

spotlight

No. 333 – September 18, 2007

MINORITY REPORT

From a Member of the Wake County Citizens' Facilities Advisory Committee

KEY FACTS: What follows is the minority report I submitted to the Wake County Citizens' Facilities Advisory Committee on Thursday, September 13, 2007. Although I am a member of that committee, the chairs of the committee, John Mabe and Billie Redmond, denied my request to have this report included with the final committee report.

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It is with regret that I submit this report to the county commissioners, school board, and taxpayers of Wake County. The Citizens' Facilities Advisory Committee generated a number of worthwhile recommendations. These include: 1) maximizing the efficiency of existing and new sites; 2) using urban school designs that utilize small sites; 3) reducing the number of parking spaces at all school sites; 4) using a cafetorium in middle school models rather than separate food/dining and auditorium spaces; 5) enhancing access to and use of wireless technology; and 6) improving relations between the school system and the local construction industry.¹ If adopted, the above recommendations may begin to lower construction costs, as well as improve the process of building schools in Wake County.

Nevertheless, I do not believe that the committee report does an adequate job of offering research-based recommendations that could help to bring school construction costs in line with comparable school systems. In its first quarterly report, the committee was unequivocal about the need to ground its work in the construction cost data provided by DeJong and Summit Consulting – a report paid for by the taxpayers of Wake County.² According to the quarterly report, "The DeJong research and comparative data will provide the factual basis for further research, discussion, or recommendations for changes based on the findings of this research." While the final committee report briefly acknowledges the importance of the DeJong/Summit research, the committee as a whole makes surprisingly little use of it.³ Instead, the DeJong/Summit data are buried in the appendix of the committee report. In other words, the document that was designed to be the committee's roadmap was precipitously tossed into the trunk.

The committee report fails to address the key finding that the Wake County Public School System spends considerably more, on average, to build new schools than its peers (see Figures 1 and 2). The DeJong/Summit analysis

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found that the typical Wake County elementary school costs 21 percent more per square foot than the average cost of schools in comparable districts. Additionally, new high schools cost 15 percent more than the average high school in the survey. Cost per student figures reveal even larger gaps between the Wake County Public School System and its peer districts – as much as a 55 percent difference in the cost of elementary schools. Even alternative analyses of the data agreed that school construction costs in Wake County are higher than construction costs in benchmark districts (see Figure 3 and 4).⁴

In sum, all four analyses above agreed that the Wake County Public School System has higher elementary school costs than its peers. Three out of the four analyses agreed that average middle and high school costs in Wake County are higher than benchmark districts. Given the importance of these findings, it is disappointing that they are largely absent from the committee report.

Furthermore, the committee report disregards cost comparisons of standard construction trade categories or CSI divisions, one of the most useful features of the DeJong/Summit report. The breakdown of costs according to CSI divisions allows district-to-district comparisons of the cost of mechanical and electrical systems, site development, materials, finishes, equipment, and the like. According to the DeJong/Summit analysis, Wake County Schools has comparatively high masonry, roofing, and HVAC costs, but the committee report does not adequately address these concerns. Even findings favorable to the Wake County Public School System, which the committee report should highlight, are not discussed.⁵

If the Wake County Public School System is facing a “crisis” about how to accommodate student enrollment growth, then increasing the number of seats in a cost-efficient manner must be the school system’s first priority. Reducing the cost of school construction to the average of the benchmark districts would enable the Wake County Public School System to build new schools or add capacity to existing schools. For example, a modest 10 percent decrease in the cost of the eleven new elementary schools in the current capital improvement plan would provide enough funding for the construction of an additional elementary school.⁶ Millions of dollars saved by bringing middle and high school construction costs in line with those of comparable school systems would further ease overcrowding.

Let me conclude by saying that the committee’s dedication to its charge has been exemplary. As one of the committee members that came into the process without experience in the real estate or construction industries, I have appreciated the fact that the committee was willing to invest several months in a comprehensive review of school construction practices in Wake County. Of course, our meetings would not have been possible without the support of the school system and county staff, which should be commended for so graciously offering their time and expertise to the committee over the last fourteen months.

If the county commission and school board have the moxie to call upon me to serve the citizens of Wake County in another capacity, I will not hesitate to do so.

Respectfully submitted, Terry Stoops, Education Policy Analyst, John Locke Foundation

End Notes

1. These and a handful of other committee recommendations have been proposed elsewhere. See Terry Stoops, “Feng Shui Schools: Wake County’s Unenlightened School Building Program,” John Locke Foundation *Policy Report*, October 2006, www.johnlocke.org/policy_reports/display_story.html?id=76.
2. The report cost an estimated \$113,165 at the time of its approval by the committee.
3. “The final DeJong report, received in April 2007, contains a wealth of information about how our construction program compares to those in the benchmark districts.” (p. 8) The only extensive discussion of DeJong/Summit data in the committee report can be found in the three sections of the report drafted by Terry Stoops (Renovations, Media Centers, and Auditoriums).
4. See Mike Burriss *et al.*, “WCPSS Response to CFAC Construction Cost Analysis Dated April 23, 2007”; report submitted to the Wake County Citizens’ Facilities Advisory Committee, June 26, 2007.
5. In addition, committee report recommendations related to the use of shared sites and value engineering practices are derived from the DeJong/Summit report but do not cite supporting data from that report.
6. A 10 percent decrease is supported by both reports. At an average cost of \$22 million each, a 10 percent decrease in cost for eleven schools would yield \$2.2 million per school or a total of \$24.2 million.

Figure 1. DeJong/Summit Report: Total Project Cost Per Square Foot
Escalated and Location Adjusted Numbers

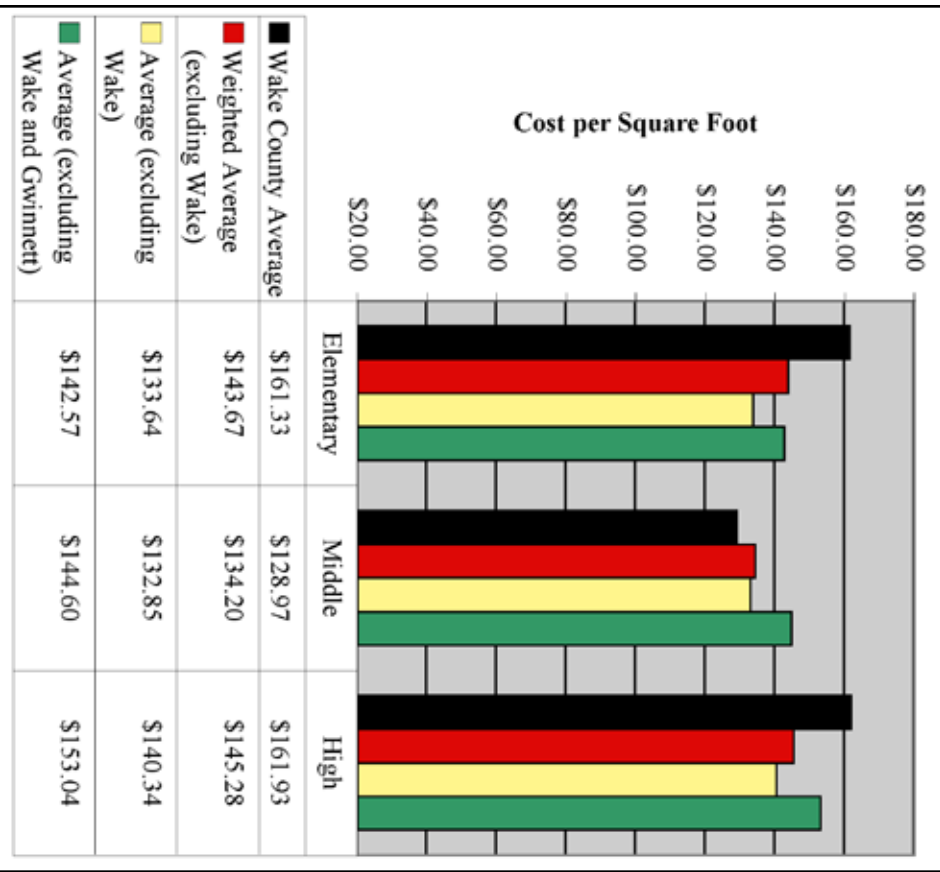
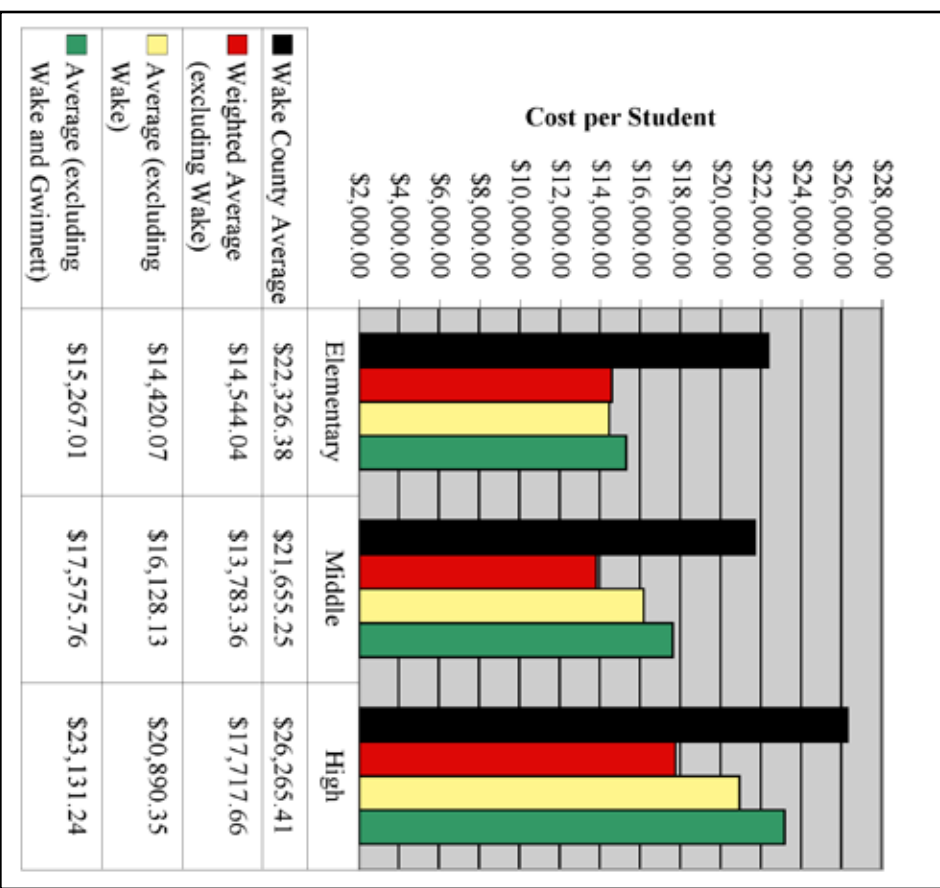
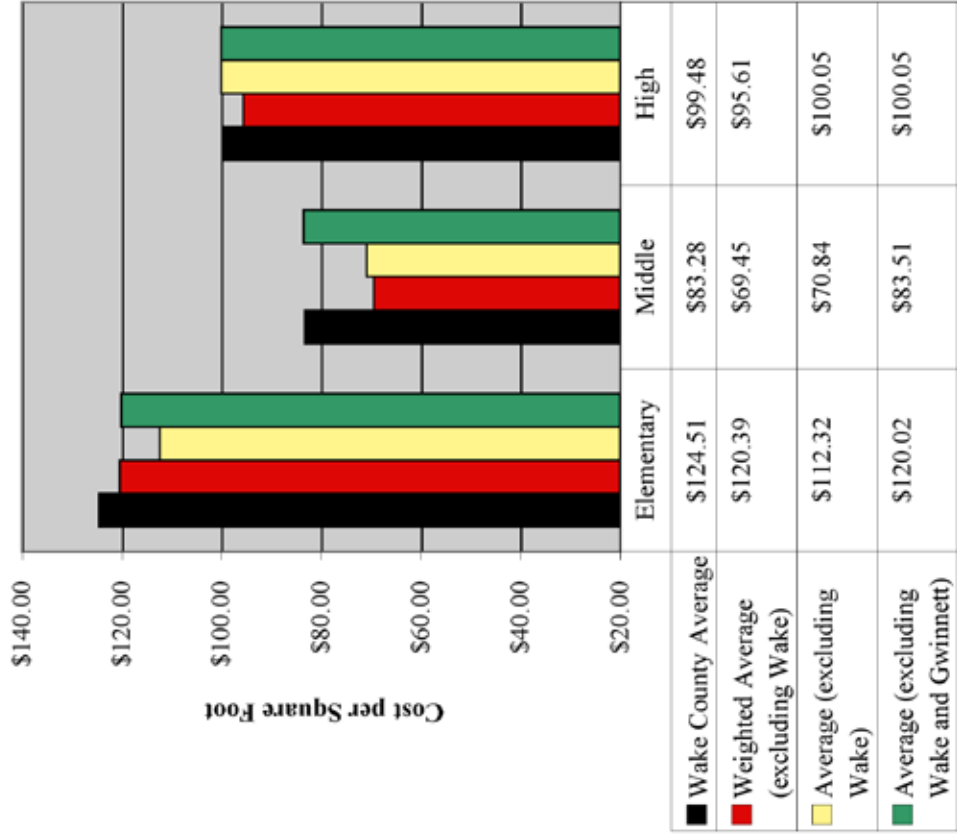


Figure 2. DeJong/Summit Report: Total Project Cost Per Student
Escalated and Location Adjusted Numbers



**Figure 3. Wake County Schools Response to DeJong/Summit Report
Adjusted Cost Per Square Foot (Building Only)**



**Figure 4. Wake County Schools Response to DeJong/Summit Report
Adjusted Cost Per Student (Building Only)**

