

A Public Private Partnership to Reopen Public Schools in New Orleans

The Edward Hynes Elementary School as a Model

Submitted by
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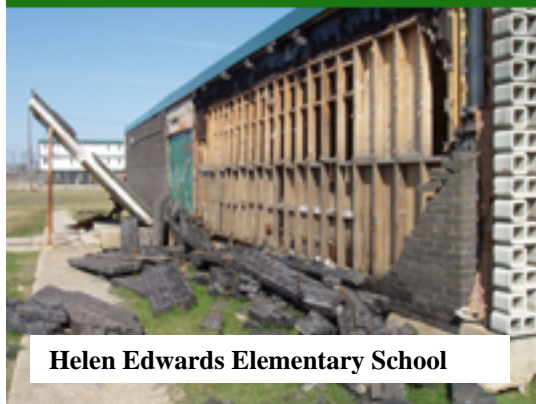


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Executive Summary

The State of Louisiana and the City of New Orleans have a daunting task before them. They must restore community access to public education. It will not be enough to repair and rebuild buildings. The educational programs and staff must also be redeveloped. However, the improvements to public school facilities is a critical first step in re-establishing public education in areas affected by Katrina.

The rebuilding of schools so they support high quality education is difficult in normal district circumstances. But it is even more challenging in the post-Katrina environment. Decision making authority is in flux between New Orleans Public Schools, the State and charter operators. The estimate for what is needed to bring New Orleans Public School facilities into fully adequate is estimated to be \$1 billion. However, in 2005 Turner Construction estimates that construction inflation was 9.4 %. Neither the State, nor the District, nor charter operators have sufficient experience or capacity with managing a major school rebuilding program to do it effectively.

This proposal addresses these challenges associated with the reopening of public schools. It recommends a public/private partnership to plan, design, construct, manage and finance the redevelopment of high quality public schools. To illustrate how a public/private partnership can work, we have applied the model to the reopening of the Edward Hynes Elementary School located in the Lakeview neighborhood in New Orleans.

This proposal was prepared by a team which includes the 21st Century School Fund and the Building Educational Success Together (BEST) collaborative, JFW, Inc., Public Economics Inc., the Gilbane Company and the Reopen Hynes Committee.

High Quality Public Education

Prior to Hurricane Katrina, Orleans Parish ranked among the lowest performing of large, urban school districts nationwide and in the state of Louisiana. In 2004, nearly half of the district's schools failed to meet their adequate yearly progress goals as required by the federal No Child Left Behind Act.¹ Also during the 2004-2005 academic year, 68 schools were deemed "academically unacceptable" while another 44 were below the State average.²

Since Hurricane Katrina, residents of New Orleans have expressed a desire to improve the overall quality of public education in the City. In focus groups and meetings with the Bring New Orleans Back Education Committee, citizens expressed 6 aspirations for Orleans Parish Public Schools. One of the aspirations was to have "schools that provide a supportive environment for teaching and learning." According to the Education Committee of Bring Back New Orleans, this includes: small class sizes and individual attention to students; well equipped well maintained facilities; before-school and after-school programs that support student learning; and support for students with special needs.

A second aspiration was to have "schools that engaged and empowered their communities." This includes programs to get families more involved in their children's education, schools as centers of community activities, and partnerships with businesses and universities to support student learning and schools.

With this input, the Bring New Orleans Back Education Committee has identified ten design principles to guide the development of a master plan for public education for the citizens of New Orleans. These are:

1. Superior standards
2. Schools empowered to meet students' needs
3. Accountability of schools and people
4. Clear and aligned governance
5. Equitable access to high-quality school options in every community
6. High-quality people at every level
7. Resources aligned to meet instructional needs
8. Parents and communities engaged to support students' success
9. Effective and efficient services support the schools' mission
10. Safe, learner-centered environments



¹ Rebuilding the New Orleans Public Schools: Turning the Tide?, Stacy Childress April 14, 2006 Harvard Business School

² Rebuilding and Transforming: "A Plan for Improving Public Education in New Orleans," Bring New Orleans Back Education Commission

While safe, learner-centered environments is only one of ten critical design principles articulated by the Bring New Orleans Back Education Committee, without adequate public facilities, it is impossible to meet any of the other standards aspired to by parents and community. Public school facilities have to be appropriately equipped to support high quality public education and to function as centers of community. Rebuilding high quality public school facilities is therefore a crucial first step in the creation of high quality public education in New Orleans.

High Quality Public School Buildings

In the weeks following Katrina, the majority of public school facilities in New Orleans were covered under 5 to 10 feet of floodwater. Out of the 124 public schools buildings in the City, 32 school buildings sustained minor damages, 74 buildings were badly or severely damaged and 18 school buildings were totally demolished.



The Federal Emergency Management Agency (FEMA) is committed to pay for the repairing and rebuilding of damaged public school facilities to meet pre-Katrina conditions. However, most of the public school facilities in New Orleans were not in adequate condition prior to the storm.

Prior to Hurricane Katrina, most public school buildings in New Orleans were more than 50 years old. Some buildings were more than 100 years old. A 1995 report written by the Government Accountability Office (GAO) described these buildings as “rotting away and suffering from years of neglect due to lack of funds for repair and maintenance.” The report estimated that it would cost nearly half a billion dollars to repair public school facilities in New Orleans to overall good condition.³

Since 1995 the City of New Orleans has only spent \$180,211,949 on school construction contracts⁴. This total is less than half of what was needed to bring existing schools into good repair. In the mean time, buildings have continued to deteriorate while school construction and other industry costs have risen dramatically. Now, with the damage from Katrina, it is estimated that it will cost nearly \$ 1 billion dollars to repair all of the New Orleans public school buildings and sites.⁵ This estimate does not include the costs associated with replacing the furniture, books, materials, classroom supplies and technology destroyed, which are equally essential to reopening public school facilities in New Orleans.

Slow and Inadequate Facility Funding

There are major financial barriers to the reopening of public school facilities so they are of high quality. The overall cost for reopening school facilities so they will be better than they were before Katrina and the limits of the FEMA reimbursement program for schools are considerable obstacles to overcome.

³ According to the Government Accountability Office report “School Facilities: Condition of America’s Public Schools.” February 1995

⁴ McGraw Hill data on school construction contracts for New Orleans Public Schools, 1995-2004.

⁵ According to the New Orleans Public Schools Post-Katrina Status Report, by Alvarez and Marsal

Prior to Hurricane Katrina, the NOPS had estimated revenue of \$430 million dollars a year. This revenue was financed mostly by property and sales tax receipts. Now these traditional public school revenue sources are severely limited, due to a decreased tax base in the city. The projected revenue for NOPS for the 2005-2006 school year is only \$235 million dollars, according to reports by Alvarez and Marsal.

The State and District are in a difficult position. In order to secure the return of residents and its tax base, it must have functioning communities with public infrastructure. Schools are one important element of public infrastructure. But without the residents, the State and School District don't have sufficient funds to support the reopening of public schools.

FEMA is a reimbursement program. Therefore the State or NOPS will have to finance repairs to its public school facilities upfront, before being reimbursed by FEMA. The agency will reimburse 100% of the cost for "emergency" repairs. However, to qualify for 100 percent reimbursement, these repairs must be completed by June 30, 2006.

After June 30, 2006, all "emergency" related repairs will be classified as "permanent." Permanent repairs will require a 10 % match in funds from the NOPS. The 10% match is expected to cost the NOPS approximately \$ 55 million dollars. In addition, the district is expected to incur as much as \$165 million dollars in penalties from FEMA for being under-insured.

As was described earlier, with an estimated cost of \$1 billion, and FEMA reimbursements being slow and inadequate, the State of Louisiana, which is ultimately responsible for the education of its children, is in an untenable position.

Lack of Capacity to Deliver

The challenges to the asset management and project planning, design and construction for the scope of work needed pre-Katrina were significant. Managing this work in a changing governance environment and in a post Katrina school district is even more difficult. The school district staff is operating with significantly reduced staff. The public charter schools are overwhelmed with basic educational responsibilities. The State has never had responsibility for school facility planning, design or construction. FEMA is charged with paying for repairing or replacing schools damaged by natural disaster, but it is the responsibility of the state and local jurisdictions to manage these processes.

A Public–Private Partnership for School Reconstruction

The basic proposal is a simple one. Retain the public mission and authority over purpose but take advantage of already established capabilities and the unique benefits of the public sector and of the private for profit and non-profit sectors to expedite the re-opening of public schools.

There are distinct advantages available to each sector. For example, the for profit sector pays tax, but there are tax credits available to them, that can be shared by the public sector. The non-profit sector has access to lower cost financing through tax exempt bonds and also has access to corporate donations and foundation funds. The government has taxing authority, the power to approve projects, controls land use and has one of the largest portfolios of land and buildings in a community. The blending of these, through partnerships can increase capacity to address educational and building needs. It can reduce the cost and make available new sources of funds. Finally, it can respond more quickly to the demand for re-opening high quality schools.

This proposal describes a few of the tools available to blend the strength of the government and the private non-profit and for profit sectors. Among these are a sale leaseback agreement; New Market Tax Credits; Qualified Public Education Facility Bonds and private corporate or foundation contributions. When structured properly, these tools can assist the State of Louisiana and New Orleans Public School District in reconstructing damaged public school facilities at lower cost and at greater speed, but to a higher standard. This proposal also identifies related benefits and the challenges to their implementation.

Sale Leaseback Agreement

A sale leaseback shifts the responsibility for managing the financing, planning, design and construction of a school to a private entity while retaining control over the public purpose—providing free and adequate education to the children of the state. It also spreads the cost of doing so over an extended period using private capital, but paid back by public education funding.

Under a sale leaseback agreement, the State or NOPS would sell its damaged public school buildings to a private entity. Based on specifications and requirements of the State, School District or Charter School, the private entity would then finance and make all needed renovations and repairs to these buildings and sites. After which, the private entity would lease the new or renovated school building or portions of the school building and site back to the State, School District or Charter School. The basic elements of a sale leaseback are as follows:

- A. The school district negotiates an agreement for the sale or long-term lease of its buildings and sites with a private entity with the right to lease back and ultimately to purchase back.
- B. Using private financing, a private entity would purchase or enter into a long-term lease of public school land and buildings, and make improvements to the school building and site.
- C. The school district would lease back all (or a portion) of the school space and site from the private entity for educational and/or administrative purposes for a defined term.
- D. The private entity could lease under utilized portions of the building and site to other public and private entities if the school district could not utilize the entire building or site.
- E. The revenue from these leases would generate revenue to finance building and site improvements and pay developer fees.

A sale-lease back agreement can give the State or NOPS quick access to capital while maintaining the option of repurchasing the school buildings and sites at a later date. A sale leaseback arrangement is also a necessary element to utilizing tax credits and Qualified Public Education Facility Bonds. But a major benefit to the sale leaseback is the direct access to building industry planning, procurement, design and construction capabilities. By partnering with private entities the building improvements to public schools can be done as turnkey projects, expediting the project delivery time.

Another significant benefit associated with turnkey development is the single-source accountability throughout the development program, allowing a very efficient execution and transition through various phases. Gilbane has the ability to provide all the necessary services with significant experience in each element that will provide an overall seamless delivery program for rebuilding public schools throughout affected neighborhoods and areas.

New Markets Tax Credits (NMTC)

The NMTC Program was designed to attract private-sector capital investment into urban and rural low- income areas to help finance community development projects, stimulate economic growth and create jobs. However, these tax credits, if structured appropriately, can be used to reduce the cost of school construction.

The NMTC Program was established by Congress in December of 2000, and permits individual and corporate taxpayers to receive a credit against federal income taxes for making qualified equity investments in investment vehicles known as Community Development Entities (CDE). The credit provided to the investor totals 39 percent of the cost of the investment and is claimed over a seven-year period. Substantially all of the taxpayer's investment must in turn be

used by the CDE to make qualified investments in low income communities. The NMTC Program enables CDEs that receive an allocation of NMTCs to attract private-sector capital to support investments in businesses, including operating businesses, commercial real estate and community facilities.

Throughout the life of the NMTC Program, the U.S. Department of the Treasury is authorized to allocate to CDEs the authority to issue to their investors up to the aggregate amount of \$16 billion in equity as to which NMTCs can be claimed. Included in this amount is an additional \$1 billion dollar special allocation authority to be used for the recovery and redevelopment of communities devastated by Hurricane Katrina. This additional investment was authorized by the Gulf Opportunity Zone (GO Zone) Act, which the President signed into law on December 21, 2005.

Additional New Market Tax Credits authorized through the Gulf Opportunity Zone Act can help reduce the cost of construction for school districts. These tax credits can reduce the amount of funding that the school district will need to raise by as much as 50%.

Qualified Public Education Facility Bonds

In 2001, Congress approved the use of Qualified Public Education Facility Bonds (QPEF's). The U.S. Treasury allocates a legislatively capped amount of tax exempt funds to for-profit private developers to purchase public schools and lease them back to the school district. This law requires that the developer own a school for the bond term and then the ownership would revert to the school district. While there are regulatory issues still being clarified, the use of QPEFs will lower the cost of capital and provide school districts and public charter schools with access to more efficient private sector design and construction delivery methods.

Corporate or Foundation Contributions

While private giving is likely to be a small proportion of the overall source of funds to rebuild the public education programs and buildings in areas affected by Katrina, it can be an important part of the equation. Private funds can be used to support innovation, advocacy, communications and research. They are particularly important as school communities and districts strive to develop high quality programs and services and the systems that can support them. Private contributions and foundation support are critical part of helping the public sector work smarter, better, faster. With a public private partnership approach a non-profit entity can be an integral part of implementation. While the public sector is building capacity, the not for profit intermediary can help.

A Model: The Edward Hynes Elementary School



Sometimes it is most useful to see how a model applies to a single case. The 21st Century School Fund, visited the Hynes Elementary School in January 2006 while surveying the damages to other public schools in New Orleans. We subsequently contacted the Reopen Hynes Committee and have worked with the Chairperson to encourage and support her efforts to reopen the school her children attended. This school has the potential to model an educational, community, alternative finance and construction delivery model that can be applied to schools throughout New Orleans Parrish and the State. In the following sections of this proposal, we illustrate how this public private partnership approach can facilitate the reopening of high quality schools and buildings.

First, It is a school...

Before building plans are developed, the educational mission, vision, programs and services need to be defined.

School Mission Statement

The Edward Hynes School is committed to providing all students with a safe and diverse learning community by empowering them to be proficient readers, writers, and critical thinkers.

Background

Prior to Hurricane Katrina, the Edward Hynes Elementary School was an Orleans Parish district school located in the Lakeview neighborhood. The Hynes School served grades Pre-K through 6th. The School offered programs in French Immersion, Gifted and Talented services, Special education, as well as regular education at each grade level. The Hynes School also provided offered before and after school child care.

The Hynes School had an average enrollment of 850 students annually. Enrollment included students from the Lakeview community and students outside the Hynes attendance zone. Students living outside the attendance zone attended Hynes by obtaining permits issued by the school.

The Hynes School had one of the most racially and economically diverse student populations in New Orleans. During the 2001-2002 school years, 43 % of the student population was African American, 48% was White and 9% included other ethnic groups. During the 2003-2004 school year, approximately 31 % of students attending Hynes were eligible to receive free or reduced lunch.

The students from Hynes excelled. On the Louisiana Educational Assessment Program (LEAP) and the Iowa Tests of Basic Skills and Educational Development, the Edward Hynes School had one of the **highest** School Performance Scores (107.9) in the City. The school was awarded the awarded the Blue Ribbon School of Excellence by U.S. Department of Education.

New Visions for the Edward Hynes School Post-Katrina

Like most Orleans Parish Schools, the Edward Hynes Elementary School was closed after sustaining heavy damages from Hurricanes Katrina and Rita. A group composed of the school's staff, parents and Lakeview community members have since been working to reopen the school to serve the former Hynes students and the returning residents of Lakeview and New Orleans. This group has also founded the Hynes School Charter Corporation to convert the Hynes School into a public charter school to open in the 2006-07 school year.



Working with the University of New Orleans, the Hynes School Charter Corporation prepared a charter application with plans for curriculum, programs and a returning enrollment. According to this charter application, the Hynes School will reopen as a PK- 8th grade school offering the same pre-Katrina educational programs. The 7th and 8th grade classes would be new to Hynes, but have been requested by the Lakeview community. This charter school application was approved by the New Orleans School Board in the Spring of 2006.

Hynes Education Plan

Student Enrollment Projections

According to the Hynes Charter School application, the Hynes School will reopen with a projected enrollment of 408 students during the 2006-07 school year. The school will offer approximately two classes per grade during its first year.

The Hynes Charter School application projects an enrollment increase of approximately 140 students during the second (2007-08) school year. To accommodate enrollment, the application proposes an expansion of K-6th grade class offerings to approximately 3 classes per grade level. The 2 classes offered at other grade levels (Pre-K, 7th and 8th grade levels) will remain the same.

According to the Hynes Charter School Application, the Hynes School will reach an maximum enrollment of 728 students during its third year (2008-09). To accommodate enrollment, the application proposes an expansion of K-6th class offerings to approximately 4 per grade level. In addition, the application proposes

an expansion of 6th -8th grade class offerings to approximately 3 per grade level. The Pre-K class offerings are projected to remain at 2 classes per grade level.

While the Hynes Charter School application projects a maximum student enrollment of 728, best practice suggests that the current school facility space is inadequate to support a 728 student school. The current Hynes School facility is 67,400 square foot. Using the second year enrollment projections of 548 students, the facility will provide approximately 130 square feet of space per student. However at 728 students, the facility will only provide approximately 93 square feet of space per student. At 728 students, the Hynes School facility would be overcrowded. Additional facility space will be required to support an enrollment of this size, particularly to offer a full curriculum including special spaces for music, art, science and physical education.

Grade	Projected 2006-2007			Projected 2007-2008			Projected 2008-2009		
	# of Classes	Class Size	Enrollment	# of Classes	Class Size	Enrollment	# of Classes	Class Size	Enrollment
Gifted Pre-K 2-1/2 day	4	12	48	4	12	48	4	12	48
Kindergarten	2	20	40	3	20	60	4	20	80
1 st Grade	2	20	40	3	20	60	4	20	80
2 nd Grade	2	20	40	3	20	60	4	20	80
3 rd Grade	2	20	40	3	20	60	4	20	80
4 th Grade	2	20	40	3	20	60	4	20	80
5 th Grade	2	20	40	3	20	60	4	20	80
6 th Grade	2	20	40	3	20	60	4	20	80
7 th Grade	2	20	40	2	20	40	3	20	60
8 th Grade	2	20	40	2	20	40	3	20	60
	20		408	27		548	36		728

Educational Programs

Upon reopening, the Edward Hynes School will provide the following programs in addition to the “regular” school curriculum:

- French Immersion Program
- Success for All Reading Program
- 90 minute Numeracy Block
- Gifted and Talented Resource Program (including art and theater)
- Band, Music, Physical Education, Computer Literacy, and Science Lab experiences

The French Immersion program has been a successful program at Hynes for over 10 years. Students were taught Mathematics, Science, and Social Studies in

French. They also received instruction in French grammar and writing. By graduation, immersion students were fluent in French. Hynes established a French Immersion Parent Teacher Organization (PTO) in addition to the regular PTO. Only one other public school in the New Orleans area offered a similar opportunity. The Hynes community plans to re-establish this successful program.

The Success for All reading program was implemented in 2002. Since instituting this program, reading test scores have improved dramatically. The Success for All program uses Best Practices teaching strategies along with a well defined curriculum which results in high student achievement. SFA includes all aspects of a balanced literacy program: phonemic awareness, phonics, comprehension, fluency, and writing.



A ninety-minute numeracy block was instituted several years ago. This block included time for students to master grade level skills, as well as develop problem solving and critical skills through daily, hands-on, multi-disciplinary techniques. The block also included time for “spiraling” skills taught.

Hynes also had a very successful Gifted and Talented program for many years. In 2005, over one-fifth of the students at Hynes qualified for gifted and/or talented services. Students in the gifted program are taught subjects at a higher level and with greater depth. They are also given enrichment activities to challenge them and develop their critical thinking skills. The Talented in Art program introduces students to art history as well as to artistic media and techniques. The Talented in Theater program develops confidence, speaking skills, and an understanding of theatrical design.

Additional programs will be offered on a weekly basis. Students will participate in band, music, physical education, computer literacy, library, and/or art. These courses are intended to improve the mind and body while offering students an opportunity to participate in a well-rounded curriculum.

Hynes has had a long history of shared decision making and a strong relationship with parents. Staff and parents meet monthly with the principal to discuss school issues and to set policy for the school. The Hynes PTO supports the school with financial and human resources and works alongside the administration and staff to ensure excellence. They are proud of the former success of Hynes and envision even greater possibilities for the “new” Hynes Charter School.

To meet the challenges of 21st Century learning, the Hynes School needs to integrate the use of technology into its school curriculum. Consequently, all classrooms at a rebuilt Hynes will be appropriately wired for computer and other

media learning capabilities. The school campus will be equipped with an on-site computer lab. In addition, teachers will be provided with training on the use of school technology and how to use technology for instruction, assessment and record keeping.

Staffing Projections

The Hynes Charter School application proposes the following staff projections for the Hynes School. The school is projected to have a teaching staff of 27 individuals during the first year and 39 teachers during the second year.

Staffing Projections	2006-07	2007-08
Principal	1	1
Asst. Principal	1	1
Teachers	19	27
French Immersion Teachers	4	5
Special Ed. Classroom Teachers	1	2
Gifted Teachers	2	4
P.E. Teacher	1	1
Total Teachers	27	39

Additional staff will be needed to provide all students high quality music, art and science classes at Hynes. This proposal recommends adding the following staff positions: a music teacher, an art teacher and a science teacher.

The School as Center of Community

While the most important use of a public school facility is to support the education of children, planning and designing improvements that will enable community access to the school can be good for children and for the broader community. Schools that are centers of the community have appropriate school space and space for other public amenities such as recreation, parks, libraries, school based social and health services, and senior centers. These schools support children, families and neighbors enhancing the quality of life in their community

The Edward Hynes Elementary School could provide support to homeowners, businesses, churches and other stakeholders who are rebuilding the Lakeview Community. The school’s building and site is accessible to the entire Lakeview neighborhood. Depending upon the results of a community planning process, the building improvements to Hynes could support other public infrastructure: health clinic, post office, daycare center or a city agency. Neighborhood religious organizations and businesses could also utilize school space while their own facilities are being repaired or rebuilt.

As the entire Lakeview neighborhood recovers and the student population increases, the Edward Hynes Elementary School could utilize its entire building, but continue to share space with other programs or entities.

Rebuild Hynes School Facility

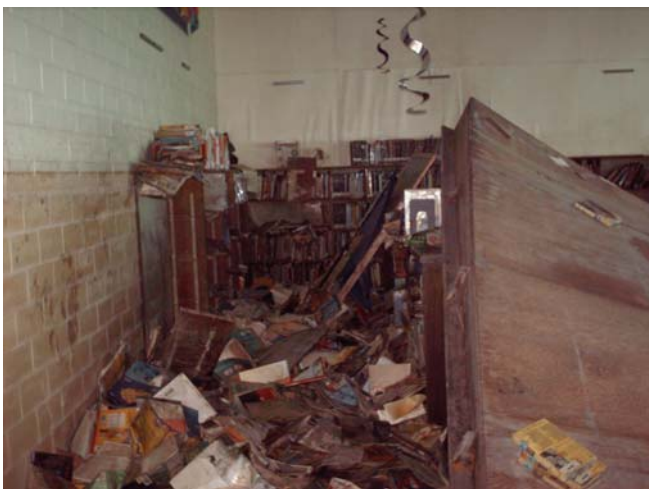
Due to the devastating effects of Hurricane Katrina, the Edward Hynes School needs full scale rehabilitation. But beyond this, it needs to be improved to support its educational programs and services. The facility needs to support state of the art technology. Its basic building systems and components need to be replaced or repaired and it needs to meet the current building codes and standards.

Assessment of Building Condition

The Edward Hynes School was housed in a 67,400 square foot facility near City Park. This facility was severely damaged during Hurricane Katrina after filling up with as much as 10 feet of floodwater. The toxic floodwaters scattered debris throughout the interior of the school, ruining textbooks, computers and other supplies. In addition, the exterior of the facility was battered by falling tree limbs and Hurricane force winds.



As of May 2006, the Hynes School facility still reflects the disaster that occurred in the fall of 2005. The building sits in utter shambles, untouched since floodwaters receded. Inside the school are only reminders of the students and educators that once converged there. Deteriorated school work and materials are scattered throughout much of the building. Textbooks and teaching supplies sit ruined. Desks and tables are overturned in every classroom.



Inside the school's library, bookshelves are overturned and books are scattered everywhere. The wood bookshelves are rotting from water damage, as are the wooden seats inside the schools auditorium. In the cafeteria, metal cooking equipment and the tables are deteriorating from floodwater.

On every wall inside and outside the school brown watermark lines reflect how high the floodwater rose. Many of these walls are covered in mold; all are in need of repair, disinfection and repainting. Many of the windows throughout the

school are broken and peeling. The doors inside the classrooms have suffered structural damages to their frames and must be replaced.

Floodwaters compromised the electrical system throughout the building. As a result, the building will have to be entirely rewired for fire alarms, intercom system and lighting. The HVAC system was also ruined after being emerged in floodwater and the plumbing was damaged as well. New piping will be needed for the schools sprinkler system and bathrooms.

Outside the school, the grass has turned brown and died from the toxic particles in the floodwater. The mulch that was once around the playground is gone. Some of the trees in the schools courtyard have been uprooted and the play equipment has weathered dramatically. The metal flagpole in front of the school has eroded and the doors to the entrance of the school have rusted. In addition, the parking lot paint has washed away, and the school front signage was destroyed by wind damage.



After considerable pressure from the Reopen Hynes Committee, the New Orleans Public Schools issued a request for proposals (RFP) for repairs to the Hynes School in March 2006. A hasty scope of work was prepared which included requests to address the following deficiencies.

- Debris removal around the school
- Resealed, new ceramic tile
- Remove and install new 8' x10' corrugated fiberglass & metal construction greenhouse
- Re-sod all the dead/damage grass new grass has to be planted, Re-mulch play area
- Remove and re-plant all the dead vegetation on site -match existing is size and type
- Remove and install new yard sign-match existing
- Clean, prepare and re-paint existing flagpole and make operable
- Clean, disinfect, and re-seal floors/ paint walls
- Doors-windows and electrical wiring has to be replaced
- New chalkboards and water fountains
- New exhaust fans in bathroom
- Marble stalls in bathrooms have to be replaced
- Plumbing has to be replaced

- Roof damaged by wind and trees (repaired)
- HVAC system
- New light fixtures
- New wiring for fire alarms and intercom system due to water damage
- Ensure plumbing for sprinkler system and fountains
- Water damaged tile and ceilings
- Parking lot stripped of paint
- Replace play area & repaint
- Personal property and debris

This laundry list of work to be done may make the building habitable, but even then, the school will not be up to adequate standards, or ready for students and teachers. Not surprisingly, the bids returned on this scope of work ranged widely and no bid was awarded as of the writing of this proposal at the end of May 2006.

Scope of Work

The Hynes Elementary School requires building improvements that are thoroughly planned and designed working with the community and local school. The school should be fully renovated to support a high quality educational program—including technology rich environment, alignment of space and design for programmatic requirements with improved specialty spaces for music, art, and physical education, assemblies and library/media center. The building components and systems need to be fully functioning and meet current codes. The school should meet the requirements of the American's with Disability Act (ADA). In order for the school to re-open, it is not enough to have the basic building ready; the school needs to have furniture and equipment, including casework and other classroom and administrative movables needed to support a fully functioning school. In addition, all classroom and office books and materials must be replaced before school. None of these essentials were part of the scope of work issued for Hynes.

In order to realize economies in an enormous project such as the Hynes Elementary School rehabilitation, a comprehensive approach must be taken. Sophisticated coordination and communication must be employed—architects, engineers, and project management and construction experts must work together to find the best specifications and most economical solutions to meet the educational program requirements as defined by the educators and community members.

Preliminary Estimate for Reopening the Hynes School

Representatives from JFW, Inc and the 21st Century School Fund/BEST first visited Hynes on January 24, 2006. Gilbane Construction and 21CSF and JFW, Inc visited on April 4, 2006 at the pre-bid walk through. Based on the materials from NOPS, the walk through and Gilbane's historical record of work in the region, JFW, Inc. prepared the following estimate for a full modernization of the Hynes building as well as re-supplying classrooms, offices, and support spaces with needed systems, equipment, and supplies. This is a summary and the more detailed estimate which follows in the paper version and is a separate attachment in the electronic version of this proposal.

Hynes Elementary School Project Cost Estimate Overview By: JFW, Inc

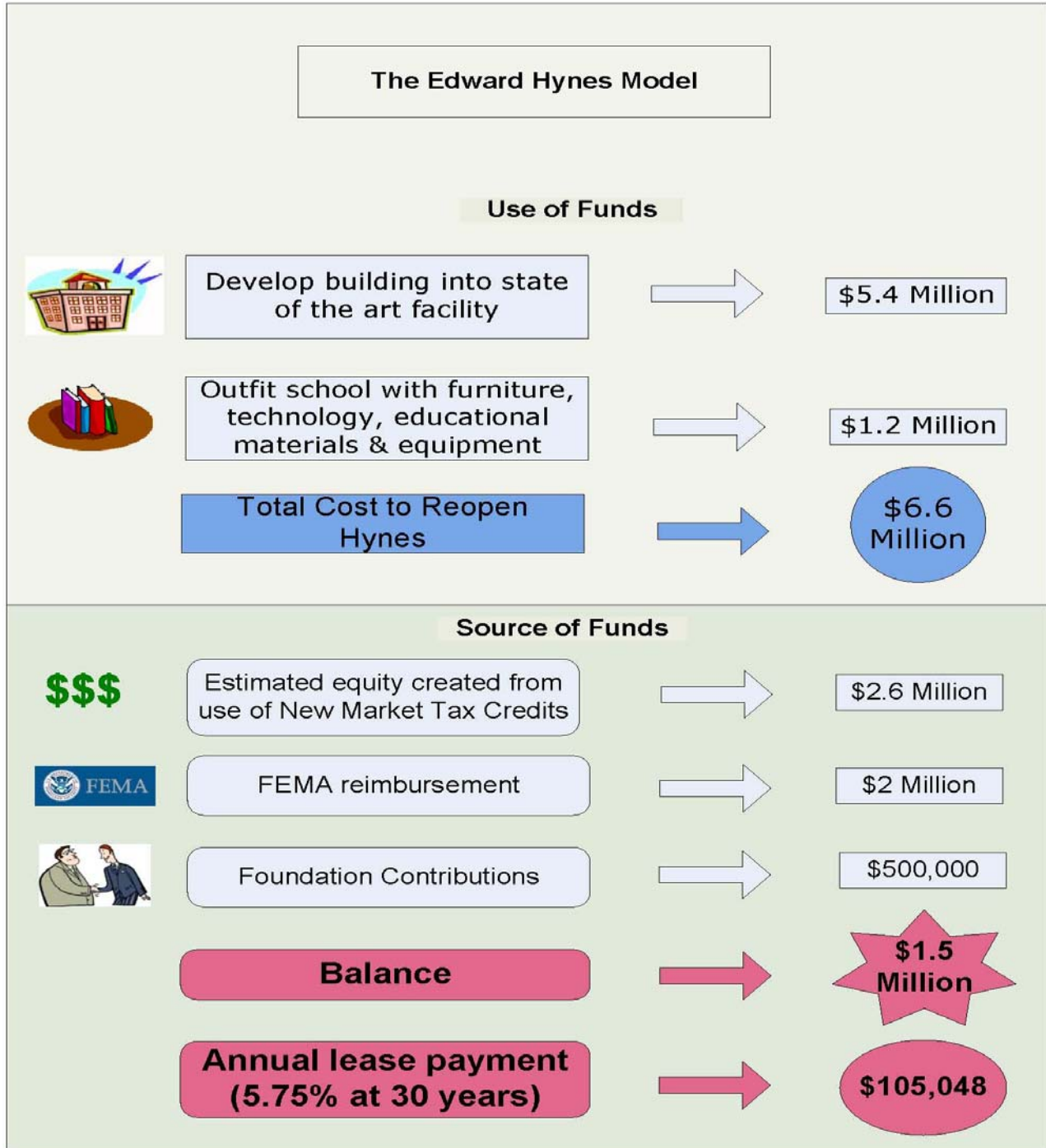
General Contractors Budget Estimate	\$ 2,895,000
Soft Costs including Design, Management, Environmental Testing, Inspections and Fees	\$ 579,000
Scope, Code/ADA Upgrades & Estimating Contingency	\$ 1,259,000
Construction Contingency	\$ 710,000
Subtotal Construction Costs	\$ 5,443,000
Owner Systems, Equipment & Supplies	
Furniture	\$ 88,300
Books & Materials	\$ 80,400
Storage & Shelving	\$ 53,600
Telephone	\$ 50,000
Admin & Student Computers	\$ 167,500
Tel/Data Wiring	\$ 173,100
AV/Theatrical Lighting	\$ 75,000
Security	\$ 69,200
Intercom	\$ 48,463
Clocks & Bell System	\$ 51,925
Playground Equipment	\$ 300,000
Theater Seating (included in hard costs)	\$ -
Kitchen Equipment (included in hard costs)	\$ -
Total Allowance for Owner Furnished Equipment	\$ 1,157,488
Financing, Reserves & Legal (Netted out of tax credits)	\$ -
Projected Total Cost	\$ 6,600,000

This estimate assumes utilizing only the existing space and not adding to the school to incorporate added space for the middle grades.

Insert Detailed Estimates

Public/Private Partnership to Reopen Hynes

The following chart illustrates how the re-opening of Hynes is affordable using the public/private partnerships described earlier in the proposal.



Public/Private Partnerships

Benefits

The public/private partnership offers the following benefits the State, New Orleans Public Schools and public charter schools:

- It works equally well in the low income and affluent communities. Such an approach would work for Edwards Elementary in the 9th Ward as well as Hynes Elementary School in Lakeview. It is not dependent upon the wealth of a community, but the will of a community.
- It can be applied to schools needing complete reconstruction or schools in need of restoration and renovation and is a systemic solution.
- It shifts much of the work for opening schools from a beleaguered public sector to the private for profit and non-profit sectors.
- It increases funds for opening schools.

Challenges

Although these advantages are compelling, the challenges to getting access to them are not insignificant. There are three major obstacles to entering into successful public private partnerships to re-open schools. First, at the onset there is a lack of trust among and between the public, private and non-profit sectors. This is mitigated by policy to define rules of engagement, but the public policy that defines a process for public review, decision making and oversight associated with new types of partnerships is not in place. Some of the kinds of questions that would be addressed in policy would be:

- How will a prospective private entity be identified—unsolicited proposals? Request for bidders?
- How will a prospective proposal be evaluated? By whom?
- Who will decide if it is a sale or long-term lease?
- Who monitors the terms of the lease or sale or any ongoing agreements?
- How will quality, timeliness and responsiveness be incorporated into terms of agreement with the private entity?
- Will property taxes be charged against the, now private property, if it is used for public purposes?
- What is communicated to affected communities and when?

Finally, the State, school districts or public charter schools, even under normal circumstances do not have highly qualified, professional real estate and legal support to provide advice and evaluate and negotiate on behalf of the school district or state. The State, school districts and municipalities need experienced, ethical representatives to be able to fully benefit from public private partnerships.

These and other questions and obstacles have been successfully addressed in other communities and can also be addressed in Louisiana and New Orleans. It will require a determined champion to help navigate the partnership through the new territory and an open, honest process to arrive at agreements. Hopefully, given the critical need to provide equitable access to public education in communities affected by Katrina, all sectors will work together to expedite the re-opening of high quality public school facilities.

Members of Team and Qualifications

The 21st Century School Fund is a nonprofit organization in Washington, DC dedicated to building the public will and capacity to improve urban public school facilities. At the 21st Century School Fund, we believe America's public schools are vital educational and civic assets. Consequently, we advocate using the school facility planning, design and construction processes to improve educational quality and community vitality.

The 21st Century School Fund (21CSF) has been involved in identifying and developing ways to adequately fund public school planning, design and construction, including the use of public private partnerships to help finance school design and construction since 1994. 21CSF initiated and managed an innovative public/private partnership that financed the replacement of the J. F. Oyster Public Elementary School. This project increased revenue for the District of Columbia and is one of the most innovative public/private school development projects in the country.

In January of 2006, the 21st Century School Fund traveled to New Orleans to survey the condition of public school facilities in the aftermath of Hurricane Katrina. Staff members were utterly amazed at the scope and scale of the damages to these facilities and their neighboring communities. Consequently our organization became compelled to explore how we might help these schools and urban communities recover from such devastation and abandonment.

The team members we have assembled to provide leadership and professional services in a proven organized delivery process are Building Educational Success Together (BEST) a national collaborative managed by the 21st Century School Fund, whose members work to improve public school facilities, particularly in urban districts serving low income students; JFW, Inc., a project management firm; Public Economics, Inc., a finance consulting firm which has extensive experience with public entities, including public charter schools; and the Gilbane Company, a national development and construction company with the capability to create and sustain a special purpose entity to improve public school facilities.

Real estate, finance, project management, design and construction professionals are critical to securing the quality and efficiency for school building improvements. While there are many firms engaged in these fields, there are fewer with experience partnering with the public sector and non-profits to pioneer new approaches to school planning, finance and construction. Among these are JFW, Inc, Public Economics Inc, and the Gilbane Company.



Building Educational Success Together (BEST)

The 21st Century School Fund is the leader of Building Educational Success Together (BEST). BEST is a diverse group of local and national leaders in educational reform, community development, social justice advocacy, historic preservation, community engagement, research and philanthropy, we are committed to sharing our work beyond our immediate communities, and to making it widely available to diverse audiences and communities.

The Building Educational Success Together (BEST) partnership is dedicated to improving urban public education for children from low-income families. It is defined by a shared focus on how public school facilities affect the quality of education and the economic and civic revitalization of urban communities. We believe that improved school buildings are an essential element of adequate public education, vital neighborhoods and healthy communities.

BEST partners are engaged in innovation, government reform and research of national significance. Most partners, including the 21st Century School Fund, Education Law Center, KnowledgeWorks Foundation, Neighborhood Capital Budget Group, New Schools Better Neighborhoods, New Visions for Public Schools, and Center for Cities in Schools are involved in local challenges in the cities and states where they operate—Washington, DC, New Jersey, Ohio, Chicago, Los Angeles, New York City, and the Bay Area in San Francisco. These partners are deeply involved in improving public schools in their respective communities.

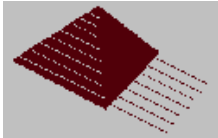
The BEST partners are innovators, testing approaches to planning, delivery, and financing of high quality school facilities. They are engaged in government reform at varying levels from grassroots organizing to advocating for policy change.



JFW, Inc

JFW, Inc is a project management firm specializing in owner's representation from project concept to completion. JFW, Inc is a leading project management services firm dedicated to providing quality service and value to its clients every day. Since its inception in 1992, JFW has provided over \$1 billion in construction management experience working with schools, non-profits, country clubs, religious organizations, universities and the hotel industry.

JFW, Inc has a staff of 14. The staff professionals average over 20 years experience in general contracting and development, both in the Mid-Atlantic region and Nationwide. JFW, Inc. manages over \$100 million worth of projects a year and is able to provide value added services to projects totaling anywhere from \$150 thousand to \$100 million. JFW, Inc, was an integral part of the development of the Oyster Public Private Development Partnership of the 21st Century School Fund and manages school planning, design and construction for some of the finest private schools, golf clubs and hotels in the United States.



Public Economics, Inc. (PEI)

Public Economics, Inc. Public Economics, Inc. (PEI) is a professional consulting firm specializing in public finance, urban economics, and development services. PEI provides consulting assistance to over 200 local school districts, community college districts, county offices of education, and other public and private clients.

PEI's staff of professional consultants has nearly 150 years of combined experience in education, economics, law, redevelopment, municipal finance, real estate development, engineering, planning, and budget analysis. Virtually all PEI consultants hold postgraduate degrees and have extensive experience in computer modeling and analysis, a key component of the firm's services.

PEI offers a cutting-edge analytical approach combined with a thorough understanding of school facility and program requirements. This reflects the "PEI Perspective": that innovative school funding solutions result only from rigorous, quantitative analysis which integrates financial and master planning considerations, is implementation-oriented, and recognizes the expanding role of public-public and public-private partnerships in today's school funding environment.

PEI has extensive experience in public charter school financing. 21st Century School Fund has worked with Public Economics Inc. to structure the financing to modernize a public charter high school in Washington, DC using New Market Tax Credits, Qualified Zone Academy Bonds and Credit Enhancement.



The Gilbane Company

The Gilbane Company, one of the largest construction and development firms in the United States, has a strong commitment to high quality teaching and learning environments. Through their Public|Private Partnership program, Gilbane has helped municipal governments and educational institutions meet their facility and financial objectives by combining the efficiency of a

streamlined development process with comprehensive understanding of financing and construction delivery.

Gilbane partnered with Houston Independent School District (HISD) to create a tax-exempt lease/purchase structure where by the Gilbane Development Company assumed all delivery risk for the facilities and leased the space back to HISD. At the end of the 20-year lease term, HISD has the option to purchase the schools for one dollar each. The resulting transaction was engineered to meet the statutory criteria for HISD and the State of Texas. In addition, it provided final costs that were more than 20% below budget. The two schools were completed in 20 months, just in time for the school-year opening. The resulting schools provide a stimulating learning environment for 6,000 students. Each school is just under 500,000 square feet and features state-of-the art computer science labs, a natatorium, auditorium, vocational and industrial spaces, and field houses.