



# School Facilities Funding

Interim Joint Committee on Appropriations and Revenue

June 4, 2025

# Nickel Equivalent Taxes-Restricted for Capital Construction

- **FSPK (Facilities Support Program of Kentucky)**

- KRS 157.440(1)(b)
- All districts

- **Growth Nickel**

- KRS 157.621
- 34 districts levied the Original Growth Nickel

- **Equalized Growth Nickel**

- KRS 157.621
- 2003/2005 Budget Language
- 22 districts levied the Second Growth Nickel

# Nickel Equivalent Taxes-Restricted for Capital Construction

- **Recallable Nickel**

- 2003 through current HB 6 (2024 VO in Part) Budget Language
- 80 districts have levied one recallable nickel
- 13 districts have levied two recallable nickels
- 2 districts have levied three recallable nickels

- **Equalized Facility Funding Nickel**

- KRS 157.621: Sunset 2038 (HB 704 2008)
- 10 districts have levied the Equalized Facility Funding Nickel

# Nickel Equivalent Taxes-Restricted for Capital Construction

- **BRAC (Base Realignment and Closure) Nickel**
  - KRS 157.621 (HB 704 2008)
  - Hardin County is the only district with the BRAC Nickel
- **Category 5 Nickel**
  - SB 5, 2010 Extraordinary Session: Sunset 2030 or bond retirement (SB 5 2010 Extraordinary Session)
  - Nine districts have levied the Category 5 Nickel

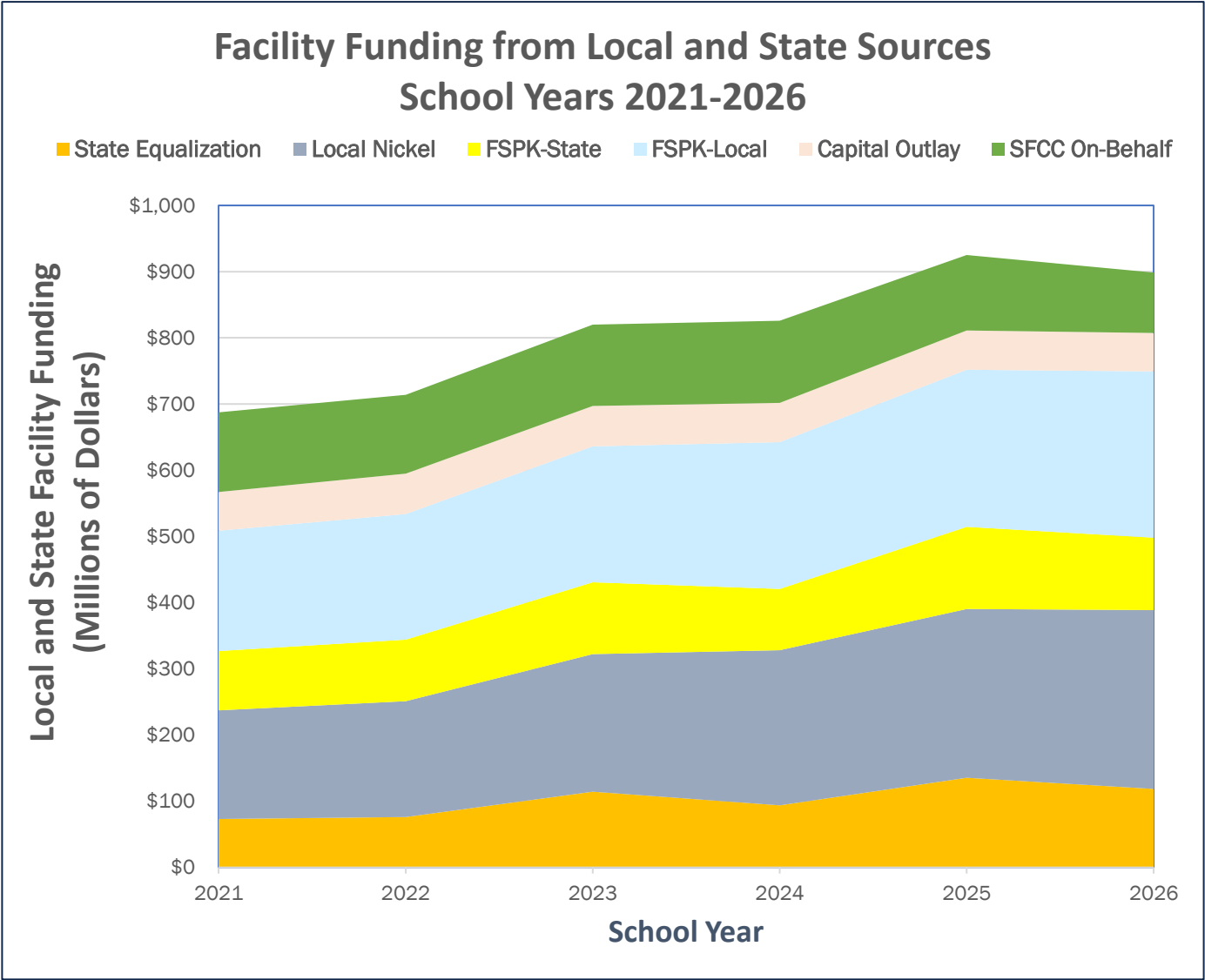
# Local and State Facility Funding by Source

**SFCC On-Behalf** – School Facilities Construction Commission On-Behalf Payments

**FSPK** – State and Local Contribution for Facilities Support Program of Kentucky (FSPK)

**Capital Outlay** – State Contribution

**Local Nickel and State Equalization** – Total facility funding generated by districts levying additional nickel taxes



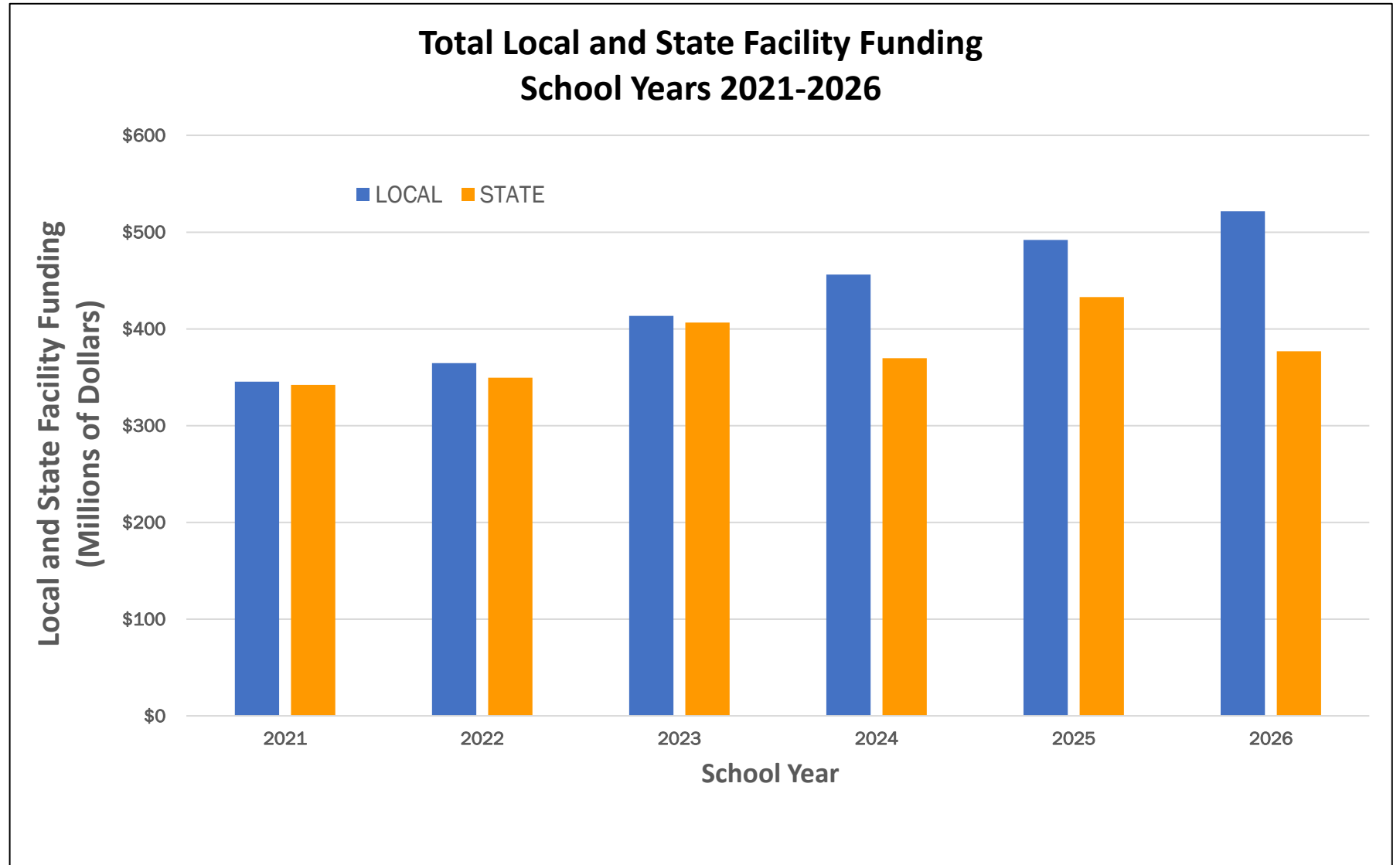
# Total Local and State Facility Funding

## Local Funding

Local contributions from Facilities Support Program of Kentucky (FSPK) and additional nickels levied by those districts.

## State Funding

State contributions for Capital Outlay, School Facilities Construction Commission on-behalf payments and state equalizations for FSPK and additional nickels levied by districts



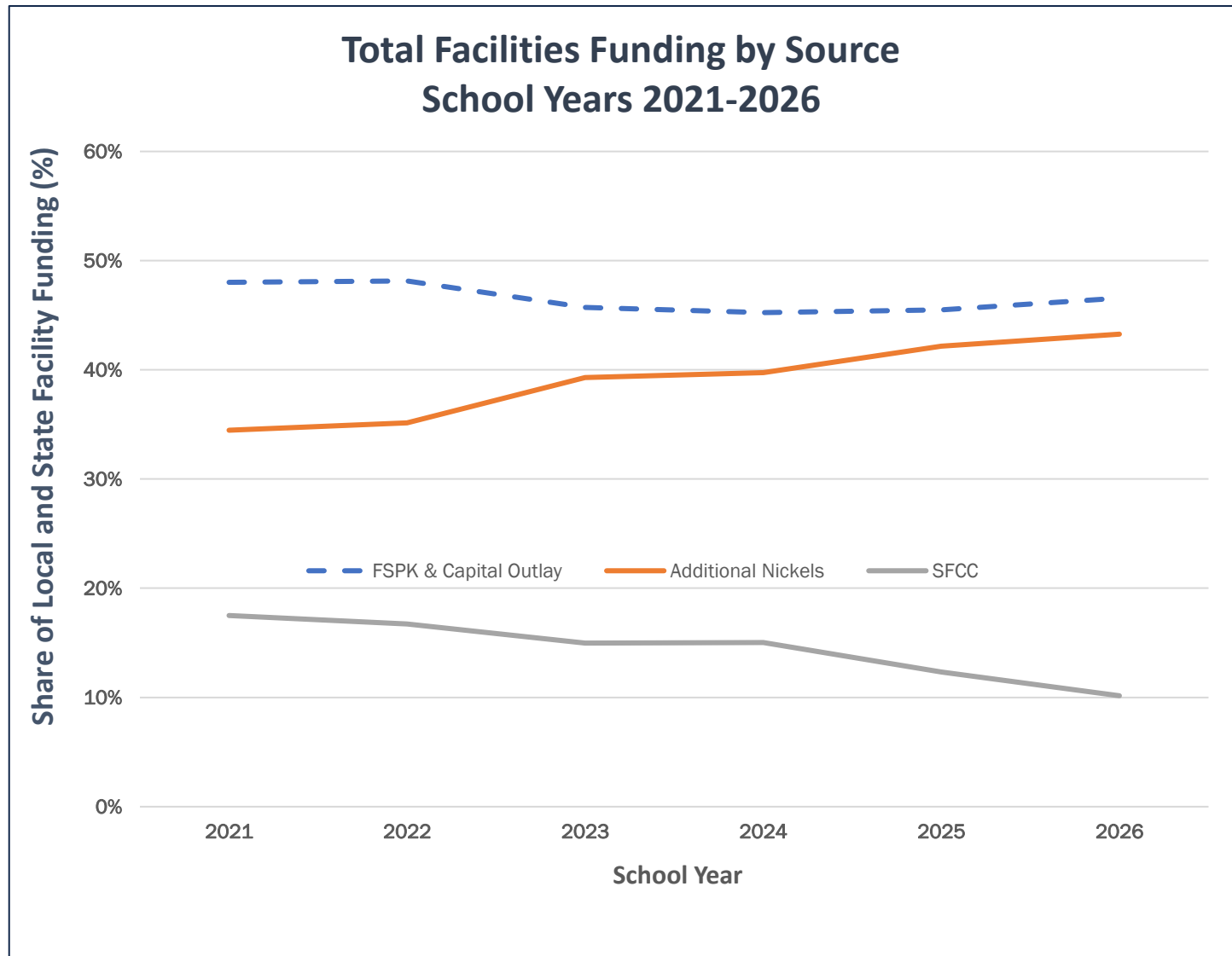
## Total Facilities Funding by Source

**FSPK** – State and Local contributions for Facilities Support Program of Kentucky

**Capital Outlay** – State Contribution

**SFCC** – School Facilities Construction Commission

**Additional Nickels** – Include the following nickel taxes: original growth, equalized growth, recallable, equalized facility, Base Realignment and Closure, and Category 5.





# SFCC OFFERS OF ASSISTANCE

A District's "unmet need" is determined by:

- Total facility need
- Local available revenues
- Unmet facility need

For 2023, Kentucky's total unmet school facility need was \$6.13 billion. This reflects \$7 billion of total facility needs and \$951 million of total local available revenues.

Kentucky's General Assembly appropriates funds to SFCC in the biennial state budget.





## SFCC Construction Offers of Assistance

SFCC's appropriation takes the form of general funds supported bond funds, which the SFCC converts to a commitment of debt service participation for school districts

General Assembly authorizes the SFCC to make offers of assistance in each fiscal biennium and then funds the offers of assistance in the next.

General Assembly has never failed to fund previously authorized offers of assistance.

# Offers of Assistance Over the Years

