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ATTACHMENT 1

MOSES CAREY, JR. CHAIR  
BARRY JACOBS, VICE CHAIR  
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ORANGE COUNTY BOARD OF COMMISSIONERS  
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HILLSBOROUGH, NORTH CAROLINA 27278



April 16, 2007

Kevin Foy, Mayor  
Town of Chapel Hill  
405 Martin Luther King Jr. Blvd.  
Chapel Hill, NC 27514

Dennis Whitling, Chairperson  
Orange County Board of Education  
200 E. King Street  
Hillsborough, NC 27278

Mark Chilton, Mayor  
Town of Carrboro  
301 W. Main Street  
Carrboro, NC 27510

Jarnezetta Bedford, Chairperson  
Chapel Hill-Carrboro School Board  
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 2007 Annual SAPFOTAC Report. In accordance with the SAPFO Memoranda of Understanding (MOU), the Board of County Commissioners (BOCC) approved the November 16, 2006 actual membership and capacity numbers for Orange County Schools and Chapel Hill – Carrboro City Schools at their meeting on December 12, 2006.

The SAPFOTAC, comprised of representatives of both school systems and the Planning Directors of the County and Towns has produced the 2007 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 2007 Executive Summary and the April 10, 2007 BOCC meeting agenda item abstract when the BOCC received the draft report for review.

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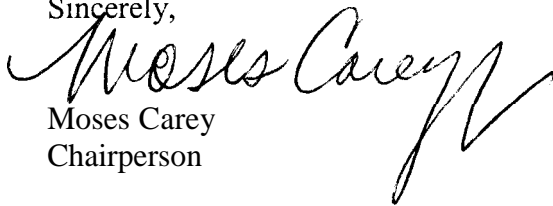
At the April 10, 2007 BOCC meeting, Commissioners asked Staff to obtain clearer information on how the reduced class size ratios will affect school capacity. The implementation of these new ratios is scheduled for the year after Chapel Hill – Carrboro City Schools Elementary School #10 opens. The enclosed charts entitled "Basis of Capacity Calculations, by School" have been forwarded via e-mail to Staff of each school district with a request to return the completed charts by April 20, 2007.

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/adminSAPFOTAC.asp>).

The 2007 Annual SAPFOTAC Report is scheduled to be certified by the BOCC at a regular meeting in June 2007. 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 **May 16, 2007**. Mr. Benedict can be reached by phone at (919) 245-2592, by e-mail at [cbenedict@co.orange.nc.us](mailto:cbenedict@co.orange.nc.us), or by fax at (919) 644-3002. Any comments received will be part of our agenda package in June.

Please share this information and the 2007 SAPFOTAC report with your respective boards.

Sincerely,



Moses Carey  
Chairperson

Enclosures

cc: Board of County Commissioners  
Laura Blackmon, Orange County Manager  
Robert L. Stancil, Manager, Town of Chapel Hill  
Steven Stewart, Manager, Town of Carrboro  
Eric Peterson, Manager, Town of Hillsborough  
Neil Pedersen, Superintendent, Chapel Hill-Carrboro City Schools  
Shirley Carraway, Superintendent, Orange County Schools

Craig Benedict, Orange County Planning Director  
Steve Scroggs, Assistant Superintendent, Chapel Hill – Carrboro City Schools  
J.B. Culpepper, Planning Director, Town of Chapel Hill  
Roy Williford, Planning Director, Town of Carrboro  
Margaret Hauth, Planning Director, Town of Hillsborough

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**ORANGE COUNTY  
BOARD OF COMMISSIONERS**

**ACTION AGENDA ITEM ABSTRACT**

**Meeting Date:** April 10, 2007

**Action Agenda**

**Item No.** 4-e

**SUBJECT:** Schools Adequate Public Facilities Ordinance (SAPFO) – Review of  
Annual Technical Advisory Committee Report

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**DEPARTMENT:** Manager/Budget/Planning/  
Attorney

**PUBLIC HEARING: (YIN)**

No

**ATTACHMENT(S):** Under Separate Cover

Draft 2007 SAPFOTAC Annual Report

**INFORMATION CONTACT:**

Craig Benedict, 245-2592

Donna Coffey, 245-2151

Geoff Gledhill, 732-2196

Perdita Holtz, 245-2611

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**PURPOSE:** To receive for review the 2007 Annual Report of the SAPFO Technical Advisory Committee (SAPFOTAC) and refer it to the SAPFO partners for comments before certification in mid-June.

**BACKGROUND:**

**1. Annual Report;**

Each year the SAPFO 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 services standards. There are two releases of the report. The first part is certified in the fall and then this full report in spring of each year is to keep the SAPFO system calibrated. At the December 12, 2006 Board of County Commissioners meeting, the Board approved the November 15, 2006 actual membership and previously adopted 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:**

CHCCS total increase from the previous year -- 127 students

101 Elementary School

20 Middle School

6 High School

OCS total increase from the previous year – 116 students,

66 Elementary School

-13 Middle School

63 High School

**4. Capacity Data:**

One change occurred in the Orange County School System with the opening of Gravelly Hill Middle School with the capacity of 700.

**5. Capacity Issues**

**SAPFO vs. DPI**

5a. The SAPFO is a 'freestanding' 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.

**The School Collaboration Work Group**

5b. The School Collaboration Work Group met in November 2005 to discuss Elementary level K-3 class size reductions related to legislation from the North Carolina Department of Public Instruction. They recommended that reductions in capacity be implemented equally in both school districts the year **after** the next elementary school opens. The next elementary school, CHCCS Elementary School # 10, is currently projected to be opened in 2008-09.

**Implementation of the Reduced Class Size Ratio**

5c. Implementation of the reduced class size ratio in the year after the new elementary school reduces capacity by 262 seats in CHCCS and 283 seats in OCS. This reduction in capacity in the entire CHCCS elementary system indirectly reduces the capacity increase in the system of the new school from 585 to 323. This results in the projected necessity of CHCCS Elementary School #11 in 201 0-11. OCS has level adequate capacity and the 283 'loss in seats' can be more easily 'absorbed' by the overall system.

**Implications of a Delay**

5d. Implications of a Delay in opening Elementary School #10 could result in an overcapacity situation at the Elementary level in CHCCS. If Elementary School #10 does not open until 2009-10, the result could be exceedance above 105% adopted level of service at this level during the 2008-09 school year. In accordance with the MOU and implementing regulations, CAPS (Certificate of Adequate Public Schools) would not be issued during a period of overcapacity. This means that development approvals for new residential structures could not be made for projects expected to generate students during periods of overcapacity. In essence, a deferral of development until the school is programmed.

**6. Student Projection Analysis**

Student membership projections are shown to increase at all levels in both schools as shown on page 51 of the report.

**7. Orange County Schools CIP Needs Analysis**

CHCCS

Projected need for:

New Elementary #10 in 2008-2009

New Elementary #11 in 2010-2011

New Middle School #5 in 2013-2014

Expanded High School 2016-2017

OCS

Projected needs:

None for Elementary, Middle or High School in the next 10 years

However, the SAPFOTAC report notes that development approval activity within the portion of the City of Mebane that lies within Orange County has been significant in recent years. Because the City of Mebane is not a party to the SAPFO, CAPS are not required to be issued by the local government prior to development approvals. At this time, there are approximately 1,450 approved but undeveloped residential subdivision lots within the portion of Mebane that lies within Orange County. Development of these lots is projected to generate approximately 365 additional students (over the three school levels) at current student generation rates. Once students actually enter the school system, faster enrollment increases will change projections and probably identify CIP needs within 10 years.

**8. Student Generation Rates**

The report also notes that Orange County anticipates contracting with Tischler & Associates in mid-2007 to study and, if necessary, update student generation rates.

**9. Access to Full Report**

The draft SAPFOTAC report has been 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 that the draft SAPFOTAC report will be brought back to the BOCC for certification at the June 12,2007 regular meeting.

**FINANCIAL IMPACT:** Current 10-year student growth projections show future needs for additional schools in the CHCCS District. Funding for CHCCS Elementary School #10 has been identified in the CIP for an opening date of 2008-09. Partially because of the reduction in capacity in 2008-09 related to State reduced class size legislation, CHCCS Elementary School #11 is projected to be needed in 2010-11. CHCCS Middle School #5 is projected to be needed in 2012-13 and expansion of Carrboro High School is expected to be necessary in 2016-17.

**RECOMMENDATION(S):**The Manager recommends that the Board

- a. Review the 2007 SAPFOTAC Annual Report; and
- b. Forward to the SAPFO partners for review and comment before June certification.

## 2007 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%

\* Temporarily suspended. Note: The opening of Gravelly Hill Middle School in October 2006 reinstated the CAPS test in OCS.

**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>	4921	4980	101	3920	3072	66
<i>Middle</i>	2840	2592	20	2166	1576	(13)
<i>High</i>	3035	3520	6	2533	2184	63

**C. Membership Date – November 15, 2005.....(No Change).....Pg.21**

**II. Annual Update to SAPFO System**

**A. Capital Investment Plan (CIP).....(Change).....Pg. 22**

**B. Student Membership Projection Methodology.....(No Change).....Pg. 23**

The average of 3, 5, and 10 year history/cohort survival and 2 linear projection models.

NOTE: A change proposed for implementation next year is noted and discussed.

**C. Student Membership Projections.....(Change).....Pg.38**

<b>5 Year out Snapshot Comparison</b>										
(arrow indicates whether there was an overestimate (up arrow) or underestimate (down arrow) in projection total between projection estimate for that future year and the actual year)										
	<i>Chapel Hill/Carrboro School District</i>					<i>Orange County School District</i>				
	<i>Year Projection Made</i>									
	2002	2003	2004	2005	2006	2002	2003	2004	2005	2006
	Projection made for Year 2007-2008									
<i>Elementary</i>	5405	5366 ↓	5040↓	5177↑	5142↓	3067	3126 ↑	3201↑	3134↓	3130↓
<i>Middle</i>	2954	2883 ↓	2677↓	2676↓	2622↓	1587	1656 ↑	1618↓	1595↓	1601↑
<i>High</i>	3719	3737 ↑	3651↓	3628↓	3599↓	1952	2070 ↑	2135↑	2148↑	2185↑

**D. Student Growth Rate.....(Change).....Pg. 48**

Average Annual Growth Rate over 10 Years								
	<i>Chapel Hill/Carrboro School District</i>				<i>Orange County School District</i>			
	2003	2004	2005	2006	2003	2004	2005	2006
<i>Elementary</i>	2.34%	1.79%	1.95%	2.03%	1.54%	1.68%	1.60%	1.49%
<i>Middle</i>	2.63%	1.91%	2.41%	2.35%	0.79%	1.50%	1.18%	1.39%
<i>High</i>	2.81%	2.04%	1.95%	2.04%	1.28%	1.21%	0.92%	0.99%

**E. Student / Housing Generation Rate.....(No Change).....Pg. 52**

Note: Orange County expects to enter into a contract with Tischler & Associates in mid 2007 which will include analyzing student generation rates and proposing updates if warranted.

**SCHOOL ADEQUATE PUBLIC FACILITIES ORDINANCE STATUS**

(based on future year Student Membership Projections)

A ‘Joint Action Committee’ (language used in original MOU) met in November 2005 to discuss Elementary level K-3 class size reductions related to legislation from the North Carolina Department of Public Instruction. The Committee has recommended that capacity changes be implemented equally in both school districts when the next elementary school opens which is anticipated to be CHCCS Elementary School #10 in 2008-09. When the reduced class size capacities go into effect, the result is 262 fewer seats available in CHCCS and 283 fewer seats available in OCS. The effect of this reduction is that the need for new elementary schools is accelerated because the loss of seats represents approximately 2 to 5 years of student growth.

**CHAPEL HILL/CARRBORO SCHOOL DISTRICT**

**Elementary School District**

- A. Does not currently exceed 105% LOS standards (current LOS is 101.2%).
- B. Decrease in the increase of the growth rate at this level over the next 10 years.
- C. Chapel Hill/Carrboro Elementary School #10 is scheduled for a 2008-09 opening. However, a 2009-10 may be a more realistic opening date due to approvals that need to occur and construction time. If Elementary School #10 does not open until 2009-10, the result could be an overcapacity situation at this level during the 2008-09 school year. In accordance with the MOU and implementing regulations, CAPS (Certificate of Adequate Public Schools) would not be issued during a period of overcapacity. This generally means that development approvals for new residential developments could not be made for projects expected to generate students during periods of overcapacity.
- D. Due partially to reduced class size capacities going into effect in 2008-09, the projections are showing a need for Elementary School #11 in 2010-11.

**Middle School District**

- A. Does not currently exceed 107% LOS standards (current LOS is 91.3%).
- B. Decrease in the increase of the growth rate at this level over the next 10 years.

- C. Chapel Hill/Carrboro Middle School #5 would likely be needed in 2013-14 versus the prior year projection of 2012-13.

**High School District**

- A. Currently exceeds the 110% LOS standard (current LOS is 116.0%), but Memorandum of Understanding (MOU) suspended the Certificate Adequate Public Schools (CAPS) adequacy test at this level so CAPS may still be issued.
- B. Increase in the increase of the growth rate at this level over the next 10 years.
- C. Chapel Hill/Carrboro High School #3 (Carrboro High School) is still needed as soon as possible with current construction schedule estimates at 2007-2008. After the high school opens, all school levels would be tested for CAPS, in accordance with the Schools APFO MOU. Expansion of Carrboro High School from the initial capacity of 800 students to the ultimate capacity of 1,200 students is projected to be needed in 2016-17 versus prior year projection of 2014-15.

**ORANGE COUNTY SCHOOL DISTRICT**

**Elementary School District**

- A. Does not currently exceed 105% LOS standard (current LOS is 78.4%).
- B. Steady increase of the growth rate at this level over the next 10 years.
- C. Does not affect or prompt CIP activity in 10-year timeframe. However, staff is monitoring new development activity in the Orange County portion of Mebane, which is not a party to the Schools APFO MOU.

**Middle School District**

- A. With the opening of Gravelly Hill Middle School in October 2006, the present LOS is 72.9%. The Certificate of Adequate Public Schools (CAPS) adequacy test at this level has been reinstated at this level.
- B. Small decrease in the increase of the growth rate at this level over the next 10 years.
- C. Does not affect or prompt CIP activity in 10-year time frame.

**High School District**

- A. Does not currently exceed 110% LOS (current LOS is 86.6%).
- B. Slight increase in the increase of the growth rate at this level over the next 10 years.
- C. Does not affect or prompt CIP activity in 10-year time frame.

NOTE: In August 2006, the Orange County Board of Education redistricted all school districts at all levels concurrent with the opening of Gravelly Hill Middle School to re-balance individual school capacities. LOS is linked to the totals of all schools within a level; therefore, the Schools APFO does not have a LOS for a specific school so redistricting by the Board of Education can independently ameliorate the unique school condition. An understanding of locational growth from the local governments assists in this rebalancing.



**Orange County Schools  
Basis of Capacity Calculations, by school**

<b>Name of School</b>	<b>Current number of K through 3 classrooms</b>	<b>Teacher/student class size ratio used in current capacity calculations</b>	<b>Proposed teacher/student class size ratio</b>	<b>Number of K through 3 classrooms needed at 1:21 class size ratio</b>	<b>Total School Capacity at 1:21 K through 3 class size</b>
Cameron Park			1:21		
Central			1:21		
Efland-Cheek			1:21		
Grady Brown			1:21		
Hillsborough			1:21		
New Hope			1:21		
Pathways			1:21		
<b>TOTALS</b>					

(15)

Note: If different class size ratios were used to determine capacity within a given school, please insert an additional row(s) and account for the number of K through 3 classrooms at each ratio.

**Chapel Hill-Carrboro City Schools  
Basis of Capacity Calculations, by school**

<b>Name of School</b>	<b>Current number of K through 3 classrooms</b>	<b>Teacher/student class size ratio used in current capacity calculations</b>	<b>Proposed teacher/student class size ratio</b>	<b>Number of K through 3 classrooms needed at 1:21 class size ratio</b>	<b>Total School Capacity at 1:21 K through 3 class size</b>
Carrboro			1:21		
Ephesus			1:21		
Estes Hills			1:21		
Glenwood			1:21		
FP Graham			1:21		
McDougle			1:21		
Rashkis			1:21		
Scroggs			1:21		
Seawell			1:21		
<b>TOTALS</b>					

(1)

Note: If different class size ratios were used to determine capacity within a given school, please insert an additional row(s) and account for the number of K through 3 classrooms at each ratio.