



Orange County Board of Commissioners
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March 2, 2016

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Hillsborough, NC 27278

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

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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 2016 Annual SAPFOTAC Report. In accordance with the SAPFO Memoranda of Understanding (MOU), the Board of County Commissioners (BOCC) approved the November 13, 2015 actual membership and capacity numbers for Orange County Schools and Chapel Hill – Carrboro City Schools at its meeting on December 7, 2015.

The SAPFOTAC, comprised of representatives of both school systems and the Planning Directors of the County and Towns has produced the 2016 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 2016 Executive Summary and the March 1, 2016 BOCC meeting agenda item abstract when the BOCC received the draft report.

The full draft SAPFOTAC report is available on the Orange County Planning Department website in the Current Interest Projects section at the following link: <http://www.co.orange.nc.us/planning/SpecialProjects.asp>

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Page 2

The 2016 Annual SAPFOTAC Report is scheduled to be certified by the BOCC at a regular meeting in May 2016. 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 4, 2016**. Mr. Benedict can be reached by phone at (919) 245-2592 or by e-mail at cbenedict@orangecountync.gov. Any comments received will be part of our agenda package in May.

Please share this information and the 2016 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
Travis Myren, Deputy 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
Todd Wirt, 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
Patrick Abele, Chief Operations Officer
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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2016 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	5501	(40)	3694	3318	59
<i>Middle</i>	2944	2844	(17)	2166	1739	(23)
<i>High</i>	3875	3701	(29)	2439	2469	(33)

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 2015-16 School Year – Chapel Hill/Carrboro City Schools

(The first column for each year includes the student membership projection made for 2015-2016 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.)

	Actual 2015 Membership	Year Projection Made for 2015-16 Membership									
		2010-2011		2011-2012		2012-2013		2013-2014		2014-2015	
Elementary	5501	5752	H251	5921	H420	5764	H263	5748	H247	5606	H105
Middle	2844	2951	H107	2949	H105	2972	H128	2947	H103	2895	H51
High	3701	3911	H210	3937	H236	3910	H209	3825	H124	3742	H41

Analysis of 5 Years of Projections for 2015-16 School Year – Orange County Schools											
(The first column for each year includes the student membership projection made for 2015-2016 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 2015-16 Membership									
	Actual 2015 Membership	2010-2011		2011-2012		2012-2013		2013-2014		2014-2015	
Elementary	3318	3617	H299	3649	H331	3574	H256	3555	H237	3285	L33
Middle	1739	1846	H107	1829	H90	1777	H38	1805	H66	1751	H12
High	2469	2375	L94	2379	L90	2359	L110	2411	L58	2510	H41

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

Projected Average Annual Growth Rate over Next 10 Years										
	Chapel Hill/Carrboro School District					Orange County School District				
Year Projection Made:	2011-12	2012-13	2013-14	2014-15	2015-16	2011-12	2012-13	2013-14	2014-15	2015-16
Elementary	1.59%	1.18%	1.44%	1.11%	0.92%	1.6%	1.31%	1.30%	0.55%	0.80%
Middle	1.94%	1.59%	1.58%	1.15%	0.82%	2.01%	1.64%	1.42%	0.09%	0.67%
High	1.73%	1.60%	1.27%	1.22%	0.93%	1.61%	1.43%	1.35%	0.39%	0.56%

E. Student / Housing Generation Rate(No Change).....Pg. 42

SCHOOL ADEQUATE PUBLIC FACILITIES ORDINANCE STATUS
(based on future year Student Membership Projections)

CHAPEL HILL/CARRBORO SCHOOL DISTRICT

Elementary School Level

- A. Does not currently exceed 105% LOS standard (current LOS is 94.4%).
- B. The projected growth rate at this level is expected to decrease over the next 10 years, but remain positive (average ~0.92% per year compared to 1.7% over the past 10 years).
- C. Projections are not showing a need for an additional elementary school in the 10 year projection period. Last year’s projections showed a need in 2023-24.

Middle School Level

- A. Does not currently exceed 107% LOS standard (current LOS is 96.6%).
- B. The projected growth rate at this level is expected to decrease over the next 10 years, but remain positive (average ~0.82% compared to an average of 1.4% over the past 10 years).
- C. Projections are not showing a need for an additional middle school in the 10 year projection period. Last year’s projections showed a need in 2023-24.

High School Level

- A. Does not currently exceed the 110% LOS standard (current LOS is 95.5%).
- B. The projected growth rate at this level is expected to increase over the next 10 years (average ~0.93% compared to 0.79% over the past 10 years).
- C. Similar to last year, projections are not showing a need to expand Carrboro High School from the initial capacity of 800 students to the ultimate capacity of 1,200 students in the 10 year projection period.

ORANGE COUNTY SCHOOL DISTRICT**Elementary School Level**

- A. Does not currently exceed 105% LOS standard (current LOS is 89.8%).
- B. The projected growth rate at this level is expected remain the same over the next 10 years (average ~0.80% compared to 0.80% over the past 10 years).
- C. Similar to last year, projections are not showing a need for an additional Elementary School in the 10 year projection period.

Middle School Level

- A. Does not currently exceed 107% LOS standard (current LOS is 80.3%).
- B. The projected growth rate at this level is expected to decrease, but remain positive over the next 10 years (average ~0.67% compared to 1.04% 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 101.2%).
- B. The projected growth rate at this level is expected to decrease, but remain positive over the next 10 years (average ~0.56% compared to 1.99% over the past 10 years).
- C. Projections are not showing a need to expand Cedar Ridge High School from the initial capacity of 1,000 students to 1,500 students in the ten year projection period. Last year's projections showed a need in 2022-23.

ADDITIONAL INFORMATION

The Schools Adequate Public Facilities Ordinance (SAPFO) student projections illustrate when the adopted level of service capacities are forecasted to be met and/or exceeded in anticipation of CIP planning and the construction of a new school. However, as is being identified by both school districts, a new trend is emerging to renovate and expand existing facilities to address school capacity needs in a more feasible way. As this trend continues, additional capacity resulting from school renovations and expansions will be added to the projection models in stages, once funding is approved, versus the addition of greater capacity when a new school is constructed and completed. The renovation and expansion to existing facilities may delay construction of new schools further into the future. This process will pose some challenges to SAPFO compared to the existing process which indicates in advance when a completely new school is needed. Decisions on the timing of reconstruction funding would be indirectly linked to the SAPFO model.

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: March 1, 2016

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

SUBJECT: Schools Adequate Public Facilities Ordinance (SAPFO) – Receipt and Transmittal of 2016 Annual Technical Advisory Committee Report

DEPARTMENT: Planning & Inspections

ATTACHMENT(S):

1. SAPFO Partners Transmittal Letter
2. Draft 2016 SAPFOTAC Annual Report and Larger Scale Projection Worksheets

INFORMATION CONTACT:

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

PURPOSE: To receive the 2016 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 7, 2015 Board of County Commissioners meeting, the Board approved the November 13, 2015 actual membership and capacity numbers (i.e. first part) for both Orange County Schools (OCS) and Chapel Hill-Carrboro City Schools (CHCCS).

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 Plan (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

CHCCS total decreased from the previous year: 86 students

(40) Elementary School

(17) Middle School

(29) High School

OCS total increase from the previous year: 3 students

59 Elementary School

(23) Middle School

(33) High School

() denotes decrease

4. Capacity Data

There were no changes to school capacities this year for Orange County Schools and Chapel Hill-Carrboro City Schools.

5. Capacity Information**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 and OCS did not exceed the adopted levels of service established in the SAPFO at this time nor do projections show a potential need at the elementary, middle, and high school levels within the 10-year planning period.

6. Student Projection Analysis**CHCCS**

Student membership projections show a mix of increases and decreases at all levels within the 10-year planning period. Projections are shown on page 38 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 of the report.

7. School Capacity CIP Needs Analysis**CHCCS**

Projected needs:

Elementary School

Projections show no needs in the next 10 years

Middle School

Projections show no needs in the next 10 years

High School

Projections show no needs in the next 10 years

OCS

Projected needs:

Elementary School Projections show no needs in the next 10 years

Middle School Projections show no needs in the next 10 years

High School Projections show no needs in the next 10 years

NOTE: School capacity improvements as part of a renovation/upgrade will be reviewed as necessary by the BOCC and school districts.

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 the Orange County Schools District. New construction activity, that had slowed in recent years due to the economic downturn, has seen an increase. 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, especially since the Town of Hillsborough is similarly in a residential growth mode.

8. Student Generation Rates

In recent years, the SAPFOTAC discussed the need for further evaluation of the adopted Student Generation Rates and the impacts the number of bedrooms a particular housing type may have on student generation rates. Orange County entered into a contract with TischlerBise to update the student generation rate analysis after funding for the study was approved. The updated student generation rates were approved on May 19, 2015 and are shown in Attachment II.E.1 on page 44 of the report. Updated rates began to be used for CAPS issuances in the fall of 2015 and are based on an inventory of recently built units from January 1, 2004 to December 31, 2013.

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 2016 SAPFOTAC report will be brought back to the BOCC for certification at the May 5, 2016 regular meeting.

10. Additional Information

Over the last year, the SAPFO Technical Advisory Committee and Orange County staff have reviewed and analyzed the number of proposed residential projects planned throughout the County. Many of these projects are in various stages of review and approval. In some cases, sole review authority lies with the jurisdiction so they are not necessarily submitted for review by the planning partners. The impacts on schools are not typically addressed by the municipality since local school funding occurs only at the County level. Nonetheless, residential dominant projects affect the appropriation of County funds available to all County services and therein indirectly affect municipal use of countywide services such as solid waste, health, library, aging, etc.

There are two primary parts to the SAPFO system. The first part, Certificate of Adequate Public Schools (CAPS), is the testing and gaging of the student generation rate (SGR) from development projects against available capacity within a school. The second part, student projections and capacity needs assessment, is the tracking of historical enrollment and the projection of future student enrollment against existing capacity at a certain school level. This part is not directly related to a development project, but a

current year outcome of how many children actually 'show up' in a school year. This includes non-new project related students from existing housing stock.

The purpose of explaining these two parts of the SAPFO system is to illustrate how projects can be approved as part of the CAPS system when capacity is available yet aberration in actual enrollment can cause future year projections to accelerate capital needs dramatically. The 10-year student projections developed for the SAPFO Annual Report forecast future school needs based on current student membership numbers and historic growth rates derived by the five projection models.

The process accounting for students once they are actually enrolled in the school system emphasizes a delay that exists from the time a residential development is approved and developed to when students begin to enter the system. For example, the significant proposed residential growth that has occurred in the recent past within Mebane's jurisdiction has yet to be seen with OCS student membership numbers and fully entered into the historically based projection methods. Orange County staff will continue to work with the SAPFO Technical Advisory Committee and the planning partners to monitor future residential development throughout Orange County.

In summary, although the SAPFO Technical Advisory Committee report does not show immediate capital needs, the development approvals in both school districts will, after a normal lag, accelerate capital school needs and renovations based on localized student increases at specific schools. These local impacts will have to be analyzed by the school district to determine the best method to resolve new demands (i.e. redistricting, renovation, new school construction, etc.).

FINANCIAL IMPACT: Current 10-year student growth projections show no future needs for additional schools in the CHCCS District and OCS District.

SOCIAL JUSTICE IMPACT: The following Orange County Social Justice Goal is applicable to this agenda item:

- **GOAL: ENSURE ECONOMIC SELF-SUFFICIENCY**

The creation and preservation of infrastructure, policies, programs and funding necessary for residents to provide shelter, food, clothing and medical care for themselves and their dependents.

RECOMMENDATION(S): The Manager recommends the Board:

1. Receive the 2016 SAPFOTAC Annual Report; and
2. Authorize the Chair to sign the transmittal letter to SAPFO partners contained in Attachment 1.