



# United States Department of the Interior

BUREAU OF INDIAN AFFAIRS  
Office of Facilities Management & Construction  
Albuquerque Plaza Office Tower  
201 Third Street, NW  
P.O. Box 1248  
Albuquerque, New Mexico 87103

IN REPLY REFER TO:  
105-40

MAR 22 2004

## Memorandum

To: All Project Planning Staff  
Self-Determination Specialist  
Grant Specialist  
Contracting Office Staff  
Regional Facilities Managers

From: Acting Director, Office of Facilities Management and Construction

Subject: Enrollment Projections for Replacement Schools and Improvement/Repair Projects

Attached for your information and use is the new interim policy for Enrollment Projections for Replacement Schools and Improvement and Repair projects. The process for calculating Enrollment Projections will be "Least Square Estimates".

The new policy does not apply to construction projects that have already received planning funds prior to the date of this memorandum (January 5, 2004). Schools that have already received planning funds prior to this memorandum shall follow the October 11, 2002 policy (attached).

Also as identified in the memorandum, the Office of Indian Education Programs (OIEP) is responsible for approving student enrollment projections for replacement schools.

Any questions regarding the Enrollment Projection policies contact Emerson Eskeets, Margie Morin or myself.

Attachments (2)

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BOYD D. ROBINSON

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# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, D.C. 20240

JAN 05 2004

To: Edward Parisian, Director Office of Indian Education Programs  
Tom Young, Acting Director of Management Support Services

From: Aurene Martin, Principal Deputy Assistant Secretary - Indian Affairs  
*Aurene Martin*

Subject: Enrollment Projections for Replacement Schools and Improvement/Repair Projects

A collaborative effort between the Office of Indian Education Programs (OIEP), the Office of Facilities Management and Construction (OFMC), the Facilities Liaison Staff, and the Office of the Solicitor has resulted in a proposed revision to the current policy for student enrollment projections. Estimates of student enrollment are a critical factor in determining school size, costs for school construction, and operations and maintenance funding. Therefore, the development of comprehensive enrollment projections policy will assist the Bureau-funded school system in meeting the needs its current and future students.

Representatives from the above offices developed the new enrollment projections policy in a series of meetings and teleconferences over the past few months. The group believes it has developed a revised policy, applicable to both academic and residential facilities, which will produce reasonable and appropriate enrollment projections for Bureau-funded schools.

#### Strengths of the new policy :

1. The new policy is based on the past 10 years of certified ISEP student counts for each school. The current policy is based on a fixed annual growth rate of 2.5% (for academic) and 1.0% (for residential facilities).
2. The new policy utilizes a standardized method of statistical analysis know as "least squares estimates" is applied equally to each school's individual historical ISEP counts. The least squares estimate produces a predictable rate of future growth using a prior 10-year period by leveling the variations (increases or decreases) in enrollment, which could be misleading if a simple averaging of ISEP counts was used. The only exceptions to the "least squares estimate" are for schools with approved grade expansions and decreasing enrollments. In addition, a computer-based least squares calculator will be available on the

available on the OIEP website to assist schools in determining their student enrollment projection.

3. The new policy extends beyond replacement school construction and encompasses facilities improvement and repair projects (FI&R) that add square footage to a school.
4. The new policy does not apply to construction projects that have already received planning funds, thus ensuring that these projects follow their previously approved enrollment projections.

cc: Boyd Robinson, Acting Director OFMC

**Interim Policy: Student Enrollment Projections for Replacement Schools and Improvement/Repair Projects**

**A. Purpose:** This interim policy memorandum clarifies and changes the current practice for projecting the enrollment for replacement schools. It also clarifies use of the 1995 Education Space Guidelines regarding allowable square footage for replacement schools. A final policy will be established when the negotiated rulemaking process required by the No Child Left Behind Act of 2001 is completed.

**B. Effective Date:** This interim policy is effective as of the date of this memorandum.

**C. Background:** Based on an Inspector General analysis of 10 replacement schools constructed and occupied since 1994, eight of the schools, equating to 80 percent, were overbuilt - some as much as 50 percent or more. The basis for this data was the design capacity the schools were built for, compared to the certified Indian School Equalization Program (ISEP) count as of school year 2001-2002. The current practice of projecting enrollment five years beyond the construction completion date, and the use of inflated or unrealistic annual rates of enrollment growth are, for the most part, responsible for this situation.

**D. Policy:** The Bureau of Indian Affairs (BIA) must be prudent, efficient and accountable for the use of public funds for school construction. Consequently:

1. Approval. The Office of Indian Education Programs (OIEP) is responsible for approving student enrollment projections for replacement schools.
2. Exceptions. OIEP is also responsible for determining exceptions to this policy. (See section 9d. Exceptions.)
3. Only students that are eligible for ISEP funding will be counted toward enrollment projections.
4. The final certified ISEP count recorded for a school, which includes all appeals, will be used. The first ISEP count used in calculating the projected student enrollment is determined when the Office of Facilities Management and Construction (OFMC) obligates planning funds. [See 9a.]
5. This interim policy memorandum does not replace student enrollment projections calculated under the interim policy of October 11, 2002, Enrollment Projections - Maximum Allowable Square Footage for Replacement Schools. Schools that have already received planning funds from OFMC shall follow the October 11, 2002 policy.
6. The BIA will limit the projected student enrollment to the estimated year of construction completion so that delays in project execution and completion do not increase the length of time over which the enrollment projections are calculated.

7. If student projections are exceeded by 30% when school opens, OIEP is required to re-assess the space and justify, document, and approve further space needs after consultation with OFMC. Remedial action would be portable classrooms. If the enrollment projection increase is sustained for three academic school years, plans will be made for a permanent component addition, such as a modular, pre-engineered building.

8. A school construction project planning phase that begins after the effective date of this document is subject to this new policy. The planning phase begins when OFMC obligates planning funds for the proposed construction project.

9. Determination of Estimated Student Enrollment Percentages

a. Future Projects (from the date of this policy). The BIA will use the last 10 years of final certified ISEP counts to calculate an annual percentage rate of enrollment growth or decline. The 10-year count will begin with the final certified ISEP count on record that precedes the obligation of planning funds.

The method used to determine the estimated percentage of annual increase or decrease to student enrollment will be a least squares estimate. Least squares estimates are accepted by statisticians as reliable predictors of future outcomes based on past numerical values. Least squares estimates are further discussed under paragraph H.

b. Estimated Annual Percentage. The official least squares estimates to be used in enrollment projections will be provided by the BIA, OIEP. These will be provided for both Academic and Dormitory programs, where applicable.

c. Current Projects (Those projects currently in the planning phase.) Schools whose student enrollment projections have been revised in accordance with the October 11, 2002 policy will not use least squares estimates. Instead, the last 10 years of final certified ISEP counts will be used in accordance with that policy to calculate an estimate that begins when planning funds were obligated.

d. Exceptions.

Approved grade increase. An exception to using the last 10 years of final certified ISEP counts shall be made by the OIEP Director for those schools that have an official, documented grade increase. The years of ISEP count used for that annual percentage calculation will begin with the year of the last approved grade expansion.

Decreasing Enrollment Percentage. Another exception to using the last 10 years of final certified ISEP counts shall be for those schools with decreasing enrollment percentages. Any school with a decreasing enrollment percentage as determined by a least squares estimate will be held to its actual decreased enrollment projection rate, not to exceed -5%, calculated to the year of

estimated construction completion. However, if there is a decreasing enrollment of over 30%, then OIEP, in consultation with OFMC, would need to evaluate that situation.

10. Students already attending public schools shall not be considered in the enrollment projection.

11. OIEP will maintain an enrollment determination file for each school with all justifications and verified supporting data.

E. Procedure: When planning for the replacement of schools, the growth rate is to be determined as follows:

For any projects starting after the date of this memorandum, the BIA will begin projections of the prior 10-year annual percentage growth calculation from the year when OFMC obligates planning funds for the proposed construction project, thus beginning the planning phase. The final certified ISEP count recorded for a school will be used, and the percentage will be projected to the estimated year of construction completion. Construction is complete when a Certificate of Occupancy has been issued.

For current projects already in the planning phase prior to the date of this memorandum, the BIA, OIEP will begin the annual percentage growth calculations from the year when planning funds were obligated. This percentage will be projected to the estimated year of construction completion in accordance with the policy of October 11, 2002.

F. Scope: This interim policy effects all replacement school construction projects and facilities improvement projects with capital improvements that replace or increase the square footage of the facility.

G. Distribution: OIEP Director shall make distribution of this memorandum to all Education Line Officers and staff involved in the planning of replacement schools. Regional Directors shall make distribution to facilities staff and Agency line officials. The Director, Office of Facilities Management and Construction shall make distribution to staff involved in the planning of replacement schools.

H. Least Squares Estimate: The least squares estimate is a recognized statistical method used to closely approximate the result that is most likely to occur when a group of numerical values is used to predict a future outcome. To illustrate how least squares estimates apply to this policy, the past 10 years of final certified ISEP student enrollment counts (numerical values) can be used to project student enrollment at the year of construction completion (future outcome). The least squares estimate is a moving average that can smooth out the individual variations in numerical data as it produces the next number in a sequence.

A least squares estimate tends to moderate year-to-year variations. When a least squares estimate

is used for a school, there is an even, predictable increase of students over the 10-year period. In contrast, the differences that actually occur in the prior 10 years of ISEP enrollments can be highly variable with large increases or decreases. The least squares estimate is a reliable and professionally accepted statistical method to calculate student enrollment projections for educational facilities construction projects and, therefore, will be used by the BIA.