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Capital Outlay Programs

2019 | Formula Programs

Foundation & Enrollment Growth

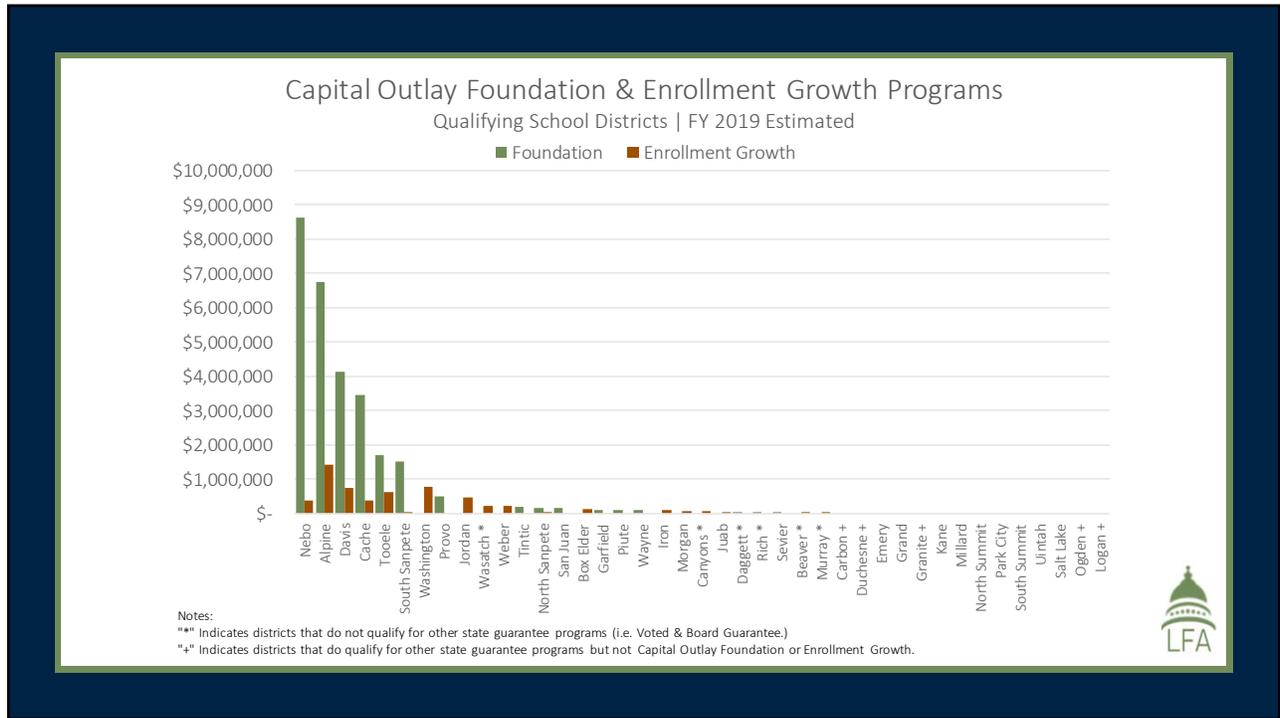
A school district may only use the money provided under this chapter for capital outlay and debt service purposes. (53F-3-201)

New Construction, Major Repairs, & Renovations

- State Funding to Support Capital Equalization
 - Capital Outlay Foundation – Tied to Property Tax Revenue per ADM
 - Capital Outlay Enrollment Growth – Tied to Net Increase in Student Enrollment
- Partially Equalizes Local Property Tax Revenues Dedicated to Capital
 - Capital Local Levy & Debt Service Levy
 - Similar to the Voted & Board Guarantee
 - Less Robust | Fluctuating Guarantee
 - No Statutory Minimum Guarantee
 - Guarantee Subject to Appropriation Amount
- FY 2019 Base - \$33,249,700
 - Foundation - \$27,610,900
 - Enrollment Growth - \$5,638,800



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Foundation Program

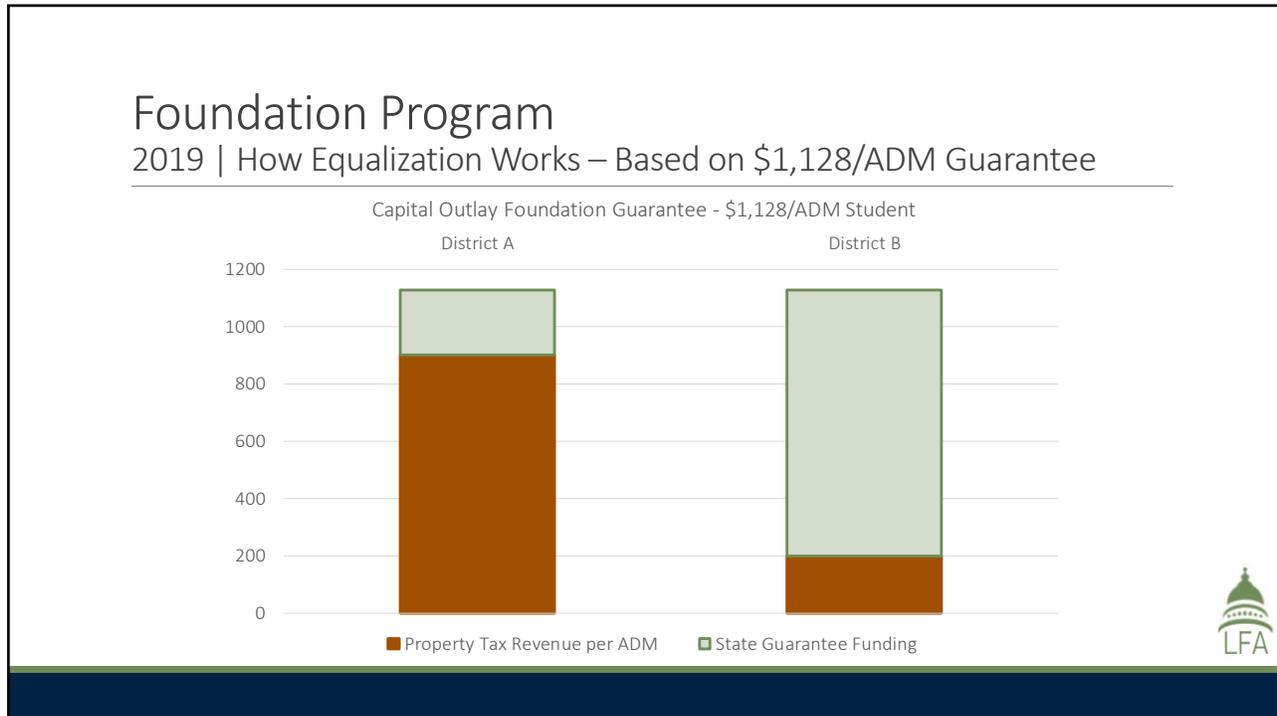
2019 | Summary

The program is created to "provide capital outlay funding to a school district on a district's local property tax effort and property tax yield per student compared to a foundation guarantee funding level." (53F-3-202)

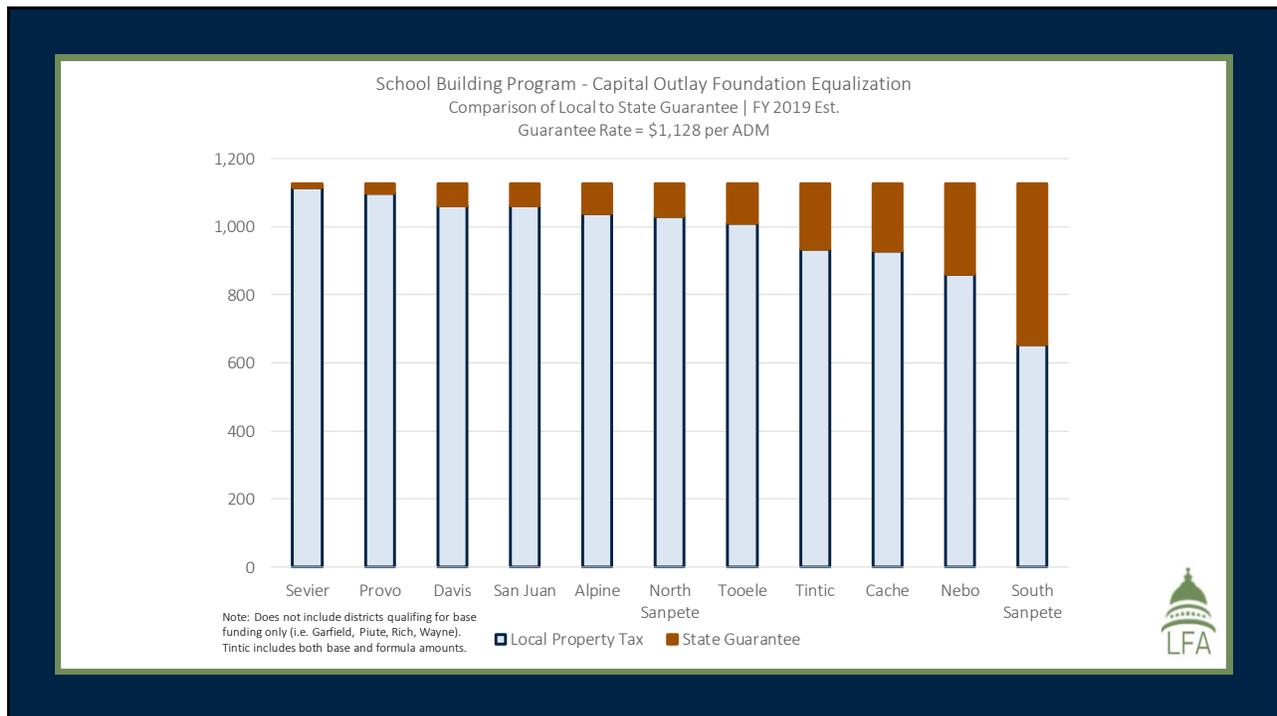
- State Board Calculates Foundation Rate
 - FY 2019 Rate = \$1,128/ADM Student
 - Foundation Guarantee Rate Varies Each Year:
 - Funding Appropriated by Legislature
 - Local Property Tax Yield per ADM
- Districts Qualify for Funding
 - Combined "Capital Levy Rate"
 - Capital Local Levy + Debt Service Levy
 - Combined Rate Must be Greater or Equal to the "Base Tax Effort Rate"
 - Based on Average of Highest District Tax Rate & Statewide Average Combined Rates for All Districts
 - Benefits Districts with High Rates and Low Revenue Yield per ADM Student
 - District Receives Difference from Tax Generated & Foundation Rate per ADM
- Base for Small Districts (< 1,000 ADM)
 - \$50,000 | \$100,000 | \$200,000 Based on Size
- Should the Formula Equally Weight Capital & Debt?



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Enrollment Growth Program

2019 | Summary

*Provides "capital outlay funding to school districts experiencing net enrollment increases."
(53F-3-203)*

- State Funding to Growing School Districts
- Districts Qualify for Funding
 - Program is an Equity "Supplement"
 - No Guarantee Rate
 - Average Net Enrollment Increase
 - Based on Average of Prior 3 Years
 - Property Tax Base per ADM Less Than 2x State Average for the Past 2 Years
- Funding Allocated Proportional to District Enrollment Increase Compared to State Average



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Section 3: School Building Programs - Total Revenues & Expenditures		
Revenue Sources		Amount
A. State Revenue		
1. Education Fund		14,499,700
B. Restricted State Revenue		
2. EFR - Minimum Basic Growth Account		18,750,000
Total Revenues:		\$33,249,700
Expenditures by Categorical Program		Changes
A. Capital Outlay Programs		
1. Foundation		27,610,900
2. Enrollment Growth		5,638,800
Total Expenditures:		\$33,249,700



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School Building Program

2019 | Potential Issues

Some school districts have raised question on how Capital Outlay Foundation funding is distributed.

- Allocations to LEAs is Unpredictable
 - See Distribution Table Posted Online
 - Funding Allocations Change Annually & By Large Amounts
 - A District Distribution is Dependent on Amount Appropriated & Relative Position to Other Districts
- The Formula Equally Weights Revenue from the Capital Outlay Levy & Debt Service Levy
 - Contributes to Unpredictability
 - Should Debt be Equally Weighted?
- Could the Capital Outlay Programs be Changed to Mirror the Voted & Board Guarantee Programs?
 - Include Both Levies?
 - May Stabilize Funding Shifts Among LEAs
 - Adds Predictability
 - Does Including Debt Service Complicate Formula?



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QUESTIONS?



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