

GUILFORD COUNTY BOARD OF EDUCATION REQUEST FOR BOND REFERENDUM

BOARD OF EDUCATION
MARCH 10, 2020

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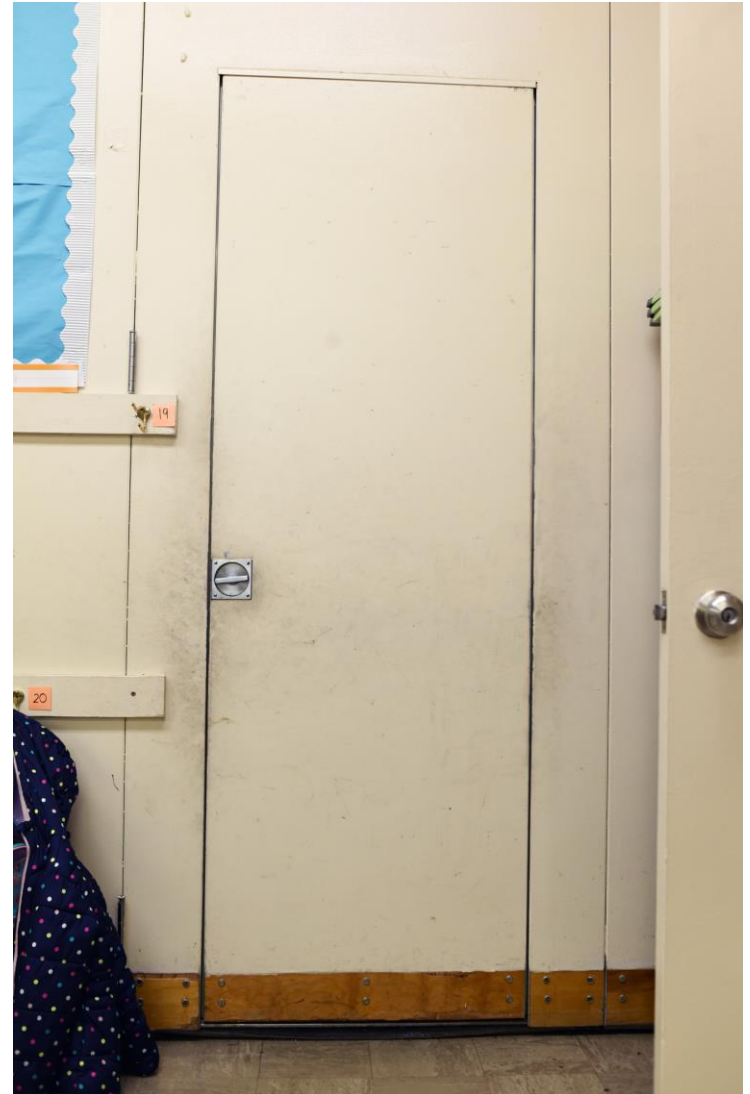


A 2011 Council of Great City Schools survey of 50 urban school districts found that these systems alone needed some **\$100.5 billion** in total facility needs.

- **\$20.1 billion** in new construction
- **\$61.4 billion** in repair, renovation and modernization
- **\$19 billion** in deferred maintenance costs

“2016 State of Our Schools”

- **\$145 billion should be spent nationwide each year to provide 21st century facilities for all children;**
- **In 2017, the American Society of Civil Engineers gave a grade of D+ for America’s school infrastructure;**
- **Annual underinvestment in school facilities of \$38 billion, which only serves to compound the deterioration of the nation’s schools ever year.**



What are the responsibilities of the Board of County Commissioners with respect to school facilities?

It is the duty of the *board of county commissioners* to provide, within a reasonable time, the funds which they, upon investigation, find to be necessary for providing their county with buildings suitably equipped.

§ 115C-408. Funds under control of the State Board of Education.

....It is the policy of the State of North Carolina that the facilities requirements for a public education system will be met by county governments...

§ 115C-521. Erection of school buildings.

... The boards of commissioners shall be given a reasonable time to provide the funds which they, upon investigation, shall find to be necessary for providing their respective units with buildings suitably equipped, and it shall be the duty of the several boards of county commissioners to provide funds for the same...

Board of Education, Board of County Commissioners Joint Facilities Committee

- Began meeting in March 2017;
- Issued RFQ for School Assignment Optimization and Facilities Condition Assessment (responses due May 23, 2017);
- Vendor selected August 2017;
- Final report from MGT presented to committee on March 14, 2019;
- GCS partnered with Cooperative Strategies in development of Facilities Master Plan (using data from MGT Facilities Condition Assessment report);
- Facilities Master Plan presented to committee on November 26, 2019;
- Phased lists provided in December 2019 and January 2020.

Joint Facilities Committee

Facility condition
assessment performed by
MGT Consulting Group

- Identified and fixed current deficiencies
- Identified and addressed capacity needs
- Identified ~\$800M in deferred maintenance



MGT Consulting Group

Building Condition Scores Explained

90+	<p>New or Like New: The building and/or a majority of its systems are in very good condition and only require preventive maintenance; only a few, if any, systems have reached their expected life-cycle age. The total replacement cost of any “expired” systems is less than 10% of the current replacement value of the facility.</p>
80-89	<p>Good: The building and/or a majority of its systems are in good condition and only require routine maintenance; the total replacement cost of systems that have reached or exceed their expected service life (life-cycle age) is between 10 and 20% of the current replacement cost of the facility.</p>
70-79	<p>Fair: The building and/or some of its systems are in fair condition based on age and operations; the total replacement cost of systems that have reached or exceed their expected service life (life-cycle age) is between 20 and 30% of the current replacement cost of the facility.</p>
60-69	<p>Poor: The building and/or a significant number of its systems are in poor condition and require major repair, renovation, or replacement; the total replacement cost of systems that have reached or exceed their expected service life (life-cycle age) is between 30 and 40% of the current replacement cost of the facility.</p>
BELOW 60	<p>Unsatisfactory: The building and/or a majority of its systems should be replaced due to risk of system failure, inefficient operation and increased maintenance requirements; the total replacement cost of systems that have reached or exceed their expected service life (life-cycle age) is greater than 40% of the current replacement cost of the facility.</p>

MGT Consulting Group

Educational Suitability Scores Explained

90+	Excellent: The facility is designed to provide for and support the educational/governmental program offered. It may have minor suitability/functionality issues but overall it meets the needs of the educational/governmental program.
80-89	Good: The facility is designed to provide for and support a majority of the educational/governmental program offered. It may have minor suitability/functionality issues but generally meets the needs of the educational/governmental program.
70-79	Fair: The facility has some problems meeting the needs of the educational/governmental program and will require remodeling/renovation.
60-69	Poor: The facility has numerous problems meeting the needs of the educational/governmental program and needs significant remodeling, additions, or replacement.
BELOW 60	Unsatisfactory: The facility is unsuitable in support of the educational/governmental program.

FACILITIES MASTER PLAN

- Every school is touched
- Identifies and fixes current deficiencies
- Identifies and addresses capacity needs
- Technology, safety and security upgrades
- Modernizes existing facilities
- Improves school choice options
- The current study has only \$225M in deferred maintenance, shifting instead to replacing or fully renovating facilities that are too small, and/or have too many deficiencies to continue investments





Full renovation and rebuilding of facilities in the worst condition

- Schools in worst condition
- Schools in need of modern design
- Consolidate, rebuild central support buildings



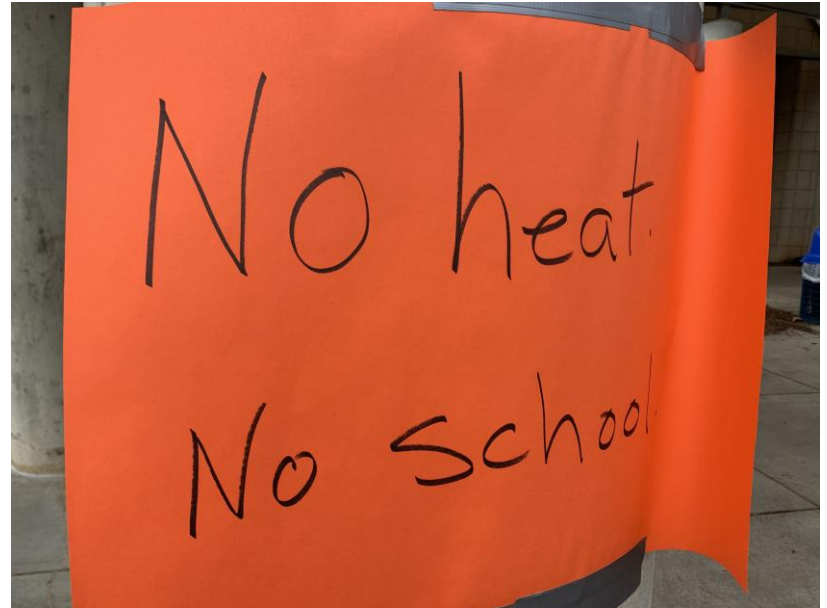
New construction and additions for residential growth and economic development

- Addresses residential growth in Northwest, Northern and Southwest areas
- Aligns CTE programs to job growth in Triad area
- Additions to address overcrowding when a new school is not required



Priority Repairs

- Repairs identified in the condition assessment for schools not being rebuilt, replaced or fully renovated as prioritized by the District

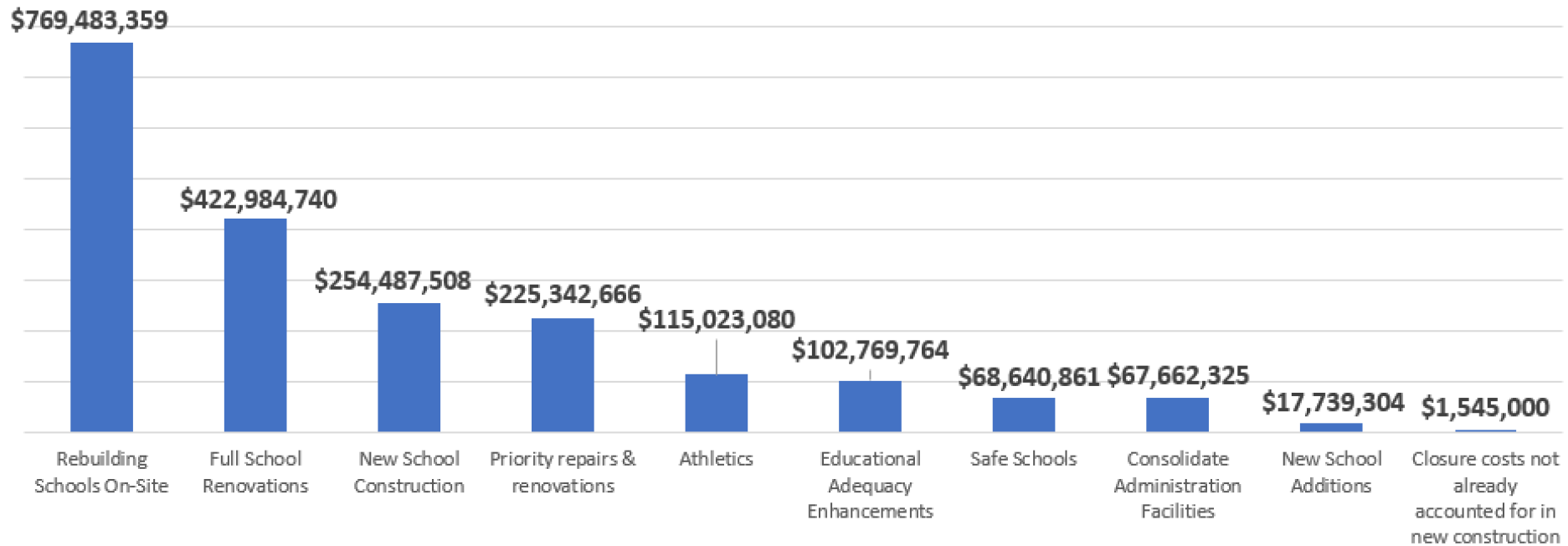


Invests in technology and safe schools

- Reduces infrastructure and site vulnerability
- Wireless classrooms
- Sufficient bandwidth for every site
- 2:1 digital devices
- Replaces outdated technology



Guilford County Schools Long-Range Facilities Master Plan \$2,045,678,606



Cost of Facilities Master Plan*

(in 2020 dollars)

Original plan	\$2,045,678,606
5 STEM Centers	61,800,000
Rebuild Lindley K-8 vs. addition	28,177,712
Total	\$2,135,656,318

*Includes 3% project management costs

Summary of Results

- Below is a summary of the estimated property tax impacts generated by each of the scenarios analyzed:

Scenario	Referendum Amount	Sales Tax ¹	Property Tax Increase ²
1A	\$700 million	None	1.99¢
1B	\$700 million	¼ Cent	-
1C	\$700 million	½ Cent	-
2A	\$800 million	None	2.90¢
2B	\$800 million	¼ Cent	-
2C	\$800 million	½ Cent	-
3A	\$900 million	None	3.98¢
3B	\$900 million	¼ Cent	0.31¢
3C	\$900 million	½ Cent	-
4A	\$1 billion	None	4.88¢
4B	\$1 billion	¼ Cent	1.21¢
4C	\$1 billion	½ Cent	-

¹ If included, assumes full year of collection starting in FY2022.

² Assumes revenues generated from property tax increase begin in FY2022 and remain in place for life of bonds.

Timetable

Publish notice of intention to apply to LGC	by March 9, 2020 <i>(July 27, 2020)</i>
School board adopts resolution petitioning for issuance of bonds	by March 10, 2020 <i>(August ??, 2020)</i>
File LGC application	by March 19, 2020 <i>(August 6, 2020)</i>
Introduce bond order, set public hearing and file statement of debt; adopt preliminary resolution described in LGC application*	March 19, 2020 <i>(August 6, 2020)</i>
Publish bond order as introduced with notice of public hearing	by March 27, 2020 <i>(August 14, 2020)</i>
Public hearing, adopt bond order and set referendum date	April 2, 2020 <i>(August 20, 2020)</i>
Publish bond order as adopted and notice of referendum	as soon as convenient after April 2, 2020 <i>(August 20, 2020)</i>

Timetable (continued)

Need to coordinate ballot process with Board of Elections

Mid July

Absentee ballots available	by September 4, 2020
Publish notice of referendum**	by October 2, 2020
Last day to register for referendum	October 9, 2020
Referendum	November 3, 2020
Canvass of returns by Board of Elections	November 13, 2020
Referendum results certified and declared by resolution	at first meeting after canvass
Publish statement of result of referendum	as soon as convenient after election results certified

Board of County Commissioners

Public Hearing

§ 159-57. Hearing; passage of bond order.

On the date fixed for the public hearing, which shall be not earlier than six days after the date of publication of the bond order as introduced, the board shall hear anyone who may wish to be heard on the question of the validity of the order or the advisability of issuing the bonds. The hearing may be adjourned from time to time.

After the hearing, (and on the same day as the hearing, if the board so desires) the board may pass the order as introduced, or as amended. No amendment may increase the amount of bonds to be issued, nor substantially change the purpose of the issue. If the board wishes to increase the amount of bonds to be issued, or to substantially change the purpose of the issue, a new proceeding under this Article is required.

Phase I = \$1.6 billion*

Includes:

- Land acquisition for 7 sites
- 38 Rebuilds, replacements & full renovations
- 3 New schools
- 2 Priority repairs (one with an addition)
- Includes all schools with a MGT combined score less than 60 (unsatisfactory)

* Includes average inflation rate of 5% per year

Recommendation:

The Guilford County Board of Education **approve** **a resolution** requesting that the Guilford County Board of Commissioners place a school construction bond referendum in the amount of \$1,600,000,000 on the November 2020 election ballot for approval by the voters of Guilford County.

Then what?

Following voter approval of the school construction bond referendum, the Board of Education will submit request(s) for project ordinance approval for each of the projects to the Board of County Commissioners.

DISCUSSION/QUESTIONS