



**Orange County  
Board of Commissioners**

**Agenda**

**Virtual Business Meeting**

May 19, 2020

7:00 p.m.

**Note:** Background Material on all abstracts available in the Clerk’s Office

Due to current public health concerns, the Board of Commissioners is conducting a Virtual Business meeting on May 19, 2020. Members of the Board of Commissioners will be participating in the meeting remotely. As in prior meetings, members of the public will be able to view and listen to the meeting via live streaming video at [orangecountync.gov/967/Meeting-Videos](http://orangecountync.gov/967/Meeting-Videos) and on Orange County Gov-TV on channels 1301 or 97.6 (Spectrum Cable).

In this new virtual process, there are two methods for public comment.

- Written submittals by email
- Speaking during the virtual meeting

**Detailed public comment instructions for each method are provided at the bottom of this agenda. (Pre-registration is required.)**

**Compliance with the “Americans with Disabilities Act”** - Interpreter services and/or special sound equipment are available on request. Call the County Clerk’s Office at (919) 245-2130. If you are disabled and need assistance with reasonable accommodations, contact the ADA Coordinator in the County Manager’s Office at (919) 245-2300 or TDD# 919-644-3045.

**1. Additions or Changes to the Agenda**

**PUBLIC CHARGE**

*The Board of Commissioners pledges its respect to all present. The Board asks those attending this meeting to conduct themselves in a respectful, courteous manner toward each other, county staff and the commissioners. At any time should a member of the Board or the public fail to observe this charge, the Chair will take steps to restore order and decorum. Should it become impossible to restore order and continue the meeting, the Chair will recess the meeting until such time that a genuine commitment to this public charge is observed. The BOCC asks that all electronic devices such as cell phones, pagers, and computers should please be turned off or set to silent/vibrate. Please be kind to everyone.*

**Arts Moment** – No Arts Moment will be available for this meeting.

**2. Public Comments (Limited to One Hour)**

(We would appreciate you signing the pad ahead of time so that you are not overlooked.)

- a. Matters not on the Printed Agenda (Limited to One Hour – THREE MINUTE LIMIT PER SPEAKER – Written comments may be submitted to the Clerk to the Board.)

*Petitions/Resolutions/Proclamations and other similar requests submitted by the public will not be acted*



*upon by the Board of Commissioners at the time presented. All such requests will be referred for Chair/Vice Chair/Manager review and for recommendations to the full Board at a later date regarding a) consideration of the request at a future Board meeting; or b) receipt of the request as information only. Submittal of information to the Board or receipt of information by the Board does not constitute approval, endorsement, or consent.*

b. **Matters on the Printed Agenda**

(These matters will be considered when the Board addresses that item on the agenda below.)

**3. Announcements, Petitions and Comments by Board Members (Three Minute Limit Per Commissioner)**

**4. Proclamations/ Resolutions/ Special Presentations**

**5. Public Hearings**

**6. Regular Agenda**

- a. Eviction Diversion Program and Approval of Budget Amendment #9-A
- b. Coronavirus Relief Funding Summary Report and Approval of County Plan
- c. Release of the 2020 Orange County Affordable Housing Bond Program Application
- d. Discussion Regarding Construction and Demolition Waste at Waste and Recycling Centers

**7. Reports**

- a. Final Report of Emergency Small Business Fund Program

**8. Consent Agenda**

- Removal of Any Items from Consent Agenda
- Approval of Remaining Consent Agenda
- Discussion and Approval of the Items Removed from the Consent Agenda

- a. Minutes
- b. Request for Road Additions to the State Maintained Secondary Road System for Sweetflag Lane in The Forest at Little River Subdivision
- c. Schools Adequate Public Facilities Ordinance – Approval and Certification of 2020 Report
- d. Audit Contract Renewal Extension for Mauldin & Jenkins, LLC
- e. Fiscal Year 2019-20 Budget Amendment #10
- f. Change in BOCC Meeting Schedule for 2020

**9. County Manager’s Report**

**10. County Attorney’s Report**

**11. \*Appointments**

**12. Information Items**

- May 5, 2020 BOCC Meeting Follow-up Actions List



### 13. Closed Session

### 14. Adjournment

*Note: Access the agenda through the County's web site, [www.orangecountync.gov](http://www.orangecountync.gov)*

#### **\*Subject to Being Moved to Earlier in the Meeting if Necessary**

Orange County Board of Commissioners' meetings and work sessions are available via live streaming video at [orangecountync.gov/967/Meeting-Videos](http://orangecountync.gov/967/Meeting-Videos) and Orange County Gov-TV on channels 1301 or 97.6 (Spectrum Cable).

## **Public Comment Instructions**

### **Public Comment – Written**

#### **(for Items not on the Agenda, Agenda Items and Public Hearings)**

Members of the public may provide written public comment by submitting it to the [ocbocc@orangecountync.gov](mailto:ocbocc@orangecountync.gov) email address by 3:00 PM on the afternoon of the meeting.

When submitting the comment, include the following:

- The date of the meeting
- The agenda item (example: 6-a) you wish to comment on
- Your name, address, email and phone number

The Orange County Board of Commissioners, County Manager, County Attorney and Clerk to the Board, will be copied on all of the emails that are submitted.

### **Public Comment – Verbal**

#### **(for Items not on the Agenda, Agenda Items and Public Hearings)**

Members of the public will be asked to contact the Clerk to the Board using the email address [ocpubliccomment@orangecountync.gov](mailto:ocpubliccomment@orangecountync.gov) no later than 3:00 PM on the day of the meeting and indicate they wish to speak during the meeting.

When submitting the request to speak, include the following:

- The date of the meeting
- The agenda item (example: 6-a) you wish to speak on
- Your name, address, email and phone number
- The phone number must be the number you plan to call in from if participating by phone

Prior to the meeting, speakers will be emailed a participant link to be able to make comments during the live meeting. Speakers may use a computer (with camera and/or microphone) or phone to make comments. Speakers using the phone for comments must use the provided PIN/Password number.



The public speaker's audio and video will be muted until the BOCC gets to the respective agenda item(s). Individuals who have pre-registered will then be brought into the public portion of the meeting one at a time.

If a member of the public encounters any concerns prior to or during the meeting related to speaking, please contact Greg Wilder at 919-245-2314.

ORD-2020-011

**ORANGE COUNTY  
BOARD OF COMMISSIONERS**

**ACTION AGENDA ITEM ABSTRACT**

**Meeting Date:** May 19, 2020

**Action Agenda  
Item No.** 6-a

**SUBJECT:** Eviction Diversion Program and Approval of Budget Amendment #9-A

**DEPARTMENT:** Human Rights and Relations,  
Housing and Community  
Development and Criminal  
Justice Resources

**ATTACHMENT(S):**

None

**INFORMATION CONTACT:**

Annette Moore, (919) 245-2317  
Emila Sutton, (919) 245-2490  
Caitlin Fenhagen, (919) 245-2303

**PURPOSE:** To:

- 1) Approve the development of an Eviction Diversion Program in Orange County to help eligible Orange County residents avoid eviction, preserve tenancy, address substandard housing conditions and maintain the affordable rental housing supply;
- 2) Allocate funds to pay housing costs necessary to prevent imminent eviction and foreclosure, assist in securing affordable homes, and prevent homelessness;
- 3) Authorize staff to seek funding for the Eviction Diversion Program from the Towns, and donations from the communities and businesses; and
- 4) Approve Budget Amendment #9-A.

**BACKGROUND:** The COVID-19 Pandemic has had a devastating effect on the global economy. In February 2020, Orange County along with Buncombe County led the state with the lowest unemployment rate of 2.9%. Because of COVID-19, Orange County's unemployment rate in March 2020 increased to 3.4%. With the increase in unemployment, staff have seen an increase in requests for food and housing assistance, particularly in the communities that cannot receive government assistance. The Orange County Housing and Community Development Department (OCHCD) in particular has seen the number of requests for emergency housing assistance through the Housing Displacement Fund more than quadruple in April (table below) and calls to the Housing Helpline (aka Coordinated Entry) have increased sharply. The Housing Helpline receives approximately three to five calls per week from residents seeking legal counsel for a housing issue, and this number is rising. Finally, the Clerk of Court's Office has seen a dramatic increase in eviction filings and is adding additional court hearing dates to address this increase.

The federal CARES Act did not provide unemployment benefits to undocumented workers or stimulus funds to those who do not have a social security number. While some workers may use an Individual Taxpayer Identification Number (“ITIN”) to pay taxes, these individuals were not able to use it to receive stimulus payments. Pandemic Food and Nutrition Benefits (P-EBT) were available to all children who received free or reduced lunches in schools.

Eviction destabilizes the lives of families and has consequences for the entire community. Those most affected by evictions are the most vulnerable populations. Numerous studies show the negative impact of eviction on health, child development and achievement, and well-being.<sup>1</sup> There is also research showing that preventing eviction can reduce costs to the health care system, lower costs and reduce the burden on shelter and other emergency housing programs, ease the administrative burden on the courts, reduce job loss, reduce negative educational outcomes, and prevent the decline of communities that occurs when people are displaced.<sup>2</sup> A 2018 study by the Philadelphia Bar Association found that if the City of Philadelphia allocated \$3.5 million per year to fund counsel for eligible low-income tenants facing eviction, the city would save \$45.2 million per year, a return of \$12 for every \$1 spent.<sup>3</sup> Research also shows that housing assistance, such as that provided through the Risk Mitigation and Housing Displacement Fund, reduces hardship and increases economic opportunity for low-income families.<sup>4</sup> The Risk Mitigation and Housing Displacement Fund currently, and the Eviction Diversion Program when in operation, will provide cost savings to the community, help stabilize and preserve the housing market in Orange County<sup>5</sup>, and most importantly help Orange County residents remain in their homes and avoid the negative impacts of eviction.

The Departments of Human Rights and Relations and Housing and Community Development have been working toward bringing forward a proposed Eviction Diversion Program to the Board of County Commissioners since last year. In light of the COVID-19 pandemic and its economic impact on the community, there is a critical need for this program now. Eviction diversion programs were started around 2010 to address the number of evictions from the recession.

The Human Rights and Relations, Housing and Community Development, and Criminal Justice Resources Departments, along with the Clerk of Court, the Chief Magistrate, Carolina Student Legal Services, NC Pro Bono Resource Center, Orange Chatham Legal Aid, Commissioner Mark Marcoplos and Jamie Paulen met to discuss the impending eviction crisis and potential

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<sup>1</sup> Selected examples include:

- Desmond, M. and Tolbert Kimbro, R. (2015). Eviction’s fallout: Housing, hardship, and health. *Social Forces*, 94(1): 295-324.
- Cookson, T., Diddams, M., Maykovich, X., and Witter, E. (2018, September). Losing home: The human cost of eviction in Seattle. Seattle Women’s Commission and King County Bar Association. <https://www.kcba.org/Portals/0/pbs/pdf/Losing%20Home%202018.pdf>
- Butera, C. (2018, January 23). The burden of a late rent check can harm the health of both parents and kids. *Pacific Standard* <https://psmag.com/social-justice/late-rent-payments-family-health>

<sup>2</sup> Stout Risius Ross. (2018, November). Economic return on investment of providing counsel in Philadelphia eviction cases for low-income tenants. Philadelphia Bar Association. <https://www.philadelphiabar.org/WebObjects/PBA.woa/Contents/WebServerResources/CMSResources/PhiladelphiaEvictionsReport.pdf>.

<sup>3</sup> *Ibid.*

<sup>4</sup> Center for Budget and Policy Priorities (2019, December 5). Research Shows Rental Assistance Reduces Hardship and Provides Platform to Expand Opportunity for Low-Income Families. <https://www.cbpp.org/research/housing/research-shows-rental-assistance-reduces-hardship-and-provides-platform-to-expand>

<sup>5</sup> Urban Institute. (2020, April 14). “The Future Is Shared”: Why Supporting Renters during COVID-19 Is Critical for Housing Market Stability. <https://housingmatters.urban.org/feature/future-shared-why-supporting-renters-during-covid-19-critical-housing-market-stability>

solutions. The group determined an eviction diversion program would offer the best solution. The two most pressing issues are: (1) ensuring attorneys are available to meet the demand; and (2) identifying funds to enable tenants to stay in residence once they have demonstrated some financial capacity to meet rental obligations going forward and the landlord has agreed to let the tenant stay.

The Orange County Eviction Diversion Program would bring together Legal Aid of North Carolina (“Legal Aid”) and pro bono attorneys to represent tenants in court and to act as in court mediators to negotiate agreements between tenants and landlords to avoid eviction. Legal Aid has an income limit threshold, so it would only be able to assist tenants meeting its income threshold requirements. County staff are working with Legal Aid and the NC Pro Bono Resource Center to assist with identifying local pro-bono attorneys, including bi-lingual attorneys, to meet additional community needs. Referrals to the program would come through the existing Orange County Housing and Community Development Department (“OCHCD”) and the Orange County Partnership to End Homelessness’ Housing Helpline (aka Coordinated Entry). Every person who calls into the Housing Helpline goes through a needs assessment that is best practice and evidence based.

County staff will use funds the Board has already allocated for rent stabilization for this project through the Risk Mitigation and Housing Displacement Fund (the sub-fund called “Emergency Housing Assistance”, formerly “Housing Stabilization Fund”). The Board approved a one-time transfer of funds (\$100,000) from the Local Rent Supplement Program into the Housing Displacement Fund on April 7, 2020. Since that time, approximately forty thousand (\$40,000) in emergency housing assistance has been utilized by Orange County residents experiencing a housing crisis through the Housing Helpline (a.k.a. “Coordinated Entry”).

Since January, as illustrated in the table below, over seventy thousand dollars (\$70,000) in assistance has been funded. There are approximately \$53,000\* in Emergency Housing Assistance funds remaining, but with new requests coming in every day, this estimate changes daily – and sometimes dramatically. At this time, a large majority of requests are coming from low-income residents who have been out of work due to COVID-19 and business closures. The Urban Institute estimates that more than 5,000 Orange County residents lost employment due to COVID-19, and most of those jobs are in the food service, retail, and accommodation industries<sup>6</sup>, which make up a significant portion of the County’s economic base.<sup>7</sup>

Current Emergency Housing Assistance fund criteria is as follows. Full policies can be found here: <https://www.orangecountync.gov/2359/Risk-Mitigation-and-Housing-Displacement>

Assistance is available to households in Orange County that (1) earn no more than 60% of the area median income (AMI)\*, (2) can demonstrate urgent need for housing assistance, and (3) do not have adequate savings to cover their housing costs.

To be referred for assistance, households must either:

- Be assessed through Coordinated Entry as at risk of or currently experiencing homelessness and who have identified safe, decent, and affordable housing OR

<sup>6</sup> Urban Institute (2020, April 24). Where Low-Income Jobs Are Being Lost to COVID-19. <https://www.urban.org/features/where-low-income-jobs-are-being-lost-covid-19>

<sup>7</sup> Orange County Consolidated Plan. Market Analysis (MA-45): Non-Housing Community Development Assets. <http://orangecountync.gov/DocumentCenter/View/10806/Orange-County-NC-Consolidated-Plan-Final-Draft?bidId=>

- Referred by various Orange County Departments and local service providers (e.g., Aging, Health/Family Success Alliance, Criminal Justice Resource and Social Services, Community Empowerment Fund, Interfaith Council, Compass Center, etc.)

*\*Preference will be given to applicants earning under 50% of AMI*

The Towns and County streamlined application and policies in April so that all Orange County residents can be assessed through the Housing Helpline process, which uses a research-based Coordinated Assessment process to connect people with community resources. One of these resources is the Towns' and County's Emergency Housing Assistance. Hillsborough, Chapel Hill, and Carrboro each have funds for emergency housing assistance. Prior to the coordination of these funds, access to the separate funds was not systematized, resident requests were not tracked across the County/system, and eligibility for each fund was disparate. Now, there is a coordinated intake system for requests and eligibility criteria are streamlined. Before streamlining, there were instances of residents not being eligible for Town funds, so the County would cover these costs. OCHCD is currently working on a reimbursement process with the Towns for eligible costs incurred from residents residing within the respective Town's jurisdiction. The amount incurred from each jurisdiction is recorded and tracked.

The fund offers one-time assistance per household, and there is a funding maximum of \$2,000 per household. The average amount of assistance the fund provides is \$1,170, so the additional \$130k allocation could serve approximately 110 people. The average amount of assistance requested has increased since the COVID-19 pandemic. Thus far, OCHCD has not had anyone request assistance for a second time. However, this could become more common as issues with affordability and job security are ongoing. While the fund can keep someone from eviction for now, that person may not be able to afford their dwelling six months from now depending on employment, rent stability of the current housing, and other factors. However, keeping an eviction off someone's record is a powerful way to help them access housing in the future, as an eviction record can bar people from housing for years into the future.

The need for ongoing flexible housing assistance is great. Based on the current data on cost-burdened renters, there are more than 12,000 Orange County residents in need of rental subsidy to keep their income to rent ratio affordable.

OCHCD, in partnership with the Orange County Partnership to End Homelessness (and through initial staffing support from DSS), is providing case management to eligible Orange County residents in need of ongoing rent assistance through the County's Housing Help Rapid Re-Housing program, which provides rent assistance and case management for roughly 20-25 Orange County residents. OCHCD is also leveraging the Housing Choice Voucher program by implementing existing Orange County Housing Authority preferences for people experiencing homelessness and people impacted by natural disaster (to include the pandemic) to obtain longer term rent assistance through a Housing Choice Voucher, and hopes to issue 75-130 additional vouchers in 2020. All of these programs will work in tandem with the Eviction Diversion Program to help address the growing need, exacerbated by this pandemic, for affordable housing in the County.

There are additional potential CARES Act allocations that can help replenish the fund to include Emergency Solutions Grant funding and Community Development Block Grant funding from the Town of Chapel Hill.

	Jan		Feb		Mar		Apr	
	Amount	Households	Amount	Households	Amount	Households	Amount	Households
<b>Security Deposit</b>	\$1,850.00	3	\$1,360.00	1	\$1,750.00	2		
<b>Rent</b>	\$7,243.98	5	\$6,838.59	4	\$4,469.35	4	\$35,776.32	45
<b>Utilities</b>	\$562.49	4	\$1,369.68	5	\$215.00	1	\$323.55	2
<b>Hotel Stay</b>			\$1,241.00	1	\$1,999.18	2	\$3,114.72*	2
<b>TOTAL</b>	<b>\$9,656.47</b>	<b>12</b>	<b>\$10,809.27</b>	<b>11</b>	<b>\$8,433.53</b>	<b>9</b>	<b>\$36,099.87</b>	<b>47</b>

*\*Estimate; credit card statement has not yet been received*

*Note: Since May 1 and the drafting of this memo on May 12, 2020, OCHCD has received and approved applications for 12 households, totaling \$7,676*

Staff is requesting the following:

1. An allocation of Social Justice Reserve funds to finance the Eviction Diversion Program – Funds would be allocated to pay for the Eviction Diversion Program and additional funds for the Risk Mitigation and Housing Displacement Fund so that rental and mortgage arrears can continue to be paid to prevent eviction and foreclosure, among other emergency housing assistance, and Legal Aid of North Carolina and temporary staffing to assist with mediation of Housing Helpline calls prior to residents reaching court proceedings.
2. Authorization to seek funding from the Towns, and donations from community residents and businesses to fund this Program – While the Towns have their own emergency housing assistance funds that are streamlined with the County’s emergency housing assistance fund to follow the same referral and application process, additional funds will be requested specifically to provide support to the Eviction Diversion Program. Donations from the private sector as well as from community residents could also help bolster existing resources and services provided through this program.

County staff is currently solidifying the details of this program. However, on June 1, 2020 when the Courts open, staff would like to have the resources in place to get started assisting people. Currently, there are about 20 evictions pending. OCHCD has already reached out to the tenants and landlords to try and avoid those evictions. Staff is receiving more calls each day, and with this program, the County can begin to allay some County residents’ fears of eviction.

**FINANCIAL IMPACT:** Budget Amendment #9-A provides for the appropriation of \$200,000 in available Social Justice Reserve funds in the following manner:

- Fifty-Five Thousand dollars (\$55,000) for Legal Aid of North Carolina to provide a full time staff attorney and case management services;
- One Hundred Thirty Thousand dollars (\$130,000) for the Risk Mitigation and Housing Displacement Fund, and
- Fifteen Thousand dollars (\$15,000) for temporary staffing.

With this appropriation, there would be no more available funds remaining in the Social Justice Reserve for FY 2019-20.

**SOCIAL JUSTICE IMPACT:** The following Orange County Social Justice Goals are applicable to this item:

- **GOAL: FOSTER A COMMUNITY CULTURE THAT REJECTS OPPRESSION AND INEQUITY**  
The fair treatment and meaningful involvement of all people regardless of race or color; religious or philosophical beliefs; sex, gender or sexual orientation; national origin or

ethnic background; age; military service; disability; and familial, residential or economic status.

- **GOAL: ENSURE ECONOMIC SELF-SUFFICIENCY**

The creation and preservation of infrastructure, policies, programs and funding necessary for residents to provide shelter, food, clothing and medical care for themselves and their dependents.

- **GOAL: CREATE A SAFE COMMUNITY**

The reduction of risks from vehicle/traffic accidents, childhood and senior injuries, gang activity, substance abuse and domestic violence.

**ENVIRONMENTAL IMPACT:** There is no Orange County Environmental Responsibility Goal impact associated with this item.

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

- 1) approve the development of an Eviction Diversion Program in Orange County;
- 2) approve Budget Amendment #9-A appropriating \$200,000 from the Social Justice Reserve for the Program; and
- 3) authorize staff to seek funding for the Eviction Diversion Program from the Towns, and donations from the communities and businesses.

**ORANGE COUNTY  
BOARD OF COMMISSIONERS  
ACTION AGENDA ITEM ABSTRACT  
Meeting Date: May 19, 2020**

**Action Agenda  
Item No. 6-b**

**SUBJECT:** Coronavirus Relief Funding Summary Report and Approval of County Plan

**DEPARTMENT(S):** Finance

**ATTACHMENT(S):**

1. PowerPoint Presentation
2. Summary of House Bill 1043 - COVID-19 Recovery Funding Act
3. Frequently Asked Questions

**INFORMATION CONTACT:**

Gary Donaldson, (919) 245-2453

**PURPOSE:** To receive:

- 1) An outline and presentation on the Coronavirus Relief Funding (CRF) to North Carolina counties, including allowable expenses, spend down timeframes and reporting requirements; and
- 2) Approve an Orange County Coronavirus Plan for submittal by June 1, 2020.

**BACKGROUND:** The North Carolina General Assembly unanimously approved the Coronavirus Relief Funding that was signed by the Governor on May 4, 2020. The CRF package includes relief measures related to public health and safety, education, small business assistance, and continuity of state government operations. The State has included \$150 million in initial relief funding, with each county's allocation distributed on a per capita basis, with the exception of the largest three counties – Guilford, Wake, and Mecklenburg. Those three counties received Coronavirus Relief funding directly from the U.S. Treasury based on their populations exceeding 500,000.

The Orange County State-wide per capita share is \$2,665,753 of the \$150 million allocated to NC counties. House Bill 1043 does not appropriate any funds directly to a city or town but instead delegates that funding decision to counties. If the BOCC directed staff to allocate a share of the County's CRF funds to the municipalities, then a County per capita allocation is proposed as a fair and reasonable allocation methodology. A per capita allocation is currently used for the distribution of local option sales tax including Article 44 Hold Harmless sales tax.

The table below indicates funding distribution for CRF based on a per capita allocation.

<b>Coronavirus Relief Fund</b>	<b>\$ 2,665,753.00</b>	<b>Per Capita Allocation</b>
ORANGE	\$ 1,546,136.74	58%
CARRBORO	\$ 266,575.30	10%
CHAPEL HILL	\$ 746,410.84	28%
DURHAM	\$ -	0%
HILLSBOROUGH	\$ 79,972.59	3%
MEBANE	\$ 26,657.53	1%
<b>TOTAL</b>	<b>\$ 2,665,753.00</b>	<b>100%</b>

**COVID-19 Eligible Expenses:**

- Provide Grants to small businesses experiencing financial loss due to COVID-19
- Support COVID-19 related expenditure for public health staff and program costs, personal protective equipment (PPE), public safety staff expense, medical expense, overtime or mandatory pay, distance learning and teleworking requirements
- Expenses must be incurred between March 1, 2020 – December 30, 2020
- Funds cannot be used to replace lost local government revenue

Note: The U.S. Treasury may allow revenue replacement in any future CRF allocations.

**Reporting Requirements:**

**June 1, 2020** - Counties determine a funding plan

**Beginning October 1** - Submit Quarterly Reporting of expenditures to the State

**The Funding Plan categories due by June 1, 2020 are:**

- 1) Medical expenses
- 2) Public health expenses
- 3) Payroll expenses
- 4) Expenses to facilitate compliance with COVID-19-related public health measures
- 5) Expenses associated with economic support including small businesses

**FINANCIAL IMPACT:** The State has allocated \$2,665,753 to the County for eligible COVID-19 expenses.

**SOCIAL JUSTICE IMPACT:** The following Orange Social Justice Goal is applicable to this item.

- **GOAL: ENSURE ECONOMIC SELF-SUFFICIENCY**  
The creation and preservation of infrastructure, policies, programs, and funding necessary for residents to provide shelter, food, clothing and medical care for themselves and their dependents.

**ENVIRONMENTAL IMPACT:** There is no Orange County Environmental Responsibility Goal impact associated with this item.

**RECOMMENDATION(S):** The Manager recommends that the Board receive this summary report and approve an appropriate CRF Funding Plan for submittal by the June 1, 2020 deadline.



# Coronavirus Relief Fund Act Summary

May 19, 2019

# Background

- ❖ State of North Carolina allocation from the Federal CARES Act is \$4 billion;
- ❖ The North Carolina General Assembly approved the Coronavirus Relief Fund Act House Bill 1043;
- ❖ Governor signed legislation House Bill 1043 on May 4, 2020;
- ❖ House Bill 1043 appropriates \$150 million from the State to be allocated among 97 counties on per capita basis;
- ❖ U.S. Treasury is providing direct funding to Guilford, Mecklenburg and Wake counties; there populations exceed 500,000;
- ❖ House Bill 1043 allows NC counties to determine municipality funding;
- ❖ Orange County per capita share from the State is \$2,665,753
- ❖ Fair and reasonable allocation methodology is each town per capita share within Orange County; similar to current Local Option Sales Tax per capita allocation

# County-Based Per Capita Allocation

Coronavirus Relief Fund	\$	Per Capita Allocation
ORANGE	2,665,753.00	58%
CARRBORO	1,546,136.74	10%
CHAPEL HILL	266,575.30	28%
DURHAM	746,410.84	0%
HILLSBOROUGH	-	3%
MEBANE	79,972.59	1%
TOTAL	26,657.53	100%

# CRF Act Eligible Uses

- ❖ Provide Grants to small businesses experiencing financial loss due to COVID-19
- ❖ Support COVID-19 related expenditure for public health staff and program costs, personal protective equipment (PPE), public safety staff expense, medical expense, overtime or mandatory pay, distance learning and teleworking requirements
- ❖ Expenses must be incurred between March 1, 2020 – December 30, 2020; and not accounted for in FY 2019-20 Budget
- ❖ Eligible expenses if any prior to March 1, 2020 should be applied for through FEMA
- ❖ Must apply for either CRF or FEMA; trigger date is determinant
- ❖ Before March 1 apply through FEMA; minimal County coronavirus expenses within this timeframe
- ❖ After March 1 apply through CRF; majority of coronavirus expenses
- ❖ Funds cannot be used to replace lost local government revenue

**Note:** The U.S. Treasury may allow revenue replacement in any future CRF allocations.

# State Reporting Timeframe

- June 1- Submit a Funding Plan to the Office of State Budget and Management
- Quarterly Funding Reports on October 1, 2020 and January 1, 2021
- All Funds must be expended by December 30, 2020
- Unexpended fund to be returned to the State

# Next Steps

## BOCC Approval-

- Two Step Process to Decide; 1) Municipalities Allocation  
2) Eligible Uses Allocation by June 1
- Inform Town Finance Officers of Federal and State Guidelines, Tracking Expenditures and Reporting Timeframes
- Implement Funding Plan

# Questions



## HOUSE BILL 1043: 2020 COVID-19 Recovery Act.

2019-2020 General Assembly

<b>Committee:</b>	Senate Appropriations/Base Budget	<b>Date:</b>	May 2, 2020
<b>Introduced by:</b>	Reps. Bell, Jackson, Lewis	<b>Prepared by:</b>	Luke Gillenwater
<b>Analysis of:</b>	PCS to Third Edition H1043-CSMLa-13		Dan Ettefagh Committee Co-Counsel

**OVERVIEW:** *House Bill 1043 provides aid to North Carolinians in response to the Coronavirus Disease 2019 (COVID-19) crisis.*

**CURRENT LAW:** House Bill 1043 does the following:

- Section 1.1 – Establishes the title of the act as the "2020 COVID-19 Recovery Act."
- Section 1.2 – Establishes definitions used throughout the act, including defining "COVID-19 Recovery Legislation" as the following legislation enacted by Congress:
  - The Coronavirus Aid, Relief, and Economic Security (CARES) Act, P.L. 116-136.
  - The Families First Coronavirus Response Act, P.L. 116-127.
  - The Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020, P.L. 116-123.
  - Paycheck Protection Program and Health Care Enhancement Act, P.L. 116-139.
- Section 1.3 – States the purpose of the act.
- Section 1.4 – Provides that the appropriations and allocations in the act are for the maximum amounts necessary to implement the act, and directs State agencies to maximize the use of federal funds made available in the act prior to using other State funds.
- Section 1.5 – Provides that allocations made under this act that conflict with applicable federal law are repealed and the funds are to be transferred back to the Coronavirus Relief Reserve.
- Section 1.6 – Directs the Office of State Budget and Management (OSBM) to work with State agencies to ensure that receipts awarded pursuant to COVID-19 Recovery Legislation are used in accordance with applicable federal laws and regulations. Additionally, provides that funds may not be used for recurring expenditures, funds awarded under The CARES Act may not be used for revenue replacement, and, depending on the award, employ additional time-limited State personnel.
- Section 1.7 – Requires reports from OSBM and State agencies or departments that receive funds under the act detailing how the funds are used. The reports are to be provided to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.
- Section 1.8 – Requires the State Auditor to conduct a preliminary financial audit and final performance audit of the Coronavirus Relief Fund no later than 3/1/21.
- Section 2.1 – Establishes the Coronavirus Relief Reserve (Reserve) to maintain federal funds received from the Coronavirus Relief fund created under The CARES Act, P.L. 116-136.
- Section 2.2 – Establishes the Coronavirus Relief Fund (Fund) to be used to provide necessary and appropriate relief and assistance from the effects of COVID-19. All funds in the Fund must be

Kory Goldsmith  
Director



Legislative Drafting  
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used for necessary expenditures incurred due to the public health emergency resulting from COVID-19, and the expenditures must have been incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

- Section 2.3 – Establishes the Local Government Coronavirus Relief Reserve (Local Reserve). Additionally, transfers the sum of \$300,000,000 from the Reserve to the Local Reserve. Lastly, specifies that it is the intent of the General Assembly to appropriate a sum of up to \$150,000,000 if local governments experience a revenue shortfall and The CARES Act, P.L. 116-136, is amended to allow the use of federal funds to address the shortfall(s).
- Section 3.1 – Transfers the sum of \$1,275,988,029 from the Reserve to the Fund and \$150,000,000 from the Local Reserve to the Fund.
- Section 3.2 – Appropriates the sum of \$1,425,988,029 in nonrecurring funds for the 2019-2020 fiscal year from the Fund to OSBM to be used in accordance with Section 3.3 of the act. Further, specifies that funds appropriated in this section that remain unspent at the end of the 2019-2020 fiscal year shall not revert and shall remain available to expend until December 30, 2020.
- Section 3.3 – Directs OSBM to allocate the sum of \$1,425,988,029 it received from the Fund as follows:
  - \$50M for supplies and equipment for life safety, health, and sanitation and purchase of PPE meeting federal and CDC standards, divided between NC Healthcare Foundation (50%), NC Senior Living Association and NC Health Care Facilities Association in equal amounts (15%), NC Medical Society (10%), and the Division of Emergency Management in DPS for entities it deems essential (25%).
  - \$150M for counties ineligible to receive direct funding from the CARES Act. Each county receives a base funding of \$250,000, with remainder distributed on a per capita basis. Funds can be allocated to municipalities if a necessary expenditure and consistent with federal guidance on COVID-19 relief.
  - \$70M for continuity of operations of State government for expenditures incurred between 3/1/20 and 12/30/20 for listed expenditures. Includes up to \$2M for the North Carolina Pandemic Recovery Office and up to \$500k for the audit to be performed by the State Auditor as required by this act.
  - \$300M for the General Maintenance Reserve in the Highway Fund if federal guidance is revised to allow the use of funds for revenue replacement. This allocation reverts if federal guidance is not updated before 6/15/20.
  - \$20M to OSBM for allocation to State agencies negatively impacted by loss of anticipated receipts, but only if federal guidance is revised to allow the use of funds for revenue replacement.
  - \$100k for the General Assembly to reimburse funds to Wake Forest University Health Services for COVID-19 research data for future legislative committees.
  - \$75M to DPI for school nutrition services provided in response to COVID-19 in the School Lunch or Breakfast Programs from 3/16/20 through the end of the school year.
  - \$1M to DPI for improving Internet connectivity through extended reach mobile wifi gateway router devices in school buses.
  - \$11M to DPI for improving Internet connectivity for students through mobile Internet access points.

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- \$30M to DPI for computers or other electronic devices for use by certain public school students in response to COVID-19.
- \$5M to DPI for certain public schools to provide computers or other electronic devices for use by school personnel.
- \$4.5M to DPI to establish a shared cybersecurity infrastructure and district cybersecurity monitoring and support.
- \$10M to DPI for allocation conforming for school health support personnel for physical and mental health support services for students in response to COVID-19, including remote services.
- \$70M to DPI for certain public schools to provide a supplemental summer learning program in response to negative effects of COVID-19. At least \$35M is to be used for students in grades 2 and 3 during the 19-20 school year, and up to 25% may be used for supplemental literacy support for students in grades 3 and 4 during the 20-21 school year not on track to meet 20-21 year-end expectations. Remaining funds are to be used for kindergarten and grades 1 and 4.
- \$1.488M to DPI for public school units to provide remote instruction.
- \$3M to DPI to provide nondigital remote instruction resources to students with limited connectivity.
- \$15M to DPI for grants to public school units for extraordinary costs of providing Extended School Year Services or future services for exceptional children.
- \$660,029 to DPI for the Governor Morehead School for the Blind, the Eastern NC School for the Deaf, and the NC School for the Deaf for school nutrition, cleaning, sanitizing, remote learning, compensatory services, and Extended School Year Services.
- \$5M to DPI for the Extended Learning and Integrated Student Supports Competitive Grant Program.
- \$25M to Community Colleges for campuses to enhance online learning, cover expenses for resources and supports for faculty and staff, provide Small Business Center counselors, cover expenses for expanded IT demands, and provide sanitation and other expenses required for ongoing campus operations.
- \$44.4M to BOG of UNC for increased costs for online coursework, implementation of digital learning accelerator, providing sanitation and other expenses for ongoing campus operations, covering necessary eligible expenses for students and employees.
- \$20M to BOG of UNC for the State Education Assistance Authority for private postsecondary institutions to transition to online education.
- \$15M for the Duke University Human Vaccine Institute to develop a COVID-19 vaccine.
- \$29M to UNC Chapel Hill to allocate to the NC Policy Collaboratory for the development of countermeasures for COVID-19, a vaccine for COVID-19, community testing initiatives, and other research to address health and economic impacts of COVID-19.
- \$15M to the Brody School of Medicine at ECU for the development of countermeasures for COVID-19, vaccine for COVID-19, community testing initiatives, and other research to address health and economic impacts of COVID-19.

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- \$6M for Campbell University School of Osteopathic Medicine for community testing initiatives, community-based health care treatment, monitoring rural populations, educating health professionals on best practices, and supporting rural community primary care.
- \$20M to Wake Forest University Health Services to expand COVID-19 study to include syndromic surveillance and representative sample antibody testing for near-real-time virus data.
- \$20M to DHHS for local health departments, rural health providers, State Laboratory, and behavioral health and crises services for increasing nurses, community health workers, telehealth services, infection control support in nursing and adult care homes and diverting behavioral health emergencies.
- \$6M to DHHS to allocate equally among each of the six food banks in the State and encourages food banks to use North Carolina-based farmers and vendors.
- \$290k to DHHS, Division of Social Services, to provide funds for the LINKS program, a foster care support program for youth ages 13-21 years.
- \$25M to DHHS for State-County Special Assistance-licensed facilities to offset increased costs of serving residents during the COVID-19 emergency in the amount of \$1325/resident as of 4/1/20.
- \$50M to DHHS for rural and underserved communities for health provider grants, Medicaid assistance for rural hardship grants, enhanced telehealth services, critical services transportation, health care security for uninsured, and related items.
- \$5M for NC Association of Free and Charitable Clinics for cost of eligible health services provided during the COVID-19 emergency.
- \$1.5M to DHHS to provide a grant to NC MedAssist to offset increased costs for prescription assistance for indigent or uninsured individuals for the COVID-19 emergency.
- \$5M to the NC Community Health Centers Association for cost of eligible health services provided during the COVID-19 emergency.
- \$25M to DHHS to expand public and private initiatives for COVID-19 testing, contact tracing, and trends tracking and analysis, provided the requirements in Section 4.10 of this act are met.
- \$20M to DHHS to provide funds to support behavior health and crisis services to respond to COVID-19.
- \$19M to DHHS to provide for food banks, support for residential settings incurring additional costs to mitigate COVID-19 positive cases, adjust and child protective services response, support for homeless and domestic violence shelters, child care response, NCCARE360, and technology changes to support emergency relief to beneficiaries.
- \$1.8M to Old North State Medical Society for rural and African American communities to address COVID-19 disparities.
- \$65M for a grant to NC Healthcare Foundation for grants to hospitals designated by the Center for Medicare and Medicaid Services as critical access hospitals or non-critical access rural hospitals to offset response care for COVID-19.

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- \$15M to establish the COVID-19 Teaching Hospitals Relief Fund for grants to hospitals classified as teaching hospitals by the Centers for Medicare and Medicaid Services.
  - \$15M to establish the COVID-19 General Hospitals Relief Fund to hospitals not eligible for grants from NCHF or the COVID-19 Teaching Hospitals Relief Fund.
  - \$2.25M to Division of Social Services (DHHS) for serving children in foster care during the COVID-19 emergency in the amount of \$100 per child per month for April through June 2020.
  - \$15M to DACS for animal depopulation and disposal.
  - \$5M to Commerce for stimulus investment in Visit NC to develop safe travel concepts and strategies and research tools and analysis needed for implementation.
  - \$125M for Golden LEAF for small business loan assistance.
  - \$9M to DIT for funding the remaining portion of all qualifying GREAT program applications.
- Section 4.1. – Subsection (a) appropriates funds received from federal grants authorized under the COVID-19 Recovery Legislation. Subsection (b) provides an estimate of North Carolina's allocations from the COVID-19 Recovery Legislation to be deposited in the State's Treasury and administered by State agencies. Subsection (c) specifies that no funds in this act or the State Board of Elections budget shall be used as a matching requirement for federal funds to meet election needs, but instead specifies that it is the intent of the General Assembly to address the State's additional elections needs resulting from the COVID-19 pandemic in separate legislation.
  - Section 4.2 – Provides guidelines for the \$125,000,000 to Golden LEAF for the purpose of making emergency loans to small businesses adversely affected by the COVID-19 outbreak in North Carolina.
  - Section 4.3 – Directs OSBM to establish a time-limited Pandemic Recovery Office to oversee and coordinate federal funds for COVID-19 recovery.
  - Section 4.4. – Requires OSBM to release certain grant funds authorized in the 2017 Budget.
  - Section 4.5 – Authorizes DHHS to provide Medicaid coverage for COVID-19 Testing for certain uninsured individuals during the declared nationwide public health emergency period where the federal medical assistance percentage is 100%.
  - Section 4.6 – Requires DHHS to provide a 5% increase in the Medicaid Fee-For-Service rates paid to all provider types by the Division of Health Benefits. The rate increase will be effective 3/1/20, and will expire on the earlier of: (i) the date the nationwide COVID-19 public health emergency expires, (ii) the date Executive order 116 expires or is rescinded, or (iii) 3/31/21.
  - Section 4.7 – Specifies that certain provisions of State law pertaining to provider enrollment shall not apply to the Medicaid and Health Choice Programs from 3/1/2020 through duration of the nationwide COVID-19 public health emergency, in order to implement to temporary provider enrollment authorized under the recently approved Medicaid 1135 waiver.
  - Section 4.8 – Eliminates requirement that an individual must have received a Supplement Security Income (SSI) payment to qualify for the Disabled Adult Child passalong in the Medicaid program, no later than 6/1/20.
  - Section 4.9 – Uses increased availability from federal Child Care and Development Fund Block Grant funds for the 2019-2020 fiscal year to address immediate child care needs resulting from the coronavirus emergency.

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- Section 4.10 – Disallows funding for testing contact tracing and trends tracking until DHHS satisfies certain requirements, including diagnostic service reporting, posting of COVID-19 vendors contracted with, and reporting on certain COVID-19 impact data.
- Section 4.11 – Provides additional information regarding use of funds for the purchase and distribution of units of opioid antagonists at no charge to opioid treatment programs.
- Section 5.1 – Boilerplate providing headings are for reference only.
- Section 5.2 – Boilerplate providing invalid portions of the bill are severable from other portions of the bill.

**EFFECTIVE DATE:** Except as otherwise provided, this act is effective when it becomes law. If Senate Bill 704, 2019 Regular Session, is vetoed, this act is repealed. If the veto of Senate Bill 704, 2019 Regular Session, is overridden, this act is reenacted.

**Coronavirus Relief Fund  
Frequently Asked Questions  
Updated as of May 4, 2020**

The following answers to frequently asked questions supplement Treasury’s Coronavirus Relief Fund (“Fund”) Guidance for State, Territorial, Local, and Tribal Governments, dated April 22, 2020, (“Guidance”).<sup>1</sup> Amounts paid from the Fund are subject to the restrictions outlined in the Guidance and set forth in section 601(d) of the Social Security Act, as added by section 5001 of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”).

**Eligible Expenditures**

***Are governments required to submit proposed expenditures to Treasury for approval?***

No. Governments are responsible for making determinations as to what expenditures are necessary due to the public health emergency with respect to COVID-19 and do not need to submit any proposed expenditures to Treasury.

***The Guidance says that funding can be used to meet payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. How does a government determine whether payroll expenses for a given employee satisfy the “substantially dedicated” condition?***

The Fund is designed to provide ready funding to address unforeseen financial needs and risks created by the COVID-19 public health emergency. For this reason, and as a matter of administrative convenience in light of the emergency nature of this program, a State, territorial, local, or Tribal government may presume that payroll costs for public health and public safety employees are payments for services substantially dedicated to mitigating or responding to the COVID-19 public health emergency, unless the chief executive (or equivalent) of the relevant government determines that specific circumstances indicate otherwise.

***The Guidance says that a cost was not accounted for in the most recently approved budget if the cost is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation. What would qualify as a “substantially different use” for purposes of the Fund eligibility?***

Costs incurred for a “substantially different use” include, but are not necessarily limited to, costs of personnel and services that were budgeted for in the most recently approved budget but which, due entirely to the COVID-19 public health emergency, have been diverted to substantially different functions. This would include, for example, the costs of redeploying corrections facility staff to enable compliance with COVID-19 public health precautions through work such as enhanced sanitation or enforcing social distancing measures; the costs of redeploying police to support management and enforcement of stay-at-home orders; or the costs of diverting educational support staff or faculty to develop online learning capabilities, such as through providing information technology support that is not part of the staff or faculty’s ordinary responsibilities.

Note that a public function does not become a “substantially different use” merely because it is provided from a different location or through a different manner. For example, although developing online

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<sup>1</sup> The Guidance is available at <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>.

instruction capabilities may be a substantially different use of funds, online instruction itself is not a substantially different use of public funds than classroom instruction.

***May a State receiving a payment transfer funds to a local government?***

Yes, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act. Such funds would be subject to recoupment by the Treasury Department if they have not been used in a manner consistent with section 601(d) of the Social Security Act.

***May a unit of local government receiving a Fund payment transfer funds to another unit of government?***

Yes. For example, a county may transfer funds to a city, town, or school district within the county and a county or city may transfer funds to its State, provided that the transfer qualifies as a necessary expenditure incurred due to the public health emergency and meets the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, a transfer from a county to a constituent city would not be permissible if the funds were intended to be used simply to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify as an eligible expenditure.

***Is a Fund payment recipient required to transfer funds to a smaller, constituent unit of government within its borders?***

No. For example, a county recipient is not required to transfer funds to smaller cities within the county's borders.

***Are recipients required to use other federal funds or seek reimbursement under other federal programs before using Fund payments to satisfy eligible expenses?***

No. Recipients may use Fund payments for any expenses eligible under section 601(d) of the Social Security Act outlined in the Guidance. Fund payments are not required to be used as the source of funding of last resort. However, as noted below, recipients may not use payments from the Fund to cover expenditures for which they will receive reimbursement.

***Are there prohibitions on combining a transaction supported with Fund payments with other CARES Act funding or COVID-19 relief Federal funding?***

Recipients will need to consider the applicable restrictions and limitations of such other sources of funding. In addition, expenses that have been or will be reimbursed under any federal program, such as the reimbursement by the federal government pursuant to the CARES Act of contributions by States to State unemployment funds, are not eligible uses of Fund payments.

***Are States permitted to use Fund payments to support state unemployment insurance funds generally?***

To the extent that the costs incurred by a state unemployment insurance fund are incurred due to the COVID-19 public health emergency, a State may use Fund payments to make payments to its respective state unemployment insurance fund, separate and apart from such State's obligation to the unemployment insurance fund as an employer. This will permit States to use Fund payments to prevent expenses related to the public health emergency from causing their state unemployment insurance funds to become insolvent.

***Are recipients permitted to use Fund payments to pay for unemployment insurance costs incurred by the recipient as an employer?***

Yes, Fund payments may be used for unemployment insurance costs incurred by the recipient as an employer (for example, as a reimbursing employer) related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.

***The Guidance states that the Fund may support a “broad range of uses” including payroll expenses for several classes of employees whose services are “substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” What are some examples of types of covered employees?***

The Guidance provides examples of broad classes of employees whose payroll expenses would be eligible expenses under the Fund. These classes of employees include public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency. Payroll and benefit costs associated with public employees who could have been furloughed or otherwise laid off but who were instead repurposed to perform previously unbudgeted functions substantially dedicated to mitigating or responding to the COVID-19 public health emergency are also covered. Other eligible expenditures include payroll and benefit costs of educational support staff or faculty responsible for developing online learning capabilities necessary to continue educational instruction in response to COVID-19-related school closures. Please see the Guidance for a discussion of what is meant by an expense that was not accounted for in the budget most recently approved as of March 27, 2020.

***In some cases, first responders and critical health care workers that contract COVID-19 are eligible for workers’ compensation coverage. Is the cost of this expanded workers compensation coverage eligible?***

Increased workers compensation cost to the government due to the COVID-19 public health emergency incurred during the period beginning March 1, 2020, and ending December 30, 2020, is an eligible expense.

***If a recipient would have decommissioned equipment or not renewed a lease on particular office space or equipment but decides to continue to use the equipment or to renew the lease in order to respond to the public health emergency, are the costs associated with continuing to operate the equipment or the ongoing lease payments eligible expenses?***

Yes. To the extent the expenses were previously unbudgeted and are otherwise consistent with section 601(d) of the Social Security Act outlined in the Guidance, such expenses would be eligible.

***May recipients provide stipends to employees for eligible expenses (for example, a stipend to employees to improve telework capabilities) rather than require employees to incur the eligible cost and submit for reimbursement?***

Expenditures paid for with payments from the Fund must be limited to those that are necessary due to the public health emergency. As such, unless the government were to determine that providing assistance in the form of a stipend is an administrative necessity, the government should provide such assistance on a reimbursement basis to ensure as much as possible that funds are used to cover only eligible expenses.

***May Fund payments be used for COVID-19 public health emergency recovery planning?***

Yes. Expenses associated with conducting a recovery planning project or operating a recovery coordination office would be eligible, if the expenses otherwise meet the criteria set forth in section 601(d) of the Social Security Act outlined in the Guidance.

***Are expenses associated with contract tracing eligible?***

Yes, expenses associated with contract tracing are eligible.

***To what extent may a government use Fund payments to support the operations of private hospitals?***

Governments may use Fund payments to support public or private hospitals to the extent that the costs are necessary expenditures incurred due to the COVID-19 public health emergency, but the form such assistance would take may differ. In particular, financial assistance to private hospitals could take the form of a grant or a short-term loan.

***May payments from the Fund be used to assist individuals with enrolling in a government benefit program for those who have been laid off due to COVID-19 and thereby lost health insurance?***

Yes. To the extent that the relevant government official determines that these expenses are necessary and they meet the other requirements set forth in section 601(d) of the Social Security Act outlined in the Guidance, these expenses are eligible.

***May recipients use Fund payments to facilitate livestock depopulation incurred by producers due to supply chain disruptions?***

Yes, to the extent these efforts are deemed necessary for public health reasons or as a form of economic support as a result of the COVID-19 health emergency.

***Would providing a consumer grant program to prevent eviction and assist in preventing homelessness be considered an eligible expense?***

Yes, assuming that the recipient considers the grants to be a necessary expense incurred due to the COVID-19 public health emergency and the grants meet the other requirements for the use of Fund payments under section 601(d) of the Social Security Act outlined in the Guidance. As a general matter, providing assistance to recipients to enable them to meet property tax requirements would not be an eligible use of funds, but exceptions may be made in the case of assistance designed to prevent foreclosures.

***May recipients create a “payroll support program” for public employees?***

Use of payments from the Fund to cover payroll or benefits expenses of public employees are limited to those employees whose work duties are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

***May recipients use Fund payments to cover employment and training programs for employees that have been furloughed due to the public health emergency?***

Yes, this would be an eligible expense if the government determined that the costs of such employment and training programs would be necessary due to the public health emergency.

***May recipients use Fund payments to provide emergency financial assistance to individuals and families directly impacted by a loss of income due to the COVID-19 public health emergency?***

Yes, if a government determines such assistance to be a necessary expenditure. Such assistance could include, for example, a program to assist individuals with payment of overdue rent or mortgage payments to avoid eviction or foreclosure or unforeseen financial costs for funerals and other emergency individual needs. Such assistance should be structured in a manner to ensure as much as possible, within the realm of what is administratively feasible, that such assistance is necessary.

***The Guidance provides that eligible expenditures may include expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures. What is meant by a “small business,” and is the Guidance intended to refer only to expenditures to cover administrative expenses of such a grant program?***

Governments have discretion to determine what payments are necessary. A program that is aimed at assisting small businesses with the costs of business interruption caused by required closures should be tailored to assist those businesses in need of such assistance. The amount of a grant to a small business to reimburse the costs of business interruption caused by required closures would also be an eligible expenditure under section 601(d) of the Social Security Act, as outlined in the Guidance.

***The Guidance provides that expenses associated with the provision of economic support in connection with the public health emergency, such as expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures, would constitute eligible expenditures of Fund payments. Would such expenditures be eligible in the absence of a stay-at-home order?***

Fund payments may be used for economic support in the absence of a stay-at-home order if such expenditures are determined by the government to be necessary. This may include, for example, a grant program to benefit small businesses that close voluntarily to promote social distancing measures or that are affected by decreased customer demand as a result of the COVID-19 public health emergency.

***May Fund payments be used to assist impacted property owners with the payment of their property taxes?***

Fund payments may not be used for government revenue replacement, including the provision of assistance to meet tax obligations.

***May Fund payments be used to replace foregone utility fees? If not, can Fund payments be used as a direct subsidy payment to all utility account holders?***

Fund payments may not be used for government revenue replacement, including the replacement of unpaid utility fees. Fund payments may be used for subsidy payments to electricity account holders to the extent that the subsidy payments are deemed by the recipient to be necessary expenditures incurred due to the COVID-19 public health emergency and meet the other criteria of section 601(d) of the Social Security Act outlined in the Guidance. For example, if determined to be a necessary expenditure, a government could provide grants to individuals facing economic hardship to allow them to pay their utility fees and thereby continue to receive essential services.

***Could Fund payments be used for capital improvement projects that broadly provide potential economic development in a community?***

In general, no. If capital improvement projects are not necessary expenditures incurred due to the COVID-19 public health emergency, then Fund payments may not be used for such projects.

However, Fund payments may be used for the expenses of, for example, establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity or improve mitigation measures, including related construction costs.

***The Guidance includes workforce bonuses as an example of ineligible expenses but provides that hazard pay would be eligible if otherwise determined to be a necessary expense. Is there a specific definition of “hazard pay”?***

Hazard pay means additional pay for performing hazardous duty or work involving physical hardship, in each case that is related to COVID-19.

***The Guidance provides that ineligible expenditures include “[p]ayroll or benefits expenses for employees whose work duties are not substantially dedicated to mitigating or responding to the COVID-19 public health emergency.” Is this intended to relate only to public employees?***

Yes. This particular nonexclusive example of an ineligible expenditure relates to public employees. A recipient would not be permitted to pay for payroll or benefit expenses of private employees and any financial assistance (such as grants or short-term loans) to private employers are not subject to the restriction that the private employers’ employees must be substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

***May counties pre-pay with CARES Act funds for expenses such as a one or two-year facility lease, such as to house staff hired in response to COVID-19?***

A government should not make prepayments on contracts using payments from the Fund to the extent that doing so would not be consistent with its ordinary course policies and procedures.

## **Questions Related to Administration of Fund Payments**

***Do governments have to return unspent funds to Treasury?***

Yes. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the CARES Act, provides for recoupment by the Department of the Treasury of amounts received from the Fund that have not been used in a manner consistent with section 601(d) of the Social Security Act. If a government has not used funds it has received to cover costs that were incurred by December 30, 2020, as required by the statute, those funds must be returned to the Department of the Treasury.

***What records must be kept by governments receiving payment?***

A government should keep records sufficient to demonstrate that the amount of Fund payments to the government has been used in accordance with section 601(d) of the Social Security Act

***May recipients deposit Fund payments into interest bearing accounts?***

Yes, provided that if recipients separately invest amounts received from the Fund, they must use the interest earned or other proceeds of these investments only to cover expenditures incurred in accordance with section 601(d) of the Social Security Act and the Guidance on eligible expenses. If a government deposits Fund payments in a government’s general account, it may use those funds to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary

expenditures. Fund payments are not subject to the Cash Management Improvement Act of 1990, as amended.

***May governments retain assets purchased with payments from the Fund?***

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds provided by section 601(d) of the Social Security Act.

***What rules apply to the proceeds of disposition or sale of assets acquired using payments from the Fund?***

If such assets are disposed of prior to December 30, 2020, the proceeds would be subject to the restrictions on the eligible use of payments from the Fund provided by section 601(d) of the Social Security Act.

**ORANGE COUNTY  
BOARD OF COMMISSIONERS**

**ACTION AGENDA ITEM ABSTRACT**

**Meeting Date:** May 19, 2020

**Action Agenda  
Item No.** 6-c

**SUBJECT:** Release of the 2020 Orange County Affordable Housing Bond Program Application

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**DEPARTMENT:** Housing and Community Development

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**ATTACHMENT(S):**

Attachment 1: 2020 Orange County Affordable Housing Bond Program Application

**INFORMATION CONTACT:**

Emila Sutton, Director, Housing and Community Development, (919) 245-2490

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**PURPOSE:** To authorize the release of the 2020 Orange County Affordable Housing Bond Program Application materials on June 8, 2020.

**BACKGROUND:** In the fall 2016, the Board of Commissioners approved a \$5 million Affordable Housing Bond. Half of the bond funds (\$2.5 million) were awarded in 2017. This application is for the remaining \$2.5 million of the bond funds.

The 2020 application was developed based on the Request for Proposals (RFP) for the 2017 round of bond funding and the application evaluation criteria approved by the Board of Commissioners in April 2019.

Eligible projects will be new construction for homeownership and/or rental development affordable to low-income households. Projects may be mixed-use and/or mixed-income. No more than 20% of residential units may be set aside for people with disabilities, in compliance with best practices outlined in the State of North Carolina's *Olmstead* settlement agreement. Land banking is not an eligible use.

Eligible applicants for funding will be:

- nonprofit organizations involved in affordable housing and community development (including faith-based organizations)
- for-profit developers, and
- joint ventures between eligible nonprofit and for-profit entities

The application evaluation criteria consider the following factors for each proposed project:

- (1) income and vulnerable population targeting
- (2) targeting of households currently living and/or working in Orange County
- (3) leveraging of other funding sources

- (4) building and site design features including environmental sustainability and accessibility features
- (5) community design features including neighborhood compatibility and location relative to transportation, employment opportunities, and services
- (6) community sponsorship, engagement, and support
- (7) project feasibility, and
- (8) developer experience

Differences between this application and the 2017 RFP are mostly formatting changes in order to condense the content of application. Significant recommended changes include:

- This is a funding application rather than an RFP – applications will go to the Department of Housing and Community Development (DHCD) instead of through Procurement. Because they will not go through Procurement, certain requirements of Contractors, such as E-Verify requirements and Iran Divestment Act certification requirements, are not included.
- Application review and preliminary scoring will be conducted by DHCD staff, then funding recommendations will be made to the BOCC, rather than the review process going from staff to a County team, then to the Affordable Housing Advisory Board, and then to the BOCC. Because advisory boards may not be able to meet to review applications due to the COVID-19 pandemic (and the inability of advisory boards to hold virtual meetings), this process will prevent delays in application review and funding awards.

If and when the 2020 application is approved by the BOCC, the proposed timeline for application review and funding award is as follows:

June 8, 2020	Application Released
June 15, 2020	Application Workshop
July 31, 2020	Application Submission Deadline
August 2020	Staff Review Applications
September 1, 2020	BOCC Considers Applications and Funding Recommendations
September 2 – October 1, 2020	Contracts Executed and Projects Begin

**FINANCIAL IMPACT:** There will be no financial impact to the County, as the bond funds have already been approved.

**SOCIAL JUSTICE IMPACT:** The following Orange County Social Justice Goals are applicable to this item:

- **GOAL: FOSTER A COMMUNITY CULTURE THAT REJECTS OPPRESSION AND INEQUITY**  
The fair treatment and meaningful involvement of all people regardless of race or color; religious or philosophical beliefs; sex, gender or sexual orientation; national origin or ethnic background; age; military service; disability; and familial, residential or economic status.
- **GOAL: ENSURE ECONOMIC SELF-SUFFICIENCY**  
The creation and preservation of infrastructure, policies, programs and funding necessary for residents to provide shelter, food, clothing and medical care for themselves and their dependents.

The creation and preservation of affordable housing options helps to meet a basic need and advances economic self-sufficiency.

- **GOAL: CREATE A SAFE COMMUNITY**

The reduction of risks from vehicle/traffic accidents, childhood and senior injuries, gang activity, substance abuse and domestic violence.

Affordable housing options allow individuals to reduce risks associated with being un-housed.

**ENVIRONMENTAL IMPACT:** There is no Orange County Environmental Responsibility Goal impact applicable to this item.

**RECOMMENDATION(S):** The Manager recommends that the Board authorize the release of the 2020 Orange County Affordable Housing Bond Program Application materials on June 8, 2020 with any modifications from the Board.



# **Orange County Affordable Housing Bond Program 2020 Funding Application**

**Orange County Department of Housing and  
Community Development**

**919-245-2490**

**<http://orangecountync.gov/1101/Housing-Community-Development>**

## GENERAL INFORMATION AND APPLICATION INSTRUCTIONS

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### Overview

Thank you for your interest in the Orange County Affordable Housing Bond Program. The \$5 million Affordable Housing Bond was passed by the Orange County Board of Commissioners in the fall of 2016. Half of the Bond funds (\$2.5 million) were awarded in 2017. This application is for the remaining half of the Bond funds.

### Eligible Applicants

Eligible applicants for the Affordable Housing Bond Program include: nonprofit organizations involved in affordable housing and community development (including faith-based organizations), for-profit developers, and joint ventures between eligible nonprofit and for-profit entities.

Applicants' past performance, experience, and partnerships will be considered in reviewing applications. Incomplete or late applications may not be considered.

### Eligible Projects

Eligible projects are new construction for homeownership and/or rental development affordable to low-income households earning no more than 80% of area median income, adjusted by family size, as defined by the U.S. Department of Housing and Urban Development (HUD).

Projects may be mixed-use and/or mixed-income. No more than 20% of residential units may be set aside for people with disabilities, in compliance with best practices outlined in the State of North Carolina's *Olmstead* settlement agreement. For rental developments, households applying for tenancy may not be denied based on source of income (i.e., rental assistance vouchers).

Land banking is not an eligible use. Construction must begin within six months of the date of funding award, and must be completed within 18 months of award. Extensions may be granted at the discretion of the Orange County Board of Commissioners and should be submitted at least four months prior to the original project completion deadline.

### Application Evaluation Criteria

The evaluation criteria in the Attachments section will be used in reviewing and ranking applications. The County reserves the right to add additional guidelines, terms, and/or requirements that may be needed depending on the location and nature of proposed projects.

Once applications are received, they will be reviewed by staff and funding recommendations will be made to the County Manager and the Orange County Board of Commissioners. The Board of Commissioners will approve or deny funding recommendations and project proposals.

### Project Reporting and Monitoring

During development, organizations awarded Affordable Housing Bond Program funds must submit progress reports to the County quarterly to monitor progress and performance, financial and administrative management, and compliance with the terms of the performance agreement. Please submit reports using the template in the Attachments section by email to Erika Brandt at [ebrandt@orangecountync.gov](mailto:ebrandt@orangecountync.gov).

After project completion, County staff and/or the Affordable Housing Advisory Board will review funded projects at least annually for performance and compliance. Monitoring may involve site and/or office

visits.

### **Application Submission Instructions**

The application deadline is **July 31, 2020 at 5:00 pm**. Submit applications in PDF form by email to Erika Brandt at [ebrandt@orangecountync.gov](mailto:ebrandt@orangecountync.gov). Pro formas and project budgets should be submitted as an Excel file. All application materials should be clearly labeled with the name of the applicant organization, year, and name of the document.

Applications may not be considered for the following reasons:

1. Projects that do not align with the eligibility criteria for this application
2. Applicant has demonstrated poor past performance or compliance with funding guidelines
3. Incomplete or late applications

### **Checklist of Required Application Materials**

- Section 1:** Applicant and Project Overview
- Section 2:** Project Description
  - Project Timeline
  - Site map showing lot boundaries, locations of structure(s), and other site features
  - General location map (at least ½ mile radius)
  - Photographs of site
  - Floor plan(s)
  - Elevation(s)
  - List of Energy Efficiency measures included in the project (if applicable)
  - List of Universal Design features included in the project (if applicable)
  - MBE Participation Plan
- Section 3:** Project Budget and Pro forma
  - Detailed Project Budget
  - Pro Forma (Rental Only)
- Section 4:** Agency Description
  - Nonprofit Organizations
    - Current list of Board of Directors, including addresses, phone numbers, terms of service, and relevant affiliations
    - Current Bylaws and Articles of Incorporation
    - Last 2 years' operating budgets
    - Most recent independent audit
    - IRS Form 990
    - IRS tax determination letter
    - NC Solicitation License
    - Certificate of Liability Insurance
  - For-profit Organizations
    - Current list of Board of Directors, including addresses, phone numbers, terms of service, and

relevant affiliations

- Current Bylaws and Articles of Incorporation
  - Last 2 years' operating budgets
  - YTD profit and loss statement and balance sheet
  - Most recent independent audit
  - Last 2 years' corporate tax returns
  - Last 2 years' personal tax returns and financial statements for all persons who have more than 19.9% ownership interest in the organization
  - Signed "Authorization to Release Information" for each persons who has more than 19.9% ownership interest in the organization
  - Completed W-9 Form
  - Certificate of Liability Insurance
- Section 5:** Disclosure of Potential Conflicts of Interest

## SECTION 1: APPLICANT AND PROJECT OVERVIEW

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### Applicant Information

Full Legal Name: \_\_\_\_\_

Tax ID Number: \_\_\_\_\_

Physical Address: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Website: \_\_\_\_\_

Date of Incorporation: \_\_\_\_\_

Executive Director: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

### Project Information

Project Name: \_\_\_\_\_

Primary Project Contact and Title: \_\_\_\_\_

Total Project Cost: \_\_\_\_\_

Total Funds Requested: \_\_\_\_\_

Total Number of Units in Project: \_\_\_\_\_

Please specify the **type** and **amount** of funding requested:Affordable Housing Bond Program: \$\_\_\_\_\_       Grant       LoanProposed Use of Funds Requested (*provide a concise description of proposed project*): \_\_\_\_\_

**To the best of my knowledge, all information and data in this application are true and current. The document has been duly authorized by the governing board of the applicant.**

Signature: \_\_\_\_\_

Board Chairperson

\_\_\_\_\_

Date

Signature: \_\_\_\_\_

Executive Director

\_\_\_\_\_

Date

## SECTION 2: PROJECT DESCRIPTION

---

**Project Name:** \_\_\_\_\_

### **Project Beneficiaries**

**Target Population(s):** \_\_\_\_\_

Who is the target population to be served and how will their needs be addressed through this project? Describe any specific targeting of the following populations (including the approximate number of households to be served) through services provided, locations, design features, etc.:

- Individuals or families experiencing homelessness
- People with disabilities
- Housing Choice and other voucher holders
- Survivors of domestic violence
- Veterans

**Incomes:** Please indicate the incomes of the households to be served through the proposed project.

Income Group	Number of Households	% of Total Households
0-30% of AMI		
31-60% of AMI		
61-80% of AMI		
>80% of AMI		
<b>TOTAL</b>		

The 2020 HUD Income Limits are listed below:

Income Level	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
<b>30% AMI</b>	\$19,100	\$21,800	\$24,500	\$27,250	\$30,680	\$35,160	\$39,640	\$44,120
<b>50% AMI</b>	\$31,850	\$36,400	\$40,950	\$45,450	\$49,100	\$52,750	\$56,400	\$60,000
<b>60% AMI</b>	\$38,220	\$42,680	\$49,140	\$54,540	\$58,920	\$63,084	\$67,680	\$72,000
<b>80% AMI</b>	\$50,900	\$58,200	\$65,450	\$72,700	\$78,550	\$84,350	\$90,150	\$96,000

**Local Residency:** \_\_\_\_\_

Please indicate the number of households who currently reside and/or work in Orange County who you expect to serve in the proposed project.

### **Project Staff**

Please provide names of all persons and/or consultants, etc., that will be involved with the project. Describe their responsibilities with the project and experience in successful completion of similar projects in the past. \_\_\_\_\_

## **Project Details**

**Type of Activity:** Please check all the categories that apply to your project.

- Acquisition
- Demolition
- Predevelopment costs
- Infrastructure/site improvements
- New construction for homeownership
- New construction for rental
- Non-residential construction (mixed-use projects)
- Other (specify): \_\_\_\_\_

### **Project Description:** \_\_\_\_\_

Please provide a general overview of your project, including what you are planning to produce and how you are planning to carrying out the project. Include answers to the following:

- Will the project pay property taxes?
- Will the project repay bond funds? If so, principal only, or principal and interest?
- Will the project be mixed-income?
- Will the project be mixed-use?

### **Project Location:** \_\_\_\_\_

Please be as specific as possible.

**Size of the Project Site (if applicable):** \_\_\_\_\_ acres

### **Project Site Attachments:**

- Site map showing lot boundaries, locations of structure(s), and other site features
- General location map (at least ½ mile radius)
- Photographs of site

### **Project Timeline:**

- Attach a **detailed** timetable showing when each work task will be completed (e.g., planning, obtaining financial commitments, design, environmental review, bidding; loan closing, construction milestones, marketing, final inspection, occupancy, etc.)

### **Site Control and Zoning:**

- Has your agency acquired or optioned property in order to carry out the project? \_\_\_\_\_
- Will the project require rezoning/zoning variance/etc.? \_\_\_\_\_

### **Construction Detail:**

- How many units will be newly constructed? \_\_\_\_\_
- What is the square footage of each unit? \_\_\_\_\_
- What is the number of bedrooms in each unit? \_\_\_\_\_
- What is the number of bathrooms in each unit? \_\_\_\_\_
- How many units will be fully ADA accessibility? \_\_\_\_\_

- Is the proposed project located in a Neighborhood Conservation District? (Neighborhood Conservation Districts apply only to projects located in Chapel Hill) \_\_\_\_\_
- Describe any notable building, community, and/or site design elements (see evaluation criteria scorecard in the Attachments section for description of elements and their point values):  
\_\_\_\_\_
- Please attach the following:
  - Floor plan(s)
  - Elevation(s)
  - List of Energy Efficiency measures included in the project (if applicable)
  - List of Universal Design features included in the project (if applicable)

### **Affordability, Marketing, and Supportive Services**

- Describe any methods to ensure long-term affordability of housing units, including subsidy recapture, equity sharing, deed restrictions, etc.: \_\_\_\_\_

*(Note: Recipients of County funding must agree to the terms and conditions of the Orange County Long-Term Housing Affordability Policy)*

- What are the proposed rents (including utility costs) or sales prices for completed units? \_\_\_\_\_
- Describe your agency's process for marketing to ensure an adequate pool of income-eligible renters to buyers: \_\_\_\_\_
- What supportive services, if any, will be provided in this project? \_\_\_\_\_
- Describe your affirmative marketing plan to market your project to people of color, female heads of household, and people with disabilities: \_\_\_\_\_

### **MBE Participation Plan**

- Attach a MBE Participation Plan

### **Community Sponsorship/Support**

Describe community partnerships, consultation, inclusive planning processes, engagement/outreach efforts, etc.: \_\_\_\_\_

### **Alignment with Goals and Adopted Affordable Housing Policy**

Please explain how the proposed project aligns with local goals and adopted affordable housing strategies and policies: \_\_\_\_\_

## **SECTION 3: PROJECT BUDGET AND PRO FORMA**

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### **Project Budget**

- Attach a **detailed project budget** showing all sources and uses of funds. Attach funding commitment letters where available or a list of funding applications to other sources previously submitted.

### **Pro forma (for rental property only)**

- If you are developing a property for rent, please attach a 20-year pro forma showing estimated income, expenses, net operating income, debt service, and cash flow.

### **Cost per Unit**

Cost per dwelling unit: \_\_\_\_\_

Cost per square foot: \_\_\_\_\_

## SECTION 4: AGENCY DESCRIPTION

---

### Agency Information

Mission statement: \_\_\_\_\_

Estimated total agency budget for this fiscal year: \$ \_\_\_\_\_

Does your agency budget show a surplus or deficit? Please explain: \_\_\_\_\_

Is there a significant change in your budget from the previous year? Please explain: \_\_\_\_\_

Number of FTE full-time paid positions: \_\_\_\_\_

Number of FTE part-time paid positions: \_\_\_\_\_

Number of volunteers: \_\_\_\_\_      Number of FTE volunteers: \_\_\_\_\_

Does the agency pay permanent employees a minimum living wage (yes/no)? \_\_\_\_\_

If yes, is the agency an Orange County Living Wage Certified Employer? \_\_\_\_\_

If no, please explain. \_\_\_\_\_

Please include the following attachments:

#### **Nonprofit Organizations**

- Current list of Board of Directors, including addresses, phone numbers, terms of service, and relevant affiliations
- Current Bylaws and Articles of Incorporation
- Last 2 years' operating budgets
- Most recent independent audit
- IRS Form 990
- IRS tax determination letter
- NC Solicitation License
- Certificate of Liability Insurance

#### **For-profit Organizations**

- Current list of Board of Directors, including addresses, phone numbers, terms of service, and relevant affiliations
- Current Bylaws and Articles of Incorporation
- Last 2 years' operating budgets
- YTD profit and loss statement and balance sheet
- Most recent independent audit
- Last 2 years' corporate tax returns
- Last 2 years' personal tax returns and financial statements for all persons who have more than 19.9% ownership interest in the organization

- Signed "Authorization to Release Information" for each persons who has more than 19.9% ownership interest in the organization
- Completed W-9 Form
- Certificate of Liability Insurance

### **Agency Experience**

Please provide a brief description of your organization's past achievements in carrying out similar projects and evidence of successful record of meeting proposed budgets and timetables.

\_\_\_\_\_

For all projects for which you have received County funding within the last 5 years, please provide the information below. If you have not received County funding within the last 5 years, please complete for comparable projects. Copy and paste the chart below as needed for additional projects.

<b>Project Name</b>	_____
<b>Total Project Cost</b>	_____
<b>Amount and Source of County Funding</b>	_____
<b>Date of Funding Award Approval</b>	_____
<b>Date of Project Completion</b>	_____
<b>Project completed on schedule?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Project completed within budget?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>If no, how much over/under budget?</b>	_____
<b>Other Comments:</b>	_____

## SECTION 5: DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

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Are any of the Board Members or employees of the agency carrying out this project, or members of their immediate families, or their business associates who are:

- Employees of/or closely related to employees of the Towns of Carrboro, Chapel Hill, Hillsborough, or Orange County?  
 Yes       No
  
- Members of/or closely related to members of the governing bodies of the Towns of Carrboro, Chapel Hill, Hillsborough, or Orange County?  
 Yes       No
  
- Potential beneficiaries of the project/program for which funds are requested?  
 Yes       No
  
- Paid providers of goods or services to the program or having other financial interest in the program?  
 Yes       No

If you answered “yes” to any of the preceding questions, **please explain below**. The existence of a potential conflict of interest does not necessarily make the project ineligible for funding, but the existence of an **undisclosed** conflict may result in the termination of any grant awarded.

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## ATTACHMENTS

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## Orange County Affordable Housing Bond Program 2020 Scorecard

### Threshold Requirements:

- The application is complete with all required attachments and was submitted by the established deadline
- The project aligns with local affordable housing goals, strategies, and/or adopted policies
- Funding is for an eligible activity

### 1. Income Targeting and Special Needs (45 points): \_\_\_\_\_

What income range(s) and population(s) will the proposed project serve? *If serving multiple ranges, score will be prorated.*

Household Income Range	Maximum Points
0 to ≤ 30% AMI	25
>30% to ≤ 60% AMI	15
> 60% to ≤ 80% AMI	10
People with special housing needs <sup>1</sup>	20

<sup>1</sup>Defined as people with disabilities, veterans, individuals or families experiencing homelessness, holders of Housing Choice or other vouchers, and survivors of domestic violence

### 2. Local Residency (5 points): \_\_\_\_\_

Will the proposed project provide housing for Orange County residents?

Percent of Current Orange County Residents <sup>2</sup> at Sale or Lease-up	Maximum Points
80% to 100%	5
50% to 80%	2
0 to 50%	1

<sup>2</sup>Defined as households currently residing or working in Orange County or having resided in Orange County

### 3. Leveraging (52 points): \_\_\_\_\_

To what degree does the proposed project include other sources of funds?

Percent Funded by Bonds and Other County Funding	Maximum Points
60% to 80%	3
40% to 59%	6
20% to 39%	9
10% to 19%	15
< 10%	20
<b>Other Criteria</b>	

Project pays property taxes <sup>3</sup>	2
Project repays bond funds (principal only) <sup>3</sup>	3
Project repays bond funds (principal and interest) <sup>3</sup>	10
Project is mixed-income, meaning it serves more than one income category (including market-rate) and minimizes geographic concentration of affordable units	10
Project is mixed-use, meaning it includes non-residential uses that offer access to employment, daily needs, and health and human services	10

<sup>3</sup>These criteria are not applicable to nonprofit sponsored projects

**4. Building and Site Design (20 points): \_\_\_\_\_**

Scoring Criteria	Maximum Points
Project incorporates sustainable design elements, such as smaller building sizes, use of local/recycled building materials, energy efficient features, LED lighting, water conservation fixtures, efficient HVAC systems, etc. (for energy efficient features, the project meets or exceeds the NC Housing Finance Agency's energy efficiency criteria)	5
Project provides handicap accessibility and/or incorporates Universal Design	3
Project incorporates sustainable community and environmental design elements, such as flexible lot design, low impact development, storm water controls, reduced impervious surface areas, natural or drought-resistant landscaping or any additional element that would serve to minimize negative environmental impacts, as Orange County regulations allow	5
Project is connected to water and sewer service, will connect to existing service, or will use a community well and sewer system consistent with water and sewer boundary agreements and local standards	5

**5. Community Design (20 points): \_\_\_\_\_**

Scoring Criteria	Maximum Points
Project contributes to a mix of housing within an existing neighborhood	3
Additional points may be awarded for building appearance, quality of construction, compatibility with surrounding housing, ability to foster a sense of a secure community, and contribution to neighborhood revitalization and or affordable housing preservation (details must be provided by applicant)	5
Project is accessible to services such as healthcare, schools, grocery shopping, etc.	4
Public transportation and related facilities are available (e.g., bus shelters, accessible stops, etc.) or transportation will be provided by the development	5
Project is located in an area of the county traditionally underserved by housing development	3

**6. Community Sponsorship/Support (20 points): \_\_\_\_\_**

Scoring Criteria	Maximum Points
Applicant can show evidence that they coordinated with other organizations to complement/support the proposed project	6
Applicant can show evidence that they involved the intended beneficiaries of the project in the planning process and that the outreach and marketing plan is inclusive	6
Applicant can demonstrate it has been actively involved, or describe the steps it will take to become actively involved, in the County's Consolidated Planning process to identify and address a housing need related to the proposed project	4
Applicant has developed, or can demonstrate plans to develop, links with other community activities to provide holistic community services	4

**7. Project Feasibility (30 points): \_\_\_\_\_**

Scoring Criteria	Maximum Points
Applicant can demonstrate site control, zoning compliance, and timely and feasible construction schedule	10
Funding (other than County funding) is in place at time of application	10
Applicant's proposal is complete and presents a proposed budget and financial model that is appropriate based on reasonable assumptions	10

**8. Developer Experience (42 points): \_\_\_\_\_**

Scoring Criteria	Maximum Points
Applicant has experience carrying out comparable projects to that proposed and has met regulatory compliance for previous projects	10
Applicant has a proposed team with demonstrated development, managerial, and financial management capabilities in prior projects	10
Applicant and team members have a successful record of meeting proposed budgets and timelines	10
Project sponsor is a nonprofit housing provider	12

**Total Points: \_\_\_\_\_ out of 234**



## Orange County Affordable Housing Bond Program Quarterly Report

Year: \_\_\_\_\_

Q1       Q2       Q3       Q4

Project Name: \_\_\_\_\_

Funded Organization: \_\_\_\_\_

### Budget/Leveraging

Current Total Development Cost: \$ \_\_\_\_\_

Total Expenditures this Quarter: \$ \_\_\_\_\_      Cumulative Total Expenditures: \$ \_\_\_\_\_

Amount Leveraged this Quarter: \$ \_\_\_\_\_      Cumulative Total Leveraged: \$ \_\_\_\_\_

Please list each funding source you have leveraged this quarter and the amount of each source:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### Progress to Date

Total Number of Units Proposed: \_\_\_\_\_

Number of Units Under Construction This Quarter: \_\_\_\_\_

Number of Units Completed This Quarter: \_\_\_\_\_      Cumulative Units Completed: \$ \_\_\_\_\_

Have there been any changes in the project timeline since your last Quarterly Report? If so, please explain.

\_\_\_\_\_

Please describe any challenges encountered this quarter.

\_\_\_\_\_

### Beneficiaries

Total Number of Households Proposed: \_\_\_\_\_

Number of Households This Quarter: \_\_\_\_\_

Cumulative Number of Households Served: \_\_\_\_\_

Please describe any marketing and outreach activities to date related to lease-up and sale to proposed beneficiaries.

\_\_\_\_\_

Please list the number of households in each income category:

0-30% AMI: \_\_\_\_\_

31-60% AMI: \_\_\_\_\_

61-80% AMI: \_\_\_\_\_

> 80% AMI: \_\_\_\_\_

Please list any other beneficiary details, such as households with special housing needs served.

\_\_\_\_\_

**ORANGE COUNTY  
BOARD OF COMMISSIONERS**

**ACTION AGENDA ITEM ABSTRACT**

**Meeting Date:** May 19, 2020

**Action Agenda  
Item No.** 6-d

**SUBJECT:** Discussion Regarding Construction and Demolition Waste at Waste and Recycling Centers

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**DEPARTMENT:** Solid Waste

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**ATTACHMENT(S):**  
Solid Waste Ordinance Section 34-40

**INFORMATION CONTACT:**  
Robert Williams, 919-918-4904

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**PURPOSE:** To discuss and provide direction to Solid Waste staff regarding enforcement of the current Solid Waste Ordinance provisions related to Construction and Demolition Waste at the Waste and Recycling Centers.

**BACKGROUND:** The Orange County Waste and Recycling Centers (Centers) were established for the disposal of household municipal solid waste and recycling. Specifically, the Orange County Solid Waste Ordinance provides in Section 34-40 that Centers are maintained at selected locations throughout the County for the convenience of County residents. It details a list of wastes that may not be accepted at convenience centers, including commercial waste, institutional waste, industrial waste, land clearing waste, and construction waste and demolition waste. In contrast, the ordinance specifically provides a list of materials that, if there is a specifically designated area for collection, may be deposited at the Centers, including white goods, furniture, yard waste and tires. These ordinance provisions have been in effect since May of 1993.

A recent audit of the Centers highlighted that the Ordinance was not being consistently followed by some of the Solid Waste staff. The Centers have traditionally allowed a "wheelbarrows" or up to 3 cubic feet worth of construction and demolition waste to be deposited in the bulky waste area as an accommodation to residential users of the sites. This amount was being inconsistently applied by staff. In addition, it became apparent that construction and demolition waste of a commercial nature was also being brought to the sites. Individuals that were renovating homes for commercial purposes were bringing or causing large quantities of material to be brought to the sites.

This activity was not only contrary to the current Solid Waste Ordinance but also raised other concerns. The Orange County Regulated Recycling Materials Ordinance (RRMO) is being circumvented by having construction and demolition wastes brought to the Centers. The RRMO requires that regulated recyclable construction and demolition waste be separated from other

solid waste unless delivered to a certified commingled recycling facility. Allowing the construction and demolition waste at the Centers violates the RRMO. The construction and demolition waste that is brought to the Centers is transported to a transfer station and ultimately disposed of in a municipal solid waste (MSW) landfill.

In addition to conflicting with the RRMO, accepting Construction and Demolition waste at the Centers increases both transportation costs and disposal costs which have seen recent increases and will continue to increase. During fiscal year 2019-20, the disposal rate at the Durham transfer station increased from \$44.50 per ton to \$47.50 per ton.

**FINANCIAL IMPACT:** Current conservative estimates are that 20-25% of waste delivered to the Waste and Recycling Centers are construction and demolition wastes. Tipping fees for those materials are estimated to be \$75,000-\$88,000 per year. Increasing the amount of allowable construction and demolition wastes will result in increased transportation and disposal costs ultimately resulting in a need to increase the Solid Waste Programs Fee.

**SOCIAL JUSTICE IMPACT:** There is no Orange County Social Justice Goal impact associated with this item.

**ENVIRONMENTAL IMPACT:** The following Orange County Environmental Responsibility Goal impact is applicable to this item:

- **ENERGY EFFICIENCY AND WASTE REDUCTION**  
Initiate policies and programs that: 1) conserve energy; 2) reduce resource consumption; 3) increase the use of recycled and renewable resources; and 4) minimize waste stream impacts on the environment.

Construction and demolition wastes delivered to the Waste and Recycling Centers are transported to a transfer station and ultimately disposed of in a Municipal Solid Waste Landfill. Compliance with the RRMO cannot be monitored at the Waste and Recycling Centers, potentially resulting in recyclable construction and demolition wastes being landfilled in an MSW landfill.

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

- Direct Solid Waste staff to consistently enforce Section 34-40 of the Solid Waste Ordinance related to construction and demolition waste;  
OR
- Direct Solid Waste staff to present a resolution at an upcoming meeting amending Section 34-40 of the Solid Waste Ordinance.

Sec. 34-40. - Solid waste convenience center.

(a) Solid waste receptacles are maintained at selected centers throughout the county for the convenience of county residents. Use by out-of-county residents is prohibited. Solid waste may be deposited in the solid waste receptacles only in accordance with the provisions of this article.

(b) The following wastes may not be deposited in solid waste receptacles or at solid waste convenience centers:

(1) Asbestos.

(2) Burning or smoldering materials, or any other materials that would create a fire hazard.

(3) Commercial waste.

(4) Construction waste and demolition waste.

(5) Hazardous waste.

(6) Industrial waste.

(7) Institutional waste.

(8) Liquid waste.

(9) Radioactive waste.

(10) Regulated medical waste.

(11) Sludges.

(12) Barrels without both ends cut out.

(13) Sharps not properly contained.

(14) Animal parts or carcasses.

(15) Land clearing debris.

(c) The following wastes may be accepted at solid waste convenience centers when there is a specific area designated for the collection of such items:

(1) Lead-acid batteries.

(2) Used oil with no other substances mixed in.

(3) White goods.

(4) Yard waste.

(5)Furniture.

(6)Tires.

(d)All solid waste intended for disposal in a solid waste receptacle shall be deposited inside the receptacle. No solid waste may be left at the solid waste convenience center outside the receptacle unless the site is staffed and the solid waste is considered by the attendant to be salvageable. It then may be placed in the area designated for salvageable materials.

(e)County residents may obtain a free landfill permit from the solid waste management department for disposal of bulky items, or those items that are not compatible with solid waste containers. The permit allows for ten visits, over an unlimited period of time, to the landfill for disposal of residential solid waste. Such waste may only be delivered to the landfill in the following vehicles:(1)Cars.(2)Pickup trucks.(3)Trailers.

(f)Trailer park and apartment complexes with more than six occupied units must make arrangements with a private hauler for uniform garbage collection for those units.

(g)No person may remove any item from a solid waste container, climb on or into a container, or damage any container.

(h)No person shall vandalize any property associated with solid waste convenience centers.

(i)Solid waste collectors shall not use solid waste receptacles at county solid waste convenience centers.

(j)No person may trespass on property used for consolidated solid waste convenience centers during nonoperational hours.

(k)No person shall loiter in or around convenience centers during operational hours.

(Ord. of 5-18-1993, § V, eff. 5-18-1993)

**ORANGE COUNTY  
BOARD OF COMMISSIONERS**

**ACTION AGENDA ITEM ABSTRACT**

**Meeting Date:** May 19, 2020

**Action Agenda  
Item No. 7-a**

**SUBJECT:** Final Report of Emergency Small Business Fund Program

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**DEPARTMENT(S):** County Manager

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**ATTACHMENT(S):**

1. PowerPoint Presentation
2. List of Award Recipients

**INFORMATION CONTACT:**

Gary Donaldson, (919) 245-2453  
Steve Brantley, (919) 245-2326  
Amanda Garner, (919) 245-2330

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**PURPOSE:** To receive a report from staff on the Emergency Small Business Funding Program for Orange County small businesses experiencing revenue loss due to the coronavirus pandemic.

**BACKGROUND:** The coronavirus pandemic has impacted the global economy and disrupted business activity throughout the United States and North Carolina. The County is committed to supporting its local businesses and employment base.

The Board of County Commissioners approved an Emergency Small Business Funding for Orange County small businesses experiencing revenue loss due to the coronavirus pandemic. The emergency program was funded with \$300,000 from the Article 46 Sales Tax Fund. Award recipients were eligible to receive grants and/or loans. The application period was from March 25 through April 10, 2020. The BOCC approved formation of a Nine-Member Committee to review and approve the award recipients.

At the direction of the County Manager, the Finance and Administrative Services and Economic Development departments formulated the policies and procedures for the emergency program.

Program eligibility requirements:

- Orange County based businesses
- Minimum of one year of operations
- For-Profit business status
- All applicants are required to have been in business for a minimum of one-year, hold applicable 2019 business privilege licenses, and be registered with appropriate legal entities such as the North Carolina Secretary of State or Orange County Register of Deeds office
- Companies are not eligible if they have past-due tax liabilities or tax liens, delinquencies in Orange County property taxes, or are currently in bankruptcy (Corporate or Personal)
- Profit and Loss statement indicating profitability prior to coronavirus pandemic

The County received 283 applications by the April 10 due date, with 39 applications initially eliminated because they were duplicates (20), or submitted by businesses located outside of

Orange County NC (19). This resulted in 244 County-wide small business applications as follows:

<b>Location of Applicants Within Orange County</b>	<b>Total Number of Applicants</b>	<b>Grant Requests</b>	<b>Loan Requests</b>	<b>Total Loan &amp; Grant Requests</b>
Carrboro	44	\$226,000	\$573,500	<b>\$799,500</b>
Chapel Hill	123	\$588,800	\$1,516,000	<b>\$2,104,800</b>
Hillsborough	62	\$315,750	\$909,910.82	<b>\$1,225,660.82</b>
Durham	2	\$10,000	\$20,000	<b>\$30,000</b>
Mebane	8	\$40,000	\$125,000	<b>\$165,000</b>
Rougemont	3	\$15,000	\$30,000	<b>\$45,000</b>
Cedar Grove	1	\$5,000	\$10,000	<b>\$15,000</b>
Hurdle Mills	1	\$10,000	\$20,000	<b>\$30,000</b>
<b>Totals</b>	<b>244</b>	<b>\$1,210,550</b>	<b>\$3,204,410.82</b>	<b>\$4,414,960.82</b>

Orange County Economic Development staff completed reviews to check the business registration status with the North Carolina Secretary of State and/or Orange County Register of Deeds, and checked each applicant's current Real and Personal property tax payment status with Orange County Tax Office to verify eligibility. A total of 168 of the 244 applicants returned the requested information.

The following tables represents demographic information for women, minority and co-owned women businesses.

### **Breakdown of 244 Applications**

#### **Percentages of Women and Minority-Owned Business Owners**

<b>Women Owned</b>	
90 out of 244 Applicants	<b>37%</b>
<b>Minority Owned</b>	
34 out of 244 Applicants	<b>14%</b>
<b>Co-owned by Women</b>	
44 out of 244 Applicants	<b>18%</b>

### **Breakdown of 27 Finalists**

#### **% of Women and Minority-Owned Business Owners**

<b>Women Owned</b>	
13 out of 27 Finalists	<b>48%</b>
<b>Minority Owned</b>	
3 out of 27 Finalists	<b>11%</b>
<b>Co-owned by Women</b>	
4 out of 27 Finalists	<b>15%</b>

**Key Financial Metrics:**

The financial data was reviewed by Finance using key income statement financial metrics including; 2019 surplus net income, 2019 net income as a percent of revenues, and revenue decreases of 25% or greater from March 2019 versus March 2020.

(1) 2019 Profit/Loss

- Revenues minus Expenditures
- Operating Surplus (Deficit)
  - Passing Metric: **Breakeven or greater**

(2) 2019 Net Profit Margin

- Net Income divided by Revenues
- Passing Metric: **Positive %**

(3) March 2019 vs 2020 Revenue Variance

(March 2020 revenue minus March 2019 revenue) divided by March 2019 revenue

- March 2020 Revenues
- March 2019 Revenues
- March Percent Change
  - Passing Metric: **Revenue declines of 25 % or greater**

**Results from the Financial Criteria Review:**

<b>Applicants Passing the Financial Criteria and Recommended to the Funding Committee</b>	<b>27</b>
Applicants that Passed Financial Criteria, but had unpaid County property taxes – Ineligible	1
Applicants that Failed the Financial Criteria-Ineligible	76
Applicants that failed to provide all required financial documents – Ineligible	64
<b>Total</b>	<b>168</b>

The Funding Committee voted and approved all 27 eligible applicants on Monday, April 27, 2020.

**Composition of the Nine-Member Committee:****Town representatives** (1 member from each Town)

- Town of Chapel Hill Economic Development - Laura Selmer
- Town Council Member with Town of Carrboro - Susan Romaine
- Town of Hillsborough Economic Development - Shannan Campbell

**Orange County's Small Business Economic Development Grant Program**

- Orange County Economic Development Advisory Board Member - Johnny Morris
- Orange County Economic Development Advisory Board Member - Sharon Hill

**Orange County's Agriculture Economic Development Grant Program** (2 members)

- Orange County Economic Development Advisory Board - James Watt
- Orange County, Agriculture - Crops and Horticulture Representative - Mart Bumgarner

**Orange County Small Business Loan Program Company** (2 members)

- Regional Commercial Lending Manager - Jonna Hunt
- Chapel Hill Retailer - Tom Proctor

The Funding Committee approved 27 grants in the amount of \$5,000 each, 19 loans in the amount of \$7,973.68, one loan for \$7,500, one loan for \$5,000 and one loan for \$1,000. The smaller loan amounts represent the requested loan amount from those particular businesses. All loans are no interest amortized over five years, with no payment required the first six months from loan execution.

**Breakdown of Awards by Town:**

Town	Applications	Grant Amount Awarded	Loan Amount Awarded	Total Awarded
Carrboro	9	\$45,000	\$56,342.10	<b>\$101,342.10</b>
Chapel Hill	13	\$65,000	\$84,736.85	<b>\$149,736.85</b>
Hillsborough	5	\$25,000	\$23,921.05	<b>\$48,921.05</b>
<b>Total Awards</b>	<b>27</b>	<b>\$135,000</b>	<b>\$165,000</b>	<b>\$300,000</b>

The funds were disbursed via Electronic Funds Transfer beginning the week of May 11, 2020 to all award recipients that have completed and returned all required County documents.

**FINANCIAL IMPACT:** The Emergency Small Business Funding Program has awarded grants and loans in the amount of \$300,000 from the Article 46 Sales Tax Fund.

**SOCIAL JUSTICE IMPACT:** The following Orange County Social Justice Goal is applicable to this item.

- **GOAL: ENSURE ECONOMIC SELF-SUFFICIENCY**  
The creation and preservation of infrastructure, policies, programs, and funding necessary for residents to provide shelter, food, clothing and medical care for themselves and their dependents.

**ENVIRONMENTAL IMPACT:** There is no Orange County Environmental Responsibility Goal impact associated with this item.

**RECOMMENDATION(S):** The Manager recommends that the Board receive this final report.



# Emergency Small Business Fund Final Report

May 19, 2019

# Background

- ❖ The Board of County Commissioners approved an Emergency Small Business Funding on March 24, 2020 in response to COVID-19 pandemic;
- ❖ Funded through \$300,000 appropriation in Article 46 Orange County small business loan program;
- ❖ Application period open to small businesses for more than two weeks; March 25 through April 10, 2020.
- ❖ BOCC approved a 9-Member Funding Committee which met and approved the award recipients.
- ❖ 9-Member Funding Committee composition;
  - Two members Small Business Loan Program
  - Two members Small Business Grant Program
  - Two members Agriculture Grant Program
  - One member each from Towns of Carrboro, Chapel Hill and Hillsborough
- ❖ Collaborative Departmental effort by Manager's Office, Economic Development, Finance, Information Technology, Register of Deeds, Tax Office to respond to small businesses' needs

# Eligibility Requirements

- ❖ Orange County based businesses
- ❖ Minimum of one year of operations
- ❖ For-Profit business status
- ❖ Minimum of one-year in business and applicable 2019 business privilege licenses, and registered with legal entities including North Carolina Secretary of State and County Register of Deeds Office
- ❖ Businesses must not have past-due tax liabilities or tax liens, delinquent property taxes, or bankruptcy reorganization status
- ❖ 2019 Profit and Loss statement indicating profitability prior to pandemic

# Compilation of Funding Requests

Location of Applicants Within Orange County	Total Number of Applicants	Grant Requests	Loan Requests	Total Loan & Grant Requests
Carrboro	44	\$226,000	\$573,500	\$799,500
Chapel Hill	123	\$588,800	\$1,516,000	\$2,104,800
Hillsborough	62	\$315,750	\$909,910.82	\$1,225,660.82
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Hurdle Mills	1	\$10,000	\$20,000	\$30,000
<b>Totals</b>	<b>244</b>	<b>\$1,210,550</b>	<b>\$3,204,410.82</b>	<b>\$4,414,960.82</b>

# Breakdown of Awards by Location

Town	Applications	Grant Amount Awarded	Loan Amount Awarded	Total Awarded
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Hillsborough	5	\$25,000	\$23,931.05	\$48,921.05
<b>Total Awards</b>	<b>27</b>	<b>\$135,000</b>	<b>\$165,000</b>	<b>\$300,000</b>

Note: Three businesses declined to accept awards totaling \$28,921.04

# Demographics of the 244 Applicants

10

- ❑ Women Owned Applicants
  - 90 out of 244 Applicants or 37%
  
- ❑ Minority Owned Applicants
  - 34 out of 244 Applicants or 14%
  
- ❑ Women Co-Owned Applicants
  - 44 out of 244 Applicants or 18%

# Demographics of the 27 Finalists

11

- ❑ Women Owned Finalists
  - 13 out of 27 Finalists or 48%
  
- ❑ Minority Owned Applicants
  - 3 out of 27 Finalists or 11%
  
- ❑ Women Co-Owned Applicants
  - 4 out of 27 Finalists or 15%

# Three Key Financial Metrics

## 1) 2019 Profit/Loss Statement

- Revenues minus Expenditures
- Operating Surplus (Deficit)
- Passing Metric: \$0 or greater**

## 2) 2019 Net Profit Margin

- Net Income divided by Revenues
- **Passing Metric: Positive %**

## 3) March 2019 versus March 2020 Revenue Variance

- **Passing Metric: 25% or greater revenue decrease**

# Financial Criteria Results

Applicants Passing the Financial Criteria and Recommended to the Funding Committee	27
Applicants that Passed Financial Criteria, but had unpaid County property taxes – Ineligible	1
Applicants that Failed the Financial Criteria-Ineligible	76
Applicants that failed to provide all required financial documents – Ineligible	64
Total	168

# Additional Small Business Funding Options

- Additional Funding Options; Article 46 and Coronavirus Relief Funds;
- Decrease from multiple Financial Criteria to only 1 criteria;
- Finance Criteria-April 2019 versus April 2020 Revenue Declines

# Questions

## Attachment 2

<b>Award Recipients</b>	<b>Grant Amount</b>	<b>Loan Amount</b>
Acupuncture and Apothecary, LLC	\$5,000	\$7,973.68
Ali Cat Toys LLC	\$5,000	\$7,500
Kristin Bartone Interiors LLC	\$5,000	\$5,000
Command C, LLC	\$5,000	\$7,973.68
Community Chorus Project, LLC	\$5,000	\$0
Eighth Abundance, Inc.	\$5,000	\$7,973.68
Four Daughters Culinary Ventures, LLC (Elements Restaurant & Wine Bar)	\$5,000	\$7,973.68
Hillsborough Gallery of Arts Inc.	\$5,000	\$7,973.68
James Carter Studio, LLC	\$5,000	\$1,000
Barrows Kitchen, LLC (Kitchen Restaurant)	\$5,000	\$7,973.68
KJC CORP (dba Advance Physical Therapy)	\$5,000	\$7,973.68
Lady Edison, LLC	\$5,000	\$7,973.68
Lazarus Repair and Maintenance, LLC	\$5,000	\$7,973.68
Rey-Khan LLC (Lucha Tigre)	\$5,000	\$7,973.68
Montessori Academy of Carrboro LLC	\$5,000	\$7,973.68
Paz Enterprises, LLC (Nash Street Tavern)	\$5,000	\$0
Pedal Brake Inc. (dba Orange County Social Club)	\$5,000	\$7,973.68
pod architecture + design PLLC	\$5,000	\$0
Rumors LLC	\$5,000	\$7,973.68
Spiral Studios	\$5,000	\$0
Notelknurc, LLC (The Crunkleton)	\$5,000	\$7,973.68
The Little School of Hillsborough at Waterstone, LLC	\$5,000	\$7,973.68
Sam's Barbecue & Chop House, LLC (The Pig)	\$5,000	\$7,973.68
Uniquities Inc.	\$5,000	\$7,973.68
Vincent P Marra LMBT	\$5,000	\$7,973.68
Wagner Shell, LLC	\$5,000	\$7,973.68
Womancraft Fine Handcrafted Gifts, Inc.	\$5,000	\$0
<b>TOTAL</b>	<b>\$135,000</b>	<b>\$165,000</b>

\* The grant and loan amounts in red were businesses that chose not to accept awards.

\*\* The \$0 loan amounts are for businesses that did not apply for a loan.

**ORANGE COUNTY  
BOARD OF COMMISSIONERS**

**ACTION AGENDA ITEM ABSTRACT**  
**Meeting Date: May 19, 2020**

**Action Agenda  
Item No. 8-a**

**SUBJECT:** Minutes

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**DEPARTMENT:** Board of County  
Commissioners

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

**INFORMATION CONTACT:**  
Donna Baker, Clerk to the Board  
919-245-2130

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**PURPOSE:** To correct and/or approve the draft minutes as submitted by the Clerk to the Board as listed below.

**BACKGROUND:** In accordance with 153A-42 of the General Statutes, the Governing Board has the legal duty to approve all minutes that are entered into the official journal of the Board's proceedings.

April 23, 2020  
April 28, 2020

BOCC Virtual Work Session  
BOCC Virtual Joint Meeting with School Boards

**FINANCIAL IMPACT:** There is no Orange County Social Justice Goal impact associated with this item.

**SOCIAL JUSTICE IMPACT:** There is no Orange County Social Justice Goal impact associated with this item.

**ENVIRONMENTAL IMPACT:** There is no Orange County Environmental Responsibility Goal impact associated with this item.

**RECOMMENDATION(S):** The Manager recommends the Board approve minutes as presented or as amended.

1  
2  
3  
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5  
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7  
8

**MINUTES**  
**BOARD OF COMMISSIONERS**  
**VIRTUAL WORK SESSION**  
**April 23, 2020**  
**7:00 p.m.**

9 The Orange County Board of Commissioners met for a Virtual Work Session on Thursday, April,  
10 23, 2020 at 7:00 p.m.

11  
12  
13 **COUNTY COMMISSIONERS PRESENT:** Chair Rich and Commissioners Jamezetta  
14 Bedford, Mark Dorosin, Sally Greene, Earl McKee, Mark Marcoplos, and Renee Price

15 **COUNTY COMMISSIONERS ABSENT:**

16 **COUNTY ATTORNEYS PRESENT:** John Roberts

17 **COUNTY STAFF PRESENT:** County Manager Bonnie Hammersley, Deputy County Manager  
18 Travis Myren and Clerk to the Board Donna Baker (All other staff members will be identified  
19 appropriately below)

20  
21 Chair Rich called the meeting to order at 7:00 p.m.

22  
23 Due to current public health concerns, the Board of Commissioners is conducting a Virtual Work  
24 Session on April 23, 2020. Members of the Board of Commissioners will be participating in the  
25 meeting remotely. As in prior meetings, members of the public will be able to view and listen to  
26 the meeting via live streaming video [orangecountync.gov/967/Meeting-Videos](http://orangecountync.gov/967/Meeting-Videos) and on Orange  
27 County Gov-TV on channels 1301 or 97.6 (Spectrum Cable).

28  
29  
30 **1. COVID-19 Pandemic Economic Impact on the FY2020-21 Orange County**  
31 **Manager's Recommended Budget**

32  
33 Bonnie Hammersley presented the following item:

34  
35 **BACKGROUND:**

36 The COVID-19 pandemic has caused an unprecedented human and health crisis. The measures  
37 necessary to contain the virus have caused an economic recession. At the present, there is great  
38 uncertainty about its severity and duration due to the lack of a vaccine and the public health  
39 measures which include social distancing, limited business activity and uncertainty if a second  
40 wave occurs following after achieving an apex in the number of reported cases.

41  
42 On March 23, 2020, the County Manager directed the Orange County Department Directors to  
43 comply with the FY2019-20 Economic Contingency Plan (Attachment A). The implementation  
44 of the contingency plan began to address the economic impact of the COVID-19 pandemic to  
45 Orange County government/residents. The strict monitoring of expenditures in the 4th quarter

1 helps address the immediate financial challenges and will assist in preserving County services as  
 2 well as jobs to allow the County to continue to serve Orange County residents. In addition, future  
 3 measures will be included in the County Manager's Recommended FY2020-21 Budget.

4  
 5 Due to the timing of the FY2020-21 budget process and the COVID-19 pandemic, the revenue  
 6 projections Pre-COVID and Post-COVID differ significantly. In an effort to manage expectations  
 7 prior to the release of the FY2020-21 County Manager's Recommended Budget, the County  
 8 Manager will share detailed information on the revenue projections for the BOCC at the April  
 9 23, 2020 work session. The revenue sources projected to be impacted include property tax, sales  
 10 tax, charges for services including Planning Permits and Sportsplex user fees and occupancy  
 11 taxes.

12 Bonnie Hammersley made the following PowerPoint presentation:

13  
 14 **FY2020-21 BUDGET PROJECTIONS**  
 15 **PRE-COVID VS POST-COVID**  
 16 **BOCC Virtual Work Session**  
 17 **April 23, 2020**

18  
 19 **Pre-Covid versus Post-Covid Projections**

	<b>Pre-Covid Projections</b>	<b>Post-Covid Projections</b>	<b>\$ Difference</b>
<b>PROPERTY &amp; PERSONAL PROPERTY TAX</b>			
Tax Rate Increase	1.63	0	\$(3,123,224)
Collection Rate Adjustment - Property Tax (Real/Personal)	99.2%	98.7%	\$ (781,147)
Collection Rate Adjustment - Motor Vehicles	99.9%	99.4%	\$ (142,485)
<b>SALES TAX</b>			
*Sales Tax Growth	+5%	-4.5% -9%	\$(2,814,151)
<b>TOTAL</b>			<b>\$(6,861,007)</b>

20 \*Sales Tax projections includes Articles 39, 40 and 42  
 21

22 Bonnie Hammersley said Covid-19 has challenged staff's assumptions, and this is a brief  
 23 presentation to update the Board of County Commissioners (BOCC).

24 Bonnie Hammersley said the majority of the County's revenue is made up by sales and  
 25 property taxes. She said the County is in the midst of a phased in tax increase, but staff will not  
 26 be recommending one this year (it was intended to be a 1.63 cents increase).

27 Bonnie Hammersley said the County's collection rates are number one in the state, and  
 28 she is doing a modest ½ percent reduction because of the uncertainty, due to Covid-19. She said  
 29 staff would normally assume it would collect 99% of property tax, and this will projected at half  
 30 a percentage point lower. She said the state was projecting a 4-6% increase in sales tax pre-  
 31 Covid, and she was going to project a 5% increase; and post covid-19 projections are down. She

1 said these numbers refer to the general fund, but all funds are having these measures put in place.  
 2 She said post covid-19 Sales Tax Growth is projected between -4.5 to -9%. She said the  
 3 County's two primary sources of revenue are anticipating a 6.8 million loss.  
 4

5 **Pre-Covid versus Post-Covid Projections**

	<b>FY19-20 Adopted Budget</b>	<b>Pre-Covid Projections</b>	<b>Post-Covid Projections</b>	<b>\$ Difference</b>	<b>% Difference</b>
<b>REVENUE</b>					
Real/Personal Property	\$ 152,142,471	\$ 157,890,346	\$ 154,198,531	\$ (3,691,815)	-2.34%
Motor Vehicles	\$ 10,770,627	\$ 11,530,157	\$ 11,175,116	\$ (355,041)	-3.08%
*Other	\$ 2,240,833	\$ 2,323,992	\$ 2,323,992	\$ -	0.00%
Sales Tax	\$ 25,372,861	\$ 26,641,504	\$ 23,827,353	\$ (2,814,151)	-10.56%
Licenses and Permits	\$ 313,260	\$ 289,000	\$ 274,550	\$ (14,450)	-5.00%
Investment Earnings	\$ 415,000	\$ 1,158,576	\$ 515,000	\$ (643,576)	-55.55%
**Miscellaneous	\$ 3,040,769	\$ 2,892,817	\$ 2,642,817	\$ (250,000)	-8.64%
Charges for Services	\$ 12,704,833	\$ 13,275,581	\$ 12,724,996	\$ (550,585)	-4.15%
Intergovernmental	\$ 18,278,612	\$ 17,977,289	\$ 17,977,289	\$ -	0.00%
<b>TOTAL</b>	<b>\$ 225,279,266</b>	<b>\$ 233,979,262</b>	<b>\$ 225,659,644</b>	<b>\$ (8,319,618)</b>	<b>-3.56%</b>

\* Other = Delinquent Taxes, Interest on Delinquent, Beer & Wine Excise Taxes, Animal Taxes etc.

\*\*Miscellaneous = Hold Harmless Article 44, Donations, Rent Income, Sale of Surplus Assets etc.

6  
7  
8 Bonnie Hammersley said pre-Covid projections expected \$8 million coming in, and post-  
 9 covid projections show an \$8 million decrease.

10 Bonnie Hammersley said there are unknowns with delinquent taxes. She said she has  
 11 aimed to keep intergovernmental spending flat. She said these funds are state and federal, and  
 12 my increase, but more than likely will be designated for actual uses.

13 Bonnie Hammersley said she will bring a balanced budget to the BOCC on May 5<sup>th</sup>. She  
 14 said some tough decisions have been made.

15 Commissioner Dorosin said the "difference" column is based on pre-Covid projections,  
 16 but if it is compared to the County's 19-20 budget, the difference is not that great. He said it  
 17 looks much like a continuation budget.

18 Bonnie Hammersley said the \$8 million increase from pre-Covid is fairly moderate. She  
 19 said this is showing status quo, and there are no additional funds for anything more than what  
 20 existed in 19-20. She said maintaining status quo may also be a challenge. She said the fund  
 21 balance was \$6 million pre-Covid, and more will be needed. She said funds will have to be  
 22 transferred from other reserves, as well.

23 Commissioner Dorosin referred the intergovernmental funds, and asked if the slide would  
 24 look mostly the same, even after the County receives these funds.

25 Bonnie Hammersley said not really. She said operations still has an \$8 million gap. She  
 26 said the County may receive an award from the State, but it would be pass-through money, and

1 would not impact the gap. She said these funds would help residents, which is crucial, but would  
2 not close the gap.

3 Bonnie Hammersley said the purpose is to not fix the issue, but just to give the BOCC a  
4 heads up before she presents her budget on May 5<sup>th</sup>. She said this situation is unprecedented.

5 Commissioner Dorosin asked if the federal government puts \$5 million into the County,  
6 why is it not counted in the pot.

7 Bonnie Hammersley said it does count for specific items, and must be spent on  
8 designated items. She said it does not help with wage adjustments, the schools, etc.

9

10 Commissioner Price referred to the line “investment earnings”, and asked if this could be  
11 clarified. She said it looks as if staff was expecting a 100% increase. She asked if staff knows  
12 how this will factor in to the year ahead, should a recession occur.

13 Bonnie Hammersley said the County makes earnings on cash on hand, through short-  
14 term investments, which have been improving in recent years. She said the interest rates have  
15 plummeted, and the County is not longer making any interest.

16 Bonnie Hammersley said everything she is putting in the recommended budget for 2020-  
17 21 is looking out a full year, and she said there is a hiring freeze in place, which will continue  
18 throughout 2020-21. She said staff is also putting together a contingency plan as well, in case  
19 things get worse, and she wants to preserve the current workforce.

20 Bonnie Hammersley said staff is working everyday thinking through worse case  
21 scenarios, and thus the need for a contingency plan. She said staff is doing everything it can to  
22 preserve the services in Orange County.

23 Commissioner Price asked if the \$100,000 increase is based on earnings already received.

24 Bonnie Hammersley said the pre-Covid numbers were the expected earnings for this year.

25 Commissioner Dorosin referred to the federal funds, and asked if Bonnie Hammersley  
26 presents a budget with \$5 million for the Department of Social Services (DSS), and then the  
27 federal government gives an additional \$5 million (totaling \$10 million), can staff move monies  
28 to other projects.

29 Bonnie Hammersley said the intergovernmental monies are pass-through funds, and when  
30 it comes in it goes to dedicated uses. She said it helps the residents, but the County cannot use  
31 these funds liberally for other projects. She said all of these funds come with strings.

32 Travis Myren said the County could not use it to supplant monies in DSS, and it would be  
33 an expectation that spending would increase for whatever designated use for which the federal  
34 monies were designated.

35 Bonnie Hammersley said staff included the intergovernmental line because it is a revenue  
36 source, and it is for services.

37 Chair Rich referred to the \$8.3 million, and asked if staff is trying to make this figure  
38 zero.

39 Bonnie Hammersley said that is the number that staff has reduced to zero, as will be  
40 shown by the balanced budget presented on May 5<sup>th</sup>.

41 Commissioner Price asked if there will be a revaluation.

42 Bonnie Hammersley said that is next year.

43

44 **2. Discussion of Manager’s Recommended FY 2020-25 Capital Investment Plan (CIP)**  
45 **for Schools and Durham Tech**

1  
2 **BACKGROUND:** Each year, the County produces a Capital Investment Plan (CIP) that  
3 establishes a budget planning guide related to capital needs for the County as well as Schools.  
4 The current CIP consists of a 5-year plan that is evaluated annually to include year-to-year  
5 changes in priorities, needs, and available resources. Approval of the CIP commits the County to  
6 the first year funding only of the capital projects; all other years are used as a planning tool and  
7 serves as a financial plan.

### 8 9 **Capital Investment Plan – Overview**

10 The FY 2020-25 CIP includes County Projects, School Projects, and Proprietary Projects. The  
11 School Projects include Chapel Hill-Carrboro City Schools, Orange County Schools, and  
12 Durham Technical Community College – Orange County Campus projects. The Proprietary  
13 Projects include Water and Sewer, Solid Waste Enterprise Fund, and Sportsplex projects.

14  
15 The CIP has been prepared anticipating moderate economic growth of approximately 2% in  
16 property tax growth over the next five years, and 4% sales tax growth in Years 2-5. Sales Tax  
17 proceeds for Year 1 (FY 2020-21) are estimated to decline by 4.5% due to the current  
18 coronavirus pandemic. Many of the projects in the CIP will rely on debt financing to fund the  
19 projects.

20  
21 This discussion focuses on Schools CIP projects and the Durham Technical Community College  
22 – Orange County Campus new academic building project. Note: The page numbers referenced  
23 are as they appear in the CIP document. See Attachment A for the Overall CIP Summary (page  
24 19), and School CIP Projects Summary (pages 24 and 101).

25  
26 **FINANCIAL IMPACT:** There is no immediate financial impact associated with discussion of  
27 the FY 2020-25 Capital Investment Plan. It is a long-range financial planning tool with a  
28 financial impact in FY 2020-21, if the first year of the CIP is approved by the Board of County  
29 Commissioners with the adoption of the Annual Budget.

30  
31 Travis Myren and Paul Laughton, Finance and Administrative Services, made the  
32 following PowerPoint presentation:

33  
34 **ORANGE COUNTY**  
35 **CAPITAL INVESTMENT PLAN**  
36 **School Districts and Durham Tech**  
37 **FY2020-25**

38 **Board of Orange County Commissioners**  
39

40 **FY 2020-21 CIP (pie chart)**

41 **FY2020-25 Recommended Capital Investment Plan Funding and Expenditure Categories-**  
42 **graph**

Funding Source(s)	Expenditures Funded	
Debt Financing – School Improvements Debt Financing – Older Schools Lottery Proceeds Article 46 Sales Tax <b>\$8.4 million in FY20-21</b>	<ul style="list-style-type: none"> <li>•Abatement Projects</li> <li>•ADA Requirements</li> <li>•Athletic Facilities</li> <li>•Classroom and Building Improvements</li> <li>•Doors/Hardware/Canopies</li> <li>•Electrical Systems</li> <li>•Energy Efficiency</li> </ul>	<ul style="list-style-type: none"> <li>•Safety &amp; Security</li> <li>•Indoor Air Quality Improvements</li> <li>•Mechanical Systems</li> <li>•Parking Lot Improvements</li> <li>•Roofing and Waterproofing</li> <li>•Storm water Management</li> <li>•Technology</li> </ul>
Recurring Capital <b>\$3 million in FY20-21</b>	<ul style="list-style-type: none"> <li>•Furniture and Equipment</li> <li>•Drainage Improvements</li> <li>•Carpet/Tile Installation</li> <li>•Roof Repairs</li> <li>•Mechanical Repairs</li> </ul>	
Deferred Maintenance – Bond Premium Supplemental Deferred Maintenance <b>\$8.95 million in FY20-21</b>	<ul style="list-style-type: none"> <li>•Deferred Maintenance – Repair and Replacement Projects that do not add capacity</li> <li>•Project List for Supplemental Deferred Maintenance Funds (p.138 &amp; p. 160)</li> <li>•Unfunded Deferred Maintenance Project List               <ul style="list-style-type: none"> <li>•\$49.2 million CHCCH</li> <li>•\$44.3 million OCS</li> </ul> </li> </ul>	
General Obligation Bond Funding <b>\$13.3 million in FY2021-22</b>	<ul style="list-style-type: none"> <li>• Major Facility Construction and Renovations</li> <li>•\$11.3 million Orange County Schools</li> <li>•\$1.9 million Chapel Hill Carrboro City Schools</li> </ul>	

1

2 **FY2020-25 Recommended Capital Investment Plan Assumptions**
**FY2020-25 Recommended CIP Funding Assumptions**

Article 46 Sales Tax	4.5% Reduction in FY2020-21; Growth Rebounds to 4% Annually in Future Years
Older School Improvements	FY2020-21 Last Year of a Five Year Commitment
Debt Financed School Improvements	2% Annual Growth
Lottery Proceeds	\$1,402,354 Annually
Recurring Capital	\$3,000,000 Annually
Deferred Maintenance - Bond Premium	\$3,000,000 Using Bond Premium in FY2019-20 and FY2020-21 Future Bond Premium Uncertain – Eliminated in FY2021-22 and Future Years
Supplemental Deferred Maintenance	\$30 million over three (3) years. Annual Expenditures Based on Draw Down Schedule from Schools
General Obligation Bond	Last Draw on 2016 General Obligation Bond in FY2021-22

1

2 **FY2020-21 Recommended CIP Funding by Funding Source**

3

<b>Article 46 Sales Tax</b>	<b>\$ 1,168,270</b>	<b>\$ 774,314</b>	<b>\$ 1,942,584</b>
Older School Improvements	\$ 601,400	\$ 398,600	\$ 1,000,000
Debt Financed School Improvements	\$ 2,461,154	\$1,631,221	\$ 4,092,375
Lottery Proceeds	\$ 843,376	\$ 558,978	\$ 1,402,354
Recurring Capital	\$ 1,804,200	\$1,195,800	\$ 3,000,000
Deferred Maintenance - Bond Premium	\$ 1,804,200	\$1,195,800	\$ 3,000,000
Supplemental Deferred Maintenance	\$ 1,800,000	\$4,150,000	\$ 5,950,000

<b>TOTAL</b>	<b>\$10,482,600</b>	<b>\$9,904,713</b>	<b>\$20,387,313</b>
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1

2 **FY2020-25 Recommended Capital Investment Plan**

3

	<b>FY2020-21 Recommended</b>	<b>FY2021-22 CIP</b>	<b>FY2022-23 CIP</b>	<b>FY2023-24 CIP</b>	<b>FY2024-25 CIP</b>
Article 46 Sales Tax	\$ 1,942,584	\$ 2,020,288	\$ 2,101,099	\$ 2,185,143	\$ 2,272,549
Older School Improvements	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
Debt Financed School Improvements	\$ 4,092,375	\$ 4,174,222	\$ 4,257,706	\$ 4,342,860	\$ 4,429,717
Lottery Proceeds	\$ 1,402,354	\$ 1,402,354	\$ 1,402,354	\$ 1,402,354	\$ 1,402,354
Recurring Capital	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Deferred Maintenance - Bond Premium	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -
Supplemental Deferred Maintenance	\$ 5,950,000	\$ 13,600,000	\$ 10,450,000	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 20,387,313</b>	<b>\$ 24,196,864</b>	<b>\$ 21,211,159</b>	<b>\$ 10,930,357</b>	<b>\$ 11,104,620</b>
General Obligation Bond		\$ 13,308,000			
<b>GRAND TOTAL</b>	<b>\$20,387,313</b>	<b>\$37,504,864</b>	<b>\$21,211,159</b>	<b>\$10,930,357</b>	<b>\$11,104,620</b>

4

5 **FY2020-25 Recommended Capital Investment Plan-Graph- slide 7**

6

7 **FY2020-25 Recommended Capital Investment Plan**

- 8 • School Supplemental Deferred Maintenance Program
  - 9 ○ \$30 million over three (3) years
  - 10 ○ Apply to Deferred Maintenance and Life & Safety Improvements
  - 11 ○ Allocated by Average Daily Membership
    - 12 ▪ CHCCS 60.14%
    - 13 OCS 39.86%

1  
2  
3**FY2020-25 Recommended Capital Investment Plan**

CHCCS	Upgrade security cameras, radios and intercom systems in schools	\$500,000
CHCCS	HVAC Projects <ul style="list-style-type: none"> <li>• Phillips Middle School HVAC Replacement-gym (\$291,258)</li> <li>• Phillips Middle School HVAC/Heat pumps-band room (\$290,000)</li> <li>• Ephesus Elementary School HVAC controls (\$100,000)</li> </ul>	\$681,258
CHCCS	Architectural & Engineering Feasibility& Design Services for large capital projects to be completed in Year 2 & Year 3	\$1,300,000
OCS	Continuation of Districtwide Safety/Security Plan	\$3,500,000
OCS	Orange High School Main Hall, Restroom Addition and Renovations	\$650,000
	<b>TOTAL</b>	<b>\$6,631,258</b>

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14

Chair Rich referred to the architectural and engineering feasibility item, and asked if CHCCS has outlined how it would spend the \$1.3 million, as it seems a very high number.

Travis Myren said CHCCS would do a deep dive into 3 options, and get some clear ideas or possibly bid documents. He said staff will follow up for this deliverable.

Commissioner Price asked if CHCCS indicated the need to build new schools.

Travis Myren said one option would add some capacity, and the other options would be for renovations.

Commissioner Dorosin asked if there is a reason why CHCCS' first year request has increased.

Travis Myren said the total is the same, but some funds shifted from year 3 to year 1.

1 Chair Rich asked if all of the funds are being borrowed at one time.

2 Travis Myren said no, they would borrow what is required for year one in year one, etc.  
3 He said all the money will not be borrowed up front, as there would be interest payments  
4 incurred, and the work cannot all be completed in one year, but will take time.

5 Commissioner McKee said this was originally spread out over three years, and asked, if  
6 the County will have an austerity budget, would it make sense to spread the austerity across all  
7 segments of the financing.

8 Commissioner Dorosin asked if there was an unexpected HVAC crisis to warrant the  
9 money in the first year.

10 Travis Myren said he is not aware of any crisis.

11 Commissioner Dorosin asked if there is a reason that CHCCS is front-loading costs, and  
12 not spreading them out. He said if these projects were expected in their CIP why move them up.  
13 He said now is the wrong time to spend more money.

14 Travis Myren said in absence of this program, these projects would remain on CHCCS'  
15 unfunded list.

16 Commissioner Dorosin asked if these projects would be funded eventually, regardless.

17 Travis Myren that is possible.

18 Commissioner Marcoplos referred to page 107 in the CIP, and said there is \$255,000  
19 listed under capital and building improvements, to include water infiltration at Phillips and  
20 Ephesus, playground improvements, and mobile classroom repairs.

21 Commissioner Marcoplos said the issues at Phillips Middle School baffle him. He said  
22 this school was the poster child for neglect, and money was allocated last year, but the problem is  
23 still there. He would like to know more about what happened there.

24 Commissioner Marcoplos said the BOCC got an email today from a Chapel Hill resident,  
25 expressing concerns that he has heard from others about needing clarity on the financial issues  
26 that are swirling around CHCCS. He said the BOCC needs to be able to justify the monies being  
27 given to CHCCS, and over the next few weeks, the BOCC needs to come to grips with questions  
28 that have been asked and get accountability on these issues.

29 Bonnie Hammersley said this was a pre-Covid program, and it is up to the BOCC as to  
30 whether it wants to start this program now or later. She said no capital monies will be spent in  
31 the first quarter of 20-21, so staff can monitor the pandemic. She said the needs still exist, of  
32 course, but it may not be the right time to borrow, and it will depend on the economy.

33 Bonnie Hammersley said staff presented this program to the schools and asked them what  
34 they would be spending over the next three years. She said the schools have been working on  
35 this for some time, and staff did not get most of the information until today.

36 Commissioner Price referred to page 108, and said there is \$1.3 million for supplemental  
37 deferred maintenance. She asked if this was the same program.

38 Travis Myren said it is the same program, and has been included in the recommended  
39 CIP. He said the only change is CHCCS shifting funds from year 3 to year 1, in order to fund  
40 these HVAC projects. He resumed the PowerPoint presentation:

41

42 **FY2020-25 Recommended Capital Investment Plan**

43

CHCCS	HVAC Projects <ul style="list-style-type: none"> <li>Glenwood Elementary HVAC controls (\$54,662)</li> <li>Estes Hills HVAC replacements (\$375,000)</li> <li>Transportation Department HVAC (\$75,000)</li> </ul>	\$504,662
CHCCS	Specific request would follow Year 1 facility feasibility assessment.	\$9,495,338
OCS	SUD HVAC Upgrade as outlined in 2014 Assessment	\$2,500,000
OCS	Middle School Athletic Field Regrade	\$100,000
OCS	Efland Cheeks Restroom and Plumbing Line Upgrade	\$1,000,000
	<b>TOTAL</b>	<b>\$13,600,000</b>

1

2 **FY2020-25 Recommended Capital Investment Plan 9m**

3

CHCCS	Continuation of prioritized capital recommendations from Year 1 facility assessment	\$5,518,742
OCS	CW Stanford Media Center Renovations	\$250,000

OCS	Structural Analysis and Building Stabilization <ul style="list-style-type: none"> <li>• AL Stanback Media Center</li> <li>• New Hope Elementary 300 Wing</li> <li>• Orange High School Cultural Arts</li> </ul>	\$3,000,000
OCS	Fire Doors and Damper Repairs	\$500,000
OCS	Supplemental Funding for Roof Replacements <ul style="list-style-type: none"> <li>• New Hope Elementary</li> <li>• Gravelly Hill</li> </ul>	\$500,000
	<b>TOTAL</b>	<b>\$9,768,742</b>

1

2 **FY2020-25 Recommended Capital Investment Plan**

- 3       • Future Considerations for School Facilities
- 4           ○ Supplemental Deferred Maintenance Plan Starts in FY2020-21 and is
- 5           Programmed for FY2021-22 and FY2022-23
- 6           ○ Continued Investments in Current Facilities
- 7           ○ Planning for New School Facilities for Capacity
- 8           ○ Potential General Obligation Bond Referendum

9

10           Commissioner Dorosin said in the future it would be good if staff could email the BOCC

11 these PowerPoint presentations in advance of the meetings.

12           Travis Myren resumed the PowerPoint presentation:

13

14 **FY2020-25 Recommended Capital Investment Plan**15 **Durham Technical Community College**

- 16       • Durham Tech Academic Building
- 17           ○ Requested to Begin in FY2021-22
- 18           ○ Recommended in Years 6-10 Pending Long Term Funding Strategy
- 19           ○ Current Cost Estimate - \$26.5 million

20

21           Commissioner Price asked if Durham Tech has said how much money it would put in this

22 project.

23           Travis Myren said Durham Tech has \$1 million from State connect funds, but facilities

24 are the County's responsibility.

25

## **FY 2020-25 Recommended Capital Investment Plan**

- Next Steps
  - Document Review
    - Clerk to the Board's Office
    - County Manager's Office
    - Orange County Website – [orangecountync.gov](http://orangecountync.gov)
- Upcoming Budget Meetings
  - April 14                      Work Session for Capital Investment Plan
  - **April 23**                      **Work Session for School and Durham Tech CIP**
  - May 5                          Presentation of FY2020-21 Recommended  
Operating Budget
  - May 12 & June 4              Public Hearings on Operating Budget and CIP
  - May 14                          Work Session for Schools and Outside Agencies
  - May 21                          Work Session for Fire Dist., Public Safety, Support,  
Gen. Govt.
  - May 28                          Work Session for Human Services and Comm.  
Services
  - June 9                          Amendments and Intent to Adopt
  - June 16                          Adoption of Operating Budget and CIP

Chair Rich referred to page 121, sustainability for CHCCS, and said CHCCS got \$450,000 for sustainability projects over the next 5 years. She said she did not see similar funding for OCS, and asked if OCS is getting funding.

Paul Laughton said OCS did not identify that as a specific request.

Chair Rich said she would like to ask OCS if it is spending any money for sustainability.

Chair Rich asked if there is a process in place to track the schools' spending and CIP spending.

Paul Laughton said the County meets with the schools twice a year, and they run summary reports on completed projects. He said some of the challenges that the schools are having is the timing of when some of these projects can be completed. He said if projects cannot be completed in the summer, they may get pushed to the next year, which may be a reason there is sometimes a lag.

Paul Laughton said staff will bring closed out projects to the Orange County Board of Commissioners in an abstract.

Commissioner Dorosin referred to the Durham Tech (DT) request, and said the funding is in year 6. He said there is a real sense that DT wants to do more in Orange County, but cannot do so without the new building. He said this crisis may put a lot of pressure on community colleges, and putting this out for 6 years is bad planning.

Commissioner Dorosin said it is critical to move these monies up in the CIP, and if the County can put funds in this year it would be good.

Commissioner Marcoplos said the BOCC needs to institutionalize a reporting schedule process, perhaps quarterly.

Commissioner Price echoed Commissioner Dorosin's comments for the Durham Tech new facility, but said it may be worth waiting until the new president comes on board to have this

1 conversation. She said Durham Tech also has the middle college, with growing numbers. She  
2 said more capacity is needed in Orange County.

3 Commissioner Greene agreed with these comments about Durham Tech.

4 Chair Rich said putting funding into DT requires it to be taken from other projects. She  
5 said the County is in a tight situation, and money will not be as available.

6 Commissioner Dorosin said he appreciates the current times, but he would like to look  
7 through the CIP to try and find some funding. He said DT has been deferential, to the two school  
8 districts, in its requests.

9 Commissioner Dorosin said the presence of DT is vital to the County's educational  
10 system, and the Board should think holistically about education, and embrace this opportunity.

11 Chair Rich asked if there have ever been any architectural plans for the new facility.

12 Travis Myren said there are conceptual plans, but planning and architectural monies  
13 would be needed to move into the next phase.

14 Commissioner Price said concept plans were presented to the Orange County Board of  
15 Commissioners in the past. She said parking needs are a large question.

16 Commissioner Price said education helps level the playing field for many people, and DT  
17 is one of the best community colleges in the nation. She said the on-going demand for  
18 community colleges will likely increase, especially given the current crisis.

19 Bonnie Hammersley said the Orange County Board of Commissioners can submit  
20 amendments to the CIP now and to the operating budget after May 5<sup>th</sup>.

21 Bonnie Hammersley said this year it will be a shell game with the amendments.

22 Commissioner Dorosin asked if the BOCC wanted to move up DT, would it be moved up  
23 in its entirety or in pieces, e.g. \$3 million this year, and a different amount next year.

24 Bonnie Hammersley said staff will check on that.

25 Commissioner Bedford said she had previously asked about reducing the costs of the new  
26 morgue, which may free up some funding for the DT project.

27

### 28 **3. Next Steps on the Inclusion of Pre-K Students in School Capacity Calculations**

29

30 **PURPOSE:** To discuss the treatment of Pre-K students in light of the existing Schools Adequate  
31 Public Facilities Memorandum of Understanding and Ordinance. Options for next steps may  
32 include:

- 33 1. Directing staff to prepare a formal amendment to the Schools Adequate Public  
34 Facilities Memorandum of Understanding including direction on whether to proceed  
35 with capacity determinations (Certification of Adequate Public Facilities or  
36 CAPS) related to residential development;
- 37 2. Directing staff to create an informal capacity tracking tool unrelated to the Schools  
38 Adequate Public Facilities MOU and Ordinance;
- 39 3. Deferring action on this item to a later date.

40

#### 41 **BACKGROUND:**

42 During the February 25 joint meeting between the Board of Orange County Commissioners and  
43 the Boards of Education from Chapel Hill Carrboro City Schools and Orange County Schools,  
44 the group discussed amending the Memorandum of Understanding between the County and the  
45 School Districts to explicitly include Pre-K students in school capacity calculations under the

1 Schools Adequate Public Facilities (SAPFO) Memorandum of Understanding. Because the Pre-K  
2 students are not counted in the current formula, that classroom space is counted as available  
3 capacity for other students and does not represent the total number of students using school  
4 space. An example of the proposed amendment is provided as Attachment C.

5  
6 Including Pre-K students in the school capacity calculation would impact two parts of the  
7 SAPFO MOU (Attachment D). First, the SAPFO MOU requires each district to review proposed  
8 residential developments and determine if sufficient school capacity exists to accommodate the  
9 students generated by that development. If sufficient capacity does not exist, the Board of  
10 Education informs the planning jurisdiction in which the development is proposed. In turn, that  
11 planning jurisdiction must provide a development proposal that fits within existing school  
12 capacity or deny the development. Including Pre-K students in the SAPFO capacity calculation  
13 would hasten determinations of insufficient school capacity.

14  
15 SAPFO is also used guide to initiate the construction of new school facilities. If Pre-K students  
16 were included in the school capacity calculation, the projected need for new school facilities  
17 would accelerate. When the impact of including Pre-K students is combined with the impact of  
18 elementary class size reductions mandated under State law, additional capacity is suggested for  
19 Chapel Hill Carrboro City Schools in the 2021-22 school year and in Orange County Schools in  
20 the 2024-25 school year.

21  
22 As a way to avoid development limitations, the Boards also discussed a more informal process to  
23 reflect Pre-K students that would not result in determinations of insufficient capacity. This could  
24 be accomplished without a formal amendment to the Schools Adequate Public Facilities  
25 Memorandum of Understanding or the Schools Adequate Public Facilities Ordinance.

26 CHCCS:

### 27 28 **Pre-Kindergarten Programming**

29 The mission of the Chapel Hill-Carrboro City Schools (CHCCS) Pre-K/Head Start Program, in  
30 partnership with families and the community, is to provide high quality, developmentally  
31 appropriate early childhood education, which will meet the diverse needs of all children and  
32 prepare them for a positive educational experience. The district currently serves over 260  
33 students in traditional, blended and adaptive prekindergarten classrooms. Younger students being  
34 served under the Exceptional Children's program are eligible to enroll in pre-kindergarten  
35 classrooms as early as age three.

36 The purpose of the CHCCS Pre-K/Head Start is to support students, families and the Local  
37 Education Agency (LEA) in preparing students for success in education and in life. Our program  
38 presents a heavy focus on social emotional learning along with playbased pre-literacy and math  
39 skills. Many of our students come from low socioeconomic backgrounds, have disabilities, or  
40 other factors that could impede learning. Given this demographic, we serve to identify and build  
41 strengths to support learning for the whole child.

42  
43 Pre-K serves children age three to five years of age, not yet eligible for kindergarten, in the areas  
44 of Education, Family Partnerships, Mental Health, Disabilities, Health, Safety, Nutrition, and  
45 Dental Care.

1  
2 Pre-K operates 180 school days from 8:00-2:30 and extended care is available (7:30-8  
3 and 2:30-5:30). Pre-K is funded through Head Start, North Carolina state funded Pre- K  
4 Program/Smart Start (NC Pre-K) and local tuition dollars.

5  
6 Applications for Pre-K/Head Start programs are accepted on a year-round basis. Children who  
7 are three or four years old by August 31st are eligible to apply. Interested families must complete  
8 an application and provide supporting documentation.

9 Applications are reviewed and screened and eligibility for Head Start, Smart  
10 Start/NCPK, Exceptional Children's Program (EC), Subsidy or Tuition is determined based on  
11 income and risk factors. Tuition and Subsidy placements are lottery-based.

12 Children who are not selected through the lottery process will be placed on a waiting list. Head  
13 Start and Smart Start/NC Pre-K placements are need-based. If enrollment at all sites is full,  
14 accepted applications will be placed on the waiting list. Once the selection process is completed,  
15 families will be notified of their child's application status. In efforts to reach families in Chapel  
16 Hill and Carrboro, flyers are created and distributed in 4 different languages: Karen, Burmese,  
17 Spanish, and English. Outreach takes place through churches, shelters, apartment complexes,  
18 mobile home parks, and supermarkets in efforts to reach diverse populations in the community.

19  
20 The district pre-kindergarten program currently operates on an annual budget of approximately  
21 \$4 million dollars for 267 students. Funding sources are:

- 22 • \$1,300,000 from Head Start
- 23 • \$700,000 from NC-PK
- 24 • \$500,000 from Local Tuition Students
- 25 • \$1,500,000 from Local Funds for EC Support

26 *The district estimates that a Universal Pre-K program would cost approximately \$15 million*  
27 *dollars to serve approximately 750 students. This estimated cost does not include additional*  
28 *capital funding that would be needed for additional classrooms to serve 500 more students in a*  
29 *Universal Pre-K program.*

30  
31 The 267 students in Pre-K are from the following funding sources:

- 32 • 116 PK Federal Head Start
- 33 • 20 Smart Start/NC Pre-K
- 34 • 131 PK Paid
  - 35 ○ 30-paid fully by parents
  - 36 ○ 60-paid through Exceptional Children's Program
  - 37 ○ 40+ paid through DSS childcare subsidies

38  
39 Of the 20 PK classrooms in the district, 14 classrooms are housed inside an elementary school  
40 building and six classrooms are housed in a mobile unit on an elementary school campus. All  
41 classrooms have 5-star (highest) quality ratings from the NC Division of Child Development.  
42 There are currently 4 students on the Head Start waiting list and  
43 71 students on the tuition list for PK.

44  
45 **Kindergarten statistics:**

- 1 • 2019-2020 Kindergarten enrollment 837 students
- 2 • 509 (61%) families indicated their children attended some type of Pre-K
- 3 • 129 Pre-K students exited a CHCCS Pre-K at the end of the 2018-2019 school year.

## 6 **The Orange County Schools' Pre-Kindergarten (Pre-K) Programs**

8 There are three types of Pre-K classrooms in Orange County Schools:

- 9 1. Title 1 Blended Pre-K
- 10 2. Exceptional Children (EC) Pre-K; and,
- 11 3. Head Start

### 13 ***Title 1 Blended Pre-K Classrooms***

14 The OCS Title I Blended Pre-Kindergarten Program provides a child-centered, developmentally  
 15 appropriate educational experience for four-year-old children in need of developmental,  
 16 academic and emotional/social support. The program stresses an environment that motivates  
 17 learning through exploration and discovery. The goal of the program is to prepare children to  
 18 enter kindergarten ready and excited to learn and succeed. The design of our program is to  
 19 support children with the greatest need, so that they will be emotionally and socially ready to be  
 20 active participants in their own learning. An application process is used to determine which  
 21 children will benefit most from the kinds of developmental experiences we offer in our preschool  
 22 classrooms.

24 Our program is grounded in the National Association for the Education of Young Children's  
 25 philosophy of developmentally appropriate practices (NAEYC). Classrooms are child centered  
 26 and designed to promote the development of the whole child, including all developmental  
 27 domains described in Foundations, North Carolina's early learning standards (approaches to  
 28 learning, emotional and social development, health and physical development, language  
 29 development and communication, and cognitive development). Learning experiences are  
 30 meaningful and relevant for every child and reflect his or her developmental, cultural, and  
 31 individual circumstances. Our curricula also emphasize the areas of self-regulation and emotional  
 32 awareness, early literacy and math skill building.

34 Every effort is to ensure that each child feels welcome at school and is helped to develop a strong  
 35 sense of self as a successful learner. The indoor and outdoor classroom experiences include many  
 36 opportunities for hands-on active learning with real materials and nature. The students spend  
 37 time each day working in several learning centers, including science, math, writing center,  
 38 reading corner, block play, manipulatives, dramatic play, sensory play, the safe place, where they  
 39 make choices and use materials in creative and thought-provoking ways.

41 Our Title 1 Blended Pre-K classrooms are inclusive, serving children, ages 3-5 years, who  
 42 receive special education services. Placement is determined by need of services indicated on the  
 43 Individualized Education Plan (IEP) by the OCS IEP Team. Our classrooms offer opportunities  
 44 for children of all abilities to play and learn together. We believe that adaptations that make an  
 45 experience accessible for children with learning barriers can enhance other children's

1 experiences, as well as developing respect, understanding, appreciation and empathy in all  
2 children.

3  
4 The Title 1 Blended Pre-K program believes that children learn best when families and schools  
5 form a respectful, trusting partnership and work together. Families are encouraged to get  
6 involved from the beginning with our DIAL 4 assessment clusters, home visits, visiting the  
7 school and classroom, on-going, daily communication, volunteering, parent conferences,  
8 Children as Teachers Family Days, field trips, newsletters, all with the goal of keeping the parent  
9 as a partner to help the child be successful. Open and honest communication between teachers  
10 and families is important in making sure we are working together to support the child at home  
11 and at school.

12  
13 The Title 1 Blended Pre-K program is for children who are four or who will be turning four by  
14 August 31<sup>st</sup> of each school calendar year. It is a requirement that families and their children live  
15 within the attendance areas served by the Orange County School district and meet income and  
16 developmental eligibility requirements.

17  
18 Our Title 1 Blended Pre-K classes are funded with a blend of federal Title 1 funding, state North  
19 Carolina (NC) Pre-K funds (Smart Start), the Exceptional Children's Program and Orange  
20 County Schools funds. There are limited tuition placements available at each school site for  
21 families whose income does not qualify for NC Pre-K placement.

22  
23 Applications are accepted throughout the school year, for the current school year. Completed  
24 applications are processed, screened ranked for Title 1 and NC Pre-K by the Pre- K Team.  
25 Eligible children must be at risk of failing to meet North Carolina's academic achievement  
26 standards as determined by multiple, educationally related, objective criteria. Family income,  
27 family size and need are also verified. All families are notified of their child's application status.  
28 Applications of children not placed will be maintained on a waiting list for a matching placement  
29 that becomes available.

30  
31 The Title 1 Blended Pre-K program follows the OCS K-12 calendar, operating at a minimum of  
32 180 days, and adheres to the K-5 schedule, from 7:30am to 2:50pm. Currently, there is no before  
33 or after school extended care available for Pre-K children.

34  
35 Title 1 Blended Pre-K applications, along with program information are available in English and  
36 Spanish for download on the district's website. Hard copies are available at each OCS  
37 elementary school, the OCS Central Office, the OCS Welcome Center, the OC Department of  
38 Social Services, the OC Health Department, and the OC Public Library.

39  
40 The Title 1 Blended Pre-K program currently operates on an annual budget of \$980,000 for 68  
41 children.

42 Funding sources are:

- 43 • NC Pre-K: \$230,000
- 44 • Federal Title 1: \$200,000
- 45 • Federal, State and Local Exceptional Children (EC): \$504,104

- 1 • 2019-2020: we have no tuition families for the 2019-2020 school year. Current tuition is
- 2 \$1,000.
- 3 • Local Tuition payments, carried over from previous years when tuition was
- 4 approximately \$600: \$47,500

5 OCS currently has 4 Title 1 Blended Pre-K classrooms: 68 children: 52 NC Pre-K and/or Title 1,  
6 16 EC placements:

- 7 1. Central Elementary: 1 classroom: 18 children: 14 are NC Pre-K and/or Title 1, 4 EC
- 8 placements
- 9 2. Efland Cheeks Global: 1 classroom: 16 children: 12 are NC Pre-K and/or Title 1, 4 EC
- 10 placements
- 11 3. New Hope Elementary: 1 classroom: 18 children: 14 are NC Pre-K and/or Title 1, 4 EC
- 12 placements
- 13 4. Pathways Elementary (PES): 1 classroom: 16 children: 12 are NC Pre-K and/or Title 1, 4
- 14 EC placements, 2 EC push-in placements (from PES EC Pre-K classrooms and don't
- 15 count in our reimbursement)

16  
17 All licensed Title 1 Blended Pre-K classrooms have 5-star (highest) quality ratings from the NC  
18 Division of Child Development and Early Learning.

19  
20 There are currently 79 age eligible children on the Title 1 Blended Pre-K waiting list for the  
21 2019-2020 school year.

### 22 23 *EC Pre-K Classrooms*

24 OCS also serves two additional EC Pre-K classrooms at PES; each serving up to 10 children, for  
25 a total of 20 EC Pre-K placements.

### 26 27 *Head Start*

28 Head Start is a program of the United States Department of Health and Human Services that  
29 provides comprehensive early childhood education, health, nutrition, and parent involvement  
30 services to low income children and families. The program's services and resources are designed  
31 to foster stable family relationships, enhance children's physical and emotional well-being, and  
32 establish an environment to develop strong cognitive skills (Wikipedia).

33  
34 There are three Head Start classrooms, one is housed at Central ES, one at Efland Cheeks Global  
35 ES and one at Pathways ES; all are operated by the OC Head Start program. Each of the Head  
36 Start classrooms serves 18 children each, for a total of 54 Head Start placements, housed in OCS  
37 classrooms.

38  
39 Travis Myren made the following PowerPoint presentation:

40  
41 **Next Steps for Including Pre-K Students in SAPFO Student Membership**  
42 **Board of Orange County Commissioners**  
43 **Work Session**  
44 **April 23, 2020**  
45

## Purpose

- To Discuss the Treatment of Pre-K students in Light of the Existing Schools Adequate Public Facilities Memorandum of Understanding and Ordinance (SAPFO)
  - Direct staff to prepare a formal amendment to SAPFO to include Pre-K students in student membership calculations with direction on the treatment of capacity determinations
  - Direct staff to create an informal capacity tracking tool unrelated to SAPFO
  - Defer action to a later date

## Background

- February 25 Joint Schools Meeting
  - Proposed amendment to the SAPFO Memoranda of Understanding to include Pre-K students in student membership calculations (Attachment C)

## Impacts

- Including Pre-K students in the student membership would impact two parts of the SAPFO MOU
  1. Certificate of Adequate Public Schools (CAPS)
    - Review of Adequate School Capacity Related to New Residential Development
    - Forward Determination to the Relevant Planning Jurisdiction
    - Including Additional Students in SAPFO Student Membership **Accelerate Determinations of Inadequate School Capacity**
  2. New School Construction Recommendations as Indicated by SAPFO
    - SAPFO Used as a Facility Planning Tool
    - Guides Recommendations on New School Construction
    - However, SAPFO does not Require New School Construction

## Impact Illustration for CHCCS

## Impact Illustration for OCS

## Other Items for Consideration

- SAPFO Amendment Requires Adoption by the School Boards, Town of Chapel Hill, Town of Carrboro, Town of Hillsborough, and Orange County Board of Commissioners.
- Clarify Elementary School Capacity to Ensure Pre-K Classroom Space is also Included in the SAPFO Calculations
- Revise the 2007 School Construction Standards Establish Facility Standards for Pre-K Classrooms
  - Requires Action by the Schools Boards and Orange County Board of Commissioners

## Recommendation

- The Manager recommends the Board discuss next steps for addressing the treatment of Pre-K student membership in light of the existing SAPFO regulations.

- 1           ○ Direct staff to prepare a formal amendment to SAPFO to include Pre-K students
- 2           in student membership calculations with direction on the treatment of capacity
- 3           determinations
- 4           ○ Direct staff to create an informal capacity tracking tool unrelated to SAPFO
- 5           ○ Defer action to a later date
- 6

7           Commissioner Marcoplos asked if the Pre-K numbers are firm and accurate, compared to  
8 the SAPFO numbers.

9           Travis Myren said the numbers in the previous slides are solid, as they represent existing  
10 students. He said the policy question arises as to how to accommodate numbers in the existing  
11 regulations and framework.

12          Commissioner Marcoplos said the numbers are firm.

13          Travis Myren said these pre-K numbers are not projections at all, but rather existing  
14 students.

15          Commissioner Dorosin read an excerpt from the agenda item abstract, and said he had  
16 thought SAPFO did not contain specific language that the planning board has to deny a  
17 development if there is not enough capacity.

18          Travis Myren said it is not discretionary.

19          John Roberts said the ordinance is in the agenda packet and he would look at it.

20          Commissioner Dorosin referred to page 12 of attachment A (page 4 in the book), which  
21 said a CHCCS universal pre-K program will cost approximately \$15 million and serve 750  
22 students. He asked if this estimate includes private pay students. He said the Orange County  
23 Schools program does not include private pay students.

24          Travis Myren said that is correct.

25          Commissioner Dorosin said he views universal pre-K as being for anyone who cannot  
26 afford it, and would not include private pay students. He asked if this is how everyone else  
27 would define universal pre-K. He asked if any means testing will be done, and if the 750  
28 number includes the private pay people.

29          Commissioner Dorosin said he would like the universal pre-K slots to be used for those  
30 that need it the most, and not for those who are able to pay.

31          Commissioner Dorosin said OCS does not have any private pay students included in its  
32 numbers.

33          Chair Rich asked if there is a state definition of pre-K.

34          Commissioner Bedford said traditionally those who pay for pre-K are teachers and staff  
35 members.

36          Commissioner Dorosin asked if that is true because of policy.

37          Commissioner Bedford said traditionally pre-K has been so expensive that other families  
38 select other programs, and most families need year round coverage and not just 180 days.

39          Commissioner Greene said it had been her understanding that SAPFO was mandatory,  
40 but has never pulled the gun on developers. She said it is her understanding that CHCCS wants  
41 to have a broader range of incomes represented in the pre-K.

42          Commissioner Bedford said Headstart requires slots for the kids with the greater needs.

43          John Roberts said the State does not define universal pre-K. He said the ordinance is in  
44 line with what he has previously advised the Board to do, and that is if the Board does include

1 pre-K students, then it should amend the ordinance. He read the following from page 19 of the  
2 abstract item: Certificate of Adequacy of Public School Facilities

3  
4 a.) Subject to the remaining provisions of this [article], no approval under this  
5 ordinance of a subdivision preliminary plat, minor subdivision final plat, site plan,  
6 or conditional or special use permit for residential development shall become  
7 effective unless and until a Certificate of Adequacy of Public Schools Facilities  
8 (CAPS) for the project has been issued by the School District.  
9

10 Commissioner McKee said it his understanding that universal pre-K would be open to  
11 any child in Orange County, just like K-12.

12 Commissioner Marcoplos said he agreed, and drawing a line based on means seems to go  
13 against the spirit of public education.

14 Commissioner Price said there are different funding streams for various pre-K programs.  
15 She said there are some slots for people who have means to pay, and there are other slots for  
16 those with lesser income, or those children with specific needs. She said Durham uses a sliding  
17 scale. She said many families who can pay for private pre-K do so, and thus do not use the  
18 public pre-K.

19 Commissioner Dorosin said if the BOCC adds pre-K to the numbers, given the issues  
20 raised by Travis Myren in the presentation, the BOCC could raise the percentage capacity in the  
21 statute for elementary schools.

22 Chair Rich asked if this would buy the County many years.

23 Travis Myren said the 267 pre-K students are 5% of total capacity, and they would need  
24 to add the 5% to the total capacity, which is certainly an option to explore. He referred back to  
25 the recommendations, and whether the BOCC wants to pursue an amendment or create a  
26 different tracking tool.

27 Commissioner Greene asked if there is a suggested amendment for the BOCC to  
28 consider, and would it incorporate pre-K and make it mandatory. She said she thought the desire  
29 was to avoid that.

30 John Roberts said that is correct. He said if pre-K numbers are included, he would  
31 recommend that the Board amend the ordinance so that CAPS no longer determines if a  
32 developer can build. He said the ordinance can remain as a planning tool.

33 Commissioner McKee asked if the Board is talking about pre-K at the mandated level,  
34 the existing level, the waiting list level, or the universal level. He said he is confused.

35 Chair Rich said the agenda item is not addressing whether or not the BOCC wants to  
36 create universal pre-K. She said this item is addressing the issue, which the schools brought to  
37 the BOCC, that pre-K students have never been included, and it is a flaw in SAPFO. She said  
38 the unfunded K-3 mandate from the State will require more classrooms, and if pre-K students are  
39 filling up the classrooms that are needed to meet the K-3 mandates, what will be done with the  
40 pre-K students. She said the question is whether to include the pre-K students in the SAPFO  
41 numbers.

42 Commissioner McKee from his perspective the existing pre-K numbers should be  
43 included now.

44 Chair Rich said universal pre-K does not have to all be housed in public schools.

1 Commissioner Marcoplos referred to the slide with 3 choices, and the second option  
2 intrigues him. He said if that was done for a year, the County could learn a lot and then see pre-  
3 K through the tracking tool. He said it could be like a rehearsal.

4 Commissioner McKee asked if Travis Myren could review option 1 again.

5 Travis Myren said option 1 would have the BOCC would formally amend the Student  
6 Membership section of the SAPFO memorandum of understanding (MOU), to include pre-K  
7 students, and also delete the section that has to do with issuing CAPS.

8 Chair Rich asked if that would include all pre-K students or just the ones the County is  
9 mandated to accommodate.

10 Travis Myren said the request was to include all of the existing pre-K students, and there  
11 was some disagreement regarding the waiting list. He said he imagines all would want to clear  
12 the waiting list.

13 Commissioner McKee agreed.

14 Commissioner Price asked if option 1 would eliminate the CAPS, and if so, is that  
15 something the schools wanted, or would the schools still want to still limit construction. She said  
16 she liked option 2.

17 Commissioner Dorosin said the schools know the number of kids in the pre-K seats, and  
18 to him, the issue is how many kids are in the seats now and how much room exists to  
19 accommodate the new class room size mandate. He said he favored option 1, and then figure out  
20 how to change the ordinance regarding CAPS, capacity, etc.

21 Commissioner Dorosin said if the BOCC is going to keep SAPFO, then every child that is  
22 present should be counted.

23 Commissioner Greene said would choose option 1, counting the existing children. She  
24 said she would like to keep the language of the SAPFO, but to the extent practical, they need to  
25 get away from the threat of the “shall” word.

26 Commissioner Bedford said she supports counting the existing pre-K students, but her  
27 concern is if the BOCC tried to get all of the jurisdictions to agree, they will not agree with it.  
28 She said she supported Commissioner Greene’s suggestion to keep the SAPFO language, but to  
29 get away from shall. She said she does not favor increasing the capacity percentages. She asked  
30 if all jurisdictions have to agree in order to amend the ordinance.

31 Chair Rich said OCS and CHCCS and Orange County Board of Commissioners would  
32 have to all agree.

33 John Roberts said the MOU is between all parties, so all would have to agree.

34 Commissioner Bedford said she is not sure it is worth the effort, as she would predict that  
35 the towns would not agree. She said to just leave it alone, and track the numbers.

36 Commissioner Marcoplos said if the BOCC pursues option 1 there will be a lot of  
37 disagreement in the first year, and so it looks like they are leaning toward a hybrid of options 1  
38 and 2. He said it seems wise to have a time to try it out and have discussions.

39 Commissioner Price said she was uncertain as to whether there was a deadline for all of  
40 this, and that is why she was leaning toward option 2. She said the BOCC does not have enough  
41 information on option 1, and time would help with that. She said she supports counting the pre-  
42 K students, but is unsure how the other entities feel. She said 5 entities would have to come to  
43 an agreement on this proposal, and that would take time. She said she is unsure where people  
44 stand about CAPS.

1 Chair Rich said Craig Benedict, Planning Director, went before each of the entities and  
2 all are up to date. She said OCS has been before Town of Hillsborough asking the Town to  
3 move forward. She said she does not think Chapel Hill and Carrboro are as far along in  
4 discussions.

5 Commissioner Dorosin said the entire BOCC seems to favor counting the pre-K students,  
6 so he would favor moving forward with option one and start drafting the amendment.

7 Chair Rich asked if it is clear which number of students are being counted: the existing  
8 students, the mandated students, the waiting list, etc.

9 Commissioner Dorosin said SAPFO currently counts kids that are in the building, and he  
10 would support continuing that.

11 Chair Rich asked if the numbers ever change, can CHCCS enroll more than 267 kids.

12 Commissioner Dorosin said the numbers would change based on enrollment, and if the  
13 districts can afford to accommodate more students, they should do so.

14 Chair Rich said that practice could trigger the building of a new school.

15 Commissioner Dorosin said that is what SAPFO is for now, and K-12 numbers can  
16 trigger the building of a new school.

17 Travis Myren said the difference is that pre-K is discretionary, with the exception of  
18 mandated students.

19 Chair Rich said the Board supports pre-K and knows every child deserves it. She said  
20 including pre-K could trigger the need for a new school sooner than otherwise would have been  
21 needed.

22 Commissioner McKee said option 1 makes the most sense, as it counts the kids that are  
23 already there. He said universal pre-K is a different conversation.

24 Commissioner Greene said the kids in pre-K are not all mandated to be there, and the  
25 number of non-mandated kids could be high or low. She said the BOCC does not want to be in a  
26 position of going against the case from Cabarrus County.

27 Commissioner Marcoplos asked if all the parities involved have the same understanding  
28 of option 1. He said, if not, the County would come up with an amendment for all to review, all  
29 the while counting the kids informally. He said if the BOCC is going to take option 1, it will  
30 take elements of option 2 to get them there. He said both options will come to pass with time.

31 Commissioner Price asked if there is a timeline, and if students are counted what happens  
32 next. She asked if the County will end up out of compliance if pre-K students are counted.

33 Travis Myren said the school districts requested the amendment to the membership  
34 language. He said in terms of adoption there is not a hard and fast deadline.

35 Commissioner Price said if the BOCC passes this next month, hypothetically, are the  
36 schools requesting to eliminate CAPS or to keep it.

37 Travis Myren said the schools did not address CAPS.

38 Commissioner Price said the BOCC continues to use as a planning tool, and the district  
39 may be out of compliance with the new state classroom mandates.

40 Travis Myren said this is a local creation, and it depends how the Board wants to treat the  
41 CAPS.

42 Chair Rich said the BOCC needs to have more conversations with Chapel Hill and  
43 Carrboro about this.

44 Commissioner Bedford said she looked back at previous documents, and the school  
45 districts were discussing including the existing pre-K students and the wait list, but with a

1 maximum of 10%. She said because funding is an unknown, she said the amendment would  
 2 need to include a maximum. She said if the BOCC went forward with the amendment, she  
 3 would like to keep the CAPS language, moving away from its mandatory nature, and put a  
 4 maximum on the number of pre-K children.

5 Travis Myren asked John Roberts if the BOCC made the CAPS an advisory, then the  
 6 towns would not have to agree to this.

7 John Roberts said yes. He said everyone would have to be a part of the removal of CAPS  
 8 to keep things equitable; it cannot exist in one district and not another.

9 Chair Rich said all jurisdictions need to be treated equally. She said there seems to be  
 10 some next steps needed, along with more conversations with the towns.

11 Commissioner Greene said if the mandatory language is removed, but the CAPS are still  
 12 present, she would still want the towns to be a party to it, and to be expected to consult the  
 13 SAPFO when dealing with a new development to understand the practical import of any new  
 14 development.

15 Commissioner Dorosin referred to the “must” language and spoke of a hypothetical  
 16 development that would bring 100 new students, pushing the CHCCS over capacity, and CHCCS  
 17 denies the development, and the developer sues to the district, and gets permit to build the  
 18 school. He asked if anyone has the authority to force the County to build a school.

19 John Roberts said this has never unfolded before, but a scenario would be that a  
 20 developer needs a SAPFO from the school district in order to build a subdivision, and if that is  
 21 not obtained, the subdivision will not be approved by the local planning department. He said,  
 22 from there, it will end up in litigation and may include the school systems, but the denial is  
 23 coming from the Towns or County. He said the County would not have to build a school, but  
 24 someone would get sued.

25 Commissioner Dorosin said many counties have crowded schools, and are not required to  
 26 build schools. He suggested moving forward with option 1 and drafting something to look at  
 27 existing kids and those on waiting list; and while this is being drafted they reach out to the towns  
 28 and start the conversation. He said it would be helpful to have something to show the other  
 29 parties with a couple of options.

30 Commissioner Greene said the weight is with the County.

#### 33 **4. School Funding Equity between School Districts in Orange County**

34 **UGH, THIS AGAIN!!!**

#### 36 **BACKGROUND:**

37 This agenda item is in response to a petition by a Board member. In North Carolina, each county  
 38 is responsible for supplementing state and federal appropriations to public education. State law  
 39 requires the County to allocate current expense or operating funding to each school system based  
 40 on an equal per pupil amount. In addition to current expense funding, counties provide funds to  
 41 each system for recurring and long range capital projects.

42 These capital expenses are not required to be allocated on a per pupil basis.

44 The FY2019-20 budget provides \$4,352.25 per student for each of the 20,408 students in the two  
 45 school systems. The Chapel Hill Carrboro City Schools District was allocated approximately

1 \$53.4 million in current expense funding based on an enrollment of 12,274 students. The  
2 Orange County Schools District was allocated approximately \$35.4 million in current expense  
3 funding based on an enrollment of 8,134 students.  
4

5 State law also allows Local Education Agencies (LEA) to levy special district taxes. District  
6 taxes must be approved by referendum. Once the tax is approved, the Board of County  
7 Commissioners formally approves the special district tax rate each year. Attachment A shows the  
8 counties in the state that levy taxes for more than one school district and the special district tax  
9 rates, if any, authorized in each of those Districts. The most recent data available from the  
10 Department of Public Instruction is from 2017-18.  
11

12 The Special District Taxes are only levied within the District's boundary. In FY2019-20, Chapel  
13 Hill Carrboro City Schools maintained a special district tax rate of 20.18 cents per \$100 assessed  
14 value. For this fiscal year, the special district tax is estimated to generate an additional \$1,977 per  
15 student or a total of \$24,267,972. This additional per pupil funding increases per pupil resources  
16 in the Chapel Hill Carrboro City Schools District to a total of \$6,329.25.  
17

18 Based on the requirements of State law, the County cannot equalize the total per pupil amount  
19 since it must provide the same per pupil funding for current expenses to each district. At this  
20 time, the County does not have a way to equalize the total per pupil funding unless each district  
21 authorizes the same special district tax or the existing special district tax is eliminated.

22 Chair Rich said Commissioner Dorosin has brought this up repeatedly over the past seven  
23 years, and she asked him to elaborate this evening.  
24

25 Commissioner Dorosin said the County has per pupil funding based on enrollment: 60/40  
26 between CHCCS and OCS. He said CHCCS also has the special district tax, which results in  
27 about an extra \$2000/more per student. He said there is something that is inequitable about this  
28 process, and he wonders how the Board can justify this disparity within the County.  
29 He said his proposal in the past has been to do general fund increases, with decreases in the  
30 special district tax. He said he is aware OCS rejected a district tax years ago. He said he is open  
31 to creative ways of how to address this inequity.

32 Commissioner Dorosin said the BOCC should reach out to its legislative delegation for a  
33 local bill to reduce disparity without cutting education.

34 Chair Rich said the General Assembly component is crucial, and of all the districts with a  
35 special tax, CHCCS is the highest.

36 Commissioner Price said if it comes through the general fund it will raise taxes for  
37 everyone.

38 Commissioner Dorosin said if the BOCC wanted to lower the district tax, then it would  
39 be offsetting.

40 Commissioner Price said the residents in OCS would see it as a tax increase for schools.

41 Commissioner Dorosin said the tax would be for all schools.

42 Commissioner Price said opinions may have changed, but OCS residents have historically  
43 said no to raising taxes to pay for schools.

1 Commissioner Dorosin said it would be part of their property tax. He said the difference  
2 would be that the amount of monies to OCS in the annual budget would go up, and the amount  
3 going to CHCCS would remain the same.

4 Commissioner Greene said Commissioner Dorosin is technically correct, and  
5 Commissioner Price is correct in what the perception would be among the OCS voters. She said  
6 OCS residents do not see this as evening things up, but rather as an increase in taxes, and there is  
7 no other reason than to re-appropriate the taxes.

8 Commissioner Greene said it would be nice to know what the voters in the OCS district  
9 thought, and maybe there needs to be another referendum.

10 Commissioner Dorosin said this idea is only one proposal, and he is open to all ideas. He  
11 said if his proposal were to pass, they would see a regular increase in money going to the OCS.

12 Commissioner Marcoplos said this tax solution is the only solution has been identified.  
13 He said he has lived here a long time, and generally, in rural Orange County people are happy  
14 with their schools, with good reason. He said people would rather not have their taxes raised,  
15 and still have good schools.

16 Commissioner Marcoplos said in CHCCS, there are people who want their taxes raised  
17 for their schools, as they can afford it. He recommended hiring a polling company to see what  
18 people think in both school districts.

19 Commissioner Dorosin asked if there is any way to compel school districts to consolidate  
20 some of the things that they both do, such as transportation, to ameliorate disparities. He said it  
21 is good to hear what people think, but right is right.

22 Commissioner Marcoplos said, over the years, rural Orange County has felt that the  
23 schools were one thing over which they had control. He said if a poll were conducted, the  
24 residents could be asked about collaborative efforts.

25 Commissioner Dorosin said if they are going toward universal pre-K, and building new  
26 facilities, there should be more effective collaboration.

27 Chair Rich asked if the Board is interested in polling about a district tax, and if a  
28 referendum is desired, which would provide some supporting data.

29 Commissioner Marcoplos said polling residents would provide information and seed  
30 conversations around the County.

31 Chair Rich said if the public is involved from the beginning it backs up what  
32 Commissioner Dorosin is trying to do. She said the public has misunderstood Commissioner  
33 Dorosin's intent in the past.

34 Commissioner Dorosin said if it is the will to have two school districts, then the question  
35 remains as to whether the current funding model is equitable.

36 Commissioner Dorosin said the sheet that was attached, with district tax data, has some  
37 missing information.

38 Commissioner McKee said his position has not changed. He said there is no way to get  
39 around the fact that the residents in CHCCS will come up neutral on taxes paid, but the OCS  
40 residents will get a tax increase. He said there are 20,408 students in Orange County, and if you  
41 get rid of the district tax then both districts are equal at \$4352 per pupil. He said to bring the  
42 districts back to the current CHCCS allocation, the County would have to generate \$1977 per  
43 pupil for the OCS students, which is a \$40 million increase in tax revenue, and translates to 20.8  
44 cent tax increase district wide.

1 Commissioner McKee said a poll would be useless because both sides of the conversation  
2 would mobilize residents to come out in opposition. He said to put a referendum on the  
3 November ballot for an OCS district tax, and that would serve as the poll.

4 Chair Rich said is it that the County needs to bring all up to 1977, or bring it down to a  
5 more reasonable amount to allow for equity.

6 Commissioner McKee said the numbers he is using is bringing every student up to what  
7 CHCCS currently spends per pupil.

8 Chair Rich said the question remains of does it cost \$2000 more per student to educate  
9 students in CHCCS, as opposed to OCS.

10 Commissioner McKee said that is the true question: what does it cost to educate a student  
11 in Orange County. He said it will be as hard to sell a reduction in the special district tax to  
12 CHCCS parents, as it would to sell an increase in taxes to the OCS parents. He said there is no  
13 doubt that inequity exists, but there is also the perception of it. He said the bottom line is that the  
14 people in Chapel Hill implemented a tax for themselves, and OCS did not. He said there would  
15 be a huge tax increase if the Board tries to balance this by going to the CHCCS funding level.

16 Commissioner Bedford said there should be federal funding for all children to receive an  
17 education. She said in 2006 both school districts agreed on issues about taxes not forcing people  
18 to move, and serving children fairly. She said in 2005 Davenport did a study on ways to share  
19 costs between the school districts, and some changes were made to the tune of significant  
20 savings. She said some recommendations were not implanted such as teacher training being  
21 done collaboratively with teachers from both districts, as well as allowing high school students to  
22 go between the two districts. She said there was a recommendation to raise taxes to go  
23 exclusively to schools, but the 2007-2008 recession occurred. She said the republican majority  
24 in the GA has consistently cut funding to schools, and one option would be to change to  
25 percentage of the County budget that is allocated to schools, but with Covid-19 there are going to  
26 be great basic needs in the County.

27 Commissioner Bedford said when people move to Chapel Hill they move there a lot of  
28 those times because of the school district. She said she chose a very small home in order to have  
29 her daughter in CHCCS schools, due to her special needs.

30 Commissioner Bedford said the group in 2006 cautioned against a special district tax as it  
31 is focused on the residents in a particular area, as opposed to the entire County, and areas in rural  
32 Orange County are not the same as CHCCS. She said economic development may change this.

33 Commissioner Bedford said a survey is a good idea, and the school boards could also be  
34 asked for input. She said if residents favor a tax raise, it is easy to do through incremental  
35 changes in the ad valorem tax.

36 Commissioner Dorosin said there would not be cuts if you raise the ad valorem, and cut  
37 the district tax.

38 Commissioner Bedford said CHCCS has many more children with special needs, and is  
39 using more of its special district tax to fund pre-K students.

40 Commissioner Dorosin said it is a chicken and egg situation, and people want to live in  
41 CHCCS because there are good schools, but there are good schools because there is more money.

42 Commissioner Bedford said she hopes EC education is strong in both districts. She said  
43 people move to CHCCS for the schools, but also the university and the medical centers.

1 Chair Rich said the district tax was rooted in a racial inequity to insure that African  
2 Americans could not move into the school system. She said that may not exist now, but it was  
3 true at one time years ago.

4 Commissioner McKee said the education from both school systems is good. He said  
5 there is a perception that CHCCS provides a better education for their students, but he disagrees  
6 with this.

7 Commissioner Dorosin said he did not mean to imply that CHCCS provides a better  
8 education than OCS. He said there is a perception that more money equals a better education.  
9 He said both districts provide a good education, but the funding is inequitable.

10 Commissioner Bedford said there is an impression that Orange County is a wealthy  
11 County. She said Orange County may be doing better than some counties, but nationally it is not.  
12 She said it is worth changing the 48.1% budget target.

13 Commissioner Marcoplos said Orange County actually funds their schools similarly to  
14 counties that are 20 slots higher in wealth in North Carolina. He said much more of Orange  
15 County wealth is going to education per capita.

16 Commissioner Marcoplos said CHCCS is second in the nation in the achievement gap,  
17 and there are many ways to address equity in the schools systems and they are not all connected  
18 the money.

19 Commissioner Price said in recent years both school systems have been in the top 5 in the  
20 State. She said the perception is with the wealth, and many people think CHCCS has all the  
21 money, but many people in CHCCS are forgotten, and have very little income. She said the  
22 schools were segregated in 1909 when the district tax was established, and she thinks the tax had  
23 more to do with wealth than race. She said the perceived difference between the two districts has  
24 always struck her as strange. She agreed it would be good to find out what the CHCCS spends  
25 the extra district funding on and what are their priorities.

26 Chair Price said the 48.1% is just a target, and it is not a mandated percentage.

27 Chair Rich said yes, 48.1% is a target and it helps staff with planning. She said it is a  
28 starting point.

29 Chair Rich said the BOCC can either do a survey or a poll to understand if OCS wants to  
30 be part of a referendum,

31 Commissioner Dorosin suggested sharing this discussion with both school boards. He  
32 said everyone has concerns and questions about the different levels of funding, and would like to  
33 learn more about how the additional \$2000/student manifests itself in CHCCS.

34 Chair Rich said it would be good to find out what OCS is offering that CHCCS is not,  
35 and vice versa.

36 Commissioner Dorosin said it may be a good idea for students to be able to take classes  
37 in the other district, and all options should be explored.

38 Commissioner Dorosin said there should be a conversation with their legislative  
39 delegation to get their perspective on this disparity in funding between the two school districts.  
40 He said maybe the outcomes could help the BOCC with questions to put on a poll or survey.

41 Commissioner Bedford said she thinks the BOCC can do whatever its want to do with the  
42 district tax, and may be able to bring the OCS up to the CHCCS level. She asked if John Roberts  
43 would research this.

44 Bonnie Hammersley asked if staff should put this on the agenda for the joint meeting with  
45 the schools on the 28<sup>th</sup>.

1 Commissioner Dorosin said the BOCC may need more information first, and he asked if  
2 the next collaboration meeting is scheduled.

3 Chair Rich said there is not a date scheduled yet, as a mutually agreeable date has not  
4 been found.

5 Commissioner Dorosin said not to have the item on the 28<sup>th</sup> agenda, but to have Chair  
6 Rich draft letter to school chairs with this meeting’s transcript. He said the meeting next week  
7 may be too soon, and he does not want to spring it on the schools.

8 Chair Rich said she supports doing some type of survey.

9 Commissioner Dorosin said more information is needed prior to doing a poll.

10 Chair Rich thanked Commissioner Dorosin for his ongoing commitment to this issue.  
11  
12

13 **5. Arts Commission – Appointments Discussion**  
14

15 **BACKGROUND:**

16 The following appointment information is for Board consideration. As the Designated County  
17 Partner with the NC Arts Council, the Arts Commission is required to conduct its annual grants  
18 cycle during the summer of 2020. Potential board members are recruited to ensure all areas of the  
19 arts are properly represented during grants review panels. Brad Porter and Krista Bremer  
20 represent the performing and literary arts, respectively, and their perspective and knowledge is  
21 needed for the upcoming grants panels.  
22  
23

24 A motion was made by Commissioner Greene, seconded by Commissioner McKee to  
25 appoint the following to the Arts Commission:  
26

27	Position 4 Daniel Mayer	At-Large	Second Full Term	Expiring 03/31/2023
28	Position 5 Tinka Jordy	At-Large	One Year Term Extension	Expiring 03/31/2021
29	Position 9 Krista Bremer	At-Large	First Full Term	Expiring 03/31/2023
30	Position 10 Marlon Torres	At-Large	Second Full Term	Expiring 03/31/2023
31	Position 11 Brad Porter	At-Large	First Full Term	Expiring 03/31/2023

32  
33 **VOTE: UNANIMOUS**  
34

35 A motion was made by Commissioner Price, seconded by Commissioner Marcoplos to  
36 adjourn the meeting at 10:24 p.m.  
37  
38

39 Penny Rich, Chair  
40  
41

42 Donna S. Baker  
43 Clerk to the Board

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4 **DRAFT**

**ORANGE COUNTY BOARD OF COMMISSIONERS  
CHAPEL HILL-CARRBORO BOARD OF EDUCATION  
ORANGE COUNTY BOARD OF EDUCATION  
DURHAM TECHNICAL COMMUNITY COLLEGE  
VIRTUAL MEETING  
April 28, 2020**

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12 **BOCC / Board of Education Virtual Joint Meeting**

13  
14 The Orange County Board of Commissioners met for a virtual joint meeting with the Chapel Hill-  
15 Carrboro Board of Education, Orange County Board of Education and Durham Tech on  
16 Tuesday, April 28, 2020 at 7:00 p.m.

17  
18 Due to current public health concerns, the Board of Commissioners conducted a Virtual  
19 Joint Meeting on April 28, 2020 utilizing Zoom. Members of the Board of Commissioners  
20 and Boards of Education participated in the meeting remotely. As in prior meetings,  
21 members of the public were able to view and listen to the meeting via live streaming  
22 video at [orangecountync.gov/967/Meeting-Videos](http://orangecountync.gov/967/Meeting-Videos) and on Orange County Gov-TV on  
23 channels 1301 or 97.6 (Spectrum Cable).

24  
25 **COUNTY COMMISSIONERS PRESENT:** Chair Penny Rich and Commissioners Jamezetta  
26 Bedford, Mark Dorosin, Sally Greene, Mark Marcoplos, Earl McKee and Renee Price

27 **COUNTY COMMISSIONERS ABSENT:**

28 **COUNTY ATTORNEYS PRESENT:**

29 **CHAPEL HILL-CARRBORO BOARD OF EDUCATION PRESENT:** Chair Mary Ann Wolf, Joal  
30 Broun, Rani Dasi, Amy Fowler, Deon Temne, Ashton Powell

31 **CHAPEL HILL-CARRBORO BOARD OF EDUCATION ABSENT:** Jillian LaSerna

32 **ORANGE COUNTY BOARD OF EDUCATION PRESENT:** Chair Will Atherton, Dr. Steve  
33 Halkiotis, Brenda Stephens, Hillary MacKenzie, Tony McKnight, Sarah Smylie and Dr. Stephen  
34 Halkiotis

35 **ORANGE COUNTY BOARD OF EDUCATION ABSENT:** Matthew Roberts

36 **DURHAM TECH PRESENT:** Dr. Bill Ingram, Penny Gluck

37 **COUNTY STAFF PRESENT:** County Manager Bonnie Hammersley, Deputy County Manager  
38 Travis Myren, and Clerk to the Board Donna Baker (All other staff members will be identified  
39 appropriately below)

40 **CHAPEL HILL-CARRBORO SCHOOLS (CHCCS) STAFF PRESENT:** Superintendent Pam  
41 Baldwin, Interim Superintendent Patrick Abele, Jonathan Scott, Interim CFO

42 **ORANGE COUNTY SCHOOLS (OCS) STAFF PRESENT:** Superintendent Monique Felder,  
43 Sara Pitts, Director of Environmental Health and Safety and Rhonda Rath, CFO.

44  
45 Chair Rich called the meeting to order at 7:00 p.m., and asked for a Roll Call.

46  
47 **Welcome and Opening Remarks**

48 OCS Chair Atherton highlighted some issues with the OCS budget, and the OCS  
49 response to the pandemic:

- 50 • Safety - provided PPE equipment to all staff on the frontline
- 51 • Food - 31,851 meals provided

- Learning - addressing pre and post Covid-19 learning gaps; provided IT resources; out of all OCS students, there are only 57 that staff has not been able to reach; provided devices to students, as well as paper material, OCS unable to address lack of internet in rural areas and will need County and State assistance in this matter.

CHCCS Chair Wolfe thanked the community for its efforts, as well as the Orange County Board of Commissioners (BOCC). She said CHCCS has partnered with districts and people to insure students have food, and that social, academic and emotional needs are being met. She provided examples of the way the community had engaged with the schools during this time. She reviewed the following:

- CHCCS has served over 130,000 meals.
- IT- grades 2-12 have access to IT equipment.
- BOE- schools are the hubs of the community and support the whole child and it is so evident through this crisis. They appreciate the close collaboration with the OCS. As they went through this process they did focus on their strategic plan and their equity training has helped.
- BOE- she said Orange County is generous towards education, but the State is still so much lower than the rest of the country.

Chair Rich said the Orange County Board of Commissioners has already gone through some budget discussions, and has also received an update from the Manager about the County budget in reference to the COVID- 19 pandemic. She said County staff has had to come up with a new budget, as opposed to the pre-Covid budget. She said is important to remember that these are not normal times.

#### 1. **COVID-19 Pandemic Economic Impact on the FY2020-21 Orange County Manager's Recommended Budget**

Bonnie Hammersley said tonight, she is talking about just one side of the story, which is the revenue side, and how Covid-19 pandemic has affected them all. She said her full-proposed budget will be presented next week on May 5<sup>th</sup>.

Bonnie Hammersley made the following PowerPoint presentation:

**FY2020-21 BUDGET PROJECTIONS  
PRE-COVID VS POST-COVID  
BOCC Virtual Work Session  
April 23, 2020**

	Pre-Covid Projections	Post-Covid Projections	\$ Difference
<b>PROPERTY &amp; PERSONAL PROPERTY TAX</b>			
Tax Rate Increase	1.63	0	\$(3,123,224)
Collection Rate Adjustment - Property Tax (Real/Personal)	99.2%	98.7%	\$(781,147)
Collection Rate Adjustment - Motor Vehicles	99.9%	99.4%	\$(142,485)
<b>SALES TAX</b>			
*Sales Tax Growth	+5%	-4.5%	-\$9%
<b>TOTAL</b>			<b>\$(6,861,007)</b>

\*Sales Tax projections includes Articles 39, 40 and 42

1  
2

	FY19-20 Adopted Budget	Pre-Covid Projections	Post-Covid Projections	\$ Difference	% Difference
<b>REVENUE</b>					
Real/Personal Property	\$ 152,142,471	\$ 157,890,346	\$ 154,198,531	\$(3,691,815)	-2.34%
Motor Vehicles	\$ 10,770,627	\$ 11,530,157	\$ 11,175,116	\$(355,041)	-3.08%
*Other	\$ 2,240,833	\$ 2,323,992	\$ 2,323,992	\$ -	0.00%
Sales Tax	\$ 25,372,861	\$ 26,641,504	\$ 23,827,353	\$(2,814,151)	-10.56%
Licenses and Permits	\$ 313,260	\$ 289,000	\$ 274,550	\$(14,450)	-5.00%
Investment Earnings	\$ 415,000	\$ 1,158,576	\$ 515,000	\$(643,576)	-55.55%
**Miscellaneous	\$ 3,040,769	\$ 2,892,817	\$ 2,642,817	\$(250,000)	-8.64%
Charges for Services	\$ 12,704,833	\$ 13,275,581	\$ 12,724,996	\$(550,585)	-4.15%
Intergovernmental	\$ 18,278,612	\$ 17,977,289	\$ 17,977,289	\$ -	0.00%
<b>TOTAL</b>	<b>\$ 225,279,266</b>	<b>\$ 233,979,262</b>	<b>\$ 225,659,644</b>	<b>\$(8,319,618)</b>	<b>-3.56%</b>

\* Other = Delinquent Taxes, Interest on Delinquent, Beer & Wine Excise Taxes, Animal Taxes etc.

\*\*Miscellaneous = Hold Harmless Article 44, Donations, Rent Income, Sale of Surplus Assets etc.

3  
4

Bonnie Hammersley said she wanted to show transparency prior to presenting her full budget to the Board of County Commissioners on May 5<sup>th</sup>. She said this is considered a moderate decrease. She said County staff has had to be extremely creative to be able present a balanced budget to the Board, which is a requirement of the State.

5

Ashton Powell clarified that the percentage difference measured is from the projected budget, but the actual difference from 19-20 is still going up.

6

Bonnie Hammersley said this presentation includes just the revenue side, and the revenues do not include the fund balance, which can be used to balance the budget.

7

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12

1 Commissioner Price asked if there is a timeline for the loss and the deficit, and does this  
 2 budget take into account a certain timeline of the economy reopening, or the virus maybe  
 3 coming back in the fall.

4 Bonnie Hammersley said it is based on what staff is hearing from the experts, who say  
 5 the recovery may last 12-24 months, but it is unclear when that recovery will start. She said  
 6 these numbers take into account that they will be looking at least a year, but there may be  
 7 adjustments needed mid-year.

8  
 9 **2. Durham Technical Community College – Orange County Campus**  
 10 **FY 2020-21 Operating Budget Presentation and Discussion**  
 11 **DR. INGRAM-DTCC PRESIDENT**

12  
 13 Durham Technical Community College (DTCC) - Orange County Campus FY 2020-21  
 14 Operating Budget Request includes \$777,954 for Operations (an increase of \$54,698) and  
 15 Capital Outlay Funds of \$75,000 (no change from FY 2019-20). The increase in Current  
 16 Operations includes a 2.5% increase for salaries and benefits to match the expected increases  
 17 for state paid employees, continue to pay all employees a livable wage, and funds to cover back  
 18 increases in retirement that had not been requested in the past. The request also includes  
 19 Orange County's portion of a new HVAC Technician position to support the increase in facility  
 20 maintenance needs, as well as a 2% cost increase in utilities, contracted services, and  
 21 insurance, and a 5% increase for equipment and facility repairs. Their request also includes  
 22 continuing the funding of \$200,000 for 200 scholarships for Orange County residents attending  
 23 DTCC. This is funded through the Article 46 One-Quarter Cent Sales tax proceeds.

24  
 25 Dr. Ingram made the following PowerPoint presentation:

26  
 27 **FY 2020-21 Orange County Budget Presentation**

28  
 29 **Orange County Campus Update**

30 2500 Students taking one or more classes annually

- 31 ▪ 1100 Curriculum Students
- 32 ▪ 1400 Continuing Education and Basic Skills Students

33 Sample of Program Offerings

- 34 ▪ Basic Law Enforcement Training for Orange Co. Sheriff
- 35 ▪ Emergency Medical Science and Paramedic training
  - 36 ❖ Special program for Air Force paramedics
- 37 ▪ Nurse Aide I and II
- 38 ▪ Anesthesia Technology\*
- 39 ▪ Orthopedic Technician\*

40 *\*Only programs in North Carolina*

41  
 42 **The Durham Tech Promise**

- 43 • \$500 grant per semester for up to four semesters
- 44 • All graduates of public high schools in Orange County are eligible, regardless of high  
 45 school GPA.; FAFSA not required
- 46 • Must enroll at Durham Tech as their first post-secondary institution within one year of  
 47 graduating high school.
- 48 • The Durham Tech Promise scholarship has been highly successful in attracting recent  
 49 high school graduates from the two county school systems to choose Durham Tech as  
 50 their preferred first postsecondary institution

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### **The Durham Tech Promise - graph**

The scholarship is attracting a diverse group of students

### **Durham Tech Promise - graph**

It is also helping keep students in college- graph

### **Career and College Promise (Dual Enrollment)**

237 high school students in college classes (almost 400 courses)

168 Orange County Students (over 300 courses)

- 120 Orange High School students (over 200 courses)

- 48 Cedar Ridge High School students (over 110 courses)

69 Chapel Hill / Carrboro Schools students

- 40 enrolled in biology or computer sciences classes offered at Chapel Hill and East Chapel Hill High School

- 29 students from Carrboro, Chapel Hill High, or East Chapel Hill High in classes at Orange County Campus or Main Campus

### **Department of Social Services Partnership**

Food and Nutrition Employment and Training and Workforce Innovation and Opportunity Act

Since January 2019

- 14 enrolled in college credit programs

- 80 enrolled in short-term workforce training programs

- 25 enrolled in high school completion/equivalency programs

- 70 enrolled in essential work skills classes (HRD classes)

Currently serving 135 clients

Students report hourly wage gains following participation

### **2020-21 Durham Tech Budget Request - table - 6% total \$1, 052, 954**

#### **Budget Request Highlights**

Salary line increase by \$47,832 (13.8%)

- One-fourth salary for new HVAC Technician

- Adjustment to contribution to state retirement system

- Proposed 2.5% salary increase

Contractual services increase by \$3,460 (2.5%)

Utilities increase by \$2,181 (2%)

Equipment repairs increase by \$875 (5%)

#### **Orange County Campus Building Two**

40,000-45,000 square foot general purpose classroom

\$26.6 million estimated cost

Year One: Planning and Design

- \$1 million

Year Two: Site Preparation and Construction

- \$14 million

Year Three: Project Completion

- \$11.6 million

Commissioner Bedford congratulated Penny Gluck and Dr. Ingram on their retirements.

1 Commissioner Bedford asked if staff could report how the pandemic has affected both  
2 campuses this spring semester.

3 Dr. Ingram said DTCC went on-line with all of its classes within 2 weeks. He said, of the  
4 500 sections of classes, all but 25 were converted to online.

5 Dr. Ingram said Durham Tech's summer term will be online as well, and DTCC hopes to  
6 do face classes in the fall sometime. He said Durham Tech will receive \$2.8 million from the  
7 CARE Act, which will be used for student aid. He said Durham Tech is learning how to use  
8 virtual platforms for many of their internal operations.

9 Commissioner Price thanked both Penny Gluck and Dr. Ingram for all of their work over  
10 the years.

11 Commissioner Price referred to the Orange County building 2, and asked if Durham  
12 Tech could make these slides available to the BOCC.

13 Commissioner Price said a couple of years ago there were concept plans, and asked if  
14 there is a specific point where this process is on hold.

15 Dr. Ingram said a couple of years ago Durham Tech had some preliminary discussions  
16 about what it wanted to offer in its second building. He said, this spring, County staff told  
17 Durham Tech that plans are to move this project to year 6-10 in Orange County's CIP, and that  
18 is why Durham Tech put a hold on significant planning for now. He said more planning will be  
19 done closer to when the building will be built. He said the Orange County Board of  
20 Commissioners asked about this last week, and that is why he added the slide. He said it  
21 shows a breakdown of how Durham Tech will need the funding over the three years.

22 Commissioner Price asked if Durham Tech still has the plans from two years ago, or will  
23 everything start from scratch.

24 Dr. Ingram said what they saw in the past was a high level, conceptual plan, and a land  
25 use plan that included how many parking spots would be needed. He said Durham Tech would  
26 look for designers to help the school program plan if they moved forward. He said the site plan  
27 from the past appears to have been more in the parking arena, and that was all it was.

28 Commissioner Dorosin referred to the \$1.4 million CARE funds, which have been drawn  
29 down, and asked if its specific uses could be identified.

30 Dr. Ingram said Durham Tech is developing the program for these funds, and additional  
31 requirements from the Department of Education came down. He said this round of funding will  
32 not be able to be used to offset tuition, and it will be distributed based on need. He said  
33 students will submit an application, and it can be used for rent or groceries, but will not be able  
34 to be used to offset tuition bills students have incurred. He said the second round of \$1.4 million  
35 will have more flexibility in what it can be spent on. He said the students had already paid for  
36 tuition for this semester, and there is no legal provision to refund it. He said Durham Tech will  
37 use some of the second round of funding for those students that had to withdraw and had paid  
38 tuition. He said it will be in the form of a credit for future use. He said the flexibility of the  
39 second round will help the college to recoup some of its expenses due to the pandemic.

40 Ashton Powell asked if Durham Tech's online delivery has altered the UNC system  
41 comprehensive articulation agreements, or the transferred admissions policies.

42 Dr. Ingram said that is a moving target and, as of now, it has not. He said Durham Tech  
43 moved from a graded system to a pass/fail system, and the university is leaving it to local  
44 campuses as to whether or not to make that decision. He said most university campuses do not  
45 accept the no pass/fail option in transfers. He said some students have said that they do not  
46 want to go to a pass/no pass/fail option. He said the system has provided some guidance that  
47 universities can accept a "high pass" (C or better) but universities do not have to accept that.  
48 He said Durham Tech is polling faculty to consider pass/fail option, and his sense is that most  
49 faculty will remain with the graded option.

50 Dr. Ingram said he has heard some chatter that graduating high school students are  
51 considering foregoing traditional university and going to community colleges instead, due to the

1 uncertainty of the times. He said, as of now, Durham Tech's fall enrollments are lagging behind,  
2 also due to the uncertainty.

3 Dr. Ingram said the other big unknown of the enrollment demand is that Durham Tech's  
4 enrollment typically increases when unemployment levels increase.

5 Amy Fowler asked if the current capacity of Durham Tech classes could be identified, as  
6 well as the capacity of the proposed building.

7 Dr. Ingram said Durham Tech is thinking the new building would most likely include  
8 allied health options, due to the relationship with UNC Hospitals-Hillsborough. He said  
9 additionally, there is a demand in Orange County is for general interest courses and transfer  
10 courses, as many students want to move on to a 4-year college. He said it is important to talk to  
11 stakeholders.

12 Dr. Ingram said Durham Tech is not as bound by brick and mortar as it was in the past,  
13 and allied health and applied trades are always going to be important. He said Durham Tech  
14 has been able to transfer many of the applied trades to the virtual environment. He said  
15 capacity will be determined by what the budget will allow.

16 Amy Fowler said the K-12 schools use SAPFO, and asked if Durham Tech knows if it is  
17 at capacity with its facilities.

18 Dr. Ingram said the use of Durham Tech buildings differs between weekdays, nights,  
19 and weekends. He said large capacities of students are enrolled in fewer than 12 hours, or  
20 part-time. He said Durham Tech's utilization is one of the highest in the State, but that does not  
21 mean they are near capacity all the time.

22 OCS Chair Atherton thanked Durham Tech for the wonderful partnership with the  
23 schools. He referred to capacity, and said it would be worth discussing holding some CTE  
24 classes in the schools, rather than busing students to Durham Tech.

25 Dr. Ingram said Durham Tech has had those discussions with both school districts in the  
26 past, and both districts have developed a schedule that works for them.

27 Chair Rich said the BOCC could take Chair Atherton's comment as a petition, and follow  
28 up with Durham Tech.

29 OCS Chair Atherton said he will do the same with his board.

30 Dr. Ingram left the meeting at 8:04 p.m.

### 31 **3. Presentation of Orange County Schools Board of Education FY 2020-21**

32 Rhonda Rath, OCS Chief Financial Officer, made the following PowerPoint presentation:

#### 33 **Orange County Schools**

#### 34 **2020/2021**

#### 35 **Superintendent's Recommended Local Operating Budget**

#### 36 **OUR FOCUS**

- 37 • Equity
  - 38 ○ Literacy: The ability to reach, write, listen, speak, and think critically
  - 39 ○ Climate and Culture: Promoting the heart and soul of Orange County Schools –
  - 40 every student: through norms and values that ensure their success
  - 41 ○ Stakeholder Engagement: Vital to the success and improvement of Orange
  - 42 County Schools

#### 43 **Literacy**

#### 44 **2018-2019 EOG English Language Arts/ Reading Performance - graph**

#### 45 **2018-2019 EOG English Language Arts/ Reading Performance - graph**

- 46 • 45% Grades 3-8 NOT Proficient

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## **Climate and Culture - graphic**

### **SEL**

- Social & Emotional Learning (SEL) = SEL is the process through which children and adults understand and manage emotions, set and achieve positive goals, feel and show empathy for others, demonstrate cultural sensitivity, establish and maintain positive relationships, and make responsible decisions.

## **Orange County Schools Climate and Culture**

- **Learner Demographics**
  - 50% of the Orange County Elementary Schools qualify for Title I funding
  - Free & reduced demographic percentages have increased to 43.25% in 2019
  - 70.3% of PreK students are on free and reduced meals
  - Supplemental food distributed at schools
    - Elementary 80-90/weekly
    - Middle 25-30/monthly
    - High School 10-15/monthly

## **Stakeholder Engagement**

## **District Reading EOG 3-8 - graph**

### **EQUITY**

- Achievement stagnant for all students
- Subgroups consistently below 40% in reading
- Subgroups disproportionately suspended
- Continue to hire and retain a diverse workforce
- Addition of 3 equity facilitators
- Build capacity related to culturally relevant teaching practices
- Hire and retain diverse workforce
- African American and Latinx History courses
- Support of 13 school-based Equity Teams
- Equity onboarding for all new employees
- Examination of policies, practices and protocols through an equity lense

## **Student Enrollment - graph**

## **Student Enrollment**

	<b>FY2020</b>	<b>FY2021</b>	<b>Change</b>
Projected ADM Average Daily Membership	7,388	7,381	(7)
Charter School	843	885	42

(Less)Out of District	97	110	13
Total Student Billing Base	8,134	8,156	(22)

1 **Anticipated Expenses**

2

Continuation Budget	FY2021
Local Budget	35,716,951
State Mandate Salary Increase	662,900
State Mandate Benefit Increase	321,150
Total Continuation Need	36,701,001
Per Pupil increase \$148	

3

4 **One Time Funding Request**

- 5 • No State approved budget for 2019-2020 fiscal year
  - 6 ○ No budget = No salary increases
- 7 • \$1.0 million onetime funding
  - 8 ○ \$1,000 onetime bonuses to OCS Staff

9

10 **Anticipated Expenses Continued**

Expansion Budget	FY2021	PP
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COVID-19 Student Education Support	250,000	31
Inclement Weather Days	150,000	18
Teacher Assistant Workdays	82,500	10
School Counselors (2)	138,000	17
Academically/Intellectually Gifted teachers	160,000	20
PreK Dual Language	40,000	5
Translator	80,000	10
Social Emotional Coordinator	74,100	9
Directory of Literacy	105,500	13
Equity Facilitators	142,000	17
Maintenance Technicians	192,000	24
Total Expansion Budget	1,414,100	173
Total Per Pupil increase \$321		

1

2 **Superintendents Budget Request - chart**

3

4 Commissioner Greene referred to the Director of Literacy position, and clarified that this  
5 position existed previously, went away, and is now being requested again. She asked if this is  
6 one person for the whole district, how does this person accomplish their work, and what  
7 difference has been seen in OCS without the existence of this position.

8 Superintendent Felder said she does not know how the position was leveraged in  
9 Orange County, but it has been leveraged in other districts in which she has worked. She said  
10 with the current data in OCS, someone with expertise and focus in literacy is needed to build a  
11 capacity of school based literacy leaders throughout the district. She said OCS has two literacy  
12 facilitators, but as shown in the data, this has to be OCS' focus, in order to find the reasons  
13 behind the existence of this data.

1 Commissioner Dorosin referred to the charter school numbers, and said OCS is getting  
2 close to 12% of its students in charter schools. He said there are tipping points where the public  
3 schools are adversely affected, once a certain percentage of students are enrolled in charter  
4 schools. He asked if OCS is seeing any affects thus far.

5 Rhonda Rath said OCS did see a reduction in teachers in the two previous fiscal years  
6 with 10 positions lost. She said she does not think OCS has been unable to offer courses, or let  
7 any teachers go, as a result of the charter schools. She said State mandated class size  
8 restrictions on K-3 have required more teachers so the students moving to charter schools has  
9 not resulted in the letting go of any teachers go.

10 Chair Rich asked if Commissioner Dorosin knows the percentage where the tipping point  
11 occurs.

12 Commissioner Dorosin said around 15% may be where one starts seeing impact. He  
13 said it depends on the types of charters that exist.

14 Commissioner Dorosin clarified that OCS wants \$1 million to fund \$1000 bonuses, and  
15 asked if that means OCS has around 1000 employees that would be eligible for that bonus.

16 Rhonda Rath said yes.

17 Commissioner Dorosin asked if that will include all employees: teachers, office staff,  
18 superintendent, principals, etc.

19 Rhonda Rath said OCS has not thought through the semantics that deeply, but basically  
20 everyone at a high level will be included as none of those people mentioned by Commissioner  
21 Dorosin received any type of pay increase this past fiscal year.

22 Superintendent Felder said it would not include the Superintendent.

23 Commissioner Dorosin said it would include all other high level staff, as it is currently  
24 envisioned.

25 Rhonda Rath said yes.

26 Commissioner Dorosin said there is going to be money coming from the federal and  
27 state governments, and asked if those funds will be calculated to be utilized for this budget, or  
28 supplemental and used in other ways. He said if the schools know the answer to this question it  
29 would be helpful for the BOCC to know. He said there is already approximately \$500,000 from  
30 the State given to both districts, and he asked if there is a plan to spend this money.

31 Commissioner Dorosin said it is clear that there are a lot of children suffering trauma, as  
32 a result of Covid-19, and there is going to be a need for counselors and resources to support  
33 children and the classrooms. He asked if there is any plan to put in additional resources in for  
34 trauma support, and if this may be put in place even before schools re-open.

35 Rhonda Rath referred to the financial piece of the questions, and said the \$200,000  
36 OCS received from the State is being spent to support the additional compensation that is being  
37 offered to staff that have continued to report to work during the stay at home order, and thus put  
38 themselves at risk to serve the students and families.

39 Rhonda Rath said OCS has some increased costs for mailing remote learning packages  
40 to those students who do not have access to the Internet. She said costs are also being  
41 leveraged for the additional hot spots.

42 Rhonda Rath said OCS has received an estimate of \$900,000-\$1 million in federal  
43 funds, for which OCS must apply with a budget. She said some of the stipulations OCS has  
44 received regarding the spending of these funds are purchasing sanitary supplies, mental health  
45 services, and devices for students and staff for remote learning. She said OCS does not know,  
46 at this point in time, what the long term learning environment will entail. She said OCS hopes to  
47 be able to apply for these federal funds by May 1<sup>st</sup>. She said the state funds are very restricted  
48 in how they can be spent.

49 Commissioner Dorosin asked if OCS could update the BOCC if/when the federal dollars  
50 are received, and how they will be allocated.

1 Commissioner McKee asked if, given the presentation from Bonnie Hammersley, and  
2 knowing that this situation has been going on for awhile, and that County revenue reductions  
3 are expected, did OCS consider these factors when putting together this budget request. He  
4 said a 2-cent increase would be required just to cover the OCS budget.

5 OCS Chair Atherton said OCS did not have the Manager's outlook on funding when  
6 creating this budget, although OCS was aware of potential issues. He said OCS went through  
7 each item and reduced its original budget. He said OCS has to pass a budget much earlier than  
8 tonight's meeting, and OCS created this budget not knowing where the County was budget-  
9 wise.

10 OCS Chair Atherton said it is not surprising to see the County's budget numbers.

11 Commissioner McKee said he appreciates the fact that the school boards have to  
12 develop their budgets before this time, but there needs to be more discussion on these budgets,  
13 given the current situation.

14 Chair Rich said she appreciated OCS going back and doing a post Covid-19  
15 assessment to bring down its budget for this meeting tonight. She said this current situation is  
16 far worse than the recession 10 years ago.

17 Commissioner Price asked for more clarification on the food distribution, and said it is  
18 her understanding that all elementary kids get meals, with no questions asked. She asked if  
19 there is a plan to pay for this going forward.

20 Chair Rich said they have had these discussions at the EOC with the schools.

21 OCS Chair Atherton said OCS was seeing increases in general food distribution, not just  
22 daily distributions. He said elementary children are free, but middle and high school are not.

23 Rhonda Rath said OCS has the universal breakfast program for all elementary kids.  
24 She said for the other foods, OCS has subsidies from the USDA and federal government, and  
25 OCS has received enough subsidies to support the food and reduce costs to the students.

26 Rhonda Rath with regard to the other meals, such as snacks, there are some students  
27 that do not get them, because they did not apply for the universal breakfasts. She said OCS is  
28 aware of some needy children only due to hard won relationships between the school social  
29 workers/counselors and families. She said a lot of the food services OCS is offering, due to  
30 Covid-19, are being covered by reimbursements. She said donations are coming in from the  
31 community to purchase supplemental foods.

32 Commissioner Price asked if she could have more information about the all the food  
33 being provided, how much is funded federally, by the state, donations, etc.

34 OCS Chair Atherton said OCS has universal breakfast, but not lunch for elementary, and  
35 there is nothing universal for middle or high schools. He said OCS does get donations from the  
36 community to pay off accounts, and OCS sees this throughout the year.

37 Chair Rich said it might be difficult to get statistics on the food donation sources.

38 Commissioner Price said she is just interested in what affects the school budget.

39 Commissioner Bedford praised the OCS budget for being organized around what  
40 benefits its students (literacy, culture, equity), and noted that OCS has only asked for things that  
41 would help its students, but the County is facing an austere budget.

42 Commissioner Bedford asked if, when available, OCS would please share what its  
43 projected fund balance will be at June 30, and how that compares to the required percentage, or  
44 the policy percentage. She said she would like to know how much OCS appropriates from its  
45 fund balance into its budget. She said CHCCS usually appropriates around \$1 million. She  
46 said this will help her understand OCS' flexibility.

47 Rhonda Rath said the OCS projected unassigned fund balance is \$2.8 million, and pre-  
48 Covid-19 that was hoping to increase 500,000-700,000.

49 Rhonda Rath said OCS does not appropriate unassigned fund balance to balance their  
50 budget for recurring items.

51 Chair Rich asked if OCS has a plan in place if school does not start on time in the fall.

1 OCS Chair Atherton said OCS had a short discussion about this, and an increased  
2 number of hotspots, purchasing internet devices for buses, and if these buses can be driven into  
3 some of the more rural areas.

4 OCS Chair Atherton said OCS has talked about the K-2 students, who do not have the  
5 one to one technology, and are looking at devices and a gamut of how remote learning could  
6 work more effectively. He said figuring out student learning losses and the needs of EC children  
7 are other issues to consider.

8 Superintendent Felder said OCS has started these conversations, and if schools cannot  
9 open typically, then remote learning will have to continue, which is evolving over time. She said  
10 access to Wi-Fi for students and staff is a huge issue, as well as insuring that everyone has  
11 devices. She said an additional challenge is students' social-emotional needs. She said  
12 academics cannot be the only focus. She said if a child is hungry or enduring trauma, they will  
13 not be available to learn, regardless of the setting. She said OCS is also concerned about  
14 closing gaps that will grow over the summer, as well as a result of Covid-19. She said staff is  
15 looking into all these areas.

16 Commissioner Marcoplos said no one knows what is going to happen, and the State  
17 Superintendent has created a state task force to look at what to do if there is a Covid-19 spike  
18 during the summer. He asked if there could be a local County task force to discuss some of  
19 these issues, and have a system in place to best respond to the educational and financial  
20 component of this pandemic.

21  
22 **BACKGROUND:**

23 Budget uncertainties that we face every year are anticipated to pale in comparison to the fiscal  
24 year ahead. We realize that the State and County may very well experience shortfalls as a  
25 result of the Stay at Home Order. However, as ambassadors of Orange County students, we  
26 remain committed to the well-being and future of every student that we serve. Therefore, after  
27 thoughtful and careful deliberations among our staff and Board, we bring the following budget  
28 request to you for consideration:

29  
30 \$36,701,002 Continuation budget that incorporates the following:

- 31 • Universal breakfast in every elementary school
- 32 • Anticipated State mandated salary increases:
  - 33 ○ Five percent certified staff
  - 34 ○ Two percent all other staff *continued*
- 35
- 36 • Employer retirement contribution increased to 21.44% per eligible employee
- 37 • Employer hospitalization contribution increased to \$6,647 annually per participating  
38 employee
- 39 • Continued focus on identifying and eliminating inequities in access to opportunity and  
40 academic barriers for our students.

41  
42 \$1,414,100 Expansion budget that incorporates the following:

- 43 • COVID-19 student education support
- 44 • Two inclement weather days for classified staff
- 45 • Reinstatement of remaining teacher assistant workdays
- 46 • Two additional school counselors
- 47 • Two Academically/Intellectually Gifted teachers ensuring every elementary school has  
48 access
- 49 • Pre-K dual Language program
- 50 • One district translator to support our Spanish speaking students and families

- 1 • A Social and Emotional Learning Coordinator
- 2 • A Director of Literacy
- 3 • Two Equity facilitators
- 4 • Four Maintenance Technicians

5  
6 We believe the budget presented for your consideration aligns with the Orange County Schools  
7 Strategic Plan and our committed focus of ensuring every student is successful and college and  
8 career ready. We look forward to the year ahead and getting our students and staff transitioned  
9 back to the normal instructional environment.

10  
11 As we begin looking forward to the 2020-2021 school year, we would be remiss to not take the  
12 opportunity to spend some time looking back on the wonderful things that have occurred during  
13 the 2019 -2020 school year.

14  
15 Orange County Commissioners approved a \$4,352.25 per student funding for 8,134 Orange  
16 County School students which represented a total funding appropriation of \$35,401,202. This  
17 equated to a \$187.25 per student increase in funding over the 2018-2019 school year.

18  
19 As a result, Orange County Schools received funding to support initiatives such as:

- 20 • Universal Breakfast in every elementary school which allows every elementary student  
21 to receive a breakfast free of charge every day school is in session. Grab and go options  
22 are also provided to students that may not choose to receive a hot breakfast.
- 23 • State mandated Benefit and Salary increases for employees. A \$150 per employee  
24 increase was realized in hospital insurance premiums as well as more than a 1.0%  
25 increase in the employer portion of retirement benefits.
- 26 • Equity professional development throughout the district to allow for continued work in  
27 raising awareness of equity issues that may prevent students from feeling welcomed and  
28 heard.

29  
30 Commissioners recognized and supported the Equity initiative presented by both Orange  
31 County Schools and Chapel-Hill Carrboro City Schools by allocating one time funding of  
32 \$260,000 towards Foundational Equity Training for both districts.

33  
34 Beginning in October, a District Equity Leadership Team (DELT) was formed to examine district  
35 policies, practices, programs, structures, climate and culture to identify barriers to equity and  
36 excellence. Soon thereafter, the Leadership for Racial Equity Development (LEADS) trainings  
37 were conducted. These trainings focused on deepening understanding of institutionalized  
38 racism and its impact on student learning, as well as providing support for leading systemic  
39 equity transformation initiatives in the district and schools. Throughout this time, additional staff  
40 equity training was also occurring. Examples include; Racial Equity Institute (REI) Groundwater  
41 training, Culturally Responsive Customer Service, and Equitable, Culturally Responsive and  
42 Relevant Learning Environments.

43  
44 Identifying and eliminating inequities in access to opportunity and academic barriers remains a  
45 priority as we begin looking ahead to the 2020-2021 school year.

46  
47 As planning began for the 2020-2021 academic year, little did we know the crisis that was  
48 ahead for not only North Carolina but the Nation.

49

1 As a result of COVID-19, Governor Cooper closed schools beginning March 16, 2020 through  
2 May 15, 2020 to prevent the spread of this deadly virus.

3  
4 As quantitative and qualitative data have been reviewed, it has become apparent that certain  
5 areas require more focus to impact student achievement. The data is reflecting that focus is  
6 needed in three areas:

- 7
- 8 1. Literacy
- 9 2. Climate and Culture
- 10 3. Stakeholder Engagement

11  
12 Focusing on each area through the lens of Equity. Equity and data will continue to drive the  
13 work so that every Orange County student receives what they need to succeed. The driving  
14 vehicle will be the goals outlined in the Orange County Schools strategic plan.

- 15
- 16 1. Challenge and engage every learner to achieve at his/her full potential
- 17 2. Engage in two-way communication with our stakeholders and diverse community
- 18 3. Create a career destination for employees
- 19 4. Provide safe and sustainable operations to support optimal learning facilities and
- 20 maintenance
- 21 5. Accountable, equitable and transparent management of human and financial
- 22 resources

#### 23 24 **FOCI I - LITERACY:**

25 Literacy is a civil right. It is the ability to read, write, listen, speak and think critically across all  
26 disciplines. It should not be viewed as a subject that is taught, rather a civil right we must  
27 provide. For our students to be able to engage effectively in the society they live in, we must  
28 ensure that they are literate. Literacy is a gateway to opportunity but unfortunately can be a  
29 gatekeeper. Research indicates that there is a high cost to low literacy. The Annie E. Casey  
30 Foundation reports that 9 out of 10 high school dropouts struggled to read in the 3rd grade.

31  
32 Youth who fail to complete high school by age 20 are seven times more likely to be poor as  
33 reported by The Urban Institute. It is also reported from the United State of Justice that two-  
34 thirds of all youth in the juvenile court system could not read in the fourth grade. Finally, it is  
35 alarming to read from the National Commission on Writing that \$3.1 billion is spent annually to  
36 improve the literacy skills of entry-level workers. The statistics are sobering and speak to the  
37 need to focus on literacy. Furthermore, Orange County students deserve to be equipped to  
38 participate in civic life through means such as accessing and navigating health care systems.  
39 They deserve to be prepared for higher education which on average requires 80 pages of  
40 independent reading per week. Data tells us that up to sixty percent of community college  
41 freshmen are assigned to remedial reading courses because they are not adequately prepared.

42  
43 It is recognize that the Orange County Schools literacy data is disproportionate and does not  
44 reflect the potential of our students. As a result, Literacy is a primary focus of the work as we  
45 budget and plan for the 2020-2021 school year.

#### 46 47 **FOCI II - CULTURE & CLIMATE:**

48 Climate is observable habits that characterize life in the school or office while culture is the  
49 beliefs that reflect that deeper foundation of how we operate. This plays out for our students as  
50 Social and Emotional Learning. Social and Emotional learning is the process through which  
51 children and adults understand and manage emotions, set and achieve positive goals, feel and

1 show empathy for others, demonstrate cultural sensitivity, establish and maintain positive  
2 relationships, and make responsible decision.

3  
4 Unfortunately, the above cartoon reflects many students entering our school buildings today.  
5 They are entering our buildings carrying lots of “baggage” and still expected to perform, learn  
6 and behave. In order for our students to be the most successful, we have to support the student  
7 in a whole child model not just focusing on academics.

8 **FOCI III - STAKEHOLDER ENGAGEMENT:**

9 According to John Hattie, Education Researcher, “The effect of parental engagement over a  
10 student’s school career is equivalent to adding an extra two or three years to that student’s  
11 education.”

12  
13 Stakeholders have a stake in the school district and its students, which means they have  
14 personal, professional, civic, financial interest or concern in the school district. We cannot move  
15 this work forward without realizing how vital stakeholder engagement is to the success and  
16 improvement of a school district. This engagement can improve outcomes for students.

17  
18 By no means are we suggesting or even recommending that the above areas be the only focus  
19 for administration going forward. However, we are saying that we need to double down in these  
20 areas to improve the outcomes for “EVERY” student in Orange County Schools.

21  
22 **BUDGET OVERVIEW – FY 2020-2021**

23 The 2020-2021 Board of Education approved budget represents Orange County School’s  
24 commitment to the three foci outlined above and our core belief “First Choice for Families”. The  
25 District continues to be faced with the challenges of meeting on-going critical academic and  
26 social and emotional needs of students and staff while balancing the uncertainty of the many  
27 funding sources that provide the resources.

28  
29 Orange County Schools continually strives to maximize revenues from all sources which include  
30 State, Federal and Local County Governments while ensuring optimal learning environments for  
31 our students. Our budget request for the 2020-2021 academic year reflects our commitment.

32  
33 Even though our State did not pass a budget for the 2019-2020 fiscal year, legislation is in place  
34 to ensure state agencies can continue operating. Legislation passed in 2017 allows the state  
35 government to continue operating utilizing current funding levels. As a result, the state funding  
36 levels for the 2019-2020 academic year were funded at the same level as 2018-2019 where a  
37 budget was enacted in law. At this time, we are anticipating funding from the State of North  
38 Carolina to hold at the 2019-2020 level of \$49.0 million. Federal programs are anticipated to  
39 contribute \$3.4 million in revenue. Other revenue sources for Orange County Schools include  
40 two enterprise funds, School Nutrition and After School Care. As Enterprise Funds, these  
41 programs are fee based and operate as self-sustaining therefore not requiring funding support  
42 from other State, Federal or Local revenues provided to the district in support of operational  
43 needs.

44  
45 In order to continue operations at the current level and support the projected student ADM,  
46 Orange County Schools will require a total of \$36.7 million in local revenue from the Orange  
47 County Board of County Commissioners. This equates to a necessary increase in the per pupil  
48 appropriation of \$148 per pupil which will generate additional revenue of \$984 thousand. The  
49 additional revenue will support:

- 50 • Continued operations at the current level
- 51 • Projected 5% state mandated salary increase for certified staff

- 1 • Projected 2% state mandated salary increase for classified staff
- 2 • Projected Retirement increase to 21.44%
- 3 • Projected Hospitalization of \$6,647 annually per employee
- 4 • Elementary Universal Breakfast Program
- 5 • Continued equity professional development for all staff

6 State mandated benefit and salary increases continue to be the driving force in the requested  
7 continuation budget increase. Based on historical data, the employer portion of employee  
8 benefits has risen upwards of 30% in the past five years.

## 9 10 **2020-2021 EXPANSION BUDGET**

11 As previously stated, legislatures failed to come to an agreement and pass a budget for the  
12 2019-2020 fiscal year. As a result, no additional funds were distributed from the State to provide  
13 salary increases for all staff. Even though it was approved to give Certified Staff (i.e. teachers)  
14 credit for their previous year of experience which allowed movement on the salary scale, the  
15 state salary scales remained unchanged for not only Certified but all other staff as well. This  
16 decision to credit one year of service did allow Certified Staff (i.e. Teachers) to receive a \$1,000  
17 annual salary increase. However, no other staff employed with Orange County Schools received  
18 any salary increase for the 2019-2020 fiscal year.

19  
20 We know Commissioners value the service all Orange County Schools employees provide the  
21 students attending our schools as much as we do. As a result, we request a onetime funding of  
22 \$1.0M to provide a onetime bonus to staff. This is not requested as a per pupil increase.

23  
24 Now, let's look at the other expansion items being requested for the 2020-2021 fiscal year. As  
25 we dug deep into our data, it became very apparent that to move the work forward in the three  
26 foci areas outlined at the beginning of this document, additional resources and support would be  
27 required.

28  
29 Foci I outlines our intent of doubling down on Literacy. Our data reflects that our marginalized  
30 students are falling behind in Literacy at an unacceptable level. 45% of our 3rd through 8th  
31 grade students are not proficient in reading as reflected on the 2018/2019 end of grade tests.  
32 In order to interrupt the systems in place and improve student outcomes, our Board supported  
33 and approved the following expansion items in support of the **Literacy Foci**:

- 34 • \$105,500 to hire a Directory of Literacy.
  - 35 ○ Approx. 64% of our black students in grades 3-8 are not proficient in reading
  - 36 ○ Approx. 67% of our Hispanic students in grades 3-8 are not proficient in reading
  - 37 ○ Approx. 85% of our English language learners in grades 3-8 are not proficient in
  - 38 reading
  - 39 ○ Approx. 87% of our students with disabilities in grades 3-8 are not proficient in
  - 40 reading
- 41 • \$138,000 to hire two additional school counselors to offer additional support at various  
42 schools. In this year alone, OCS has experienced the following:
  - 43 ○ 135 suicide assessments
  - 44 ○ 78 social service referrals
  - 45 ○ 19 medical emergencies
  - 46 ○ 400+ referred and/or receiving school based mental health services
- 47 • \$74,100 to hire a Social and Emotional Learning Coordinator.
  - 48 ○ 50% of our students qualify for Title I funding
  - 49 ○ 43.25% of our K-12 students receive free & reduced meals
  - 50 ○ 70.3% of our PreK students received free & reduced meals

- 1       ○ 80-90 bags of supplemental food are distributed weekly in our elementary schools
- 2       ○ 25-30 bags of supplemental food are distributed weekly in our middle schools
- 3       ○ 10-15 bags of supplemental food are distributed weekly in our high schools
- 4       ○ OCS has 150+ McKinney Vento Students (homeless)
- 5       ○ 25-30 ESSA students (Foster Care)
- 6       ● \$160,000 to hire two additional academically/intellectually gifted (AIG) teachers.
- 7       ○ Budget reductions in FY2018 prevented the hire of these two vacant positions.
- 8       ○ Resources had to be shifted forcing two of our elementary schools to share an AIG
- 9       ○ teacher with another school.
- 10      ● \$40,000 to offer the dual language program to PreK students at New Hope Elementary.
- 11      ○ The current dual language program offered to Kindergarten's at New Hope elementary is
- 12      ○ very successful and in high demand. Parents and the community have expressed great
- 13      ○ desire for the program to begin in PreK.

14  
15 In support of our second foci, **Climate and culture**, our Board supported and approved the  
16 following expansion items:

- 17      ● \$150,000 to build in two inclement weather days for classified staff. At this time, when
- 18      ○ the district is closed for inclement weather 12 month classified staff are required to use
- 19      ○ vacation and in some cases leave without pay.
- 20      ● \$82,500 to reinstate pay for 5 teacher assistant workdays. To balance the budget in
- 21      ○ FY2019 and not eliminate any teacher assistant position, the district no longer allowed
- 22      ○ teacher assistants to work on teacher workdays. As a result, Teacher Assistant pay was
- 23      ○ reduced by 14 days. The district was able to protect all teacher assistant positions and
- 24      ○ recoup approximately \$250,000 to balance the budget. The OCS Board and staff realize
- 25      ○ the value and importance of these staff members in our schools. It is the goal of our
- 26      ○ Board to eventually reinstate all of the workdays for teacher assistants.
- 27      ● \$192,000 to increase the maintenance technician staff by four. This expansion request is
- 28      ○ supported by the following data:
- 29      ○ OCS currently has one maintenance technician serving 93,000 square feet. Industry
- 30      ○ standards are one maintenance technician serving 50,000 square feet.
- 31      ○ An additional 50,000 square feet will be added to the district upon completion of the
- 32      ○ Cedar Ridge High School wing addition and 26,000 square feet added with the
- 33      ○ opening of the Orange County Schools Welcome Center would be in addition to the
- 34      ○ 93,000 square feet currently being served.
- 35      ○ \$25.8 million capital improvement budget projects ongoing in the district.

36  
37 Our final focus area, **Stakeholder Engagement**, received Board support and approval for the  
38 following expansion items:

- 39      ● \$80,000 to hire a translator to support schools. We continue to welcome an increase in
- 40      ○ non-English speaking families attending Orange County Schools. To better support
- 41      ○ these students and their families, adding a translator will aid in our day to day
- 42      ○ communications and allow us to better meet the needs of these families. We desire for
- 43      ○ all of non-English speaking families to feel welcomed and valued as a partner with us in
- 44      ○ their child's education.
- 45      ● \$142,000 to add two equity facilitators to build capacity related to culturally relevant
- 46      ○ teaching practices. Not only would these positions assist in building capacity surrounding
- 47      ○ culturally relevant teaching practices but we also envision these facilitators; (1) teaching
- 48      ○ African American and Latinx history courses at the two high schools; (2) Examining
- 49      ○ policies, practices and protocols through an equity lens; and (3) Additional support to 13
- 50      ○ school based equity teams. At this time, the OCS Equity Department consists of one

1 staff member. We know in looking at our end of grade reading data for grades 3-8, our  
 2 marginalized students reflect the greatest disparities. Based on the below data:

- 3 o Achievement is stagnant for all students
- 4 o Subgroups consistently below 40% in reading

- 6 • \$250,000 contingency funds for COVID-19 response and support of students and staff.

8 The above expansion requests total \$1,414,100 or a needed per pupil increase of \$173.00.

9  
 10 **2020-2021 BUDGET SUMMARY**

11 In summary, the Orange County Schools approved FY2020-2021 local budget presented for  
 12 funding is comprised of the following:

	FY2020-2021 Requested	Per Pupil Increase
15 Continuation Budget	\$35,716,952	\$27
16 State Mandated Salary Increases	\$662,900	\$81
17 State Mandated Benefit Increases	\$321,150	\$40
18 <b>Total Continuation Budget</b>	<b>\$36,701,002</b>	<b>\$148</b>
19 Literacy Foci Expansion	\$517,600	\$63
20 Climate/Culture Foci Expansion	\$424,500	\$52
21 Stakeholder Engagement Expansion	\$472,000	\$58
22 <b>Total Expansion Budget Request</b>	<b>\$1,414,100</b>	<b>\$173</b>
23 <b>Grand Total Budget Request</b>	<b>\$38,115,102</b>	<b>\$321</b>

24  
 25  
 26 **4. Chapel Hill-Carrboro City Schools**

27  
 28 Jonathan Scott, Interim Chief Financial Officer, made the following PowerPoint  
 29 presentation:

30  
 31 **Chapel Hill – Carrboro City Schools**  
 32 **Board of Education’s Local County Appropriation**  
 33 **Funding Request for 2020-2021**  
 34 **Presented to the Board of County Commissioners**  
 35 **4/28/2020**

36  
 37 **Strategic Plan Areas**

- 38 • Student Success
- 39 • Employee Experience
- 40 • Family and Community Engagement
- 41 • Organizational Effectiveness

42  
 43 **Budget Background**

- 44 • Economic landscape has shifted, we are unified and committed to providing a quality  
 45 education driven by our strategic plan as we work to empower, inspire, and engage our  
 46 students
- 47 • Our budget process begins with careful consideration of enrollment projections
- 48 • State projections have been received, and enrollment is estimated at 12,312 students for  
 49 the 2020-2021 school year. This is not a material change in enrollment

- Should continuation funds not be provided, the District will have to adjust the budget accordingly

#### **Continuation Requests:**

##### *Salary and Benefits*

The CHCCS Board of Education's (BOE) local County Appropriation Funding Request Includes placeholders for:

- Certified salaries and Supplement: 5% for anticipated State salary increases for teachers
- Classified Salaries and Supplement: 2% for other public-school employees, and funds to raise up the minimum wage to the Orange County Living Wage, \$14.90 per hour
- Matching Benefit Cost Increases:
  - State Requirement, 21.44%
  - Health Insurance premium, \$341 annually
  - Social Security and Medicare due to increase in salaries

#### **Continuation Requests:**

##### *Operational Costs*

The CHCCS BOE Includes:

- Increased operational cost of \$78,000 at Chapel Hill High School for additional square footage added by the current building renovation

#### **Continuation Requests (graph)**

Total Continuation Requests for Salaries and Operational Costs \$3, 716, 000- graph

#### **Board Consideration for Expansion Budget**

- Received many budget requests from our instructional staff and schools
- The items presented are identified needs that the CHCCS administration and BOE prioritized in alignment with our strategic plan:
  - Student success; family and community engagement; employee experience; and organizational effectiveness

#### **Expansion Requests (pie chart)**

Priority Initiatives for Expansion Budget - \$4,642,500

- Re-entry and Recovery costs from COVID-19 (one time for circumstances)
- Cost for continued year of project advance (one year)
- 13 additional K-3 classroom teachers due to class size reduction
- 13 additional K-3 classroom teacher assistants due to class size reduction
- Paid parental leave
- 2 days paid salaries for inclement weather
- Remove the supplement cap on certified employees

#### **Expansion Requests (pie chart):**

Class Size Reduction: Additional Classroom Teachers and Teacher Assistants

- Estimated costs: \$1,092,000 for teachers
- Estimated costs: \$ 488,000 for teacher assistants
- Estimated costs: \$1,580,000

#### **13 Additional Teachers and Benefits**

- Reduce K-3rd grade class size, compliance with House Bill 90.
  - Create 13 additional classrooms in K-3<sup>rd</sup> grade levels

1 **13 Additional Teacher Assistants and Benefits**

- 2 • CHCCS historically maintains a teacher assistance per classroom in the kindergarten to  
3 third grade levels.

4 **Expansion Requests (pie chart):**

5 **Paid Parental Leave**

- 6 • Estimated cost: \$568,000

7 Parental leave would provide multiple important benefits for our employees, their families, and  
8 children

- 9 • Providing paid parental leave will assist the District in enhancing the employee  
10 experience  
11 • We recommend providing parental leave supplemental income for up to 6 weeks. This  
12 request would cover up to 75 employees annually at 100%  
13 • This will help the district provide a competitive benefit to attract and retain our teaching  
14 staff  
15

16 **Expansion Requests (pie chart):**

17 **2 Days Paid Salary for Inclement Weather**

- 18 • Estimated cost: \$360,000

19 This request would fund two full days of salaries for all 10-month employed staff (teachers,  
20 teacher assistants, child nutrition, and transportation) in the event of future closures

- 21 • In the last few years, the District has repeatedly encountered closings due to inclement  
22 weather such as hurricanes, snow, and flooding  
23

24 **Expansion Requests (pie chart):**

25 **Remove the Supplement Cap on Certified Employees**

- 26 • Estimated cost: \$166,000

27 Certified staff hired after July 1, 2016, who had several years of teaching experience, were no  
28 longer eligible to earn a higher supplemental percentage, 20% or 25%

- 29 • We have identified the employees who are part of that cohort of employees to provide  
30 the higher supplement rate to those certified staff members  
31

32 **Expansion Request (pie chart):**

33 **One Time Cost for COVID 19 Re-Entry and Recovery and Continued Year of Project Advance**  
34 (Fund balance appropriated, \$1,968,500 to cover these one time requests)

35 **COVID-19 Re-entry and Recovery**

- 36 • Estimated cost: \$1,000,000  
37 • Planning and funding for re-entry to guarantee that appropriate supports are available to  
38 students at return

39 **Continued Year of Project Advance**

- 40 • Estimated cost: \$968,500  
41 • This request will continue staff incentive pay and hold employees harmless for those that  
42 completed coursework  
43 • Grant funds have covered the cost of the stipends until 2020-2021  
44

45 **Projected Revenues and Fund Balance Appropriated**

- 46 • Estimate revenue growth \$225,000:  
47 ○ \$ 75,000 in fines and forfeitures  
48 ○ \$ 25,000 in projected interest revenue  
49 ○ \$125,000 projected miscellaneous revenues  
50 • Fund balance appropriated, \$1,968,500:

- 1           ○ \$1,000,000 COVID-19 Re-Entry & Recovery
- 2           ○ \$ 968,500 1-Year Continuation of Project Advance

#### 3

#### 4 **Summary Fiscal Year 2020-21 Budget Request (pie chart)**

#### 5 **Total BOE Budget Increase**

- 6           • \$3,716,000 Continuation funds
- 7           • \$2,674,000 Expansion funds
- 8           • \$1,968,500 One-time expenditures
- 9           • \$8,358,500 total local operating budget
- 10          • \$225,000 increases in other revenues
- 11          • \$1,968,500 fund balance appropriation
- 12          • \$6,165,000 Total Continuation, Expansion Budget, and one-time request
- 13          • Increase of \$501 per pupil
- 14          • Correlates to 5.37 cents on the tax rate

15

16           Jonathan Scott said CHCCS is in its last year of contracted custodial services, and is  
17 now ready to award the contract to a contractor that pays a living wage of \$15 per hour. He  
18 said this has driven up the costs of the bids, and it is north of \$500,000, with the additional costs  
19 of the living wage added.

20           Commissioner Marcoplos referred to the custodial services bids, and asked if CHCCS  
21 has looked into the comparative costs of bringing these services in house.

22           Jonathan Scott said a committee looked at the bids and it is considerably more money to  
23 bring these services in house, due to the cost of purchasing equipment and supplies.

24           Interim Superintendent Abele said to bring these services back in house would be about  
25 \$1 million, including personnel and capital costs for supplies. He said the \$500,000 was an  
26 increase in contractor costs, due to the living wage, over the current contract price. He said  
27 bringing services in house has far more start up costs for equipment, etc.

28           Commissioner Dorosin asked if the outside contract is \$500,000, or if it is \$500,000 in  
29 addition to what it has cost previously.

30           Jonathan Scott said CHCCS anticipated an increase of \$500,000 to bring the employees  
31 up to the living wage, and an additional \$500,000 to bring it all back in house. He said the  
32 contract is well over \$1 million.

33           Jonathan Scott said the contract is \$1.7 million.

34           Commissioner Marcoplos clarified if CHCCS were to bring custodial services in house, it  
35 would have to buy supplies and equipment. He said the equipment would be a onetime cost,  
36 and he wondered what the outlook over three years would be if the services were brought in-  
37 house. He asked if there might be savings over time.

38           Commissioner Dorosin asked if the contract breakdown could be given again.

39           Jonathan Scott said the base contract is \$1.7 million for the cleaning, and then an  
40 additional \$500,000 to pay the living wage, bringing the total to \$2.2 million

41           Commissioner Dorosin said the current contractors are not paying a living wage.

42           Jonathan Scott said yes, and noted that this is an older contract.

43           Commissioner Dorosin said this is an annual conversation, and he would promote that  
44 there are additional benefits to the community by bringing custodial services in-house.

45           CHCCS Chair Wolfe said one current cleaning company is a family owned business, and  
46 both current contractors do bring the values that Commissioner Dorosin mentioned. She said  
47 CHCCS does have a balance of in house workers during the day, and other services at night.  
48 She said the BOE has asked similar questions, and reviewed this issue at length. She said it is  
49 a multi-year contract, and staff is gathering more information that will be provided to the Orange  
50 County Board of Commissioners.

1 Chair Rich said she agreed with Commissioner Dorosin that there are huge benefits to  
2 having in-house staff, as that staff takes greater pride in their school "home" and it fosters  
3 greater community in the school buildings.

4 Commissioner Greene referred to the per pupil costs, and said the increase would be  
5 \$501 for both expansion and continuation budgets. She asked if the increase for just the  
6 continuation budget could be identified.

7 Jonathan Scott said the increase is \$301.82 for just the continuation budget, as  
8 presented this evening.

9 Commissioner Greene said she was comparing the two districts' budgets, and OCS is  
10 asking for \$321 for continuation and expansion, and \$173 for just the continuation budget.

11 Chair Rich referred to Project Advance, and said in 2016 she questioned Dr. Forcella  
12 about this program, as it was one of the few occasions that school staff had reached out to her  
13 for help, as they were not happy to be taking part in the program. She said Dr. Forcella told her  
14 that Project Advance would never cost Orange County any money, but now CHCCS is asking  
15 for \$1 million to pay for this program. She asked if the discrepancy could be explained.

16 Dr. Pam Baldwin said that these funds were supposed to come from retirees, and the  
17 funds did not come forward to support the program so CHCCS had to find funds elsewhere for  
18 professional training. She said initial calculations were in error, and people did not retire as  
19 expected. She said ongoing professional development is extremely important.

20 Chair Rich said it is interesting that the plan has not worked out, and now the financial  
21 need is before the County. She said the BOCC was assured in 2016 that this program would  
22 not cost the County any money.

23 Dr. Baldwin said the flip side to this is that CHCCS still has some veteran teachers in the  
24 district, as they did not retire as planned, and this experience is invaluable.

25 Commissioner Dorosin referred to the expansion budget item of two inclement weather  
26 days, and asked if there is a plan in place for the funds if these days are not needed/used.

27 Jonathan Scott said the funds would roll into the general fund balance. He said there  
28 have been more than two inclement weather days for the past several years.

29 Commissioner Dorosin asked if this is two days in addition to the normal days.

30 Jonathan Scott said these funds are targeted toward bus drivers, cafeteria workers, etc.  
31 who have to have an instructional day in order to work.

32 CHCCS Chair Wolfe said there are not days set aside, but rather days that can be used  
33 as make up days. She said, thanks to remote learning, instruction may be able to continue on a  
34 snow day, and this budget item is truly to protect those that would lose salary without  
35 instructional days. She said this is a high priority for the CHCCS staff.

36 Commissioner Dorosin asked if this is the same with parental leave. He said it is  
37 earmarked for 75 employees, and asked if this number is based on the past several years  
38 experience, and if this money is not used will the funds also roll in to the general fund.

39 Jonathan Scott said yes, these numbers are based on historical data, and if not used,  
40 the funds will go back into the general fund. He said it is also possible that numbers will exceed  
41 75, and then the opposite would be true.

42 Commissioner Dorosin referred to removing the supplemental cap related to employees  
43 hired after June 2016, and asked if employees hired now would not cause this to be a recurring  
44 expense.

45 Jonathan Scott said when CHCCS moved to the Project Advance model, CHCCS raised  
46 its supplements to 16%. He said all supplements were to be set at 16%, and additional stipends  
47 could be earned with participation in Project Advance. He said the previous administration let  
48 go of that, and grandfathered everyone that was at 20 and 25 into those bands forever, and still  
49 able to participate in project advance. He said when the supplement was raised to 16%, the  
50 BOE placed a cap on the local supplement for anyone coming into the district after July 1, 2016;  
51 so no matter how many years experience one had, one would be capped at 16%. He said

1 CHCCS is trying to move away from project advance, so it no longer makes sense to keep  
2 employees capped if they have the necessary years of experience to qualify for additional  
3 stipends. He said this is an expansion budget request, and the \$166,000 would go into the  
4 expansion budget and be available for coming years. He said the BOE feels removing this cap  
5 is important for recruiting and retaining high quality employees.

6 Commissioner Dorosin said then this would apply to anyone that is hired moving  
7 forward.

8 Jonathan Scott said yes, but that supplemental cap does not move until teachers are at  
9 20 years of experience, and most teachers will not qualify at hiring, but it could be something for  
10 them to look forward to, and aid in retention.

11 Rani Dasi said this request would move all CHCCS employees on to the same salary  
12 scale.

13 Commissioner Bedford referred to the \$380,000 from the State to the BOE, and asked if  
14 this has been spent in a particular way.

15 Jonathan Scott said CHCCS received \$380,000 from DPI, and used half of these funds  
16 to provide a monthly \$60 tele-work stipend to those staff that were eligible. He said CHCCS  
17 also purchased many hot spots, which has used a good amount of the funds, and is holding the  
18 rest for different requests in the future.

19 Chair Rich said the hotspots are an expensive band-aid, and she encouraged the  
20 schools to contact North Carolina legislators to push for consistency on broadband access.

21 Commissioner Bedford expressed appreciation for all the BOEs and staff for feeding  
22 kids, and keeping them educated during this pandemic.

23 Ashton Powell said he would like to talk more about the mental health needs that will  
24 arise out of the Covid-19 pandemic, and is especially concerned for parents who are  
25 simultaneously trying to be parents, teachers, breadwinners, etc. He said the schools are a  
26 fabulous access point to get services to families, and he hopes the schools can work closely  
27 with the County on these needs.

28 Joal Broun said she wished that the Orange County Board of Commissioners would also  
29 send a letter to the legislators about broadband. She said the schools have also been working  
30 with the Town of Carrboro, who is sharing broadband near the schools.

31 Chair Rich said the BOCC has written many letters at the local, state and federal levels,  
32 and is working diligently on this issue.

33 Commissioner Price asked if CHCCS could provide a breakdown of what is being  
34 allocated toward supplemental food. She agreed with Ashton Powell about the increased need  
35 for mental health services and support.

36 Commissioner Price echoed Chair Rich's comments about broadband.

37 Commissioner McKee thanked the schools for this conversation, and said no one knows  
38 what lies ahead in the next year, or years. He said the potential worst case is another 1929. He  
39 said these school budgets are not doable for him at this time, especially if they involve tax  
40 increases. He asked if both districts could look at their budgets again to pare them down.

41 Amy Fowler said the schools will do what has to be done. She said she and Brenda  
42 Stephens spoke to Senator Burr about broadband in February, and she said it looks like things  
43 are not going to improve any time soon. She said Senator Burr said he favored satellite service.

44 Commissioner Greene thanked both school districts for their presentations, both of  
45 which were excellent, despite the different formats. She said she would like to know more about  
46 food, and how does CHCCS budget for food, because there is a tremendous issue with hunger  
47 and poverty in Orange County. She said TABLE suggested not having the distribution points at  
48 the schools since they are currently closed. She asked if the percentage of free and reduced  
49 lunch eligible children in CHCCS could be identified.

50 Dr. Pam Baldwin said it is 25.83 % (15% at high schools, which is probably low).

51 Rani Dasi asked if Commissioner McKee is asking for something specific.

1 Commissioner McKee asked if the BOEs can pare down their figures. He said everyone  
2 will need to make some hard decisions, as he cannot, in good conscience, ask the taxpayers of  
3 the County to pay a sizeable tax increase.

4 Rani Dasi said usually the process is that the BOCC comes back with a recommended  
5 budget, and the conversations continue from there.

6 Commissioner McKee said he wants to work in a partnership process to reach a number  
7 that is reasonable, manageable and equitable. He said the current requests are not  
8 manageable. He said the BOEs are elected officials, and he would not presume to direct them.

9 Rani Dasi said maybe guidance from Orange County would be helpful, because even if  
10 the schools came back with their budgets cut it half; it may not be very helpful. She said there is  
11 such a chasm between the needs and the available resources.

12 Chair Rich said the Manager's recommended budget will be presented May 5<sup>th</sup>, and an  
13 entirely new budget has been created due to Covid-19. She said the BOCC found out today  
14 that Orange County tourism lost \$2.8 million in March, and will lose twice that much in April.  
15 She said over 19,000 are out of work in the service industries. She said the BOCC is meeting  
16 with the Manager, and will receive her budget next week. She said Commissioner McKee is  
17 asking the BOEs to work out how to scale back, and try their best to support children while  
18 realizing the financial reality of the pandemic. She said this crisis is not a matter of months, but  
19 will effect years to come. She said the BOCC cannot ask residents to pay a sizeable tax  
20 increase.

21 Rani Dasi said she appreciates the financial reality, but the bare minimum CHCCS can  
22 present is likely its continuation budget, so it may be helpful for the BOCC to provide some  
23 further guidance.

24 Commissioner McKee said it will be clear what the Board is expecting after the May 5<sup>th</sup>  
25 meeting. He said this evening he and Chair Rich are just expressing their opinions.

26 Amy Fowler echoed Rani Dasi's comments, and said the BOE is prepared to make  
27 adjustments, but it does not make sense to do so until the BOCC has issued its recommended  
28 budget.

29 Chair Rich said it is important for the school districts to understand that the financial  
30 deficits are real, and no one is clear how this crisis is going to end. She said no one is pointing  
31 fingers, but rather working together to move the process forward.

## 32 **CHCCS Budget Background**

### 33 **Student Data**

34 We always begin our budget process by carefully considering our enrollment projections. State  
35 enrollment projections ultimately determine both State and local funding levels. For this request,  
36 the District is using an enrollment projection of 12,312 that was provided by the North Carolina  
37 Department of Public Instruction. The estimated enrollment is expected to increase by five  
38 students over the 2019-2020 levels.  
39

### 40 **Revenues**

41 We estimate additional revenue growth of \$225,000, consisting of \$75,000 in fines and  
42 forfeitures, as well as \$25,000 in projected increase to interest revenue, and an anticipated  
43 increase in our miscellaneous revenues of \$125,000  
44

### 45 **Continuation Budget Requests**

46 The Board of Education recommends the continuation budget to include anticipated State salary  
47 increases for teachers and other public-school employees, costs related to matching employer  
48 benefits, and operational costs. Due to the renovations at Chapel Hill High School, the square  
49 footage will increase; therefore, operational costs for 2020-2021 will increase. Due to the current  
50  
51

1 economic climate and the expected downturn, some of these costs will remain like the increase  
 2 in matching employer benefit costs, salary increase for Orange County's Living Wage Rate, and  
 3 operational costs.

4  
 5 **Total Continuation Requests:**

6 Certified Salary & Benefits \$2,563,960

7 Classified Salary & Benefits \$844,040

8 Operational Costs \$78,000

9  
 10 **Benefit Increases**

11 The Board of Education recommended budget includes amounts for anticipated State salary  
 12 increases for teachers and other public-school employees, as well as increases to costs related  
 13 to matching employer benefits, such as Social Security and Medicare, State retirement  
 14 employer, and health insurance premiums.

15  
 16 There will be an increase in the employer State retirement matching from 19.70% to 21.44%  
 17 (based on guidance from NCDPI). The 1.74% increase must be applied to all covered local  
 18 operating fund employees; therefore, the incurred cost will be about \$905,000. Furthermore,  
 19 there will be a 5.4% increase to the employer-paid health insurance premium, increasing it from  
 20 \$6,306 to \$6,647. This will incur a cost of \$279,500 for all locally funded employees participating  
 21 in the State Health Plan.

22  
 23 **Potential State Salary Increases**

24 We have collaborated with peers from surrounding districts to gain the best estimates of the  
 25 budget drivers in this request. We anticipate a 5% increase in certified staff and a 2% increase  
 26 in classified salaries. An increase in salary results in increased locally paid supplement costs.  
 27 Due to the salary increases, the employer matching Social Security, Medicare, and retirement  
 28 associated costs increases. The anticipated impact is provided in the table below.

29  
 30 We realize any pay increases could be subject to change based on COVID-19 and the  
 31 economic implications for the 2020-2021 school year.

32  
 33 **Orange County's Living Wage Rate**

34 Additionally, we have included \$230,000 to fund increases in salaries currently below Orange  
 35 County's Living Wage Rate updated rate. This additional request will ensure all District  
 36 employees will comply with the updated Orange County Living Wage Rate of \$14.90.

37  
 38 In total, between the salary increases, the resulting increases to matching employer benefit  
 39 costs, and state-mandated increases in the retirement rate and health insurance premiums, and  
 40 cost to move employees currently earning less than \$14.90 to the updated Orange County's  
 41 Living Wage Rate, is estimated to be about \$3.638 million.

42  
 43 **Operational Costs**

44 The Board of Education recommended budget also includes costs for the additional square  
 45 footage that will be added to Chapel Hill High School once the new building is operational. The  
 46 additional square footage added will be 23,967 ft<sup>2</sup>, for a total building space of 278,508 ft<sup>2</sup>.

47  
 48 Facility upkeep for the old CHHS buildings was approximately \$1.77/ft<sup>2</sup>. We anticipate a similar  
 49 cost for the new facility. Utility costs for CHHS average \$1.43/ft<sup>2</sup>. We anticipate a similar utility  
 50 cost for the new facility. The total increased operational costs incurred from the additional  
 51 square footage equals \$78,000.

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## **Continuation Request Summary**

The continuation requirement is composed of anticipated increases in salaries, supplements, employer matching benefits, and health insurance premiums, that total \$3,638,000. Also, \$78,000 is needed for operational costs due to the increased square footage of the completed Chapel Hill High School construction coming online. Our continuation budget, which reflects the amount of additional funding necessary to continue current operations, is forecast in total at \$3,716,000, which is about \$302 per pupil.

## **Expansion Budget Requests**

We received many budget requests from our program managers and schools. While these all represent legitimate identified needs, the administration prioritized the request in alignment with the strategic plan:

### **Cost for Additional Year of Project Advance**

*(Strategic Plan Goals: Student Success and Employee Experience)*

State grant funds have provided the funding for Project Advance since December 2016. The grant funds will not be available starting in the 2020-2021 school year. To hold employees harmless and continue to receive their incentive pay for attaining Project Advance LEARN and GROW levels, it will cost an additional estimated \$968,500 of local funds.

### **COVID-19 Re-Entry and Recovery**

*(Strategic Plan Goals: Student Success, Family & Community Engagement, and Organizational Effectiveness )*

Although the timing of school reopening is still uncertain, our schools will return to normal operations at some point. Planning and funding for re-entry and recovery will be needed. Currently, the amount of funding is difficult to estimate. However, an allocation of \$1,000,000 is included to prepare our schools for the transition back to face-to-face instruction in a way that makes everyone feel safe and invited back into our buildings. The allocation of funds for re-entry will help to ensure that appropriate supports are available to students. Since this has been an unprecedented time, we do not know what supports our learners will need, but we need to be prepared for the additional cost.

### **Class Size Reduction**

*(Strategic Plan Goal: Student Success)*

#### **13 Additional Teachers with Benefits**

The District has identified the need to hire thirteen teachers in the kindergarten to third-grade levels from local funds among the eleven elementary schools to reduce the class sizes and meet the requirements of House Bill 90.

On February 13, 2018, the North Carolina House General Assembly ratified House Bill 90 to phase in class size requirement for kindergarten through third grade. The House Bill refers to the current General Statute 115C-301 for allocation of teacher and class size, as shown in the chart below. Chapel Hill – Carrboro City Schools had been granted a waiver for the prior two years.

By using an average salary for the thirteen teacher positions paid from local funds and matching benefits, the estimated cost incurred will be about \$1,092,000.

#### **13 Additional Teacher Assistants with Benefits**

1 The District has identified the need to create an additional thirteen classes in the kindergarten to  
 2 third-grade levels to meet the requirements of North Carolina House Bill 90. Chapel Hill –  
 3 Carrboro City Schools has historically maintained a teacher assistant per classroom in the  
 4 kindergarten to third-grade levels. It is recommended to hire an additional thirteen teacher  
 5 assistants to serve with the new classes. By using an average teacher assistant salary and  
 6 matching benefits cost, the estimated cost incurred will be about \$488,000.

7  
 8 **Remove Supplement Cap on Certified Employees**  
 9 ***(Strategic Plan Goal: Employee Experience)***

10 Certified staff hired after July 1, 2016, who had several years of teaching experience, were no  
 11 longer eligible to earn a higher supplement percentage, 20% or 25%. We have identified the  
 12 employees who are part of that cohort of employees and determined that it would cost the  
 13 District about \$166,000 in additional local funds to provide the higher supplement rate to those  
 14 certified staff members.

15  
 16 **Parental Leave and/or FMLA**  
 17 ***(Strategic Plan Goal: Employee Experience)***

18 Parental leave would provide multiple important benefits for our employees, their families, and  
 19 children. Providing paid parental leave will assist the District in enhancing the employee  
 20 experience. Parental leave supports parent-child bonding, improves children's outcomes, and  
 21 may increase gender equity in the workplace. Historical data was used to determine an average  
 22 of 75 employees annually were on FLMA for the birth of a child or adoption. We recommend  
 23 providing parental leave supplemental income for up to six weeks at 100%. This will help the  
 24 District provide a competitive benefit to attract and retain our teaching staff. Using the historical  
 25 data, the estimated cost incurred from this benefit would be \$568,000.

26  
 27 **2 Days Paid Salary for Inclement Weather**  
 28 ***(Strategic Plan Goal: Employee Experience)***

29 In the last few years, the District has repeatedly encountered closings due to inclement weather  
 30 such as hurricanes, snow, and flooding. This request would fund two full days of salaries for all  
 31 10-month employed staff (teachers, teacher assistants, child nutrition, and transportation) in the  
 32 event of future closures. The cost incurred would be \$360,000.

33  
 34 **Expansion Summary**

35 The total of these Expansion Request items is \$4,642,500, which is about \$377 per pupil.  
 36 Through our work with strategic plan alignment, along with a focus on providing some flexibility  
 37 in resource allocation, we feel we can further maximize the District's resources in more targeted  
 38 efforts. This will allow for each school to meet their unique needs and align with their school  
 39 improvement plans. Supporting our student's needs, and fostering an improved employee  
 40 experience through additional benefits, the CHCCS Board of Education respectively ask the  
 41 county for funding related to the above expansion items.

42  
 43 **Fund Balance**

44 We currently estimate our fiscal year end unassigned fund balance at \$12.1 million. This is  
 45 approximately \$7.9 million above our minimum target of 5.5% or \$4.2 million. The District  
 46 historically has assigned \$1 million to balance the current local operating budget. Over the past  
 47 few years, that amount has varied as the Board and District has appropriated funds for capital  
 48 projects as well as dealing with compression in the classified salary schedules. We recommend  
 49 appropriating \$1,968,500.

50  
 51 **Summary FY 2020-21 Budget Request**

1 The District's funding desire is to help sustain our upward trends in student performance by  
2 continuing to empower, inspire, and engage EVERY student and staff members through our  
3 instructional programs, and services.  
4

5 The total Local Operating Budget increase of \$8,358,500 would help us significantly to continue  
6 our vital work through sustaining operations with continuation funds of \$3,716,000 and to  
7 continue pushing for growth with expansion funds of \$4,642,500. This would ensure we can  
8 keep our programs and schools moving forward.  
9

10 Our estimates for other revenue changes indicate a revenue increase of \$225,000 for next year.  
11 After accounting for these revenue increases and a \$1,968,500 fund balance appropriation, the  
12 total continuation and expansion budget request is \$6,165,000 or 5.37 cents on the tax rate.  
13 This would correlate to an increase of about \$501 per pupil, based on NCDPI's estimated  
14 enrollment level for 2020-2021.  
15

16 A motion was made by Commissioner McKee to adjourn the meeting at 10:24 p.m.  
17  
18  
19

20 Penny Rich, Chair  
21

22  
23 Donna S. Baker  
24 Clerk to the Board  
25  
26

**ORANGE COUNTY  
BOARD OF COMMISSIONERS**

**ACTION AGENDA ITEM ABSTRACT**

**Meeting Date:** May 19, 2020

**Action Agenda  
Item No.** 8-b

**SUBJECT:** Request for Road Additions to the State Maintained Secondary Road System for Sweetflag Lane in The Forest at Little River Subdivision

**DEPARTMENT:** Planning and Inspections

**ATTACHMENT(S):**

1. Maps
2. Subdivision Final Plat
3. NCDOT Petition Information

**INFORMATION CONTACT:**

Tom Ten Eyck, 919-245-2567  
Tom Altieri, 919-245-2579  
Craig Benedict, 919-245-2592

**PURPOSE:** To make a recommendation to the North Carolina Department of Transportation (NCDOT), and the North Carolina Board of Transportation (NC BOT), concerning a petition to add Sweetflag Lane in The Forest at Little River Subdivision to the State Maintained Secondary Road System.

**BACKGROUND:** This request includes a petition for one (1) road addition to the State Maintained Secondary Road System. The road length and width are as follows:

Road Name	Length in Miles	Number of Frontage Lots with Houses	Pavement/Right-of-way Widths in Feet
Sweetflag Lane	0.27	7	18/50
<b>Total</b>	<b>0.27</b>	<b>7</b>	<b>18/50</b>

The Forest at Little River Subdivision is located in an Agricultural Residential (AR) zone, north of Schley Road and east off of Hunt Road, directly south of the South Fork Little River (Attachment 1). The single family residential subdivision is located within Orange County's planning jurisdiction and was developed and approved subject to the County's zoning and subdivision regulations. There is no known subdivision violation associated with The Forest at Little River.

The Forest at Little River Subdivision was recorded on April 22, 2010 (Book 106/Page 192) (Attachment 2). Sweetflag Lane was designed to public road standards, but has been a private road in the interim. It was intended to become a public road when conditions met NCDOT maintenance responsibility and ownership criteria.

Sweetflag Lane has a length of 0.27 miles and provides access for seven fully developed lots. The road has a right-of-way width of 50 feet, and a pavement width of 18 feet. The road serves as the singular access road for vehicular ingress/egress at its intersection with Hunt Road (State Road 1540), and it terminates with a cul-de-sac on the east side of the subdivision.

NCDOT has investigated this request and has submitted a petition to the Board of County Commissioners (BOCC) for its recommendation (*Attachment 3*). North Carolina General Statute §136-62 requires that road petitions for additions to the state system be made by the Board of County Commissioners (BOCC).

**Conclusion:** The above-referenced application meets the criteria endorsed by the BOCC for recommending acceptance of public roads into the State Maintained System for roads approved through the governing jurisdiction's subdivision process (NCDOT Subdivision Roads Minimum Construction Standards, January 2010, revised May 2016).

**FINANCIAL IMPACT:** There is no direct financial impact to the County associated with this item. NCDOT will incur additional maintenance responsibilities and costs.

**SOCIAL JUSTICE IMPACT:** The following Orange County Social Justice Goal is associated with this item:

- **GOAL: CREATE A SAFE COMMUNITY**

The reduction of risks from vehicle/traffic accidents, childhood and senior injuries, gang activity, substance abuse and domestic violence.

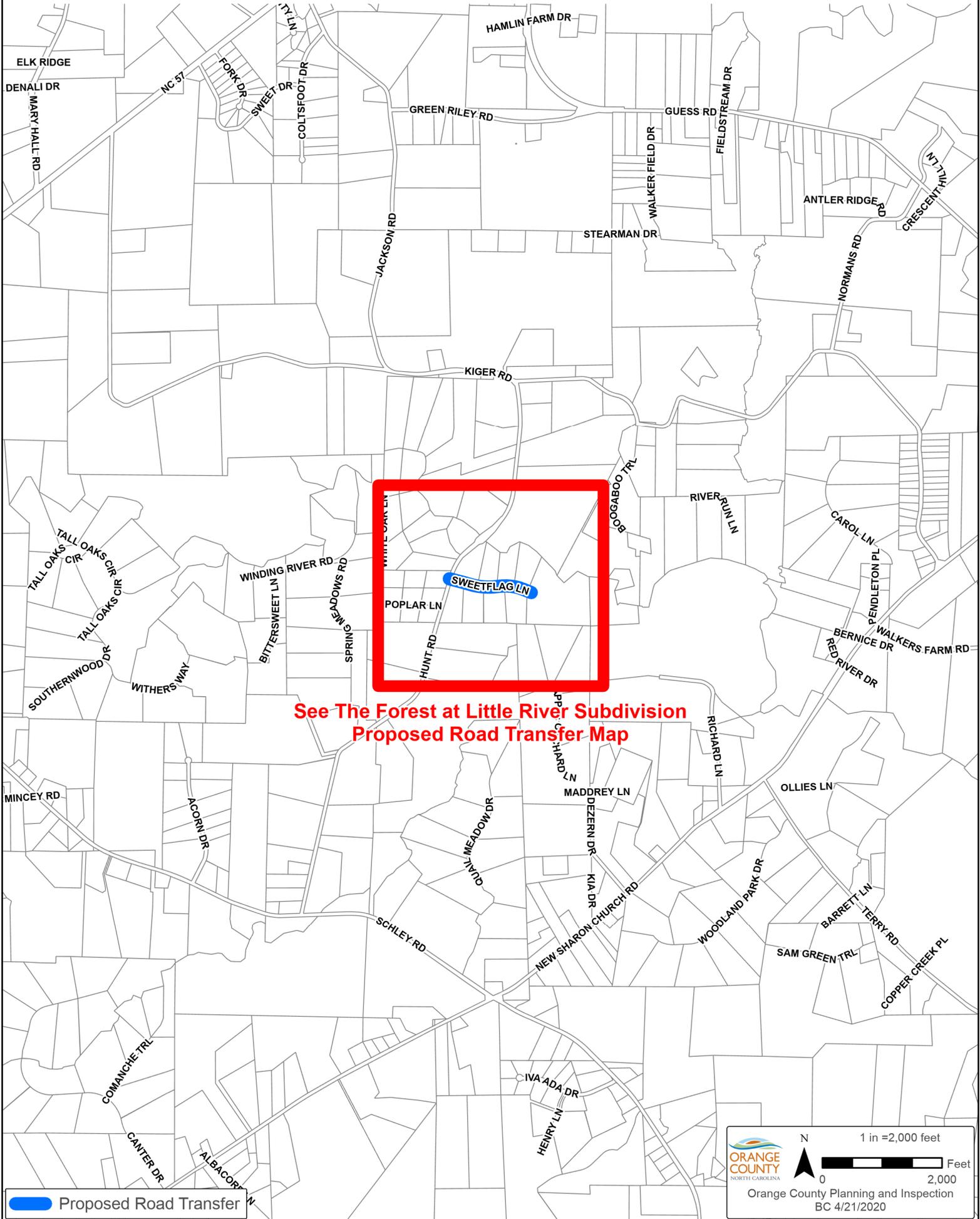
The addition of County private residential streets to the State Maintained Secondary Road System results in positive outcomes related to the aforementioned goal.

**ENVIRONMENTAL IMPACT:** There is no Orange County Environmental Responsibility Goal impact associated with this item.

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

1. Forward the Petition for Addition to the State Maintained System to the NCDOT for Sweetflag Lane in The Forest at Little River Subdivision; and
2. Recommend the Department of Transportation accept the road for maintenance as a State Secondary Road.

# The Forest at Little River Subdivision Vicinity Map 3



**See The Forest at Little River Subdivision  
Proposed Road Transfer Map**

Proposed Road Transfer

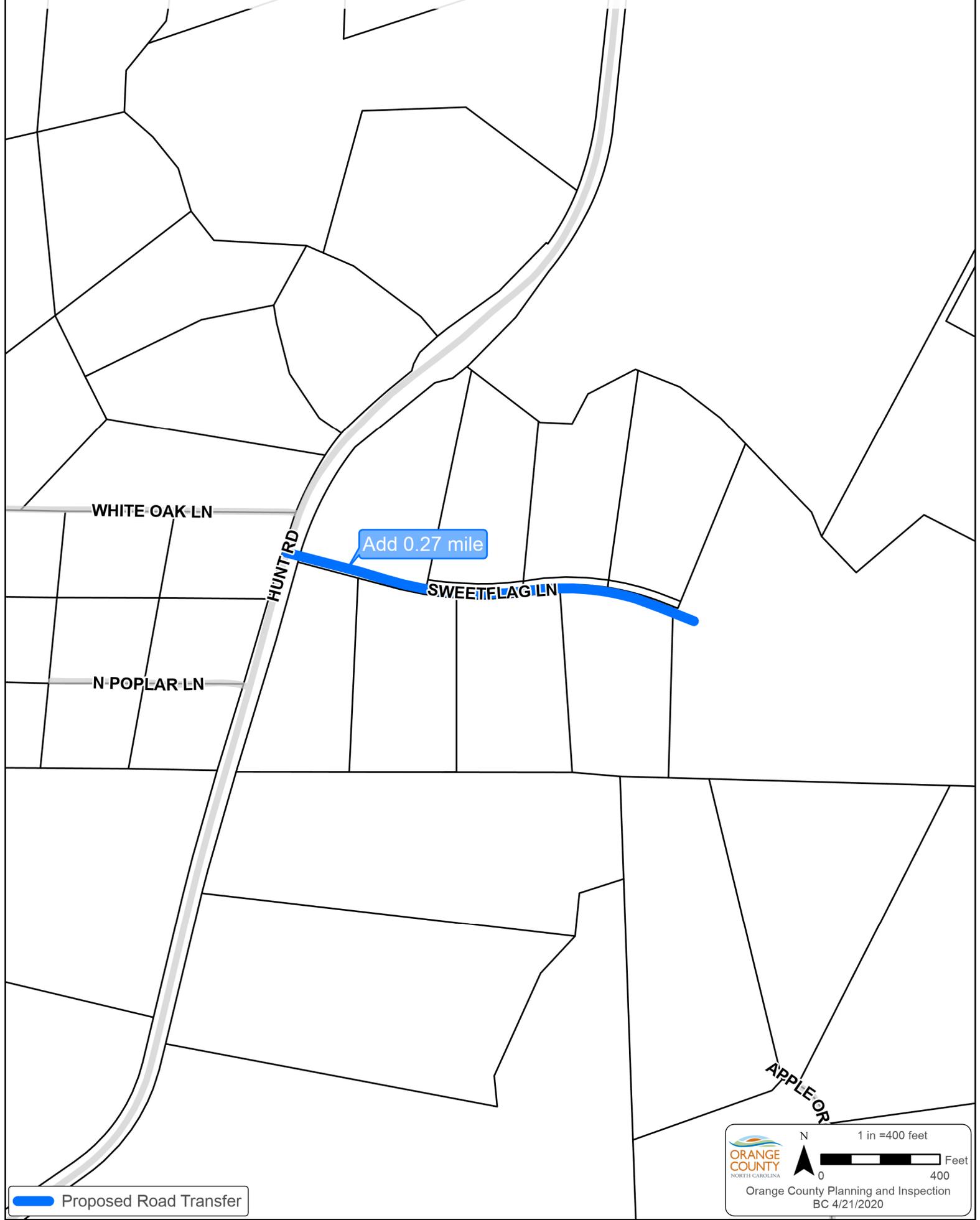
N 1 in = 2,000 feet

0 2,000 Feet

Orange County  
North Carolina

Orange County Planning and Inspection  
BC 4/21/2020

# The Forest at Little River Subdivision Proposed Road Transfer



WHITE OAK LN

N POPLAR LN

HUNT RD

Add 0.27 mile

SWEETFLAG LN

APPLE OR

Proposed Road Transfer

ORANGE COUNTY NORTH CAROLINA

N

1 in = 400 feet

0 400 Feet

Orange County Planning and Inspection  
BC 4/21/2020





STATE OF NORTH CAROLINA  
DEPARTMENT OF TRANSPORTATION

ROY COOPER  
GOVERNOR

J. ERIC BOYETTE  
SECRETARY

April 21, 2020

**ORANGE COUNTY**

Ms. Bonnie Hammersley  
County Manager  
Orange County  
P.O. Box 8181  
Hillsborough, North Carolina 27278

SUBJECT: Request for Road Addition  
**Sweetflag Lane, (0.27mile)**  
**The Forest at Little River Subdivision**

Dear Ms. Hammersley,

Please find attached, Form SR-4 Secondary Road Addition Investigation Reports, Form SR-1 Petition for Road Addition, recorded plat, and a location map for the above subject.

This is being forwarded to you for consideration by your Board of Commissioners.

Sincerely,

DocuSigned by:  
  
C60BB6060F8A458...  
C.N. Edwards, Jr., P.E.  
District Engineer

Attachments  
CNE

North Carolina Department of Transportation  
Division of Highways  
Petition for Road Addition

RECEIVED

MAR 06 2020

N. C. Dept. of Transportation  
Division of Highways - 7th Div.  
District 1 - Graham

**ROADWAY INFORMATION:** (Please Print/Type)

County: Orange Road Name: Sweetflag Lane  
(Please list additional street names and lengths on the back of this form.)

Subdivision Name: The Forest at Little River Length (miles): 0.2 miles  
~~1.11 miles~~

Number of occupied homes having street frontage: 7 Located (miles): 50 ft.

miles N  S  E  W  of the intersection of Route SR 1540 and Route also known as Hunt Rd  
(Check one) (SR, NC, US) (SR, NC, US)

We, the undersigned, being property owners and/or developers of The Forest at Little River in Orange County, do hereby request the Division of Highways to add the above described road.

**CONTACT PERSON:** Name and Address of First Petitioner. (Please Print/Type)

Name: Daniel Brenner Phone Number: (919) 732-0779

Street Address: 1095 Sweetflag Lane

Mailing Address: 1095 Sweetflag Lane, Hillsborough, NC 27278

PROPERTY OWNERS

Name	Mailing Address	Telephone
Thomas Deis	1100 Sweetflag Ln. 27278	(919) 812-5383
Jeff Cudill	1029 Sweetflag Ln, 27278	919-724-0898
Grey Loperman	1120 Sweetflag Ln 27278	919-644-1191
Wayne Roberts	1112 SWEETFLAG LN 27278	919-6986602
Daniel Brenner	1095 Sweetflag Lane 27278	919-732-0779
MARK IVAN BONDS	1064 Sweetflag Ln. 27278	919-579-4038
Lane Riley	1107 Sweetflag Lane 27278	336-516-2933

3

**INSTRUCTIONS FOR COMPLETING PETITION:**

1. Complete Information Section
2. Identify Contact Person (This person serves as spokesperson for petitioner(s)).
3. Attach two (2) copies of recorded subdivision plat or property deeds, which refer to candidate road.
4. Adjoining property owners and/or the developer may submit a petition. Subdivision roads with prior NCDOT review and approval only require the developer's signature.
5. If submitted by the developer, encroachment agreements from all utilities located within the right of way shall be submitted with the petition for Road addition. However, construction plans may not be required at this time.
6. Submit to District Engineer's Office.

**FOR NCDOT USE ONLY:** Please check the appropriate block  
 Rural Road     Subdivision platted prior to October 1, 1975

Subdivision platted after September 30, 1975

**REQUIREMENTS FOR ADDITION**

If this road meets the requirements necessary for addition, we agree to grant the Department of Transportation a right-of-way of the necessary width to construct the road to the minimum construction standards of the NCDOT. The right-of-way will extend the entire length of the road that is requested to be added to the state maintained system and will include the necessary areas outside of the right-of-way for cut and fill slopes and drainage. Also, we agree to dedicate additional right-of-way at intersections for sight distance and design purposes and execute said right-of-way agreement forms that will be submitted to us by representatives of the NCDOT. The right-of-way shall be cleared at no expense to the NCDOT, which includes the removal of utilities, fences, other obstructions, etc.

General Statute 136-102.6 states that any subdivision recorded on or after October 1, 1975, must be built in accordance with NCDOT standards in order to be eligible for addition to the State Road System.

<u>ROAD NAME</u>	<u>HOMES</u>	<u>LENGTH</u>	<u>ROAD NAME</u>	<u>HOMES</u>	<u>LENGTH</u>
Sweet Play Lane	7	2 miles <del>1.5 miles</del>			



STATE OF NORTH CAROLINA  
DEPARTMENT OF TRANSPORTATION

ROY COOPER  
GOVERNOR

J. ERIC BOYETTE  
SECRETARY

DATE: March 10, 2020  
TO: Chuck Edwards, Jr., PE  
FROM: Sandy Taylor, R/W Agent  
SUBJECT: Addition to the System: Sweetflag Lane  
The Forest at Little River Subdivision, Orange County

I have examined the plat of the Orange County Registry, furnished by your office. Based on my examination of the plat it appears that the Right of Way for the road is as follows, as well as utility easements and sight distances, as shown on the plat, if any.

Sweetflag Lane

50 ft.

If any you need any additional information, please contact me at the number below or via email.

*Mailing Address:*  
NC DEPARTMENT OF TRANSPORTATION  
RIGHT OF WAY UNIT  
P.O. BOX 14996  
GREENSBORO, NC 27415-4996

*Telephone:* 336-334-3515  
*Fax:* 336-334-5331  
*Customer Service:* 1-877-368-4968

*Website:* [ncdot.gov](http://ncdot.gov)

*Location:*  
1101 EAST WENDOVER AVENUE  
SUITE 200  
GREENSBORO, NC 27405

North Carolina Department of Transportation  
Division of Highways  
Secondary Road Addition Investigation Report

County: Orange Co. File No: O-06-05 Date: 03/06/2020  
Township: Little River Div. File No: \_\_\_\_\_ Div. No: \_\_\_\_\_

Local Name: Sweetflag Lane Subdivision Name: The Forest at Little River  
Length: 0.27 Width: 18' Surface: SF9.5A PVMT Condition: Good  
Surface Thickness: 2" Base Type: ABC Base Thickness: 8"

\*Bridges Yes \_\_\_ No X \* Pipe > 48" Yes \_\_\_ No X \*Retaining Walls Within Right of Way Yes \_\_\_ No X

**\* If Yes -Include Bridge Maintenance Investigation Report**

Is this a subdivision street subject to the construction requirements for such streets? Yes

Recording Date: 04/22/10 Book: 106 Page: 192

Number of homes having entrances into road: 7

Other uses having entrances into road: \_\_\_\_\_

Right-of-Way Width: 50' If right-of-way is below the desired width, give reasons under "Remarks and Recommendations."

Is petition (SR-1) attached? Yes

Is the County Commissioners Approval (SR-2) attached? Yes If not, why not? \_\_\_\_\_

Is a map attached indicating information for reference in locating road by the Planning Department? Yes

Cost to place in acceptable maintenance condition: Total Cost: \$ \_\_\_\_\_

Grade, drain, stabilize: \$ \_\_\_\_\_ Drainage: \$ \_\_\_\_\_ Other: \$ \_\_\_\_\_

Remarks and Recommendations: Meets Requirements. Recommend Addition

Submitted by: C. N. Edwards Jr., PE - Reviewed and Approved: \_\_\_\_\_  
DIVISION ENGINEER

Reviewed and Approved

BOARD OF TRANSPORTATION MEMBER: \_\_\_\_\_

	Do not write in this space- For Use by Secondary Roads Unit
	Petition #

**ORANGE COUNTY  
BOARD OF COMMISSIONERS  
ACTION AGENDA ITEM ABSTRACT  
Meeting Date: May 19, 2020**

**Action Agenda  
Item No. 8-c**

**SUBJECT:** Schools Adequate Public Facilities Ordinance – Approval and Certification of 2020 Report

**DEPARTMENT:** Planning and Inspections

**ATTACHMENT(S):**

1. Town of Carrboro Resolution
2. 2020 SAPFOTAC Annual Report
3. 11x17 Copies of Student Projection Charts

**INFORMATION CONTACT:**

Craig Benedict, Director, 919-245-2575  
Ashley Moncado, Planner II, 919-245-2589

**PURPOSE:** To approve and certify the 2020 Schools Adequate Public Facilities Ordinance Technical Advisory Committee (SAPFOTAC) Report.

**BACKGROUND:** At the December 10, 2019 Board of County Commissioners' meeting, the Board approved the November 15, 2019 actual membership and capacity numbers for both Chapel Hill-Carrboro City Schools (CHCCS) and Orange County Schools (OCS). Additional approvals/certifications, as outlined in the table below, are required by the SAPFO partners MOUs (Memoranda of Understanding). At the March 10, 2020 BOCC meeting, the Board received for transmittal the draft 2020 SAPFOTAC Report. A letter and the Executive Summary of the Report were sent to all SAPFO partners on March 11, 2020 advising them of the availability of the draft Report and inviting comments. Comments were requested for submission by April 13, 2020.

The Carrboro Town Council received the draft 2020 SAPFOTAC Report at its April 7 meeting and approved the Resolution contained in [Attachment 1](#). Chapel Hill Planning staff shared the draft 2020 SAPFOTAC Report with the Chapel Hill Town Council via email and no comments were received.

The exact pages of the 2020 SAPFOTAC Report that the BOCC will be acknowledging and certifying are listed below. The context (i.e. definitions and standards) of the various SAPFO elements precedes the data to be certified and is within the full report.

<b>Element</b>	<b>Page in SAPFOTAC Report</b>	<b>Certification to be made by BOCC</b>
Building Capacity with Capital Investment Plan (CIP) changes (Change from previous year)	11 through 16	Building capacity and current year membership for OCS and CHCCS were approved at the December 10, 2019 meeting.
Student Membership Projection Methodology (No change from previous year)	20	Certification that the <b>average</b> of 5 models will be used, as noted in #3 on page 20

Student Membership Projections  (Change from previous year)	36 and 37	<ul style="list-style-type: none"> <li>▪ Orange County Elementary, Middle, and High Schools Student Projections (row that notes average only) (p. 36)</li> <li>▪ Chapel Hill - Carrboro Elementary, Middle, and High Schools Student Projections (row that notes average only) (p. 37)</li> </ul>
Student Membership Growth Rate  (Change from previous year)	38	<ul style="list-style-type: none"> <li>▪ Orange County Elementary, Middle, and High Schools</li> <li>▪ Chapel Hill - Carrboro Elementary, Middle, and High Schools</li> </ul>
Student/Housing Generation Rate  (No change from previous year)	41	<ul style="list-style-type: none"> <li>▪ Orange County Elementary, Middle, and High Schools</li> <li>▪ Chapel Hill - Carrboro Elementary, Middle, and High Schools</li> </ul>

### *Changes in Average Class Size*

In 2018, the North Carolina General Assembly unveiled House Bill 90 which allows for a phasing-in process to address the decrease in class size averages over the next three school years. Based on House Bill 90, average class sizes for kindergarten to third grade will be phased-in as provided below:

2019 – 2020	1:19
2020 – 2021	1:18
2021 – 2022	1:17

**Based on November 15, 2019 membership and capacity numbers, reductions in class size averages are expected to create elementary school capacity issues for the 2023-24 school year.** In order to address these impacts, the School Boards and Orange County Board of Commissioners continue to meet to review elementary school capacity (including Pre-K impacts) and determine how to implement the school capacity changes into the SAPFO annual report and 10-year student membership and building capacity projections sheets.

**FINANCIAL IMPACT:** Current 10-year student growth projections show no future capacity needs for additional schools in the CHCCS District and OCS District. Implementation of class size legislation will likely require additional capacity at the elementary school level in a shorter time period.

**SOCIAL JUSTICE IMPACT:** The following Orange County Social Justice Goal is applicable to this agenda item:

- **GOAL: ENSURE ECONOMIC SELF-SUFFICIENCY**

The creation and preservation of infrastructure, policies, programs and funding necessary for residents to provide shelter, food, clothing and medical care for themselves and their dependents.

**ENVIRONMENTAL IMPACT:** There is no Orange County Environmental Responsibility Goal impact applicable to this item.

**RECOMMENDATION(S):** The Manager recommends the Board approve the 2020 SAPFOTAC Annual Report and certify those aspects of the Report detailed in the summary table above.

## Attachment 1

**A motion was made by Council Member Gist seconded by Council Member Seils, that the following resolution be approved:**

**A RESOLUTION ACCEPTING THE SCHOOLS ADEQUATE PUBLIC FACILITIES  
TECHNICAL ADVISORY COMMITTEE (SAPFOTAC) 2020 REPORT**

**WHEREAS**, the Town has had a longstanding interest in the success and excellence of the Chapel Hill – Carrboro City Schools; and

**WHEREAS**, the Town has participated in the development and implementation of the schools adequate public facilities ordinance provisions since 2003; and

**WHEREAS**, the annual technical advisory committee report has been prepared and distributed for review.

**NOW, THEREFORE BE IT RESOLVED** that the Town Council of the Town of Carrboro accepts the report.

This the 7th day of April in 2020.

**Ayes:** Mayor Lydia Lavelle, Council Member Barbara Foushee, Council Member Jacquelyn Gist, Council Member Randee Haven-O'Donnell, Council Member Susan Romaine, Council Member Damon Seils, Council Member Sammy Slade

**ORANGE COUNTY, NC**  
**SCHOOLS ADEQUATE PUBLIC**  
**FACILITIES ORDINANCE**

**PREPARED BY A STAFF COMMITTEE: PLANNING DIRECTORS,  
SCHOOL REPRESENTATIVES, TECHNICAL ADVISORY COMMITTEE  
(SAPFOTAC)**

**(PURSUANT TO PROVISIONS OF A MEMORANDUM OF  
UNDERSTANDING ADOPTED IN 2002 & 2003)  
(ORDINANCES ADOPTED IN JULY 2003)**

**Annual Report**  
**2020**

**(BASED ON NOVEMBER 2019 DATA)**

**CERTIFIED BY THE BOCC ON MAY 19, 2020**

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## 2020 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%

**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>	5664	5363	(108)	3361	3232	27
<i>Middle</i>	2944	3044	111	2166	1763	(16)
<i>High</i>	3875	3940	8	2439	2397	48

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

**II. Annual Update to SAPFO System**

**A. Capital Investment Plan (CIP) .....(No Change).....Pg. 18**

**B. Student Membership Projection Methodology .....(No Change).....Pg. 19**  
*The average of 3, 5, and 10-year history/cohort survival, linear and arithmetic projection models.*

**C. Student Membership Projections .....(Change).....Pg. 29**

### Analysis of 5 Years of Projections for 2019-2020 School Year – Chapel Hill/Carrboro City Schools

(The first column for each year includes the student membership projection made for 2019-2020 in that given year. The second column for each year includes the number of students the projection was off compared to actual membership. An “L” indicates the projection was low compared to the actual, whereas an “H” indicates the projection was high compared to the actual.)

		Year Projection Made for 2019-2020 Membership									
	Actual 2019 Membership	2014-2015		2015-2016		2016-2017		2017-2018		2018-2019	
<b>Elementary</b>	5363	5839	H476	5634	H271	5658	H295	5467	H104	5448	H85
<b>Middle</b>	3044	3058	H14	2995	L49	2977	L67	2936	L108	2962	L82
<b>High</b>	3940	3979	H39	3857	L83	3864	L76	3930	L10	3948	H8

### Analysis of 5 Years of Projections for 2019-2020 School Year – Orange County Schools

(The first column for each year includes the student membership projection made for 2019-2020 in that given year. The second column for each year includes the number of students the projection was off compared to actual membership. An “L” indicates the projection was low compared to the actual, whereas an “H” indicates the projection was high compared to the actual.)

		Year Projection Made for 2019-2020 Membership									
	Actual 2019 Membership	2014-2015		2015-2016		2016-2017		2017-2018		2018-2019	
<b>Elementary</b>	3232	3227	L5	3332	H100	3230	L2	3154	L78	3213	L19
<b>Middle</b>	1763	1848	H85	1846	H83	1824	H61	1794	H31	1790	H27
<b>High</b>	2397	2579	H182	2559	H162	2474	H77	2416	H19	2348	L49

#### D. Student Membership Growth Rate .....(Change).....Pg. 38

Projected Average Annual Growth Rate Over Next 10 Years										
	<i>Chapel Hill/Carrboro School District</i>					<i>Orange County School District</i>				
Year Projection Made:	2015- 2016	2016- 2017	2017- 2018	2018- 2019	2019- 2020	2015- 2016	2016- 2017	2017- 2018	2018- 2019	2019- 2020
<i>Elementary</i>	0.92%	0.91%	0.36%	0.56%	0.65%	0.80%	0.51%	0.58%	0.91%	0.84%
<i>Middle</i>	0.82%	0.95%	0.21%	0.19%	-0.07%	0.67%	0.36%	0.13%	0.28%	0.37%
<i>High</i>	0.93%	0.72%	0%	0.16%	0.03%	0.56%	0.22%	-0.10%	0.21%	0.21%

#### E. Student / Housing Generation Rate .....(No Change).....Pg. 41

## SCHOOL ADEQUATE PUBLIC FACILITIES ORDINANCE STATUS

(Based on future year Student Membership Projections)

### CHAPEL HILL/CARRBORO SCHOOL DISTRICT

#### Elementary School Level

- A. Does not currently exceed 105% LOS standard (current LOS is 94.7%).
- B. The projected growth rate at this level is expected to increase and remain positive over the next 10 years (average ~0.65% per year compared to 0.33% over the past 10 years).
- C. Similar to last year, projections are not showing a need for an additional Elementary School in the 10-year projection period.

#### Middle School Level

- A. Does not currently exceed 107% LOS standard (current LOS is 103.4%).
- B. The projected growth rate at this level is expected to decrease over the next 10 years (average ~-0.07% compared to an average of 0.85% over the past 10 years).
- C. Similar to last year, projections are not showing a need for an additional Middle School in the 10-year projection period.

#### High School Level

- A. Does not currently exceed the 110% LOS standard (current LOS is 101.7%).
- B. The projected growth rate at this level is expected to decrease, but remain positive over the next 10 years (average ~0.03% compared to 0.82% over the past 10 years).

- C. Similar to last year, projections are not showing a need to expand Carrboro High School from the initial capacity of 800 students to the ultimate capacity of 1,200 students in the 10-year projection period.

## **ORANGE COUNTY SCHOOL DISTRICT**

### **Elementary School Level**

- A. Does not currently exceed 105% LOS standard (current LOS is 96.2%).
- B. The projected growth rate at this level is expected to increase and remain positive over the next 10 years (average ~0.84% compared to 0.15% over the past 10 years).
- C. Similar to last year, projections are not showing a need for an additional Elementary School in the 10-year projection period.

### **Middle School Level**

- A. Does not currently exceed 107% LOS standard (current LOS is 81.4%).
- B. The projected growth rate at this level is expected to decrease, but remain positive over the next 10 years (average ~0.37% compared to 1.08% over the past 10 years).
- C. Similar to last year, projections are not showing a need for an additional Middle School in the 10-year projection period.

### **High School Level**

- A. Does not currently exceed 110% LOS standard (current LOS is 98.3%).
- B. The projected growth rate at this level is expected to decrease, but remain positive over the next 10 years (average ~ 0.21% compared to 0.5% over the past 10 years).
- C. Similar to last year, projections are not showing a need to expand Cedar Ridge High School from the initial capacity of 1,000 students to 1,500 students in the 10-year projection period.

## **ADDITIONAL INFORMATION**

The Schools Adequate Public Facilities Ordinance (SAPFO) student projections illustrate when the adopted level of service capacities are forecasted to be met and/or exceeded in anticipation of CIP planning and the construction of a new school. Both school districts continue planning efforts to renovate and expand existing facilities to address school capacity needs in a more feasible way. Additional capacity resulting from school renovations and expansions will be added to the projection models in stages, once funding is approved, versus the addition of greater capacity when a new school is constructed and completed. The renovation and expansion to existing facilities may delay construction of new schools further into the future, depending on how and how much capacity is added to the system. This process will pose some challenges to SAPFO compared to the existing process which indicates in advance when a completely new school is needed. Decisions on the timing of reconstruction (i.e. capacity additions) funding would be directly linked to the SAPFO model at the appropriate time.

SAPFO student projections for this year are not showing a need for new school construction or expansion in the 10-year projection period for both school districts due to slowing student growth rates. However, planned residential development in the near future may increase student membership and accelerate school construction and expansion needs into the 10-year projection period. Although capacity and construction needs are not identified this year, both school

districts face a large backlog of school capital maintenance and renovation projects that need to be addressed. Given that student projections are not showing an immediate need for school construction in the 10-year period, this may provide the time for both school districts to commence and/or complete these projects in order to address ongoing needs.

### Changes in Average Class Size

In 2018, the North Carolina General Assembly unveiled House Bill 90 which allows for a phasing-in process to address the decrease in class size averages over the next three school years. Based on House Bill 90, average class sizes for kindergarten to third grade will face a decrease from 1:20 to 1:19 for the 2019-2020 school year, 1:19 to 1:18 for the 2020-2021 school year, and 1:18 to 1:17 for the 2021-2022 school year. Reductions in class size averages may create elementary school capacity issues for the 2023-24 school year. In order to address these impacts in time, the School Boards and Orange County Board of Commissioners continue to meet to review elementary school capacity (including Pre-K impacts) and determine how to implement the school capacity changes into the SAPFO annual report and 10-year student membership and building capacity projections sheets.

### Charter and Private Schools

Currently, there are two Charter Schools located in the Town of Hillsborough. Charter student membership for these two schools is as follows:

	<b>Eno River Academy</b>	<b>The Expedition School</b>
<b>School Year</b>	<b>Number of Students</b>	<b>Number of Students</b>
<b>2017-18</b>	542	326
<b>2018-19</b>	655 (+113)	355 (+29)
<b>2019-20</b>	715 (+60)	365 (+10)

Charter and private schools are not included as part of the SAPFO Annual Report and, as a result, their membership and capacity numbers are not monitored or included in future projections. SAPFO projections are used for projecting only public school construction needs. However, the SAPFO Technical Advisory Committee does monitor charter and private schools and their effect on student enrollment in both school districts. If a charter or private school were to close and a spike were to be realized in school enrollment, the student projections would likely accelerate the need for additional capacity in future years, but likely still within an appropriate time for CIP planning. Charter Schools are also monitored by the Department of Public Institution (DPI) which provides pupil information, based on data received from Charter Schools located in Orange County, to the County for funding purposes. The County budgeted for charter schools as follows:

	<b>Chapel Hill-Carrboro City Schools</b>	<b>Orange County Schools</b>
<b>Fiscal Year</b>	<b>Number of Students</b>	<b>Number of Students</b>
<b>2017-18</b>	162	617
<b>2018-19</b>	155 (-7)	769 (+152)
<b>2019-20</b>	169 (+14)	843 (+74)

Although charter and private schools numbers are not collected for SAPFO purposes, impacts due to enrollment at these schools are accounted for in SAPFO process with the annual reporting of student membership and growth rates contained in the 10-year student projections.

### Future Residential Development

Following the economic downturn, there has been an increase in approved and undeveloped residential projects in Orange County. Currently, there are over three thousand proposed single family and multifamily housing units approved, but undeveloped in the CHCCS district. In addition, there are over a thousand proposed residential units approved, but undeveloped in the OCS district. Proposed growth is not included in the SAPFO projection system until actual students begin enrollment. The Certificate of Adequate Public Schools (CAPS) test is conducted during the approval process at a certain stage. Once students are enrolled in a school year, through annual reporting of student membership numbers, 10-year student projections can be updated to display future capacity needs in time to efficiently plan for future school construction requests. Staff and the SAPFO Technical Advisory Committee continue to monitor and evaluate the demand and growth of residential development throughout Orange County as well as its effect on student membership rates.

Below is a list of larger residential projects and the potential number of students from these projects which may have an impact to the schools in the short term. Please note, the City of Mebane is not a party to the SAPFO agreement and therefore does not require that CAPS (Certificate of Adequate Public Schools) be issued prior to development approvals. As a result, the potential number of students is based on unit type and bedroom count estimates.

Residential Project	Jurisdiction	Proposed Total Units	Potential Number of Students
<b>Collins Ridge Phase 1</b>	Hillsborough	672	Elementary: 84 Middle: 45 High: 57
<b>Forest Ridge</b>	Hillsborough	233	Elementary: 36 Middle: 19 High: 26
<b>Carraway Village</b>	Chapel Hill	400	Elementary: 28 Middle: 10 High: 14
<b>Weavers Grove</b>	Chapel Hill	235	Elementary: 44 Middle: 18 High: 20
<b>The Meadows</b>	Mebane	256	Elementary: 60 Middle: 31 High: 34
<b>Stagecoach Corner</b>	Mebane	35	Elementary: 9 Middle: 5 High: 6
<b>Bowman Village/ Bowman Place</b>	Mebane	177	Elementary: 48 Middle: 23 High: 30

<b>Residential Project</b>	<b>Jurisdiction</b>	<b>Proposed Total Units</b>	<b>Potential Number of Students</b>
<b>The Townes of Oakwood Square</b>	Mebane	88	Elementary: 5 Middle: 4 High: 5
<b>Northeast Village (Havenstone Phase 1 &amp; 2)</b>	Mebane	169	Elementary: 46 Middle: 22 High: 29
<b>The Retreat at Lake Michael</b>	Mebane	43	Elementary: 12 Middle: 6 High: 7

## **Orange County, NC School Adequate Public Facilities Ordinance**

### **Introduction**

The Schools Adequate Public Facilities Ordinance (SAPFO) and its Memorandum of Understanding are ordinances and agreements, respectively. Supporting documents are anticipated to be dynamic to incorporate the annual changing conditions of membership, capacity and student projections that may affect School Capital Investment Plan (CIP) timing. This formal annual report will be forthcoming to all of the Schools Adequate Public Facilities Ordinance partners each year as new information is available.

This updated information is used in the schools capital needs process of the Capital Investment Plan (Process 1) and within elements of the Schools Adequate Public Facilities Ordinance Certificate of Adequate Public Schools (CAPS) spreadsheet system (Process 2).

This report and any comments from the Schools Adequate Public Facilities Ordinance partners will be considered in the first half of each year by the Board of County Commissioners at a regular or special meeting. The various elements of the report are then “certified” and formally considered in the process of the upcoming Capital Investment Plan. The Certificate of Adequate Public Schools system is updated after November 15 when data is received from the school districts with actual membership and pre-certified capacity (i.e. CIP capacity or prior “joint action” capacity changes).

The Schools Adequate Public Facilities Ordinance and Memorandum of Understanding have dynamic aspects. The derivation of the baseline and update to the variables will continue in the future as a variety of school related issues are fine-tuned by technical and policy groups.

The primary facet of this report includes the creation of mathematical projections for student memberships by school levels (Elementary, Middle and High) and by School Districts (Chapel Hill/Carrboro and Orange County). This information is found in Section II, Subsections B, C, D, and E.

In summary, this report serves as an update to the dynamic conditions of student membership and school capacity which affect future projected needs considered in Capital Investment Planning.

Interested parties may make their comments known to the Board of County Commissioners prior to their review of the report and school CIP completion or ask questions of the SAPFOTAC members.

**Schools Adequate Public Facilities Ordinance Partners**

**Annual Report as Outlined in**

**Schools Adequate Public Facilities Ordinance Memorandum**

**of Understanding (SAPFO MOU)**

**Section 1d**

**Respectfully Submitted to Schools Adequate Public Facilities**

**Ordinance Partners**

<b>Chapel Hill/Carrboro School District SAPFO</b>	<b>Orange County School District SAPFO</b>
Board of County Commissioners	Board of County Commissioners
Carrboro Town Council	Hillsborough Board of Commissioners
Chapel Hill Town Council	
Chapel Hill/Carrboro School Board	Orange County School Board

**Planning Directors/School Representatives  
Technical Advisory Committee  
(aka SAPFOTAC)**

Town of Carrboro  
Trish McGuire, Planning Director  
301 West Main Street  
Carrboro, NC 27510

Town of Chapel Hill  
Judy Johnson, Interim Planning and Development Services Director  
405 Martin Luther King, Jr. Blvd.  
Chapel Hill, North Carolina 27514

Town of Hillsborough  
Margaret Hauth, Planning Director  
P.O. Box 429  
Hillsborough, NC 27278

Orange County Planning Department  
Craig Benedict, Planning Director  
Ashley Moncado, Special Projects Planner  
Gary Donaldson, Director of Finance and Administrative Services  
131 W. Margaret Lane  
P.O. Box 8181  
Hillsborough, NC 27278

Orange County School District  
Monique Felder, Superintendent  
200 E. King Street  
Hillsborough, NC 27278

Chapel Hill-Carrboro School District  
Patrick Abele, Assistant Superintendent for Support Services  
Catherine Mau, Coordinator of Student Enrollment  
750 Merritt Mill Road  
Chapel Hill, NC 2751

# I. Base Memorandum of Understanding

## A. Level of Service

1. **Responsible Entity for Suggesting Change** – Change can only be effectuated by amendment to Memorandum of Understanding (MOU) by all SAPFO partners.
2. **Definition** – Level of Service (LOS) means the amount (level) of students that can be accommodated (served) at a certain school system grade group [i.e., Elementary level (K-5), Middle Level (6-8), High School Level (9-12)].

<b>3. Standard for:</b>			<b>Standard for:</b>		
<b>Chapel Hill/Carrboro City School District</b>			<b>Orange County School District</b>		
<b>Elementary</b>	<b>Middle</b>	<b>High School</b>	<b>Elementary</b>	<b>Middle</b>	<b>High School</b>
<b>105%</b>	<b>107%</b>	<b>110%</b>	<b>105%</b>	<b>107%</b>	<b>110%</b>

- |  |  |
|--|--|
| <b>4. Analysis of Existing Conditions:</b>       | <b>Analysis of Existing Conditions:</b>      |
| <b>Chapel Hill/Carrboro City School District</b> | <b>Orange County School District</b>         |
| These standards are acceptable at this time.     | These standards are acceptable at this time. |

- |   |                                      |
|---|--------------------------------------|
| <b>5. Recommendation:</b>                   | <b>Recommendation:</b>               |
| <b>Chapel Hill/Carrboro School District</b> | <b>Orange County School District</b> |
| No change from above standard.              | No change from above standard.       |

## B. Building Capacity and Membership

1. **Responsible Entity for Suggesting Change** – The Planning Directors, School Representatives, and Technical Advisory Committee (SAPFOTAC) will receive requested changes that are CIP related and adopted in the prior year. CIP capacity changes will be updated along with actual membership received in November of each year. Other changes will be sent to a ‘Joint Action Committee’ of the BOCC and Board of Education, as noted in the MOU, who will make recommendations and forward changes (on the specific forms with justification) to the full Board of County Commissioners for review and action. These non-CIP changes would be updated in the upcoming November CAPS system recalibration and included in the SAPFOTAC report.
2. **Definition** – For purposes of this Memorandum, "building capacity" will be determined by reference to State guidelines and the School District guidelines (consistent with CIP School Construction Guidelines/policies developed by the School District and the Board of County Commissioners) and will be determined by a joint action of the School Board and the Orange County Board of Commissioners. As used herein the term "building capacity" refers to permanent buildings. Mobile classrooms and other temporary student accommodating classroom spaces are not permanent buildings and may not be counted in determining the school districts building capacity.

### 3. **Standard for:**

#### **Chapel Hill/Carrboro City School District**

The original certified capacity for each of the schools was certified by the respective superintendent and incorporated in the initialization of the CAPS system (Chapel Hill Carrboro School District April 29, 2002 - Base) Capacity changes were made each year as follows:

- 2003:** Increase of 619 at Rashkis Elementary.  
**2004:** No changes at Elementary, Middle, or High School levels.

### **Standard for:**

#### **Orange County School District**

The original certified capacity for each of the schools was certified by the respective superintendent and incorporated in the initialization of the CAPS system (Orange County School District April 30, 2002 - Base) Capacity changes were made each year as follows:

- 2003:** No net increase in capacity at Elementary level. No changes at Middle School level.  
 Increase of 1,000 at Cedar Ridge High School.

*Section I*

**2005:** No changes at Elementary, Middle, or High School levels.

**2006:** No changes at Elementary, Middle, or High School levels.

**2007:** An increase of 800 at the High School level with the opening of Carrboro High School.

**2008:** An increase of 323 at the Elementary School level due to the opening of Morris Grove Elementary School and the implementation of the 1:21 class size ratio in grades K-3

**2009:** No changes at Elementary, Middle, or High School levels.

**2010:** An increase in capacity of 40 students at the High School level with Phoenix Academy High School becoming official high school within the district

**2011:** No changes at Elementary, Middle, or High School levels.

**2012:** No changes at Elementary, Middle, or High School levels.

**2013:** An increase in capacity of 585 students due to the opening of Northside Elementary School.

**2014:** An increase in capacity of 104 students due to the opening of the Culbreth Middle School addition.

**2015:** No changes at Elementary, Middle, or High School levels.

**2016:** No changes at Elementary, Middle, or High School levels.

**2004:** No net increase in capacity at Elementary level. No changes at Middle or High School levels.

**2005:** An increase in capacity of 100 at Hillsborough Elementary with the completion of renovations.

**2006:** An increase in capacity of 700 at the Middle School level with the completion of Gravelly Hill Middle School and an increase of 15 at the High School level with the temporary location of Partnership Academy Alternative School. An increase of 2 at the Elementary level due to a change in the capacity calculation for each grade at each school.

**2007:** No changes at Elementary, Middle, or High School levels.

**2008:** A decrease of 228 at the Elementary School level due to the implementation of the 1:21 class size ratio in grades K-3 and an increase of 25 at the High School level with the completion of the new Partnership Academy Alternative School.

**2009:** No changes at Elementary, Middle, or High School levels.

**2010:** No changes at Elementary, Middle, or High School levels.

**2011:** No changes at Elementary, Middle, or High School levels.

**2012:** No changes at Elementary or Middle School levels. A decrease of 119 at High School level as a result of a N.C. Department of Public Instruction (DPI) study.

*Section I*

**2017:** A decrease in capacity of 165 students due to the implementation of the 1:20 class size ratio in grades K-3.

**2018:** No changes at Elementary, Middle or High School levels.

**2019:** No changes at Elementary, Middle, or High School levels.

**2013:** No changes at Elementary, Middle, or High School levels.

**2014:** No changes at Elementary, Middle, or High School levels.

**2015:** No changes at Elementary, Middle, or High School levels.

**2016:** No changes at Elementary, Middle, or High School levels.

**2017:** A decrease in capacity of 333 students due to the implementation of the 1:20 class size ratio in grades K-3.

**2018:** No changes at Elementary, Middle, or High School levels.

**2019:** No changes at Elementary, Middle, or High School levels.

**4. *Analysis of Existing Conditions:***

**Chapel Hill/Carrboro School District**

The Schools Facilities Task Force developed a system to calculate capacity. Any changes year to year will be monitored, reviewed, and recorded by the SAPFOTAC on approved forms distributed to SAPFO partners and certified upon approval by the Board of County Commissioners each year. The requested 2019-20 capacity is noted on Attachment I.B.4

**5. *Recommendation:***

**Chapel Hill/Carrboro City School District**

Accept school capacities at all levels, as reported by CHCCS and shown in Attachment I.B.4.

***Analysis of Existing Conditions:***

**Orange County School District**

The Schools Facilities Task Force developed a system to calculate capacity. Any changes year to year will be monitored, reviewed, and recorded by the SAPFOTAC on approved forms distributed to SAPFO partners and certified upon approval by the Board of County Commissioners each year. The requested 2019-20 capacity is noted on Attachment I.B.3

***Recommendation:***

**Orange County School District**

Accept school capacities at all levels, as reported by OCS and shown in Attachment I.B.3.

**School APFO Capacity, Membership and Change Request Form**

**School District:** Orange County Schools

**SAPFO CAPS Year:** November 15, 2018 - November 14, 2019

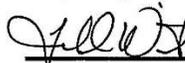
**Capacity and Membership Submittal Date:** November 15, 2018

Elementary School	Square Feet	2014-2015 Requested Capacity	2015-2016 Requested Capacity	2016-2017 Requested Capacity	2017-2018 Requested Capacity	2018-2019 Requested Capacity	Justification Footnote #	Membership
Cameron Park	70,812	565	565	565	502	502		597
Central	52,492	455	455	455	428	428		267
Efland Cheeks	64,316	497	497	497	455	455		467
Grady Brown	74,016	544	544	544	490	490		462
Hillsborough	51,106	471	471	471	420	420		435
New Hope	100,164	586	586	586	526	526		589
Pathways	85,282	576	576	576	540	540		388
<b>Total</b>	<b>498,188</b>	<b>3,694</b>	<b>3,694</b>	<b>3,694</b>	<b>3,361</b>	<b>3,361</b>		<b>3,205</b>

**Special Note(s):** 1. For the November 15, 2002 base year the board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.

**Justification:**

**Capacity Certification:**

 11-16-18  
 Superintendent Date

**Membership Certification:**

 11-16-18  
 Superintendent Date

 12/08/18  
 BOCC Chair Date

 12/08/18  
 BOCC Chair Date

**Attachment I.B.1 Orange County School Capacity (Elementary, Middle, & High)**  
(2018-19)  
(Page 2 of 3)

**School APFO Capacity, Membership and Change Request Form**

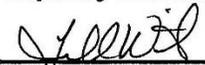
<b>School District:</b> Orange County Schools
<b>SAPFO CAPS Year:</b> November 15, 2018 - November 14, 2019
<b>Capacity and Membership Submittal Date:</b> November 15, 2018

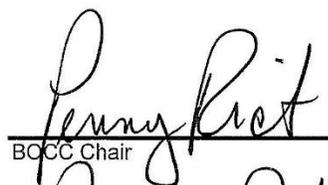
Middle School	Square Feet	2014-2015 Requested Capacity	2015-2016 Requested Capacity	2016-2017 Requested Capacity	2017-2018 Requested Capacity	2018-2019 Requested Capacity	Justification Footnote #	Membership
A.L. Stanback	136,000	740	740	740	740	740		649
C.W. Stanford	107,620	726	726	726	726	726		649
Gravelly Hill	123,000	700	700	700	700	700		481
<b>Total</b>	<b>366,620</b>	<b>2,166</b>	<b>2,166</b>	<b>2,166</b>	<b>2,166</b>	<b>2,166</b>		<b>1,779</b>

**Special Note(s):** 1. For the November 15, 2002 base year the board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.

**Justification:**

**Capacity Certification:**

 11-16-18  
Superintendent Date

 12/08/18  
BOCC Chair Date

**Membership Certification:**

 11-16-18  
Superintendent Date

 12/08/18  
BOCC Chair Date

**School APFO Capacity, Membership and Change Request Form**

**School District:** Orange County Schools

**SAPFO CAPS Year:** November 15, 2018 - November 14, 2019

**Capacity and Membership Submittal Date:** November 15, 2018

High School	Square Feet	2014-2015 Requested Capacity	2015-2016 Requested Capacity	2016-2017 Requested Capacity	2017-2018 Requested Capacity	2018-2019 Requested Capacity	Justification Footnote #	Membership
Orange	213,509	1,399	1,399	1,399	1,399	1,399		1,290
Cedar Ridge	206,900	1,000	1,000	1,000	1,000	1,000		1,018
Partnership	6,600	40	40	40	40	40		41
<b>Total</b>	<b>427,009</b>	<b>2,439</b>	<b>2,439</b>	<b>2,439</b>	<b>2,439</b>	<b>2,439</b>		<b>2,349</b>

**Special Note(s):** 1. For the November 15, 2002 base year the board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC. 2. The 2012-2013 capacity numbers for Orange High School (1,399) is based on a capacity analysis and facilities study completed by the Department of Public Instruction in August 2012.

**Justification:**

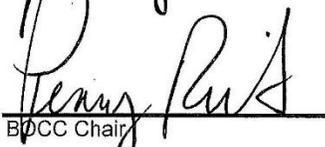
**Capacity Certification:**

  
 Superintendent \_\_\_\_\_ Date 11/16/18

  
 BOCC Chair \_\_\_\_\_ Date

**Membership Certification:**

  
 Superintendent \_\_\_\_\_ Date 11/16/18

  
 BOCC Chair \_\_\_\_\_ Date

**School APFO Capacity, Membership and Change Request Form**

<b>School District:</b> Chapel Hill-Carrboro City Schools
<b>SAPFO CAPS Year:</b> November 15, 2018 - November 14, 2019
<b>Capacity and Membership Submittal Date:</b> November 15, 2018

Elementary School	Square Feet	2014-2015 Requested Capacity	2015-2016 Requested Capacity	2016-2017 Requested Capacity	2017-2018 Requested Capacity	2018-2019 Requested Capacity	Justification Footnote #	Membership (referenced school year)
Carrboro	60,832	533	533	533	518	518		487
Ephesus	66,952	448	448	448	436	436		440
Estes Hills	56,299	527	527	527	516	516		473
Glenwood	50,764	423	538	423	412	412		484
FP Graham	66,689	538	423	538	522	522		615
McDougle	98,000	564	564	564	548	548		540
Rashkis	95,729	585	585	585	568	568		454
Scroggs	90,980	575	585	575	558	558		470
Seawell	52,896	466	585	466	450	450		503
Morris Grove	90,221	585	575	585	568	568		555
Northside	99,500	585	466	585	568	568		450
<b>Total</b>	<b>828,862</b>	<b>5,829</b>	<b>5,829</b>	<b>5,829</b>	<b>5,664</b>	<b>5,664</b>		<b>5,471</b>

**Special Note(s):** 1. For the November 15, 2002 base year the Board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.

**Justification:**

**Capacity Certification:**

Pamela Bald 11/20/18  
 Superintendent Date

Penny Ruff 12/18/18  
 BOCC Chair Date

**Membership Certification:**

Pamela Bald 11/20/18  
 Superintendent Date

Penny Ruff 12/18/18  
 BOCC Chair Date

**School APFO Capacity, Membership and Change Request Form**

<b>School District:</b> Chapel Hill-Carrboro City Schools
<b>SAPFO CAPS Year:</b> November 15, 2018 - November 14, 2019
<b>Capacity and Membership Submittal Date:</b> November 15, 2018

Middle School	Square Feet	2014-2015 Requested Capacity	2015-2016 Requested Capacity	2016-2017 Requested Capacity	2017-2018 Requested Capacity	2018-2019 Requested Capacity	Justification Footnote #	Membership (referenced school year)
Culbreth	122,467	670	774	774	774	774		736
McDougle	136,221	732	732	732	732	732		683
Phillips	109,498	706	706	706	706	706		654
Smith	128,764	732	732	732	732	732		860
<b>Total</b>	<b>496,950</b>	<b>2,840</b>	<b>2,944</b>	<b>2,944</b>	<b>2,944</b>	<b>2,944</b>		<b>2,933</b>

**Special Note(s):** 1. For the November 15, 2002 base year the Board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.

**Justification:**

**Capacity Certification:**

*Parula B...* 11/20/18  
 Superintendent Date

*Penny Paul* 12/18/18  
 BOCC Chair Date

**Membership Certification:**

*Parula B...* 11/20/18  
 Superintendent Date

*Penny Paul* 12/18/18  
 BOCC Chair Date

**School APFO Capacity, Membership and Change Request Form**

**School District:** Chapel Hill-Carrboro City Schools  
**SAPFO CAPS Year:** November 15, 2018 - November 14, 2019  
**Capacity and Membership Submittal Date:** November 15, 2018

High School	Square Feet	2014-2015 Requested Capacity	2015-2016 Requested Capacity	2016-2017 Requested Capacity	2017-2018 Requested Capacity	2018-2019 Requested Capacity	Justification Footnote #	Membership (referenced school year)
Chapel Hill	241,111	1,520	1,520	1,520	1,520	1,520		1,527
East Chapel Hill	259,869	1,515	1,515	1,515	1,515	1,515		1,493
Carrboro	148,023	800	800	800	800	800		877
Phoenix Acad.	5,207	40	40	40	40	40		35
<b>Total</b>	<b>654,210</b>	<b>3,875</b>	<b>3,875</b>	<b>3,875</b>	<b>3,875</b>	<b>3,875</b>		<b>3,932</b>

**Special Note(s):** 1. For the November 15, 2002 base year the Board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.

**Justification:**

**Capacity Certification:**

*Ronela Bala* 11/26/18  
 Superintendent Date

**Membership Certification:**

*Ronela Bala* 11/26/18  
 Superintendent Date

*Penny Ruff* 12/18/18  
 BOCC Chair Date

*Penny Ruff* 12/18/18  
 BOCC Chair Date

**School APFO Capacity, Membership and Change Request Form**

<b>School District:</b> Orange County Schools
<b>SAPFO CAPS Year:</b> November 15, 2019 - November 14, 2020
<b>Capacity and Membership Submittal Date:</b> November 15, 2019

Elementary School	Square Feet	2015-2016 Requested Capacity	2016-2017 Requested Capacity	2017-2018 Requested Capacity	2018-2019 Requested Capacity	2019-2020 Requested Capacity	Justification Footnote #	Membership
Cameron Park	70,812	565	565	502	502	502		601
Central	52,492	455	455	428	428	428		286
Efland Cheeks	64,316	497	497	455	455	455		499
Grady Brown	74,016	544	544	490	490	490		442
Hillsborough	51,106	471	471	420	420	420		444
New Hope	100,164	586	586	526	526	526		579
Pathways	85,282	576	576	540	540	540		381
<b>Total</b>	<b>498,188</b>	<b>3,694</b>	<b>3,694</b>	<b>3,361</b>	<b>3,361</b>	<b>3,361</b>		<b>3,232</b>

**Special Note(s):** I. For the November 15, 2002 base year the board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.

**Justification:**



**Capacity Certification:**

*Margaret E. Elder* 11/19/19  
 Superintendent Date

*[Signature]*  
 BOCC Chair Date

**Membership Certification:**

*Margaret E. Elder* 11/19/19  
 Superintendent Date

*[Signature]*  
 BOCC Chair Date

**School APFO Capacity, Membership and Change Request Form**

<b>School District:</b> Orange County Schools
<b>SAPFO CAPS Year:</b> November 15, 2019 - November 14, 2020
<b>Capacity and Membership Submittal Date:</b> November 15, 2019

Middle School	Square Feet	2015-2016 Requested Capacity	2016-2017 Requested Capacity	2017-2018 Requested Capacity	2018-2019 Requested Capacity	2019-2020 Requested Capacity	Justification Footnote #	Membership
A.L. Stanback	136,000	740	740	740	740	740		653
C.W. Stanford	107,620	726	726	726	726	726		642
Gravelly Hill	123,000	700	700	700	700	700		468
<b>Total</b>	<b>366,620</b>	<b>2,166</b>	<b>2,166</b>	<b>2,166</b>	<b>2,166</b>	<b>2,166</b>		<b>1,763</b>

**Special Note(s):** 1. For the November 15, 2002 base year the board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.

**Justification:**

**Capacity Certification:**

  
 Superintendent \_\_\_\_\_ Date \_\_\_\_\_

**Membership Certification:**

  
 Superintendent \_\_\_\_\_ Date \_\_\_\_\_

  
 BOCC Chair \_\_\_\_\_ Date \_\_\_\_\_

  
 BOCC Chair \_\_\_\_\_ Date \_\_\_\_\_

**School APFO Capacity, Membership and Change Request Form**

**School District:** Orange County Schools  
**SAPFO CAPS Year:** November 15, 2019 - November 14, 2020  
**Capacity and Membership Submittal Date:** November 15, 2019

High School	Square Feet	2015-2016 Requested Capacity	2016-2017 Requested Capacity	2017-2018 Requested Capacity	2018-2019 Requested Capacity	2019-2020 Requested Capacity	Justification Footnote #	Membership
Orange	213,509	1,399	1,399	1,399	1,399	1,399		1,296
Cedar Ridge	206,900	1,000	1,000	1,000	1,000	1,000		1,067
Partnership	6,600	40	40	40	40	40		34
<b>Total</b>	<b>427,009</b>	<b>2,439</b>	<b>2,439</b>	<b>2,439</b>	<b>2,439</b>	<b>2,439</b>		<b>2,397</b>

**Special Note(s):** 1. For the November 15, 2002 base year the board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC. 2. The 2012-2013 capacity numbers for Orange High School (1,399) is based on a capacity analysis and facilities study completed by the Department of Public Instruction in August 2012.

**Justification:**



**Capacity Certification:**

*Monica Fleen*  
 Superintendent Date 11/15/19

**Membership Certification:**

*Monica Fleen*  
 Superintendent Date 11/15/19

*Penny K...*  
 BOCC Chair Date  
*Penny K...*  
 BOCC Chair Date

**School APFO Capacity, Membership and Change Request Form**

**School District:** Chapel Hill-Carrboro City Schools  
**SAPFO CAPS Year:** November 15, 2019 - November 14, 2020  
**Capacity and Membership Submittal Date:** November 15, 2019

Elementary School	Square Feet	2015-2016 Requested Capacity	2016-2017 Requested Capacity	2017-2018 Requested Capacity	2018-2019 Requested Capacity	2019-2020 Requested Capacity	Justification Footnote #	Membership (referenced school year)
Carrboro	60,832	535	533	518	518	518	*	515
Ephesus	66,952	448	448	436	436	436		389
Estes Hills	56,299	527	527	516	516	516		429
Glenwood	50,764	538	423	412	412	412		456
JP Graham	66,689	423	538	522	522	522		585
McDougle	98,000	564	564	548	548	548		552
Rushles	95,729	585	585	568	568	568		494
Scroggs	90,980	585	575	558	558	558		425
Seawell	52,896	585	466	450	450	450		517
Morris Grove	90,221	575	585	568	568	568		545
Northside	99,500	466	585	568	568	568		456
<b>Total</b>	<b>828,862</b>	<b>5,829</b>	<b>5,829</b>	<b>5,664</b>	<b>5,664</b>	<b>5,664</b>		<b>5,363</b>

**Special Note(s):** 1. For the November 15, 2002 base year the Board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.

**Justification:**

\* Waiting for the Schools Joint Action Committee reductions for class size changes

**Capacity Certification:**

Pamela Balor 11/20/19  
 Superintendent Date

Penny Paul  
 BOCC Chair Date

**Membership Certification:**

Pamela Balor 11/20/19  
 Superintendent Date

Penny Paul  
 BOCC Chair Date

**School APFO Capacity, Membership and Change Request Form**

**School District:** Chapel Hill-Carrboro City Schools  
**SAPFO CAPS Year:** November 15, 2019 - November 14, 2020  
**Capacity and Membership Submittal Date:** November 15, 2019

Middle School	Square Feet	2015-2016 Requested Capacity	2016-2017 Requested Capacity	2017-2018 Requested Capacity	2018-2019 Requested Capacity	2019-2020 Requested Capacity	Justification Footnote #	Membership (referenced school year)
Culbreth	122,467	774	774	774	774	774		800
McDougle	136,221	732	732	732	732	732		692
Phillips	109,498	706	706	706	706	706		748
Smith	128,764	732	732	732	732	732		804
<b>Total</b>	<b>496,950</b>	<b>2,944</b>	<b>2,944</b>	<b>2,944</b>	<b>2,944</b>	<b>2,944</b>		<b>3,044</b>

**Special Note(s):** 1. For the November 15, 2002 base year the Board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.

**Justification:**

**Capacity Certification:**  
*Panela Bald* 11/20/19  
 Superintendent Date

**Membership Certification:**  
*Panela Bald* 11/20/19  
 Superintendent Date

*Penny Put*  
 BOCC Chair Date  
*Penny Put*  
 BOCC Chair Date

**School APFO Capacity, Membership and Change Request Form**

<b>School District:</b> Chapel Hill-Carrboro City Schools
<b>SAPFO CAPS Year:</b> November 15, 2019 - November 14, 2020
<b>Capacity and Membership Submittal Date:</b> November 15, 2019

High School	Square Feet	2015-2016 Requested Capacity	2016-2017 Requested Capacity	2017-2018 Requested Capacity	2018-2019 Requested Capacity	2019-2020 Requested Capacity	Justification Footnote #	Membership (referenced school year)
Chapel Hill	241,111	1,520	1,520	1,520	1,520	1,520		1,514
East Chapel Hill	259,869	1,515	1,515	1,515	1,515	1,515		1,519
Carrboro	148,023	800	800	800	800	800		869
Phoenix Acad.	5,207	40	40	40	40	40		38
<b>Total</b>	<b>654,210</b>	<b>3,875</b>	<b>3,875</b>	<b>3,875</b>	<b>3,875</b>	<b>3,875</b>		<b>3,940</b>

**Special Note(s):** 1. For the November 15, 2002 base year the Board accepted the superintendent-certified capacities as part of the School Facilities Task Force review and 2003 Planners and School Representative Technical Advisory Committee Report. These capacities will remain effective until changed by (1) the School CIP or (2) an amended version of this form that is certified by the BOCC.

**Justification:**

**Capacity Certification:**

Pamela Balda      11/20/19  
 Superintendent                      Date

**Membership Certification:**

Pamela Balda      11/20/19  
 Superintendent                      Date

[Signature]      \_\_\_\_\_  
 BOCC Chair                                      Date

[Signature]      \_\_\_\_\_  
 BOCC Chair                                      Date

## C. Membership Date

1. ***Responsible Entity for Suggesting Change*** – Change can be effectuated only by amendment to Memorandum of Understanding (MOU) by all SAPFO partners. The Planning Directors, School Representatives, and Technical Advisory Committee (SAPFOTAC) may advise if a change in date would improve the reporting or timeliness of the report.
2. ***Definition*** – The date at which student membership is calculated. This date is updated each year and also serves as the basis for projections along with the history from previous years. “For purposes of this Memorandum, the term "school membership" means the actual number of students attending school as of November 15 of each year. The figure is determined by considering the number of students enrolled (i.e. registered, regardless of whether a student is no longer attending school) and making adjustments for withdrawals, dropouts, deaths, retentions and promotions. Students who are merely absent from class on the date membership is determined as a result of sickness or some other temporary reason are included in school membership figures. Each year the School District shall transmit its school membership to the parties to this agreement no later than five (5) school days after November 15.
3. ***Standard for:***

<b>Chapel Hill/Carrboro City School District</b>	<b>Orange County School District</b>
November 15 of each year	November 15 of each year
4. ***Analysis of Existing Conditions:***  
This will be analyzed in the future years to determine if it is an exemplary date.
5. ***Recommendation:***

<b>Chapel Hill/Carrboro City School District</b>	<b>Orange County School District</b>
No change at this time.	No change at this time.

## II. Annual Update to Schools Adequate Public Facilities Ordinance System

### A. Capital Investment Plan (CIP)

1. **Responsible Entity for Suggesting Change** – The updating of this section will be conducted by the Board of County Commissioners (BOCC) after review of the CIP requests from the School Districts. Action regarding CIP programs usually occurs during the BOCC budget Public Hearing process in the winter and spring of each year. The development of the CIP considers the conditions noted in the SAPFOTAC report released in the same CIP development year including LOS (level of service), capacity, and membership projections.
2. **Definition** – The process and resultant program to determine school needs and provide funding for new school facilities through a variety of funding mechanisms.
3. **Standard for:**

<b>Chapel Hill/Carrboro City School District</b>	<b>Orange County School District</b>
Not Applicable	Not Applicable
4. **Analysis of Existing Conditions:**

The MOU outlines a system of implementing the SAPFO, including issuing Certificates of Adequate Public Schools (CAPS) to new development if capacity is available. The Requests for CAPS will be evaluated using the most recently adopted Capital Investment Plan. A new Capital Investment Plan is currently under development for approval prior to June 30, 2020.
5. **Recommendation:**

Not subject to staff review

## B. Student Membership Projection Methodology

1. **Responsible Entity for Suggesting Change** – This section is reviewed and recommended by the Planning Directors, School Representatives, and Technical Advisory Committee (SAPFOTAC) to the BOCC for change, if necessary.
2. **Definition** – The method(s) by which student memberships are calculated for future years to determine total membership at each combined school level (Elementary, Middle, and High School) which take into consideration historical membership totals at a specific time (November 15) in the school year. These methods are also known as ‘models’.

3. **Standard for:**

**Chapel Hill/Carrboro City School District**

**Standard for:**

**Orange County School District**

Presently, the average of five models is being used: namely 3, 5, and 10-year history/cohort survival methods, Orange County Planning Department Linear Wave, and Tischler Linear methods. Attachment II.B.1 includes a description of each model.

4. **Analysis of Existing Conditions:**

Performance of the models is monitored each year. The value of a projection model is in its prediction of school level capacities at least three years in advance of capacity shortfalls so the annual Capital Investment Plan (CIP) updates can respond proactively with siting, design, and construction. Attachment II.B.1 includes a description of each model. Attachment II.B.3 shows the performance of the models for the 2019-20 school year from the prior year projection.

5. **Recommendation:**

More than fifteen years of projection results are now available. Analysis on the accuracy of the results is showing that some models have better results in one district while others have better results in the other district. The historic growth rate is recorded by the models, but projected future growth is more difficult to accurately quantify. In all areas of the county, proposed growth is not included in the SAPFO projection system until actual students begin enrollment. The system is updated in November of each year, becoming part of the historical projection base.

STUDENT MEMBERSHIP PROJECTIONS

PROJECTION TYPE	DESCRIPTION / CHARACTERISTICS	FORMULA	ASSUMPTIONS
Tischler Linear (OCS & CHCCS)	Mathematical formula; straight line projection	$y = ((c * b) * x) + b$ y=projected population; c=historical annual change; b=base year; x= projection years	Historical growth is reflected in projected growth
OCP Linear Wave (OCS)	Mathematical linear with percent variation among school levels; reflects progressing waves of membership	$BYM + (BYI + 5(n)) = EYM \quad EYM * \%SL = EYM/SL$ BYM= base year 2nd month membership; BYI=year student membership increment base; EYM=ensuing year membership; n=projection year; %SL=% of total membership per school level (i.e. elementary, middle, high); EYM/SL=ensuing year member by school level	Base year growth reflects 10-year average; increase in BYI of 5 every other year reflects increases in housing growth; reflects buildout constraints
OCP Linear Wave (CHCCS)	Mathematical linear with percent variation among school levels; reflects progressing waves of membership	$BYM + (BYI - 15(n)) = EYM \quad EYM * \%SL = EYM/SL$ BYM= base year 2nd month membership; BYI=year student membership increment base; EYM=ensuing year membership; n=projection year; %SL=% of total membership per school level (i.e. elementary, middle, high); EYM/SL=ensuing year member by school level	Base year growth reflects 10-year average; decrease in BYI of 15 until school year 2010-2011 reflects decreases in housing growth; reflects buildout constraints
3-Year Cohort (OCS & CHCCS)	Mathematical formula that computes the average advancement rate over the previous 3 years for each grade level and then uses each rate to calculate projected membership by school level; an assumed kindergarten membership is based on birth records and/or historical growth rates	$K_n = k_{n-1} + (k_{n-1} * 0.01)$ $n=1$ $a = (\sum G_n / g_{n-1}) / 3$ $n=3$ $b = g_{n-1} (a)$ K=kindergarten membership; n=given school year; G=given grade's membership(other than kindergarten); g= previous grade's membership; a=average advancement rate; b=projected membership	Assumes a 1% annual growth rate for the kindergarten grade level; assumes the same percentage of students in each grade level graduate to the next level each year
5 year Cohort (OCS & CHCCS)	Mathematical formula that computes the average advancement rate over the previous 5 years for each grade level and then uses each rate to calculate projected membership by school level; an assumed kindergarten membership is based on birth records and/or historical growth rates	$K_n = k_{n-1} + (k_{n-1} * 0.01)$ $n=1$ $a = (\sum G_n / g_{n-1}) / 5$ $n=5$ $b = g_{n-1} (a)$ K=kindergarten membership; n=given school year; G=given grade's membership(other than kindergarten); g= previous grade's membership; a=average advancement rate; b=projected membership	Assumes a 1% annual growth rate for the kindergarten grade level; assumes the same percentage of students in each grade level graduate to the next level each year
10 year Cohort (OCS & CHCCS)	Mathematical formula that computes the average advancement rate over the previous 10 years for each grade level and then uses each rate to calculate projected membership by school level; an assumed kindergarten membership is based on birth records and/or historical growth rates	$K_n = k_{n-1} + (k_{n-1} * 0.01)$ $n=1$ $a = (\sum G_n / g_{n-1}) / 10$ $n=10$ $b = g_{n-1} (a)$ K=kindergarten membership; n=given school year; G=given grade's membership(other than kindergarten); g= previous grade's membership; a=average advancement rate; b=projected membership	Assumes a 1% annual growth rate for the kindergarten grade level; assumes the same percentage of students in each grade level graduate to the next level each year

**Orange County School District  
School Membership 2018-2019 School Year (November 15, 2018)**

	11/15/17 Actual 2017-18	2018 Report Projection for 2018-19	11/15/18 Actual 2018-19	Change between actual Nov 2017 - Nov 2018
<b>Elementary</b>	<b>3183</b>		<b>3205</b>	<b>+ 22</b>
<b>Model</b>			<b>Projection is</b>	
T		3201	L4	
OCP		3200	L5	
10C		3140	L65	
5C		3128	L77	
3C		3139	L66	
<b>Average</b>		<b>3161</b>	<b>L44</b>	
	<b>11/14/17</b>		<b>11/15/18</b>	
<b>Middle</b>	<b>1730</b>		<b>1779</b>	<b>+ 49</b>
<b>Model</b>			<b>Projection is</b>	
T		1740	L39	
OCP		1739	L40	
10C		1822	H43	
5C		1812	H33	
3C		1814	H35	
<b>Average</b>		<b>1785</b>	<b>H6</b>	
	<b>11/14/17</b>		<b>11/15/18</b>	
<b>High</b>	<b>2445</b>		<b>2349</b>	<b>- 96</b>
<b>Model</b>			<b>Projection is</b>	
T		2458	H109	
OCP		2460	H111	
10C		2354	H5	
5C		2368	H19	
3C		2340	L9	
<b>Average</b>		<b>2396</b>	<b>H47</b>	
<b>Totals</b>	<b>11/14/17</b>		<b>11/15/18</b>	
Elementary	3183		3205	
Middle	1730		1779	
High	2445		2349	
<b>Total</b>	<b>7358</b>		<b>7333</b>	<b>- 25</b>
<b>Model</b>			<b>Projection is</b>	
T		7399	H66	
OCP		7399	H66	
10C		7316	L17	
5C		7308	L25	
3C		7293	L40	
<b>Average</b>		<b>7342</b>	<b>H9</b>	

H means High  
L means Low

**Orange County School District  
School Membership 2018-2019 School Year (November 15, 2018)**

**Statistical Findings**

<i>PROJECTION TYPE ABBREVIATIONS</i>	
'TISCHLER' LINEAR (T) ORANGE COUNTY PLANNING (OCP)	10-YEAR COHORT (10C) 5-YEAR COHORT (5C) 3-YEAR COHORT (3C)

**Elementary School Level**

- The projections were all low, ranging from 4 students to 77 students below actual membership. On average, the projections were 44 students lower than the actual membership.
- The membership actually increased by 22 students between November 16, 2017 and November 15, 2018.

**Middle School Level**

- Projections were mixed, ranging from 40 students below to 43 students above actual membership. On average, the projections were 6 students higher than the actual membership.
- The membership actually increased by 49 students between November 16, 2017 and November 15, 2018.

**High School Level**

- The majority of projections were high, ranging from 5 students to 111 students above actual membership. One projection was 9 students below actual membership. On average, the projections were 47 students higher than the actual membership.
- The membership actually decreased by 96 students between November 16, 2017 and November 15, 2018.

**TOTAL**

- The totals of all school level projections were mixed, ranging from 40 students below to 66 students above actual membership. On average, the projections were 9 students higher than the actual membership.
- The membership decreased in total by 25 students, which is the sum of +22 at Elementary, +49 at Middle, and -96 at High.

**Chapel Hill/Carrboro School District  
 School Membership 2018-2019 School Year (November 15, 2018)**

	11/15/17 Actual 2017-18	2018 Report Projection for 2018-19	11/15/18 Actual 2018-19	Change between actual Nov 2017 - Nov 2018
<b>Elementary</b>	<b>5522</b>		<b>5471</b>	<b>- 51</b>
<b>Model</b>			<b>Projection is</b>	
T		5556	H85	
OCP		5541	H70	
10C		5496	H25	
5C		5475	H4	
3C		5479	H8	
<b>Average</b>		<b>5509</b>	<b>H38</b>	
	<b>11/14/17</b>		<b>11/15/18</b>	
<b>Middle</b>	<b>2833</b>		<b>2933</b>	<b>+ 100</b>
<b>Model</b>			<b>Projection is</b>	
T		2850	L83	
OCP		2848	L85	
10C		2926	L7	
5C		2907	L26	
3C		2915	L18	
<b>Average</b>		<b>2889</b>	<b>L44</b>	
	<b>11/14/17</b>		<b>11/15/18</b>	
<b>High</b>	<b>3927</b>		<b>3932</b>	<b>+ 5</b>
<b>Model</b>			<b>Projection is</b>	
T		3951	H19	
OCP		3938	H6	
10C		3884	L48	
5C		3889	L43	
3C		3912	L20	
<b>Average</b>		<b>3915</b>	<b>L17</b>	
<b>Totals</b>	<b>11/14/17</b>		<b>11/15/18</b>	
Elementary	5522		5471	
Middle	2833		2933	
High	<u>3927</u>		<u>3932</u>	
<b>Total</b>	<b>12,282</b>		<b>12,336</b>	<b>+ 54</b>
<b>Model</b>			<b>Projection is</b>	
T		12,357	H21	
OCP		12,327	L9	
10C		12,306	L30	
5C		12,271	L65	
3C		12,306	L30	
<b>Average</b>		<b>12,313</b>	<b>L23</b>	

H means High  
 L means Low

**Chapel Hill/Carrboro School District  
School Membership 2018-2019 School Year (November 15, 2018)**

**Statistical Findings**

<i>PROJECTION TYPE ABBREVIATIONS</i>	
'TISCHLER' LINEAR (T) ORANGE COUNTY PLANNING (OCP)	10-YEAR COHORT (10C) 5-YEAR COHORT (5C) 3-YEAR COHORT (3C)

**Elementary School Level**

- Projections were all high ranging from 4 students to 85 students above actual membership. On average, the projections were 38 students higher than the actual membership.
- The actual membership decreased by 51 students between November 16, 2017 and November 15, 2018.

**Middle School Level**

- Projections were all low, ranging from 7 students to 85 students below actual membership. On average, the projections were 44 students lower than the actual membership.
- The actual membership increased by 100 students between November 16, 2017 and November 15, 2018.

**High School Level**

- Projections were mixed, ranging from 48 students below to 19 students above actual membership. On average, the projections were 17 students lower than the actual membership.
- The actual membership increased by 5 students between November 16, 2017 and November 15, 2018.

**TOTAL**

- The majority of all school level projections were low, ranging from 9 students to 65 students below actual membership. One projection was 21 students above the actual membership. On average, the projections were 23 students lower than the actual membership.
- The membership increased in total by 54 students, which is the sum of -51 at Elementary, +100 at Middle, and +5 at High.

**Orange County School District**  
**School Membership 2019-2020 School Year (November 15, 2019)**

	11/15/18 Actual 2018-19	2019 Report Projection for 2019-20	11/15/19 Actual 2019-20	Change between actual Nov 2018 - Nov 2019
<b>Elementary</b>	<b>3205</b>		<b>3232</b>	<b>+ 27</b>
<b>Model</b>			<b>Projection is</b>	
T		3217	L15	
OCP		3215	L17	
10C		3217	L15	
5C		3197	L35	
3C		3217	L15	
<b>Average</b>		<b>3213</b>	<b>L19</b>	
	<b>11/15/18</b>		<b>11/15/19</b>	
<b>Middle</b>	<b>1779</b>		<b>1763</b>	<b>- 16</b>
<b>Model</b>			<b>Projection is</b>	
T		1786	H23	
OCP		1773	H10	
10C		1808	H45	
5C		1794	H31	
3C		1788	H25	
<b>Average</b>		<b>1790</b>	<b>H27</b>	
	<b>11/15/18</b>		<b>11/15/19</b>	
<b>High</b>	<b>2349</b>		<b>2397</b>	<b>+ 48</b>
<b>Model</b>			<b>Projection is</b>	
T		2358	L39	
OCP		2385	L12	
10C		2339	L58	
5C		2339	L58	
3C		2318	L79	
<b>Average</b>		<b>2348</b>	<b>L49</b>	
<b>Totals</b>	<b>11/15/18</b>		<b>11/15/19</b>	
Elementary	3205		3232	
Middle	1779		1763	
High	2349		2397	
<b>Total</b>	<b>7333</b>		<b>7392</b>	<b>+ 59</b>
<b>Model</b>			<b>Projection is</b>	
T		7361	L31	
OCP		7373	L19	
10C		7364	L28	
5C		7330	L62	
3C		7323	L69	
<b>Average</b>		<b>7351</b>	<b>L41</b>	

H means High  
L means Low

**Orange County School District  
 School Membership 2019-2020 School Year (November 15, 2019)**

**Statistical Findings**

<i>PROJECTION TYPE ABBREVIATIONS</i>	
'TISCHLER' LINEAR (T)	10-YEAR COHORT (10C)
ORANGE COUNTY PLANNING (OCP)	5-YEAR COHORT (5C)
	3-YEAR COHORT (3C)

**Elementary School Level**

- The projections were all low, ranging from 15 students to 35 students below actual membership. On average, the projections were 19 students lower than the actual membership.
- The membership actually increased by 27 students between November 16, 2018 and November 15, 2019.

**Middle School Level**

- Projections were all high, ranging from 10 students to 45 students above actual membership. On average, the projections were 27 students higher than the actual membership.
- The membership actually decreased by 16 students between November 16, 2018 and November 15, 2019.

**High School Level**

- The majority of projections all low, ranging from 12 students to 79 students below actual membership. On average, the projections were 49 students lower than the actual membership.
- The membership actually increased by 48 students between November 16, 2018 and November 15, 2019.

**TOTAL**

- The totals of all school level projections were low, ranging from 19 students to 69 students below actual membership. On average, the projections were 41 students lower than the actual membership.
- The membership increased in total by 59 students, which is the sum of +27 at Elementary, -16 at Middle, and +48 at High.

**Chapel Hill/Carrboro School District  
School Membership 2019-2020 School Year (November 15, 2019)**

	11/15/18 Actual 2018-19	2019 Report Projection for 2019-20	11/15/19 Actual 2019-20	Change between actual Nov 2018 - Nov 2019
<b>Elementary</b>	<b>5471</b>		<b>5363</b>	<b>- 108</b>
<b>Model</b>			<b>Projection is</b>	
T		5512	H149	
OCP		5417	H54	
10C		5423	H60	
5C		5473	H110	
3C		5418	H55	
<b>Average</b>		<b>5448</b>	<b>H85</b>	
	<b>11/15/18</b>		<b>11/15/19</b>	
<b>Middle</b>	<b>2933</b>		<b>3044</b>	<b>+ 111</b>
<b>Model</b>			<b>Projection is</b>	
T		2955	L89	
OCP		2910	L134	
10C		3010	L34	
5C		2908	L136	
3C		3025	L19	
<b>Average</b>		<b>2962</b>	<b>L82</b>	
	<b>11/15/18</b>		<b>11/15/19</b>	
<b>High</b>	<b>3932</b>		<b>3940</b>	<b>+ 8</b>
<b>Model</b>			<b>Projection is</b>	
T		3962	H22	
OCP		4055	H115	
10C		3894	L46	
5C		3902	L38	
3C		3926	L14	
<b>Average</b>		<b>3948</b>	<b>H8</b>	
<b>Totals</b>	<b>11/15/18</b>		<b>11/15/19</b>	
Elementary	5471		5363	
Middle	2933		3044	
High	3932		3940	
<b>Total</b>	<b>12,336</b>		<b>12,347</b>	<b>+ 11</b>
<b>Model</b>			<b>Projection is</b>	
T		12,429	H82	
OCP		12,382	H35	
10C		12,327	L20	
5C		12,283	L64	
3C		12,369	H22	
<b>Average</b>		<b>12,358</b>	<b>H11</b>	

H means High  
L means Low

**Chapel Hill/Carrboro School District  
School Membership 2019-2020 School Year (November 15, 2019)**

**Statistical Findings**

<i>PROJECTION TYPE ABBREVIATIONS</i>	
‘TISCHLER’ LINEAR (T) ORANGE COUNTY PLANNING (OCP)	10-YEAR COHORT (10C) 5-YEAR COHORT (5C) 3-YEAR COHORT (3C)

**Elementary School Level**

- Projections were all high ranging from 54 students to 149 students above actual membership. On average, the projections were 85 students higher than the actual membership.
- The actual membership decreased by 108 students between November 16, 2018 and November 15, 2019.

**Middle School Level**

- Projections were all low, ranging from 19 students to 136 students below actual membership. On average, the projections were 82 students lower than the actual membership.
- The actual membership increased by 111 students between November 16, 2018 and November 15, 2019.

**High School Level**

- Projections were mixed, ranging from 46 students below to 115 students above actual membership. On average, the projections were 8 students higher than the actual membership.
- The actual membership increased by 8 students between November 16, 2018 and November 15, 2019.

**TOTAL**

- The totals of all school level projections were mixed, ranging from 64 students below to 82 students above actual membership. On average, the projections were 11 students higher than the actual membership.
- The membership increased in total by 11 students, which is the sum of -108 at Elementary, +111 at Middle, and +8 at High.

## C. Student Membership Projections

1. **Responsible Entity for Suggesting Change** – The updating of this section will be conducted by the Planning Directors, School Representatives, and Technical Advisory Committee (SAPFOTAC) and referred to the BOCC for annual report certifications. Projections will be distributed to SAPFO partners for review and comments to the BOCC prior to certification.
2. **Definition** – The result of the average of the five student projection models represented by 10 year numerical membership projections by school level (Elementary, Middle, and High) for each school district (Chapel Hill/Carrboro City School District and Orange County School District).
3. **Standard for:**

<b>Chapel Hill Carrboro School District</b>	<b>Orange County School District</b>
The 5 model average discussed in Section II.B (Student Projection Methodology)	The 5 model average discussed in Section II.B (Student Projection Methodology)
See Attachment II.C.4	See Attachment II.C.3
4. **Analysis of Existing Conditions**

The membership figures and percentage growth on the attachments show an increase at the Chapel Hill/Carrboro City Schools’ middle and high school levels and at the Orange County Schools’ elementary and high school levels. The attachments show a decrease at the Chapel Hill/Carrboro City Schools’ elementary school level and Orange County Schools’ middle school level. The majority of Chapel Hill/Carrboro Schools and Orange County Schools projected average annual growth rates have all decreased since the previous year, except the elementary school levels in both districts which show an increase. The majority of projected annual growth rates show growth for the three levels in the 10-year projection period. However, the Chapel Hill/Carrboro City Schools’ middle school level shows a negative growth rate in the 10-year projection period. Attachment II.C.3 and Attachment II.C.4 show year-by-year percent growth and projected level of service (LOS). The projection models were updated using current (November 15, 2019) memberships. Ten years of student membership were projected thereafter.

*Section II***Chapel Hill/Carrboro School District****Elementary**

The previous year (2018-19) projections for November 2019 at this level were overestimated by 85 students. The actual membership decreased by 108 students. Over the previous ten years, this level has shown varying increases and decreases in growth rates. Following a significant increase (168 students) in 2011-12, this level has experienced a decrease in five out of the six school years including this year. Growth rates during the past ten years have ranged from -1.57% to +3.17%. The district's eleventh elementary school, Northside Elementary School, opened in 2013. Capacity was decreased in 2017-18 due to changes in class size averages for kindergarten to third grade by the North Carolina State Legislature. The need for an additional elementary school is not anticipated in the 10-year projection period. This is similar to last year's projections.

Although not included in SAPFO school capacity or membership numbers, Pre-K programs continue to impact operations at District elementary schools where Pre-K programs exist. Specific impacts of Pre-K programs at the elementary school level will continue to be reviewed and discussed in the coming year.

**Middle**

The previous year (2018-19) projections for November 2019 for this level were underestimated by 82 students. The actual membership increased by 111 students. Over the previous ten years, this level has shown varying increases before experiencing decreases in 2015-16 and 2016-17. Growth rates during this time period have ranged from -0.59% to +3.53%. Capacity was increased in 2014-15 with the opening of the Culbreth Middle School science wing. The need for an additional middle school is not anticipated in the 10-year projection period. This is similar to last year's projections.

**High School**

The previous year (2018-19) projections for November 2019 for this level were overestimated by 8 students. The actual membership increased by 8 students. Over the previous ten years, change has been variable with decreases in membership in four of the ten years. Growth rates during this time period have ranged from -0.90 to +4.39%. The need for additional high school capacity

## *Section II*

at Carrboro High School is not anticipated in the 10-year projection period. This is similar to last year's projections. Due to renovations to Chapel Hill High School, this level will experience an increase in capacity of 105 seats for the 2020-21 school year.

### ***Additional Information for Chapel Hill/Carrboro School District***

Following the economic downturn, there has been an increase in residential projects, specifically multifamily development, in the Town of Chapel Hill. Currently, there are over three thousand proposed single family and multifamily housing units approved, but undeveloped in the CHCCS district. As previously stated, proposed growth is not directly and immediately included in the SAPFO projection system until actual students begin enrollment. The CAPS test is conducted during the approval process at a certain stage and this step does project development impacts against rated capacity. Once students are enrolled in a school year, through annual reporting of student membership numbers, 10-year student projections can be updated to display future capacity needs in time to efficiently plan for future school construction requests. Staff and the SAPFO Technical Advisory Committee will continue to monitor and evaluate the demand and growth of residential development in Chapel Hill and Carrboro as well as its effect on student membership rates.

Charter schools are not included as part of the SAPFO Annual Report and, as a result, their membership and capacity numbers are not monitored or included in future projections. However, the SAPFO Technical Advisory Committee does monitor charter schools and their effect on student enrollment at both school districts. If a charter school does close and a spike is realized in school enrollment, the student projections will likely accelerate the need in future years, still within an appropriate time for CIP planning. Charter Schools are additionally monitored by the Department of Public Institution (DPI) which provides pupil information, based on data received from Charter Schools located in Orange County, to the County for funding purposes.

## **Orange County School District**

### **Elementary**

The previous year (2018-19) projections for November 2019 at this level were underestimated by 19 students. Actual membership increased by 27 students. Over the previous ten years, this level experienced positive growth before experiencing decreases in 2014-15, 2016-17, and 2017-18.

## *Section II*

Growth rates during this period have ranged from -5.07% to +2.30%. Capacity was decreased in 2017-18 due to changes in class size averages for kindergarten to third grade by the North Carolina State Legislature. The need for an additional Elementary School is not anticipated in the 10 year projection period. This is similar to last year's projections.

Although not included in SAPFO school capacity or membership numbers, Pre-K programs continue to impact operations at District elementary schools where Pre-K programs exist. Specific impacts of Pre-K programs at the elementary school level will continue to be reviewed and discussed in the coming year.

### **Middle**

The previous year (2018-19) projections for November 2019 for this level were overestimated by 27 students. The actual membership decreased by 16 students. Over the previous ten years, growth has varied widely with decreases in student membership in 2012-13, 2015-16, 2016-17, and this school year. Growth rates during this period have ranged from -1.31% to +4.00%. The need for an additional Middle School is not anticipated in the 10 year projection period. This is similar to last year's projections.

### **High School**

The previous year (2018-19) projections for November 2019 for this level were underestimated by 49 students. The actual membership increased by 48 students. This school level has experienced decreases in five out of the ten previous school years. Growth rates during this period ranged from -3.93% to 4.58%. In 2012-13 student membership increased by 32 while capacity decreased by 119 at Orange County High School as a result of a N.C. Department of Public Instruction (DPI) study. Similar to last year's projections, the need for additional capacity at Cedar Ridge High School is not anticipated in the 10 year projection period. However, to address public safety concerns with the current high school capacity exceeding the 100% threshold, Orange County Schools expanding Cedar Ridge High School from initial capacity of 1,000 students to 1,500 students for the 2021-22 school year.

### ***Additional Information for Orange County School District***

The City of Mebane lies partially within Orange County and students within the Orange County portion of Mebane attend Orange County Schools. However, the City of Mebane is not a party

*Section II*

to the SAPFO agreement and therefore does not require that CAPS (Certificate of Adequate Public Schools) be issued prior to development approvals. Following the economic downturn, there has been an increase in approved and undeveloped residential development in the City of Mebane and the Town of Hillsborough. Currently, there are over one thousand proposed single family and multifamily housing units approved, but undeveloped in the City of Mebane and the Town of Hillsborough. The residential growth that has occurred in the recent past within Mebane's and Hillsborough's jurisdiction has yet to be seen with OCS student membership numbers and fully realized into the historically based projection methods due to the recession, charter schools, and possibly new family dynamics effecting family size. Staff and the SAPFO Technical Advisory Committee will need to continue monitoring and evaluating the demand and growth of residential development in Mebane and Hillsborough as well as its effect on student membership rates.

Currently, there are two Charter Schools located in the Town of Hillsborough. Eno River Academy (K-12) serves 715 students and The Expedition School (K-8) serves 365 students. Both of these charter schools continue to have an effect on OCS membership numbers. Charter schools are not included as part of the SAPFO Annual Report and, as a result, their membership and capacity are not monitored or included in future projections. However, the SAPFO Technical Advisory Committee does monitor charter schools and their effect on student enrollment at both school districts. If a charter school were to close and a spike were to be realized in school enrollment, the student projections will likely accelerate the need for additional capacity in future years, still within an appropriate time for CIP planning. Charter Schools are also monitored by the Department of Public Institution (DPI), which provides pupil information, based on data received from Charter Schools located in Orange County, to the County for funding purposes.

**5. Recommendation:**

Use statistics as noted in 3 above

OCS Student Projections (1) (4)

Elementary

School Year	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Actual	3,165	3,211	3,285	3,348	3,403	3,433	3,250	3,318	3,293	3,183	3,205	3,217	3,229	3,241	3,254	3,266	3,278	3,290	3,302	3,314	3,327
Teacher (2)																					
OC Planning												3,215	3,236	3,259	3,283	3,308	3,334	3,360	3,385	3,407	3,426
10 Year Growth												3,217	3,293	3,314	3,379	3,448	3,482	3,517	3,552	3,588	3,624
5 Year Growth												3,197	3,257	3,285	3,317	3,378	3,412	3,448	3,480	3,515	3,550
3 Year Growth												3,217	3,294	3,311	3,371	3,437	3,471	3,506	3,541	3,577	3,612
Average												3,213	3,282	3,278	3,321	3,367	3,396	3,424	3,452	3,477	3,508
Annual Change - Increase (Decrease) in Actual & Projected Membership	7	46	74	63	55	30	(174)	59	(25)	(110)	22	8	49	16	43	47	28	28	29	28	27
Capacity - 100% Level of Service	3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361
Number of Students, Actual and Projected, Over (Under) 100% LOS	(529)	(483)	(409)	(346)	(291)	(261)	(436)	(376)	(401)	(178)	(156)	(148)	(99)	(83)	(40)	6	34	63	91	119	147
105% Level of Service	3,879	3,879	3,879	3,879	3,879	3,879	3,879	3,879	3,879	3,879	3,879	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529
Number of Students, Actual and Projected, Over (Under) 105% LOS	(714)	(668)	(594)	(531)	(476)	(445)	(620)	(561)	(586)	(346)	(324)	(317)	(257)	(251)	(208)	(162)	(134)	(105)	(77)	(49)	(21)
Actual - % Level of Service	85.7%	86.9%	88.9%	90.6%	92.1%	92.0%	88.2%	89.8%	89.1%	94.7%	95.4%	95.6%	97.0%	97.5%	98.5%	100.2%	101.0%	101.9%	102.7%	103.5%	104.3%
Average - % Level of Service																					
Annual Student Growth Rate (3)	0.22%	1.45%	2.30%	1.92%	1.64%	0.89%	-5.07%	-1.81%	-0.76%	-3.34%	0.69%	0.23%	1.53%	0.60%	1.81%	1.40%	0.83%	0.83%	0.83%	0.81%	0.79%

(1) It is important to note that this reflects the November 15, 2018 date of membership as outlined in by the Schools Adequate Public Facilities Ordinance.  
 (2) The Teacher Model provides for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHCCS.  
 (3) Annual growth rate calculated using actual membership for years 2008-10 through 2016-18 and average membership for years 2019-20 through 2028-29.  
 (4) Class size for grades K-3 = 1:23 for school years 2008 through 2009-08. In accordance with 2008 School Collaboration Work Group direction, effective the 2008-2009 school year with the opening of CHCCS Elementary #10, K-3 class sizes are 1:21 as directed by past State legislative action.

Important Note: Per 2008 recommendation of School Collaboration Work Group and approved by BOCC with approval of 2009-09 Membership & Capacity numbers and certification of 2009 GAFSPAC report of May 5, 2009, Grades K-3 class size reduced from 1:23 to 1:21 with opening of CHCCS Elementary #10-Morris Grove (to allow for prior legislative action re: reduced class size)  
 Capacity decrease due to change in class size ratios per House Bill 13 (K-3 average class size ratios are 1:20 as directed by State legislative action)

OCS Student Projections(1)

Middle

School Year	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Actual	1,601	1,665	1,693	1,704	1,684	1,747	1,762	1,733	1,724	1,730	1,770	1,786	1,793	1,799	1,806	1,813	1,820	1,826	1,833	1,840	1,847
Teacher (2)																					
OC Planning												1,773	1,775	1,779	1,782	1,786	1,791	1,795	1,822	1,841	1,861
10 Year Growth												1,808	1,726	1,715	1,678	1,706	1,710	1,760	1,815	1,833	1,851
5 Year Growth												1,794	1,700	1,679	1,634	1,680	1,725	1,742	1,759	1,759	1,759
3 Year Growth												1,788	1,693	1,684	1,652	1,663	1,684	1,729	1,779	1,797	1,815
Average												1,792	1,727	1,731	1,710	1,728	1,729	1,768	1,795	1,811	1,827
Annual Change - Increase (Decrease) in Actual & Projected Membership	(36)	64	33	6	(20)	63	15	(23)	(16)	6	49	11	(62)	(6)	(21)	18	1	29	37	16	16
Capacity - 100% Level of Service	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166
Number of Students, Actual and Projected, Over (Under) 100% LOS	(566)	(501)	(468)	(462)	(482)	(419)	(404)	(427)	(442)	(438)	(397)	(378)	(429)	(435)	(456)	(438)	(437)	(409)	(371)	(365)	(339)
107% Level of Service	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318
Number of Students, Actual and Projected, Over (Under) 107% LOS	(717)	(653)	(620)	(614)	(634)	(671)	(666)	(679)	(694)	(688)	(639)	(628)	(600)	(687)	(607)	(690)	(688)	(660)	(623)	(607)	(491)
Actual - % Level of Service	73.9%	76.9%	78.4%	78.7%	77.7%	80.7%	81.3%	80.3%	79.6%	79.9%	82.1%	82.6%	80.2%	79.9%	79.0%	79.8%	79.8%	81.2%	82.9%	83.6%	84.3%
Average - % Level of Service																					
Annual Student Growth Rate (3)	-2.20%	4.00%	1.98%	0.36%	-1.17%	3.74%	0.86%	-1.31%	-0.88%	0.36%	2.89%	0.60%	-2.93%	-0.36%	-1.19%	1.03%	0.08%	1.65%	2.09%	0.89%	0.89%

(1) It is important to note that this reflects the November 15, 2018 date of membership as outlined in by the Schools Adequate Public Facilities Ordinance.  
 (2) The Teacher Model provides for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHCCS.  
 (3) Annual growth rate calculated using actual membership for years 2008-10 through 2016-18 and average membership for years 2019-20 through 2028-29.

OCS Student Projections (1)

High

School Year	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Actual	2,242	2,217	2,222	2,283	2,315	2,421	2,502	2,460	2,446	2,445	2,349	2,358	2,387	2,376	2,385	2,394	2,402	2,411	2,420	2,429	2,438
Teacher (2)																					
OC Planning												2,325	2,402	2,420	2,438	2,459	2,479	2,499	2,496	2,504	2,516
10 Year Growth												2,339	2,382	2,419	2,493	2,443	2,482	2,378	2,351	2,420	2,439
5 Year Growth												2,339	2,377	2,399	2,455	2,390	2,361	2,397	2,257	2,305	2,309
3 Year Growth												2,318	2,329	2,327	2,360	2,295	2,276	2,229	2,206	2,270	2,284
Average												2,348	2,371	2,388	2,426	2,396	2,390	2,363	2,346	2,386	2,397
Annual Change - Increase (Decrease) in Actual & Projected Membership	41	(25)	5	61	32	106	81	(33)	(23)	(1)	(85)	(1)	23	17	38	(30)	(6)	(27)	(17)	40	12
Capacity - 100% Level of Service	2,558	2,558	2,558	2,558	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939
Number of Students, Actual and Projected, Over (Under) 100% LOS	(316)	(341)	(336)	(275)	(124)	(18)	63	30	7	6	(90)	(91)	(68)	(651)	(613)	(643)	(649)	(676)	(693)	(663)	(642)
110% Level of Service	2,814	2,814	2,814	2,814	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	3,233	3,233	3,233	3,233	3,233	3,233	3,233	3,233
Number of Students, Actual and Projected, Over (Under) 110% LOS	(672)	(697)	(692)	(631)	(368)	(262)	(181)	(214)	(237)	(238)	(334)	(335)	(312)	(845)	(807)	(837)	(843)	(870)	(887)	(847)	(836)
Actual - % Level of Service	87.6%	80.7%	86.9%	89.2%	94.9%	99.3%	102.6%	101.2%	100.3%	100.2%	96.3%	96.3%	97.2%	81.3%	82.6%	81.5%	81.3%	80.4%	79.8%	81.2%	81.6%
Average - % Level of Service																					
Annual Student Growth Rate (3)	1.86%	-1.12%	0.23%	2.75%	1.40%	4.59%	3.36%	-1.32%	-0.93%	-0.04%	-3.93%	-0.05%	1.00%	0.71%	1.59%	-1.24%	-0.26%	-1.14%	-0.72%	1.70%	0.46%

(1) It is important to note that this reflects the November 15, 2018 date of membership as outlined in by the Schools Adequate Public Facilities Ordinance.  
 (2) The Teacher Model provides for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHCCS.  
 (3) Annual growth rate calculated using actual membership for years 2008-10 through 2016-18 and average membership for years 2019-20 through 2028-29.

Partnership Academy Alternative School relocated - capacity added  
 Orange High capacity decreased, per DPI study  
 Cedar Ridge High School adding 500 seats

CHCCS Student Projections (1) (4)

School Year	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	
Actual	5,302	5,219	5,236	5,462	5,543	5,554	5,541	5,501	5,557	5,522	5,471	5,512	5,524	5,525	5,635	5,677	5,719	5,700	5,801	5,843	5,894	
Teacher (2)																						
OC Planning																						
10 Year Growth																						
5 Year Growth																						
3 Year Growth																						
Average																						
Annual Change - Increase (Decrease) in Actual & Projected Membership	125	(83)	77	168	79	11	(13)	(40)	66	(45)	(85)	(74)	(4)	30	24	59	49	47	47	45	42	
Capacity - 100% Level of Service (LOS)	5,244	5,244	5,244	5,244	5,244	5,829	5,829	5,829	5,864	5,864	5,864	5,864	5,864	5,864	5,864	5,864	5,864	5,864	5,864	5,864	5,864	5,864
Number of Students, Actual and Projected, Over (Under) 100% LOS	58	(25)	52	220	299	(275)	(298)	(229)	(262)	(142)	(133)	(215)	(220)	(190)	(195)	(107)	(68)	(11)	36	81	123	
Capacity - 105% Level of Service (LOS)	5,506	5,506	5,506	5,506	5,506	6,120	6,120	6,120	6,120	6,120	6,120	6,120	6,120	6,120	6,120	6,120	6,120	6,120	6,120	6,120	6,120	6,120
Number of Students, Actual and Projected, Over (Under) 105% LOS	(204)	(297)	(210)	(40)	37	(685)	(678)	(619)	(653)	(425)	(478)	(490)	(643)	(473)	(440)	(300)	(241)	(294)	(247)	(202)	(160)	
Actual - % Level of Service	101.1%	99.5%	101.0%	104.3%	105.7%	95.3%	95.1%	94.4%	95.5%	97.5%	97.9%	99.2%	99.1%	99.1%	99.1%	99.1%	99.0%	99.0%	99.9%	100.6%	101.4%	102.2%
Average - % Level of Service																						
Annual Student Growth Rate (3)	2.49%	-1.57%	1.48%	3.17%	1.49%	0.20%	-0.23%	-0.72%	1.20%	-0.91%	-0.92%	-0.41%	0.02%	0.55%	0.43%	0.97%	0.84%	0.89%	0.83%	0.78%	0.74%	

(1) It is important to note that the November 15, 2018 date of membership as outlined by the State Adequate Public Facility Ordinance. It does not include CHCCS students attending the hospital school.  
 (2) The Teacher Model provided for the "Linear Method" of projections for both CHCCS and CCE. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHCCS.  
 (3) Annual growth rate calculated using actual membership for years 2008-10 through 2016-18 and average membership for years 2019-20 through 2028-29.

On November 15, 2020 Certified Capacity Calculators, CHCCS projects Elementary #10 opening for school year 2020-21. In accordance with BOCC adopted School Construction Standards, elementary school capacity totals 600 students.  
**Important Note:** The 2005 agreement of School Collaboration Work Group, Grade K-3 class size reduced from 1:23 to 1:21 the year Elementary #10 opens (to allow for prior Legislative Action re-reduced class size)

Elementary School #11 opens with 305 seats

Capacity decrease due to change in class sizes per House Bill 13 (3-3 average class sizes are 1:20 as directed by State legislative action)

CHCCS Student Projections (1)

School Year	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Actual	2,697	2,708	2,722	2,753	2,795	2,999	2,961	2,844	2,829	2,833	2,833	2,955	2,977	2,999	3,022	3,044	3,066	3,088	3,110	3,132	3,154
Teacher (2)																					
OC Planning																					
10 Year Growth																					
5 Year Growth																					
3 Year Growth																					
Average																					
Annual Change - Increase (Decrease) in Actual & Projected Membership	75	11	14	31	52	73	75	(17)	(15)	4	100	2,950	2,961	2,961	2,943	2,988	2,905	2,904	2,904	2,902	2,902
Capacity - 100% Level of Service	2,840	2,840	2,840	2,840	2,840	2,840	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844	2,844
Number of Students, Actual and Projected, Over (Under) 100% LOS	(143)	(132)	(119)	(87)	(65)	18	(83)	(100)	(115)	(111)	(11)	18	37	17	(1)	(49)	(39)	(40)	(5)	18	44
105% Level of Service	3,039	3,039	3,039	3,039	3,039	3,039	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150
Number of Students, Actual and Projected, Over (Under) 105% LOS	(340)	(331)	(317)	(298)	(254)	(191)	(299)	(300)	(321)	(317)	(217)	(189)	(189)	(207)	(252)	(245)	(140)	(211)	(188)	(182)	
Actual - % Level of Service	95.0%	95.4%	95.8%	96.9%	98.1%	100.0%	97.2%	96.6%	96.1%	96.2%	99.6%	100.6%	101.3%	100.6%	100.0%	98.5%	98.7%	98.6%	99.5%	100.6%	101.5%
Average - % Level of Service																					
Annual Student Growth Rate (3)	2.88%	0.41%	0.52%	1.14%	1.18%	2.67%	0.10%	-0.59%	-0.53%	0.14%	3.57%	0.97%	0.67%	-0.69%	-0.60%	-1.50%	0.21%	-0.40%	1.24%	0.78%	0.86%

(1) It is important to note that the November 15, 2018 date of membership as outlined by the State Adequate Public Facility Ordinance. It does not include CHCCS students attending the hospital school.  
 (2) The Teacher Model provided for the "Linear Method" of projections for both CHCCS and CCE. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHCCS.  
 (3) Annual growth rate calculated using actual membership for years 2008-10 through 2016-18 and average membership for years 2019-20 through 2028-29.

Additional 104 new seats at Culler Middle School

CHCCS Student Projections (1)

School Year	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Actual	3,630	3,600	3,640	3,714	3,790	3,764	3,730	3,701	3,702	3,627	3,632	3,907	3,931	4,071	4,051	4,080	4,110	4,140	4,169	4,199	4,229
Teacher (2)																					
OC Planning																					
10 Year Growth																					
5 Year Growth																					
3 Year Growth																					
Average																					
Annual Change - Increase (Decrease) in Actual & Projected Membership	(9)	(24)	34	74	82	(32)	(85)	(29)	61	165	5	16	24	9	56	49	(18)	(10)	(82)	(23)	12
Capacity - 100% Level of Service	3,835	3,835	3,835	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875
Number of Students, Actual and Projected, Over (Under) 100% LOS	(205)	(239)	(235)	(161)	(79)	(111)	(149)	(174)	(113)	52	67	73	81	1	67	106	88	78	27	3	15
110% Level of Service	4,219	4,219	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263
Number of Students, Actual and Projected, Over (Under) 110% LOS	(589)	(613)	(623)	(549)	(487)	(499)	(533)	(550)	(501)	(338)	(331)	(315)	(406)	(387)	(341)	(292)	(310)	(320)	(371)	(395)	(383)
Actual - % Level of Service	94.7%	94.0%	95.0%	95.8%	98.0%	97.1%	96.3%	95.6%	97.1%	101.3%	101.6%	101.0%	99.2%	100.0%	101.4%	102.7%	102.2%	102.0%	100.7%	100.1%	100.4%
Average - % Level of Service																					
Annual Student Growth Rate (3)	-0.14%	-0.69%	0.94%	2.03%	2.21%	-0.64%	-0.90%	-0.78%	1.69%	4.39%	0.13%	0.40%	0.62%	0.23%	1.40%	1.21%	-0.44%	-0.24%	-1.27%	-0.98%	0.30%

(1) It is important to note that the November 15, 2018 date of membership as outlined by the State Adequate Public Facility Ordinance. It does not include CHCCS students attending the hospital school.  
 (2) The Teacher Model provided for the "Linear Method" of projections for both CHCCS and CCE. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHCCS.  
 (3) Annual growth rate calculated using actual membership for years 2008-10 through 2016-18 and average membership for years 2019-20 through 2028-29.

Phoenix Academy High School becomes official high school during 2020-21 school year with 40 student capacity

Chapel Hill High School adding 305 seats

OCS Student Projections (1) (4)

Elementary

School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	
Actual	3,211	3,285	3,348	3,403	3,433	3,259	3,318	3,293	3,183	3,205	3,232											
Trischler (2)												3,241	3,251	3,260	3,270	3,279	3,289	3,298	3,308	3,317	3,327	
OC Planning												3,248	3,271	3,295	3,320	3,348	3,372	3,394	3,412	3,430	3,448	
10 Year Growth												3,275	3,283	3,334	3,374	3,409	3,443	3,478	3,512	3,548	3,585	
5 Year Growth												3,295	3,299	3,354	3,395	3,429	3,464	3,498	3,533	3,568	3,604	
3 Year Growth												3,299	3,300	3,357	3,397	3,436	3,469	3,495	3,520	3,545	3,571	
Average												3,267	3,281	3,320	3,351	3,378	3,406	3,433	3,459	3,486	3,513	
Annual Change - Increase (Decrease) in Actual & Projected Membership	46	74	63	55	30	(174)	59	(25)	(110)	22	27	36	14	39	31	26	28	27	26	27	27	
Capacity - 100% Level of Service	3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	
Number of Students, Actual and Projected, Over (Under) 100% LOS	(483)	(409)	(346)	(291)	(261)	(435)	(376)	(401)	(178)	(166)	(129)	(94)	(80)	(41)	(10)	17	45	72	98	126	152	
105% Level of Service	3,879	3,879	3,879	3,879	3,879	3,879	3,879	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529	
Number of Students, Actual and Projected, Over (Under) 105% LOS	(668)	(594)	(531)	(476)	(446)	(620)	(561)	(586)	(348)	(324)	(297)	(262)	(248)	(209)	(178)	(161)	(123)	(96)	(70)	(43)	(16)	
Actual - % Level of Service	86.9%	88.9%	90.8%	92.1%	92.9%	88.2%	89.6%	89.1%	94.7%	95.4%	96.2%											
Average - % Level of Service												97.2%	97.6%	98.8%	99.7%	100.5%	101.3%	102.1%	102.9%	103.7%	104.5%	
Annual Student Growth Rate (3)	1.45%	2.30%	1.92%	1.64%	0.88%	-6.07%	1.81%	-0.75%	-3.34%	0.69%	0.84%	1.08%	0.42%	1.19%	0.96%	0.79%	0.82%	0.79%	0.77%	0.77%	0.77%	

Capacity decrease due to change in class size ratios per House Bill 13 (K-3 average class size ratios are 1:20 as directed by State legislative action)

(1) It is important to note that this reflects the November 15, 2019 date of membership as outlined in by the Schools Adequate Public Facilities Ordinance  
 (2) The Trischler Model provides for the "Linear Method" of projections for both CHCS and OCS. Original projections used in prior years projection models included the "Linear Exponential Method" for CH  
 (3) Annual growth rate calculated using actual membership for years 2009-10 through 2019-20 and average membership for years 2020-21 through 2029  
 (4) Class sizes for grades K-3 = 1:21 for school years 2009 through 2007-08. In accordance with 2005 School Collaboration Work Group direction, effective the 2006-2009 school year with the opening of CHCS Elementary #15, K-3 class sizes are 1:21 as directed by past State legislative.

OCS Student Projections(1)

Middle

School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	
Actual	1,665	1,698	1,704	1,684	1,747	1,762	1,739	1,724	1,730	1,770	1,783											
Trischler (2)												1,768	1,773	1,779	1,784	1,789	1,794	1,799	1,804	1,810	1,815	
OC Planning												1,773	1,776	1,779	1,783	1,787	1,814	1,834	1,854	1,873	1,893	
10 Year Growth												1,709	1,694	1,679	1,701	1,691	1,727	1,751	1,770	1,787	1,805	
5 Year Growth												1,702	1,690	1,691	1,712	1,710	1,750	1,775	1,793	1,811	1,829	
3 Year Growth												1,695	1,694	1,699	1,692	1,694	1,725	1,748	1,761	1,779	1,797	
Average												1,728	1,719	1,713	1,732	1,732	1,762	1,781	1,796	1,812	1,828	
Annual Change - Increase (Decrease) in Actual & Projected Membership	64	33	6	(20)	63	16	(23)	(15)	6	49	(16)	(35)	(8)	(10)	19	15	19	15	16	16	16	
Capacity - 100% Level of Service	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	
Number of Students, Actual and Projected, Over (Under) 100% LOS	(501)	(468)	(462)	(482)	(419)	(404)	(427)	(442)	(436)	(387)	(403)	(438)	(447)	(453)	(434)	(434)	(404)	(395)	(370)	(354)	(338)	
107% Level of Service	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	
Number of Students, Actual and Projected, Over (Under) 107% LOS	(653)	(620)	(614)	(634)	(571)	(555)	(579)	(594)	(588)	(539)	(555)	(590)	(598)	(604)	(585)	(566)	(556)	(536)	(521)	(506)	(490)	
Actual - % Level of Service	76.9%	78.4%	78.7%	77.7%	80.7%	81.3%	80.3%	79.6%	79.9%	82.1%	81.4%											
Average - % Level of Service												79.9%	79.4%	79.1%	80.0%	80.0%	81.3%	82.2%	82.9%	83.7%	84.4%	
Annual Student Growth Rate (3)	4.00%	1.96%	0.36%	-1.17%	3.74%	0.86%	-1.31%	-0.86%	0.36%	2.83%	-0.90%	-2.01%	-0.47%	-0.35%	1.11%	-0.01%	1.72%	1.10%	0.84%	0.87%	0.87%	

(1) It is important to note that this reflects the November 15, 2019 date of membership as outlined in by the Schools Adequate Public Facilities Ordinance  
 (2) The Trischler Model provides for the "Linear Method" of projections for both CHCS and OCS. Original projections used in prior years projection models included the "Linear Exponential Method" for CH  
 (3) Annual growth rate calculated using actual membership for years 2009-10 through 2019-20 and average membership for years 2020-21 through 2029

OCS Student Projections (1)

High

School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	
Actual	2,217	2,222	2,283	2,315	2,421	2,502	2,469	2,446	2,445	2,349	2,327											
Trischler (2)												2,404	2,411	2,418	2,425	2,432	2,439	2,446	2,453	2,460	2,467	
OC Planning												2,412	2,430	2,448	2,468	2,489	2,486	2,494	2,506	2,519	2,531	
10 Year Growth												2,398	2,425	2,460	2,417	2,409	2,355	2,362	2,392	2,395	2,438	
5 Year Growth												2,389	2,400	2,410	2,361	2,352	2,304	2,320	2,362	2,371	2,417	
3 Year Growth												2,401	2,407	2,421	2,350	2,325	2,368	2,390	2,377	2,339	2,381	
Average												2,401	2,415	2,433	2,404	2,401	2,370	2,380	2,408	2,416	2,447	
Annual Change - Increase (Decrease) in Actual & Projected Membership	(25)	5	61	32	106	81	(33)	(23)	(1)	(96)	48	4	14	19	(29)	(3)	(31)	10	28	8	31	
Capacity - 100% Level of Service	2,558	2,558	2,558	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	
Number of Students, Actual and Projected, Over (Under) 100% LOS	(341)	(336)	(275)	(124)	(18)	63	30	7	6	(90)	(42)	(38)	(624)	(606)	(535)	(538)	(569)	(559)	(531)	(523)	(492)	
110% Level of Service	2,814	2,814	2,814	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	
Number of Students, Actual and Projected, Over (Under) 110% LOS	(597)	(592)	(531)	(388)	(262)	(181)	(214)	(237)	(238)	(334)	(265)	(282)	(818)	(800)	(629)	(632)	(663)	(653)	(625)	(617)	(586)	
Actual - % Level of Service	86.7%	86.9%	89.2%	94.9%	99.3%	103.6%	101.7%	100.3%	100.2%	96.3%	98.3%											
Average - % Level of Service												98.4%	82.2%	82.8%	81.8%	81.7%	80.6%	81.0%	81.9%	82.2%	83.3%	
Annual Student Growth Rate (3)	-1.12%	0.23%	2.78%	1.40%	4.68%	3.36%	-1.32%	-0.93%	-0.04%	-3.93%	2.04%	0.16%	0.67%	0.76%	-1.16%	-0.12%	-1.31%	0.44%	1.16%	0.34%	1.27%	

Orange High capacity decreased, per DPI study

Cedar Ridge High School adding 500 seats.

(1) It is important to note that this reflects the November 15, 2019 date of membership as outlined in by the Schools Adequate Public Facilities Ordinance  
 (2) The Trischler Model provides for the "Linear Method" of projections for both CHCS and OCS. Original projections used in prior years projection models included the "Linear Exponential Method" for CH  
 (3) Annual growth rate calculated using actual membership for years 2009-10 through 2019-20 and average membership for years 2020-21 through 2029

**CHCCS Student Projections (1) (4)**

School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	
<b>Elementary</b>																						
School Year																						
Actual	5,219	5,238	5,469	5,543	5,554	5,541	5,501	5,497	5,522	5,471	5,363	5,398	5,432	5,467	5,502	5,537	5,571	5,606	5,641	5,676	5,710	
Teacher (2)												5,378	5,371	5,413	5,453	5,493	5,532	5,570	5,606	5,643	5,684	
OC Planning												5,349	5,349	5,350	5,464	5,528	5,583	5,639	5,696	5,753	5,810	
10 Year Growth												5,331	5,328	5,321	5,421	5,473	5,528	5,583	5,639	5,696	5,752	
5 Year Growth												5,322	5,305	5,283	5,370	5,415	5,469	5,523	5,579	5,634	5,691	
3 Year Growth												5,356	5,367	5,387	5,442	5,489	5,537	5,584	5,632	5,680	5,723	
<b>Average</b>																						
Annual Change - Increase (Decrease) in Actual & Projected Membership	(83)	77	168	79	11	(13)	(40)	66	(45)	(61)	(108)	(7)	1	10	75	47	47	48	48	48	43	
Capacity - 100% Level of Service (LOS)	5,244	5,244	5,244	5,244	5,829	5,829	5,829	5,829	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664
Number of Students, Actual and Projected, Over (Under) 100% LOS	(25)	52	220	299	(7)	(276)	(328)	(262)	(142)	(193)	(301)	(308)	(307)	(297)	(222)	(175)	(127)	(80)	(30)	16	69	
Capacity - 105% Level of Service (LOS)	5,606	5,606	5,606	5,606	6,120	6,120	6,120	6,120	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947
Number of Students, Actual and Projected, Over (Under) 105% LOS	(297)	(210)	(42)	37	(666)	(679)	(619)	(563)	(428)	(476)	(584)	(592)	(590)	(590)	(505)	(468)	(411)	(363)	(316)	(267)	(224)	
Actual - % Level of Service	99.5%	101.0%	104.2%	105.7%	95.3%	95.1%	94.4%	95.6%	97.5%	96.9%	94.7%	94.6%	94.6%	94.8%	96.1%	96.9%	97.8%	98.6%	99.4%	100.3%	101.0%	
Average - % Level of Service																						
Annual Student Growth Rate (3)	-1.57%	1.48%	3.17%	1.45%	0.20%	-0.23%	-0.72%	1.20%	-0.61%	-0.92%	-1.97%	0.14%	0.03%	0.18%	1.40%	0.87%	0.86%	0.86%	0.86%	0.85%	0.78%	

Elementary School #11 opens with 500 seats  
Capacity decrease due to change in class size ratios per House Bill 13 0-3 average class size ratios are 1:20 as directed by State legislative action

(1) It is important to note that this reflects the November 15, 2018 date of membership as outlined by the Schools Adequate Public Access Ordinance. It does not include CHCCS students attending the Hooper school.  
(2) The Teacher Model provides for the "Linear Method" of projections for both CHCCS and CCS. Original projections used in prior years projection models included the "Linear Exponential Method" for CHCCS.  
(3) Annual growth rate calculated using actual membership for years 2010-11 through 2019-20 and average membership for years 2020-21 through 2029-30.  
(4) Class sizes for grades K-3 = 23 for school years 2009 through 2020-21. In accordance with 2005 School Collaboration Work Group decision, effective in the 2009-2010 school year with the opening of CHCCS Elementary #16, K-3 class sizes are 1:21 as directed by past State legislative action.

**CHCCS Student Projections (1)**

School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	
<b>Middle</b>																						
School Year																						
Actual	2,708	2,722	2,753	2,785	2,858	2,891	2,844	2,829	2,833	2,933	3,044	3,064	3,083	3,103	3,123	3,143	3,162	3,182	3,202	3,221	3,241	
Teacher (2)												3,055	3,052	3,049	3,045	3,041	3,036	3,031	3,049	3,068	3,087	
OC Planning												3,031	2,978	2,935	2,834	2,799	2,772	2,862	2,900	2,929	2,958	
10 Year Growth												3,033	2,987	2,914	2,809	2,782	2,782	2,822	2,848	2,877	2,905	
5 Year Growth												3,042	2,998	2,901	2,856	2,821	2,771	2,835	2,853	2,882	2,910	
3 Year Growth												3,046	3,016	2,992	2,933	2,917	2,897	2,946	2,970	2,995	3,020	
<b>Average</b>																						
Annual Change - Increase (Decrease) in Actual & Projected Membership	11	14	31	32	73	76	(17)	(15)	4	100	111	1	(29)	(23)	(69)	(16)	(29)	48	24	25	25	
Capacity - 100% Level of Service	2,840	2,840	2,840	2,840	2,840	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944
Number of Students, Actual and Projected, Over (Under) 100% LOS	(132)	(118)	(67)	(55)	19	(53)	(100)	(115)	(111)	(11)	100	101	101	72	48	(11)	(27)	(47)	2	24	51	78
107% Level of Service	3,039	3,039	3,039	3,039	3,039	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150
Number of Students, Actual and Projected, Over (Under) 107% LOS	(331)	(317)	(298)	(264)	(191)	(299)	(395)	(321)	(317)	(217)	(166)	(158)	(134)	(166)	(217)	(233)	(263)	(204)	(180)	(166)	(130)	
Actual - % Level of Service	95.4%	95.6%	95.8%	98.1%	100.6%	97.2%	96.6%	96.1%	96.2%	99.0%	103.4%	103.4%	102.4%	101.6%	99.6%	99.1%	98.4%	100.1%	100.9%	101.7%	102.0%	
Average - % Level of Service																						
Annual Student Growth Rate (3)	0.41%	0.52%	1.14%	1.16%	2.62%	0.10%	-0.59%	-0.53%	0.14%	3.53%	3.78%	0.03%	-0.87%	-0.77%	-1.87%	-0.65%	-0.69%	1.89%	0.81%	0.84%	0.83%	

Additional 204 new seats at Cuthbert Middle School

(1) It is important to note that this reflects the November 15, 2018 date of membership as outlined by the Schools Adequate Public Access Ordinance. It does not include CHCCS students attending the Hooper school.  
(2) The Teacher Model provides for the "Linear Method" of projections for both CHCCS and CCS. Original projections used in prior years projection models included the "Linear Exponential Method" for CHCCS.  
(3) Annual growth rate calculated using actual membership for years 2010-11 through 2019-20 and average membership for years 2020-21 through 2029-30.

**CHCCS Student Projections (1)**

School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	
<b>High</b>																						
School Year																						
Actual	3,606	3,640	3,714	3,739	3,764	3,730	3,701	3,762	3,927	3,933	3,940	3,956	3,991	4,017	4,042	4,068	4,093	4,119	4,144	4,170	4,195	
Teacher (2)												3,959	4,009	4,010	4,009	4,007	4,004	4,001	3,971	3,941	3,936	
OC Planning												3,961	4,008	4,094	4,143	4,119	4,075	3,919	3,878	3,868	3,859	
10 Year Growth												3,966	4,033	4,129	4,182	4,142	4,091	3,930	3,882	3,866	3,847	
5 Year Growth												4,022	4,062	4,174	4,242	4,218	4,189	4,038	3,984	3,952	3,914	
3 Year Growth												3,985	4,021	4,085	4,123	4,111	4,090	4,001	3,972	3,959	3,960	
<b>Average</b>																						
Annual Change - Increase (Decrease) in Actual & Projected Membership	(24)	34	74	62	(32)	(60)	(29)	61	185	5	9	45	35	54	39	(13)	(21)	(89)	(93)	(12)	(8)	
Capacity - 100% Level of Service	3,835	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,876	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980
Number of Students, Actual and Projected, Over (Under) 100% LOS	(229)	(236)	(161)	(79)	(111)	(145)	(174)	(113)	62	67	65	5	41	106	143	131	110	21	(0)	(21)	(30)	
110% Level of Service	4,219	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	
Number of Students, Actual and Projected, Over (Under) 110% LOS	(613)	(623)	(649)	(467)	(499)	(633)	(662)	(501)	(336)	(331)	(323)	(393)	(387)	(283)	(265)	(287)	(288)	(377)	(406)	(419)	(428)	
Actual - % Level of Service	94.0%	93.9%	95.8%	98.0%	97.1%	96.3%	95.6%	97.1%	101.3%	101.6%	101.7%	100.1%	101.0%	102.6%	103.6%	103.3%	102.8%	100.5%	99.6%	99.5%	99.3%	
Average - % Level of Service																						
Annual Student Growth Rate (3)	-0.66%	0.94%	2.03%	2.21%	-0.64%	-0.90%	-0.78%	1.65%	4.39%	0.13%	0.20%	1.15%	0.89%	1.60%	0.94%	-0.31%	-0.60%	-2.17%	-0.74%	-0.31%	-0.23%	

Promis Academy High School becomes official high school starting 2020-21 school year with 40 student capacity

Chapel Hill High School adding 105 seats.

(1) It is important to note that this reflects the November 15, 2018 date of membership as outlined by the Schools Adequate Public Access Ordinance. It does not include CHCCS students attending the Hooper school.  
(2) The Teacher Model provides for the "Linear Method" of projections for both CHCCS and CCS. Original projections used in prior years projection models included the "Linear Exponential Method" for CHCCS.  
(3) Annual growth rate calculated using actual membership for years 2010-11 through 2019-20 and average membership for years 2020-21 through 2029-30.

### D. Student Membership Growth Rate

1. **Responsible Entity for Suggesting Change** – The updating of this section will be conducted by the Planning Directors, School Representatives, and Technical Advisory Committee (SAPFOTAC) each year and referred to the BOCC for annual report certification. Projections will be distributed to SAPFO partners for review and comments to the BOCC prior to certification.
2. **Definition** – The annual percentage growth rate calculated from the projections resulting from the average of the five models represented by 10-year numerical membership projections by school level for each school district. This does not represent the year-by- year growth rate that may be positive or negative, but rather the average of the annual anticipated growth rates over the next 10 years.

**3. Standard for:**

**Chapel Hill/Carrboro School District**

See Attachment II.D.2

**4. Analysis of Existing Conditions:**

**Chapel Hill/Carrboro School District**

The membership figures and percentage growth on the attachments show continued growth at each school level within the system. Projected Average Annual Growth Rate over next ten years:

School Level	Year Projection Made				
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
<b>Elementary</b>	0.92%	0.91%	0.36%	0.56%	0.65%
<b>Middle</b>	0.82%	0.95%	0.21%	0.19%	-0.07%
<b>High</b>	0.93%	0.72%	0%	0.16%	0.03%

**5. Recommendation:**

**Chapel Hill/Carrboro School District**

Use statistics as noted.

**Standard for:**

**Orange County School District**

See Attachment II.D.2

**Analysis of Existing Conditions:**

**Orange County School District**

The membership figures and percentage growth on the attachments show continued growth at each school level within the system. Projected Average Annual Growth Rate over next ten years:

School Level	Year Projection Made				
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
<b>Elementary</b>	0.80%	0.51%	0.58%	0.91%	0.84%
<b>Middle</b>	0.67%	0.36%	0.13%	0.28%	0.37%
<b>High</b>	0.56%	0.22%	-0.10%	0.21%	0.21%

**Recommendation:**

**Orange County School District**

Use statistics as noted.

2018-2019

## Orange County Student Projections

## Elementary

School Year	2018-2019 (actual)	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Membership	3,205	3,213	3,262	3,278	3,321	3,367	3,395	3,424	3,452	3,480	3,508
Average % Increase		0.23%	1.53%	0.50%	1.31%	1.40%	0.83%	0.83%	0.83%	0.81%	0.79%

## Middle

School Year	2018-2019 (actual)	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Membership	1,779	1,790	1,737	1,731	1,710	1,728	1,729	1,758	1,795	1,811	1,827
Average % Increase		0.60%	-2.93%	-0.36%	-1.19%	1.03%	0.08%	1.65%	2.09%	0.89%	0.89%

## High School

School Year	2018-2019 (actual)	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Membership	2,349	2,348	2,371	2,388	2,426	2,396	2,390	2,363	2,346	2,386	2,397
Average % Increase		-0.05%	1.00%	0.71%	1.59%	-1.24%	-0.26%	-1.14%	-0.72%	1.70%	0.48%

## Chapel Hill/Carrboro Student Projections

## Elementary

School Year	2018-2019 (actual)	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Membership	5,471	5,448	5,444	5,474	5,498	5,557	5,606	5,653	5,700	5,745	5,787
Average % Increase		-0.41%	-0.08%	0.55%	0.43%	1.07%	0.89%	0.84%	0.83%	0.78%	0.74%

## Middle

School Year	2018-2019 (actual)	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Membership	2,933	2,962	2,981	2,961	2,943	2,898	2,905	2,904	2,939	2,962	2,988
Average % Increase		0.97%	0.65%	-0.68%	-0.60%	-1.52%	0.21%	-0.04%	1.24%	0.78%	0.86%

## High School

School Year	2018-2019 (actual)	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Membership	3,932	3,948	3,972	3,981	4,037	4,086	4,068	4,058	4,007	3,983	3,995
Average % Increase		0.40%	0.62%	0.23%	1.40%	1.21%	-0.44%	-0.24%	-1.27%	-0.58%	0.30%

Attachment II.D.1 – Orange County and Chapel Hill/Carrboro Student Growth Rates  
(Chart dates from 2019-2029 based on 11/15/18 membership numbers) (2018-19)

2019-2020

**Orange County Student Projections**

**Elementary**

School Year	2019-2020 (actual)	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Membership	3,232	3,267	3,281	3,320	3,351	3,378	3,406	3,433	3,459	3,486	3,513
Average % Increase		1.08%	0.42%	1.19%	0.95%	0.79%	0.82%	0.79%	0.77%	0.77%	0.77%

**Middle**

School Year	2019-2020 (actual)	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Membership	1,763	1,728	1,719	1,713	1,732	1,732	1,762	1,781	1,796	1,812	1,828
Average % Increase		-2.01%	-0.47%	-0.35%	1.11%	-0.01%	1.72%	1.10%	0.84%	0.87%	0.87%

**High School**

School Year	2019-2020 (actual)	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Membership	2,397	2,401	2,415	2,433	2,404	2,401	2,370	2,380	2,408	2,416	2,447
Average % Increase		0.16%	0.57%	0.76%	-1.18%	-0.12%	-1.31%	0.44%	1.16%	0.34%	1.27%

**Chapel Hill/Carrboro Student Projections**

**Elementary**

School Year	2019-2020 (actual)	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Membership	5,363	5,356	5,357	5,367	5,442	5,489	5,537	5,584	5,632	5,680	5,723
Average % Increase		-0.14%	0.03%	0.18%	1.40%	0.87%	0.86%	0.86%	0.86%	0.85%	0.76%

**Middle**

School Year	2019-2020 (actual)	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Membership	3,044	3,045	3,016	2,992	2,933	2,917	2,897	2,946	2,970	2,995	3,020
Average % Increase		0.03%	-0.97%	-0.77%	-1.97%	-0.55%	-0.68%	1.69%	0.81%	0.84%	0.83%

**High School**

School Year	2019-2020 (actual)	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Membership	3,940	3,985	4,021	4,085	4,123	4,111	4,090	4,001	3,972	3,959	3,950
Average % Increase		1.15%	0.89%	1.60%	0.94%	-0.31%	-0.50%	-2.17%	-0.74%	-0.31%	-0.23%

Attachment II.D.2 – Orange County and Chapel Hill/Carrboro Student Growth Rates  
(Chart dates from 2020-2030 based on 11/15/19 membership numbers) (2019-20)

## E. Student / Housing Generation Rate

1. ***Responsible Entity for Suggesting Change*** – The updating of this section will be conducted by Planning Directors, School Representatives, and Technical Advisory Committee (SAPFOTAC) and referred to the BOCC for certification.  
Projections will be distributed to SAPFO partners for review and comments to the BOCC prior to certification.
2. ***Definition*** – Student generation rate refers to the number of public school students per housing unit constructed in each school district, as defined in the Student Generation Rate Study completed by TisherBise on October 28, 2014. Housing units include single family detached, single family attached/duplex, multifamily, and manufactured homes.
3. ***Standard for:***

<b>Chapel Hill/Carrboro School District</b>	<b>Orange County School District</b>
See Attachment II.E.1	See Attachment II.E.1

4. ***Analysis of Existing Conditions:***

At the January 2014 SAPFOTAC meeting, members discussed the increased number of students generated in both school districts from new development, particularly multifamily housing. The SAPFOTAC recommended further evaluation of the adopted Student Generation Rates and the impacts the number of bedrooms a particular housing type may have on student generation rates. As a result, Orange County entered into a contract with TischlerBise to update the student generation rate analysis. The new student generation rates were approved on May 19, 2015 and are shown in Attachment II.E.1. New rates from the 2014 Student Generation Rates for Orange County Schools and Chapel Hill-Carrboro School District Report are based on an inventory of recently built units from January 1, 2004 to December 31, 2013.

It should be noted that students are generated from new housing as well as from existing housing where new families have moved in. The CAPS system estimates new development impacts and associated student generation, but it is important to understand that student increases are a composite of both of these factors. This effect can be dramatic and can vary greatly between areas and districts where either new

*Section II*

housing is dominant or new families move into a large inventory of existing housing stock.

**5. *Recommendation:***

No change at this time.

## TischlerBise Student Generation Rates – 2014

Chapel Hill/Carrboro Schools				
	0-3 Bedrooms	4 Bedrooms	5+ Bedrooms	Weighted Average
Single-Family Detached	0.61	0.84	1.13	0.84
	0-2 Bedrooms	3+ Bedrooms		Weighted Average
Single-Family Attached	0.27	0.42		0.38
Multifamily/Other	0.11	0.47		0.18
Manufactured Home	0.268	0.86		0.78
<b>Weight Average for Chapel Hill/Carrboro School District</b>				<b>0.49</b>

Orange County Schools				
	0-3 Bedrooms	4 Bedrooms	5+ Bedrooms	Weighted Average
Single-Family Detached	0.35	0.57	0.57	0.44
	0-2 Bedrooms	3+ Bedrooms		Weighted Average
Single-Family Attached	0.07	0.17		0.15
Multifamily/Other	0.08	0.67		0.17
Manufactured Home	0.67	0.47		0.52
<b>Weight Average for Orange County School District</b>				<b>0.37</b>

Source: Student Generation Rates for Orange County School District and Chapel Hill-Carrboro School District, TischlerBise, October 28, 2014  
Revised May 7, 2015

### **III. Flowchart of Schools Adequate Public Facilities Ordinance Process**

Abstract: The Schools Adequate Public Facilities Ordinance process has two distinct components:

#### **A. Capital Investment Plan (CIP) (Process 1)**

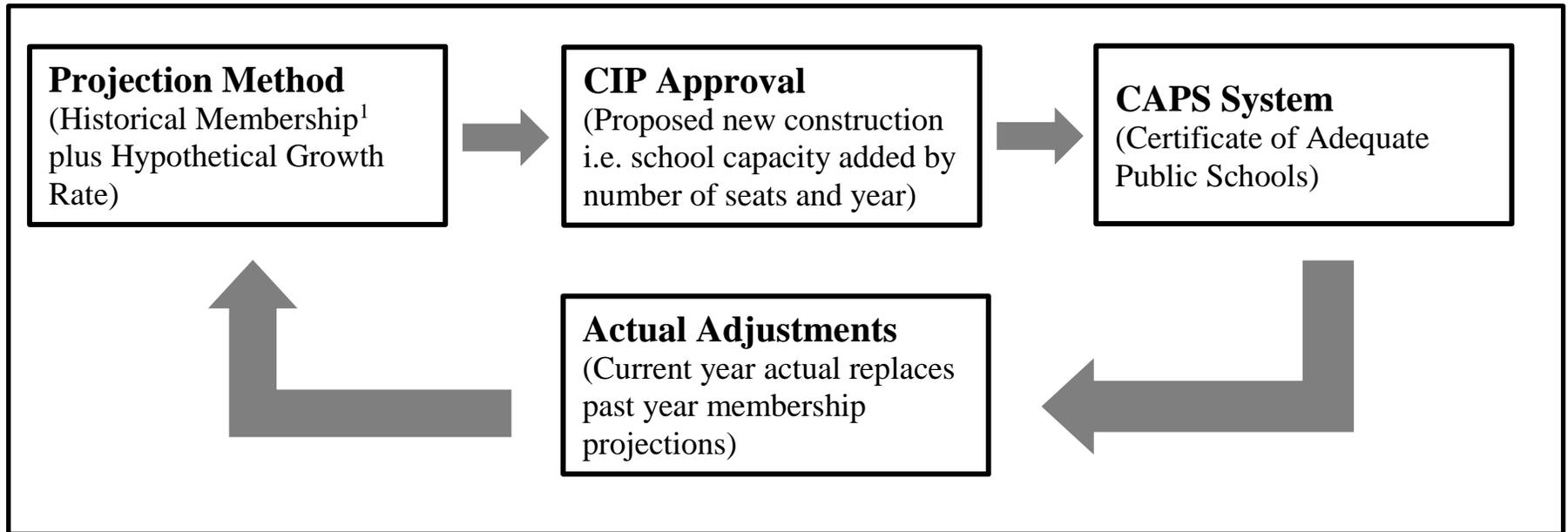
Timeframe: In November of each year, Student Membership and Building Capacity is transmitted from the school districts to the Orange County Board of Commissioners for consideration and approval and used in the following years CIP (e.g. November 15, 2019 membership numbers used to develop a CIP to be considered for adoption in June 2020).

##### **Process Framework**

1. SAPFOTAC projects future student membership from historical data, current membership and hypothetical growth rates from established methodologies.
2. School Districts and BOCC compare projections to existing capacity and proposed Capital Investment Plan.
3. SAPFOTAC forwards data and projections to all SAPFO partners.
4. School Districts develop Capital Investment Plan Needs Assessment during this process
5. The Capital Investment Plan work sessions and Public Hearings are conducted by the BOCC in the spring of each year.
6. The adoption of CIP that sets forth monies and timeframe for school construction (future capacity) by BOCC.

# School Adequate Public Facilities Ordinance

## Process 1 - Capital Investment Planning (CIP)



<sup>1</sup>Historical Membership is a product of students generated from: (1) pre-existing/approved undeveloped lots where new housing is built, (2) existing housing stock with new families/children, and (3) newly approved housing development (in the future this component will be known as CAPS approved development).

<sup>2</sup>The only part of the CAPS System (i.e., computer spreadsheet subdivision tracking) that receives data from the Process 1 CIP includes the actual membership (November 15 of preceding CIP year) and new school capacity amount (seats) in a specific year pursuant to the CIP.

## **B. Schools Adequate Public Facilities Ordinance Certificate of Adequate Public Schools (CAPS) Update (Process 2)**

Timeframe: The CAPS system is updated approximately November 15 of each year when the school districts report actual membership and ‘pre-certified’ capacity, whether it is CIP associated or prior ‘joint action’ agreement. ‘Joint action’ determinations of changes in capacity due to State rules or other non-construction related items are anticipated to be done prior to the November 15 capacity and membership reporting date. This update may reflect the Board of County Commissioners action on the earlier year Capital Investment Plan (CIP) as it affects capacity and addition of new actual fall membership. The Schools Adequate Public Facilities Ordinance Certificate of Adequate Public Schools (CAPS) stays in effect until the following year – (e.g.: November 15, 2005 to November 14, 2006).

New development is originally logged for a certain year. As the CAPS system is updated, each CAPS projection year is ‘absorbed’ by the actual estimate of a given year. Later year CAPS projections of the same development remain in the future year CAPS system accordingly. For example, if a 50-lot subdivision is issued a CAPS, 15 lots may be assigned to “Year 1,” 10 lots to “Year 2,” 10 lots to “Year 3,” 10 lots to “Year 4,” and 5 lots to “Year 5.” When “Year 1” is updated, the students generated from the 15 lots are absorbed by the actual estimate. The students generated in “Years 2, 3, 4, and 5” are held in the CAPS system and added to the appropriate year when the CAPS system is updated.

As previously noted in Section II.C, The City of Mebane is not a party to the SAPFO and does not require that CAPS be issued prior to approving development activities. Increasing development within this area of the county has the potential to encumber a significant portion of the available capacity within the Orange County School District. Although the SAPFO system is not formally regulated in Mebane, staff monitors development activity and when students enter the school system their enrollment is calculated and used in future school projection needs.

Please note that the two processes (CIP and CAPS) are on separate, but parallel tracks. However, the CIP does create a crossover of capacity information between the two processes.

*Section III*

For example, the SAPFO system for both school districts that will be established / initiated / certified each year in November and is based on prior year created and/or planned CIP capacity and current school year membership. The SAPFOTAC report including new current year membership and projections are to be used for upcoming CIP development as noted in Process 1.

**CIP Process 1** (for CIP 2020 - 2030)

November 2018 – June 2019 (using 2019 SAPFOTAC Report)

**SAPFO CAPS Process 2** (for SAPFO System 2020 – 2021)

November 2019 - November 2020

# School Adequate Public Facilities Ordinance

## Process 2 - Certificate of Adequate Public Schools (CAPS) Allocation

2020 CAPS system is effective November 15, 2019 through November 14, 2020.

The system is updated with new membership, CIP capacity changes, and any other BOCC/School District joint action approved capacity prior to November 15, 2019. This information is received within 5 days of November 15 and posted within the next 15 days. This CAPS system recalibration is retroactive to November 15, 2019.

### CAPS Allocation System

1. Certified Capacity
2. LOS Capacity
3. Actual Membership
4. Year Start Available Capacity
5. Ongoing Current Available Capacity (includes available capacity decreases from approved CAPS development by year)
6. CAPS approved development
  - a. Total units
  - b. Single Family<sup>1</sup>
  - c. Other Housing<sup>1</sup>

### CAPS System<sup>2</sup>

$$AC = SC - (ADM + ND1 + ND2 + \dots)$$

$AC \geq 0$  - Issue CAPS

$AC < 0$  - Defer CAPS to later date

<sup>1</sup> Student Generation Rates from CAPS housing type create future membership estimate. Please note that this CAPS membership future estimate is different than the projection based on historical data and projection models used in the CIP process 1. This estimate only captures new development impact, which is the component that the SAPFO can regulate.

<sup>2</sup> AC – Available Capacity - Starts at Annual Update Capacity and reduces as CAPS approved development is entered into the system.  
 SC – Certified School Level Capacity  
 ADM – Average Daily Membership  
 ND – New Development; ND1 means first approved CAPS approved development

Attachment 3

OCS Student Projections (1) (4)

Elementary	School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	
Actual		3,211	3,285	3,348	3,403	3,433	3,259	3,318	3,293	3,183	3,205	3,232											
Tischler (2)													3,241	3,251	3,260	3,270	3,279	3,289	3,298	3,308	3,317	3,327	
OC Planning													3,248	3,271	3,295	3,320	3,346	3,372	3,394	3,412	3,430	3,448	
10 Year Growth													3,275	3,283	3,334	3,374	3,409	3,443	3,478	3,512	3,548	3,583	
5 Year Growth													3,285	3,299	3,354	3,396	3,429	3,464	3,498	3,533	3,568	3,604	
3 Year Growth													3,286	3,300	3,357	3,397	3,426	3,460	3,495	3,530	3,565	3,601	
Average													3,267	3,281	3,320	3,351	3,378	3,406	3,433	3,459	3,486	3,513	
Annual Change - Increase (Decrease) in Actual & Projected Membership		46	74	63	55	30	(174)	59	(25)	(110)	22	27	35	14	39	31	26	28	27	26	27	27	
Capacity - 100% Level of Service		3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,694	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361	3,361
Number of Students, Actual and Projected, Over (Under) 100% LOS		(483)	(409)	(346)	(291)	(261)	(435)	(376)	(401)	(178)	(156)	(129)	(94)	(89)	(41)	(10)	17	45	72	98	125	152	
105% Level of Service		3,879	3,879	3,879	3,879	3,879	3,879	3,879	3,879	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529	3,529
Number of Students, Actual and Projected, Over (Under) 105% LOS		(688)	(594)	(531)	(476)	(446)	(620)	(561)	(596)	(346)	(324)	(297)	(262)	(248)	(209)	(178)	(151)	(123)	(96)	(70)	(43)	(16)	
Actual - % Level of Service		86.9%	88.9%	90.6%	92.1%	92.9%	88.2%	89.8%	89.1%	94.7%	95.4%	96.2%											
Average - % Level of Service													97.2%	97.6%	98.8%	99.7%	100.5%	101.3%	102.1%	102.9%	103.7%	104.5%	
Annual Student Growth Rate (3)		1.45%	2.30%	1.92%	1.64%	0.88%	-5.07%	1.81%	-0.75%	-3.34%	0.69%	0.84%	1.08%	0.42%	1.19%	0.95%	0.79%	0.82%	0.79%	0.77%	0.77%	0.77%	

Capacity decrease due to change in class size ratios per House Bill 13 (K-3 average class size ratios are 1:20 as directed by State legislative action)

(1) It is important to note that this reflects the November 15, 2019 date of membership as outlined in by the Schools Adequate Public Facilities Ordinance  
 (2) The Tischler Model provides for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CH  
 (3) Annual growth rate calculated using actual membership for years 2010-11 through 2019-20 and average membership for years 2020-21 through 2029  
 (4) Class sizes for grades K-3 = 1:23 for school years 2000 through 2007-08. In accordance with 2005 School Collaboration Work Group direction, effective the 2008-2009 school year with the opening of CHCCS Elementary #10, K-3 class sizes are 1:21 as directed by past State legislative.

OCS Student Projections(1)

Middle	School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Actual		1,665	1,698	1,704	1,684	1,747	1,762	1,735	1,724	1,730	1,779	1,763										
Tischler (2)													1,768	1,773	1,779	1,784	1,789	1,794	1,799	1,804	1,810	1,815
OC Planning													1,773	1,776	1,779	1,783	1,787	1,814	1,834	1,854	1,873	1,893
10 Year Growth													1,709	1,694	1,679	1,701	1,691	1,727	1,751	1,770	1,787	1,805
5 Year Growth													1,702	1,680	1,681	1,712	1,710	1,750	1,775	1,793	1,811	1,829
3 Year Growth													1,686	1,664	1,649	1,682	1,694	1,725	1,748	1,761	1,779	1,797
Average													1,728	1,719	1,743	1,732	1,732	1,762	1,781	1,796	1,812	1,828
Annual Change - Increase (Decrease) in Actual & Projected Membership		64	33	6	(20)	63	15	(23)	(15)	6	49	(16)	(35)	(8)	(6)	19	(0)	30	19	15	16	16
Capacity - 100% Level of Service		2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166	2,166
Number of Students, Actual and Projected, Over (Under) 100% LOS		(501)	(468)	(462)	(482)	(419)	(404)	(427)	(442)	(436)	(387)	(403)	(438)	(447)	(453)	(434)	(434)	(404)	(385)	(370)	(354)	(338)
107% Level of Service		2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318	2,318
Number of Students, Actual and Projected, Over (Under) 107% LOS		(653)	(620)	(614)	(634)	(571)	(556)	(579)	(594)	(586)	(539)	(555)	(590)	(599)	(604)	(585)	(585)	(536)	(521)	(506)	(490)	
Actual - % Level of Service		76.9%	78.4%	78.7%	77.7%	80.7%	81.3%	80.3%	79.6%	79.9%	82.1%	81.4%										
Average - % Level of Service													79.6%	79.4%	79.1%	80.0%	80.0%	81.3%	82.2%	82.9%	83.7%	84.4%
Annual Student Growth Rate (3)		4.00%	1.98%	0.35%	-1.17%	3.74%	0.86%	-1.31%	-0.86%	0.35%	2.83%	-0.90%	-2.01%	-0.47%	-0.35%	1.11%	-0.01%	1.72%	1.10%	0.84%	0.87%	0.87%

(1) It is important to note that this reflects the November 15, 2019 date of membership as outlined in by the Schools Adequate Public Facilities Ordinance  
 (2) The Tischler Model provides for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CH  
 (3) Annual growth rate calculated using actual membership for years 2010-11 through 2019-20 and average membership for years 2020-21 through 2029

OCS Student Projections (1)

High	School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
Actual		2,217	2,222	2,283	2,315	2,421	2,502	2,466	2,446	2,445	2,349	2,397										
Tischler (2)													2,404	2,411	2,418	2,425	2,432	2,439	2,446	2,453	2,460	2,467
OC Planning													2,412	2,430	2,448	2,468	2,489	2,486	2,494	2,506	2,519	2,531
10 Year Growth													2,308	2,425	2,460	2,417	2,409	2,355	2,362	2,392	2,395	2,438
5 Year Growth													2,389	2,400	2,418	2,361	2,352	2,304	2,320	2,362	2,371	2,417
3 Year Growth													2,401	2,407	2,421	2,350	2,325	2,266	2,280	2,327	2,336	2,381
Average													2,401	2,415	2,433	2,404	2,401	2,370	2,380	2,408	2,416	2,447
Annual Change - Increase (Decrease) in Actual & Projected Membership		(25)	5	61	32	106	81	(33)	(23)	(1)	(96)	48	4	14	18	(29)	(3)	(31)	10	28	8	31
Capacity - 100% Level of Service		2,558	2,558	2,558	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,939	2,939	2,939	2,939	2,939	2,939	2,939	2,939
Number of Students, Actual and Projected, Over (Under) 100% LOS		(341)	(336)	(275)	(124)	(18)	63	30	7	6	(90)	(42)	(38)	(524)	(506)	(535)	(538)	(569)	(559)	(531)	(523)	(492)
110% Level of Service		2,814	2,814	2,814	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	3,233	3,233	3,233	3,233	3,233	3,233	3,233	3,233	3,233
Number of Students, Actual and Projected, Over (Under) 110% LOS		(697)	(692)	(631)	(368)	(262)	(181)	(214)	(237)	(236)	(334)	(286)	(282)	(618)	(600)	(629)	(632)	(663)	(653)	(625)	(617)	(786)
Actual - % Level of Service		86.7%	86.9%	89.2%	94.9%	99.3%	103.6%	101.2%	100.3%	100.2%	96.3%	98.3%										
Average - % Level of Service													98.4%	82.2%	82.8%	81.8%	81.7%	80.6%	81.0%	81.9%	82.2%	83.3%
Annual Student Growth Rate (3)		-1.12%	0.23%	2.75%	1.40%	4.58%	3.35%	-1.32%	-0.93%	-0.04%	-3.93%	2.04%	0.16%	0.57%	0.76%	-1.18%	-0.12%	-1.31%	0.44%	1.16%	0.34%	1.27%

Orange High capacity decreased, per DPI study

Cedar Ridge High School adding 500 seats.

(1) It is important to note that this reflects the November 15, 2019 date of membership as outlined in by the Schools Adequate Public Facilities Ordinance  
 (2) The Tischler Model provides for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CH  
 (3) Annual growth rate calculated using actual membership for years 2010-11 through 2019-20 and average membership for years 2020-21 through 2029

CHCCS Student Projections (1) (4)

Elementary

School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	
Actual	5,219	5,296	5,464	5,543	5,554	5,541	5,501	5,567	5,522	5,471	5,363											
Tischler (2)												5,308	5,432	5,467	5,502	5,537	5,571	5,606	5,641	5,676	5,710	
OC Planning												5,378	5,371	5,413	5,453	5,493	5,532	5,570	5,606	5,643	5,654	
10 Year Growth												5,349	5,349	5,350	5,464	5,528	5,583	5,639	5,696	5,753	5,810	
5 Year Growth												5,331	5,328	5,321	5,421	5,473	5,528	5,583	5,639	5,695	5,752	
3 Year Growth												5,322	5,305	5,283	5,370	5,415	5,469	5,523	5,579	5,634	5,691	
Average												5,356	5,357	5,367	5,442	5,489	5,537	5,584	5,632	5,680	5,723	
Annual Change - Increase (Decrease) in Actual & Projected Membership	(63)	77	168	79	11	(13)	(40)	66	(45)	(51)	(168)	(7)	1	10	75	47	47	48	48	48	43	
Capacity - 100% Level of Service (LOS)	5,244	5,244	5,244	5,244	5,829	5,829	5,829	5,829	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664	5,664
Number of Students, Actual and Projected, Over (Under) 100% LOS	(25)	52	220	299	(75)	(289)	(328)	(262)	(142)	(193)	(301)	(308)	(307)	(297)	(222)	(175)	(127)	(80)	(32)	16	59	
Capacity - 105% Level of Service (LOS)	5,506	5,506	5,506	5,506	6,120	6,120	6,120	6,120	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947	5,947
Number of Students, Actual and Projected, Over (Under) 105% LOS	(287)	(210)	(42)	37	(866)	(579)	(619)	(553)	(425)	(478)	(594)	(592)	(590)	(580)	(505)	(458)	(411)	(363)	(315)	(267)	(224)	
Actual - % Level of Service	99.5%	101.0%	104.2%	105.7%	95.3%	95.1%	94.4%	95.5%	97.5%	96.6%	94.7%	94.6%	94.6%	94.8%	96.1%	96.9%	97.8%	98.6%	99.4%	100.3%	101.0%	
Average - % Level of Service												94.6%	94.6%	94.8%	96.1%	96.9%	97.8%	98.6%	99.4%	100.3%	101.0%	
Annual Student Growth Rate (3)	-1.57%	1.48%	3.17%	1.45%	0.20%	-0.23%	-0.72%	1.20%	-0.81%	-0.92%	-1.97%	-0.14%	0.03%	0.18%	1.40%	0.87%	0.86%	0.86%	0.86%	0.85%	0.76%	

Elementary School #11 opens with 555 seats

Capacity decrease due to change in class size ratios per House Bill 13 (K-3 average class size ratios are 1:20 as directed by State legislative action)

- (1) It is important to note that this reflects the November 15, 2018 date of membership as outlined in by the Schools Adequate Public Facilities Ordinance. It does not include CHCCS students attending the Hospital School.
- (2) The Tischler Model provides for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHCC.
- (3) Annual growth rate calculated using actual membership for years 2009-10 through 2019-20 and average membership for years 2020-21 through 2029-30.
- (4) Class sizes for grades K-3 = 1:23 for school years 2020 through 2027-08. In accordance with 2005 School Collaboration Work Group direction, effective the 2008-2009 school year with the opening of CHCCS Elementary #10, K-3 class sizes are 1:21 as directed by past State legislative action.

CHCCS Student Projections (1)

Middle

School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	
Actual	2,708	2,722	2,753	2,785	2,858	2,861	2,844	2,829	2,833	2,933	3,044											
Tischler (2)												3,064	3,083	3,103	3,123	3,143	3,162	3,182	3,202	3,221	3,241	
OC Planning												3,055	3,052	3,049	3,045	3,041	3,036	3,031	3,049	3,068	3,087	
10 Year Growth												3,031	2,978	2,935	2,834	2,799	2,772	2,862	2,900	2,929	2,958	
5 Year Growth												3,033	2,967	2,914	2,809	2,782	2,746	2,822	2,848	2,877	2,905	
3 Year Growth												3,042	2,998	2,961	2,856	2,821	2,771	2,835	2,852	2,882	2,910	
Average												3,045	3,016	2,992	2,933	2,917	2,897	2,946	2,970	2,995	3,020	
Annual Change - Increase (Decrease) in Actual & Projected Membership	11	14	31	32	73	76	(17)	(15)	4	100	111	1	(29)	(23)	(59)	(16)	(20)	29	24	25	25	
Capacity - 100% Level of Service	2,840	2,840	2,840	2,840	2,840	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944
Number of Students, Actual and Projected, Over (Under) 100% LOS	(132)	(119)	(87)	(55)	18	(83)	(100)	(115)	(111)	(11)	100	101	72	48	(11)	(27)	(47)	2	26	51	76	
107% Level of Service	3,039	3,039	3,039	3,039	3,039	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150	3,150
Number of Students, Actual and Projected, Over (Under) 107% LOS	(331)	(317)	(286)	(254)	(181)	(289)	(306)	(321)	(317)	(217)	(106)	(105)	(134)	(138)	(217)	(233)	(253)	(264)	(180)	(155)	(130)	
Actual - % Level of Service	95.4%	95.8%	96.9%	98.1%	100.6%	97.2%	96.6%	96.1%	96.2%	99.6%	103.4%	103.4%	102.4%	101.6%	99.6%	99.1%	98.4%	100.1%	100.9%	101.7%	102.6%	
Average - % Level of Service												103.4%	102.4%	101.6%	99.6%	99.1%	98.4%	100.1%	100.9%	101.7%	102.6%	
Annual Student Growth Rate (3)	0.41%	0.52%	1.14%	1.16%	2.62%	0.10%	-0.59%	-0.53%	0.14%	3.53%	3.78%	0.03%	-0.97%	-0.77%	-1.97%	-0.55%	-0.68%	1.69%	0.81%	0.84%	0.83%	

Additional 104 new seats at Culbreth Middle School

- (1) It is important to note that this reflects the November 15, 2018 date of membership as outlined in by the Schools Adequate Public Facilities Ordinance. It does not include CHCCS students attending the Hospital School.
- (2) The Tischler Model provides for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHCC.
- (3) Annual growth rate calculated using actual membership for years 2009-10 through 2019-20 and average membership for years 2020-21 through 2029-30.

CHCCS Student Projections (1)

High

School Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	
Actual	3,606	3,640	3,714	3,796	3,764	3,730	3,701	3,762	3,927	3,932	3,940											
Tischler (2)												3,966	3,991	4,017	4,042	4,068	4,093	4,119	4,144	4,170	4,195	
OC Planning												3,959	4,009	4,010	4,008	4,007	4,004	4,001	3,971	3,941	3,936	
10 Year Growth												3,981	4,008	4,094	4,143	4,119	4,075	3,919	3,878	3,868	3,859	
5 Year Growth												3,998	4,033	4,129	4,182	4,142	4,091	3,930	3,862	3,866	3,847	
3 Year Growth												4,022	4,062	4,174	4,242	4,218	4,188	4,038	3,984	3,952	3,914	
Average												3,985	4,021	4,085	4,123	4,111	4,090	4,001	3,972	3,959	3,950	
Annual Change - Increase (Decrease) in Actual & Projected Membership	(24)	34	74	82	(32)	(66)	(29)	61	165	5	8	45	35	64	39	(13)	(21)	(89)	(30)	(12)	(9)	
Capacity - 100% Level of Service	3,835	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,875	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980
Number of Students, Actual and Projected, Over (Under) 100% LOS	(229)	(235)	(161)	(79)	(111)	(145)	(174)	(113)	52	57	65	5	41	105	143	131	110	21	(8)	(21)	(30)	
110% Level of Service	4,219	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,263	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	4,378	
Number of Students, Actual and Projected, Over (Under) 110% LOS	(613)	(623)	(549)	(467)	(499)	(533)	(562)	(501)	(336)	(331)	(323)	(393)	(387)	(293)	(255)	(267)	(288)	(377)	(406)	(419)	(428)	
Actual - % Level of Service	94.0%	93.0%	95.8%	98.0%	97.1%	96.3%	95.8%	97.1%	101.3%	101.5%	101.7%	100.1%	101.0%	102.6%	103.6%	103.3%	102.8%	100.5%	99.8%	99.5%	99.3%	
Average - % Level of Service												100.1%	101.0%	102.6%	103.6%	103.3%	102.8%	100.5%	99.8%	99.5%	99.3%	
Annual Student Growth Rate (3)	-0.66%	0.94%	2.03%	2.21%	-0.84%	-0.90%	-0.78%	1.65%	4.39%	0.13%	0.20%	1.15%	0.89%	1.60%	0.94%	-0.31%	-0.50%	-2.17%	-0.74%	-0.31%	-0.23%	

Phoenix Academy High School becomes official high school starting 2010-11 school year with 40 student capacity

Chapel Hill High School adding 105 seats.

- (1) It is important to note that this reflects the November 15, 2018 date of membership as outlined in by the Schools Adequate Public Facilities Ordinance. It does not include CHCCS students attending the Hospital School.
- (2) The Tischler Model provides for the "Linear Method" of projections for both CHCCS and OCS. Original projections used in prior years projection models included the "Linear Extrapolation Method" for CHCC.
- (3) Annual growth rate calculated using actual membership for years 2009-10 through 2019-20 and average membership for years 2020-21 through 2029-30.

**ORANGE COUNTY  
BOARD OF COMMISSIONERS**

**ACTION AGENDA ITEM ABSTRACT**

**Meeting Date:** May 19, 2020

**Action Agenda  
Item No. 8-d**

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**SUBJECT:** Audit Contract Renewal Extension for Mauldin & Jenkins, LLC

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**DEPARTMENT:** Finance and Administrative  
Services

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**ATTACHMENT(S):**

Attachment 1: Audit Contract

**INFORMATION CONTACT:**

Gary Donaldson, (919) 245-2453

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**PURPOSE:** To:

- 1) Exercise the second of three one-year renewal options for Mauldin & Jenkins to perform audit services for Orange County pursuant to Request for Proposals (RFP) 5215 of the original audit contract approved by Board of County Commissioners on March 22, 2016;
- 2) Authorize the requisite County signatures as required by the North Carolina Local Government Commission; and
- 3) Authorize staff to pursue a new RFP during the upcoming year for audit services for Orange County beginning with the FY 2020-21 financial and compliance audit.

**BACKGROUND:** The Board approved an audit services contract with Mauldin & Jenkins for a three-year term on March 22, 2016 and three one-year renewal options. The initial three years covered the period from FY 2015-16 through FY 2017-18. Staff is proposing to exercise the second audit renewal option for the completion of the FY 2019-20 financial and compliance audit.

The audit services will encompass a financial and compliance examination of the County's Comprehensive Annual Financial Report (CAFR) in accordance with the laws of the State of North Carolina. The financial and compliance audit will cover federal, state and local funding sources in accordance with the Federal and State Single Audit Acts; applicable laws and regulations; and generally accepted auditing standards.

Upon completion of the FY 2019-20 financial and compliance audit, Mauldin & Jenkins will have provided audit services for Orange County for five consecutive years. Staff proposes to pursue a new RFP during the upcoming year and pursue a new audit services framework beginning with the FY 2020-21 financial and compliance audit.

**FINANCIAL IMPACT:** Funds are budgeted in the FY 2019-20 Operating Budget for the audit contract. The cost to conduct the audit services for this second renewal year is \$84,500. If the County unexpectedly pursues a third, final renewal option next year with Mauldin & Jenkins, the cost will be \$86,500.

**SOCIAL JUSTICE IMPACT:** The following Orange County Social Justice Goal is applicable to this item:

- **GOAL: ENSURE ECONOMIC SELF-SUFFICIENCY**

The creation and preservation of infrastructure, policies, programs and funding necessary for residents to provide shelter, food, clothing and medical care for themselves and their dependents.

**ENVIRONMENTAL IMPACT:** There is no Orange County Environmental Responsibility Goal impact associated with this item.

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

- 1) Exercise the second of three one-year renewal options for Mauldin & Jenkins to perform audit services for Orange County pursuant to Request for Proposals (RFP) 5215 of the original audit contract approved by Board of County Commissioners on March 22, 2016;
- 2) Authorize the requisite County signatures as required by the North Carolina Local Government Commission; and
- 3) Authorize staff to pursue a new RFP during the upcoming year for audit services for Orange County beginning with the FY 2020-21 financial and compliance audit.

The	Governing Board Board of Commissioners
of	Primary Government Unit (or charter holder) Orange County
and	Discretely Presented Component Unit (DPCU) (if applicable)

*Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)*

and	Auditor Name Mauldin & Jenkins, PLLC
	Auditor Address 200 Galleria Parkway, Suite 1700 Atlanta, GA 30339

*Hereinafter referred to as Auditor*

for	Fiscal Year Ending 06/30/20	Audit Report Due Date 10/31/20
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*Must be within four months of FYE*

hereby agree as follows:

- The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business- type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
- At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2018 revision, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.
- If the audit engagement is not subject to *Government Accounting Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.
6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC staff within four months of fiscal year end. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to

the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.

10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 13).

11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.

12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.

13. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.

14. The Auditor shall submit the report of audit in PDF format to LGC Staff. For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit Report Reissued Form (available on the Department of State Treasurer website). These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the

Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools or hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 28 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

18. Special provisions should be limited. Please list any special provisions in an attachment.

see attached  
engagement letter

19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

20. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools or hospitals), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and Governmental Auditing Standards, 2018 Revision (as applicable). Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, s/he must document and include in the audit workpapers how he/she reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. Applicable to charter school contracts only: No indebtedness of any kind incurred or created by the charter school shall constitute an indebtedness of the State or its political subdivisions, and no indebtedness of the charter school shall involve or be secured by the faith, credit, or taxing power of the State or its political subdivisions.

29. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 16 for clarification).

Number 16 above, because the Auditor does not have 25 or more employees in the State of North Carolina.

30. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>.

31. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

32. Modifications to the language and terms contained in this contract form (LGC-205) are not allowed.

**FEEES FOR AUDIT SERVICES**

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Governmental Auditing Standards, 2018 Revision*. Refer to Item 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by:  Auditor  Governmental Unit  Third Party

If applicable: Individual at Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

<b>Name:</b>	<b>Title and Unit / Company:</b>	<b>Email Address:</b>
Gary Donaldson	CFO	gdonaldson@orangecountync.gov

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8 and 13 for details on other allowable and excluded fees.

3. Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees below. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year billings. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year billings on file with the LGC, the LGC calculation prevails. All invoices for services rendered in an audit engagement as defined in 20 NCAC 3 .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

**PRIMARY GOVERNMENT FEES**

Primary Government Unit	Orange County
Audit Fee	\$ 79,500
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$
Writing Financial Statements	\$ 5,000
All Other Non-Attest Services	\$
<b>75% Cap for Interim Invoice Approval</b> <i>(not applicable to hospital contracts)</i>	\$ 63,375.00

**DPCU FEES (if applicable)**

Discretely Presented Component Unit	
Audit Fee	\$
<b>Additional Fees Not Included in Audit Fee:</b>	
Fee per Major Program	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
<b>75% Cap for Interim Invoice Approval</b> <i>(not applicable to hospital contracts)</i>	\$

**SIGNATURE PAGE**

**AUDIT FIRM**

Audit Firm* Mauldin & Jenkins, PLLC	
Authorized Firm Representative (typed or printed)* James Bence	Signature* 
Date* 03/25/20	Email Address* jbence@mjcpa.com

**GOVERNMENTAL UNIT**

Governmental Unit* Orange County	
Date Primary Government Unit Governing Board Approved Audit Contract* (G.S.159-34(a) or G.S.115C-447(a))	
Mayor/Chairperson (typed or printed)*	Signature*
Date	Email Address

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

**GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE**

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).  
Not applicable to hospital contracts.

*This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.*

Primary Governmental Unit Finance Officer* (typed or printed)	Signature*
Date of Pre-Audit Certificate*	Email Address*

**SIGNATURE PAGE – DPCU  
(complete only if applicable)**

**DISCRETELY PRESENTED COMPONENT UNIT**

DPCU*	
Date DPCU Governing Board Approved Audit Contract* (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

**DPCU – PRE-AUDIT CERTIFICATE**

Required by G.S. 159-28(a1) or G.S. 115C-441(a1).  
Not applicable to hospital contracts.

*This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act.*

DPCU Finance Officer (typed or printed)*	Signature*
Date of Pre-Audit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

**PRINT**



## Report on the Firm's System of Quality Control

To the Shareholders of Mauldin & Jenkins, LLC  
and the National Peer Review Committee:

We have reviewed the system of quality control for the accounting and auditing practice of Mauldin & Jenkins, LLC (the firm), applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended May 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; audits of employee benefit plans, an audit performed under FDICIA, and examinations of service organization's SOC 1 and SOC 2 engagements.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

-2-

**Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Mauldin & Jenkins, LLC applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended May 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Mauldin & Jenkins, LLC has received a peer review rating of *pass*.

*PBMares, LLP*

PBMares, LLP  
October 30, 2017



March 25, 2020

The Board of County Commissioners and  
Bonnie Hammersley, County Manager  
Orange County, North Carolina  
200 South Cameron Street  
Hillsborough, North Carolina 27278

Attn: Mr. Gary Donaldson, Chief Financial Officer, and Ms. Bonnie Hammersley, County  
Manager

We are pleased to confirm our understanding of the services we are to provide Orange County, North Carolina (the County) for the year ended June 30, 2020. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of Orange County, North Carolina as of and for the year then ended. These statements will include the budgetary comparison information for the General Fund. We will obtain and place reliance on the report of other auditors for the Orange County ABC Board, a discretely presented component unit of the County. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the County's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the County's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis (MD&A).
2. Local Governmental Employees' Retirement System Schedule of County's Proportionate Share of the Net Pension Liability.
3. Local Governmental Employees' Retirement System Schedule of County Contributions – Pension Plan.
4. Register of Deeds' Supplemental Pension Fund Schedule of County's Proportionate Share of the Net Pension Liability.

5. Register of Deeds' Supplemental Pension Fund Schedule of County Contributions – Pension Plan.
6. Other Post-Employment Benefits Schedule of Changes in the Net OPEB Liability and Related Ratios.
7. Other Post-Employment Benefits Schedule of County Contributions.
8. Other Post-Employment Benefits Schedule of OPEB Investment Returns.
9. Law Enforcement Officers' Special Separation Allowance Schedule of Changes in the Total Pension Liability and Related Ratios.

We have also been engaged to report on supplementary information other than RSI that accompanies the County's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1. Schedule of expenditures of federal and state awards.
2. Combining and individual fund statements.
3. Supplemental ad valorem tax schedules.

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, we have no responsibility for determining whether such other information is properly stated, and our auditor's report will not provide an opinion or any assurance on that other information:

1. Introductory section
2. Statistical section

### **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on -

- Internal control over financial reporting and compliance with the provisions of laws, regulations, contracts and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost*

*Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* as well as the State Single Audit Implementation Act.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; the provisions of the Uniform Guidance; and the State Single Audit Implementation Act, and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance and the State Single Audit Implementation Act, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Members of the Board of Commissioners for Orange County, North Carolina. We will make reference to other auditor's report on the Orange County ABC Board in our report on your financial statements. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports, or may withdraw from this engagement.

### **Management Responsibilities**

Management is responsible for the financial statements, schedule of expenditures of federal and state awards, and all accompanying information as well as all representations contained therein.

Management is responsible for (1) designing, implementing, and maintaining effective internal controls, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and state awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable

laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. You are also responsible for coordinating our access to information relevant to the preparation and fair presentation of the financial statements of component units which may include discussions with component unit management and their auditors.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and to prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review subsequent to the start of fieldwork.

You are responsible for identifying all federal and state awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and state awards (including notes and noncash assistance received) in conformity with the Uniform Guidance and the State Single Audit Implementation Act. You agree to include our report on the schedule of expenditures of federal and state awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal and

state awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and state awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal and state awards no later than the date the schedule of expenditures of federal and state awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance and the State Single Audit Implementation Act; (2) you believe the schedule of expenditures of federal and state awards, including its form and content, is stated fairly in accordance with the Uniform Guidance and State Single Audit Implementation Act; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

With regard to an exempt offering document with which Mauldin & Jenkins is not involved, you agree to clearly indicate in the exempt offering document that Mauldin & Jenkins is not involved with the contents of such offering document.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal and state awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal and state awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal and state awards, and related notes prior to their issuance and have accepted responsibility for them. You agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

#### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal and state awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

We plan to obtain and place reliance on the report of other auditors for the Orange County ABC Board, a discretely presented component unit of the County, assuming that our communications with the other auditors and review of their audit report and the financial statements of the Orange County ABC Board provide sufficient and appropriate audit evidence on which to base our overall opinion on the aggregate discretely presented component units.

#### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance and the State Single Audit Implementation Act, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Orange County, North Carolina's compliance with provisions of applicable laws, regulations, contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance

and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance and the State Single Audit Implementation Act requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal and state awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, for the types of compliance requirements that could have a direct and material effect on each of Orange County's major programs. The purpose of these procedures will be to express an opinion on Orange County's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

### **Other Services**

We will also assist in preparing the financial statements, schedule of expenditures of federal and state awards, and related notes of the County in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform these services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal and state awards, and related notes services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Audit Administration, Fees, and Other**

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal and state awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to Orange County, North Carolina; however, management is responsible for distribution of the reports and financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Mauldin & Jenkins and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Mauldin & Jenkins personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by a regulatory body. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party (ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately June 22, 2020 and to issue our reports no later than October 31, 2020. Tim Lyons is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be \$84,500 for the year ended June 30, 2020. Our hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as work progresses and are payable upon presentation. The above fees are based on anticipated cooperation from your personnel (including complete and timely receipt by us of the information on the respective client participation listings to be prepared annually) and the assumption that unexpected circumstances (including scope changes) will not be encountered during the audit. If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate before we incur the additional costs.

As a result of our prior or future services to you, we might be requested or required to provide information or documents to you or a third party in a legal, administrative, arbitration, or similar proceeding in which we are not a party. If this occurs, our efforts in complying with such requests will be deemed billable to you as a separate engagement. We shall be entitled to compensation for our time and reasonable reimbursement for our expenses (including legal fees) in complying with the request. For all requests we will observe the confidentiality requirements of our profession and will notify you promptly of the request.

Orange County - 2020 Engagement Letter  
March 25, 2020  
Page 10

We appreciate the opportunity to be of service to Orange County, North Carolina and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

MAULDIN & JENKINS, LLC



James Bence

RESPONSE:

This letter correctly sets forth the understanding of Orange County, North Carolina.

By: \_\_\_\_\_

Title: \_\_\_\_\_

ORD-2020-012

**ORANGE COUNTY  
BOARD OF COMMISSIONERS**

**ACTION AGENDA ITEM ABSTRACT**

**Meeting Date: May 19, 2020**

**Action Agenda  
Item No. 8-e**

**SUBJECT:** Fiscal Year 2019-20 Budget Amendment #10

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**DEPARTMENT:** Finance and Administrative Services

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**ATTACHMENT(S):**

Attachment 1. Budget As Amended  
Spreadsheet

Attachment 2. Year-to-Date Budget  
Summary

**INFORMATION CONTACT:**

Paul Laughton, (919) 245-2152  
Gary Donaldson, (919) 245-2453

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**PURPOSE:** To approve budget and capital project ordinance amendments for fiscal year 2019-20.

**BACKGROUND:**

**Department on Aging**

1. The Department on Aging has received additional revenue for the Operation Fan Program from Duke Energy and Valassis Energy, totaling \$2,750, to purchase fans for Orange County adults 60 years old and over. This budget amendment provides for the receipt of these donated funds. *(See Attachment 1, column #1)*

**SOCIAL JUSTICE IMPACT:** There is no Orange County Social Justice Goal impact associated with this item.

**Department of Social Services**

2. The Department of Social Services has received \$7,155 in Community Giving donations for food pantry and school supplies. This budget amendment provides for the receipt of these donated funds for the above stated purpose.
3. The Department of Social Services has received \$13,985 in additional one-time Low Income Energy Assistance Program (LIEAP) Block Grant funds for client assistance with heating and cooling bills.

This budget amendment provides for the receipt of the additional Community Giving donations and LIEAP funds for the above stated purposes. *(See Attachment 1, column #2)*

**SOCIAL JUSTICE IMPACT:** The following Orange County Social Justice Goals are applicable to this item:

- **GOAL: ENSURE ECONOMIC SELF-SUFFICIENCY**  
The creation and preservation of infrastructure, policies, programs and funding necessary for residents to provide shelter, food, clothing and medical care for themselves and their dependents.
- **GOAL: FOSTER A COMMUNITY CULTURE THAT REJECTS OPPRESSION AND INEQUITY**  
The fair treatment and meaningful involvement of all people regardless of race or color; religious or philosophical beliefs; sex, gender or sexual orientation; national origin or ethnic background; age; military service; disability; and familial, residential or economic status.

#### Non-Department - Juvenile Crime Prevention Council (JCPC)

4. The Juvenile Community Programs Committee of JCPC occasionally awards programs discretionary funds at the end of the fiscal year. This year, Boomerang has been awarded \$2,436 in additional funds to help fund COVID-19 response with remote server access, training, and licensing. This budget amendment provides for the use of these funds during the current fiscal year. (See Attachment 1, column #3)

**SOCIAL JUSTICE IMPACT:** The following Orange County Social Justice Goal is applicable to this item:

- **GOAL: CREATE A SAFE COMMUNITY**  
The reduction of risks from vehicle/traffic accidents, childhood and senior injuries, gang activity, substance abuse and domestic violence.

#### Health Department

5. The Orange County Health Department has received \$1,131,116 in 2018-19 Medicaid Cost Settlement Funds. These funds will be appropriated to the Medicaid Maximization account to support capital renovation projects for the medical and dental clinics. This budget amendment provides for the receipt of these funds and amends the following capital project ordinance:

##### **Medicaid Maximization (\$1,131,116) - Project # 30012**

Revenues for this project:

	Current Budget FY 2019-20	FY 2019-20 Amendment	FY 2019-20 Revised Budget
Medicaid Maximization Funds	\$10,404,621	\$1,131,116	\$11,535,727
<b>Total Project Funding</b>	<b>\$10,414,621</b>	<b>\$1,131,116</b>	<b>\$11,535,727</b>

Appropriated for this project:

	Current Budget FY 2019-20	FY 2019-20 Amendment	FY 2019-20 Revised Budget
Medicaid Maximization Project	\$10,404,621	\$1,131,116	\$11,535,727
<b>Total Costs</b>	<b>\$10,404,621</b>	<b>\$1,131,116</b>	<b>\$11,535,727</b>

**SOCIAL JUSTICE IMPACT:** The following Orange County Social Justice Goal is applicable to this item:

- **GOAL: ENSURE ECONOMIC SELF-SUFFICIENCY**

The creation and preservation of infrastructure, policies, programs, and funding necessary for residents to provide shelter, food, clothing, and medical care for themselves and their dependents.

### Housing and Community Development

6. The Orange County Housing and Community Development Department received notification from Housing and Urban Development (HUD) on May 4, 2020 of the award of additional Administrative Funding in the amount of \$79,370 for use toward the Section 8 Housing Choice Voucher Program. This budget amendment provides for the receipt of these funds for the above stated purposes. *(See Attachment 1, column #4)*
7. The Orange County Housing and Community Development Department received notification from HUD in September 2019 of obligation to repay the HOME program in the amount of \$9,261. This budget amendment provides for an additional transfer from the General Fund to the Community Development Fund in the amount of \$9,261 and increases expenditure authorization for HOME program costs by the same amount. *(See Attachment 1, column #5)*

**SOCIAL JUSTICE IMPACT:** The following Orange County Social Justice Goals are applicable to this item:

- **GOAL: ENSURE ECONOMIC SELF-SUFFICIENCY**

The creation and preservation of infrastructure, policies, programs and funding necessary for residents to provide shelter, food, clothing and medical care for themselves and their dependents.

- **GOAL: FOSTER A COMMUNITY CULTURE THAT REJECTS OPPRESSION AND INEQUITY**

The fair treatment and meaningful involvement of all people regardless of race or color; religious or philosophical beliefs; sex, gender or sexual orientation; national origin or ethnic background; age; military service; disability; and familial, residential or economic status.

### Animal Services

8. The Orange County Animal Services Department has received \$500 in Community Giving funds to stock a pet food pantry for community members during the economic stresses presented by the COVID-19 pandemic. This amendment allows for receipt of these funds and appropriates for use consistent with the intent of the donations. *(See Attachment 1, column #6)*

**SOCIAL JUSTICE IMPACT:** There is no Orange County Social Justice Goal impact associated with this item.

**ENVIRONMENTAL IMPACT:** There are no Orange County Environmental Responsibility Goal impacts associated with this item.

**FINANCIAL IMPACT:** Financial impacts are included in the background information above. This budget amendment provides for the receipt of these additional funds in FY 2019-20 and increases the General Fund by \$36,087, the Capital Projects Fund by \$1,131,116, the Section 8 Housing Choice Voucher Fund by \$79,370, and the Community Development Fund by \$9,261.

**RECOMMENDATION(S):** The Manager recommends the Board approve the budget and capital project ordinance amendments for fiscal year 2019-20.

**Attachment 1. Orange County Proposed 2019-20 Budget Amendment**  
 The 2019-20 Orange County Budget Ordinance is amended as follows:

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Original Budget	Encumbrance Carry Forwards	Budget as Amended	Budget as Amended Through BOA #9	Appropriation of \$200,000 from Social Justice Reserve funds to Human Rights and Relations and Housing and Community Development for rental assistance, legal aid, and use of temporary personnel	Budget as Amended Through BOA #9-A	1. Department on Aging Receipt of \$2,750 from the Duke Energy and Valassis Energy for the Operation Fan Program	2. Department of Social Services - Receipt of \$7,155 in Community Giving donations for food pantry and school supplies, and receipt of additional one-time LIEAP Block Grant funds of \$13,985 for client assistance with heating and cooling bills	3. Juvenile Crime Prevention Council (JCPC) - Receipt of program discretionary funds awarded to Boomerang to help fund COVID-19 response with remote server access, training, and licensing	4. Housing and Community Development - Receipt of additional Administrative funds of \$70,370 from HUD to be used toward the Section 8 Housing Choice Voucher Program	5. Housing and Community Development - Notification from HUD of obligation to repair the HOME program in the amount \$9,261	6. Animal Services - Receipt of \$500 in Community Giving funds to stock a pet food pantry for community members during the COVID-19 crisis	Budget as Amended Through BOA #10
<b>General Fund</b>												
<b>Revenue</b>												
Property Taxes	\$ 165,153,931	\$ -	\$ 165,153,931	\$ 165,153,931	\$ -	\$ 165,153,931	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,153,931
Sales Taxes	\$ 25,372,861	\$ -	\$ 25,372,861	\$ 25,372,861	\$ -	\$ 25,372,861	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,372,861
License and Permits	\$ 313,260	\$ -	\$ 313,260	\$ 313,260	\$ -	\$ 313,260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 313,260
Aging	\$ 719,610	\$ -	\$ 719,610	\$ 764,981	\$ -	\$ 764,981	\$ 2,750	\$ -	\$ -	\$ -	\$ -	\$ 767,731
Social Services	\$ 9,740,402	\$ -	\$ 9,740,402	\$ 10,003,403	\$ -	\$ 10,003,403	\$ -	\$ 13,985	\$ -	\$ -	\$ -	\$ 10,017,388
Other	\$ 1,093,134	\$ -	\$ 1,093,134	\$ 1,404,291	\$ -	\$ 1,404,291	\$ -	\$ 2,436	\$ -	\$ -	\$ -	\$ 1,406,727
<b>Intergovernmental</b>	<b>\$ 18,278,612</b>	<b>\$ -</b>	<b>\$ 18,278,612</b>	<b>\$ 19,022,047</b>	<b>\$ -</b>	<b>\$ 19,022,047</b>	<b>\$ 2,750</b>	<b>\$ 13,985</b>	<b>\$ 2,436</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,041,218</b>
Charges for Service	\$ 12,704,833	\$ -	\$ 12,704,833	\$ 12,853,506	\$ -	\$ 12,853,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,853,506
Investment Earnings	\$ 415,000	\$ -	\$ 415,000	\$ 449,721	\$ -	\$ 449,721	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 449,721
Miscellaneous	\$ 3,040,769	\$ -	\$ 3,040,769	\$ 3,642,873	\$ -	\$ 3,642,873	\$ 7,155	\$ -	\$ -	\$ -	\$ 500	\$ 3,650,528
Transfers from Other Funds	\$ 4,034,600	\$ -	\$ 4,034,600	\$ 4,034,600	\$ -	\$ 4,034,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,034,600
Alternative Financing	\$ -	\$ -	\$ -	\$ 254,953	\$ -	\$ 254,953	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 254,953
Fund Balance	\$ 7,808,006	\$ 1,468,810	\$ 9,276,816	\$ 9,253,092	\$ -	\$ 9,253,092	\$ -	\$ -	\$ -	\$ 9,261	\$ -	\$ 9,263,353
<b>Total General Fund Revenues</b>	<b>\$ 237,121,872</b>	<b>\$ 1,468,810</b>	<b>\$ 238,590,682</b>	<b>\$ 240,350,844</b>	<b>\$ -</b>	<b>\$ 240,350,844</b>	<b>\$ 2,750</b>	<b>\$ 21,140</b>	<b>\$ 2,436</b>	<b>\$ -</b>	<b>\$ 9,261</b>	<b>\$ 240,386,931</b>
<b>Expenditures</b>												
Support Services	\$ 12,465,362	\$ 421,862	\$ 12,887,224	\$ 11,996,733	\$ -	\$ 11,996,733	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,996,733
General Government	\$ 23,540,653	\$ 104,565	\$ 23,645,218	\$ 23,825,178	\$ -	\$ 23,825,178	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,825,178
Animal Services	\$ 2,248,103	\$ 13,693	\$ 2,261,796	\$ 2,346,989	\$ -	\$ 2,346,989	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 2,347,489
<b>Community Services</b>	<b>\$ 14,421,090</b>	<b>\$ 196,963</b>	<b>\$ 14,618,053</b>	<b>\$ 15,210,272</b>	<b>\$ -</b>	<b>\$ 15,210,272</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 500</b>	<b>\$ 15,210,772</b>
Department of Social Services	\$ 20,319,204	\$ 135,919	\$ 20,455,123	\$ 21,427,141	\$ -	\$ 21,427,141	\$ -	\$ 21,140	\$ -	\$ -	\$ -	\$ 21,448,281
Department on Aging	\$ 2,304,196	\$ 51,422	\$ 2,355,618	\$ 2,601,017	\$ -	\$ 2,601,017	\$ 2,750	\$ -	\$ -	\$ -	\$ -	\$ 2,603,767
Human Rights and Relations	\$ 344,031	\$ -	\$ 344,031	\$ 348,946	\$ 70,000	\$ 418,946	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 418,946
Non-Departmental	\$ 2,301,629	\$ 555	\$ 2,302,184	\$ 2,166,131	\$ (200,000)	\$ 1,966,131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,966,131
<b>Human Services</b>	<b>\$ 40,822,906</b>	<b>\$ 410,483</b>	<b>\$ 41,233,389</b>	<b>\$ 42,451,755</b>	<b>\$ (130,000)</b>	<b>\$ 42,321,755</b>	<b>\$ 2,750</b>	<b>\$ 21,140</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 42,345,645</b>
Non Departmental	\$ 417,832	\$ 3,710	\$ 421,542	\$ 466,033	\$ -	\$ 466,033	\$ -	\$ 2,436	\$ -	\$ -	\$ -	\$ 468,469
Public Safety	\$ 26,643,096	\$ 334,937	\$ 26,978,033	\$ 27,559,141	\$ -	\$ 27,559,141	\$ -	\$ 2,436	\$ -	\$ -	\$ -	\$ 27,561,577
Education	\$ 111,279,115	\$ -	\$ 111,279,115	\$ 111,279,115	\$ -	\$ 111,279,115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,279,115
Transfers Out	\$ 7,949,650	\$ -	\$ 7,949,650	\$ 8,028,650	\$ 130,000	\$ 8,158,650	\$ -	\$ -	\$ -	\$ 9,261	\$ -	\$ 8,167,911
<b>Total General Fund Appropriation</b>	<b>\$ 237,121,872</b>	<b>\$ 1,468,810</b>	<b>\$ 238,590,682</b>	<b>\$ 240,350,844</b>	<b>\$ -</b>	<b>\$ 240,350,844</b>	<b>\$ 2,750</b>	<b>\$ 21,140</b>	<b>\$ 2,436</b>	<b>\$ -</b>	<b>\$ 9,261</b>	<b>\$ 240,386,931</b>
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Section 8 Housing Fund</b>												
<b>Revenues</b>												
Intergovernmental	\$ 4,201,264	\$ -	\$ 4,201,264	\$ 4,939,218	\$ -	\$ 4,939,218	\$ -	\$ -	\$ 79,370	\$ -	\$ -	\$ 5,018,588
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from General Fund	\$ 221,060	\$ -	\$ 221,060	\$ 221,060	\$ -	\$ 221,060	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 221,060
Appropriated Fund Balance	\$ -	\$ 11,652	\$ 11,652	\$ 82,652	\$ -	\$ 82,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,652
<b>Total Housing Fund Revenues</b>	<b>\$ 4,422,324</b>	<b>\$ 11,652</b>	<b>\$ 4,433,976</b>	<b>\$ 5,242,930</b>	<b>\$ -</b>	<b>\$ 5,242,930</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 79,370</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,322,300</b>
<b>Expenditures</b>												
Housing Fund	\$ 4,422,324	\$ 11,652	\$ 4,433,976	\$ 5,242,930	\$ -	\$ 5,242,930	\$ -	\$ -	\$ 79,370	\$ -	\$ -	\$ 5,322,300
<b>Community Development Fund (HOME Program)</b>												
<b>Revenues</b>												
Intergovernmental	\$ 398,399	\$ -	\$ 398,399	\$ 398,399	\$ -	\$ 398,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 398,399
Program Income	\$ 13,306	\$ -	\$ 13,306	\$ 13,306	\$ -	\$ 13,306	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,306
Transfer from General Fund	\$ 222,453	\$ -	\$ 222,453	\$ 222,453	\$ -	\$ 222,453	\$ -	\$ -	\$ -	\$ 9,261	\$ -	\$ 231,714
<b>Total Revenues</b>	<b>\$ 634,158</b>	<b>\$ -</b>	<b>\$ 634,158</b>	<b>\$ 634,158</b>	<b>\$ -</b>	<b>\$ 634,158</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,261</b>	<b>\$ -</b>	<b>\$ 643,419</b>
<b>Expenditures</b>												
HOME Program	\$ 634,158	\$ -	\$ 634,158	\$ 634,158	\$ -	\$ 634,158	\$ -	\$ -	\$ -	\$ 9,261	\$ -	\$ 643,419

## Year-To-Date Budget Summary

*Fiscal Year 2019-20*

### General Fund Budget Summary

Original General Fund Budget	\$237,121,872
Additional Revenue Received Through Budget Amendment #10 (May 19, 2020)	
Grant Funds	\$290,938
Non Grant Funds	\$1,519,774
General Fund - Fund Balance for Anticipated Appropriations (i.e. Encumbrances)	\$1,468,810
General Fund - Fund Balance Appropriated to Cover Anticipated and Unanticipated Expenditures	(\$14,463)
<b>Total Amended General Fund Budget</b>	<b>\$240,386,931</b>
Dollar Change in 2019-20 Approved General Fund Budget	\$3,265,059
% Change in 2019-20 Approved General Fund Budget	1.38%

### Authorized Full Time Equivalent Positions

Original Approved General Fund Full Time Equivalent Positions	945.470
Original Approved Other Funds Full Time Equivalent Positions	98.350
<b>Total Approved Full-Time-Equivalent Positions for Fiscal Year 2019-20</b>	<b>1,043.820</b>

**Paul:**

increase a .50 FTE Navigator position in Health Department to 1.00 FTE thru FY 19-20 (BOA #1); increase a .75 FTE Navigator position to 1.00 FTE thru FY 19-20, and moves both temporary FTE increases for these Navigators from GF to Grant Fund (BOA #2); increase a 1.0 FTE Deputy Sheriff I - SRO Position (BOA #2-A); increase a 1.0 FTE time-limited Human Services Specialist position in DSS (BOA #3-A); change Social Worker II position in Dept. on Aging from time-limited permanent; no change in # of FTEs (BOA #7)

**ORANGE COUNTY  
BOARD OF COMMISSIONERS  
ACTION AGENDA ITEM ABSTRACT**  
Meeting Date: May 19, 2020

**Action Agenda  
Item No. 8-f**

**SUBJECT:** Change in BOCC Meeting Schedule for 2020

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**DEPARTMENT:** Board of Commissioners

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**ATTACHMENT(S):**

**INFORMATION CONTACT:**

Donna Baker, 245-2130, Clerk to the Board

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**PURPOSE:** To consider changes to the Board of Commissioners' meeting calendar for 2020.

**BACKGROUND:** Pursuant to North Carolina General Statute 153A-40, the Board of County Commissioners must fix the time and place of its meetings or provide a notice of any change in the Meeting Schedule.

Due to current public health concerns, the Board of Commissioners will be conducting Virtual Board meetings during the month of June. Members of the Board of Commissioners will be participating in the meeting remotely. As in prior meetings, members of the public will be able to view and listen to the meeting via online streaming video or on Spectrum Cable TV. The meetings will be streamed in real-time on the County's website for public viewing/listening, real-time broadcast on Spectrum Cable, and video-recorded for future television broadcast and reference on the County's website.

\*\*\*If a meeting(s) needs to be canceled, the County will provide proper notice.

June Virtual Meetings:

June 2<sup>nd</sup> BOCC Virtual Business Meeting – 7:00pm  
 June 4<sup>th</sup> BOCC Virtual Budget Public Hearing – 7:00pm  
 June 9<sup>th</sup> BOCC Virtual Budget Work Session – 7:00pm  
 June 16<sup>th</sup> BOCC Virtual Business Meeting – 7:00PM

**FINANCIAL IMPACT:** There is no financial impact associated with this item.

**SOCIAL JUSTICE IMPACT:** There is no Orange County Social Justice Goal impact associated with this item.

**ENVIRONMENTAL IMPACT:** There is no Orange County Environmental Responsibility Goal impact associated with this item.

**RECOMMENDATION(S):** The Manager recommends the Board amend its meeting calendar for 2020:

June Virtual Meetings:

June 2<sup>nd</sup> BOCC Virtual Business Meeting – 7:00pm  
 June 4<sup>th</sup> BOCC Virtual Budget Public Hearing – 7:00pm  
 June 9<sup>th</sup> BOCC Virtual Budget Work Session – 7:00pm  
 June 16<sup>th</sup> BOCC Virtual Business Meeting – 7:00PM

**BOCC Meeting Follow-up Actions**

(Individuals with a \* by their name are the lead facilitators for the group of individuals responsible for an item)

<b>Meeting Date</b>	<b>Task</b>	<b>Target Date</b>	<b>Person(s) Responsible</b>	<b>Status</b>
5/5/20	Review and consider request by Commissioner Price that the Board receive information on efforts being made to assist renters who are behind on payments, help prevent evictions, and what efforts will continue in these areas after the State of Emergency has ended	5/19/2020	Chair/Vice Chair/Manager Annette Moore Emila Sutton	<b>DONE</b> Addressed as part of May 19, 2020 Business meeting agenda item
5/5/20	Review and consider request by Commissioner Marcoplos that the Board request quarterly reports from both school systems on capital repair and maintenance projects	7/1/2020	Chair Paul Laughton	Chair to draft letter to be sent to both school boards
5/5/20	Review and consider request by Commissioner Marcoplos that the Board request a full report from CHCCS on Phillips Middle School repair/maintenance projects	7/1/2020	Chair Paul Laughton	Chair to draft letter to be sent to CHCCS school board
5/5/20	Review and consider request by Commissioner Marcoplos that the Board request follow-up information from CHCCS on breathing problems at schools	7/1/2020	Chair	Chair to draft separate letter requesting information from CHCCS
5/5/20	Review and consider request by Commissioner Greene that the Chair write a letter, circulating the draft to Board members for input, to Judge Beasley in support of the removal of the Judge Ruffin portrait and statue	5/19/2020	Chair/Vice Chair/Manager	<b>DONE</b>
5/5/20	Review and consider request by Commissioner Dorosin that the County ask CHCCS to delay signing a multi-year custodial contract, or just sign a one year contract, to allow for review and discussion on retaining public employees to provide services versus contracting for the services	6/2/2020	Chair/Vice Chair/Manager	<b>Overcome by Events</b> CHCCS signed multi-year contract
5/5/20	Review and consider request by Commissioner Dorosin that the Board establish a task force charged with reviewing public employees providing custodial services versus contracting for the services over a six month period, and reviewing financial info, costs and benefits of each option, etc.	9/1/2020	Chair/Vice Chair/Manager	To be discussed as part of School Collaboration meetings

<b>Meeting Date</b>	<b>Task</b>	<b>Target Date</b>	<b>Person(s) Responsible</b>	<b>Status</b>
5/5/20	Review and consider request by Commissioner McKee that the Board receive information on the volume standards for debris loads delivered to convenience centers and any recent revisions to those standards and have a specific agenda item to discuss those standards	6/16/2020	Chair/Vice Chair/Manager Robert Williams	<b>DONE</b> Addressed as part of May 19, 2020 Business meeting agenda item
5/5/20	Request and provide assistance to CHCCS to supply the BOCC with information on the system's computer use policies and programs, including on Securely and student privacy efforts, and information on discoveries and events encountered as part of implementation	6/1/2020	Travis Myren Donna Baker	CHCCS provided information to County staff; staff to share with the Board
5/5/20	Pursue development of framework, background information, composition, and other information to assist the Board with appointing members to a BOCC Elections Review Committee by January 2021	1/31/2021	John Roberts	To be pursued
5/5/20	Provide written information to the Board on the proposed Community Investment Fund	7/1/2020	Travis Myren Gary Donaldson	To be provided