
School Facilities Board

February 8, 2017

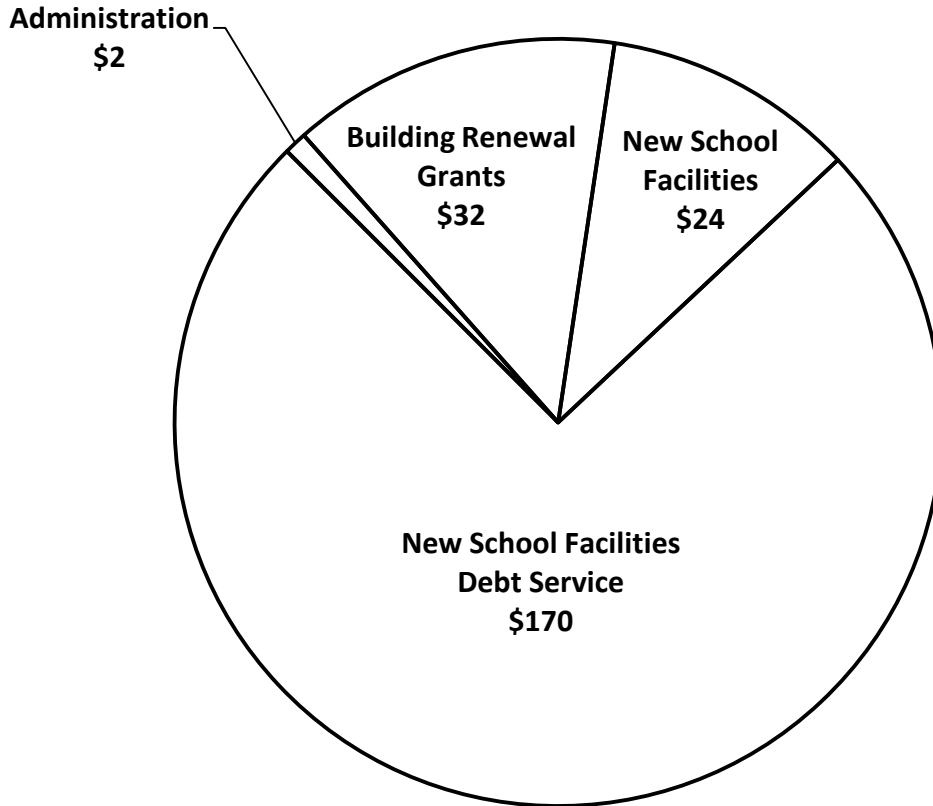
Education Subcommittee

JLBC

School Facilities Board

- General Fund by Function

\$ in Millions



Building Renewal Grants

- Includes \$16.7 M for ongoing funding and \$15.0 M in one-time funding

New School Facilities

- Benson USD (\$1.1 M)
- Agua Fria UHSD (\$16.7 M)
- Chandler USD (\$6.4 M)

New School Facilities Debt Service

- General Fund payment for \$480 M of currently outstanding financing.

Administration

- 17 FTE
- Budget and Finance
- Demographic Projections
- Schools District Liaisons and Inspections

FY 2017 Appropriated Total = \$228 M

School Facilities Board

- Total FY 2018 Baseline

	<u>\$ in Millions</u>
General Fund	\$ 212.2
Land Trust Bond Debt Service Fund	26.5
Prop 301 Debt Service Fund	<u>64.1</u>
Total	\$ 302.8

School Facilities Board

- JLBC Baseline - Executive Comparison

	\$ in M	
	<u>General Fund</u>	
	<u>JLBC</u>	<u>Exec</u>
- Eliminate one-time Building Renewal Grants	\$ (15.0)	\$ (15.0)
- Add back one-time Building Renewal Grants	0.0	17.2
- New School Technical Adjustment	(1.1)	(1.1)
- \$23 M remains for 2 nd year funding for Chandler and Agua Fria		
- New School Site Conditions	1.0	0.0
- New School Facilities Debt Service	(0.2)	(0.2)
- Public School Credit Enhancement Transaction Costs	(0.5)	(0.5)

Topics of Interest

- Building Renewal Grant Program
- New School Facilities Awards
- Locally Funded Space Exclusion - “Invisible Space”
- Public School Credit Enhancement Program

Building Renewal Grant Program

- Executive Labels \$17.2 M Funding Increase in '18 As One-Time

<u>Fiscal Year</u>	<u>Building Renewal Appropriation</u>
2012	\$ 14.2
2013	2.7
2014	16.7
2015 ^{1/}	26.8
2016	31.7
2017	31.1
2018 Baseline	16.7
2018 Executive	33.9

^{1/} Includes \$10,119,700 transferred from the Debt Service Line Item to Building Renewal in FY 2015.

- SFB prioritizes project requests
- Priority given if routine maintenance done
- Formula repealed in '13; would now cost \$288 M

New School Facilities Awards

- ❑ School districts qualify when square foot per student exceeds a specific level.
- ❑ Statute establishes cost per square foot.
- ❑ JLBC approves adjustments based on construction index
- ❑ December 2016 increase 4.31% (previously no adjustment since '08 due to price cut during recession)
- ❑ Schools can supplement reimbursement with local funds
 - Agua Fria supplemented state funds with \$35 M bond

Statutory Funding Guidelines

<u>Type of School</u>	<u>Square Feet Per Student</u>	<u>Funding Per Square Foot ^{1/2/}</u>
K-6	90	\$142.55
7-8	100	\$150.49
9-12 (<1,800 pupils)	134	\$174.25
9-12 (≥1,800 pupils)	125	\$174.25

1/ Increased by 5% for rural school districts.

2/ FY 2018 amounts. Adjusted annually for inflation.

New School Facilities

- ❑ At its February 2nd meeting, SFB approved 6 school districts projects to begin construction in FY '18.
 - \$75.6 M Construction Costs
 - \$25.1 M Land Costs (Preliminary)

- ❑ Neither Executive nor JLBC Baseline included '18 funding for these new awards

- ❑ In recent past, funding for large projects is spread over 2 fiscal years.

New School Facilities Awards

- Would Add \$63 M to Baseline in '18 and \$38 M in '19

	<u>Total Cost</u>	\$ In M	
		<u>FY 2018</u>	<u>FY 2019</u>
Chandler			
9-12 Addition 1	6.9	3.45	3.45
9-12 Addition 2	10.4	5.2	5.2
7-12 New School	<u>4.1</u>	<u>2.05</u>	<u>2.05</u>
<i>Chandler Subtotal</i>	<i>21.4</i>	<i>10.7</i>	<i>10.7</i>
Queen Creek			
9-12 New School	24.7	12.35	12.35
Land	<u>17.6</u>	<u>17.6</u>	<u>0.0</u>
<i>Queen Creek Subtotal</i>	<i>42.3</i>	<i>29.95</i>	<i>12.35</i>
Vail			
K-5 New School	7.7	3.85	3.85
K-5 Land	1.5	1.5	0.0
9-12 New School	21.8	10.9	10.9
9-12 Land	<u>6.0</u>	<u>6.0</u>	<u>0.0</u>
<i>Vail Subtotal</i>	<i>37.0</i>	<i>22.25</i>	<i>14.75</i>
Total Cost	100.7	62.9	37.8
<i>Construction Subtotal</i>	<i>75.6</i>	<i>37.8</i>	<i>37.8</i>
<i>Land Estimate</i>	<i>25.1</i>	<i>25.1</i>	<i>0.0</i>

Excluded Space or “Invisible Space”

- ❑ Statute requires SFB to exclude locally funded space up to 25% of a district’s minimum space guidelines when calculating new school awards.
- ❑ Some districts may qualify when the district is not actually over capacity when looking at combined state and locally funded space.
- ❑ During 2016 session, Legislature considered lowering this percentage threshold from 25% to 10%

Public School Credit Enhancement Program

- ❑ FY '17 Budget established the program.
- ❑ Funded with unused FY '16 appropriation of \$23.9 M and \$80 M from Treasurer's operating balance.
- ❑ Allows district/charter schools to obtain better interest rate on debt financing by being able to use the program as a bond guarantee.
- ❑ Governor's Office of Education is currently taking the lead on implementing the program.
 - First meeting held November 2016.
 - In the process of developing proposed rules for the program.

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- Website Links

- JLBC Baseline –
[School Facilities Board](#)
- Executive Budget –
[School Facilities Board](#)