

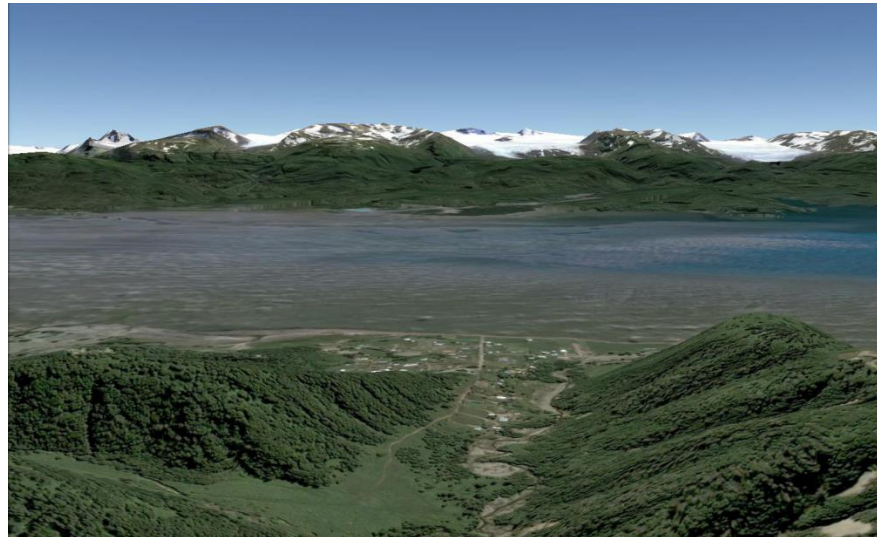
Kachemak Selo

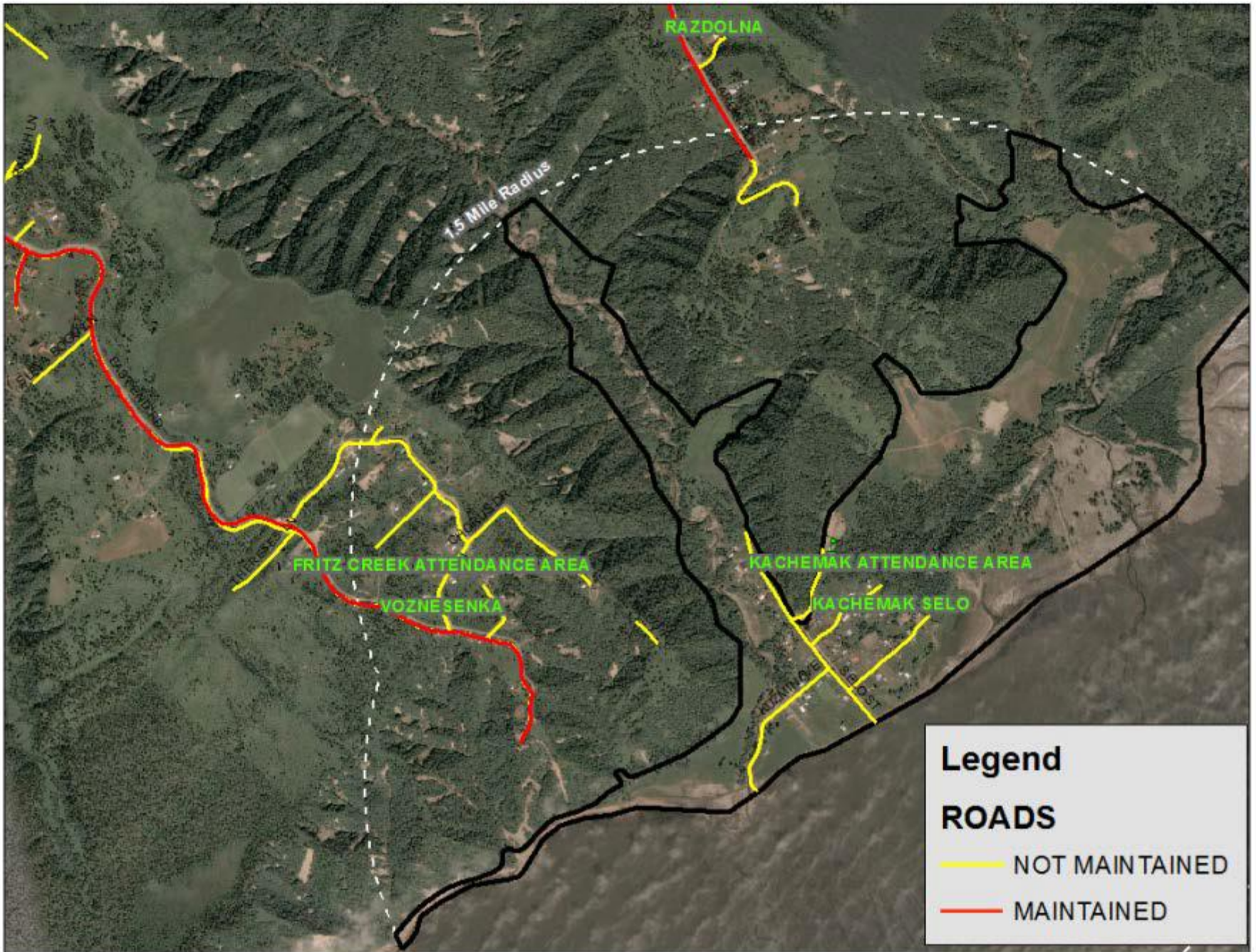
The School is located in Kachemak-Selo; this is an unincorporated village at the head of Kachemak Bay, approximately 30 miles east of Homer, at the bottom of a steep switchback trail so that the definition of geographic separation in 4 AAC 31.900(27) applies to this community.

4 AAC 31.900(27) "geographically separated" means

(A) lacking year-round, publicly-maintained road access to other district schools; or

(B) separated by more than 20 road miles from the closest other school in the district;





Kachemak Selo - History

- November 10, 2011 – School Capital Improvement planning meeting
- Petition for improved school facilities was submitted to school board on 7/9/2012 for improved school facilities
 - 40 signatures from the village
- School district requested road feasibility study 8/6/2012
- Road Feasibility study completed 9/20/2012
- 2013 State and Federal Priorities encouraging the legislature to provide funding for a school at Kachamak Selo – 10/15/2012
- Support for CDBG Grant application for Education Specification
 - School Board Resolution 12-13-4 – 11/12/2012
 - Assembly Resolution 2012-087 – 11/20/2012
- District six-year Plan FY14 Priority #5 for new school construction 2/13/2013
- The Grant for \$154,000 to complete the education specifications was received 8/2/2013
- The Education Specifications awarded on 10/14/13
- District six-year plan FY15 priority #3 for new school construction 2/3/2014
- The Site Selection process started 3/20/2014
- The Educations specifications were completed 4/7/2014
- The Education Specifications were approved by the School Board 4/14/2014
- Site Selection concluded 5/8/2014
- Site Selection Revised Assembly Action KPB-1611 on 3/6/2018
- Site Selection Revised School Board Action 4/2/2018
- School Board reprioritized District six-year plan FY15 to priority #1 for new school construction 7/31/2014
- FY 2016 Capital Improvement Grant application submitted – 8/28/2014
- Borough Legislative priorities
 - FY 14 ranked #7 for facility design
 - FY 15 ranked #1 for construction
 - FY 16 ranked #1 for construction
- Project was funded in 2017 by DEED and requires a 35% match

Alternatives

1. One option discussed and explored by the Kenai Peninsula Borough School District was to **eliminate the need to construct a school** in Kachemak Selo by combining the attendance area to an adjacent attendance area.

- A request to combine the attendance area in 2001 was denied by the Department of Education based on the geographic separation in 4 AAC 31.900(27), so an attendance area boundary change was not possible.

2. In order to overcome this geographic separation the following options were explored

- Construct a road to the community – The Borough Road Service Area commissioned a feasibility study in September 2012 that explored three routes out of the community. This Study concluded a **no-build option** for the following reasons
 - Safety and liability
 - Environmental impacts
 - Construction costs
 - Maintenance costs

Alternatives continued

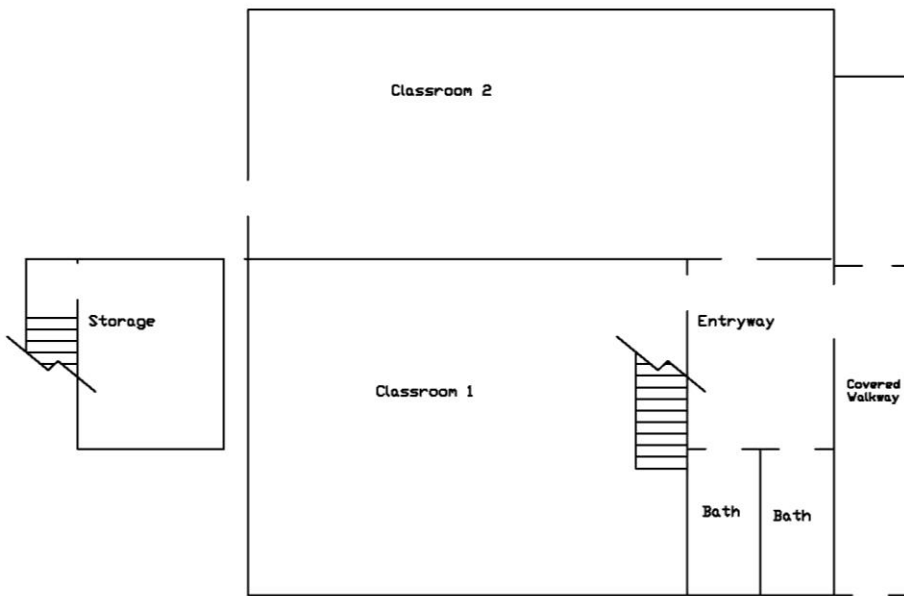
3. Construct a Gondola or Tram link to the community – The Borough recommended a **no build option** for the following reasons:

- Safety and liability
- Operational costs
- Authority to construct and operate issues
- Would not eliminate the Department of Education's decision based on 3 AAC 31.900(27) of the geographically separated community.

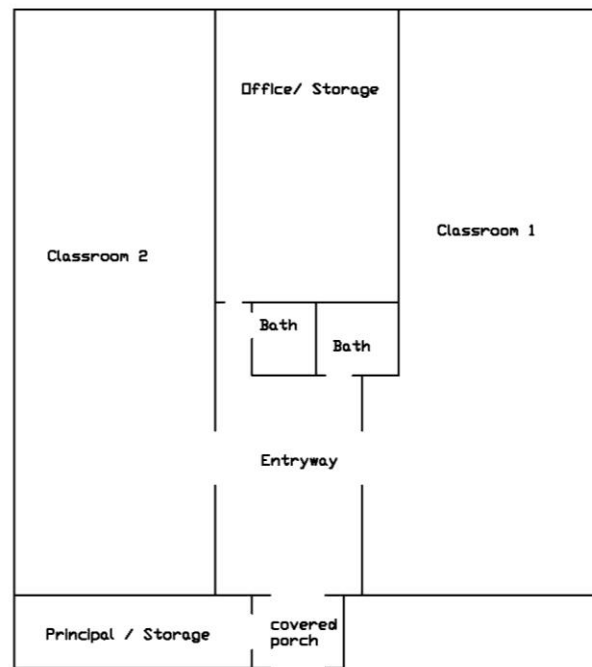
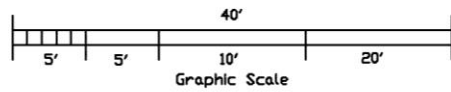
4. Operate a Tracked Bus or Vehicle for connectivity of the community to an access point. The school district recommended **not operating** for safety and liability reasons also this would not eliminate the Department of Education's decision based on 3 AAC 31.900(27) of the geographically separated community.

What do we currently have in Kachemak - Selo?

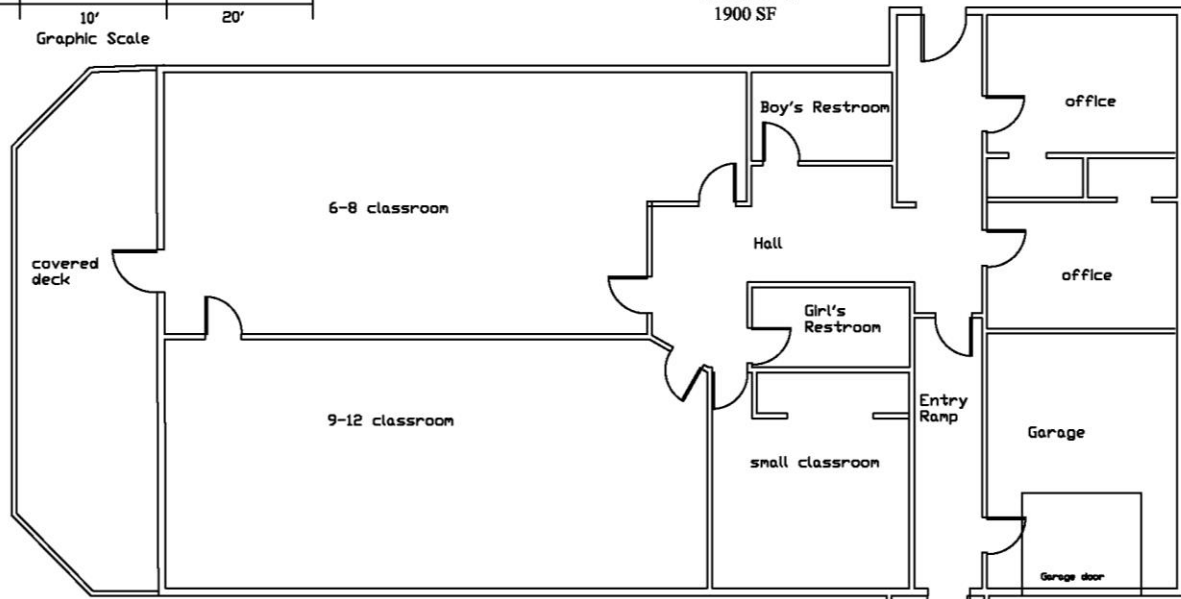
- Building 1 – Constructed in 1982 1,900 SF
- Building 2 – constructed in 1996 1,450 SF
 - K-6: building 1&2 – 3350 GSF Student Capacity 37 enrollment 27
 - Building Site: .80 Acres
- Building 3 – Constructed in 1991 – Converted to school in 2005 – 2,100 SF
 - 6-12: Building 3 – 2,100 GSF Student capacity 14 enrollment 27 (150 SF / Student)
 - Building site .99 Acres
- **Total existing buildings 5,450 SF**



Building #2
Grades 4 - 6th
1450 SF



Building #1
Grades K - 3
1900 SF



Building #3
Grades 6-12
2100 SF

Can we upgrade what we have?
No, would not meet current building code.



What is wrong with the facilities we are leasing?

BUILDING FEATURES THAT ARE NON-EXISTENT:

- No barrier free design;
- no approved water system;
- no drinking fountains;
- no intercom
- No specialized learning areas;
- no designated library, resource or media center;
- no gymnasium;
- no music program space;
- no teachers' lounge; no cafeteria/kitchen;
- no intramural equipment;
- exterior doors have no panic hardware; no building security system.
- no administrative offices; no clinic; no reception space;
- no privacy workspace for administrative personnel.
- no athletic or intramural areas.
- no student commons area;
- no student interaction area outside of classroom;
- no large group gathering spaces.

BUILDING FEATURES THAT ARE VERY INADEQUATE::

- Roofs not watertight; foundations unstable; walls display instability;
- interior walls not flexible for varied class sizes;
- electrical system not adequate for current power needs;
- One-lane entrance not conducive to safe traffic flow;
- baseboard heating not consistently protected from student contact;
- emergency lights and exit signs not on separate circuit;
- Egress: classroom doors open in; ramps not maintained in safe condition; stairs not to code; glass not safety material; fixed projections in traffic areas exceed 8" into traffic; some traffic areas do not terminate in an egress opportunity; two exits not consistently available without traveling through other occupied spaces.
- fire suppression / detection equipment inadequate; flammable materials present throughout the structure; emergency alarm system does not use flashing lights.
- Academic areas do not meet size standards; no classroom personal space;
- Remedial instruction space not adequate for instruction;
- storage for students and teacher's material is inadequate;
- counselor's office not private and has inadequate storage.

DEED Funding

Differences between Grant and Debt Reimbursement (Bond) Program

- This program is very competitive as it is now **the only program available for state participation in educational facility projects** as the Debt Reimbursement (Bond) program was suspended by SB64 in 2015. Future Voter approved projects after July 1, 2025 will be reviewed for eligibility at one of two reimbursement levels: 50% or 40% if the legislation remains as is.
- **Grant** program requires match 35% in our case based on our ADM Value (total assessed real property value divided by average daily membership). This is a one-time legislative appropriation.
- **Bond Program** – Project approved by Department of Education and Early development (DEED) and voters. Borough sells entire bond amount; the legislature appropriates each year for bond payment up to the % allowed. State assists Borough in making bond payment.

DEED Funding Requirements

Sec. 14.11.008. School district participation in grant program. (a) **In order to receive a grant under this chapter or an appropriation under [AS 37.05.560](#), a district must provide a percentage share of the project cost, as determined under (b) or (c) of this section. A district shall provide the required participating share within three years after the date that the appropriation bill funding the grant is passed by the legislature.**

(b) The required participating share for a municipal school district is based on the district's full value per average daily membership (ADM), which is calculated by dividing the full and true value of the taxable real and personal property in the district, calculated as described in [AS 14.17.510](#), by the district ADM as defined in [AS 14.17.990](#), for the same fiscal year for which the valuation was made. The municipal district's full value per ADM determines the district's required participating share, as follows:

Full Value Per ADM District Participating Share

\$1 - \$150,000 5 percent

150,001 - 275,000 10 percent

275,001 - 500,000 20 percent

500,001 - 800,000 30 percent

over 800,000 35 percent.

(c) The required participating share for a regional educational attendance area is two percent. The participating share for any district may be satisfied by money from federal, local, or other sources, or with locally contributed labor, material, or equipment.

(d) If a district with full value per ADM of \$200,000 or less can demonstrate in writing that it is unable to provide the required participating share or that the participating share required under this section will jeopardize receipt of federal assistance, the commissioner may waive all or a portion of the required participating share.

(e) **State funds provided under this chapter may not be a source of the participating share required under (b) or (c) of this section.**

(f) *[Repealed, Sec. 11 ch 3 SSSLA 2002].*

To request a waiver of the participating share at the time of application - The full value per ADM must be less than \$200,000.

The FY2021 full value per ADM for KPBSD is \$1,231,168.36

DEED Funding Requirements

Sec. 14.11.017. Grant conditions. (a) The department shall require in the grant agreement that a municipality that is a school district or a regional educational attendance area

(1) **agree to construction of a facility of appropriate size and use that meets criteria adopted by the department if the grant is for school construction;**

(5) **submit to the department for approval, before award of the contract, a plan for the project that includes educational specifications, final drawings, and contract documents.**

The Borough has proposed requesting to moving the funding from DEED to DCCED to reduce construction costs



Office of the Borough Mayor

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Charlie Pierce
Borough Mayor

August 11, 2020

John O'Brien, Superintendent
Kenai Peninsula Borough School District
148 N. Binkley Street
Soldotna, AK 99669

Re: Proposed Request to State Legislature to Transfer Kachemak-Selo School Grant Funds to DCCED

Dear Superintendent O'Brien:

As you are aware, in 2016 the Kenai Peninsula Borough was awarded a grant by the State of Alaska through the Department of Education and Early Development (DEED) for the planning, design, construction and equipping of a new K-12 school facility in Kachemak-Selo. The state initially approved the eligible amount of \$16,719,236 including a state share of \$10,867,503 and a required local school district share of \$5,851,733 pursuant to AS 14.11.008.

Since that award the borough has made numerous unsuccessful attempts to reduce the local requirement. Additionally, in 2018 the voters defeated a proposition that would have approved the sale of bonds in the amount of \$5,450,000 to fund the local amount for this project.

Since the initial award, the DEED has approved two borough requests to extend the deadline to obtain the local funds, with the most recent approval dated July 20, 2020, extending the deadline to June 29, 2024.

This letter is to inform you that due to the unique circumstances related to Kachemak-Selo the borough administration proposes to ask the state legislature to transfer the grant funds from the DEED to the Department of Commerce, Community & Economic Development (DCCED). The unique circumstances include the current economic decline

John O'Brien, Superintendent
Kenai Peninsula Borough School District
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due to the Coronavirus pandemic, making the possibility of generating the required 35 percent match impractical. Additionally, the remote location with no road access results in extraordinarily high construction expenses to build a school meeting DEED standards.

Therefore, the administration proposes to use the appropriated funds to construct a facility that would meet the community needs for a school facility, as well as a community center without being required to provide a local match or to meet the expensive standards for school construction required by the DEED.

We request that the Kenai Peninsula Borough School District Board of Education formally consider this approach and advise the borough as to its position regarding this approach.

Sincerely,

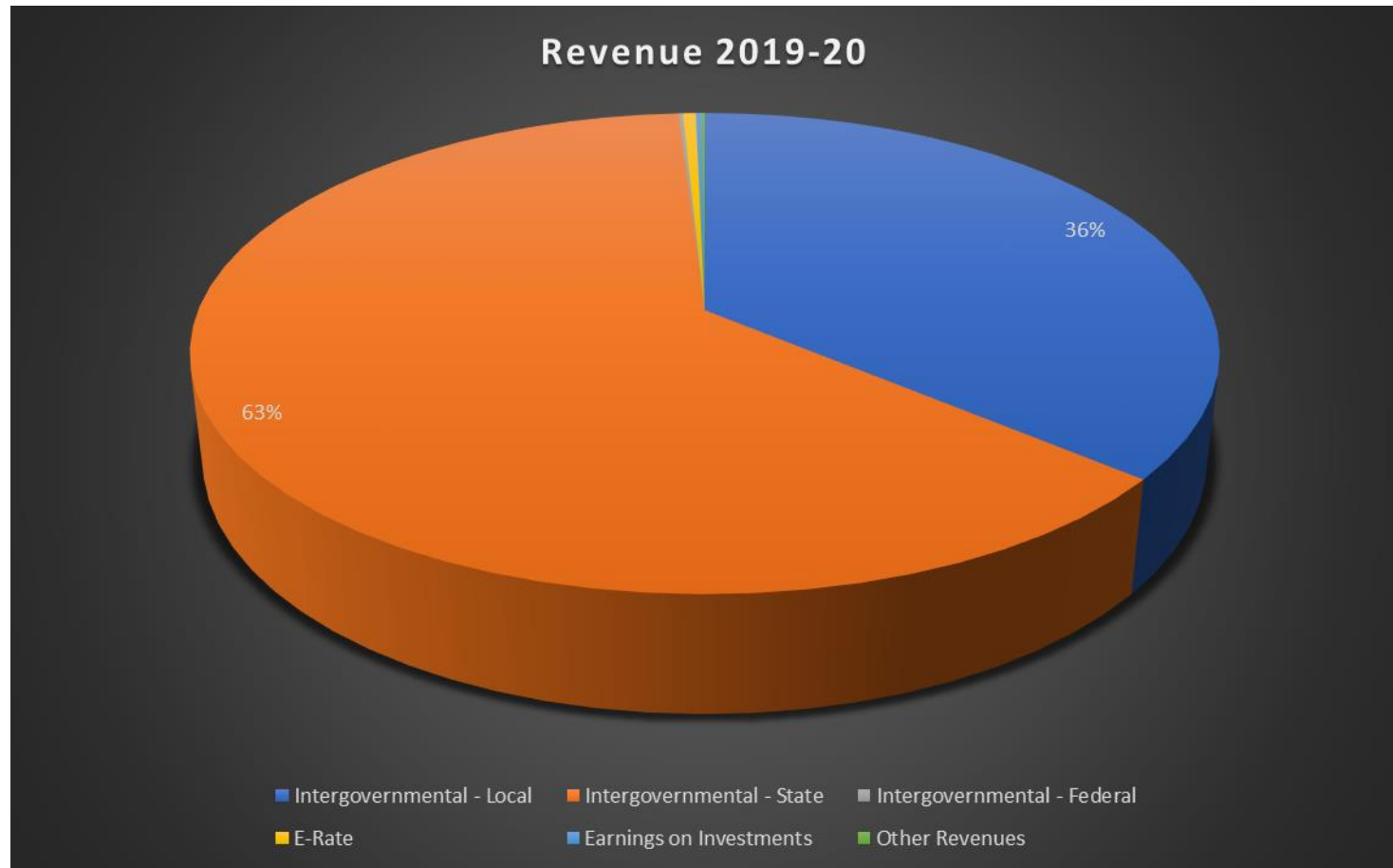
Charlie Pierce
Borough Mayor

cc: Kelly Cooper, Assembly President
KPB Assembly Members
Dave Jones, KPBSD Assistant Superintendent

DEED Requirements remain even if funds are moved to DCCED

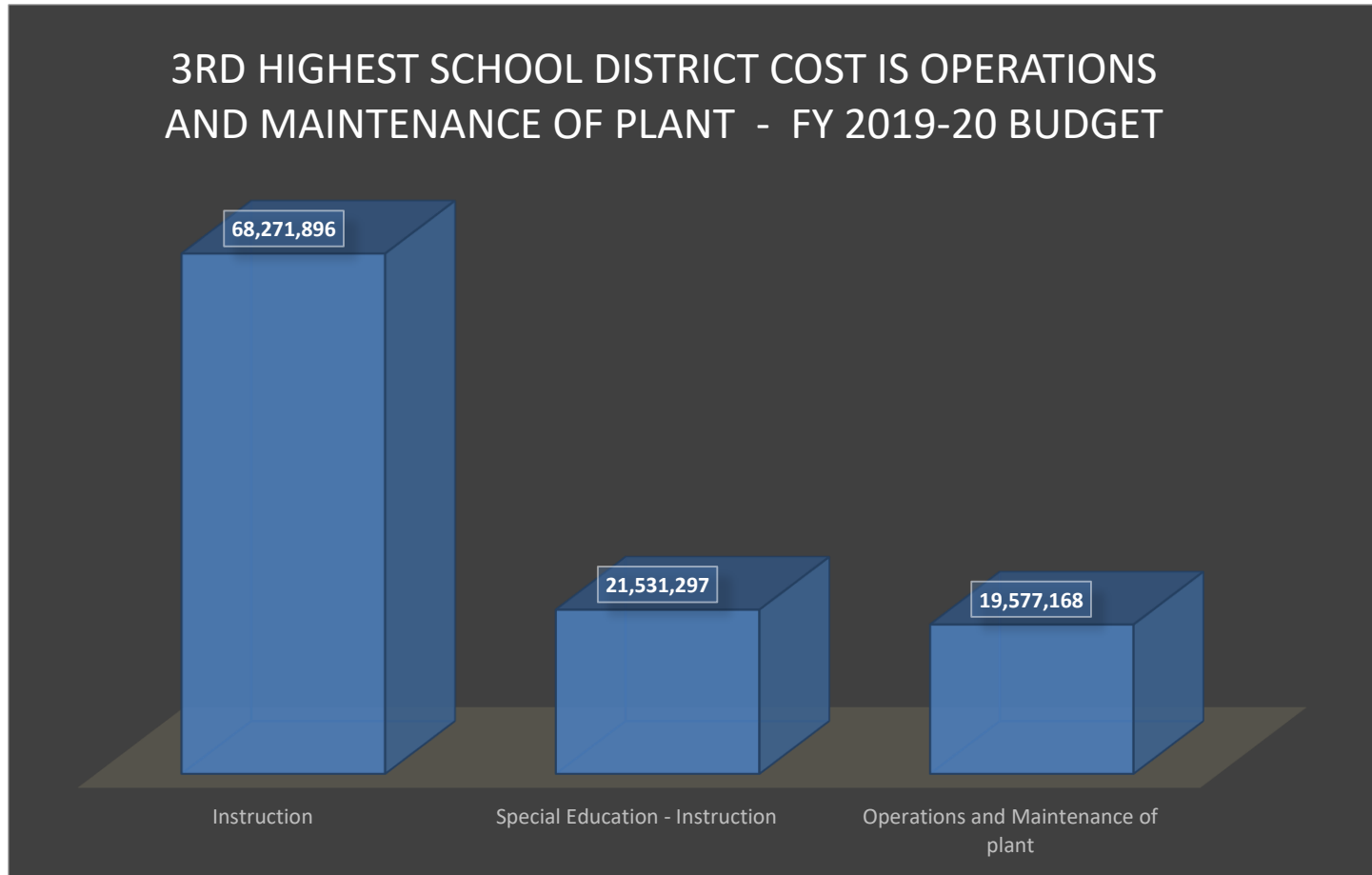
AS 14.07.020 (a)(11). Duties of the Department (DEED Facilities).
(a)The department shall: (11) review plans for construction of new public elementary and secondary schools and for additions to and major rehabilitation of existing public elementary and secondary schools and, in accordance with regulations adopted by the department, determine and approve the extent of eligibility for state aid of a school construction or major maintenance project; for the purposes of this paragraph, "plans" include educational specifications, schematic designs, and final contract documents;

Why does DEED need to review the plans?



State funding pays 63% of KPBSD operational costs (FY 19-20 budget).

Why does the State care about how a school is constructed?



Their funding pays 63% of \$19,577,168 for Operations and Maintenance of plant or **\$12,333.615.80 annually.**

First Cost vs Cost of Ownership

Building owners desire a cost-effective building.

The interpretation is influenced by an individual's interests and objectives, and how they define "cost-effective".

For the some it is the **lowest first-cost structure** that meets the program.

For the State of Alaska Department of Education and Early Development and the School District it is the design with the **lowest operating and maintenance costs**.

The State and the District desire the school annual utility costs at \$2/SF or less, rather than \$5 - \$8/SF, to obtain that initial cost of construction may be higher.

Recommendations

1. The School Board request that the Borough to seek grants or local funding allowing to supplement the match enabling a reduction of match included in “Bond 2021”.
2. The School Board request that the Land Acquisition be completed (allowed in the DEED grant agreement) so the design can be completed for the acquired property.
3. The School Board request that the RFP and Design Award process be completed and submitted to the board for approval.
4. The School Board request that a design be completed that meets the approved Educational Specifications and Department of Education and Early Development requirements according to the grant agreement so the design can be approved by the school board.
 - The design will further refine the “concept” identified in the Educational Specifications.
 - The completion of the Design Process will further define the necessary funding for the project.
5. The School Board approves use of the remaining funds in in KPB fund 400 13DSG account to reduce the required match.
 - This will reduce the required match by \$147,565 and provide the 35% match to begin the design process.