Editorial: Indian River schools leave money on table, but ...

By freezing impact fee and continuing to spend, district gives taxpayers worst of both worlds

By TCPalm Staff

Sunday, December 16, 2007

Rejecting a recommended increase in impact fees was a noble gesture by the Indian River County School District, but this election-campaign conversion to "fiscal restraint" doesn't jibe with the board's spending habits.

So beware, taxpayers.

In memos to county Impact Fee Committee members Penny Chandler and Beth Mitchell, and to County Commission Chairman Sandra Bowden, district officials said they do not support recommended higher charges on new construction.

Citing a "deep and growing concern with respect to the local economy in general and the housing industry in particular," a Nov. 14 memorandum from Assistant Superintendent Dan McIntyre stated that "predicted growth has not materialized and the need at this time for additional funding which is limited to capacity producing projects is not great.

"When all facts are considered, it is the consensus of the School Board that now is not the time to increase impact fees."

Taken at face value, such sentiments are admirable. Yet, just one week later, the district announced it was considering construction of a new elementary campus at Pointe West (to replace Osceola Magnet), along with reconstruction of Vero Beach Elementary. Projected combined price tag: $30 million to $40 million.

Technically, the campuses are replacements, not "new" additions. But the money spends the same, and the district — which has committed part of its capital outlay tax to paying off borrowed money — must get the cash from somewhere. (Note: The district pumped $3,438,000 into refurbishing Vero Beach Elementary and $3,913,000 on improvements at Osceola over the past 11 years. Now they're ready for the wrecking ball?)

Meantime, the drawing board is full of other construction ventures. Plans for a new elementary school in North County and a middle school off 66th Avenue are expected to cost $15 million to $30 million apiece. There's also been talk by some board members of building a new administration complex, which could top either of those figures.

Amid growing jungles of portable classrooms and the tightening vise of class-size reduction mandates, the school system has limited, *bona fide* capital construction needs. The School Board's belated approval of two new charter schools should help. The education complex could dynamically leverage resources by sharing its 2-mill capital-improvement money with charter operators, who can build quality schools for substantially less.

But the district is stuck in an old-school, big-government mindset. Recklessly overpaying land dealers and contractors (e.g., $1.2 million for a 48-foot-square JROTC drill field at Sebastian River High School), the School Board has been a poster girl for misspent tax dollars.

By postponing an inflation-adjusted schedule of impact fees, the district compounds its mistakes. It relieves developers from paying their fair share while sticking current residents and businesses with a larger tab.

And make no mistake, the district *will* run up the tab. Despite a modest bow toward fiscal conservatism, school spending is up 17.9 percent this year (vs. 0.6 percent enrollment gain). Through 2010, the district expects to lay out $245 million for capital projects. These budgets and their sharp increases are the heftiest in the county, and a key driver of local property tax bills.

Critics on the board contend that impact fees are merely passed along to homebuyers and consumers. This is more or less true. But the district has imposed and collected these charges for more than three years; to be credible, fees must properly account for inflation and actual costs.

If the School Board were truly concerned about this county's economy, it would rigorously pare back its spending, adopt the new fee schedule and strive to ensure that growth — at whatever rate — pays for itself.
