

NCDPI State of the State **K-12 School Construction**

2022 NC A4LE Annual Conference
Asheville, North Carolina

April 4, 2022

Nathan Maune, AIA
Section Chief, NCDPI School Planning



NORTH CAROLINA
State Board of Education
Department of Public Instruction

DPI School Planning Section

- **Nathan Maune, AIA**
 - *Section Chief, Legislation, Budget, Publications*
- **Teri Williams**
 - *Office Manager, Review Certificates, Athletic Facility Grants*
- **Jon Long, AIA**
 - *Architectural Reviews, Green Ribbon Schools, Capital Projects*
- **Roger Leeson, AIA**
 - *Architectural Reviews, Publications, Capital Projects*
- **Dennis Hilton, PE**
 - *Structural Reviews, Lottery Capital Funds*
- **Josh Burris, PE**
 - *Mechanical Reviews, Plumbing Reviews, Capital Projects*
- **Jonathan Jones, PE**
 - *Electrical Reviews, Capital Projects, HUB Coordinator*



DPI School Planning Updates

- US Dept of Education – Green Ribbon Schools
- K-12 Design Review Updates
- K-12 Consolidated Facility Database Project
- 2020 Statewide Facility Needs Survey
- Capital Funding
 - Lottery Revenue (PSBCF, NBPSCF, PSBRRF)
 - State Capital Infrastructure Fund (SCIF)
 - Federal COVID Relief Funding (ESSER)
- Questions / Discussion



Green Ribbon Schools

- US Department of Education – Since 2012
 - Reducing Environmental Impacts
 - Improving Health and Wellness
 - Effective Environmental and Sustainable Education
- K-12 Schools, K-12 Districts, Post Secondary
- NC – 18 Past Recipients
- 2021 Green Strides Tour (NC)
 - October 19-21, 2021
 - Visited 9 Honorees
- 2022 GRS Director of the Year – Jon Long, AIA
- 2023 Application Cycle – Begins Fall 2022

<https://www.dpi.nc.gov/districts-schools/district-operations/school-planning/external-resources>



Design Review Updates

- Electronic Submittals – PDF Format
- Average 224 Reviews / Year 2015-2021
- 74 Reviews Completed YTD in 2022
- 196 Projects Currently Under Review
- Normal Review Cycle is 2-to-4 Weeks
- Current Backlog is 4-to-6 Weeks

<https://www.dpi.nc.gov/districts-schools/district-operations/school-planning/design-review>



K-12 Consolidated Database

- Created in SL 2021-180 (State Budget)
- RFP – SaaS Contract
- Consolidated K-12 Facility Data Resource
- Sorting / Filtering / Reporting
- Cooperative Purchasing
- Local Bond Reporting
- RFQ / RFP / Bid Results
- Construction Cost Reporting
- Five-Year Facility Needs Survey



2020 Facility Needs Survey

- **New Schools**
 - 131 New Schools – 111,156 Students
- **Additions**
 - 312 Schools
 - 2,045 Classrooms
 - 99 Gymnasiums
 - 59 Cafeterias
 - 39 Media Centers
- **Renovations**
 - 1,594 Schools
- **School Replacement**
 - 83 Schools



2020 Facility Needs Survey

- Repairs / Deferred Maintenance 45.1%
- Building Code / Life Safety 18.3%
- Replace Obsolete Facilities 10.3%
- HVAC / Energy Savings 10.0%
- Enrollment Growth 4.0%
- Technology Infrastructure 4.0%
- Other 8.3%



2020 Facility Needs Survey

- Construction Costs – Integrated into FNS Database
- 2020 Cost Data = \$250 / SF for New Facilities
 - 2015 = \$194 / SF
 - 2010 = \$138 / SF
- FNS based on pre-pandemic Construction Costs
- Calculations do not reflect recent market volatility



2020 Facility Needs Survey

- 2021 to 2025 = \$12.79 Billion
- 2026 to 2030 = \$8.83 Billion

<i>Comparison of Five-Year Needs</i>			
5-Year Need	2015-16 Survey	2020-21 Survey	% Change
New Schools	\$ 2,787,390,899	\$ 4,827,615,231	73.19%
Additions	\$ 1,632,766,326	\$ 1,655,892,689	1.42%
Renovations	\$ 3,098,241,811	\$ 5,632,942,480	81.81%
Furnish / Equip	\$ 486,474,110	\$ 613,032,104	26.02%
Land	\$ 57,883,543	\$ 64,638,630	11.67%
Total	\$ 8,062,756,689	\$ 12,794,121,134	58.68%



Lottery Capital Funds

- Public School Building Capital Fund (1987)
 - Original Funding – Corporate Tax Revenue
 - \$100 Million / Year
 - ADM-Based Allotment
- Needs-Based Public School Capital Fund (2017)
 - Joint Application Process
 - Critical Facility Needs
 - Local Matching Funds
- Public School Repair & Renovation Fund (2021)
 - \$30 Million / Year 1 \$50 Million / Year 2 onward
 - Equal Allocation to 100 Counties
 - Repair, Renovation, Expansion of Classroom Facilities

<https://www.dpi.nc.gov/districts-schools/district-operations/school-planning/capital-funding>



NBPSCF (2021 Changes)

- SL 2021-180 (State Budget)
 - Creates Article 38B in G.S. 115C
 - Significant Changes to the NBPSCF
- Increases Maximum Grants
 - \$30 million – Elementary Schools
 - \$40 million – Middle Schools
 - \$50 million – High Schools
- Broadens Eligible Uses
 - New Buildings, Additions, Repairs, and Renovations
- Revises Local Matching Requirement
 - Range from 0% to 35%



NBPSCF (2021 Changes)

- Changes Eligibility Criteria
 - Adjusted Market Value of Taxable Real Property
 - NC Department of Revenue (data source)
- Eliminates 5-year ineligibility for PSBCF
 - ADM-Based Allotments will resume – Q2 Funds
- Eliminates 5-year restriction to re-apply NBPSCF
 - Priority for applicants with no grant in past 3 years
- Prior NBPSCF recipients – may apply for increase
 - Project not yet under construction
 - DPI shall prioritize these applications
- Agreement / Reporting Requirements unchanged



NBPSCF (2021 Changes)

- Application Ranking Criteria (per SL 2021-180)
 - Prior recipients applying for an increase.
 - Counties designated as Tier 1 areas.
 - Counties with greater need and less ability to generate tax revenue.
 - Counties with a high debt-to-tax revenue ratio.
 - Projects that address critical deficiencies.
 - Projects with new construction or complete renovation.
 - Projects that consolidate two or more schools.
 - Counties that have not received a grant in three years.



NBPSCF (2021 – 2023)

- Funding Availability – FY2021-22 Grant Cycle
 - \$ 16,612,891 (unawarded fund balance)
 - \$ 145,252,612 (appropriation in SL 2021-180)
 - \$ 233,922,196 (excess net lottery revenue per GS 18C-164)
 - \$ 395,787,699 Total

- Anticipated Funding – FY2022-23 Grant Cycle
 - \$ 153,252,612 (appropriation in SL 2021-180)
 - \$ _____* (excess net lottery revenue per GS 18C-164)
 - \$ 153,252,612 Total (*excess lottery revenue TBD)



NBPSCF (2021 – 2023)

- **FY2021-22 Submittal and Award Schedule**
 - Dec. 17 – Application & Guidance
 - Mar. 15 – Application Deadline
 - Apr. 19 – Grant Award Announcements (anticipated)

- **FY2022-23 Submittal and Award Schedule**
 - Jul. 15 – Application & Guidance (anticipated)
 - Sep. 30 – Application Deadline (anticipated)
 - Oct. 25 – Grant Award Announcements (anticipated)

<https://www.dpi.nc.gov/districts-schools/district-operations/school-planning/capital-funding>



PSBRRF (2021 – 2023)

- Established in SL 2021-180 (State Budget)
- Codified in G.S. 115C-546.16
- Public School Repair & Renovation Fund
 - \$30 Million / Year 1 \$50 Million / Year 2 onward
 - Equal Allotment to 100 Counties
 - Procedures Similar to Annual Lottery (PSBCF)
- Eligible Expenditures
 - Repair, Renovation, Expansion of Classroom Facilities
 - Planning / Design / Construction
- Not Eligible
 - Debt Service Payments
 - Central Administration, Transportation Facilities

<https://www.dpi.nc.gov/districts-schools/district-operations/school-planning/capital-funding>



K-12 Athletic Facility Grants

- Established in SL 2021-180 (State Budget)
 - State Capital Infrastructure Fund (SCIF)
 - \$44 million for K-12 Athletic Facility Grants
- OSBM Administered Grants
 - \$31.376 million
 - Grants to 16 LEAs
 - Specific Amounts for Specific Named Projects
- DPI Administered Grants
 - \$12.624 million
 - Grants to 99 LEAs
 - Repairs & Renovations to Existing Athletic Facilities



K-12 Athletic Facility Grants

- Administrative Requirements
 - LEA-DPI Grant Agreement
 - Project Scope & Budget Statement
 - Quarterly, Annual, and Final Reporting
- SCIF Grant Governance
 - SL 2021-180
 - SL 2021-189
 - GS 143C-6-22
 - 9 NCAC Subchapter 3M.0205
 - SBE Policy

<https://www.dpi.nc.gov/districts-schools/district-operations/school-planning/capital-funding>



ESSER Funding (COVID)

- State Law AND Federal Law Compliance
 - Scope of Work Identified in CCIP Application (NCDPI)
 - Federal Impact Aid Program (EDGAR)
 - Federal Procurement Rules – 2 CFR 200.318 to 200.326
 - NC General Statutes – Design, Construction, Schools
- Funding Expiration
 - ESSER I – 9/30/2022
 - ESSER II – 9/30/2023
 - ESSER III – 9/30/2024
- NCDPI Monitoring and Compliance Manager
 - Shirley McFadden – shirley.mcfadden@dpi.nc.gov



Questions...?





North Carolina Department of
PUBLIC INSTRUCTION