

# **Triangle Community Coalition Public/Private Partnership School Funding**

## ***Questions and Answers***

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### **What is a Public/Private Partnership?**

Public/Private Partnerships, or PPPs, are types of developments that use private capital, public interest and combined risk and responsibility in order to build public facilities (in this case, schools). This method leverages the strengths of the private sector—speed and efficiency—to support the needs of the public sector.

### **Why are PPPs considered a good idea for building public facilities and schools?**

Beyond the benefits of speed and efficiency, these partnerships can save communities significant money. PPPs have been known to actually improve the local economy, saving taxpayer dollars and often shifting debt responsibility and risk to private partners helping the community avoid additional debt.

### **Is it different than the other highly-publicized projects to build schools - like bonds and impact fees?**

Yes, PPPs are different because they involve the private sector. Impact fees are essentially targeted taxes adopted to raise money, often falling short of ultimate funding goals. Bonds take on local debt to generate funds. PPPs do not involve raised taxes or public debt, rather the debt is primarily managed by private companies enabling project to move forward quicker, with more private sector responsibility than typical public projects.

### **Why is it better?**

Simply put, they are better because they will save taxpayers money and get schools built faster. They are proven in other communities and are a good fit in the Triangle because of the vibrant building community willing to embark on these types of partnerships.

### **Is it urgent that we try to use PPPs?**

It's been established that Triangle schools are stretched to the limits. Issues including growth-related reassignments, year-round-schools and the influx of immigrants have all dominated local media coverage in recent months. In Wake County alone, the need for 20,000 additional seats for new students is expected over the next five years. The community is running out of options as many proposed solutions have fallen short. Our schools need to have a fresh, viable, long-term alternative, like PPPs, to address the problem of rapid growth in our schools.

### **Why haven't PPPs already been used?**

At this point, there is no legislation to enable PPPs in Wake County. It will take action from the NC General Assembly to allow PPPs to move forward.

### **What needs to be done to use PPPs to build schools in the Triangle?**

The TCC and other groups are calling on the General Assembly to pass legislation that will allow for this creative solution to school construction to be tried in the Triangle. PPPs do not require asking the General Assembly for money, in fact, they don't require any additional money at all. It is the right time for the legislature to take proactive measures to allow for PPPs.

There's nothing to lose in giving them a try – only the good chance that they will succeed and the Triangle will have a viable new option for school construction moving forward.