

An Informational Audit on the  
**MASTER PLAN IMPLEMENTATION**  
**FOR ORLEANS PARISH PUBLIC SCHOOLS**



**RECOVERY ASSISTANCE SERVICES**  
ISSUED JULY 2, 2014

**INSIDE**

**WHY WE PREPARED THIS REPORT**

3 BACKGROUND

**WHAT WE FOUND**

4 PLANNING

5 FUNDING FOR THE MASTER PLAN

6 FUNDING FOR RSD

6 FUNDING FOR OPSB

6 COMMUNITY OUTREACH

6 MASTER PLAN STATUS

7 IMPLEMENTATION

8 SCHEDULE

**APPENDIX A**

12 RSD'S RESPONSE

13 OPSB'S RESPONSE

**APPENDIX B**

16 SCOPE AND METHODOLOGY



LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

July 2, 2014

The Honorable John A. Alario, Jr.,  
President of the Senate  
The Honorable Charles E. "Chuck" Kleckley,  
Speaker of the House of Representatives

Dear Senator Alario and Representative Kleckley:

We performed this informational audit on the Recovery School District's (RSD) and Orleans Parish School Board's (OPSB) use of FEMA funding, as of March 31, 2014, to repair and reconstruct schools damaged by hurricanes Katrina and Rita and as described in the School Facilities Master Plan for Orleans Parish. The scope of this work is significantly less than an audit conducted in accordance with *Government Auditing Standards*. I hope this information will benefit you in your legislative decision-making process.

We would like to express our appreciation to RSD and OPSB management and staff for their assistance in gathering information for this report.

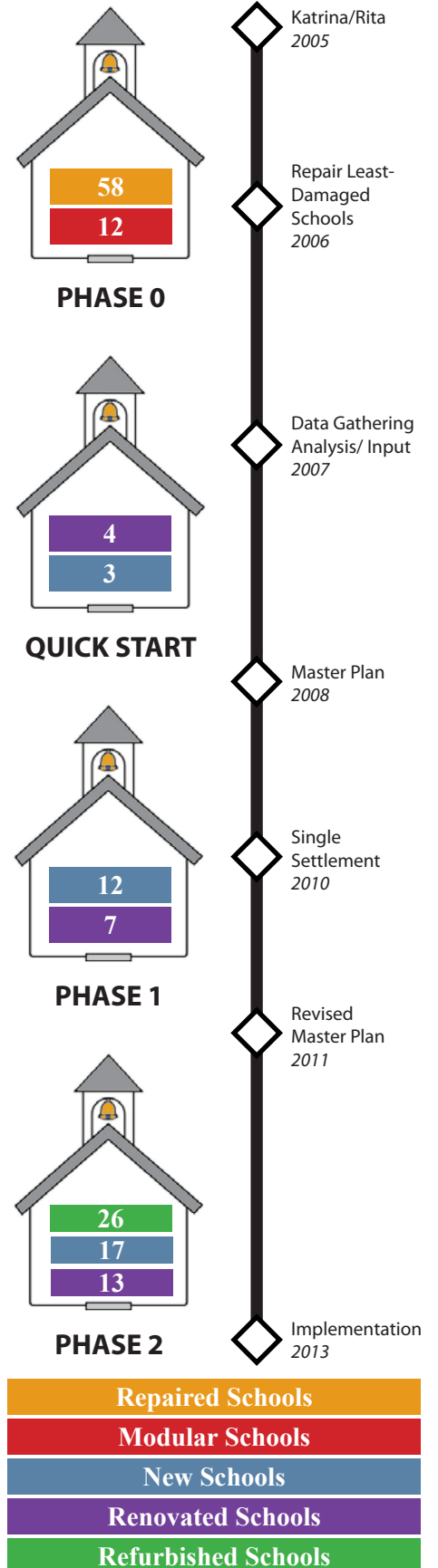
Sincerely,

Daryl G. Purpera, CPA, CFE  
Legislative Auditor

DGP/ch

RSD-OPSB MASTER PLAN 2014

## Master Plan Time Line



# Why We Prepared This Report

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## Objective

**W**e performed an informational audit of the status, as of March 31, 2014, of the repair and reconstruction of the Recovery School District (RSD) and Orleans Parish School Board (OPSB) schools as a result of the damage caused by hurricanes Katrina and Rita, and as described in the School Facilities Master Plan for Orleans Parish.

## Background

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**I**n November 2008, the School Facilities Master Plan for Orleans Parish was released to the public. The purpose of that document was to provide a blueprint for building and repairing schools in Orleans Parish as a result of damage from Hurricane Katrina. The plan contained the following four-pronged mission to elevate the quality of education for the children of Orleans Parish.

- Create facilities that promote academic excellence
- Create a plan that achieves equity for all students
- Create a plan that respects community needs and public resources
- Create a system where children are prepared to attain college degrees and professional careers

As shown in the Master Plan Time Line on the previous page, during phase 0, RSD and OPSB completed repairs to certain schools and built modular campuses to serve children immediately after Hurricane Katrina. They then moved forward with a limited plan of phase 1 construction projects called Quick Start to make sure school designs would meet the educational needs of the community. As a result of community input and the desire to place as many children as possible in equitable facilities, the 2008 Master Plan was revised in 2011 to provide only two phases that address more facilities immediately. The 2011 revision of the Master Plan set a goal of developing 82 school facilities housing 88 school organizations (direct run schools and charter schools) that would provide seats for 120 percent of the student enrollment estimates for 2016.

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# What We Found

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## Planning

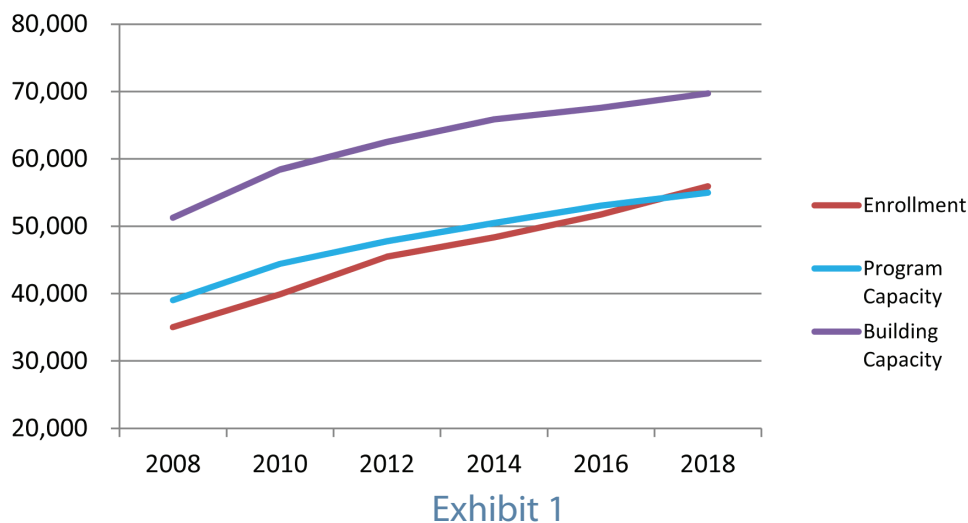
**R**SD and OPSB closely followed the data from the original 2008 demographics study for Orleans Parish as well as the 2010 and 2012 updates to determine the most equitable placement of school facilities in Orleans Parish. The 2008 demographics report<sup>1</sup> projected total parish enrollment in 2012 of 41,776, based on a moderate projection. The actual parish enrollment in 2012 was 43,421. Enrollment data, including projections, is the primary factor used to determine required school capacities.

The Master Plan divides school capacities into two different categories:

- Program Capacity - based on 25 students per classroom. The program capacity represents the maximum number of students for an ideal learning environment.
- Building Capacity - based on 33 students per classroom. The building capacity represents the maximum number of students allowed to occupy a building.

The total parish-wide student enrollment projection estimate for 2016 is 51,743 students. A 120 percent capacity would require a minimum of 62,092 seats parish-wide.

The Master Plan projects a program capacity of 53,054 seats and a building capacity of 67,574 for 2016. Depending on enrollment growth, existing buildings not in the Master Plan but currently in use may have to continue to be used as overflow space. Upon completion of the Master Plan, a program capacity of 54,974 seats and a building capacity of 69,705 seats will be provided. Exhibit 1 shows the projected trends of enrollment and available school capacity over time.



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<sup>1</sup> The demographic studies include the entire population of Orleans Parish whether the child attends OPSB, RSD, or charter schools.

## Funding for the Master Plan

**R**SD and OPSB are using multiple sources to fund the School Facilities Master Plan for Orleans Parish. Those sources include Federal Emergency Management Agency (FEMA) Public Assistance funds, Community Development Block Grants (CDBG), insurance proceeds, Restart funds, State Historic and New Market Tax Credits, and grants from private corporations. The original Master Plan released in 2008 contained six phases with a total project value of \$1,652,955,986. The original funding of \$750 million would have covered only the projects in phase 1 of that plan.

In 2010, RSD and OPSB, through a single settlement request, increased the total amount of FEMA funding for the Master Plan to approximately \$2 billion (\$1.6 billion for construction and \$397 million for temporary facilities, building contents, and critical recovery operations). Based on the additional funding and the requirement to update the demographic study every two years, the original plan's six phases were reduced to two. The 2011 revised plan also created a new school construction classification known as "refurbishment" in order to increase the percentage of children attending schools with a minimum standard of repair work. Refurbishment is defined as the work required to make buildings sustainable including securing the exterior envelope by repairing or replacing windows, doors, roofs and masonry.

In addition to the increased FEMA funding, RSD and OPSB sought additional methods for cost savings and identified new revenue sources through the master plan process. Areas of projected cost savings include the following:

- Building Redesign - Reducing the size of previously designated large high schools to medium or small.
- Revised Labor Assumptions - Using local labor costs instead of the prevailing wage. Public Assistance funds distributed through FEMA are exempt from Davis-Bacon prevailing wage requirements.
- Design Prototypes - Potential savings of architectural fees and construction efficiencies using design plans from existing successful school projects.
- Reallocated Restart Funds
- State Historic Tax Credits
- New Market Tax Credits

The 2011 revision of the Master Plan projected potential savings of \$139,791,454 and new revenue of \$102,466,987. RSD and OPSB implemented the cost-savings plan by reducing the size of several high schools, eliminating the requirement for prevailing wages on construction projects and using prototype school plans on multiple sites. Because many of these projects are still in procurement, cost savings, other than reduced architectural and engineering fees, have not been determined. Architectural and engineering fees on prototype schools are not consistently reduced by a known amount. However, based on the architectural and engineering fees calculated from the accepted construction bids, reductions are ranging from 13 to 32 percent. In addition, RSD and OPSB are using tax credits on multiple projects. RSD has two tax credit projects currently under construction - Wheatley Elementary and McDonogh 42 Elementary. OPSB plans to use tax credits on three projects - Lusher High, Lusher Elementary, and McMain High.

# What We Found

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## Funding for RSD

As of March 31, 2014, RSD has been reimbursed \$517,785,081 of FEMA funds for construction of Orleans Parish Schools. After considering \$68 million of FEMA reductions applied in three versions of the Master Plan project worksheet, RSD has \$644,293,366 of FEMA funds left to spend on school construction. RSD and the Governor's Office of Homeland Security and Emergency Preparedness are currently reconciling the money RSD received for temporary facilities, building contents, and critical recovery operations. These funds are not addressed in this report.

RSD anticipates spending an additional \$751,308,455 to complete construction of phases 1 and 2 of the Master Plan. Additional funds, including insurance proceeds, CDBG, and state historic and new market tax credits will be used to supplement FEMA funds.

## Funding for OPSB

As of March 31, 2014, OPSB has been reimbursed \$108,786,570 of FEMA funds for construction of Orleans Parish Schools. OPSB has \$205,913,730 of FEMA funds left to spend on school construction.

OPSB anticipates spending \$250,156,309 to complete construction of phases 1 and 2 of the Master Plan. Additional funds, including insurance proceeds, CDBG, and state historic and new market tax credits, will be used to supplement FEMA funds.

## Community Outreach

RSD and OPSB pursued community input for the Master Plan process through numerous community-wide and local/neighborhood meetings. During those meetings, participants were encouraged to provide written comments that were recorded and analyzed. RSD and OPSB used those comments as discussion topics for planners and decision makers to ensure that the Master Plan addressed each issue. In addition, neighborhood meetings were held for each individual school site during the design process and prior to construction.

The 2011 revision of the Master Plan was the result of extensive community discussions about providing equity in school buildings throughout Orleans Parish. Because funding is limited and not adequate to build new schools for all students in Orleans Parish, additional schools were added to the revised Master Plan for renovation and/or refurbishment.

## Master Plan Status

To date, RSD has completed 10 new schools and renovated five campuses while OPSB has completed one new elementary school, renovated one elementary campus, and refurbished one high school. Currently, RSD and OPSB students attend schools divided into four different building types.

- Modular/Temporary - Facilities composed of mobile trailer units attached forming entire school campuses.
- Post Katrina Minor Renovations - Facilities that were damaged less than 50 percent of their value and received repairs that allowed occupancy.

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# Master Plan Implementation

- Renovation - A complete reconstruction of the building from the interior, gutting the building to the studs and rebuilding.
- New - Complete new school.

Exhibit 2 indicates the percentage of students attending schools in completed Master Plan campuses and non-Master Plan campuses by type.

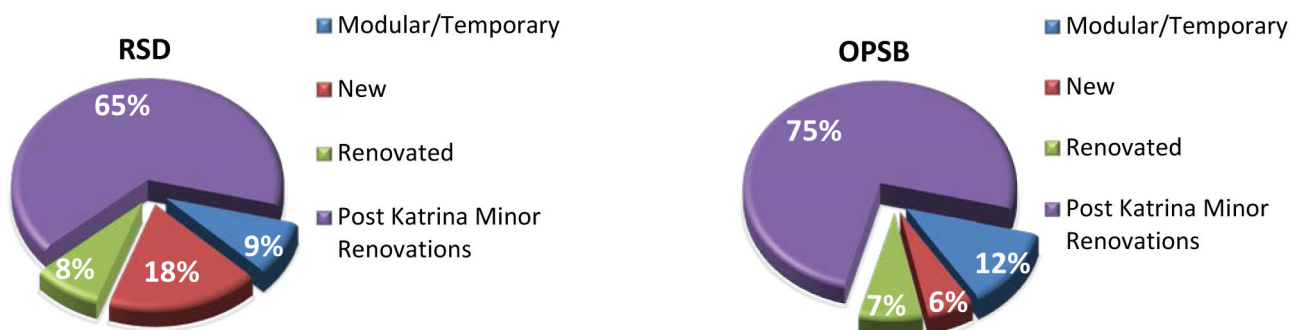


Exhibit 2

## Implementation

**RSD** - The revised Master Plan includes construction on 64 RSD campuses. As of March 31, 2014, RSD initiated work on 75% of the Master Plan projects (Design, Procurement, Construction, and Complete as shown in Exhibit 3). The remaining 25% of the schools are still in the planning stage. However, five of the proposed phase 2 campuses that are still in planning will not be initiated until existing facilities are completed because of inadequate overflow space to house the students currently located there. Two more new schools that are in the planning stage will not be initiated until suitable land becomes available.

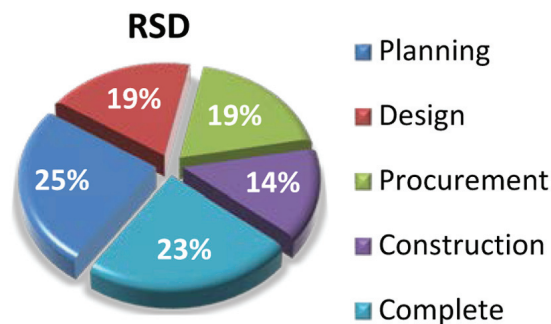


Exhibit 3

**OPSB** - A total of 17 OPSB campuses are included in the revised Master Plan construction program. Currently, 82% of those school projects have been initiated (Design, Procurement, Construction, and Complete as shown in Exhibit 4). Of the three campuses in the planning stage, two sites designated for refurbishment are waiting for funding and one campus is waiting on acquisition of a suitable site.

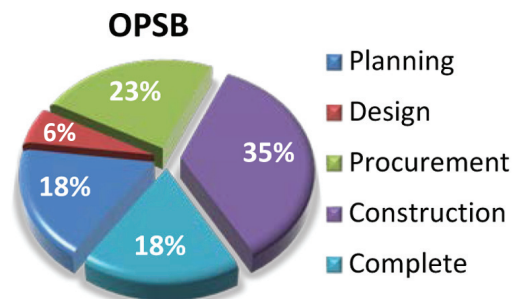


Exhibit 4

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# What We Found

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To expedite school design and construction, RSD and OPSB began exploring alternate methods to the standard construction model. That model allows them to hire architectural and engineering firms to design the new schools and determine the cost of the new buildings. Once the cost is known, they can bid the construction projects and award construction contracts to the lowest qualified bidders. The alternate methods they are considering include the following:

- *Prototype Schools* - The reuse of a successful school design at additional locations. This method allows a dramatic reduction in school design time with potential savings of architectural fees.
- *Design-Build Schools* - Design-Build allows the construction of a school to begin before the entire school design is finished. This method allows reductions in total project time because the construction time begins earlier in the process.
- *Design-Build Prototype Schools* - This method combines a compressed project schedule with previously designed drawings as bridging documents.

RSD selected Carver High to be a design-build school and Sherwood Forest Elementary, and Habans Elementary as design-build prototype schools. RSD is also using prototypes for Livingston and Abramson high schools and Abrams, Avery Alexander, and Behrman elementary schools.

Edna Karr High School is the only OPSB project using an alternate method to the standard construction model. Edna Karr High School will be a design-build project.

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## Schedule

### RSD

*Phase 1* - The four new schools that remain in phase 1 are scheduled to be complete by December 2016.

*Phase 2* - Based on the current Master Plan schedule, RSD plans to have 90 percent of all school projects complete by the end of 2016. The 45 schools currently in phase 2 are divided into three categories: new schools (14), renovated schools (10), and refurbished schools (21).

Twelve of the new schools are scheduled to be complete by May 2016. Completion of the other two new schools is contingent on acquiring new, suitable land.

Four of the renovations are scheduled to be complete by May 2016. Completion of the remaining six renovations is contingent on overflow space becoming available to house the students currently in those schools.

Eighteen of the refurbishment projects are projected to be complete by October 2015. The remaining three projects are waiting for overflow space to become available.

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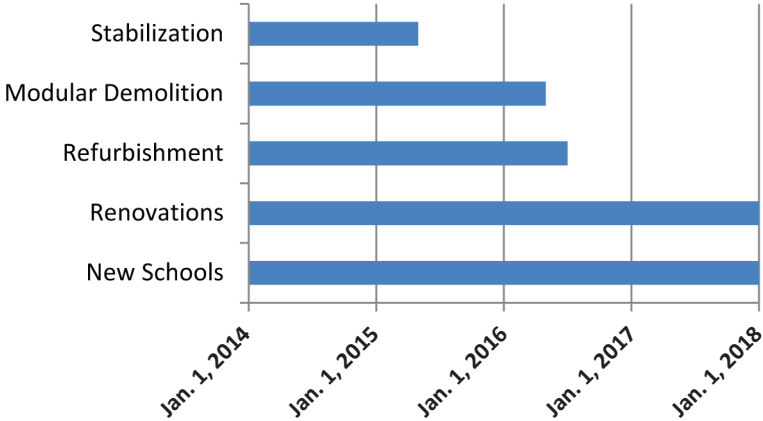
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# Master Plan Implementation

In addition, all seven remaining modular/temporary campuses are designated to be demolished by April 2016. RSD anticipates completing all Master Plan projects by December 2017 as indicated in Exhibit 5.

Exhibit 5

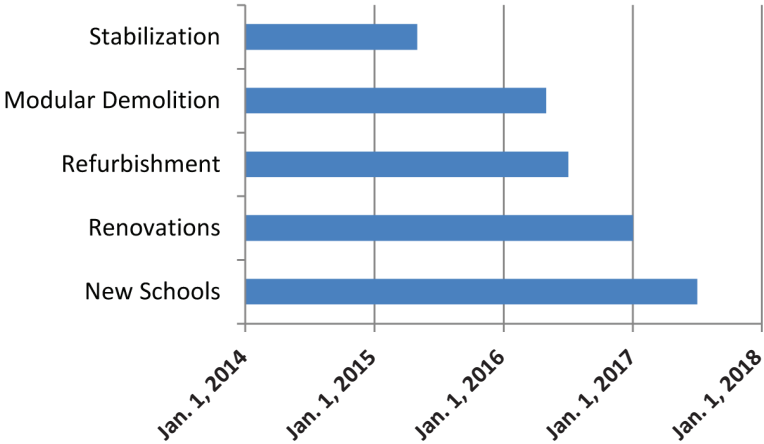


## OPSB

*Phase 1* - The four schools that are under construction are scheduled to be complete by January 2016.

*Phase 2* - The schools currently in this phase consists of four new schools, one school with an addition, two renovations, and four refurbishments. All phase 2 projects are projected to be complete by June 2017 as shown in Exhibit 6.

Exhibit 6





# Appendix A

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## Management's Responses

# RECOVERY

School District  
Excellence.Equity.Community.

June 13, 2014

Mr. Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70804

RE: School Facilities Master Plan for Orleans Parish

Dear Mr. Purpera:

The Recovery School District appreciates the opportunity to submit an official response to the Louisiana Legislative Auditor informational report of the School Facilities Master Plan (SFMP) for Orleans Parish. The Recovery School District concurs with the report and in keeping with the 2011 recovery plan amendment to the SFMP, remains committed to ensuring that all public school students in New Orleans will attend school in a new, renovated, or refurbished building.

If I can be of further assistance, please let me know.

Sincerely,



Ronald H. Bordelon  
Chief Facilities Officer  
Recovery School District

# Orleans Parish School Board

## SUPERINTENDENT'S OFFICE

3520 General DeGaulle Drive \* Suite #5055 \* New Orleans, Louisiana \* 70114  
(504) 304-5660 office (504) 309-2865 fax



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**Stanley C. Smith, Interim Superintendent**

VIA E-MAIL: [gdevall@lla.la.gov](mailto:gdevall@lla.la.gov)  
[krussell@lla.la.gov](mailto:krussell@lla.la.gov)  
[jmorehead@lla.la.gov](mailto:jmorehead@lla.la.gov)  
[mzeigler@lla.la.gov](mailto:mzeigler@lla.la.gov)

June 17, 2014

Mr. Daryl G. Pupera, CPA, CFE  
Louisiana Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70804

### RE: RESPONSE TO MASTER PLAN INFORMATIONAL REPORT

Dear Mr. Purpera:

The Orleans Parish School Board appreciates the opportunity to submit a response to the Louisiana Legislative Auditor information report of the School Facilities Master Plan (SMFP) for Orleans Parish. We concur with the report and remain committed to adhering to the 2011 amendment to this plan

Sincerely,

Stanley C. Smith  
Interim Superintendent

c: Kathleen Padian, Deputy Superintendent - OPSB





## Scope and Methodology

# Scope and Methodology

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We conducted procedures for this informational audit to provide information to the Legislature on RSD's and OPSB's use of FEMA funding, as of March 31, 2014, to implement the School Facilities Master Plan for Orleans Parish. We did not conduct this audit in accordance with government auditing standards. Our objective was to determine the status of school repair and reconstruction for damages caused by hurricanes Katrina and Rita.

To achieve our objective, we:

- Gathered information on certain aspects of the Master Plan implementation through conversations with RSD and OPSB personnel.
- Gathered data on the proposed capacities of the Master Plan schools scheduled to be completed by the end of 2016 and compared it to demographic studies for Orleans Parish and enrollment figures provided by the Louisiana Department of Education.
- Analyzed the reimbursement statements and other data on [www.louisianapa.com](http://www.louisianapa.com) to determine the amount of funds reimbursed and the balance of FEMA funds available and then compared the balance to the projected cost of all remaining Master Plan projects that have not been completed yet.
- Reviewed the implementation of proposed methods for reducing project costs and efforts to procure additional sources of funding.
- Verified the percentage of students attending school in Master Plan and non-Master Plan school facilities and reviewed the stage of project implementation for all Master Plan schools.
- Reviewed the schedule for Master Plan school construction and efforts by RSD and OPSB to use alternative methods of project delivery.
- Discussed the contents of the report with RSD and OPSB management.

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Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor.

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