

CAPITAL PLANNING ADVISORY BOARD

**2024-2030
Agency Capital Plan**

Staff Analysis and Comments

BRANCH: Executive Branch
CABINET/FUNCTION: Cabinet of the General Government
AGENCY/INSTITUTION: School Facilities Construction Commission

AGENCY MISSION AND PROGRAMS

The School Facilities Construction Commission (SFCC) was established in 1985 as an independent corporate agency. The SFCC provides an equitable distribution of state funding for school construction and technology based on the unmet facility need of Kentucky's 171 public school districts. Since its inception, the General Assembly has appropriated funds for administrative support and debt service, which has allowed the SFCC to implement its programs.

Statutory authority for the SFCC is established in KRS 157.611 through 157.665 and its regulations are located in 750 KAR 1:010; 750 KAR 1:030; and 750 KAR 2:010.

The SFCC enters into participation agreements with public school districts to pay a portion or all the debt service on bonds used to finance capital construction or renovation projects of school facilities.

PROPOSED PROJECTS – Financial Summary

By Fund Source	<u>2024-2026</u>	<u>2026-2028</u>	<u>2028-2030</u>	<u>Total</u>
General Fund	\$85,000,000	\$100,000,000	\$100,000,000	\$285,000,000

CURRENT BUDGET AUTHORIZATIONS

SFCC Normal Offers of Assistance (2020-2022) - This project funds \$58,000,000 of Bond Funds for normal offers of assistance authorized by House Bill 192 from the 2021 Regular Session of the General Assembly. Consistent with historical practice, normal offers of assistance were authorized with the expectation of debt service in the 2022-2024 fiscal biennium.

SFCC Normal Offers of Assistance (2022-2024) - This project authorizes \$85,000,000 of Bond Funds for normal offers of assistance with anticipation of debt service to be included in the upcoming 2024-2026 fiscal biennium.

SFCC Reauthorization - This project reauthorizes Normal Offers of Assistance in the amount of \$152,000,000 in Bond Funds. This amount reflects unused, escrowed offers of assistance from the 2012-14, 2014-16, 2016-18, and 2018-20 biennia.

SFCC Special Offers of Assistance (2022-2023) - \$27,642,000 in General Fund and \$168,695,000 in Federal Funds. This project authorizes \$196,337,000 in special offers of assistance to a listing of school districts in House Bill 1 from the 2022 Regular Session.

Local Area Vocational Education Center Pool (2022-2023) - \$155,633,000 in General Fund. This project authorizes a pool of General Funds to a listing of school districts in House Bill 1 from the 2022 Regular Session.

Rockcastle County Schools (2022-2023) - \$4,000,000 in General Fund. This project authorizes \$4,000,000 in General Fund to construct a new middle school in Rockcastle County School District.

Pike County Schools (2022-2023) - \$14,661,000 in General Fund. This project authorizes \$14,661,000 in General Fund to replace the Pike County Millard Area Vocational Center.

SCHOOL FACILITIES CONSTRUCTION COMMISSION
Proposed Projects Involving the General Fund (Cash or Bonds)
(amounts in **bold** are the total budget)

2024-2026

(Projects listed by agency priority; descriptions are from the agency submission)

1 SFCC Bonding Continued **\$85,000,000**

This authorization is the main stay of the SFCC's program to provide debt service assistance to individual school districts based on their facility needs, in accordance with facility inventories and available local resources. This authorization will allow the Commission to participate in financing major renovations for existing school facilities or constructing new facilities based on the priority ranking in the district's facility plan. The portion of the total debt service allocated to each district is based upon the formula established in KRS 157.622.

2026-2028

SFCC Bonding Continued \$100,000,000

2028-2030

SFCC Bonding Continued \$100,000,000