

VDOE Responses to Follow-up Requests from the September 29, 2021 Commission Meeting

Prepared for the
Commission on School Construction and Modernization
December 1, 2021

Requests the Commission Asked VDOE to Follow-up on at Sept. 29th Commission Meeting

1. Information requested that was previously provided to Commission staff:

- other state approaches to funding school construction (ECS summary)
- school division allocations of the \$250M in ARPA funds earmarked for HVAC/Ventilation grants

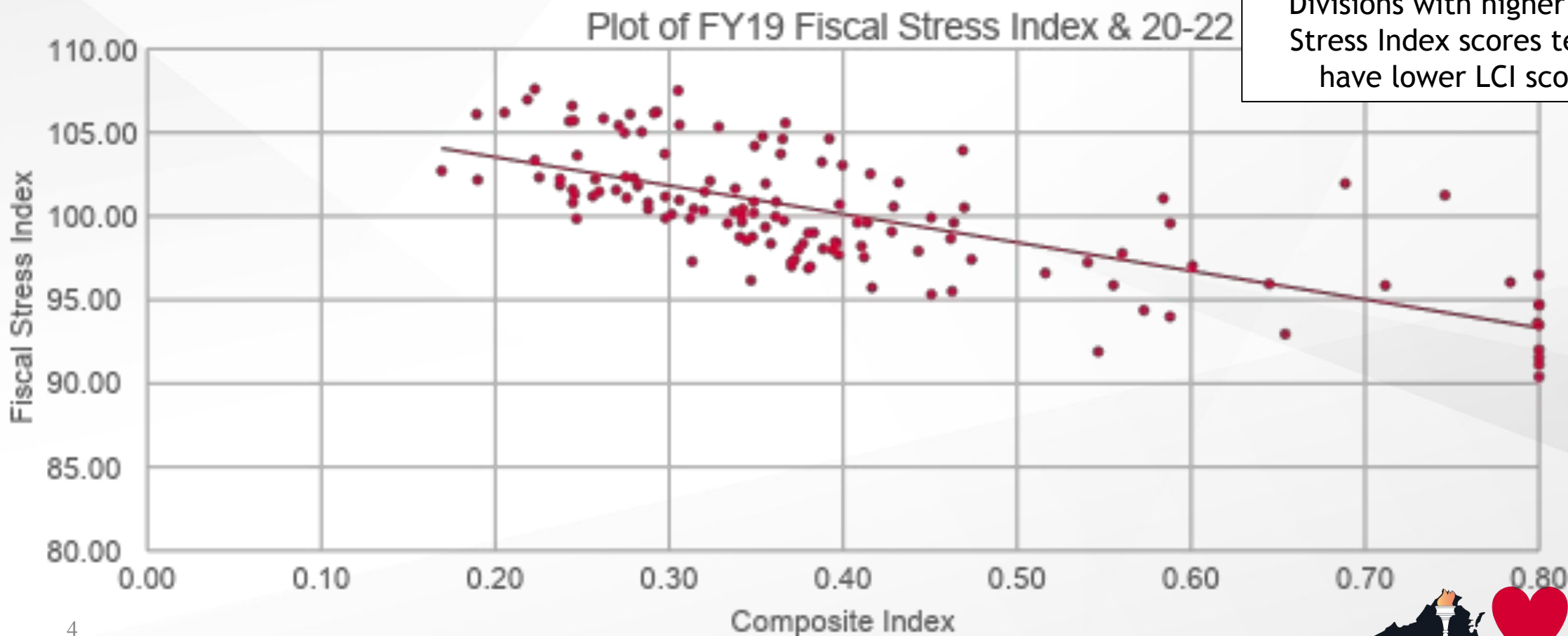
2. Relationship between fiscal stress, Local Composite Index, and school construction needs;

3. Breakdown of \$3B in planned renovations at 325 schools not included in Capital Improvement Plans; and,

4. Federal ESSER formula funding used by divisions for school HVAC and construction projects.

2. Relationship between Fiscal Stress, Local Composite Index, and School Construction Needs

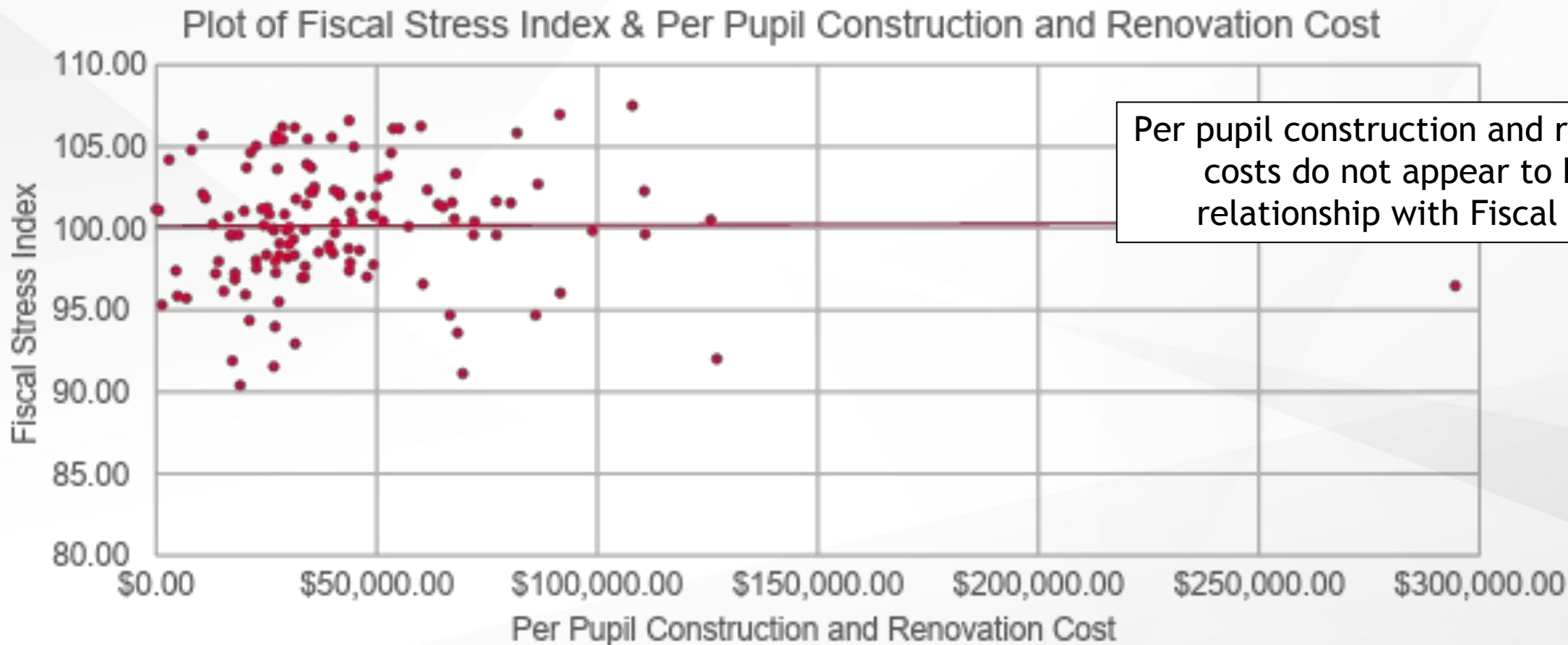
Relationship between Fiscal Stress Index and Local Composite Index



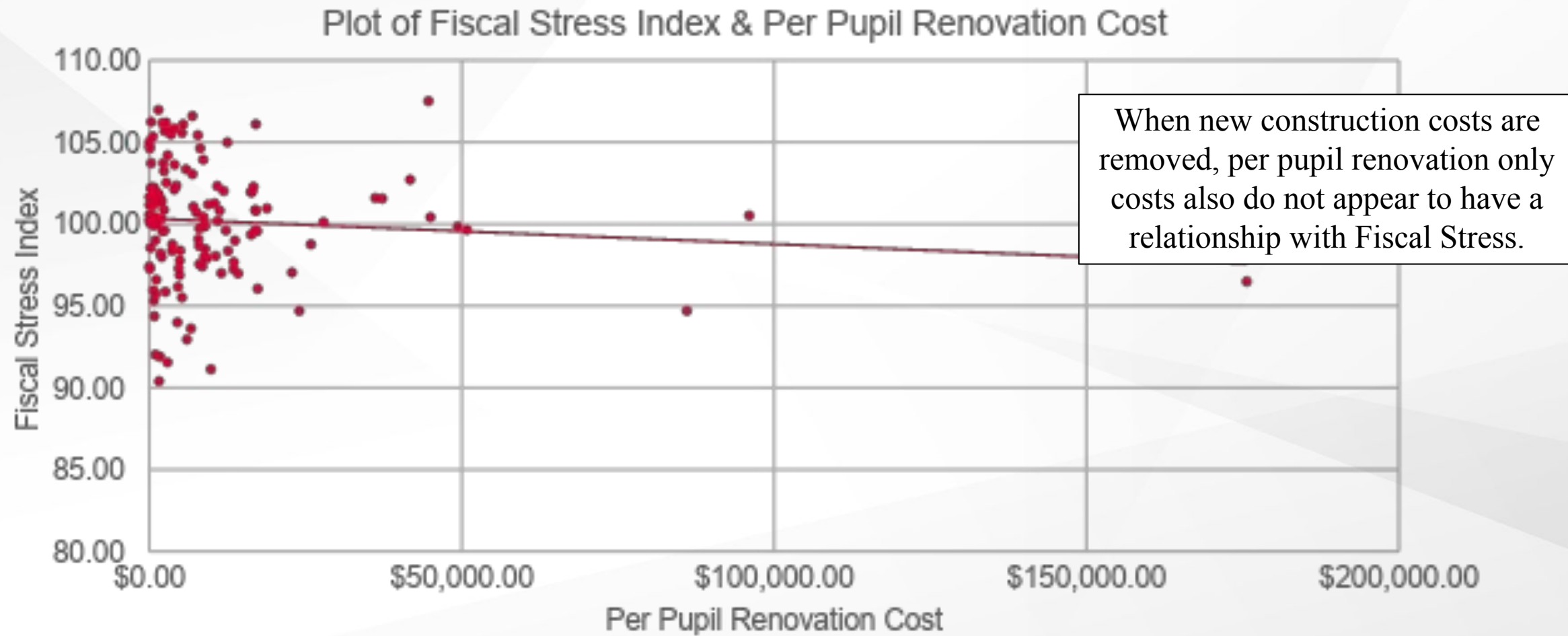
Measuring the Need for Construction and Renovation

- Construction and renovation needs were estimated using two methods:
 - Per pupil costs for approved and/or funded construction and renovation projects in division Capital Improvement Plans reported in the VDOE School Building Inventory (2021) and,
 - The average age of school buildings and the amount of time since the last major renovation.

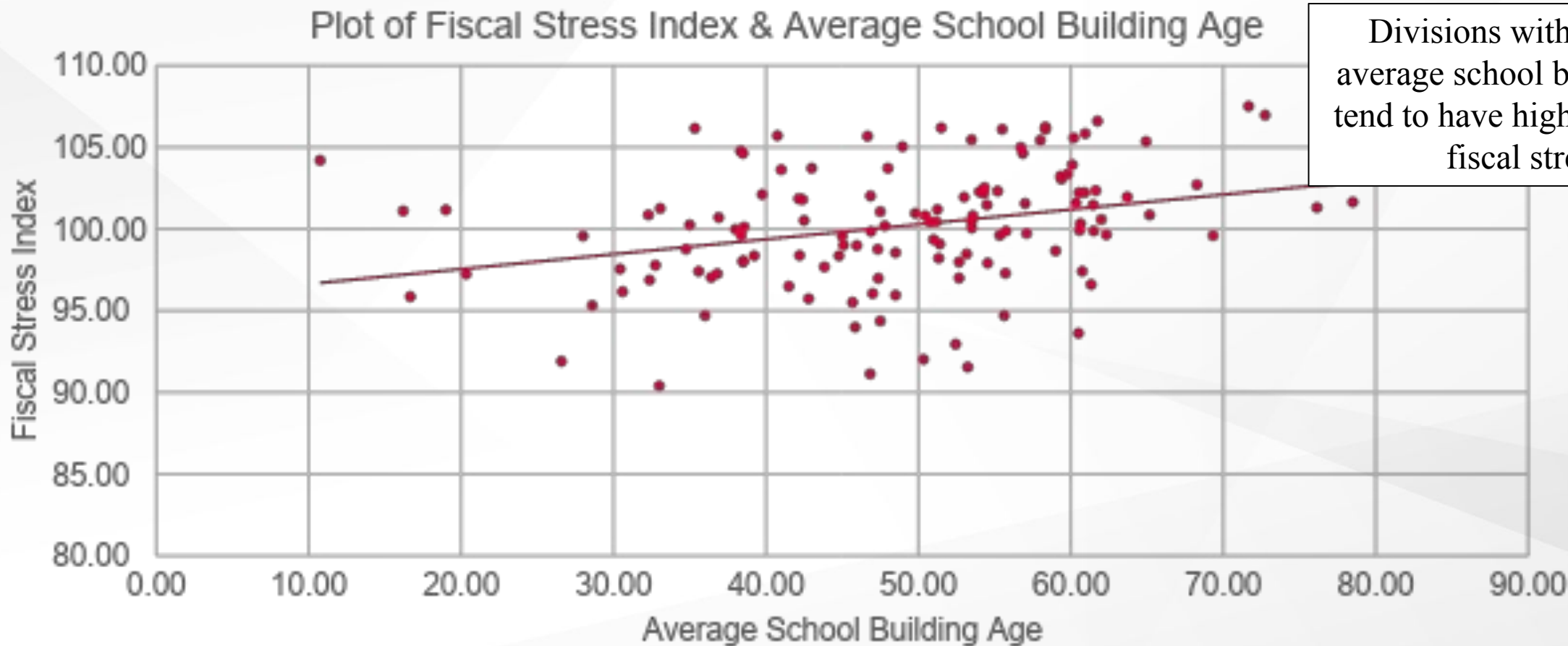
Relationship between Fiscal Stress Index and Construction/Renovation Costs



Relationship between Fiscal Stress Index and Renovation Only Costs

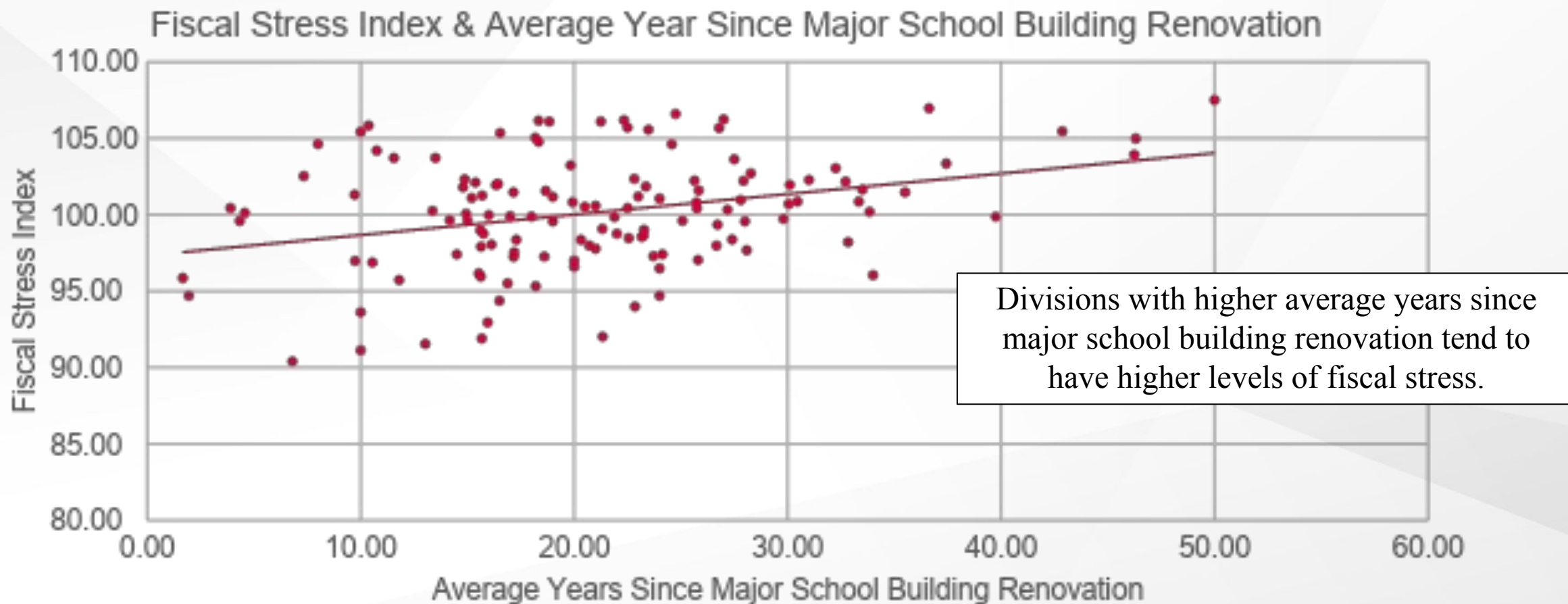


Relationship between Fiscal Stress and Average School Building Age



Divisions with an older average school building age tend to have higher levels of fiscal stress.

Relationship between Fiscal Stress and Average Years since Major Renovation



Summary

- Available data on construction and renovation costs may be an imperfect indicator of actual construction and renovation needs, given variation among localities in how projects are approved and funded
 - Based on available data, there is no relationship between the costs of approved construction and renovation projects and fiscal stress
- We approximated construction and renovation needs by calculating divisions' average age of school buildings and average years since major renovation
 - Divisions with higher fiscal stress, on average, have older buildings and longer periods between major renovations

3. Breakdown of \$3B in Planned Renovations at 325 Schools not Included in Capital Improvement Plans

School Building Inventory

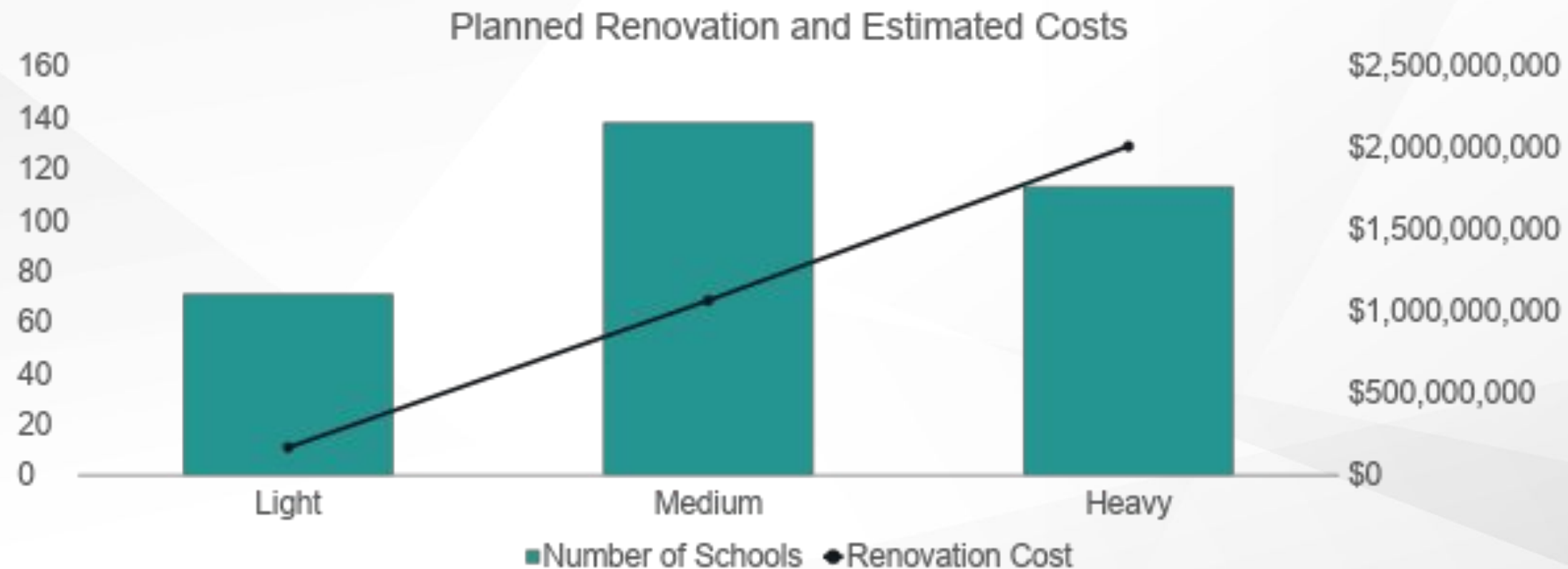
- VDOE occasionally inventories school buildings in response to legislative inquiries
 - Data were collected for the first time in 2013 and updated in 2021 for this Commission
 - 128 of 132 divisions reported data for 97 percent of school buildings ($n = 2,005^*$)
- For each building owned by the school board, the inventory collects:
 - Renovations planned in the next 5 years that are not captured in Capital Improvement Plans
 - Student capacity levels, building square footage, and site acreage
 - Year building put in service
 - Date of last major renovation and associated costs
 - Replacement value (new construction)
 - American with Disabilities Act (ADA) compliance and associated costs

**School buildings include all elementary, middle, high, and combined schools, as well as alternative centers, career and technical centers, special education centers, and preschools.*

School Building Inventory Renovations

- Divisions report by school building:
 - Category of renovation:
 - Light (e.g., finishes and ceilings)
 - Medium (e.g., finishes, ceilings, and HVAC distribution)
 - Heavy (e.g., shell completion, and HVAC replacement)
 - Square footage of planned renovation
- Square footage is used to estimate total renovation costs:
 - Light - \$75 per square foot
 - Medium - \$150 per square foot
 - Heavy - \$250 per square foot

Planned Renovations not Captured in CIP



Total: 322 schools, \$3.2 billion

Data Source: VDOE School/Building Inventory, 2021

Planned Renovations by Region and Type

Region	Light Renovation		Medium Renovation		Heavy Renovation	
	Schools (Number, % of Total)	Total Costs	Schools (Number, % of Total)	Total Costs	Schools (Number, % of Total)	Total Costs
1: Central Virginia <i>Total schools in region: 275</i>	33 (12.0%)	\$75,429,525	60 (21.8%)	\$379,363,350	45 (16.4%)	\$1,059,717,000
2: Tidewater <i>Total schools in region: 392</i>	6 (1.5%)	\$9,248,700	24 (6.1%)	\$236,631,900	16 (4.1%)	\$244,794,500
3: Northern Neck <i>Total schools in region: 123</i>	9 (7.3%)	\$43,614,600	9 (7.3%)	\$88,667,400	9 (7.3%)	\$69,882,250
4: Northern Virginia <i>Total schools in region: 567</i>	2 (0.4%)	\$1,125,000	3 (0.5%)	\$18,267,000	5 (0.9%)	\$82,027,500
5: Valley <i>Total schools in region: 206</i>	10 (4.9%)	\$21,075,150	7 (3.4%)	\$62,886,600	6 (2.9%)	\$94,850,000
6: Western Virginia <i>Total schools in region: 203</i>	1 (0.5%)	\$3,707,475	17 (8.4%)	\$101,231,550	16 (7.9%)	\$266,997,750
7: Southwest <i>Total schools in region: 176</i>	7 (4.0%)	\$14,010,300	11 (6.3%)	\$136,662,750	6 (3.4%)	\$23,100,000
8: Southside <i>Total schools in region: 63</i>	3 (4.8%)	\$2,625,000	7 (11.1%)	\$44,142,750	10 (15.9%)	\$169,710,250

4. Federal ESSER Formula Funding Used by Divisions for School HVAC and Construction Projects

Federal Guidance on Using Pandemic Funding for Construction

- Guidance from the U.S. Dept. of Education clarified that funds under the Elementary and Secondary School Emergency Relief (ESSER) and Governor's Emergency Education Relief (GEER) programs may be used for construction.
- States and subgrantees must assure that costs:
 - are reasonable and necessary;
 - meet the overall purpose of the program, which is to “prevent, prepare for, and respond to COVID-19;” and
 - are consistent with the proper and efficient administration of the program.

Approval Process for HVAC & Construction Projects

- VDOE established a process for the review of school division requests to use federal pandemic relief funds for construction or HVAC projects.
- All projects are reviewed through the funding application process.
- Projects that exceed \$500,000 or that require a permit must also be reviewed through a more detailed prior approval form submission process.
- Project approval must be granted prior to submitting reimbursement requests for expenditures.

ESSER Construction & HVAC Projects Submitted to VDOE for Prior Approval

- The table below summarizes project requests requiring prior approval (those that exceed \$500,000 or that require a permit) that have been approved as of November 2021.

Project Type	ESSER II (CRRSA)	ESSER III (ARPA)	Total ESSER II and III
HVAC Upgrades/Roof Replacement/ Window Replacement	\$101,727,260.10	\$160,264,685.02	\$261,991,945.12
School Renovation and Construction	\$2,750,000.00	\$119,798,233.55	\$122,548,233.55
Outdoor Learning Spaces	\$0.00	\$3,852,570.00	\$3,852,570.00
TOTAL	\$104,477,260.10	\$283,915,488.57	\$388,392,748.67