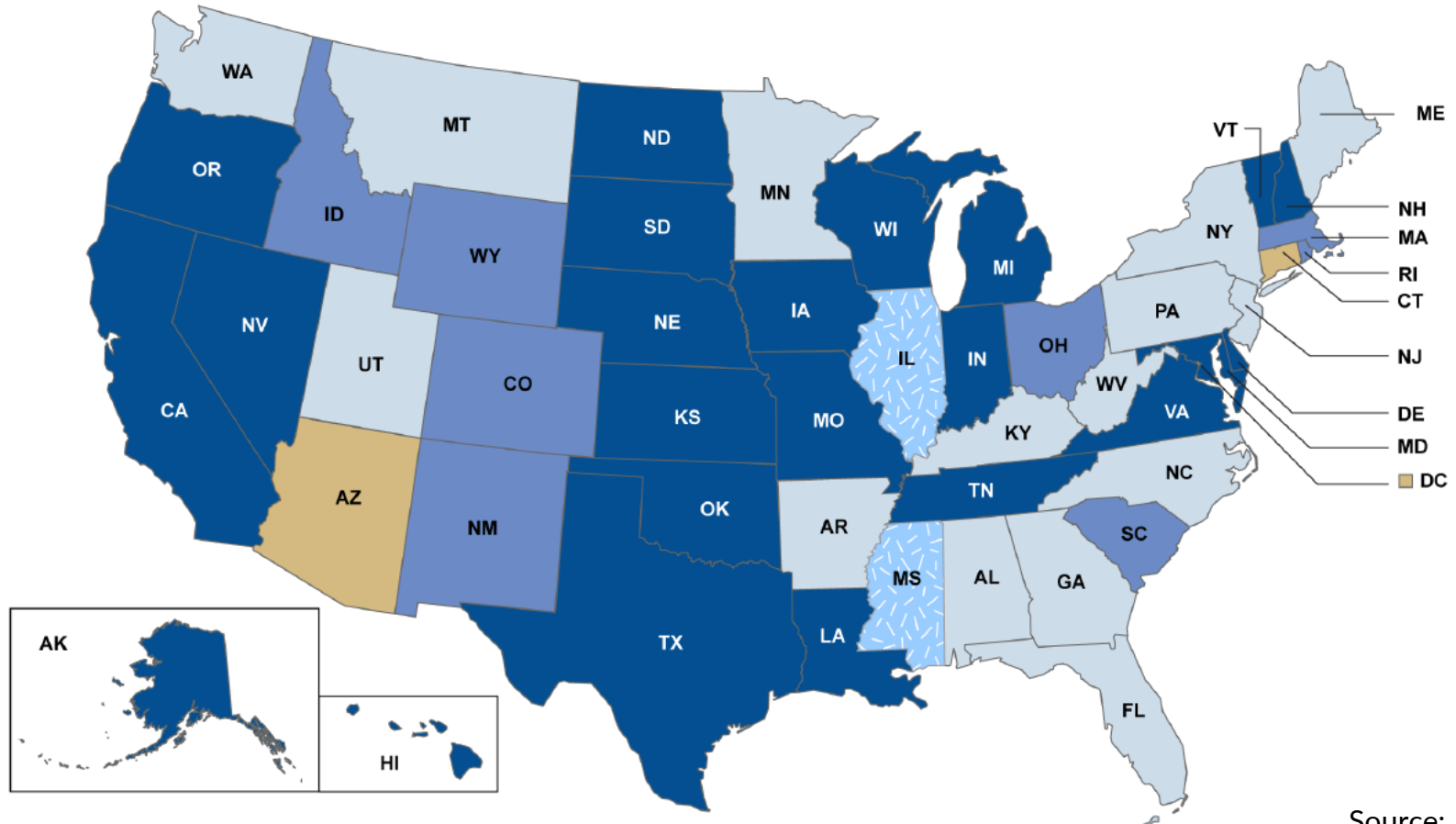
Tax rates must be raised or maintained (in lieu of dropping) for school Districts to receive funding



Bond/sinking fund requests may not be enough to meet a District's needs; Districts may lower requests to appease voters

Funding for Infrastructure Improvements

How Are Other States Assessing this Funding Gap?



- Has conducted a statewide facilities condition assessment
- Has required school districts to conduct facilities condition assessments
- Both has conducted a statewide assessment and required districts to conduct facilities condition assessments
- Has not conducted a statewide facilities condition assessment nor required districts to do so, or does not know
- Did not complete the survey

Source:





SECTION 3

The Opportunity

Statewide School Infrastructure Study

2023 – 2024

In recognizing the gap of school infrastructure funding, the State of Michigan has tasked the SFRF with conducting a Statewide School Infrastructure Study of all public K-12 buildings across the state by the end of 2024.

Goal:

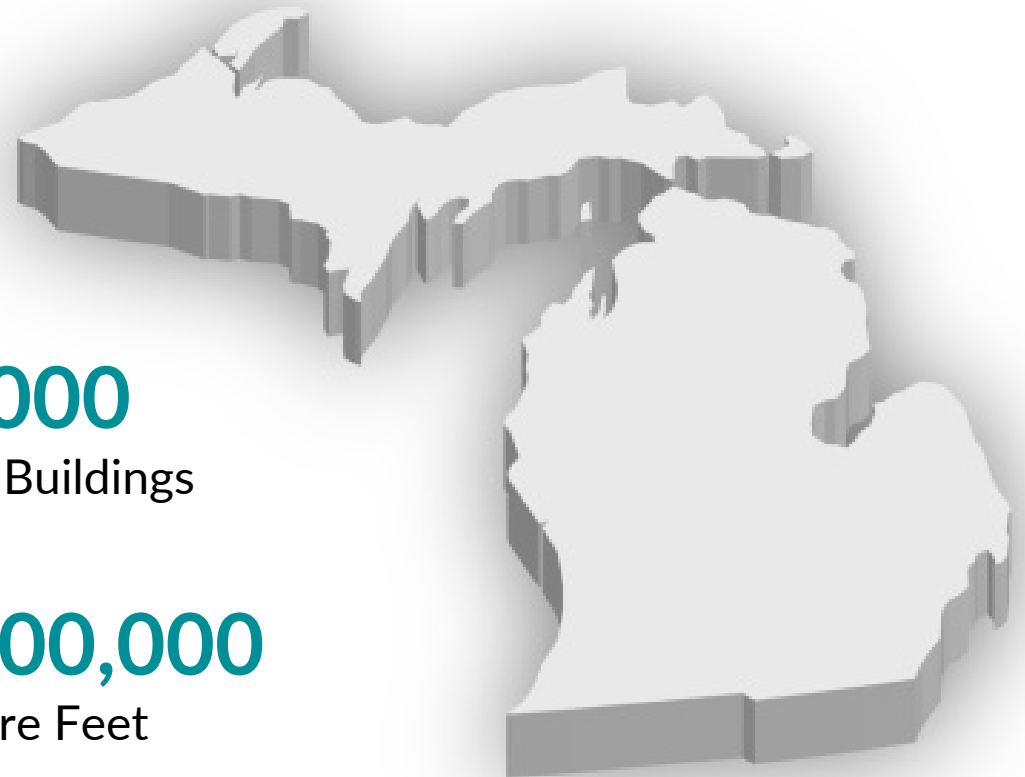
To determine if it is more cost effective to bring each building up to certain health, safety, and wellness standards **OR** replace the entire existing building

3,000

School Buildings

270,000,000

Square Feet



Statewide School Infrastructure Study

This Study Is:

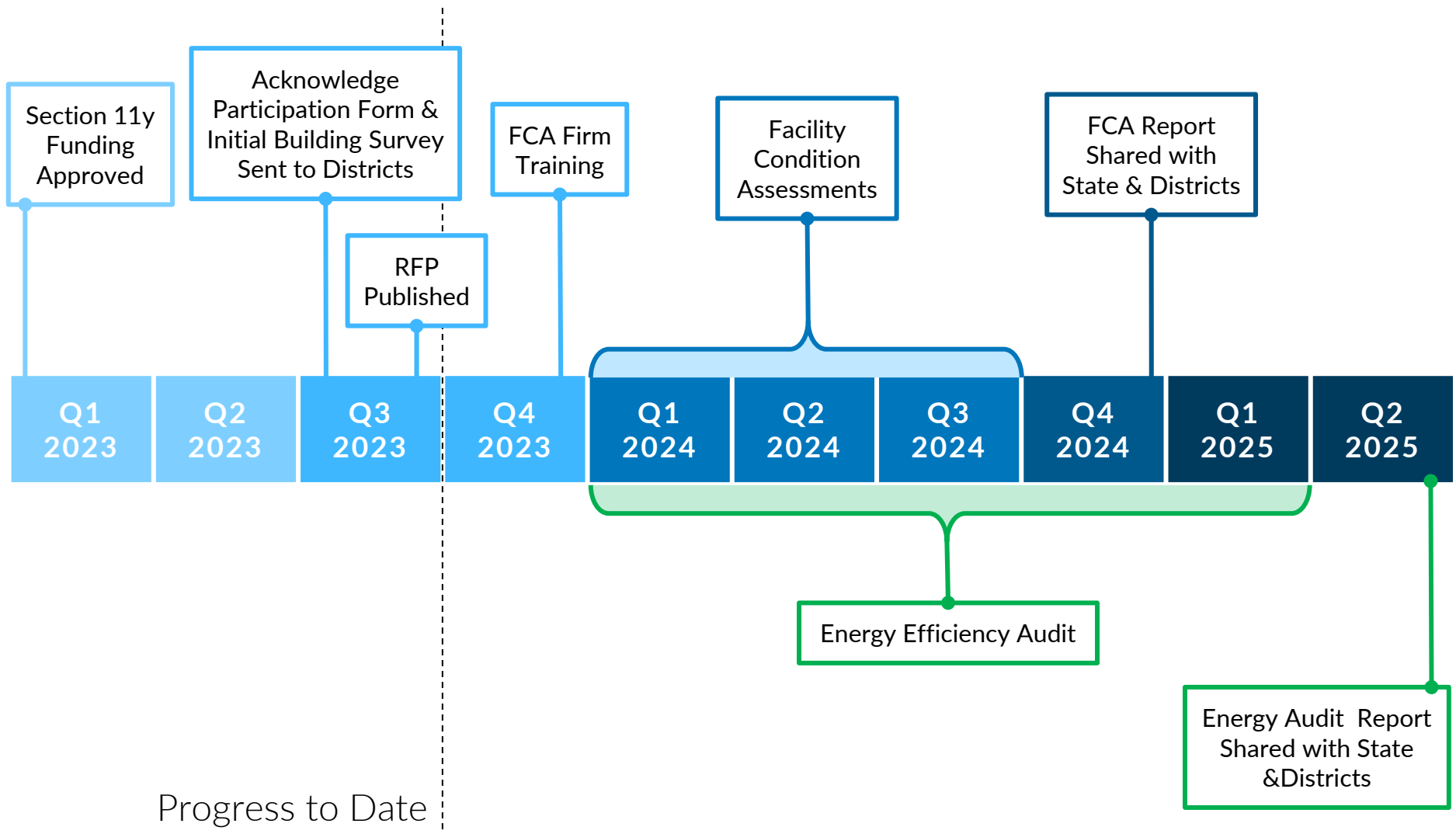
- ✓ Intended for the limited purpose of financial analysis and planning by the State of Michigan.
- ✓ A high-level non-invasive assessment of building conditions focused on health, safety, and wellness.

This Study Is Not:

- ✗ A facility condition assessment for use in PQ Apps.
- ✗ Meant to identify or correct any issues or deficiencies in any District facility regarding space, health, or code compliance.
- ✗ Mandatory

Districts will be provided with a comprehensive report on their buildings at the end of the study

Master Timeline



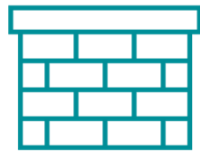
Scope of the Facility Condition Assessment



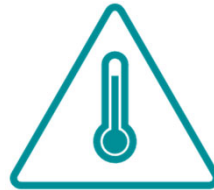
Health, Safety, & Wellness Features



Windows



Walls



HVAC



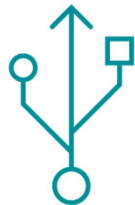
Doors



Building Exterior



Plumbing



Electricity



Roof



Site



Security

EXAMPLE DISTRICT

District Overview

Building	Critical (1-4yrs)	Near Term (5-9yrs)	Long Term (10+ yrs)	Total Capital Need
Chippewa Valley High School	\$500,000	\$1,500,000	\$2,500,000	\$4,500,000
Chippewa Valley 9th Grade Center	\$11,460,170	\$5,979,022	\$5,196,110	\$22,635,302
Wyandot Middle School	\$4,350,134	\$11,845,030	\$3,415,000	\$19,610,164
Algonquin Middle School	\$9,470,992	\$13,247,259	\$12,050,336	\$34,768,587
Erie Elementary School	\$11,655,294	\$2,700,576	\$12,164,821	\$26,520,691
Cherokee Elementary School	\$9,242,193	\$2,208,983	\$6,728,578	\$18,179,754
Chippewa Valley School District Total	\$46,678,783	\$37,480,870	\$42,054,845	\$126,214,498

High Level District Summary + Building Snapshots

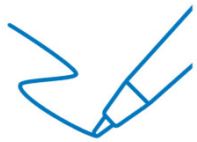
EXAMPLE SCHOOL

Chippewa Valley High School

Building Category	Sub-Category	Critical (1-4yrs)	Near Term (5-9yrs)	Long Term (10+ yrs)	Total Capital Need
A-Substructure					
	A10-Foundation	\$25,000	\$75,000	\$125,000	\$225,000
	A20-Baseament	\$15,000	\$45,000	\$75,000	\$135,000
	Substructure Subtotal	\$40,000	\$120,000	\$200,000	\$360,000
B-Shell					
	B10-Superstructure	\$10,000	\$30,000	\$50,000	\$90,000
	B20-Exterior Closure	\$40,000	\$120,000	\$200,000	\$360,000
	B30-Roofing	\$50,000	\$150,000	\$250,000	\$450,000
	Shell Subtotal	\$100,000	\$300,000	\$500,000	\$900,000
C-Interiors					
	C10-Interior Construction	\$60,000	\$180,000	\$300,000	\$540,000
	C20-Staircases	\$30,000	\$90,000	\$150,000	\$270,000
	C30-Interior Finishes	\$35,000	\$105,000	\$175,000	\$315,000
	Interiors Subtotal	\$125,000	\$375,000	\$625,000	\$1,125,000
D-Services					
	D10-Conveying Systems	\$40,000	\$120,000	\$200,000	\$360,000
	D20-Plumbing	\$25,000	\$75,000	\$125,000	\$225,000
	D30-HVAC	\$15,000	\$45,000	\$75,000	\$135,000
	D40-Fire Protection	\$10,000	\$30,000	\$50,000	\$90,000
	D50-Electrical	\$5,000	\$15,000	\$25,000	\$45,000
	Services Subtotal	\$95,000	\$285,000	\$475,000	\$855,000
E-Equipment & Furnishings					
	E10-Equipment	\$5,000	\$15,000	\$25,000	\$45,000
	E20-Furnishings	\$10,000	\$30,000	\$50,000	\$90,000
	Equipment & Furnishings Subtotal	\$15,000	\$45,000	\$75,000	\$135,000
F-Special Construction & Demo					
	F10-Special Construction	\$10,000	\$30,000	\$50,000	\$90,000
	F20-Selective Demo	\$20,000	\$60,000	\$100,000	\$180,000
	Special Construction & Demo Subtotal	\$30,000	\$90,000	\$150,000	\$270,000
G-Building Sitework					
	G10-Site Preparation	\$25,000	\$75,000	\$125,000	\$225,000
	G20-Site Improvements	\$30,000	\$90,000	\$150,000	\$270,000
	G30-Site Utilities	\$15,000	\$45,000	\$75,000	\$135,000
	G40-Site Electrical	\$15,000	\$45,000	\$75,000	\$135,000
	G50-Other Site Construction	\$10,000	\$30,000	\$50,000	\$90,000
	Building Sitework Subtotal	\$95,000	\$285,000	\$475,000	\$855,000
Chippewa Valley High School Total		\$500,000	\$1,500,000	\$2,500,000	\$4,500,000

Energy Audit

Currently in Planning Phase



**Addition to Facility
Condition Assessment**
(Districts will Opt-In)



**Modified (Enhanced) Level
1 ASHRAE Audit**



**Walk Through at Same
Time as FCA**



**Analyze 12 Months of
Utility Data**



**Separate Deliverable 6
Months After FCA**



SECTION 4

Progress to Date

School District Participation

The State of Michigan has set aside funding through the School Consolidation and Infrastructure Fund (Section 11x) for infrastructure improvements.

Participation is **NOT** mandatory, but only Districts which agree to participate in the study are eligible to receive Section 11x funding.



95%

570 of 594 Districts/ISDs have completed the FCA participation acknowledgement form.

Based on this level of participation, the study will include over 3,000 buildings and 270M SF.

Original Survey

Survey Parameters for Schools

***Critical Information needed immediately for procurement

Will this building be in use past June 30, 2025?

Instructional vs Non-Instructional

Grade Level Structure

Other Grade Level Structure (please describe)

Building size (gross SF)

Most recent architect

Most recent civil engineer

Most recent construction manager or general contractor

Building Characteristics

Building Construction Year (YYYY)

Site size (acres)

Basement?

Fire Suppression System

Security Cameras

Emergency Generator

Tunnels

Card Access System

Elevator(s)

Intrusion Detection

Pool

Playground(s)

Gym seating capacity

Natural Gas or Propane Provider

Electrical Service Primary or Secondary

Updated asbestos report in last three years

Lead test for water

Water source
Sanitary sewer system

Roof installation year

Roof type / manufacturer

Year of most recent boiler installation or replace

Fire alarm manufacturer
Fire alarm issues

Further issues with fire alarm system

Health, safety, wellness concerns

Facility assessment within the last 5 years

Scheduling

Scheduling Contact Name

Scheduling Contact Phone Number

Scheduling Contact Email Address

Dates facilities are inaccessible

Study Data Collection

Current Enrollment

Procurement

Most recent mechanical / electrical engineer

Energy Audit Participation

Current roofing consultant



SECTION 5

Next Steps

Important Action Items for School Districts

Urgent

- 1** The SFRF needs critical information on your facilities immediately. If you have not already done so, please provide the following information immediately:
 - Instructional vs. Non-instructional
 - Total Building Square Footage
 - Who Is Architect / Engineer / Construction Manager of Record?
 - Will School Be Open Past 2025
- 2** Only 58% of Districts and ISDs have completed the full initial building survey. Additional survey components include recent work on buildings, year built, etc. Please complete by October 31st
- 3** Energy audit participation acknowledgement forms are due Friday October 6th. If you have not already, please complete as soon as possible

Upcoming

- Communicate with your selected firm to provide preliminary information and schedule site assessments
- Communicate with individual schools on their assessment times and ensure access to relevant areas
- Attend kickoff meetings with your firms
- Be available for future clarification after initial walk throughs



SECTION 6
Q & A

Procurement

Firms

Any organization who has submitted a preliminary qualification application (PQ App) over the last 25 years

Any firm identified as architect-of-record by school Districts who completed initial survey

Running email list of organizations that PMC/BMB have worked with



Both small and large companies: from 1-person firms to firms with 1,000 + staff



Minority-Based Enterprises (MBEs)



Women-owned businesses



Firms from the heart of Detroit to the Upper Peninsula



Endorsement from largest construction, architecture, and engineering organizations in Michigan

Organizations




Bid Platforms




Procurement

Minimum Qualifications




 In business for the last 5 consecutive years




 Completed K-12 school-work within the past 5 years



 Utilize an A/E licensed in Michigan



 Michigan-based entity as required by applicable law.

Selection Process & Criteria

- Firm's experience as related to K-12 facility condition assessments
- Evidence of capabilities to perform all requirements selected in the RFP
- Fee structure for all scopes of work
- Ability to provide the resources to meet the project schedule
- Prior or existing experience with applicable LEAs
- Footprint within applicable region
- Other criteria as determined by the Owner

Building Walk Throughs & Smartsheet

