

**Item Title:** Debt and Capital Model Update – Board Funding Options for Fiscal Years 2022 and 2023 Schools Capital Program

**Specific Action Requested:**

**That the Board of Commissioners approves the intended use of limited obligations bonds to fund the WCPSS capital program for fiscal years 2022 and 2023.**

**Item Summary:**

**Purpose:** Present follow up information on funding WCPSS capital program, as requested by the Board of Commissioners.

**Background:** At the Board of Commissioners February retreat, staff presented the County's updated debt and capital model, options for funding the WCPSS capital program for fiscal years 2022 and 2023, and future tax impacts based on the available funding options. At the retreat, staff presented options for funding this portion of the WCPSS capital program with either general obligation (GO) bonds or limited obligation bonds (LOBs). Commissioners requested that the County receive WCPSS's updated capital improvement plan and incorporate this information into the model prior to giving staff direction on which funding option to utilize.

**Board Goal:** This action supports E2.1 (as drafted) – Implement financing strategies to address needs identified in the Capital Improvement Plan.

**Fiscal Impact:** Bonds to be issued under the proposed plan have been anticipated in the County's Debt and Capital Model. Based on current financial assumptions, the County can fund the WCPSS drafted capital program funding request for fiscal years 2022 and 2023 with either general obligation bonds or limited obligation bonds without an associated property tax impact.

**Additional Information:**

In November 2018, voters approved a \$548 million GO bond to support the WCPSS capital building program. These funds, combined with \$104 million in pay-go (cash) funding, will support the WCPSS building program through fiscal year 2021.

With statutory limitations on the timing of bond referendums, the County is limited to placing GO bond referendums before the voters to even-numbered election years. This necessitates the Board of Commissioners contemplating funding options now for fiscal years 2022 and 2023 of the WCPSS building program. Of the two options (GO bonds or LOBs), GO bonds require approximately six months of staff work and Board actions leading up to a November 2020 referendum.

WCPSS and County staff, through the Joint Facilities Core Team, worked on updates to the WCPSS seven-year capital improvement plan (CIP). This draft CIP was presented by WCPSS staff to the Board of Education's Facilities Committee on March 11. For the two fiscal years contemplated for current financing options, the draft program totals approximately \$732.5 million; County staff projects that \$598.7 million will be debt financed, with another \$133.8 million funded with cash.

County staff has incorporated the draft WCPSS CIP into the County's debt and capital model to determine affordability, current, and future fiscal impacts. As was presented at the February retreat and based on current financial assumptions, the County can afford the WCPSS draft fiscal year 2022 and 2023 CIP under either a GO bond or LOBs option without an associated property tax increase.

**Attachments:**

1. Presentation