

**ORANGE COUNTY
BOARD OF EDUCATION**

AGENDA ITEM ABSTRACT

Meeting Date: November 21, 2011

AGENDA ITEM No. 11-11-(2)-15

ACTION ITEM: (Y/N) N

SUBJECT: Collaboration Meeting Report

INFO. CONTACT: Donna Coffey, Chair; Patrick Rhodes, Superintendent **PHONE:** 919-732-8126

ATTACHMENTS:

1. Proposed Meeting Plan for the County/Schools Collaboration Work Group.
2. Projected Facility Improvements Collaboration Meeting PowerPoint.

PURPOSE: The purpose of this item is for the board chair and other attendees to provide a report of the November 17, 2011 collaboration meeting.

BACKGROUND: Board Chair Donna Coffey, Board Member Brenda Stephens and Superintendent Rhodes attended the quarterly collaboration meeting. Mrs. Stephens attended for Vice Chair Dr. Halkiotis. At the time of board packet preparation, the proposed agenda to be used for the meeting had been received and is attached. As noted from the November 7, 2011 board meeting, board members discussed the following items for inclusion on the agenda: Cedar Ridge High School instructional wing and auxiliary gymnasium; process for setting agenda topics for annual school boards and county commissioners' joint meeting; Orange County Schools capital improvement needs; other alternative funding formulas. These items were presented at the meeting for discussion.

FINANCIAL IMPACT: None.

RECOMMENDATION: The Superintendent recommends the Board of Education hear the report and discuss the collaboration agenda topics.

Proposed Meeting Plan for the County/Schools Collaboration Work Group

Thursday, November 17, 2011 1:00 PM – 3:00 PM
Lincoln Center, Chapel Hill

Expected Attendees (16): Work Group Members (9): Jamezetta Bedford, Mia Burroughs, Frank Clifton, Donna Coffey, Tom Forcella, Steve Halkiotis, Bernadette Pelissier, Patrick Rhodes, Steve Yuhasz. Staff (7): Clarence Grier, Paul Laughton, Todd LoFrese, George McFarley, Jr., Michael Talbert, Greg Wilde, Andy Sachs (facilitator).

Proposed Agenda

1:00 Convene

- Introductions, as needed
- Review proposed Desired Outcomes and Agenda for today's meeting.

1:15 Debriefing two events since previous meeting

1/4-cent sales tax referendum: Group members will debrief the process and outcome of the referendum and consider whether there are any implications of the results for the Work Group. *20 minutes*

September 22 Joint Boards meeting: Note highlights of the Joint Boards meeting, and consider whether there is any follow-up tasks for the Work Group. *10 minutes*

1:45 School Facilities

- Presentations by OCS on its needs, *15 minutes*
- Q&A
- Presentation by OCS on its analysis of the impact of the current funding formula on its "pay as you go" flow. *15 minutes*
- Q&A
- Reminder by Mr. Grier on his efforts thus far to analyze and develop recommendations on changing the funding formula. *10 minutes*
- Discussion: Have we agreement on what is not working with respect to the current funding formula and/or on a shared vision for how we'd all be better off from changing the funding formula? What do we need to move forward together on this?

2:50 Wrap Up

Agenda items and date(s) for any next Work Group meeting.

3:00 Adjourn

Work Group Ground Rules (adopted 1/27/04, amended 4/9/07)

- One speaker at a time.
- Stick to task and topic.
- Listen attentively to the speaker.
- Share the floor.
- It is OK to disagree...please do so respectfully.
- Raise and discuss new ideas, doubts and differences with the group before going public.
- Decisions will be made within this group by unanimous consent among group members (although not necessarily with equal levels of enthusiasm).
- Items will appear on Work Group final meeting agenda only by group decision. Each Work Group meeting will begin with a review by the group of the meeting's proposed agenda.

ORANGE COUNTY
Schools

Projected Facility Improvements


Collaboration Meeting

November 17, 2011

ORANGE COUNTY
Schools

Older Schools

Central Elementary School	1952
Efland-Cheeks Elementary School	1952
Hillsborough Elementary School	1952
Cameron Park Elementary School	1956
Orange High School	1962
C.W. Stanford Middle School	1968
Grady A. Brown Elementary School	1974



ORANGE COUNTY
Schools

ORANGE COUNTY <i>schools</i>	
Newer Schools	
New Hope Elementary School	1991
A.L. Stanback Middle School	1995
Pathways Elementary School	2000
Cedar Ridge High School	2002
Gravelly Hill Middle School	2006
Partnership Academy	2006

ORANGE COUNTY <i>schools</i>	
The Cost of Aging	
Renovations and Upgrades for Newer Schools:	
	\$4,266,517
(Average of \$711,086 per Building)	
Renovations and Upgrades for Older Schools:	
	\$12,054,780
(Average of \$1,722,111.43 per Building)	

ORANGE COUNTY <i>schools</i>	
Capital Projects in Older Schools	
Roofing Projects (4 schools)	
Security Upgrades (6 schools)	
Flooring/Tile Replacement (4 schools)	
HVAC Replacements (5 schools)	
Bathroom Renovations (4 schools)	
Green Renovations (5 schools)	

ORANGE COUNTY
schools

Orange High School
(1962)

Science Lab Upgrades

Technology Infrastructure Expansion

Electrical Enhancements

Occupational Classroom Renovations

ORANGE COUNTY
schools

Cedar Ridge High School

New Academic Wing

Auxiliary Gym

ORANGE COUNTY
schools

Average Age of OCS Facilities: 36 years

\$55 Million in Capital Needs

Highlights the Need for an Equitable
Funding Formula to Address Needs of Older
Buildings

Orange County
Pay-As-You-Go Capital Funding
Formula Analysis

November 17, 2011
Presentation to School Collaboration

Pay-As-You-Go Capital Funding Analysis

Current County Capital Funding Policy – Debt Service Shared by All Parties

A B C D

		Year 1: No New Debt	
1	Revenue		
2	Property Tax	\$28.0	
3	Sales Tax	\$12.0	
4	School Construction Impact Fees	\$1.0	
5	Total Revenue	\$41.0	
6	Less Debt Service	(\$29.0)	
7	Pay-As-You-Go Revenue to Distribute Between 3 Entities	\$12.0	
8			
		Distribution of PAYG Revenue	
9		County Share (40%)	CHCCS Share (61% of 60% allocated to schools) OCS (39% of 60% allocated to schools)
10		\$4.8	\$4.4
11	Lottery	\$0.0	\$1.3
12	Total PAYG Revenue	\$4.8	\$5.7

The amounts provided in the table below are hypothetical and for comparison purposes only. They are not intended to reflect actual funding.

Pay-As-You-Go Capital Funding Analysis

Current County Capital Funding Policy – Debt Service Shared by All Parties

		Year 2: Debt Service Increases by \$4 Million ⁽¹⁾
1		
2	Property Tax	\$28.0
3	Sales Tax	\$12.0
4	School Construction Impact Fees	\$1.0
5	Total Revenue	\$41.0
6	Less Debt Service	(\$33.0)
7	Pay-As-You-Go Revenue to Distribute Between 3 Entities	\$8.0
8		
		Distribution of PAYG Revenue
9		
		County Share (40%)
10		\$3.2
		CHCCS Share (61% of 60% allocated to schools)
11	Lottery	\$0.0
		OCS (39% of 60% allocated to schools)
12	Total PAYG Revenue	\$4.2

⁽¹⁾ Assumes \$1 Million County and \$3 Million CHCCS

The amounts provided in the table below are hypothetical and for comparison purposes only. They are not intended to reflect actual funding.

Pay-As-You-Go Capital Funding Analysis

Alternative Capital Funding Allocation Whereby Each Entity's Debt Allocation Comes Directly from Their Respective Share of PAYG Revenue

15 E F G H

16	Year 2: Debt Service Increases by \$4 Million ⁽¹⁾			
17				
18	Property Tax		\$28.0	
19	Sales Tax		\$12.0	
20	Total Revenue		\$40.0	
21		Distribution of PAYG Revenue		
22		County Share (40%)	CHCCS Share (61% of 60% allocated to schools)	OCS (39% of 60% allocated to schools)
23		\$16.0	\$14.6	\$9.4
24	Lottery	\$0.0	\$1.3	0.9
25	School Construction Impact Fees		\$0.5	\$0.5
26	Total PAYG Revenue	\$16.0	\$15.9	\$10.3
27	Less Debt Service	(\$11.0)	(\$15.0)	(\$7.0)
28	PAYG Revenue Remaining After Debt Service	\$5.0	\$0.9	\$3.3

(1) Assumes \$1 Million County and \$3 Million CHCCS

The amounts provided in the table below are hypothetical and for comparison purposes only. They are not intended to reflect actual funding.