



OPTIONS TO ADDRESS E-SPLOST BUDGET ISSUES

JULY 8, 2019

AGENDA

E-SPLOST Budget Issues

Recommendation to Address E-SPLOST Budget Issues

Step 1: Balance E-SPLOST V Budget to \$561 M

Step 2: Approve GO Bond for March 2020 Referendum

Step 3: E-SPLOST V Adjustments after GO Bond Passes

Next Steps

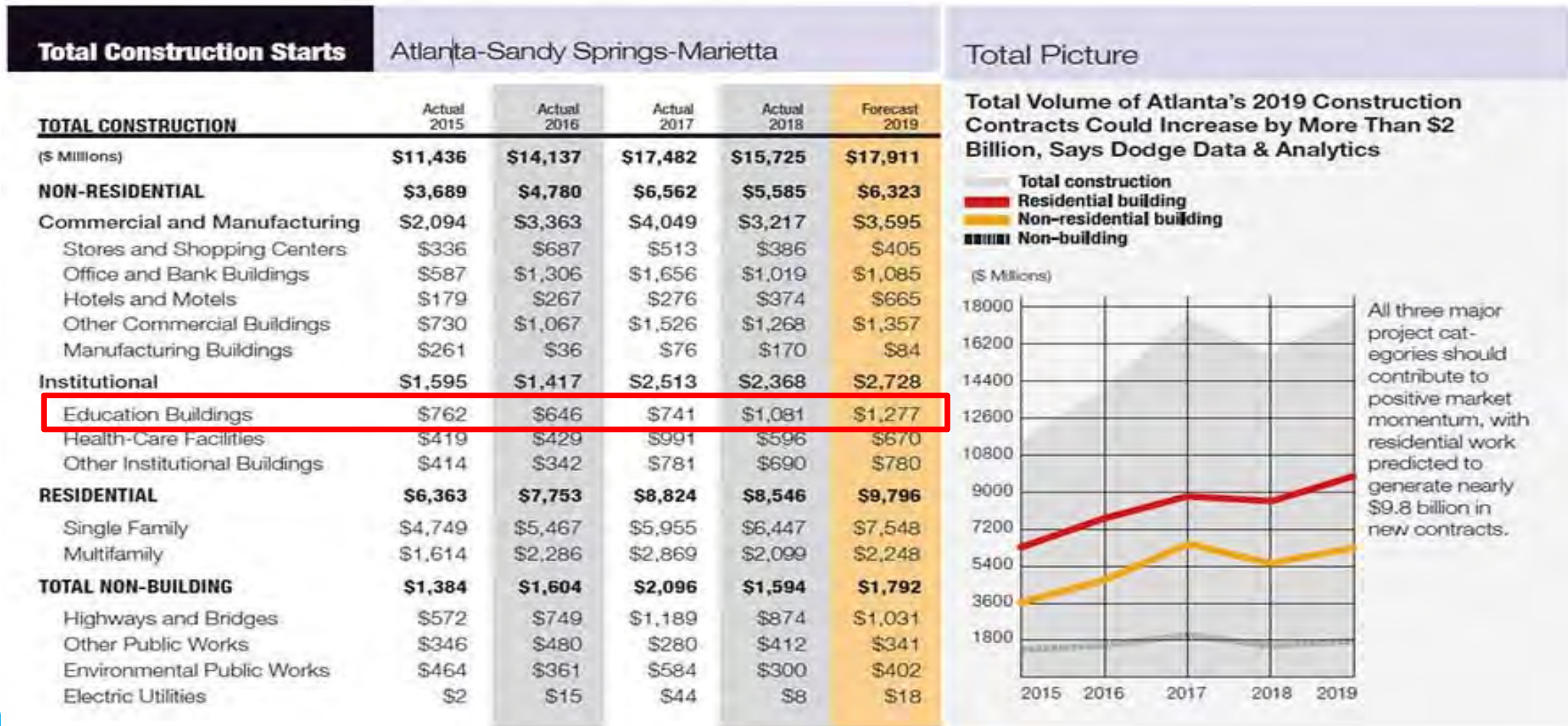


E-SPLOST BUDGET ISSUES

- Industry-wide construction costs have increased by 15%-20% in past few years
- E-SPLOST V projects are projected to cost approximately \$95 million more than the current budget
 - Increased construction cost: approximately \$82 million
 - Uncertainty in E-SPLOST V state reimbursement revenues: approximately \$13 million (of \$31 million)
- E-SPLOST IV projects are projected to cost approximately \$5 million more than the current budget

INCREASE IN CONSTRUCTION COSTS: ATLANTA MARKET

- Very robust construction market:** The Atlanta Metro Market has been rising from \$11 billion in 2015 to \$18 billion in 2019 and is forecasted to continue to rise.



INCREASE IN CONSTRUCTION COSTS: ATLANTA MARKET

- **Shrinkage in the available labor pool:** Unemployment in the Atlanta Metro area has fallen below 4%. The construction industry has been unable to attract skilled and unskilled workers back to construction from the recession of 2009 to levels seen pre-2009.
- **Material costs:** Prices have increased in all areas of construction materials.
- **Tariffs:** The US government imposed tariffs on imported construction materials in 2018 and 2019.
- **Fire Marshal:** More stringent requirements for sprinkling buildings.

WHAT ARE OTHER SCHOOL DISTRICTS ARE DOING?

School District	Strategy	Notes
Atlanta Public Schools	Scope & Program Reductions, Reserve Funds	The budget for SPLOST (2017-2022) was set at 85% of estimated revenue (\$546 M) which equates to an effective 15% reserve. Scope reductions were implemented in Dec 2018.
Cobb County School District	Scope & Projects on Hold until funding identified	New SPLOST program (2018-2023) has a list of \$38 M “miscellaneous” projects that will be completed only if funds are available, which equates to an effective reserve of 4.8% (\$797 M)
Fulton County Schools	Scope Reductions, Reserve Funds	The scope language for each SPLOST (2017-2022) project allows for flexibility to implement within the budget (i.e. soft-scope reduction). Contingency and reserve funds (\$102 M) are a last resort (11% of \$930 M)
Gwinnett County Public Schools	Scope Reductions, Reserve Funds	The budget for SPLOST (2017-2022) was set at a low estimated revenue (about \$800 M). Actual revenue has been higher (about \$850 M) and close to the medium estimate. GCPS also issues GO Bonds as a “bridge” between each E-SPLOST to do additional projects.

E-SPLOST V BUDGET ISSUES: \$95 MILLION

E-SPLOST V Focus Area	Current Budget	Estimated Cost	Difference from Current Budget	% Increase	Number of Projects
1. Safety and Security Improvements	\$12,872,000	\$40,629,074	+\$27,757,074	+216%	11
2. New Facilities and Additions	\$304,890,566	\$334,123,099	+\$29,232,533*	+10%	12
3. Facility Condition Improvements	\$96,948,000	\$104,077,561	+\$7,129,561	+7%	28
4. Technology Improvements	\$65,000,000	\$68,300,000	+\$3,300,000	+5%	9
5. Buses, Vehicles, and Other Capital Equipment	\$40,075,000	\$40,075,000	\$0	0%	6
6. Management Support and Program Contingency	\$41,214,434	\$69,114,434	+\$27,900,000	+68%	5
Grand Total	\$561,000,000[†]	\$656,319,168	+\$95,319,168	+17%	71

* \$29.2M overage down from \$67.4M due to lower enrollment projections resulting in a recommended decrease of 82 Instructional units of construction (+309 IUs → +227 IUs)

[†] \$561 million = \$530 million sales tax + \$31 million state reimbursement

UNCERTAINTY OF STATE REIMBURSEMENTS IN SUPPORT OF E-SPLOST V

- Sales tax revenues (\$530 M) are ahead of projections
 - Actual sales tax receipts through June 2019 were 4.1% higher than expected (\$213.2 M vs \$204.6 M, +\$8.6 M)
- State reimbursement revenue (\$31 M) may be less than anticipated (\$18.7 M)
 - Declining enrollment has affected the state's forecast of District's capacity needs
 - Excess capacity at some middle and high schools combined with lower forecasted enrollment has negated the District's ability to apply for capacity reimbursement for E-SPLOST V middle and high school additions
- A “revenue reserve” of \$13 M is needed to mitigate revenue uncertainty

E-SPLOST IV BUDGET ISSUES: \$5 MILLION

E-SPLOST IV Projects of Concern	Current Budget	Current Estimated Costs	Difference from Current Budget
507. Rebuild of Pleasantdale ES	\$28,374,835	\$28,874,835	+\$500,000
509. Rebuild of Smoke Rise ES	\$28,621,279	\$29,021,279	+\$400,000
510. Arts School	\$11,127,167	\$15,000,000	+\$3,872,833
Total	\$68,123,281	\$72,896,114	+\$4,772,833

E-SPLOST IV remaining construction: \$102.5 M

E-SPLOST IV program contingency: \$2.8 M (2.7%)

AGENDA

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Step 1: Balance E-SPLOST V Budget to \$561 M

Step 2: Approve GO Bond for March 2020 Referendum

Step 3: E-SPLOST V Adjustments after GO Bond Passes

Next Steps



RECOMMENDATION TO ADDRESS E-SPLOST BUDGET ISSUES

Three-Step Process:

- Step 1: Balance E-SPLOST V Budget to \$561 M**
(October 2019)
- Step 2: Approve GO Bond for March 2020 Referendum**
to fund additional projects, including some of those projects removed in step 1 (November 2019)
- Step 3: E-SPLOST V Adjustments after GO Bond Passes**
to restore projects to E-SPLOST V, if GO Bond referendum passes in March 2020 (April 2020)

RECOMMENDATION TO ADDRESS E-SPLOST BUDGET ISSUES

Step 1: Balance E-SPLOST V Budgets to \$561 M	Option 1: Arts School Waits for GO Bond			Option 2: Move forward with Arts School in E-SPLOST V		
	<p style="text-align: center;"> ✗ Arts School ✗ Peachtree MS Addition ✗ Lakeside HS Addition ✓ Chamblee HS Addition </p>			<p style="text-align: center;"> ✗ Chamblee HS Addition ✗ Lakeside HS Addition ✓ Arts School ✓ Peachtree MS Addition </p>		
Step 2: Approve GO Bond for March 2020 Referendum	Option 1A \$222 M	Option 1B \$265 M	Option 1C No Bond	Option 2A \$222 M	Option 2B \$265 M	Option 2C No Bond
	<p style="text-align: center;"> ✓ Arts School ✓ Peachtree MS Addition ✓ Lakeside HS Addition </p> <p>Four (4) New Elementary Schools Land Reserve (\$15 M)</p>	<p style="text-align: center;"> ✓ Arts School ✓ Peachtree MS Addition ✓ Lakeside HS Addition </p> <p>Five (5) New Elementary Schools Land Reserve (\$20 M)</p>	<p style="text-align: center;"> ✗ No Arts School ✗ No Peachtree MS Addition ✗ No Lakeside HS Addition </p>	<p style="text-align: center;"> ✓ Chamblee HS Addition ✓ Lakeside HS Addition </p> <p>Four (4) New Elementary Schools Land Reserve (\$15 M)</p>	<p style="text-align: center;"> ✓ Chamblee HS Addition ✓ Lakeside HS Addition </p> <p>Five (5) New Elementary Schools Land Reserve (\$20 M)</p>	<p style="text-align: center;"> ✗ No Chamblee HS Addition ✗ No Lakeside HS Addition </p>
Step 3: E-SPLOST V Adjustments after GO Bond Passes	<p style="text-align: center;"> Re-establish Turf Installations Re-establish Fairington ES Rebuild elementary schools instead of renovating </p>			<p style="text-align: center;"> Re-establish Turf Installations Re-establish Fairington ES Rebuild elementary schools instead of renovating </p>		
				<p style="text-align: center;"> - Chamblee MS Becomes Chamblee HS Annex - Chamblee HS Serves magnet grades 7-12 - Sequoyah MS becomes Chamblee MS </p>		

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E-SPLOST Budget Issues

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Next Steps



STEP 1: BALANCE E-SPLOST V BUDGET TO \$561 M

Step 1: Balance E-SPLOST V Budget to \$561 M

	Option 1: Arts School Waits for GO Bond	Option 2: Move forward with Arts School in ESPLOST V
Remove Projects	<p>12 Projects (-\$73.7 M)</p> <ul style="list-style-type: none"> - Turf installation at 14 Schools (p #301-#302, -\$10.8 M) -Fairington ES (p# 361, -\$2.4 M) -Hawthorne ES (p# 364, -\$4.5 M) - Lakeside HS Addition (p #216, -\$27.0 M) - Peachtree MS Addition (p #203, -\$14.1 M) 	<p>12 Projects (-\$81.1 M)</p> <ul style="list-style-type: none"> - Turf installation at 14 Schools (p #301-#302, -\$10.8 M) -Fairington ES (p# 361, -\$2.4 M) -Hawthorne ES (p# 364, -\$4.5 M) - Lakeside HS Addition (p #216, -\$27.0 M) - Chamblee HS Addition (p #212, -\$21.5 M)
	<p>– Sprinkler installation at 18 schools (p #101-#102-#103, -\$3.9 M)</p> <ul style="list-style-type: none"> - Freedom MS Addition (p #202, -\$8.5 M) - Lead-In-Water Set-Aside (p #331, -\$0.9) - Parking addition at 10 schools (p #381, -\$1.6 M) 	<p>– Sprinkler installation at 18 schools (p #101-#102-#103, -\$3.9 M)</p> <ul style="list-style-type: none"> - Freedom MS Addition (p #202, -\$8.5 M) - Lead-In-Water Set-Aside (p #331, -\$0.9) - Parking addition at 10 schools (p #381, -\$1.6 M)
Reduce Scope	<p>8 Projects (+\$13.8 M)</p> <ul style="list-style-type: none"> - Druid Hills HS (p #121, \$0 M, remove sprinklers) - Hambrick ES (p #122, \$0 M, remove sprinklers) - Redan MS (p #322, \$0 M, remove sprinklers) - Midvale ES (p #344, \$0 M, remove sprinklers) - Cross Keys MS Conversion (p #201, +\$1.9 M, +21 → +8) - Cedar Grove HS Auditorium (p #211, +\$3.1 M, remove turf) - Clarkston HS Addition (p #213, -\$8.4 M, +32 → +15, remove turf) - New Cross Keys HS (p #214, +\$17.2 M, +119 → +98) 	<p>9 Projects (+\$11.6 M)</p> <ul style="list-style-type: none"> - Druid Hills HS (p #121, \$0 M, remove sprinklers) - Hambrick ES (p #122, \$0 M, remove sprinklers) - Redan MS (p #322, \$0 M, remove sprinklers) - Midvale ES (p #344, \$0 M, remove sprinklers) - Cross Keys MS Conversion (p #201, +\$1.9 M, +21 → +8) - Cedar Grove HS Auditorium (p #211, +\$3.1 M, remove turf) - Clarkston HS Addition (p #213, -\$8.4 M, +32 → +15, remove turf) - New Cross Keys HS (p #214, +\$17.2 M, +119 → +98) - Peachtree MS Addition (p #203, -\$2.2 M, +26 → +18)
	<p>14 Projects (+\$59.9 M)</p> <ul style="list-style-type: none"> + Fence installation at 36 schools (p #111-#112-#113, +\$1.1 M) + Security Vestibules at 20 schools (p #115-#116, +\$1.6 M) + Dunwoody HS Addition (p #215, +\$9.5 M, +26 → +41, remove turf) + New John Lewis ES (p #221, +\$0.2 M) + New Cross Keys North ES (p #222, +\$0.2 M) + New Indian Creek ES (p #223, +\$10.5 M) + Druid Hills MS (p #343, +\$0.6 M) + Tech: ERP/Finance/HR System (p #402, +\$3.3 M) + Program Contingency (p #602, +\$15.0 M) + Revenue Reserve Fund (p #606, +\$13.0 M) + Chamblee HS Addition (p #212, +\$4.9 M) 	<p>14 Projects (+\$69.5 M)</p> <ul style="list-style-type: none"> + Fence installation at 36 schools (p #111-#112-#113, +\$1.1 M) + Security Vestibules at 20 schools (p #115-#116, +\$1.6 M) + Dunwoody HS Addition (p #215, +\$9.5 M, +26 → +41, remove turf) + New John Lewis ES (p #221, +\$0.2 M) + New Cross Keys North ES (p #222, +\$0.2 M) + New Indian Creek ES (p #223, +\$10.5 M) + Druid Hills MS (p #343, +\$0.6 M) + Tech: ERP/Finance/HR System (p #402, +\$3.3 M) + Program Contingency (p #602, +\$14.5 M) + Revenue Reserve Fund (p #606, +\$13.0 M) + Arts School (p #224, +\$15.0 M)
Add/Increase Budget		

STEP 1: BALANCE E-SPLOST V BUDGET TO \$561 M

REMOVE 12 PROJECTS FROM E-SPLOST V

Option 1: (-\$73.7 M)

Arts School Waits for GO Bond

- 1-2. Turf installation at 14 high schools
(p #301-#302, -\$10.8 M)*
- 3. Fairington ES
(p # 361, -\$2.4 M)*
- 4. Hawthorne ES
(p # 364, -\$4.5 M)†
- 5. **Lakeside HS Addition and turf**
(p #216, -\$27.0 M)†
- 6. **Peachtree MS Addition**
(p #203, -\$14.1 M)† (-\$58.8 M)

- 7-9. Sprinkler installation at 18 schools
(p #101-#102-#103, -\$3.9 M)
- 10. Freedom MS Addition
(p #202, -\$8.5 M)
- 11. Lead-In-Water Set-Aside
(p #331, -\$0.9 M)
- 12. Parking addition at 10 schools
(p #381, -\$1.6 M) (-\$14.9 M)

Option 2: (-\$81.1 M)

Move forward with Arts School in E-SPLOST V

- 1-2. Turf installation at 14 high schools
(p #301-#302, -\$10.8 M)*
- 3. Fairington ES
(p # 361, -\$2.4 M)*
- 4. Hawthorne ES
(p # 364, -\$4.5 M)†
- 5. **Lakeside HS Addition and turf**
(p #216, -\$27.0 M)†
- 6. **Chamblee HS Addition**
(p #212, -\$21.5 M)† (-\$66.2 M)

- 7-9. Sprinkler installation at 18 schools
(p #101-#102-#103, -\$3.9 M)
- 10. Freedom MS Addition
(p #202, -\$8.5 M)
- 11. Lead-In-Water Set-Aside
(p #331, -\$0.9 M)
- 12. Parking addition at 10 schools
(p #381, -\$1.6 M) (-\$14.9 M)

Note: Changes to the budget in each option above reflect the change from the *current budget*

†Projects will be funded by proposed GO Bond Options (If approved by the Board and voters)

*Projects will be re-established in E-SPLOST V if the GO Bond Options are approved by the Board and voters

STEP 1: BALANCE E-SPLOST V BUDGET TO \$561 M

REMOVE 12 PROJECTS FROM E-SPLOST V

- Hawthorne ES and Fairington ES have the highest FCA scores of the 16 E-SPLOST V renovation projects

	Project Name	FCA Score (2018)		Project Name	FCA Score (2018)
1.	Henderson Mill ES (p# 351, \$7.0 M)	28.83	9.	Stoneview ES (p# 355, \$4.9 M)	39.34
2.	Cary Reynolds ES (p# 356, \$5.6 M)	30.53	10.	Briar Vista ES (p# 357, \$4.2 M)	39.57
3.	Kittredge Magnet (p# 353, \$6.0 M)	33.05	11.	Rock Chapel ES (p# 366, \$3.2 M)	40.43
4.	Toney ES (p# 352, \$6.8 M)	34.49	12.	E. L. Miller ES (p# 354, \$4.2 M)	42.38
5.	Livsey ES (p# 359, \$4.1 M)	35.66	13.	Salem MS (p# 365, \$4.5 M)	45.05
6.	Dresden ES (p# 362, \$3.6 M)	37.22	14.	Kingsley ES (p# 363, \$2.6 M)	46.05
7.	DHST-South (p# 360, \$3.9 M)	37.68	15.	Hawthorne ES (p# 364, \$4.5 M)	46.23
8.	Champion Theme MS (p# 358, \$6.0 M)	38.01	16.	Fairington ES (p# 361, \$2.4 M)	46.68

STEP 1: BALANCE E-SPLOST V BUDGET TO \$561 M

REMOVE 12 PROJECTS FROM E-SPLOST V

- Lakeside HS (Options 1 and 2)
(p #216, -\$27.0 M)
- Peachtree MS (Option 1)
(p #203, -\$14.1 M)
- Chamblee HS (Option 2)
(p # 212, -\$21.5 M)

- Freedom MS (Options 1 and 2)
(p #202, -\$8.5 M)

The enrollment forecasts for these schools suggest these projects are in a better position to wait for a GO Bond or future E-SPLOST in comparison to other major projects (Dunwoody HS, Cross Keys HS, etc.)

Additional classrooms no longer needed due to falling enrollment forecast and redistricting in 2017

STEP 1: BALANCE E-SPLOST V BUDGET TO \$561 M

REDUCE SCOPE OF E-SPLOST V PROJECTS

Option 1: (+\$13.8 M)

Arts School Waits for GO Bond

1. Druid Hills HS
(p #121, \$0 M, remove sprinklers)
2. Hambrick ES
(p #122, \$0 M, remove sprinklers)
3. Redan MS
(p #322, \$0 M, remove sprinklers)
4. Midvale ES
(p #344, \$0 M, remove sprinklers)
5. Cross Keys MS Conversion
(p #201, +\$1.9 M, +21 IUs → +8 IUs)
6. Cedar Grove HS Auditorium
(p #211, +\$3.1 M, remove turf*)
7. Clarkston HS Addition
(p #213, -\$8.4 M, +32 IUs → +15 IUs, remove turf*)
8. New Cross Keys HS
(p #214, +\$17.2 M, +119 IUs → +98 IUs)

Option 2: (+\$11.6 M)

Move forward with Arts School in E-SPLOST V

1. Druid Hills HS
(p #121, \$0 M, remove sprinklers)
2. Hambrick ES
(p #122, \$0 M, remove sprinklers)
3. Redan MS
(p #322, \$0 M, remove sprinklers)
4. Midvale ES
(p #344, \$0 M, remove sprinklers)
5. Cross Keys MS Conversion
(p #201, +\$1.9 M, +21 IUs → +8 IUs)
6. Cedar Grove HS Auditorium
(p #211, +\$3.1 M, remove turf*)
7. Clarkston HS Addition
(p #213, -\$8.4 M, +32 IUs → +15 IUs, remove turf*)
8. New Cross Keys HS
(p #214, +\$17.2 M, +119 IUs → +98 IUs)
9. Peachtree MS Addition
(p #203, -\$2.2 M, +26 IUs → +18 IUs)

Note: Changes to the budget in each option above reflect the change from the current budget

*Artificial turf will be re-established in E-SPLOST V if the GO Bond Options are approved by the Board and voters

STEP 1: BALANCE E-SPLOST V BUDGET TO \$561 M

ADD OR INCREASE BUDGET / SCOPE

Option 1: (+\$59.9 M)

Arts School Waits for GO Bond

- 1-3. Fence installation at 36 schools
(p #111-#112-#113, +\$1.1 M)
- 4-5. Security Vestibules at 20 schools
(p #115-#116, +\$1.6 M)
6. Dunwoody HS Addition
(p #215, +\$9.5 M, +26 IUs → +41 IUs, remove turf*)
7. New John Lewis ES (p #221, +\$0.2 M)
8. New Cross Keys North ES (p #222, +\$0.2 M)
9. New Indian Creek ES (p #223, +\$10.5 M)
10. Druid Hills MS (p #343, +\$0.6 M)
11. Tech: ERP/Finance/HR System (p #402, +\$3.3 M)
12. Program Contingency (p #602, +\$15.0 M)
13. Revenue Reserve Fund (p #606, +\$13.0 M)
14. Chamblee HS Addition (p #212, +\$4.9 M)

Option 2: (+\$69.5 M)

Move forward with Arts School in E-SPLOST V

- 1-3. Fence installation at 36 schools
(p #111-#112-#113, +\$1.1 M)
- 4-5. Security Vestibules at 20 schools
(p #115-#116, +\$1.6 M)
6. Dunwoody HS Addition
(p #215, +\$9.5 M, +26 IUs → +41 IUs, remove turf*)
7. New John Lewis ES (p #221, +\$0.2 M)
8. New Cross Keys North ES (p #222, +\$0.2 M)
9. New Indian Creek ES (p #223, +\$10.5 M)
10. Druid Hills MS (p #343, +\$0.6 M)
11. Tech: ERP/Finance/HR System (p #402, +\$3.3 M)
12. Program Contingency (p #602, +\$14.5 M)
13. Revenue Reserve Fund (p #606, +\$13.0 M)
14. Arts School (p #224, +\$15.0 M)
(New Project in E-SPLOST V)

Note: Changes to the budget in each option above reflect the change from the *current budget*

*Artificial turf will be re-established in E-SPLOST V if the GO Bond Options are approved by the Board and voters

STEP 1: BALANCE E-SPLOST V BUDGET TO \$561 M

ADJUSTMENT TO E-SPLOST IV

For both Options 1 and 2, remove Arts School from E-SPLOST IV* (-\$11.1 M)

- Allocate \$10.2 M to Program Contingency in E-SPLOST IV
- Allocate \$0.4 M to Rebuild of Smoke Rise ES
- Allocate \$0.5 M to Rebuild of Pleasantdale ES

Option 1:

Arts School is *potentially* funded by
GO Bond (\$15 M)

Option 2:

Arts School is funded in E-SPLOST V
(\$15 M)

*Public hearing is required prior to Board vote to remove project from the E-SPLOST IV program (deem infeasible).

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GENERAL OBLIGATION BONDS

- General obligation (GO) bonds are bonds backed by a debt service property tax.
- GO Bonds require voter approval by referendum (March 2020)
- Bond would be sold Summer 2020 and paid back over 15 years
- The debt service property tax is separate from school operations property tax and is not factored in the 25 mill maximum rate for school operations

STEP 2: APPROVE GO BOND FOR MARCH 2020 REFERENDUM

OVERVIEW

Step 2: Approve GO Bond March 2020 Referendum						
Option 1: Arts School Waits for GO Bond			Option 2: Move forward with Arts School in ESPLOST V			
Option 1A \$222 M	Option 1B \$265 M	Option 1C No GO Bond	Option 2A \$222 M	Option 2B \$265 M	Option 2C No GO Bond	
<ul style="list-style-type: none"> ▪ Arts School (\$15 M) ▪ Peachtree MS Addition (\$12 M) ▪ Lakeside HS Addition/ Turf (\$25 M) ▪ New Toney/Kelley Lake ES (\$34 M) ▪ New Stoneview ES (\$34 M) ▪ New Hawthorne/ Henderson Mill ES (\$34 M) ▪ New ES in Dunwoody/ Chamblee (\$34 M) ▪ Land Reserve (\$15 M) ▪ Contingency/ Escalation (\$19 M) 	<ul style="list-style-type: none"> ▪ Arts School (\$15 M) ▪ Peachtree MS Addition (\$12 M) ▪ Lakeside HS Addition/ Turf (\$25 M) ▪ New Toney/Kelley Lake ES (\$34 M) ▪ New Stoneview ES (\$34 M) ▪ New Hawthorne/ Henderson Mill ES (\$34 M) ▪ New ES in Dunwoody/ Chamblee (\$34 M) ▪ New Panola Way ES or New E.L. Miller ES (\$34 M) ▪ Land Reserve (\$20 M) ▪ Contingency/ Escalation (\$23 M) 	<ul style="list-style-type: none"> ▪ No Arts School ▪ No Peachtree MS Addition ▪ No Lakeside HS Addition 	<ul style="list-style-type: none"> ▪ Chamblee HS Addition/ Turf (\$26.5 M) ▪ Lakeside HS Addition/ Turf (\$25 M) ▪ New Toney/Kelley Lake ES (\$34 M) ▪ New Stoneview ES (\$34 M) ▪ New Hawthorne/ Henderson Mill ES (\$34 M) ▪ New ES in Dunwoody/ Chamblee (\$34 M) ▪ Land Reserve (\$15 M) ▪ Contingency/ Escalation (\$19.5 M) 	<ul style="list-style-type: none"> ▪ Chamblee HS Addition/ Turf (\$26.5 M) ▪ Lakeside HS Addition/ Turf (\$25 M) ▪ New Toney/Kelley Lake ES (\$34 M) ▪ New Stoneview ES (\$34 M) ▪ New Hawthorne/ Henderson Mill ES (\$34 M) ▪ New ES in Dunwoody/ Chamblee (\$34 M) ▪ New Panola Way ES or New E.L. Miller ES (\$34 M) ▪ Land Reserve (\$20 M) ▪ Contingency/ Escalation (\$23.5 M) 	<ul style="list-style-type: none"> ▪ No Chamblee HS Addition ▪ No Lakeside HS Addition 	

Bond Projects

STEP 2: APPROVE GO BOND FOR MARCH 2020 REFERENDUM

OPTION A - \$222 M

OPTION 1A

- Arts School (\$15 M; E-SPLOST IV)
- Peachtree MS Addition (\$12 M; E-SPLOST V)
- Lakeside HS Addition (\$25 M; E-SPLOST V)
- Four new elementary schools (\$34 M each): (\$136 M total)
 - Toney ES (34 FCA; combine with Kelly Lake ES, 46 FCA)
 - Stoneview ES (39 FCA; capacity needs)
 - Hawthorne ES (46 FCA; combine with Henderson Mill ES, 29 FCA)
 - New ES for Dunwoody/Chamblee clusters (capacity needs)
- Land Reserve (\$15 M)
- GO Bond program contingency/escalation (\$19 M)

OPTION 2A

- Chamblee HS Addition (\$26.5 M; E-SPLOST V)
- Lakeside HS Addition (\$25 M; E-SPLOST V)
- Four new elementary schools (\$34 M each): (\$136 M total)
 - Toney ES (34 FCA; combine with Kelly Lake ES, 46 FCA)
 - Stoneview ES (39 FCA; capacity needs)
 - Hawthorne ES (46 FCA; combine with Henderson Mill ES, 29 FCA)
 - New ES for Dunwoody/Chamblee clusters (capacity needs)
- Land Reserve (\$15 M)
- GO Bond program contingency/escalation (\$19.5 M)

STEP 2: APPROVE GO BOND FOR MARCH 2020 REFERENDUM

OPTION B - \$265 M

OPTION 1B

OPTION 2B

- Arts School (\$15 M; E-SPLOST IV)
- Peachtree MS Addition (\$12 M; E-SPLOST V)
- Lakeside HS Addition (\$25 M; E-SPLOST V)
- Five new elementary schools (\$34 M each): (\$170 M total)
 - Toney ES (34 FCA; combine with Kelly Lake ES, 46 FCA)
 - Stoneview ES (39 FCA; capacity needs)
 - Hawthorne ES (46 FCA; combine with Henderson Mill ES, 29 FCA)
 - New ES for Dunwoody/Chamblee clusters (capacity needs)
 - **New Panola Way ES (38 FCA) or EL Miller ES (42 FCA)**
- Land Reserve (\$20 M)
- GO Bond program contingency and escalation (\$23 M)

- Chamblee HS Addition (\$26.5 M; E-SPLOST V)
- Lakeside HS Addition (\$25 M; E-SPLOST V)
- Five new elementary schools (\$34 M each): (\$170 M total)
 - Toney ES (34 FCA; combine with Kelly Lake ES, 46 FCA)
 - Stoneview ES (39 FCA; capacity needs)
 - Hawthorne ES (46 FCA; combine with Henderson Mill ES, 29 FCA)
 - New ES for Dunwoody/Chamblee clusters (capacity needs)
 - **New Panola Way ES (38 FCA) or EL Miller ES (42 FCA)**
- Land Reserve (\$20 M)
- GO Bond program contingency and escalation (\$23.5 M)

STEP 2: APPROVE GO BOND FOR MARCH 2020 REFERENDUM
OPTION C – NO GO BOND

OPTION 1C

X No Arts School

X No Lakeside HS Addition

X No Peachtree MS Addition

OPTION 2C

X No Chamblee HS Addition*

X No Lakeside Addition

*Will impact the use of Chamblee HS, Chamblee MS, and Sequoyah MS

STEP 2: APPROVE GO BOND FOR MARCH 2020 REFERENDUM

PROPERTY TAXES

	Option 1			Option 2		
	Option 1A \$222 M	Option 1B \$265 M	Option 1C No GO Bond	Option 2A \$222 M	Option 2B \$265 M	Option 2C No GO Bond
Term	15-Year	15-Year		15-Year	15-Year	
Mills†	0.75	0.89		0.75	0.89	
Avg. Annual Debt Service	\$17,818,250	\$21,268,486		\$17,818,250	\$21,268,486	
Total Interest	\$67,691,875	\$80,795,125		\$67,691,875	\$80,795,125	
TIC*	2.42%	2.42%		2.42%	2.42%	
Net Premium	\$23,723,322	\$28,315,744		\$23,723,322	\$28,315,744	
Home Value	<i>Annual Property Tax Increase for Homeowner†</i>			<i>Annual Property Tax Increase for Homeowner†</i>		
\$150K	\$44.96	\$53.66	\$0	\$44.96	\$53.66	\$0
\$250K	\$74.93	\$89.44	\$0	\$74.93	\$89.44	\$0
\$500K	\$149.85	\$178.88	\$0	\$149.85	\$178.88	\$0

*TIC: True Interest Cost - A method of computing the interest expense to the issuer of bonds which includes fees, inflation, discounting, etc.
 † Estimates based on current market

AGENDA

E-SPLOST Budget Issues

Recommendation to Address E-SPLOST Budget Issues

Step 1: Balance E-SPLOST V Budget to \$561 M

Step 2: Approve GO Bond for March 2020 Referendum

Step 3: E-SPLOST V Adjustments after GO Bond Passes

Next Steps



STEP 3: E-SPLOST V ADJUSTMENTS AFTER GO BOND PASSES REBUILD ELEMENTARY SCHOOLS INSTEAD OF RENOVATING

- Options 1A/1B and 2A/2B: Shift funds from E-SPLOST V Capital Renewal projects to GO Bond Re-build projects, freeing up budget in E-SPLOST V (-\$18.7 M)
 - Henderson Mill ES (p #351, -\$7.0 M)
 - Toney ES (p #352, -\$6.8 M)
 - Stoneview ES (p #355, -\$4.9 M)

STEP 3: E-SPLOST V ADJUSTMENTS AFTER GO BOND PASSES

RE-ESTABLISH PROJECTS (+18.7 M)

- Options 1A/1B and 2A/2B: re-establish \$18.7 M to E-SPLOST V
 - Fund Artificial turf installation at all high-school football practice fields (+\$16.0 M)
 - Turf installation at 14 Schools (p #301-#302, +\$13.2 M)
 - Turf installation at Cedar Grove HS (p #211, +\$0.9 M)
 - Turf installation at Clarkston HS (p #213, +\$0.9 M)
 - Turf installation at Dunwoody HS (p #215, +\$0.9 M)
 - Re-establish Fairington ES (p# 361, +\$2.4 M)
 - Add to Program Contingency (p# 602, +\$0.3 M)

STEP 3: E-SPLOST V ADJUSTMENTS AFTER GO BOND PASSES

IMPACT OF NO GO BOND

- Options 1C and 2C:
 - Renovate three schools instead of rebuilding (\$18.7 M)
 - Henderson Mill ES(p #351, \$7.0 M)
 - Toney ES (p #352, \$6.8 M)
 - Stoneview ES (p #355, \$4.9 M)
 - No Turf Installation at any existing high schools
 - No Fairington ES renovation (p #361, \$2.4 M)
 - No Hawthorne ES renovation (p #364, \$4.5 M)
- Option 2C:
 - Chamblee HS/Chamblee MS/Sequoyah MS Adjustments (see next slide)

STEP 3: E-SPLOST V ADJUSTMENTS AFTER GO BOND PASSES NO GO BOND

Option 2C adjustments

(No Chamblee HS Addition)

- The Chamblee MS Facility will become the Chamblee HS Annex
- All Chamblee High-Achievers Magnet Students in grades 7-12 will attend Chamblee HS
- Sequoyah MS will become Chamblee MS



Note: Option 2C adjustments would be implemented with the redistricting of the Cross Keys and Chamblee clusters associated with the opening of the new Cross Keys HS and new Cross Keys MS.

MOVE CHAMBLEE HS MAGNET ALTERNATIVE

- Move High Achievers Magnet program (600 seats) from Chamblee Charter HS to New Cross Keys HS in Step 1
- Add 21 classrooms to New Cross Keys HS (98 IU → 119 IU)
- Step 1 Adjustments:
 - Remove Chamblee Charter HS Addition (p #212, -\$21.5 M)
 - Restore Fairington ES and Hawthorne ES (p #361 & 364, +\$6.9 M)
 - Add \$8 M - \$14.6 M to New Cross Keys HS for 21 additional classrooms (p #214, +\$8 M - \$14.6 M)
 - Use any remaining savings (\$0 - \$6.6 M) for other projects as decided by the Board

ARTS SCHOOL LAND PURCHASE ALTERNATIVE

- Instead of consolidating a K-12 Arts School at the former Avondale MS, purchase land to build a new K-12 Arts School using:
 - \$9 M of the Arts School budget in E-SPLOST IV*
 - \$15 M from the GO Bond (Option 1) or \$15 M from E-SPLOST V (Option 2)
- Construction for the new K-12 Arts School would be funded by future E-SPLOST
- Maintenance at current DeKalb School of the Arts may still be needed

*Public hearing is required prior to Board vote to remove project from the E-SPLOST IV program (deem infeasible).

AGENDA

E-SPLOST Budget Issues

Recommendation to Address E-SPLOST Budget Issues

Step 1: Balance E-SPLOST V Budget to \$561 M

Step 2: Approve GO Bond for March 2020 Referendum

Step 3: E-SPLOST V Adjustments after GO Bond Passes

Next Steps



NEXT STEPS

- July 8, 2019 – Board COW Presentation (Online Survey July – September 2019)
- August to September 2019 – 5 public meetings (Online Survey closes 2 weeks after last meeting)
- September 2019 – Public Hearing for E-SPLOST IV Arts School
- October 2019 – Board vote on Step 1: Balance E-SPLOST V Budgets to \$561 M
- November 2019 – Board vote on Step 2: Approve GO Bond projects for March 2020 Referendum
 - March 24, 2020 – Public Referendum on GO Bond
 - April/May 2020 – Board Vote on Step 3: E-SPLOST V Adjustments (after GO Bond passes)
 - Summer 2020 – Issuance of Bond

QUESTIONS?



DeKalb County

S c h o o l D i s t r i c t

www.dekalbschoolsga.org/redistricting