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EDUCATION

Akron Public Schools facilities plan would require a levy, diversion of stimulus funds

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If Akron Public Schools is going to pull off a multipoint facilities plan over the next five to 10 years, it's going to need some financial help from the public.

The board is reviewing options for a long-term facilities plan that would close a handful of older buildings and build two new ones. Nothing has received the green light yet, except for a small rezoning in the East cluster. But if the board moves forward with the plan in full, it will almost definitely require passing a levy.

The administration has presented the board with a way to fund a new building in the Kenmore neighborhood to hold both Pfeiffer Elementary and Miller South School for the Visual and Performing Arts students. The total cost of the project, including demolition of the former Kenmore high school building, is estimated at \$61 million, and would utilize money from a handful of existing revenue streams, including \$33 million of federal stimulus dollars.

But a second, larger project, a replacement for North High School for an estimated \$80 million, would need a funding source for the annual debt payment.

"You have to have the revenue to coverage the mortgage," Board President Derrick Hall said. "I would never borrow more money than I could pay off responsibly."

Levy would fund new North High School

The size of the levy request will depend on several factors, including the total project cost and the district's interest rate. But the debt is expected to be close to \$5 million a year for 30 years, Chief of Operations Stephen Thompson said. To pay that off would take a permanent improvement levy with a millage around 1.75.

According to the Summit County Fiscal Office, each millage costs a homeowner in the Akron school district \$35 per \$100,000 of assessed valuation.

Thompson said he would recommend coupling that with an operating levy — no millage has been decided, but 6.9 mills has been proposed — and binding them together for approval up or down as a pairing. That request could come in the next year.

Hall said if the district can make good on years' worth of unfulfilled promises to put a new building in Kenmore, he believes the votes will be there for a levy, even if the permanent improvement levy will only directly benefit the North cluster.

"Call me optimistic but if we go out and make the right case and have the right partnerships, we'll be able to make the case of why it's advantageous to support a levy that's going to disproportionately benefit one part of town," Hall said.

North was the only cluster not to receive a new high school in the 15-year project to replace the city's older school buildings with new community learning centers that serve both as schools and community centers. Yet the North cluster is the only one showing growth over the last several years, and its elementary schools are over capacity.

The building is in such rough shape and the district waited so long to replace it that even if a levy is approved in the spring, the new building would not be opened until 2028, and the district will have to spend an estimated \$15 million additional dollars to make temporary repairs on the old building so it will last four more years.

Thompson said the roof is the most immediate need, with the heating system also a concern. But because of the age of the building, once the roof and potentially walls are opened, they could find other issues they have to address.

"Then who knows what we could get into," Thompson said.

Kenmore already has financing in place, but at a cost to academic supports

Hall said he believes there is near consensus on the board to move forward with at least the new building in Kenmore, given the needs of Pfeiffer and Miller South and the lack of educational options in the Kenmore neighborhood.

The financing for Kenmore would require much less debt than constructing a new facility for North high school.

The proposal from the administration includes using a \$5 million school improvement grant, \$10 million in mortgage debt, \$33 million in federal stimulus funding and \$15 million of school construction money that is jointly held by the district and the city.

In an alternative version of the proposal, that \$15 million would be diverted to build a new athletics complex on the former site of Kent Middle School. The board has discussed putting a smaller amount toward the project and fundraising for the rest. Hall said he is hoping the city might be willing to partner on it.

If that money is diverted, it would increase the amount of debt from \$10 million to \$25 million. But Thompson said either way, savings from closing down Pfeiffer and Miller South's existing buildings, along with Firestone Park Elementary, the former Ott administration building and Stewart and Essex Early Learning Centers, would be enough to cover the cost of the debt.

Thompson said staff likely would be able to work elsewhere in the district, given the number of openings that occur each year, but it would be a net loss of a handful of jobs through attrition.

Stimulus funding already being diverted from student, family supports

Using such a significant chunk of the district's \$96 million of stimulus funding toward construction, however, has its own implications.

The money must be spent by September 2024, and construction projects take years. Thompson said if the board makes a decision soon, they could break ground in the spring, and likely still have enough time to spend \$33 million by September.

If they don't, they will have to do some accounting musical chairs, using the stimulus dollars to offset other operational costs that would normally come out of the district's general fund budget, and then moving general fund money toward construction.

Either way, Thompson said, the money would be spent.

But it comes at another cost — that money was slated for several academic and social supports for students and families.

The district legally has to spend 20% of its allotment of American Rescue Plan money on students' academic recovery post-pandemic. Even carving a third of the allotment for a

facilities project, the district will meet that benchmark by far. But the academic side of the house still had to put a halt to several plans it had in place to spend that money.

Assistant Superintendent and Chief of Academics Tamea Caver said her department already cut more than \$10 million from its plan to spend the dollars and is looking at how to take out another \$13 million to be diverted to the facilities plan.

Caver said very few line items in the plan were cut completely, but several saw reductions.

So far, the department has cut funding from three areas of the plan:

Thriving Scholars: \$5,282,204 cut out of roughly \$34 million, including reductions to expansion of advanced courses, tutoring and staff professional development.

Thriving Schools: \$3,407,228 cut out of roughly \$36 million, but of that \$36 million, about \$17 million was already set aside for facilities projects. Reductions in this area included mental health supports, additional school counselors and attendance initiatives.

Thriving Families: \$2,271,009 cut out of about \$6.8 million, including reductions to additional family engagement strategies and investments in the district's Family Resource Centers.

The board could vote as early as Monday on all or portions of the facilities plan, but as of Friday it was not on Monday's agenda.

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