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ATTACHMENT 1

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May 5, 2008

ORANGE COUNTY BOARD OF COMMISSIONERS
POST OFFICE BOX 8181
200 SOUTH CAMERON STREET
HILLSBOROUGH, NORTH CAROLINA 27278



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

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

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Town of Carrboro
301 W. Main Street
Carrboro, NC 27510

Pam Hemminger, Chair
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 2008 Annual SAPFOTAC Report. In accordance with the SAPFO Memoranda of Understanding (MOU), the Board of County Commissioners (BOCC) approved the November 15, 2007 actual membership and capacity numbers for Orange County Schools and Chapel Hill – Carrboro City Schools at their meeting on December 11, 2007.

The SAPFOTAC, comprised of representatives of both school systems and the Planning Directors of the County and Towns has produced the 2008 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 2008 Executive Summary and the May 1, 2008 BOCC meeting agenda item abstract when the BOCC received the draft report for review.

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/admin_SAPFOTAC.asp).

www.co.orange.nc.us

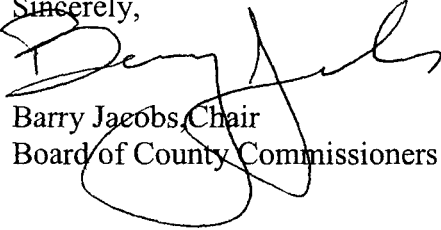
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The 2008 Annual SAPFOTAC Report is scheduled to be certified by the BOCC at a regular meeting in June 2008. Therefore, if you have any comments pertaining to the report, please forward them to Craig N. Benedict, Planning Director, no later than 5:00 p.m. on **May 30, 2008**. Mr. Benedict can be reached by phone at (919) 245-2592, by e-mail at 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 2008 SAPFOTAC report with your respective boards.

Sincerely,



Barry Jacobs, Chair
Board of County Commissioners

Enclosures

cc: Board of County Commissioners
Laura Blackmon, Orange County Manager
Roger 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
Patrick Rhodes, 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

2008 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%

Note: The opening of Carrboro High School in August 2007 reinstated the CAPS test in CHCCS.

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	5173	193	3922	3158	86
<i>Middle</i>	2840	2622	30	2166	1637	61
<i>High</i>	3835	3635	115	2533	2201	17

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

II. Annual Update to SAPFO System

A. Capital Investment Plan (CIP).....(Change).....Pg. 18

B. Student Membership Projection Methodology.....(No Change).....Pg. 19

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

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

Analysis of 5 Years of Projections for 2007-08 School Year – Chapel Hill Carrboro City Schools						
<i>(The number in brackets [n] is the number of students the projection was off compared to actual membership. A number in parenthesis within the brackets [(n)] indicates the projection was low compared to the actual whereas a number not in parenthesis indicates the projection was high compared to the actual.)</i>						
	Actual 2007 Membership	Year Projection Made for 2007-08 Membership				
		2002	2003	2004	2005	2006
<i>Elementary</i>	5173	5405 [232]	5366 [193]	5040 [(133)]	5177 [4]	5142 [(31)]
<i>Middle</i>	2622	2954 [332]	2883 [261]	2677 [55]	2676 [54]	2622 [0]
<i>High</i>	3635	3719 [84]	3737 [102]	3651 [16]	3628 [(7)]	3599 [(36)]

Analysis of 5 Years of Projections for 2007-08 School Year – Orange County Schools

(The number in brackets [n] is the number of students the projection was off compared to actual membership. A number in parenthesis within the brackets [(n)] indicates the projection was low compared to the actual whereas a number not in parenthesis indicates the projection was high compared to the actual.)

		Year Projection Made for 2007-08 Membership				
	Actual 2007 Membership	2002	2003	2004	2005	2006
Elementary	3158	3067 [(91)]	3126 [(32)]	3201 [43]	3134 [(24)]	3130 [(28)]
Middle	1637	1587 [(50)]	1656 [19]	1618 [(19)]	1595 [(42)]	1601 [(36)]
High	2201	1952 [(249)]	2070 [(131)]	2135 [(66)]	2148 [(53)]	2185 [(16)]

D. Student Growth Rate.....(Change).....Pg. 47

Average Annual Growth Rate over 10 Years										
	Chapel Hill/Carrboro School District					Orange County School District				
	2003	2004	2005	2006	2007	2003	2004	2005	2006	2007
Elementary	2.34%	1.79%	1.95%	2.03%	1.85%	1.54%	1.68%	1.60%	1.49%	1.84%
Middle	2.63%	1.91%	2.41%	2.35%	2.58%	0.79%	1.50%	1.18%	1.42%	1.78%
High	2.81%	2.04%	1.95%	2.04%	2.31%	1.28%	1.21%	0.92%	0.98%	1.49%

E. Student / Housing Generation Rate.....(No Change).....Pg. 50

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 228 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. Exceeded 105% LOS standard this year (current LOS is 105.1%).
- B. Decrease in the increase of the growth rate at this level over the next 10 years.
- C. Chapel Hill/Carrboro Elementary School #10 (to be named Morris Grove Elementary) is scheduled to open in August 2008.

- D. Due partially to reduced class size capacities going into effect the year after Elementary School #10 opens, 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 92.3%).
- B. Decrease in the increase of the growth rate at this level over the next 10 years.
- C. Chapel Hill/Carrboro Middle School #5 is projected to be needed in 2013-14.

High School District

- A. Carrboro High School opened in August 2007 with 800 additional seats. Does not currently exceed the 110% LOS standard (current LOS is 94.8%).
- B. Increase in the increase of the growth rate at this level over the next 10 years.
- C. 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 2015-16.

ORANGE COUNTY SCHOOL DISTRICT**Elementary School District**

- A. Does not currently exceed 105% LOS standard (current LOS is 80.5%).
- B. 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 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. Does not currently exceed 107% LOS standard (current LOS is 75.6%).
- 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 87.4%).
- 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.

ORANGE COUNTY
BOARD OF COMMISSIONERS

ACTION AGENDA ITEM ABSTRACT

Meeting Date: May 1, 2008

Action Agenda
Item No. 4-K

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

DEPARTMENT: Manager/Budget/Planning/
Attorney

PUBLIC HEARING: (Y/N)

No

ATTACHMENT(S):
Draft 2008 SAPFOTAC Annual Report
(Under Separate Cover)

INFORMATION CONTACT:
Craig Benedict, 245-2592
Donna Coffey, 245-2151
Geoff Gledhill, 732-2196
Perdita Holtz, 245-2611

PURPOSE: To receive for review the 2008 Annual Report of the SAPFO Technical Advisory Committee (SAPFOTAC) and refer it to the SAPFO partners for comments before certification in 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 (Student Membership and Capacity) is certified in the fall and then this full report in the spring of each year is to keep the SAPFO system calibrated. At the December 11, 2007 Board of County Commissioners meeting, the Board approved the November 15, 2007 actual membership and previously adopted 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 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 – 338 students

193 Elementary School

30 Middle School

115 High School

OCS total increase from the previous year – 160 students

86 Elementary School

57 Middle School

17 High School

4. Capacity Data:

One change occurred in the CHCCS System with the opening of Carrboro High School with a capacity of 800.

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. It recommended that reductions in capacity be implemented equally in both school districts when (or after) the next elementary school opens. The next elementary school, CHCCS Elementary School #10 (Morris Grove Elementary), is currently under construction and on track to be open in August 2008.

Implementation of the Reduced Class Size Ratio

5c. Implementation of the reduced class size ratio when the new elementary school opens reduces capacity by 262 seats in CHCCS and 228 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 2010-11. OCS has adequate capacity and the 228 '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 #11 could result in an overcapacity situation at the Elementary level for CHCCS. If Elementary School #11 does not open when it is needed (actual year needed is dependent on the actual growth in student membership in upcoming years), the result could be exceedance above the 105% adopted level of service at this level. 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 49 of the report.

7. Orange County Schools Systems; CIP Needs Analysis

CHCCS

Projected need for:

- New Elementary #10 in 2008-2009
- New Elementary #11 in 2010-2011
- New Elementary #12 in 2016-2017
- New Middle School #5 in 2013-2014
- Expanded High School 2015-2016

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 1,000 approved but undeveloped residential subdivision lots within the portion of Mebane that lies within Orange County. Development of these lots is projected to generate almost 300 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 contracted with Tischler & Associates in 2007 to study and, if necessary, update student generation rates. Results of the consultant's analysis are expected to be released in June 2008.

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 24, 2008 regular meeting.

FINANCIAL IMPACT: Current 10-year student growth projections show future needs for additional schools in the CHCCS District. 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,

(12)

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Elementary School #12 is projected to be needed in 2016-17, 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 2008 SAPFOTAC Annual Report; and
- b. Forward to the SAPFO partners for review and comment before June certification.