

School Facility Financing

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School Facilities Construction Commission



FINANCING

Provides Kentucky's 171 school districts with an equitable distribution of funds (1) for capital construction and renovation projects based upon unmet facility need and (2) to purchase new technology under the Kentucky Education Technology System (KETS) program.

Since inception in 1985, the SFCC has participated in nearly **2,500 school bond issues, totaling \$12 billion**. Of the total par amount, \$3.8 billion was supported by SFCC debt service payments and \$8.2 billion was supported by resources of the local school districts.

SFCC Offers of Assistance



- Have a Kentucky Board of Education approved facility plan on file with the Department of Education.



- Commit at least an equivalent tax rate of \$0.05 to facilities



- On July 1 of odd-numbered years, restrict all available local revenue, as defined by KRS 157.615, to be used in accordance with the district's approved facility plan

SFCC Offers of Assistance

For 2019, Kentucky's total unmet school facility need was \$6.9 billion.

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

District's Total Facility Need – Local Available Revenues = District's Unmet Facility Need

DISTRICT NAME	2019 NEED	TOTAL AVAILABLE REVENUE	2019 UNMET NEED	DISTRICT PERCENTAGE
ADAIR CO.	51,279,250	2,720,395	48,558,855	0.69%
ALLEN CO.	26,468,386	111,174	26,357,212	0.38%
ANCHORAGE IND.	1,695,388	3,568,281	-	0.00%
ANDERSON CO.	17,823,553	1,164,038	16,659,514	0.24%
ASHLAND IND.	53,334,331	7,494,662	45,839,669	0.66%
AUGUSTA IND.	15,396,547	1,061,350	14,335,196	0.21%
BALLARD CO.	-	2,115,155	-	0.00%

Bonding Potential

- School Bonds are issued for a 20 year term. To determine a district's bond potential, you add the restricted funds and subtract current debt service payments. The remaining annual balance is available to finance a new project.

Sample County School District

\$19,235,000 School Building Revenue Bonds, Series 2021

Par Amount: \$19,235,000

SFCC: \$3,760,560 (\$240,518 Debt Service Utilized)

Local: \$15,474,440

Date of Sale: 1/26/21

First Coupon: 8/1/21

Delivery Date: 2/11/21

First Call: 2/1/29

Net Interest Cost: 1.578%

Bidders: 9

Additional Funding

HB 405

State of Emergency Assistance
Fund

\$10,000,000

HB 556, Section 17

Coronavirus Capital Projects Fund

\$127,000,000

HB 556, Section 18

Local Area Vocational Edu. Center
Fund

\$75,000,000