

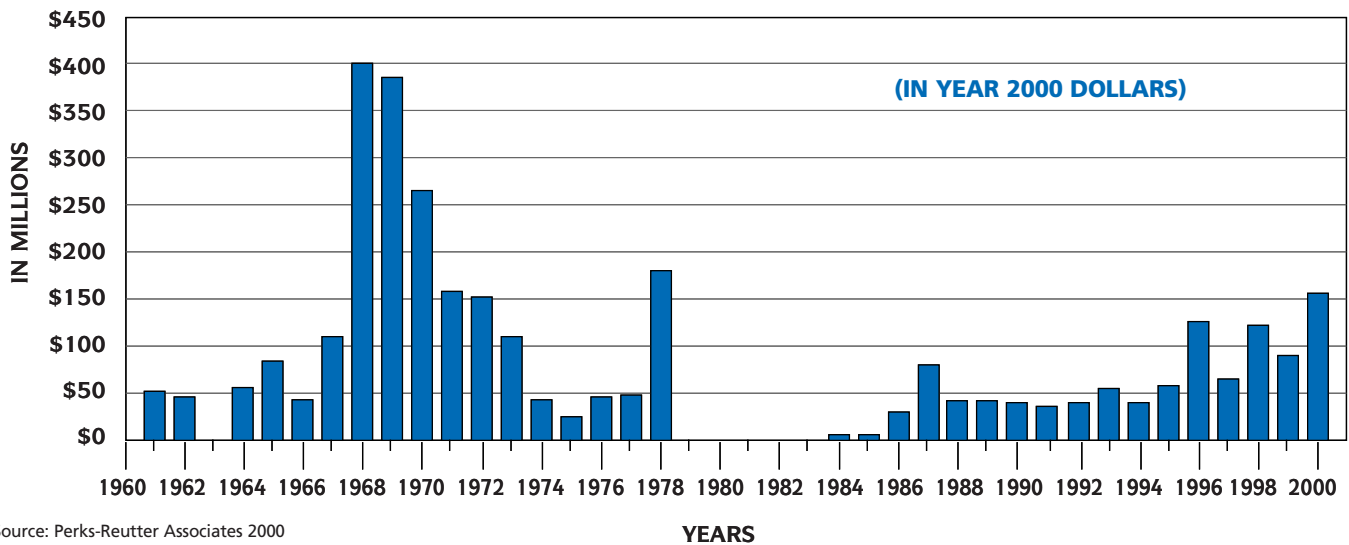
The School District's \$1.5 Billion Capital Improvement Program

The School District of Philadelphia

For over 25 years, Philadelphia's school buildings have fallen into disrepair. Addressing the extensive physical needs of the schools is of paramount concern.

The recently announced \$1.5 billion plan to rehabilitate the educational infrastructure is the shot in the arm that will help turn around the city's schools.

Figure 1: School District Capital Obligations/Expenditures 1960 to 2000



Overview

The School District's buildings have been neglected over the years, largely due to recurring financial problems that have led to a low prioritization of facility funding needs. In the years that capital funds were available, 1950 through 1980, the focus was on new construction: over 100 new schools were built during this period (see Figure 1). However, following that building boom, there was virtually no capital investment from 1978 through 1986, so that even the newer buildings lacked appropriate capital maintenance to preserve their structural and mechanical systems. Capital funding since 1986 has been insufficient to support a school district with over 27 million square feet of space and where 71 percent of the buildings are over 50 years old. An aggressive capital program is now the only way to preserve the existing buildings that are structurally sound, replace those buildings that cannot be repaired, and provide additional educational opportunities for students.

The \$1.5 billion, five-year Capital Improvement Program (CIP) was developed in support of the District's educational plan, taking into consideration how our facilities need to support programmatic changes occurring at the schools. "In some cases our schools are literally falling down around our students, and that's simply unacceptable," says Paul Vallas, CEO of the School District of Philadelphia. "Our schools should be citadels of knowledge and monuments to the leaders of tomorrow. This is not just a plan to construct and renovate, it is our commitment to the future of more than 210,000 students."

The CIP was developed according to the following four key objectives:

1. *Improve high school options*

The program will increase the number of smaller schools that serve between 800 and 1,000 students through new construction and major renovations of existing buildings. CIP calls for \$386 million to go to the construction of 11 new high schools. The new high schools will include options such as a military school, comprehensive schools, and an alternative school. Major renovations are scheduled for at least 13 existing high schools.

2. *Phase out middle schools*

The School District will start converting middle schools to small high schools and elementary schools while simultaneously expanding grades at elementary schools that currently only go to the fifth grade. Middle schools will slowly be phased out. As middle schools are converted, elementary schools will be upgraded into kindergarten through 8th grade. This new configuration will be phased in gradually. For example, the old 6-7-8 grade middle school will become a 7-8-9 grade middle school in Year One, and an 8-9-10 grade middle school in Year Two.

3. *Alleviate elementary school overcrowding*

CIP will construct new schools, additions and annexes to relieve overcrowded conditions that have resulted from long-term demographic shifts throughout the District. Eight new elementary

schools (and one replacement school) will be built in addition to five new additions to existing schools.

4. Ensure state of good repair

The program will stabilize the School District's portfolio of buildings through phased rehabilitation. This will include exterior improvements to school grounds, electrical/mechanical replacements, interior renovations, and educational enhancements in support of curriculum and programmatic changes.

Major renovations will start in 22 schools in 2003 to upgrade or create new science labs, multi-media centers, libraries, and support facilities. Over five years, \$35 million will be used to improve school grounds, sports fields, field houses and appropriate recreational facilities. Sixteen million dollars will go toward lighting improvements and retrofits to make schools safe and more energy efficient. Thirty million dollars will be used for electrical upgrades to support computer labs and an automated curriculum.

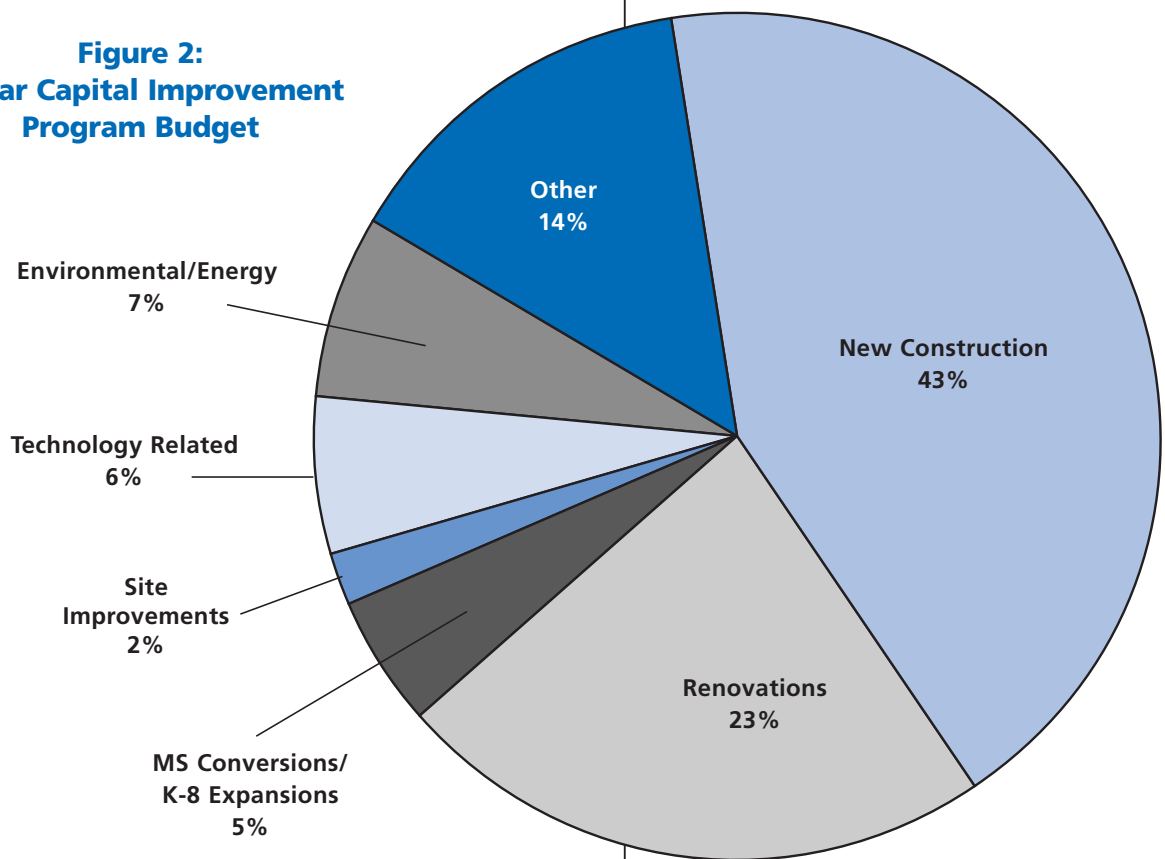
The Capital Improvement Program will also make significant life safety improvements to the buildings. It will fund \$82 million in exterior renovations, boiler replacement, and put in fire alarm systems over the next five years.

Implemented alongside the program, but funded through the District's operating budget, the School District will send out its newly created "Minutemen Teams." These teams of carpenters, plumbers, painters, electricians, and other tradesmen will perform thousands of small repairs ranging from replacing windows to painting classrooms. Made up of between eight to 10 trade specialists, multiple teams will spend two to three weeks in each school to maintain and make school repairs.

Funding and Implementation

Many of the capital projects will be eligible for reimbursement under the state's PLANCON program, which is a preexisting statutory program that allows for 20 percent of the debt service to be reimbursed to the District by the state. About five percent of the funding will come from federal sources. But the majority of the resources to support the plan's debt service will come from within the school district. The School District and city residents will pay for the plan through general obligation bonds. The debt service payments needed to support the plan have already been incorporated into the school district's five-year financial plan.

**Figure 2:
5 Year Capital Improvement
Program Budget**





The school district will also make internal and external organizational changes to better manage and implement the plan.

First, the district will re-align four of its offices (Design and Construction, Environmental, Grade and Space Planning, and Real Estate Management) to comprehensively manage CIP.

Second, the School District has issued a request for proposals (RFP) for program management services. The program manager will be responsible for program planning, design management and construction management of the entire program.

Third, three to four construction management firms will be utilized to directly oversee construction of categories of work, such as renovations and new construction. These construction management firms will be selected through an RFP process.

Fourth, engineers, architects and general contractors will be pre-qualified through an RFP process in order to expedite the bidding process and shorten the timeframe from project master plan to completion.

Throughout the life of CIP, public involvement will be a central component of the program. School staff, parents and students, community groups, legislative leaders and other city agencies will be involved in the development of capital improvement projects.

The School District of Philadelphia launched its \$1.5 billion Capital Improvement Program on December 20, 2002. For more information about this plan as well as other School District initiatives, visit www.phila.k12.pa.us. This article was printed with permission of the School District of Philadelphia.