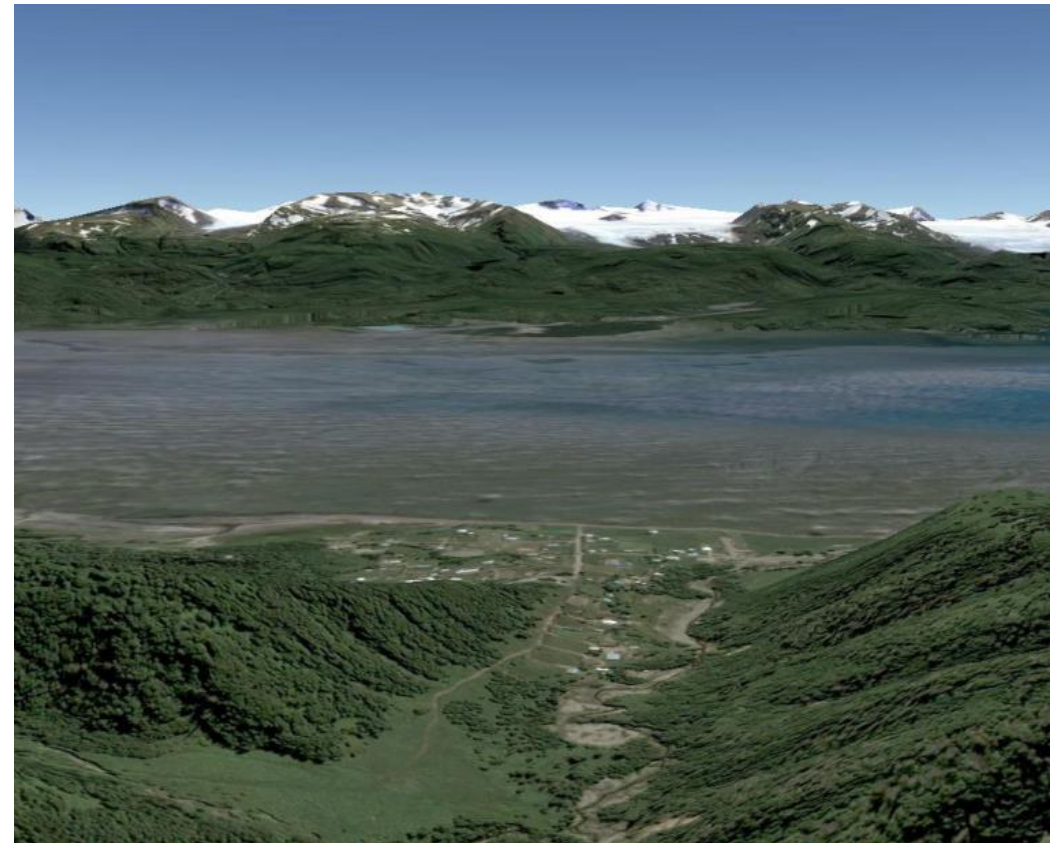
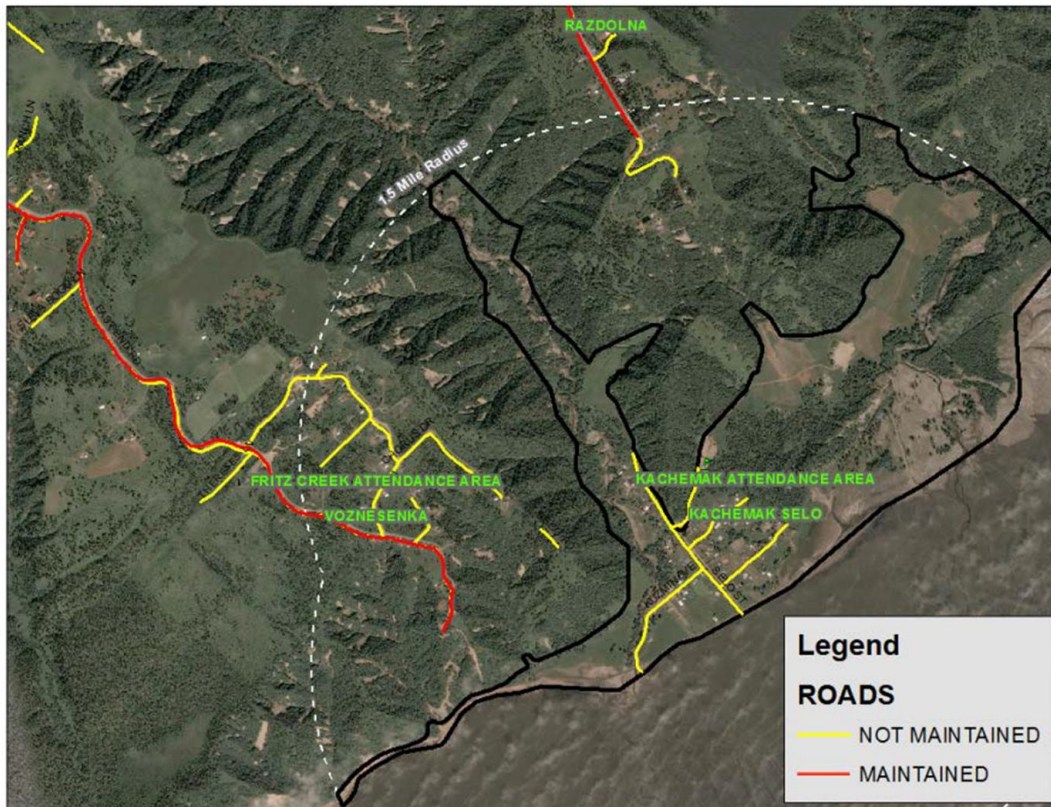


# Kachemak Selo

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# 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

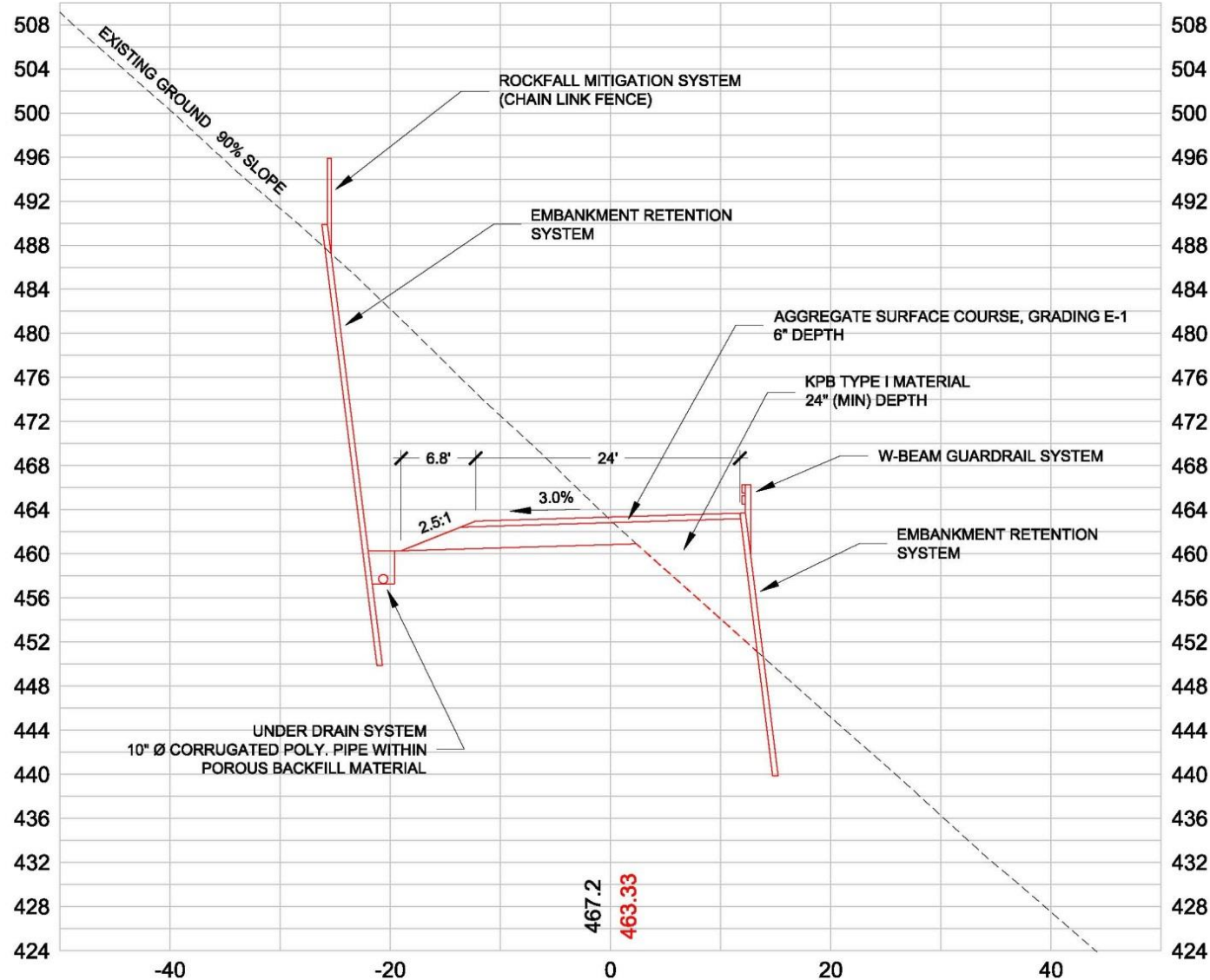
- Construct a road to the community – The Borough Road Service Area commissioned a feasibility study in September 2012 that explored three routes out of the community. This Study concluded a **no-build option** for the following reasons
  - Safety and liability
  - Environmental impacts
  - Construction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

WEST ROUTE: RED OPTION

H: 1" = 10'

V: 1" = 10'

65+00



90% Cross slope in silty soil



REV	DATE	DESCRIPTION	BY	CHKD	CRDM
1	10/25/13	ISSUE			
2	10/20/13	REVISION			

KPB ROAD SERVICE AREA  
KACHEMAK-SELO TO RAZDOLNA  
ROAD FEASIBILITY STUDY

FIELD BOOK NO. N/A  
FIELD WORK DATE: N/A  
JOB NO. 124205



**McLANE Consulting Inc**  
ENGINEERING - TESTING  
SURVEYING - MAPPING  
P.O. BOX 488  
SOLDOTNA, AK 99669  
VOICE: (907) 283-4218  
FAX: (907) 283-3265  
WWW.MCLANECO.COM

DRAWN BY: CRM  
CHECKED BY: SAM  
HORZ SCALE: 1" = 10'  
VERT SCALE: 1" = 10'  
SHEET: S8

## 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



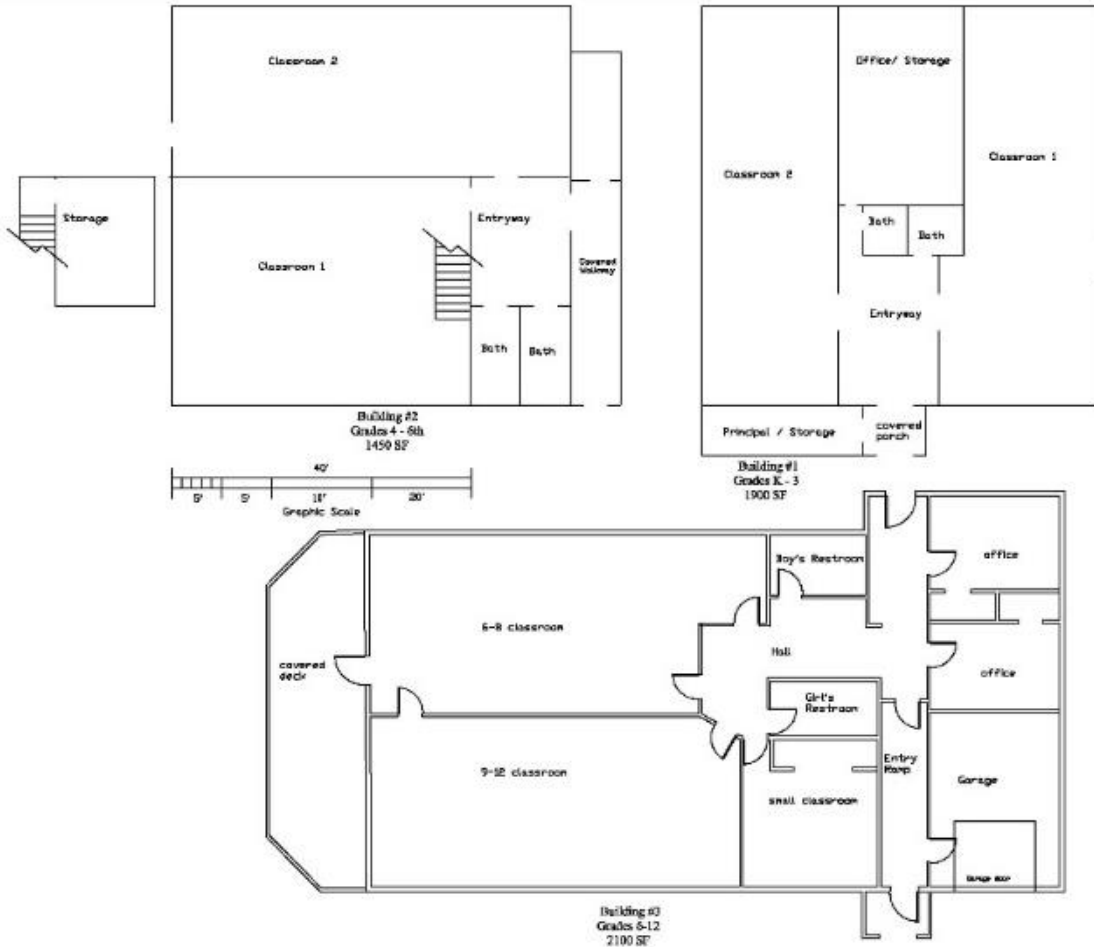
Building 3 – Constructed in 1991 – Converted to school in 2005 – 2,100 SF

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

Grant Funded By the Department of Education and Early Development and requires a 35% Local Match



**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;**

# 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. HB 106 postponed the program until after July 1, 2025 when Voter approved Projects 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

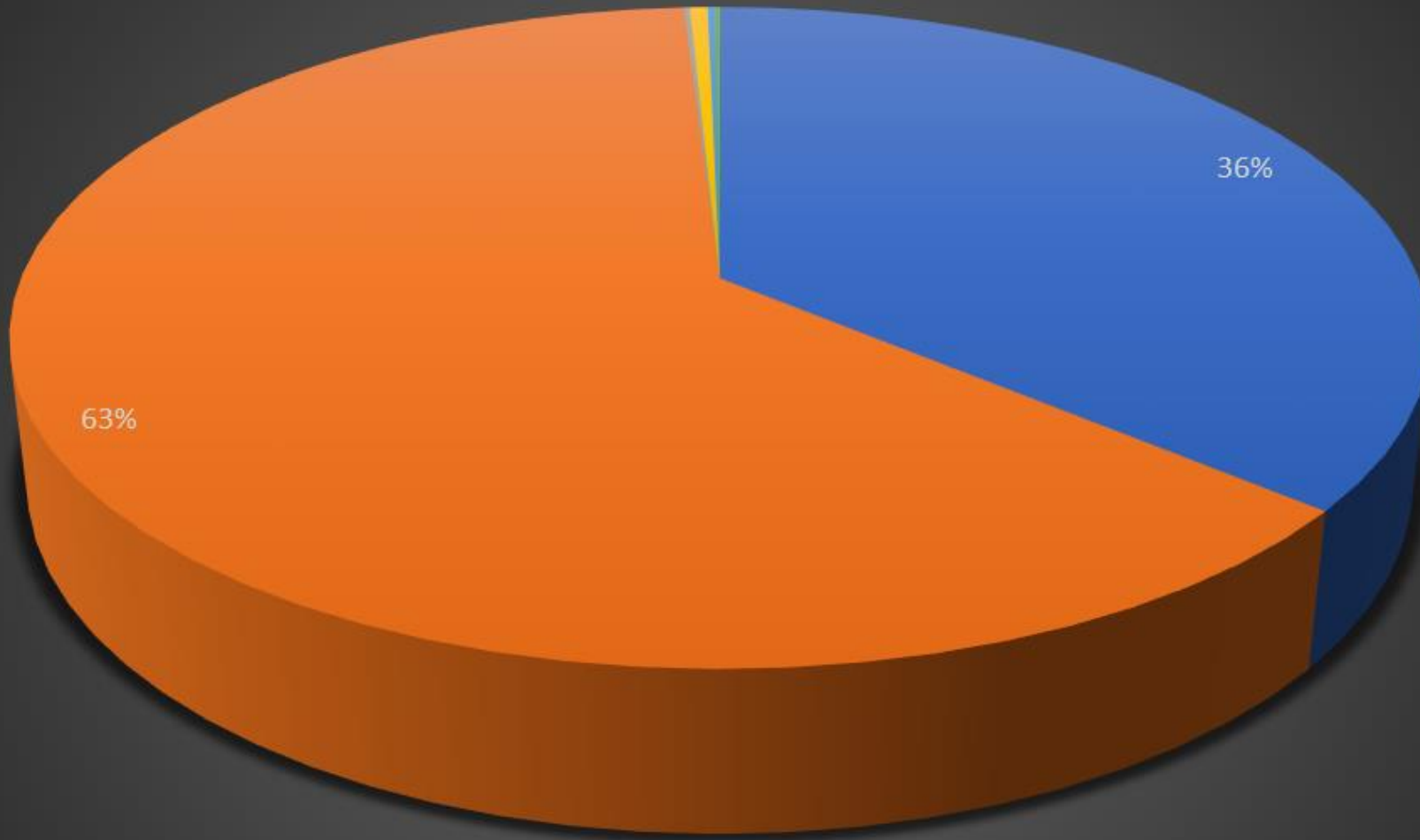
**(1) agree to construction of a facility of appropriate size and use that meets criteria adopted by the department if the grant is for school construction;**

**(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, even if it were possible the DEED Requirements remain even if the funds moved to DCCED for a School.

**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;

## Revenue 2019-20



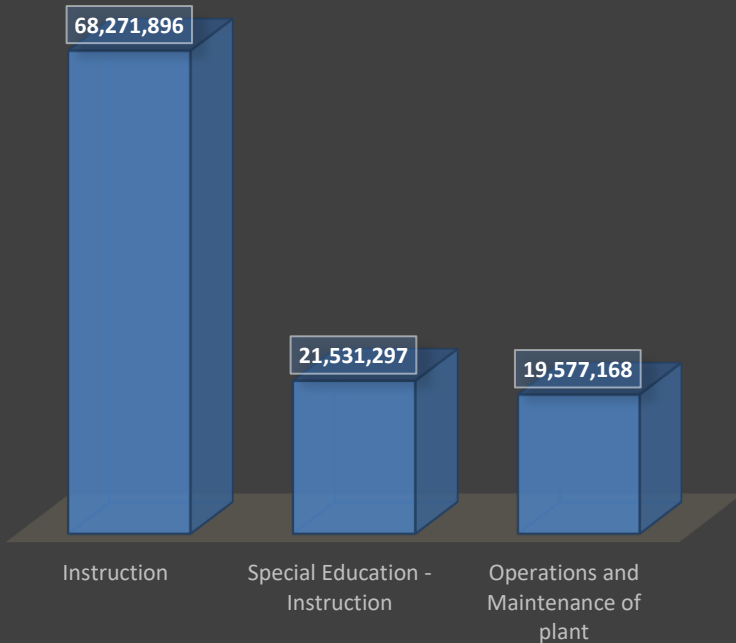
■ Intergovernmental - Local   ■ Intergovernmental - State   ■ Intergovernmental - Federal  
■ E-Rate   ■ Earnings on Investments   ■ Other Revenues

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?

3RD HIGHEST SCHOOL DISTRICT  
COST IS OPERATIONS AND  
MAINTENANCE OF PLANT - FY  
2019-20 BUDGET



- 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 Department of Education and Early Development 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.

# K-Selo is part of School Bond 2021



**Total Bond Amount \$29,940,000**

★ District and Community Wide Projects \$ 4,900,589

★ Site Specific Projects \$25,039,411

**19 projects Impacting 38 of our 42 schools**

**Cost of the Proposed Bond is approximately  
0.28 mils or \$27.80 per \$100,000  
of assessed value.**

