

School Facilities Construction Commission (SFCC)

Interim Joint Committee on Appropriations & Revenue

July 1, 2026

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SFCC

- The School Facilities Construction Commission was established in 1985 as an independent corporate agency. SFCC provides an equitable distribution of state funding for school construction and technology based on the unmet needs of Kentucky's 171 school districts.

Local Funding Resources for School Facilities



1. Facilities Support Program of Kentucky (FSPK) KRS 157.440



2. Additional Nickels levied for facilities prior to April 27, 2016 & authorized through KRS 157.621



3. Recallable Nickels KRS 160.470



4. General Funds restricted for building purpose KRS 160.476

State Funding Resources for School Facilities



1. SEEK Capital Outlay KRS 157.420



2. SEEK State Equalization for Facilities Support Program of Kentucky (FSPK) Nickel KRS 157.440 (1)(b)



3. SEEK State Equalization for all additional Nickels levied for facilities authorized through KRS 157.621 and current budget bill.



4. School Facilities Construction Commission (SFCC) KRS 157.620

What is required to be eligible to receive an SFCC offer of assistance?

SFCC Construction Offers of Assistance Requirements KRS 157.620

- 1. KDE & District approved District Facilities Plan (DFP)
- 2. Participate in the Facilities Support Program of KY (FSPK Nickel) – commit at least an equivalent tax rate of five (5) cents to debt service, new facilities or major renovation of existing school facilities or KDE approved land purchases. KRS 157.440
- 3. July 1st of odd numbered years the school board must restrict all available local revenue
- 4. Have an unmet facility need

SFCC OFFERS OF ASSISTANCE

KRS 157.615 (14)

District's "unmet need" is determined by:

$$\begin{array}{l} \text{Total facility need} \\ - \text{Local available revenues} \\ \hline \text{Unmet facility need} \end{array}$$

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 & then funds the offers of assistance in the next

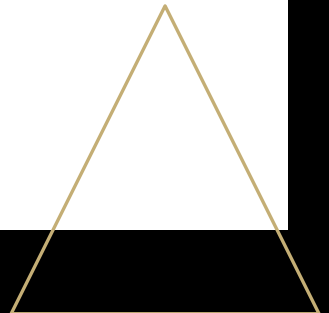
General Assembly has never failed to fund previously authorized offers of assistance



SFCC Construction Offers of Assistance

- SFCC Offers of Assistance are determined by:

$$\text{State Appropriation to SFCC} \quad \times \quad \frac{\text{Unmet Needs of Local District}}{\text{Total State Unmet Need}}$$



SFCC Construction Offers of Assistance

School District A

Student Enrollment = 40,792

Number of School Facilities = 72

2025 Need	Total Available Revenue	2025 Unmet Need	District %	2026 Portion of Allocation	2026 Offer of Assistance
\$581,024,942	\$92,618,334	\$488,406,608	6.62%	\$2,646,577	\$223,305

Bonding Potential of \$223,305 at 4.5% = \$2,904,737

SFCC Construction Offers of Assistance

School District B

Student Enrollment = 783

Number of School Facilities = 3

2025 Need	Total Available Revenue	2025 Unmet Need	District %	2026 Portion of Allocation	2026 Offer of Assistance
\$34,885,527	\$4,491,869	\$30,393,658	0.41%	\$164,697	\$13,896

Bonding Potential of \$13,896 at 4.5% = \$180,758

Bonding Scenario

Sale Date: 5/21/2026

Par Amount: \$9,195,000

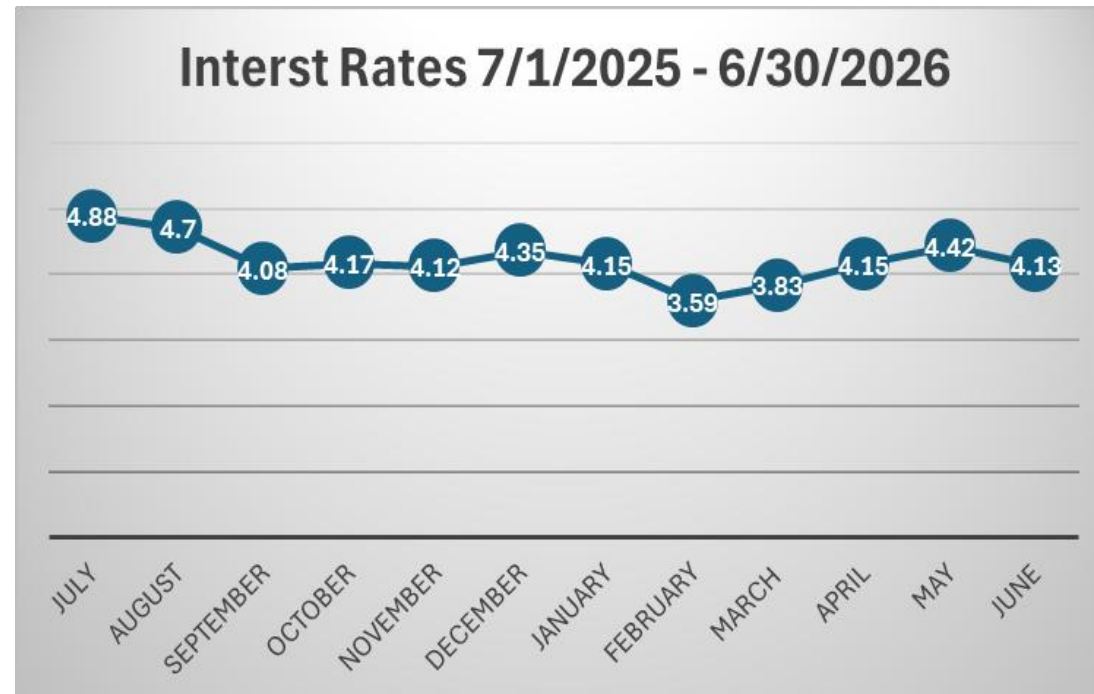
Term: 20 Year

SFCC Participation: \$1,066,542

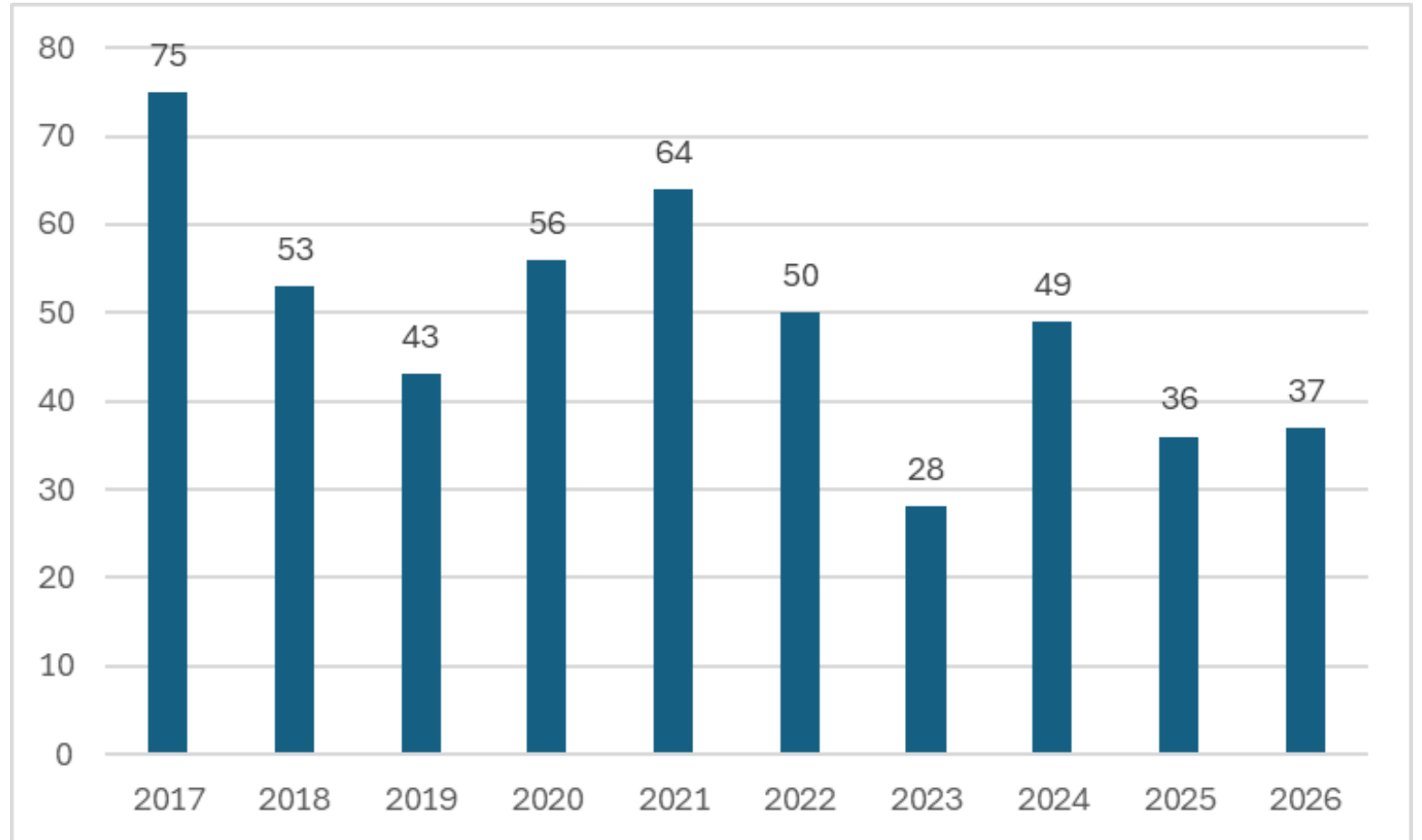
Local Participation: \$8,128,458

Interest Rate: 4.42%

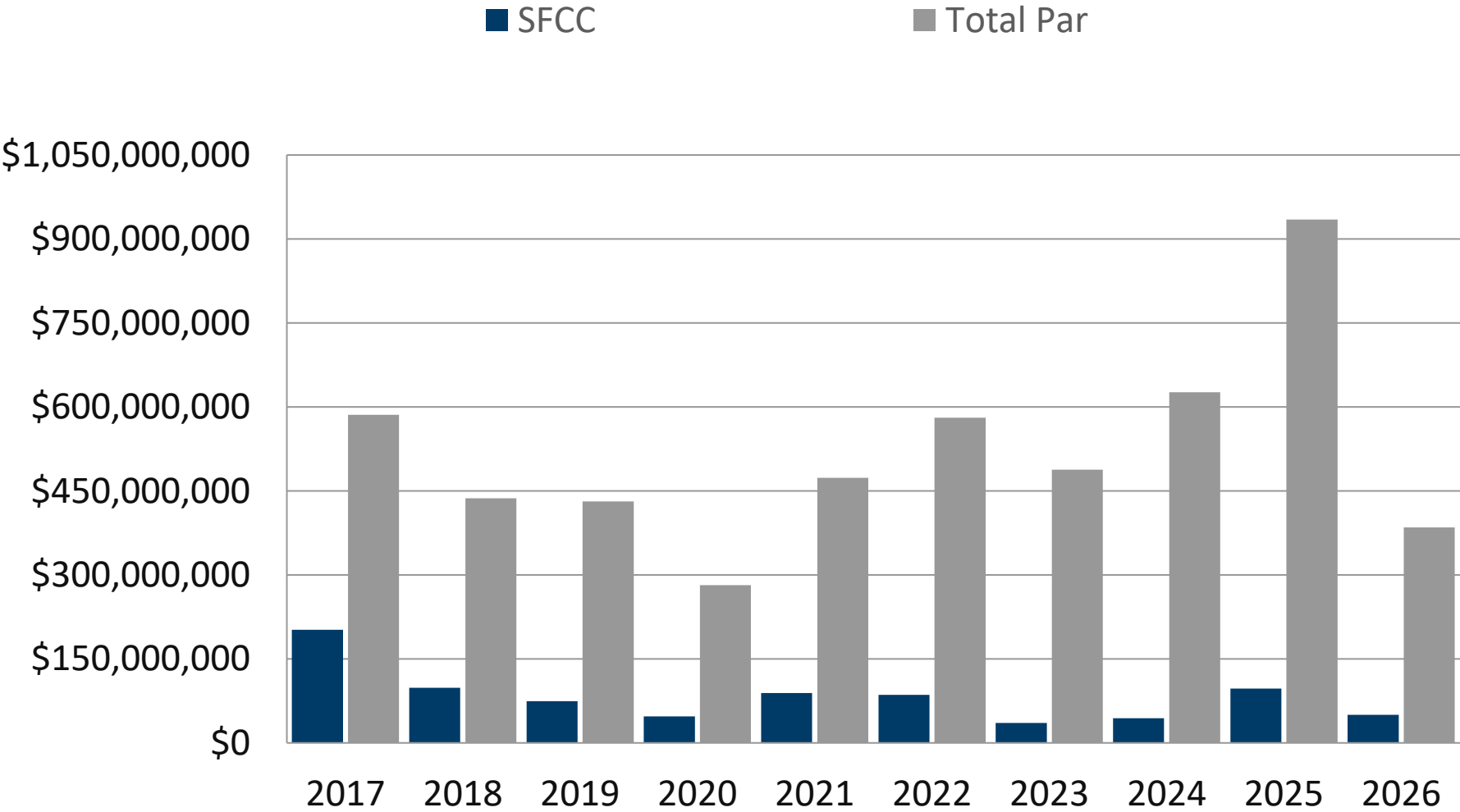
District Portion				SFCC Portion			
	<u>Principal</u>	<u>Interest</u>	<u>FY Total</u>		<u>Principal</u>	<u>Interest</u>	<u>FY Total</u>
FY27	\$ 493,587.00	\$ 329,098.48	\$ 822,685.48	FY27	\$36,413.00	\$42,405.87	\$78,818.87



**Number of bond
issues with SFCC
Participation (FY
2026 is YTD)**

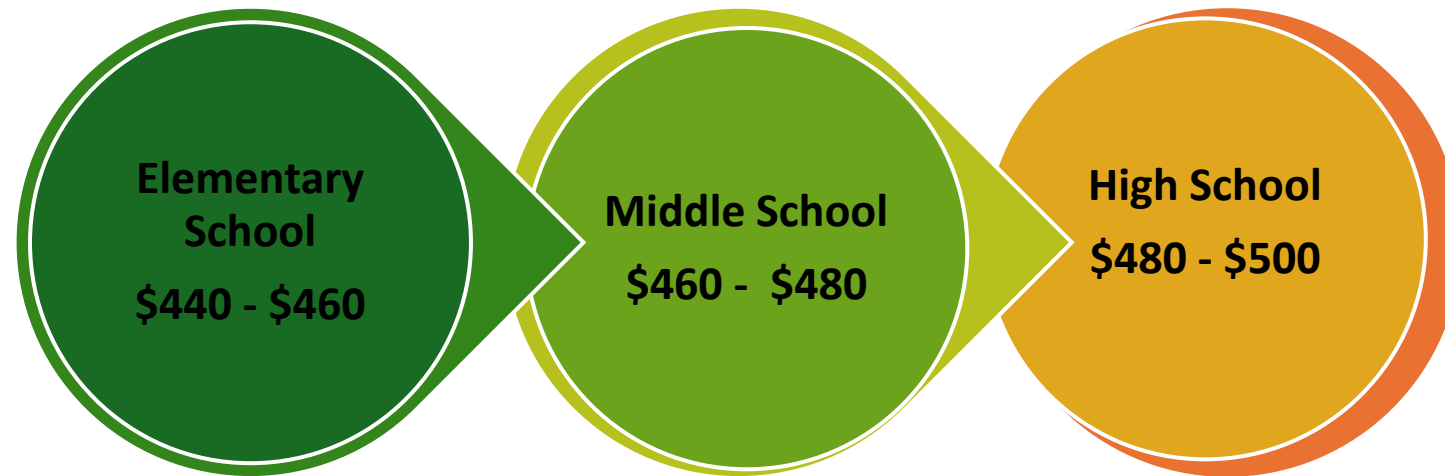


PAR AMOUNT OF BONDS ISSUED WITH SFCC PARTICIPATION (FY 2026 IS YTD)



Construction

Average Construction Cost Per Square Foot For New Builds FY 2026



Price dependent on land topography

SFCC Technology Offers of Assistance

The General Assembly allocates funds for the Kentucky Technology System (KETS) each fiscal biennium, these funds are authorized in the Kentucky Department of Education's budget, but the program is administered by SFCC

Funds are distributed to districts based on their adjusted average daily attendance (AADA)

From 2001 through the current fiscal year, the state has distributed \$305,332,358 in KETS Offers of Assistance to local school districts; these funds are then matched by school districts on a dollar-for-dollar basis. This investment ultimately equates to \$610,664,716 spent on education technology expenditures for students across the Commonwealth.



Contact us!

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