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March 8, 2017

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Chapel Hill, NC 27514

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Orange County Board of Education
200 E. King Street
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Town of Carrboro
301 W. Main Street
Carrboro, NC 27510

James Barrett, 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 2017 Annual SAPFOTAC Report. In accordance with the SAPFO Memoranda of Understanding (MOU), the Board of County Commissioners (BOCC) approved the November 15, 2016 actual membership and capacity numbers for Orange County Schools and Chapel Hill – Carrboro City Schools at its meeting on December 5, 2016.

The SAPFOTAC, comprised of representatives of both school systems and the Planning Directors of the County and Towns has produced the 2017 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 2017 Executive Summary and the March 7, 2017 BOCC meeting agenda item abstract when the BOCC received the draft report.

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2017 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 | 5567 | 66 | 3694 | 3293 | (25) |
| <i>Middle</i> | 2944 | 2829 | (15) | 2166 | 1724 | (15) |
| <i>High</i> | 3875 | 3762 | 61 | 2439 | 2446 | (23) |

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. 29

Analysis of 5 Years of Projections for 2016-17 School Year – Chapel Hill/Carrboro City Schools

(The first column for each year includes the student membership projection made for 2016-2017 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 2016-17 Membership | | | | | | | | | |
|-------------------|---------------------------|---|------|-----------|------|-----------|------|-----------|-----|-----------|-----|
| | Actual 2016 Membership | 2011-2012 | | 2012-2013 | | 2013-2014 | | 2014-2015 | | 2015-2016 | |
| Elementary | 5567 | 6026 | H459 | 5837 | H270 | 5845 | H278 | 5662 | H95 | 5552 | L15 |
| Middle | 2829 | 2987 | H158 | 3004 | H175 | 2962 | H133 | 2928 | H99 | 2830 | H1 |
| High | 3762 | 4018 | H256 | 4016 | H254 | 3893 | H131 | 3798 | H36 | 3757 | L5 |

High School Level

- A. Does not currently exceed the 110% LOS standard (current LOS is 97.1%).
- B. The projected growth rate at this level is expected to increase over the next 10 years (average ~0.72% compared to 0.45% 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 89.1%).
- B. The projected growth rate at this level is expected to decrease, but remain positive over the next 10 years (average ~0.51% compared to 1.02% 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 79.6%).
- B. The projected growth rate at this level is expected to decrease, but remain positive over the next 10 years (average ~0.36% compared to 0.92% 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 100.3%).
- B. The projected growth rate at this level is expected to decrease, but remain positive over the next 10 years (average ~0.22% compared to 1.53% over the past 10 years).
- C. Similar to last year, 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 10-year projection period.

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 7, 2017

Action Agenda
Item No. 6-f

SUBJECT: Schools Adequate Public Facilities Ordinance (SAPFO) – Receipt and Transmittal of 2017 Annual Technical Advisory Committee Report

DEPARTMENT: Planning and Inspections

ATTACHMENT(S):

1. SAPFO Partners Transmittal Letter
2. Draft 2017 SAPFOTAC Annual Report and Larger Scale Projection Worksheets

INFORMATION CONTACT:

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Craig Benedict, Director, 919-245-2575

PURPOSE: To receive the 2017 Annual Report of the SAPFO Technical Advisory Committee (SAPFOTAC) and transmit it to the SAPFO partners for comments before certification in May.

NOTE: The School Capacity Capital Investment Plan (CIP) Needs Analysis projects no new school capacity needs in the next 10 years for elementary, middle and high school levels for both Orange County Schools (OCS) and Chapel Hill-Carrboro City Schools (CHCCS).

ADDITIONAL NOTE: North Carolina General Assembly 2015 legislation may result in a 1:21 to 1:17 decrease in class size averages for kindergarten to third grade for the 2017-18 school year. However, pending action by the 2017 North Carolina General Assembly seeks to increase class size averages above 1:17, but to what ratio is unknown, in time for the 2017-18 school year. As an example, the 1:17 class size average would result in a decrease in capacity at the elementary school level of approximately 444 students for OCS and 660 students for CHCCS. In any event of ratio change, the BOCC would decide, with input from the schools, on when to implement the impact of the ratio/capacity change. This would likely occur when the school capacity is recertified each November along with new enrollment. Subsequent to this capacity, enrollment input, then future projections of school needs would be developed with this new data as part of the annual report. The calculations and conclusions detailed in the 2017 SAPFOTAC Annual Report are based on the approved 1:21 class size averages, as accepted by the BOCC with the approval of the 2008-09 Membership and Capacity numbers and certification of the 2009 SAPFOTAC Annual Report on May 5, 2009, which is when the last legislative change was implemented.

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 5, 2016 Board of County Commissioners meeting, the Board approved the November 15, 2016 actual membership and capacity

This year, CHCCS and OCS did not exceed the adopted levels of service established in the SAPFO, nor do projections show a potential need for additional capacity 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 39 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 38 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.

8. Student Generation Rates

The updated student generation rates were approved on May 19, 2015 and are shown in Attachment II.E.1 on page 45 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 2017 SAPFOTAC report will be brought back to the BOCC for certification at the May 16, 2017 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. These projects are in various stages of review and approval. In some cases, sole review authority lies with the local government jurisdiction so they are not necessarily submitted for review by our 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.