

Explanation of the County of Albemarle Public School Bond Referendum

Ballot Question

School Bonds

Shall the County of Albemarle, Virginia, contract a debt and issue general obligation bonds in the maximum aggregate principal amount of \$35,000,000 for the purpose of providing funds, in addition to any other available funds, to finance the costs of improvements to Albemarle County public schools including designing, building, expanding, and renovating school properties, including new buildings and additions, renovations, and improvements to existing buildings, installing new furnishings and equipment in the public schools, and the related costs to issue the bonds and to reimburse the County for temporary financing?

YES

NO

Statement

Virginia law authorizes the County of Albemarle to borrow money from the proceeds of its sale of general obligation bonds to investors. The borrowed money may be used to buy land, construct public projects, and pay for related project costs. The County repays the borrowed money over time, with interest, to the investors.

Before the County may sell general obligation bonds, the County's voters must authorize it to incur debt and borrow money. The question presented in this referendum is whether the County should be authorized to contract a debt and sell bonds in the maximum aggregate amount of \$35,000,000 for Albemarle County public school (County School(s)) projects. If a majority of County voters vote "Yes," and the bonds are sold, the proceeds will fund the County School projects described in the Ballot Question. The following four project categories expected to be funded by the proceeds:

- Approximately \$2.9 million for security improvements at Baker-Butler Elementary, Scottsville Elementary, Henley Middle, and Murray High Schools.
- Approximately \$15.2 million for Woodbrook Elementary School to add an estimated 16 classrooms to alleviate overcrowding at Woodbrook, Agnor-Hurt, and Greer Elementary Schools, add space for potential expansion of the preschool program, modernize the school's existing classrooms, and add a full-sized gymnasium.
- Approximately \$10.9 million for modernizing nearly 200 of the County Schools' 850 classrooms in approximately 25 of its 26 schools.
- Approximately \$6 million for adding an estimated 3 laboratories and modernizing approximately 7 existing laboratories at Western Albemarle High School, allowing the new Environmental Studies Academy at that school to operate at full capacity.

These project categories address two primary needs of County Schools:

- School capacity: Student enrollment has increased by more than 1,000 since the last new County School opened in 2002. At present, 33% of all students now attend overcrowded schools, and this percentage is expected to increase to 50% in the next few years if school capacity is not increased. Redistricting students has been determined to not be a reasonably viable option.

- Classroom modernization: Most classrooms do not meet current educational requirements because they are not adaptable and flexible to support collaborative, project-based learning and to accommodate current technology. The modernization project includes updating classrooms by increasing electrical outlets, improving access to natural light, and updating furniture.

Although the County may alter these project categories in the future, it must use the proceeds from the sale of the bonds only for one or more of the purposes described in the Ballot Question.

If \$35,000,000 principal amount of bonds are sold, the estimated average annual repayment of the amount borrowed, plus interest, would be approximately \$2.4 million for 20 years. The Board of Supervisors may need to increase the real estate tax rate by the equivalent of approximately 1.3 cents. Albemarle County's current real estate tax rate is \$0.839 per \$100 of assessed value. For the median value home in the County (\$285,000), a 1.3 cent real estate tax increase would increase the annual real estate tax bill by approximately \$37.05.

This Explanation was prepared by the Albemarle County Attorney as provided by Virginia Code § 24.2-687(A).