

Item Title: Wake County Public School System CIP Reallocations and Appropriations
(Second Reading)

Specific Action Requested:

That the Board of Commissioners approves the request from the Wake County Board of Education to reallocate a total of \$8,380,000 in CIP 2013 from mobile classroom relocations to fund design and construction for seven projects identified through the Space Needs Analysis and Prioritization (SNAP) Process.

Item Summary:

Overview

The Board of Education is requesting that funds be reallocated and appropriated as follows:

| | Plan of Record/Budget | | | Appropriations | | |
|------------------------------------------------|-----------------------|---------------------|-------------------|------------------|----------------------|-------------------|
| | <u>Current</u> | <u>Reallocation</u> | <u>Proposed</u> | <u>Current</u> | <u>Appropriation</u> | <u>Proposed</u> |
| 2013 Building Program | | | | | | |
| New School Projects | | | | | | |
| Mobile Classroom Relocation | 15,963,159 | (8,380,000) | 7,583,159 | 2,880,000 | | 2,880,000 |
| | | | | | | |
| Other Projects | - | | - | - | | - |
| Space Needs Analysis and Prioritization (SNAP) | 1,620,000 | 8,380,000 | 10,000,000 | 1,620,000 | 8,380,000 | 10,000,000 |
| Total Reallocation/Appropriation | 17,583,159 | - | 17,583,159 | 4,500,000 | 8,380,000 | 12,880,000 |

CIP 2013 Reallocation and Appropriation

This item reallocates a total of \$8,380,000 initially planned for mobile classroom relocations to fund seven projects identified through the school system's SNAP (Space Needs Analysis and Prioritization) process. These funds will cover the projects through completion. The Board of Commissioners appropriated \$1,620,000 in early design funding for these projects, as well as two other SNAP projects, on July 18, 2016. The remainder of funding for the other two projects, The Infinity Program for long-term suspended high school students with special needs and the Southwest Regional Transportation Maintenance and Parking Center, is included in the seven year capital improvement program. A list of the projects to be funded through this request is provided in the table below:

| Space Needs Analysis and Prioritization (SNAP) Projects Receiving CIP 2013 Funding | | | | |
|------------------------------------------------------------------------------------|--------------------------------|---------------------------|-------------|-----------------|
| Project Name | July 18, 2016 Appropriation | Proposed Appropriation | Total | Completion Date |
| | | | | |
| <i>River Oaks Condominium Projects</i> | | | | |
| Testing Administration & Materials Management/CTE - Curriculum | 60,000 | 500,000 | 560,000 | August 2017 |
| Transportation Administrative Space | | | | |
| Pre-K Developmental Screening Center | | | | |
| Alternative Learning Center Satellite | | | | |
| <i>Other Educational and Administrative Spaces</i> | | | | |
| North Wake College and Career Academy | 400,000 | 5,160,000 | 5,560,000 | August 2017 |
| Transitions Program Renovation | 200,000 | 2,120,000 | 2,320,000 | August 2017 |
| Testing Administration & Materials Management/Data&Accountability | 60,000 | 600,000 | 660,000 | April 2017 |
| | \$ 720,000 | \$ 8,380,000 | \$9,100,000 | |

A number of factors have resulted in fewer mobile classroom relocations than expected at the outset of CIP 2013, creating significant savings in that project. These include lower than anticipated enrollment growth, enrollment caps at some schools, and limited space for modular classrooms on some campuses. To date, a total of \$1,620,000 has been reallocated to SNAP projects from mobile classroom relocations. If this item is approved, a total of \$10 million will have been reallocated from mobile relocations to SNAP projects, bringing the revised mobile relocation budget to \$7,583,159.

Operating Cost Impact

Two of the projects funded in this item are expected to have ongoing operating cost impacts to the County: the North Wake College and Career Academy and the Transitions Program. The estimated operating costs associated with these two projects is estimated at \$750,000 annually. This includes the net, new costs the schools will incur to operate these facilities. It is expected that the County would be responsible for utilities, maintenance, grounds and custodial services for additional square footage and acreage. Other operating impacts would be covered through other funding sources or within in the school system's total County appropriation.

| Project | Estimated Net New Operating Costs to County | Notes |
|-----------------------------------------------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Testing Admin & Materials Mgt/Data & Accountability | \$0 | Small Conversion of warehouse to conditioned space |
| River Oaks Condominium Projects | \$0 | Conversion of administrative space for current requirements and additional testing storage |
| North Wake College and Career Academy | ~\$500,000 | State legislature funding of college and career would reduce operating cost ~\$200K. Remaining funding needed to cover MOE and supplies not earned thru state allotment |
| Transitions Program | ~\$250,000 | Utilities, Maintenance, Grounds and Custodial for new SF and acreage. Instructional MOE and supplies not earned thru state allotment |
| Total | ~\$750,000 | |

Staff Comments

The substantial savings in mobile relocations has provided the capacity for WCPSS to accomplish several of the projects identified through their SNAP process. County staff will continue to monitor the projects included in CIP 2013 as it enters its latter phases, while also preparing for the annual update of the new, seven year capital improvement program.

History of CIP 2013

On October 8, 2013, Wake County citizens approved the authorization of \$810 million of general obligation bonds for the Wake County Public School System 2013 Capital Improvement Program. On October 21, 2013, the Board adopted the resolution declaring the results of the October 8, 2013 bond referendum. These bonds, plus cash appropriations, fund the WCPSS CIP 2013 Building Program. On November 18, 2013, the Board of Commissioners was asked to approve the original CIP 2013 Plan of Record, which consisted of \$43,800,000 from existing County funding, and \$939,954,793 in future funding for a total program amount of \$983,754,793. On June 16, 2014 the Board approved a Plan of Record increase in the amount of \$6,799,974 as a result of proceeds of the sale of the 3600 Wake Forest Road Site. On July 6, 2015 the Board approved a \$775,000 increase to the Plan of Record to reflect a reallocation of \$775,000 in CIP 2006 savings to CIP 2013. The Board approved a \$2.6 million increase to the Plan of Record on October 19, 2015 as part of another reallocation of savings from CIP 2006 to CIP 2013. On February 15, 2016 the Board increased the Plan of Record by \$4,454,720 to reflect proceeds from the sale of the original H-6 site (CIP 2006). The Plan of Record currently totals \$998,384,487.

The Capital Improvement Program contemplates commitments through fiscal year 2017. It provides for construction of fifteen new schools: ten new elementary schools, three middle schools and two high schools. Additionally, the plan includes funds for five major renovations, start-up construction costs at five other schools, life cycle equipment replacement, educational equipment replacement, technology and security, land acquisition and start-up design for new schools, facilities assessments and program management and contingency. To date, \$878.8 million has been appropriated, eight new schools and one major renovation have been completed. Currently, six new schools and four major renovations are in the construction phase. One new school will bid in spring 2017.

CIP 2013 originally included funds for eleven new elementary schools, three new middle schools, two new high schools, six major renovations and startup renovation costs for three schools. On July 6, 2015 the Board of Commissioners approved the Board of Education's request for several changes to the program. Two projects were deferred to the next building program. The construction of a new elementary school in Holly Springs (E-46) was deferred due to site identification difficulties, and a major renovation at Vandora Springs Elementary was deferred due to swing space timing needs.

Attachments:

1. Resolution
2. CIP 2013 Appropriation Summary as of December 5, 2016
3. Board of Education Resolution