

# ***DPI School Planning***

## **K-12 School Construction Update**

**2022 FBS Summer Conference**  
**Research Triangle Park, North Carolina**

*July 21, 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***

- 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



# ***Design Review Updates***

- Electronic Submittals – PDF Format
- Average 224 Reviews / Year 2015-2021
- 270 Reviews Completed YTD in 2022
- 188 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 resumed – FY21-22 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

- Application Evaluation Criteria
  - 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.
  - Start date of project construction.
  - Percentage of District ADM served.





# NBPSCF

- Grant Awards Since Program Inception
  - \$ 30 million in 2017 – 4 Grants (4 counties)
  - \$ 141 million in 2018 – 13 Grants (12 counties)
  - \$ 73 million in 2019 – 6 Grants (6 counties)
  - \$ 115 million in 2020 – 14 Grants (9 counties)
  - \$ 395 million in 2021 – 42 Grants (28 counties)
- Anticipated Funding – FY2022-23 Grant Cycle
  - \$ 208,252,612 (appropriation in SL 2022-74)
  - \$ 100,000,000 (Needs-Based Capital Reserve per SL 2022-74)
  - \$ 123,000,000 (\*excess net lottery revenue per GS 18C-164)
  - \$ (134,797,544) (directed grants per SL 2022-74)
  - **\$ 296,455,068** Total (\*excess lottery revenue TBD)



# NBPSCF

- FY2022-23 Submittal and Award Schedule
  - Jul. 27 – Information Webinar / Q&A
  - Jul. 28 – Publish Local Match Requirements
  - Aug. 1 – Application & Guidance Materials
  - Sep. 1 – Application Deadline
  - ----- Application Review Period
  - ----- Grant Award Announcements

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



# PSBRRF

- 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](mailto:shirley.mcfadden@dpi.nc.gov)



***Questions...?***





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