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March 18, 2015

Mark Kleinschmidt, Mayor
Town of Chapel Hill
405 Martin Luther King Jr. Blvd.
Chapel Hill, NC 27514

Dr. Stephen H. Halkiotis, Chair
Orange County Board of Education
200 E. King Street
Hillsborough, NC 27278

Lydia Lavelle, Mayor
Town of Carrboro
301 W. Main Street
Carrboro, NC 27510

Mike Kelley, Chair
Chapel Hill-Carrboro Board of Education
750 Merritt Mill Road
Chapel Hill, NC 27516

Tom Stevens, Mayor
Town of Hillsborough
P.O. Box 429
Hillsborough, NC 27278

Subject: Schools Adequate Public Facilities Ordinance Technical Advisory Committee
(SAPFOTAC) Annual Report

Dear Sir or Madam:

This letter is to update you on the status of the 2015 Annual SAPFOTAC Report. In accordance with the SAPFO Memoranda of Understanding (MOU), the Board of County Commissioners (BOCC) approved the November 14, 2014 actual membership and capacity numbers for Orange County Schools and Chapel Hill – Carrboro City Schools at its meeting on December 1, 2014.

The SAPFOTAC, comprised of representatives of both school systems and the Planning Directors of the County and Towns has produced the 2015 Annual Report. As per the SAPFO MOU, the annual technical report contains information on Level of Service, Building Capacity, Membership Date, Capital Investment Plan, Student Membership Projection Methodology, Student Membership Projections, Student Membership Growth Rate, Student/Housing Generation Rate, and the SAPFO Process. Enclosed for your use are copies of the 2015 Executive Summary and the March 17, 2015 BOCC meeting agenda item abstract when the BOCC received the draft report.

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Last year, Orange County entered into a contract with TischlerBise to update the student generation rate analysis after concerns with existing rates were identified by SAPFOTAC committee members. The new student generation rates are included in Attachment II.E.1 on page 44 of the report and are being recommended for adoption by the BOCC as the standard for the SAPFO and CAPS system. The process outlined in the SAPFO MOU to update student generation rates as they pertain to the SAPFO process has been followed.

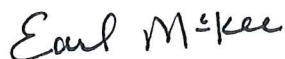
The full draft SAPFOTAC report is available on the Orange County Planning Department website in the Current Interest Projects section

<http://www.co.orange.nc.us/planning/SpecialProjects.asp>

The 2015 Annual SAPFOTAC Report is scheduled to be certified by the BOCC at a regular meeting in May 2015. Therefore, if you have any comments pertaining to the report, please forward them to Craig N. Benedict, Planning Director, no later than 5:00 p.m. on **April 18, 2015**. Mr. Benedict can be reached by phone at (919) 245-2592, by e-mail at cbenedict@orangecountync.gov, or by fax at (919) 644-3002. Any comments received will be part of our agenda package in May.

Please share this information and the 2015 SAPFOTAC report with your respective boards.

Sincerely,



Earl McKee, Chair
Orange County Board of Commissioners

Enclosures

cc: Board of County Commissioners

Bonnie Hammersley, Orange County Manager

Roger L. Stancil, Manager, Town of Chapel Hill

David Andrews, Manager, Town of Carrboro

Eric Peterson, Manager, Town of Hillsborough

Tom Forcella, Superintendent, Chapel Hill-Carrboro City Schools

Del Burns, Interim Superintendent, Orange County Schools

Todd LoFrese, Assistant Superintendent for Support Services, Chapel Hill-Carrboro City Schools

Catherine Mau, Coordinator for Student Enrollment, Chapel Hill-Carrboro City Schools

Craig Benedict, Planning Director, Orange County

Mary Jane Nirdlinger, Planning and Sustainability Executive Director, Town of Chapel Hill

Margaret Hauth, Planning Director, Town of Hillsborough

Trish McGuire, Planning Director, Town of Carrboro

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2015 SAPFOTAC Executive Summary

I. Base Memorandum of Understanding

A. Level of Service(No Change)Pg. 1

	<i>Chapel Hill/Carrboro School District</i>	<i>Orange County School District</i>
<i>Elementary</i>	105%	105%
<i>Middle</i>	107%	107%
<i>High</i>	110%	110%

B. Building Capacity and Membership(Change)Pg. 2

	<i>Chapel Hill/Carrboro School District</i>			<i>Orange County School District</i>		
	Capacity	Membership	Increase from Prior Year	Capacity	Membership	Increase from Prior Year
<i>Elementary</i>	5829	5541	(13)	3694	3259	(174)
<i>Middle</i>	2944	2861	3	2166	1762	15
<i>High</i>	3875	3730	(34)	2439	2502	81

C. Membership Date – November 15.....(No Change)Pg.17

II. Annual Update to SAPFO System

A. Capital Investment Plan (CIP)(No Change)Pg. 18

B. Student Membership Projection Methodology(No Change)Pg. 19 The average of 3, 5, and 10 year history/cohort survival, linear and arithmetic projection models.

C. Student Membership Projections(Change)Pg. 30

Analysis of 5 Years of Projections for 2014-15 School Year – Chapel Hill/Carrboro City Schools

(The first column for each year includes the student membership projection made for 2014-2015 in that given year. The second column for each year includes the number of students the projection was off compared to actual membership. An “L” indicates the projection was low compared to the actual, whereas an “H” indicates the projection was high compared to the actual.)

		Year Projection Made for 2014-15 Membership									
	Actual 2014 Membership	2009-2010		2010-2011		2011-2012		2012-2013		2013-2014	
Elementary	5541	5772	H231	5672	H131	5784	H243	5676	H135	5635	H94
Middle	2861	3006	H145	2894	H33	2930	H69	2934	H73	2925	H64
High	3730	3867	H137	3846	H116	3863	H133	3866	H136	3805	H75

Analysis of 5 Years of Projections for 2014-15 School Year – Orange County Schools

(The first column for each year includes the student membership projection made for 2014-2015 in that given year. The second column for each year includes the number of students the projection was off compared to actual membership. An “L” indicates the projection was low compared to the actual, whereas an “H” indicates the projection was high compared to the actual.)

		Year Projection Made for 2014-15 Membership									
	Actual 2014 Membership	2009-2010		2010-2011		2011-2012		2012-2013		2013-2014	
Elementary	3259	3408	H149	3519	H260	3546	H287	3479	H220	3472	H213
Middle	1762	1827	H65	1842	H80	1815	H53	1772	H10	1789	H27
High	2502	2400	L102	2349	L153	2347	L155	2366	L136	2406	L96

D. Student Membership Growth Rate(Change).....Pg. 39

Projected Average Annual Growth Rate over Next 10 Years										
Year Projection Made:	Chapel Hill/Carrboro School District					Orange County School District				
	2010-11	2011-12	2012-13	2013-14	2014-15	2010-11	2011-12	2012-13	2013-14	2014-15
Elementary	1.44%	1.59%	1.18%	1.44%	1.11%	1.57%	1.6%	1.31%	1.30%	0.55%
Middle	1.67%	1.94%	1.59%	1.58%	1.15%	1.84%	2.01%	1.64%	1.42%	0.09%
High	1.57%	1.73%	1.60%	1.27%	1.22%	1.59%	1.61%	1.43%	1.35%	0.39%

E. Student / Housing Generation Rate(Change).....Pg. 42

SCHOOL ADEQUATE PUBLIC FACILITIES ORDINANCE STATUS

(based on future year Student Membership Projections)

CHAPEL HILL/CARRBORO SCHOOL DISTRICT

Elementary School Level

- Does not currently exceed 105% LOS standard (current LOS is 95.1%).
- The projected growth rate at this level is expected to decrease over the next 10 years, but remain positive (average ~1.1% per year compared to 1.7% over the past 10 years). A new charter school, The Expedition School, opened in Hillsborough this year and accepts students from all over. Part of the slowing in growth rate could be due to students transferring to the new charter school.
- Chapel Hill/Carrboro Elementary School #12 will be needed in 2023-24. This is three years later than last year's projections.

Middle School Level

- Does not currently exceed 107% LOS standard (current LOS is 97.2%).
- The projected growth rate at this level is expected to increase at a greater rate over the next 10 years than it has in the previous 10 years (average ~1.2% compared to an average of 0.91% over the past 10 years).
- Capacity has increased by 104 students due to the opening of the Culbreth Middle School addition. Projections show that Chapel Hill/Carrboro Middle School #5 is projected to be needed in 2023-24. This is three years later than last year's projections.

High School Level

- A. Does not currently exceed the 110% LOS standard (current LOS is 96.3%).
- B. The projected growth rate at this level is expected to decrease, but remain positive over the next 10 years (average ~1.22% compared to 1.24% over the past 10 years).
- C. Projections are not showing a need for an expansion of Carrboro High School from the initial capacity of 800 students to the ultimate capacity of 1,200 students in the 10 year projection period. This is different than last year's projections which showed a need in 2023-24.

ORANGE COUNTY SCHOOL DISTRICT**Elementary School Level**

- A. Does not currently exceed 105% LOS standard (current LOS is 88.2%).
- B. The projected growth rate at this level is expected decrease, but remain positive over the next 10 years (average ~0.55% compared to 1.5% over the past 10 years). A new charter school, The Expedition School, opened in Hillsborough this year and accepts students from all over. Part of the slowing growth rate could be due to students transferring to the new charter school.
- C. Projections are not showing a need for an additional Elementary School in the 10 year projection period. This is different than last year's projections which showed a need in 2023-24.

Middle School Level

- A. Does not currently exceed 107% LOS standard (current LOS is 81.3%).
- B. The projected growth rate at this level is expected to decrease, but remain positive over the next 10 years (average ~0.09% compared to 0.48% over the past 10 years).
- C. Similar to last year, projections are not showing a need for an additional Middle School in the 10 year projection period.

High School Level

- A. Does not currently exceed 110% LOS standard (current LOS is 102.6%).
- B. The projected growth rate at this level is expected to decrease, but remain positive over the next 10 years (average ~0.39% compared to 2.6% over the past 10 years).
- C. Expansion of Cedar Ridge High School from the initial capacity of 1,000 students to 1,500 students is projected to be needed in 2022-23. This is the same as last year's projections.

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: March 17, 2015

**Action Agenda
Item No.** 6-c

SUBJECT: Schools Adequate Public Facilities Ordinance (SAPFO) – Receipt and Transmittal of 2015 Annual Technical Advisory Committee Report

DEPARTMENT: Planning & Inspections

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):

1. SAPFO Partners Transmittal Letter
2. Draft 2015 SAPFOTAC Annual Report and Larger Scale Projection Worksheets

INFORMATION CONTACT:

Ashley Moncado, 919-245-2589
Craig Benedict, 919-245-2592

PURPOSE: To receive the 2015 Annual Report of the SAPFO Technical Advisory Committee (SAPFOTAC) and transmit it to the SAPFO partners for comments before certification in May.

BACKGROUND:

1. Annual Report

Each year, since 2004, the SAPFOTAC Report is updated to reflect actual changing conditions of student membership and school capacity. This information is analyzed and used to project future school construction needs based on adopted levels of service standards. There are two steps to the full report. The first part (Student Membership and Capacity) is certified in the fall and then this full report, in the following spring, is to keep the SAPFO system calibrated. At the December 1, 2014 Board of County Commissioners meeting, the Board approved the November 14, 2014 actual membership and capacity numbers (i.e. first part) for both Orange County Schools and Chapel Hill-Carrboro City Schools.

A draft of the full annual SAPFOTAC Report is complete and has been reviewed by the SAPFOTAC members.

2. SAPFOTAC

The SAPFOTAC, comprised of representatives of both school systems and the Planning Directors of the County and Towns, is tasked to produce an annual report for the governing boards of each SAPFO partner outlining changes in actual membership, capacity, student projections, and their collective impacts on the Capital Investment Program (CIP) and the future issuance of Certificates of Adequate Public Schools (CAPS). Orange County's Planning Staff compiles the report, holds a meeting discussing the various aspects, and then prepares a draft report, which is reviewed by the SAPFO Technical Advisory Committee.

3. Membership Data

Chapel Hill Carrboro City Schools (CHCCS) total decreased from the previous year: 44 students

(13) Elementary School

3 Middle School

(34) High School

Orange County Schools (OCS) total decreased from the previous year: 78 students

(174) Elementary School

15 Middle School

81 High School

() denotes decrease

4. Capacity Data

Capacity for Chapel Hill Carrboro City Schools was increased by 104 students as a result of the opening of the Culbreth Middle School addition. There were no changes to school capacities this year for Orange County Schools.

5. Capacity Issues

SAPFO vs. DPI

The SAPFO is a local ordinance, independent of State Department of Public Instruction (DPI) projections and rules regarding class size. The SAPFO, for instance, does not count temporary modular classrooms as fulfilling the capacity level of service outlined in the SAPFO interlocal Memorandum of Understanding (MOU). The MOU requires 'bricks and mortar' instead of temporary facilities and also requires its own set of future student projections to identify long-term capital school construction needs. However, the County did phase in the smaller class size in previous years that decreased capacity. Decisions will have to be made if new discussions at the state level create any class size changes that should or should not be reflected in the County's SAPFO.

This year, CHCCS does not exceed the adopted levels of service established in the SAPFO at this time nor do projections show a potential need at the high school level within the 10-year planning period. However, projections do show potential needs at the elementary and middle school levels within the later years of the 10-year planning period. Projected needs are noted below.

Additionally, OCS does not exceed the adopted levels of service established in the SAPFO at this time nor do projections show potential needs at the elementary and middle school levels within the 10-year planning period. However, projections do show a potential need at the high school level within the 10-year planning period. Projected needs are noted below.

6. Student Projection Analysis

CHCCS

Student membership projections show an increase at all levels within the 10-year planning period. Projections are shown on page 38 (at the bottom of the page) of the report.

OCS

Student membership projections show a mix of increases and decreases at all levels within the 10-year planning period. Projections are shown on page 37 (at the bottom of the page) of the report.

7. Orange County Schools Systems – Capital Investment Plan (CIP) Needs Analysis CHCCS

Projected needs:

New Elementary #12 2023-2024 (projected capacity for 2 students; 105.0% LOS)*

New Middle School #5 2023-2024 (projected overage of 17 students; 107.6% LOS)

High School Projections show no needs in the next 10 years

** Due to the rounding off of level of service numbers, student projections are showing a need for Elementary School #12 in 2023-2024 with projected remaining capacity for 2 students. However, in 2024-2025 the projections show an overage of 65 students.*

OCS

Projected needs:

New Elementary # 8 Projections show no needs in the next 10 years

Middle School Projections show no needs in the next 10 years

High School 2022-2023 (projected overage of 4 students; 110.2% LOS)*

**Projections show the adopted level of service standard being surpassed in 2022-2023 with an overage of 4 students. However, immediately following the 2022-2023 school year, the projections show that the level of service may decrease below the adopted level of service standard with remaining capacity for 31 students in 2023-2024 and 84 students in 2024-2025.*

The SAPFOTAC report notes that there are a significant number of approved, but undeveloped lots within the portion of the City of Mebane that lies within Orange County. However, new construction activity that had slowed in recent years due to the economic downturn has now increased. Because the City of Mebane is not a party to the SAPFO at this time, CAPS are not required by the local government to be issued prior to development approvals. However, once students generated from Mebane development actually enter the school system, faster enrollment increases would affect projections and may identify CIP needs within 10 years, unless enrollment is balanced by slower growth in other areas of the district.

8. Student Generation Rates and New Study

At the January 2014 SAPFOTAC meeting, committee members discussed the increased number of students generated in both school districts from new development, particularly multifamily housing. At that time, the SAPFOTAC recommended further evaluation of the adopted Student Generation Rates and the impacts different types of housing may have on student membership rates. As a result, Orange County entered into a contract with TischlerBise to study student generation rates in newer housing (defined as units constructed in the most recent 10-year period) and also disaggregated by the number of bedrooms contained in each unit. The process outlined in the SAPFO MOU to update student generation rates as they pertain to the SAPFO process has been followed.

Previous numbers used for SAPFO and CAPS purposes were from the 2007 Impact Fee Study which developed student generation rates based on the entire housing stock in each school district. New rates from the 2014 Student Generation Rates for Orange County Schools and Chapel Hill-Carrboro School District Report are based on an analysis of recently built units from January 1, 2004 to December 31, 2013.

Recommendation: The SAPFOTAC reviewed and discussed the most recent student generation rate analysis included in the 2014 TischlerBise report. The SAPFOTAC recommends the BOCC and other governing boards accept the new rates as reported in Attachment II.E.1 on page 44 (at the bottom of the page) of the report as the standard for the SAPFO and CAPS system. Once the report is adopted by the BOCC at the May 19, 2015 meeting, these new rates will become the standard for the SAPFO and CAPS system.

9. Access to Full Report

The draft SAPFOTAC report will be posted on the Orange County Planning Department's web site. A letter and the Executive Summary of the report will be sent to all SAPFO partners after this BOCC meeting advising them of the availability of the draft report and inviting comment. It is anticipated the draft 2015 SAPFOTAC report will be brought back to the BOCC for certification at the May 19, 2015 regular meeting.

FINANCIAL IMPACT: Current 10-year student growth projections show future needs for additional schools in the CHCCS District. Elementary School #12 is projected to be needed in 2023-24 and Middle School #5 is projected to be needed in 2023-24. In the OCS District, additional High School level capacity is projected to be needed in 2022-23.

Section 7 of the Schools Adequate Public Facilities Memorandum of Understanding (MOU) states, "Orange County will use its best efforts to provide the funding to carry out the Capital Improvement Plan referenced in Section 1 above."

RECOMMENDATION(S): The Manager recommends the Board:

1. Receive the 2015 SAPFOTAC Annual Report; and
2. Authorize the Chair to sign the transmittal letter to SAPFO partners contained in Attachment 1.