

School Adequate Public Facilities Program and Funding Review Committee

**AGENDA
Meeting #10
July 31, 2013
6:00 pm**

- Review and Approval of the Meeting Minutes of July 17th
- Action on Draft Issue Paper #2 “Treatment of Minor Subdivisions”
- Action on Draft Issue Paper #4 “School Construction Funding – County Funding Sources”
- Introduce Issue Paper #3 “School Capacity Measurement”
- Introduce Issue Paper #5 “DRRA School Allocations”
- Introduce Issue Paper #6 “School Construction Program”

The next meeting is tentatively scheduled for August 14th at 6:00 PM in the County Government Conference Room.

**This agenda is tentative and is subject to adjustment at the discretion of the Committee.*

Supplemental Information (Issue Paper #4)

Utility Taxes – Six counties have enacted utilities taxes. The State allows the Counties to tax telephone service and energy usage. The projected revenues below are based on a per capita amount generated by other counties.

Tax	Rate	Potential Yield
Telephone (Residential only)	8% sales tax (AA Co.)	\$1.5 million
Telephone (non-residential, residential and wireless)	8% sales tax (PG Co.)	\$6.3 million
Electricity	1.25% per Kwh (St. Mary's)	\$1.2 million
Electricity	\$0.006489 per Kwh (PG Co.)	\$8.8 million

While Charles County's predominate energy usage is from electricity, it should be noted that 5 counties tax other energy sources such as natural gas, LP gas, and fuel oil.

School Construction Program

Issue 1: The County's school construction program has not been able to keep pace with the BOE's enrollment and capacity projections in certain areas of the County.

Summary of Findings

The Committee found that the current School Construction CIP has a new high school opening September 2014. The Projected Enrollment and Capacity analysis (Step Charts) indicates the need to open a new elementary school by 2018. The current CIP includes a new elementary school to satisfy the projected need on a county-wide basis. Based on the Enrollment and Capacity analysis, the county-wide need for a new Middle School will occur approximately in the years 2020-21. The Committee acknowledged that the county-wide need may not reflect the regional need for elementary and middle schools. Recognizing that it is not always feasible or desirable to bus students long distances to balance the capacity to need discrepancies, there may be a need to accelerate school construction ahead of the planned CIP. Once this need is established, then it will be necessary to determine the best way to meet the need. For example, is new school construction optimum or can additions serve the localized capacity needs?

Alternatives Evaluation

1. **Expedite school construction by forward funding schools in advance of meeting the needs criteria for state funding.** *(Also discussed in Issue Paper #1)* One approach is to seek State funding for every other school to accelerate the Board of Education's construction program. Fiscal Services Staff cautions that forward funding every other school may inadvertently relieve the State Government from funding responsibilities. It is recommended that County School Construction needs to use a strategy that maximizes State funding. Spreading County forward funding over two schools may better maximize State participation.
2. **Maximize existing school capacity by moving relocatables.** *(From Public Outreach Meeting)* Any alternatives regarding moving relocatable classrooms needs to be sensitive to the Cost/Benefit of the action. A 2005 Analysis by the BOE will be helpful in analyzing an alternative involving the moving of portable classrooms. Any analysis should include the determination of ownership of the classrooms since 61 units in the County system are State owned. It should be noted that State owned units have restrictions and protocols to follow before relocating. BOE staff generally finds that moving relocatables is not a cost effective way to add temporary capacity to a school.
3. **Address the County's renovation needs and add capacity to schools concurrently.** This approach was discussed in detail with Dr. Lever at the July 17th meeting. Dr. Lever discussed Charles County's emphasis on new school construction versus renovations or

replacements. There was discussion on the part of the Committee about how the County could address the renovation needs and add capacity at the same time. The Committee entertained the idea of a School System Wide Facility Assessment to evaluate schools, their building systems and educational requirements, and to prioritize the corrective projects and costs. This would be done by evaluating every school needing renovations for opportunities to add capacity. Adding capacity to a school as part of a renovation may be an opportunity for developer contributions to help with the expansion portion of the project.

- **Use Public-Private-Partnerships to expand the County’s capability to deliver schools faster.** As discussed by the Committee through a briefing paper at the June 26th meeting, these are partnerships between a company, usually a consortium, and the government regarding the funding, building, operation and maintenance of school facilities. Typically a private company would build or renovate schools and maintain them for the life of the repayment of the facility. Currently, the only jurisdiction in the U.S. doing this system-wide is Yonkers, NY, but it is more common in Europe, Canada and Australia. It should be noted that the current state legislation requires that operation and maintenance must be done by the public entity; therefore, new legislation would be needed to fit the model being used in other countries. This may be a long term solution to handle a need for school facilities that exceeds the County’s ability to deliver and when the County’s debt affordability is maximized.

Recommendations

The Committee recommends....

Issue 2: The Committee determined that one of the impediments to timely school construction is the procuring of school sites.

Summary of Findings

The Committee found that St. Charles has and will continue to provide school sites in a timely manner; however, those sites are not always close to the need found elsewhere in the County. Most developers do not have a large enough project to support school site dedication. A DRRA is a mechanism to allow developer dedications of land to support school construction. Some

counties, including Charles, have expanded school capacity on existing sites and rebuilt schools on existing sites limiting the need for the acquisition of new sites. Finally, it was determined that the BOE has no staff dedicated solely for the purpose of site acquisition.

Alternatives Evaluation

1. **Build new schools on the same site, where feasible.** This alternative would negate the need to find suitable school sites. It should minimize site development costs. It should also minimize the disruption caused by redistricting for a newly located school. This technique is only feasible when adequate land area exists on site or can be expanded to adjoining properties. Anne Arundel County has experience with this technique. In one case the new high school was built on the stadium and the new stadium was located on the site of the old school. This means that the ball games needed to be relocated during construction. Calvert County has also used this technique for Calvert High School. Frederick County is currently replacing Frederick High School. *(Also discussed in Issue Paper 1)*

2. **Encourage school sites and facilities expansion through DRRAs as direct mitigation for the lack of school capacity.** This approach needs to occur early in the development process. It has the best chance for success when used with large Planned Developments and incorporated into the zoning approval. It should be noted that if school sites are proffered with a DRRA the cost of the site should be removed from the CIP Budget so that it is not included in the bond issue for the proposed school. *(Also discussed in Issue Paper 5)*

3. **Dedicate BOE staff resources to the function of site acquisition.** A position or a portion of a position could be used to identify land suitable for acquisition and assist in procuring the site. The staff person could work with the County Dept. of PGM on potential developer proffered sites that might be suitable for school construction. The staff person would negotiate the best value and handle services such as appraisals, title searches and feasibility studies.

Recommendations

The Committee recommends....
