

# Long-Term Facilities Strategy

Bulloch County Schools  
June 22, 2023

# Tonight's Objectives

1. Review key points from board feedback.
2. Review projected enrollment.
3. Review available resources.
4. Discuss next steps.

VERY IMPORTANT.....



# Step 1 - Key Points

Long-Term Facilities Strategy  
June 22, 2023

# Key Points From Board Member Feedback

## Direct Responses:

1. Keep high schools focal point of community.
2. Maintain direct feeder patterns (elementary, middle, high).
3. Utilize cost efficient approach.
4. Career Academy concept embedded in high schools.
5. Raising millage rate to issue additional bonds is an option.
6. Support Construction Management At-Risk approach for design/construction.

## Narrative Comments:

1. Community schools are important.
2. Prefer smaller schools
  - a. High =< 1,800 students
  - b. Elementary =< 600, Middle =< 1,200, High =< 1,800
  - c. Elementary =< 800
3. Might have to do things differently.
4. Access to programs by all students is important.

# Step 2 - Projected Enrollment

Long-Term Facilities Strategy  
June 22, 2023

# Student Enrollment Growth

## Population Growth Rates for Current School Areas\*

	<u>2023</u>	<u>2030</u>	<u>2040</u>
Census Tract 1109 & 1107 (SEBHS)	n/a	62%	13%
Remainder of County (SHS & PHS)	n/a	18%	12%

\*Based upon population growth rates provided to us on March 23, 2023 by Tom Couch, county manager; includes adjustments for school areas.

# Student Enrollment Growth

Student Enrollment Growth Projections for **SEBHS Area** (minimum):

	<u>2023</u>	<u>2030</u>	<u>2040</u>
High Schools	1,156	1,873	2,116
Middle Schools	827	1,340	1,514
Elementary Schools (K-5)	1,759	2,850	3,220

Note: Any plans for Pre-K in elementary schools will require additional capacity.

# Student Enrollment Growth

Student Enrollment Growth Projections for **SHS Area** (minimum):

	<u>2023</u>	<u>2030</u>	<u>2040</u>
High Schools	1,760	2,077	2,326
Middle Schools	1,338	1,579	1,768
Elementary Schools (K-5)	2,975	3,511	3,932

Note: Any plans for Pre-K in elementary schools will require additional capacity.

# Student Enrollment Growth

Student Enrollment Growth Projections for **PHS Area** (minimum):

	<u>2023</u>	<u>2030</u>	<u>2040</u>
High Schools	303	357	400
Middle Schools	218	257	288
Elementary Schools (K-5)	382	451	505

Note: Any plans for Pre-K in elementary schools will require additional capacity.

# Step 3 - Resource Availability

Long-Term Facilities Strategy  
June 22, 2023

# Resources Available for Capital Outlay

1. Education Special Purpose Local Option Sales Tax (ESPLOST)
2. State Capital Outlay Funding
3. Ad Valorem Tax (Property Tax)

# Education Special Purpose Local Option Sales Tax (ESPLOST)

- Must be approved by voters for each collections cycle.
- Collections cycle typically runs for a five-year period.
- Monthly sales tax collections can be accumulated or be used to pay principal and interest on general obligation sales tax bonds, which are issued to get proceeds up-front funds for capital outlay.
- ESPLOST V (October 2023 through September 2028), along with authority to issue \$80 million in general obligation sales tax bonds, has been approved by voters.
- Voters can be asked at any time to approve future ESPLOST cycle(s) but any issuance of bonds against future ESPLOST collections will incur capitalized interest, significantly reducing the amount available for capital outlay use.

## Education Special Purpose Local Option Sales Tax (ESPLOST)

ESPLOST V (2023 through 2028)	\$ 80,000,000
ESPLOST VI (2028 through 2033)	\$ 90,000,000*
ESPLOST VII (2033 through 2038)	<u>\$100,000,000*</u>
Net Funding (2023 through 2038)	<u>\$270,000,000**</u>

\*Represented in present value with 10% to 12% estimated real growth.

\*\*Reflects net bond proceeds available after issuance and interest costs.

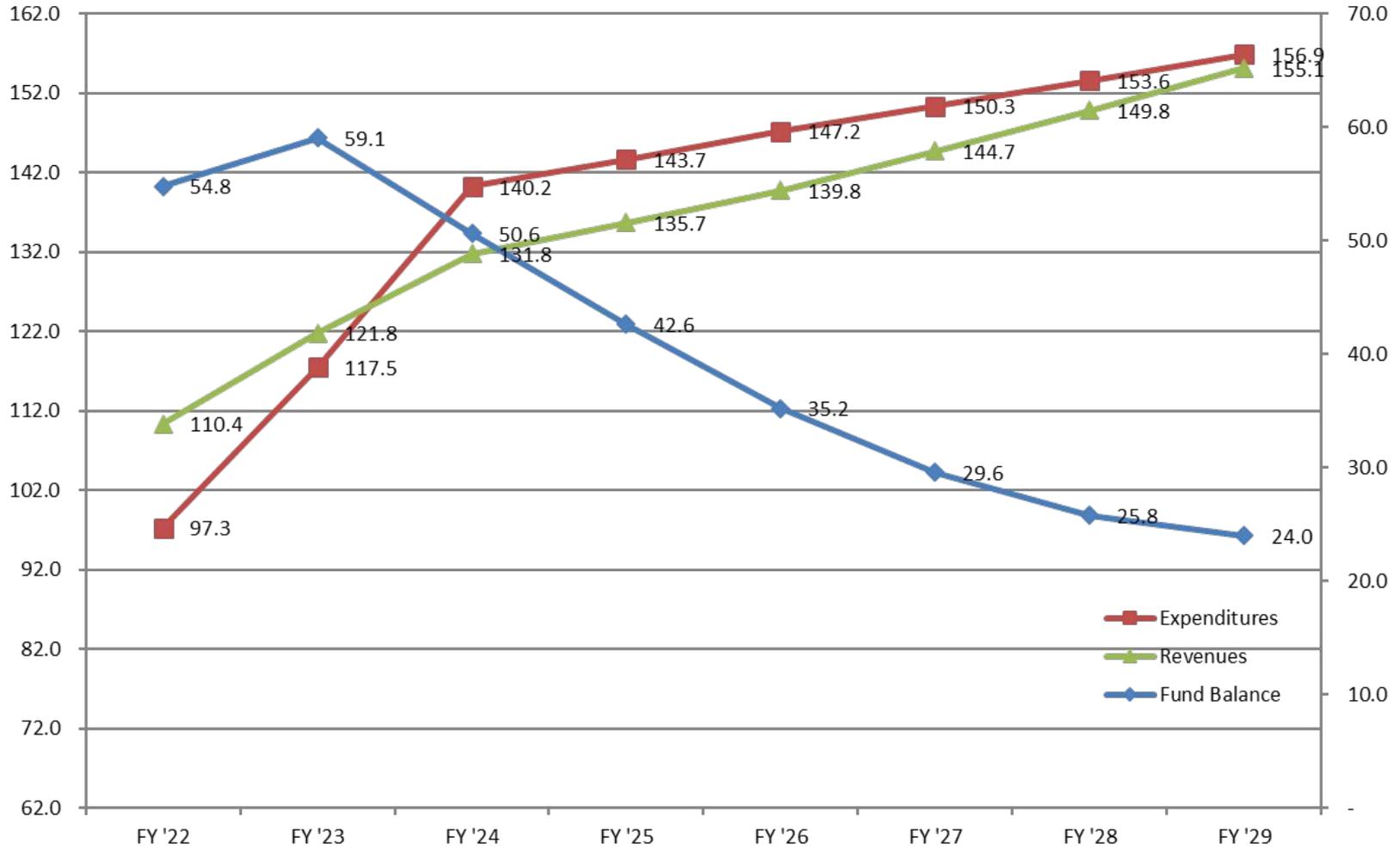
# State Capital Outlay Funding

- Earned through the district's Five Year Facilities Plan filed with the state.
- Funding is generated through "need" determined by the state's formula for facilities funding.
- "Need" is based upon a rolling five-year average of enrollment in-arrears.
- Under our current plan, which converts the existing SEBHS to a middle school, thus creating the need for a new SEBHS, we are estimated to have access to between \$12 and \$15 million in state capital outlay funding.
- No future funding has yet been determined as available.

# Ad Valorem Taxes (Property Taxes)

- Can be levied directly by the board of education to pay principal and interest on general obligation bonds, which are issued to get up-front funds for capital outlay.
  - **Voters must approve any bond issuance.**
- Value quantified by how much a mill of tax is worth in property tax digest.
- One mill of tax (for our tax digest) is estimated to be able to generate enough proceeds to finance 20-year general obligation bonds worth between \$35 and \$47 million.
- Any property tax levied to service general obligation bonds would be in addition to property taxes levied for annual budget (operations of district).
  - Important: Each additional school that is opened will cost approximately 1 mill of additional property taxes; this will also add tax burden.

# General Fund Revenues, Expenditures & Fund Balance



# Step 4 - Next Steps

Long-Term Facilities Strategy  
June 22, 2023

# No Matter What We Do.....

- Think with the end in mind.
- Understand the consequences of our decisions.
- Be transparent with the community about our plans.
- Be willing to adjust along the way.
- Stay within the resources the board is willing to levy and allocate.

# Superintendent's Recommendation

1. Maintain community high schools as we know them (PHS, SHS, SEBHS).
2. Maintain direct feeder patterns for these community high schools.
3. Incorporate the career academy concept into all three high schools, offering a variety of programs across the district with access by all students, including transportation.
4. Address the school facilities needed for student enrollment growth in a cost efficient and steady manner, from both the construction and operating perspectives; reserve some level of ESPLOST revenues for other capital needs (ie, technology, buses, facilities improvements).
5. Move forward with Phase 1 of the superintendent's recommendation as soon as possible and utilize the Construction Management At-Risk approach to save time and stabilize cost variability.
6. Reserve the potential use of a debt service millage rate and issuance of general obligation bonds until further notice.

# Superintendent's Recommendation

Phase I (2023 through 2028):

1. Build a new SEBHS for 2,500 students, expandable to 3,000 students for future contingency, including career academy offerings.
2. Equip SHS and PHS with career academy offerings.

# Superintendent's Recommendation

Phase II (2028 through 2033):

1. Build a new elementary school (minimum 900 students) on the south end of the county between SES and NES.
2. Build a new middle school (between 900 and 1,200 students) in the Statesboro area.
3. Replace SES with a new school facility (minimum 900 students) **or** build a new elementary school (minimum 900 students) in the east Statesboro area. Both need to occur; timing is the option.

# Superintendent's Recommendation

Phase III (2033 through 2038):

1. Replace SES with a new school facility (minimum 900 students) **or** build a new elementary school (minimum 900 students) in the east Statesboro area. Both need to occur; timing is the option.
2. Build a new middle school (between 900 and 1,200 students) in the Southeast area (between Stilson and Nevils).
3. Expand NES.

# Superintendent's Recommendation

Other options and post-Phase III (2038 and beyond):

1. Separate PMS from PHS and build either an additional PMS or an additional PHS facility; either would need to be a minimum of 600-800; or,

Leave SHS at current size, separate PMS out as its own school and build a new high school (minimum 1,000 students) to service Portal and Statesboro area students. This would involve moving away from community schools as we know them and redistributing student populations.

2. Expand PES; or,

Build an additional elementary school (minimum 900 students) in the north or west area of county.

3. Expand SEBHS to 3,000 students (if needed).

# Superintendent's Recommendation

	<u>Cost Estimate</u>	<u>Net Funding Estimate**</u>
Phase I (2023 to 2028)	\$90m to \$110m*	\$92m to \$105m*
Phase II (2028 to 2033)	\$100m to \$130m*	\$90m to \$100m*
Phase III (2033 to 2038)	\$100m to \$130m*	\$100m to 110m*

\*Represented in present value costs.

\*\*Includes ESPLOST net bond proceeds and estimated state capital outlay funding.

Note: It may be necessary to utilize the option of a debt service millage rate and issuance of general obligation bonds to provide the additional necessary resources at any time during this 15-year period.

# Discussion