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October 17, 2008

**Public Comment**

ATTN: Board Office

Orleans Parish School Board

3520 General De Gaulle Drive

New Orleans, LA 70114

Re: Public Comment on Cost of the School Facilities Master Plan

To Whom It May Concern:

On September 26, we submitted comments on the financing aspects of the School Facilities Master Plan (the Plan). We are writing now to submit additional comments on the costs.

As we stated in our first letter, the Plan is a welcome and much-needed comprehensive look at the infrastructure needs of public schools in the parish. Its importance cannot be overstated. If adopted, it will set the course for the development of New Orleans public schools for decades to come. It will guide decisions as to which schools are closed, which are built or renovated, and when and where. It will also establish the standards to guide construction.

We have already expressed our concerns about New Orleans' capacity to fund a program of the scope contemplated by the \$2 billion plan.<sup>1</sup> Our doubts on this subject led us to re-examine the Plan from the cost side. We were interested in determining the standard to which the buildings will be constructed and how that standard is driving costs.

In an attempt to answer the question, we reviewed the Plan for information, such as the estimated cost, for each school. We were unable to find it. While the Plan provides cost estimates for repair and for "the hypothetical expense of rebuilding the existing facilities in a manner similar to the original construction," it does not contain school-by-school information on what is actually proposed: "new and renovated facilities that can accommodate the

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<sup>1</sup> The cost is not inflation adjusted.

education needs of the twenty-first century.” Nor does it contain information on the cost per square foot or the cost per pupil.

We turned to information available from other sources in an attempt to extrapolate the cost per student. We found that the per-student cost for building Landry High School, a Quick Start high school, is approximately \$54,000.<sup>2</sup> Based on information published in *The Times Picayune*, we calculated a cost per student of \$44,000 for eight of the ten elementary schools scheduled for new construction in Phase I.<sup>3</sup>

For a point of reference, we looked at the national medians for projects under construction in 2008 and the regional median for 2007 and 2008 projects. In the case of the grade schools, we found a median cost per student of \$19,700 at the national level and \$16,900 at the regional level. In the case of high schools, the median cost per student is \$29,300 at the national level and \$29,900 at the regional level.<sup>4</sup> The per-student cost for Landry is nearly twice the regional median. The per-pupil cost for the elementary schools is more than twice the median.

If the per-student costs in the Plan approximated the regional medians, we could build a new school for every student in New Orleans for less than \$1 billion.

We are aware that the national and regional medians are rough benchmarks and that comparisons are difficult. Many factors can cause justifiable variations of significant magnitude. For example, hardening buildings to withstand hurricane and flooding will increase costs. In addition, the Plan costs and the medians referenced above may include different types of costs (*e.g.*, architectural fees, property acquisition costs). Building to higher standards may be more cost effective in the long run.

Nonetheless, the differences are significant enough to warrant further inquiry. We urge the Board of Elementary and Secondary Education and the Orleans Parish School Board to obtain a clear understanding of the numbers and the factors that are driving them before they approve the plan. Specifically, we urge the boards to:

- Obtain a realistic assessment of the prospects for funding the Plan.
- Obtain, on a school-by-school basis, key data, including the estimated total cost, the number of square feet, the cost per square foot, and the cost per student.

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<sup>2</sup> This number is based on occupancy of 1,000 students, the number identified as the optimum occupancy in the Plan. At the maximum occupancy level of 1,200, the cost is approximately \$43,000 per student.

<sup>3</sup> Sarah Carr and Darran Simon, *New Orleans Schools Set For Building Boom*, TIMES PICAYUNE, Aug. 17, 2008, at A1.

<sup>4</sup> PAUL ABRAMSON, THE 2008 ANNUAL SCHOOL CONSTRUCTION REPORT: A SUPPLEMENT TO SCHOOL PLANNING & MANAGEMENT (Feb. 2008), [www.peterli.com/spm/pdfs/constr\\_report\\_2008.pdf](http://www.peterli.com/spm/pdfs/constr_report_2008.pdf). All numbers are rounded to the nearest hundred.

- Compare the data against available benchmarks and obtain satisfactory explanations of significant deviations.
- Determine whether the standards and specifications in the Plan are appropriate in light of expected resources and system-wide needs.

We do not know whether the hundreds pages of building standards set forth in the Plan produce the equivalent of palaces or moderate homes. We think that it is important to get to the bottom of the issue, however. Only then will the community know whether its resources are being fairly and wisely allocated.

Sincerely yours,

Janet R. Howard  
President