

LET'S BREAK  
TO EDUCATE

WEBINAR SERIES

Legislative discussions  
beginning April 16



# PUBLIC SCHOOL BUILDING BOND ACT HB 866/SB 542

Richard Bostic  
NC School Boards Association

April 16, 2018

# WHAT IS THE PROBLEM?

- In April 2016, the DPI School Facility Needs Survey identified **\$8.1 billion** in school capital needs across the state over the next 5 years
- Facility Needs by Economic Tier (Tier 1 most economically distressed)
  - 40 Tier 1 counties = \$1.2 billion
  - 40 Tier 2 counties = \$3.05 billion
  - 20 Tier 3 counties = \$3.8 billion



# UNDER-REPORTING OF NEED

- MGT of America Consulting, LLC selected 9 county LEAs for comprehensive facility evaluations per a 2016 legislatively mandated study (S.L. 2016-94)
  - These LEAs **under-reported** their school facility needs:
    - MGT estimated \$630.2 million in school facility needs in the 9 LEAs.
    - In the 2016 DPI Facility Needs Survey, these 9 LEAs reported only \$287.8 million in school capital needs.

# K-3 CLASS SIZE REQUIREMENTS

- In response to a 2017 NCSBA Survey, 89 LEAs reported a need for 959 additional classrooms because of K-3 class size legislation.
- While not participating in the survey, the press reported Wake needs 559 classrooms, Mecklenburg needs 200 classroom trailers, and Durham needs 63 classrooms due to K-3 class size changes.

# LOCAL FUNDING CAPACITY

MGT Study finding:

“Given the current available allocation processes, the funds available from the state, county, and local level are limited. Considering these limiting factors, it is **unlikely** that there will be an adequate capital funding stream to support the **demand** districts have to provide 21st Century schools to every student in North Carolina.”

# LOCAL BOND EFFORTS

- 40 county bond issues approved \$7 billion since 2005
- Counties considering school bond issues in 2018:
  - Alamance
  - Gaston
  - Moore
  - Transylvania
  - Wake

# NCSBA LEGISLATIVE AGENDA

## SCHOOL CONSTRUCTION/CAPITAL FUNDING

The General Assembly needs to develop methods to assist school districts in handling this staggering backlog in order to better serve students. NCSBA believes the best way to help districts is through a two-pronged approach:

1. One-time infusion of dollars - statewide bond.
2. Dedicated funding streams – lottery and sales tax

# PREVIOUS STATEWIDE BOND ISSUES

1949	\$50 million
1953	\$50 million
1963	\$100 million
1973	\$300 million
1996	\$1.8 billion

Note: No bond in the 1980's, but local sales taxes (Articles 40 and 42) approved to aid education capital needs.

# NC SCHOOL BOND – HB 866/SB542

- **House Bill 866 – Reps. Linda Johnson, Craig Horn, Kevin Corbin, Becky Carney**
  - Passed House K-12 Education Committee
  - Currently in House Finance
- **Senate Bill 542 – Senators Jerry Tillman, Valerie Foushee, Rick Gunn**
- **Both bills put the Public School Building Bond before voters in November 2018**

# NC SCHOOL BOND – HB 866/SB542

## ▪ Bond uses:

- **Construct** new or renovate existing public school buildings
- **Build** technology infrastructure
- **Purchase** equipment for school building that has never been used for public education purpose
- **Purchase** land for school construction

# NC SCHOOL BOND – HB 866/SB542

- **Bond prohibitions**

- Bond funds **cannot** be used for :
  - Facilities for central administration
  - Trailers
  - Relocatable classrooms
  - Mobile classrooms

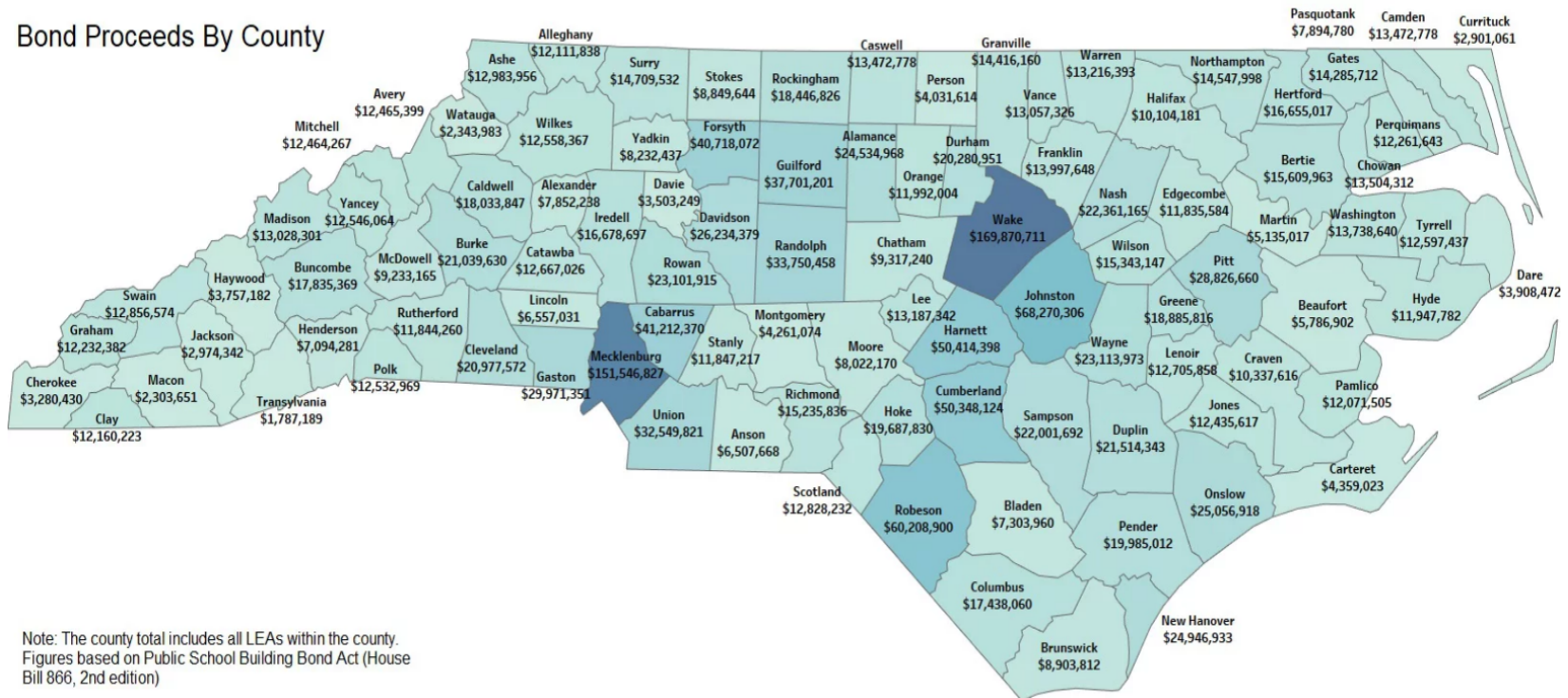
# NC SCHOOL BOND – HB 866/SB542

- **\$1.9 billion statewide bond issue** for school capital needs.
  - 40% to LEAs based on ADM.
  - 30% to LEAs based on low-wealth funding status.
  - 15% to growing LEAs.
  - 15% to small county systems.
  - Local matched required on ADM and ADM Growth funds

# NC SCHOOL BOND – HB 866/SB542

## Learn How Much Money Your School System Would Potentially Receive from the NC School Bond Act

Bond Proceeds By County



Note: The county total includes all LEAs within the county. Figures based on Public School Building Bond Act (House Bill 866, 2nd edition)

# NC SCHOOL BOND – HB 866/SB542

## ▪ Potential amendments

- \$9.4 million minimum allocation – 26 counties
- Local match based on economic tiers
  - Tier 1 = \$1 local/\$3 state
  - Tier 2 = \$1 local/\$2 state
  - Tier 3 = \$1 local/\$1 state
- Unused funds reallocated by ADM
- K-3 class size and school safety projects receive priority for disbursement of funds

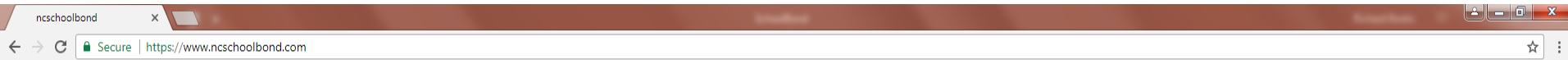
# NC SCHOOL BOND ADVOCACY COALITION

- NC Association of County Commissioners
- NC School Boards Association
- NC Association of School Administrators
- NC Association of Educators
- NC Parent Teacher Association
- Public School Forum of NC
- American Institute of Architects NC
- Carolinas Association of General Contractors

# NC SCHOOL BOND ADVOCACY COALITION

- NC Justice Center
- Wake Education Partnership
- American Council of Engineering Companies/NC
- American Society of Landscape Architects/NC
- Professional Educators of NC

# WWW.NCSCHOOLBOND.COM



## Building North Carolina's FOUNDATION

Supporting the NC School Bond

Home

Why a Bond?

Bond Proceeds by District

Join the Effort!

Building Our Economy. Building Our Future.  
**The NC School Bond - HB 866/SB 542**



North Carolina's Public Schools need \$8.1 Billion for new schools, repairs, and renovations. The NC School Bond (HB 866/SB 542) would invest \$1.9 BILLION to begin addressing these critical needs.



# WWW.NCSCHOOLBOND.COM



Home

Why a Bond?

Bond Proceeds by District

Join the Effort!



- Address \$8.1 Billion Backlog
- Enable Digital Learning
- Train Skilled Workers
- Promote Economic Growth
- Save Money
- Counties Need a Boost
- Operational Costs Are Up
- Shifting Demographics
- Lottery Funding Isn't Enough
- Build on Recent Progress
- Let Voters Decide

Unmet school construction needs in North Carolina's state are grappling with a \$8.1 billion backlog. School Building Bonds will be on the ballot in 2018. If approved, the state's public school facility growth

accumulated over time and counties throughout the state. Please ask legislators to pass the Public School Building Bonds to get a school construction bond on the ballot. Bond legislation will provide \$1.9 billion for school construction over the next five years.

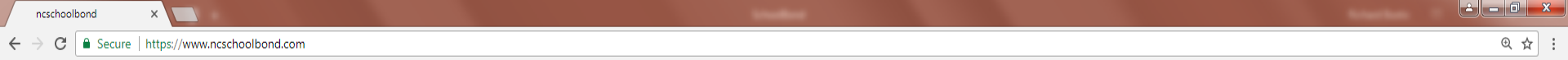
## WHY A BOND, AND WHY NOW?



# WWW.NCSCHOOLBOND.COM

The screenshot shows a web browser window with the URL <https://www.ncschoolbond.com>. The website has a dark teal navigation bar with the following items: Home, Why a Bond?, Bond Proceeds by District, and Join the Effort!. A dropdown menu is open under 'Bond Proceeds by District', listing the following regions: Northeast Region, Southeast Region, North Central Region, Sandhills Region, Piedmont Triad Region, Southwest Region, Northwest Region, and Western Region. The main content area features a large heading: 'Building Our Economy Future. The NC School Bond Act/SB 542'. The background image is a photograph of a brick school building with a wooden ramp leading to a white door. The browser's taskbar at the bottom shows various application icons and the system clock indicating 2:46 PM on 4/12/2018.

# WWW.NCSCHOOLBOND.COM



## Join the Effort

### Show Your Support for the NC School Bond!

We can no longer tolerate children being taught in overcrowded classrooms, deteriorating buildings and mobile units. We support a statewide school construction bond in North Carolina to begin addressing the backlog of school construction needs.

We urge lawmakers to allow the public to vote on a school bond by passing **HB 866!**

Name \*

Email \*

School District \*

Address

Phone

[Sign the Petition](#)



# TWITTER.COM/NC SCHOOL BOND

Home Moments

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Have an account? Log in

**NC School Bond**  
@ncschoolbond

Tweets **25** Following **487** Followers **144** Likes **14**

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## NC School Bond

@ncschoolbond

We are a coalition that supports placing a statewide \$1.9 Billion NC school construction bond on the Nov 2018 ballot!! #ncschoolbond

[ncschoolbond.com](https://ncschoolbond.com)

Joined January 2018

Photos and videos



Tweets Tweets & replies Media

**NC School Bond** @ncschoolbond · Apr 9  
Good to see more local school bond efforts around NCI A #statewide school bond will build on these local investments! But we need to get it on the ballot! #NCPol #letvotersdecide #nced

**MontCrossAreaChamber** @MACC\_NC

Here's a new website with detailed information on the Gaston County school bonds referendum, which will be on the May 8 primary election ballot. The Montcross Area Chamber Board urges all voters to support the bonds for "Our Children & Our Future." facebook.com/montcrosschamb...



**NC School Bond** @ncschoolbond · Apr 4  
ICYMI: watch @TerryStoops comment on k-12 facility needs. Describes last year's NC Connect bond as a missed chance to finance school facility needs. #ncpol



**In Focus: Financing school construction**

If the state requires school districts to hire more teachers to reduce class sizes, should the state fully fund the construction of new schools or class...  
[spectrumlocalnews.com](https://spectrumlocalnews.com)



NC School Bond Retweeted

**Aspen County Schools** @AspenSchoolsNC · Mar 27

## New to Twitter?

Sign up now to get your own personalized timeline!

Sign up

## Worldwide trends

**#NationalSiblingsDay**

44.8K Tweets

**#EqualPayDay**

40.3K Tweets

**#CSKvKKR**

44.5K Tweets

**#AbortoLegalYa**

33.9K Tweets

**#طبيع وذك تتخلص منه**

16.9K Tweets

**Tom Bossert**

24.1K Tweets

**Luis Barrionuevo**

4,235 Tweets

**El Bronco**

71.9K Tweets

**Martial**

33K Tweets

**HemenBahis 10TLBedava**

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Building Our Economy.  
Building Our Future.

**The NC School Bond - HB 866**

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**NC School Bond**  
February 14 · 🌐


ICYMI: Watch reps from NCSBA and NCACC discuss NC's school infrastructure needs. #ncschoolbond  
<https://www.youtube.com/watch?v=gk9hY16okp8>

 Education Matters Episode 25 Leanne Winner, Kevin Leonard 4/8/17  
YOUTUBE.COM

Like Comment Share

**NC School Bond**  
February 7 · 🌐

This editorial outlines the negative impact deteriorating school buildings can have on student learning. NC students cannot wait any longer for a #ncschoolbond! #nced #ncga #ncpol  
<https://www.washingtonpost.com.../public-school-buildings-.../>



Perspective | Public school buildings are falling apart, and students are suffering for it

While the grown-ups argue over whether federal aid would interfere with local control, kids sit in freezing classrooms.

WASHINGTONPOST.COM

Like Comment Share



# SOCIAL MEDIA

- Sign up on the School Bond Facebook and Twitter accounts – invite others to do the same
- Publish links in your publications and websites to the school bond website, Twitter, and Facebook accounts

# RESOLUTIONS

- Partner with your county commissioners to:
  - Write a joint resolution asking the General Assembly (GA) to approve HB 866 and SB 542
  - Request local chambers of commerce, local economic development groups, and civic/professional groups to write resolutions seeking GA approval of school bond bills
  - Encourage the PTA and other education-related groups to write resolutions to the GA in support of the school bond bills

# PRESENTATIONS

- Partner with your county commissioners to make school bond presentations to:
  - Local Chambers of commerce/ economic development groups
  - Community groups – Lions Club, Jaycees
  - PTA and education advocacy groups

# TRADITIONAL MEDIA

- Write Op-ed letter for your local newspaper
- Schedule meeting with local newspaper editorial board to discuss the statewide bond and local school facility needs
- Work with your Public Information Officer (or staff person assigned to media relations) to create media events focusing on your school facility needs
- Seek appearances on local TV and radio news shows to discuss how the statewide school bond will help address local facility needs

# OTHER

- Invite your legislative delegation to tour your older or over-crowded schools
  - If a legislator can't make the designated tour date, try to find an alternate date for an individual tour
  - Schedule tour on Mondays and Fridays during session
- Involve your local district Superintendent in the bond effort!

# SCHOOL BOND RESOURCES

## Talking Points

<https://www.ncsba.org/wp-content/uploads/2018/04/Template-Bond-Talking-Points.pdf>

## Letter to the editor template

<https://www.ncsba.org/wp-content/uploads/2018/04/Letter-to-Editor-on-Bond-Template.pdf>

## Resolution template

<https://www.ncsba.org/wp-content/uploads/2018/04/bondres.pdf>

Webinar slides

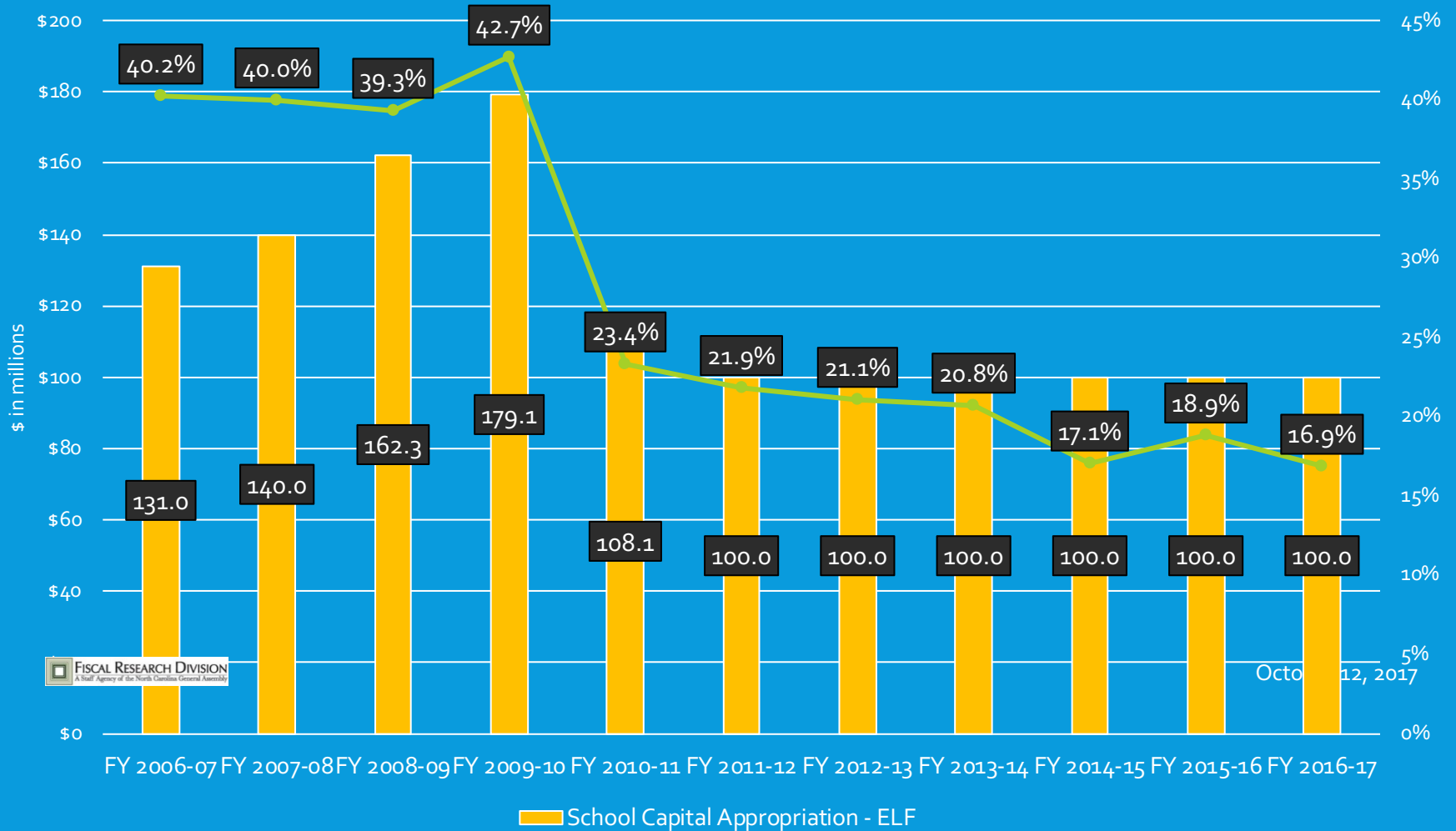
# NC SCHOOL BOND – ECONOMIC IMPACT

- **No tax increase** required to repay bond debt
- For every \$1 billion invested in nonresidential construction, 28,600 jobs created or sustained (Associated General Contractors of America):
  - 9,700 direct jobs in construction.
  - 4,600 indirect jobs supplying construction materials and services.
  - 14,300 jobs created as a result of the wages and profits spent by the construction and supply companies and their employees.

# EDUCATION LOTTERY

- NC Education Lottery established in 2006 with **promise** that 40% of proceeds would go to **school construction needs**.
- Portion of lottery proceeds going to the Public School Building Capital Fund was **16.9%** in FY 2016-17 (\$100 million).
- 72.5% of the \$500 million in lottery capital funds spent by counties since 2013 used for **debt service**.

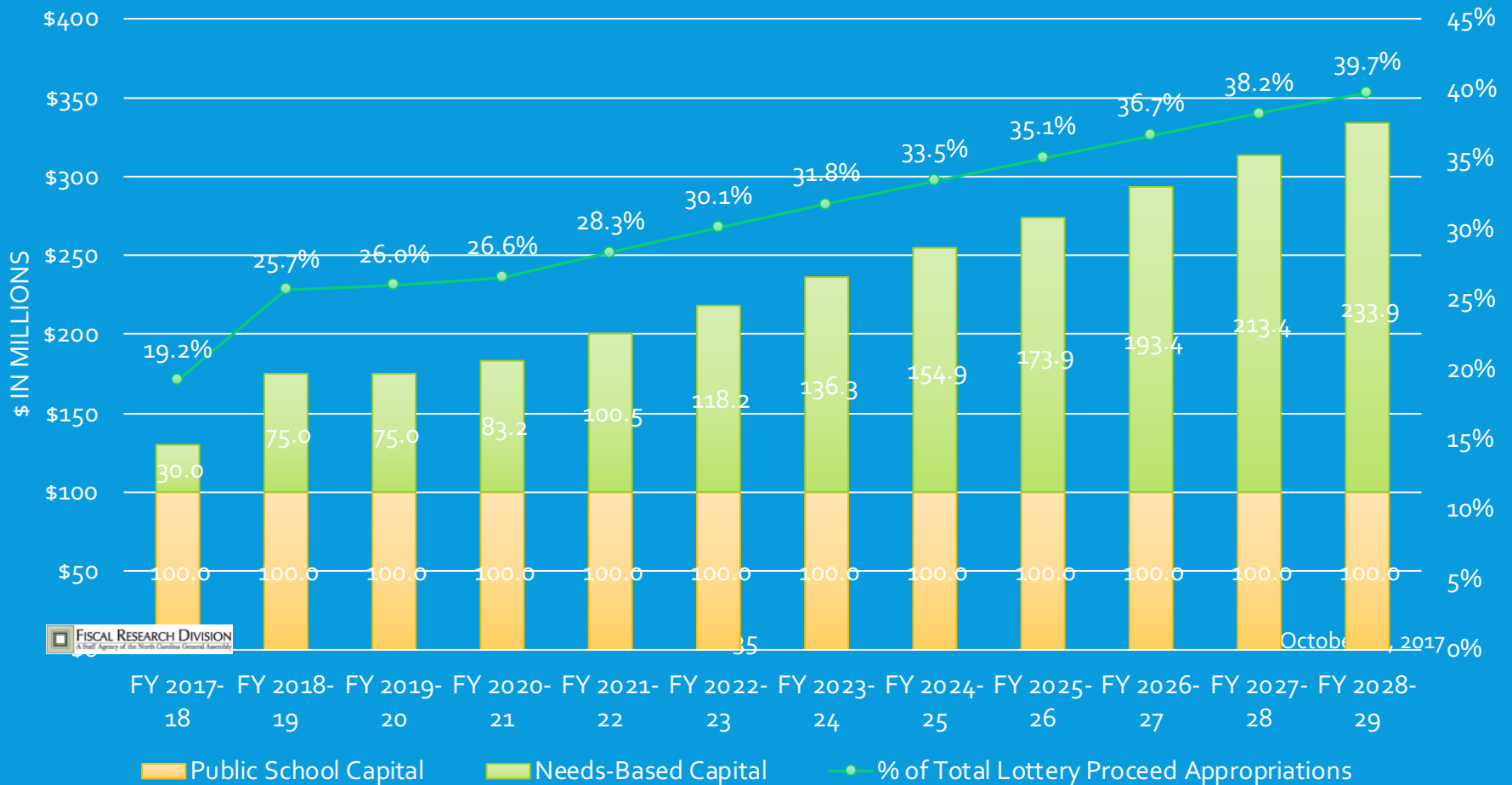
# HISTORICAL PERCENTAGE OF LOTTERY PROCEED APPROPRIATIONS TO SCHOOL CAPITAL



# EDUCATION LOTTERY

- In 2017, General Assembly pledged to return to 40% of lottery funding for school capital needs by the 2028-29 fiscal year.
- Created Needs-Based School Capital Fund
  - State Superintendent decides grant awards
  - Tier I counties only until 2020-21 (Max. grant is \$15 M)
  - Tier II counties added in 2020-21 (Max grant is \$10 M)
  - \$30M in 2017-18 / \$75M in 2018-19
  - IN ADDITION TO regular \$100M lottery allocation

# LOTTERY SCHOOL CAPITAL APPROPRIATION PROJECTIONS (2.5% NET PROCEED GROWTH – UNDER CURRENT LAW)



# UPCOMING LEGISLATIVE WEBINARS

- April 23 - Principal Pay
- April 30 - School Calendar Local Control
- May 7 - Safe Schools
- May 14 - Session Preview

# CONTACT INFORMATION

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