



School Facilities and School Safety Bond Levy Equalization Support Program Public School Facilities Cooperative Funding Program

Tim Hill
Public School Finance

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SHERRI YBARRA, ED.S., SUPERINTENDENT OF PUBLIC INSTRUCTION

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Bond Levy Equalization Support Program

33-906, Idaho Code

(1) Pursuant to section [33-906B](#), Idaho Code, school districts with a value index below one (1) shall be eligible to receive additional state financial assistance for the cost of annual bond interest and redemption payments made on bonds passed on or after September 15, 2002. However, any school district with a value index of less than one and one-half (1.5), shall receive no less than ten percent (10%) of the interest cost portion of the annual bond interest and redemption payment for bonds passed on or after September 15, 2002. The state department of education shall disburse such funds to school districts from moneys appropriated from the bond levy equalization fund. The department shall disburse the funds by no later than September 1 of each year for school districts in which voters have approved the issuance of qualifying bonds by no later than January 1 of that calendar year, and which are certifying a qualifying bond interest and redemption payment for the fiscal year in which the disbursement is made. For districts with a value index below one (1), the percentage of each annual bond interest and redemption payment that is paid by the state shall be determined by dividing the difference between one (1) and the school district's value index by one (1).



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Bond Levy Equalization Support Program 33-906, Idaho Code

(2) For the purposes of this section, the annual bond interest and redemption payment shall be determined by dividing the total payment amounts by the number of fiscal years in which payments are to be made. The interest cost portion of the annual bond interest and redemption payment shall be determined by dividing the total interest paid by the number of fiscal years in which payments are to be made. For school districts not qualifying for a state payment in the first year of the bond interest and redemption payment schedule, due solely to the January 1 eligibility deadline, the state department of education shall distribute an additional payment in the next fiscal year, in the amount of such funds that the school district would have otherwise qualified for in the current fiscal year.

(3) The provisions of this section may not be utilized to refinance existing debt or subsidize projects previously subsidized by state grants, unless the existing debt being refinanced is a bond passed on or after September 15, 2002; provided however, that any school district that has issued qualifying bonds prior to June 30, 2004, in conformance with this section shall not be deemed to be refinancing existing debt when the qualifying bonds are utilized to finance the acquisition of public school facilities previously leased or financed through means other than the issuance of general obligation bonds approved by a two-thirds (2/3) vote at an election called for that purpose subject to subsection (5) of this section.)



Bond Levy Equalization Support Program

33-906, Idaho Code

(4) School districts shall annually report the status of all qualifying bonds to the state department of education by January 1 of each year, including bonds approved by the voters, but not yet issued. Information submitted shall include the following:

- (a) The actual or estimated bond interest and redemption payment schedule;
- (b) Any qualifying bond that has been paid off;
- (c) Other information as may be required by the state department of education.

(5) No school district project eligible for participation in the bond levy equalization support program shall be deemed ineligible for participation due to that school district project's eligibility and prior participation in the safe school facilities loan and grant program or the Idaho safe schools facilities program under section 33-804A, 33-1017 or 33-1613, Idaho Code, provided that:

- (a) Such school district notifies the state department of education of its desire and eligibility to participate in the bond levy equalization support program; and
- (b) Such school district shall receive no state financial assistance for the project under the bond levy equalization support program until the amount to which it would otherwise have been entitled to receive shall equal the amounts received by the school district under the safe school facilities loan and grant program or the Idaho safe schools facilities program under section 33-804A, 33-1017 or 33-1613, Idaho Code.



Bond Levy Equalization Support Program 33-906, Idaho Code

(6) Any school district formed as a result of the consolidation of two (2) or more school districts that passes an eligible bond within three (3) years of the successful consolidation election shall participate in the bond levy equalization support program at the district's actual value index minus twenty-five hundredths (.25). This adjustment shall apply for the duration of the bond interest and redemption payment schedule. If a school district advantaged by this subsection (6) deconsolidates either during the applicable bond interest and redemption payment schedule, or within a three (3) year period thereafter, each deconsolidated district shall, upon deconsolidation, repay to the bond levy equalization fund all additional subsidies received pursuant to this subsection (6). The proportions owed by each deconsolidated district shall be determined by the proportion that each district's market value for assessment purposes bears to the whole.



Bond Levy Equalization Fund

33-906A, Idaho Code

There is hereby created in the state treasury a bond levy equalization fund. This fund shall contain such moneys as may be directed pursuant to appropriation. Moneys in the fund shall be used exclusively to make the payments authorized by the bond levy equalization program created in section [33-906](#), Idaho Code. Moneys in the fund are hereby continuously appropriated for the purposes stated in section [33-906](#), Idaho Code, and shall only be expended for the purposes stated therein.

FY 2019 Lottery Dividend (\$53,500,000) divided as follows:

- 3/8 to Permanent Building Fund (\$20,062,500)
- 3/8 to Public Schools (\$20,062,500)
- 1/4 to Bond Levy Equalization Fund (\$13,375,000)

FY 2019 State Public School Appropriation (\$10,387,800)



Value Index Calculation

33-906B, Idaho Code

The state department of education shall establish a value index for each school district, based on each school district's market value per support unit for equalization purposes, the average annual seasonally-adjusted unemployment rate in the county in which a plurality of the school district's market value for assessment purposes of taxable property is located and the per capita income in the county in which a plurality of the school district's market value for assessment purposes is located. The value index for each school district shall be calculated as the sum of the following three (3) components:

(1) The state department of education shall annually calculate each school district's market value per support unit, based on the market values that would be used to calculate a bond levy, and the statewide average. The first portion of the value index shall be calculated by dividing the school district's figure by the statewide average figure and dividing the result of this calculation by two (2).

(2) The second portion of the value index shall be calculated by dividing the statewide unemployment rate by the unemployment rate in the county in which a plurality of the school district's market value for assessment purposes of taxable property is located, and dividing the result of this calculation by four (4). For the purposes of this subsection, the statewide unemployment rate and county unemployment rates shall be based on the most recent average annual seasonally-adjusted unemployment rate data reported by the United States department of labor, for which there is a complete calendar year of data.

(3) The third portion of the value index shall be calculated by dividing the county per capita income in the county in which a plurality of the school district's market value for assessment purposes of taxable property is located by the statewide per capita income, and dividing the result of this calculation by four (4). For the purposes of this subsection, the statewide per capita income and county per capita income shall be based on the most recent data reported by the United States department of commerce, for which there is a complete calendar year of data.



3 Kuna Joint School District

Primary County		Ada
September 2017 Market Value		1,668,272,118 (a)
2017-2018 Support Units		260.1 (b)
September 2017 Market Value per Support Unit	(a) divided by (b)	6,412,978 (c)
September 2017 State Average Market Value per Support Unit		9,961,902 (d)
September 2017 Market Value per Support Unit divided by State Average	(c) divided by (d)	0.64375036 (e)
2017 County Unemployment Rate (one year lag)		2.8 (f)
2017 State Average Unemployment Rate		3.2 (g)
2017 State Average Unemployment Rate divided by 2017 County Unemployment Rate	(g) divided by (f)	1.14285714 (h)
2016 County Per Capita Income (two year lag)		\$47,046 (i)
2016 State Average Per Capita Income (two year lag)		\$39,470 (j)
2016 County Per Capita Income divided by 2016 State Average Per Capita Income	(i) divided by (j)	1.19194325 (k)
Value Index	(e) x 50% + (h) x 25% + (k) x 25%	0.90557528 (l)
Qualifying Percentage	1 - (l), if (l) is less than 1; otherwise, 0	0.09442472 (m)
Election Date		3/14/2017 (n)
First Year Bond & Interest Payment		FY 2018 (o)
Last Year Bond & Interest Payment		FY 2037 (p)
Fiscal Years		20 (q)
Total Principal		\$34,845,000.00 (r)
Total Interest		\$22,035,580.00 (s)
Average Annual Bond Payment (P & I)	[(r) + (s)] divided by (q)	\$2,844,029.00 (t)
Average Annual Bond Payment (P & I) X Qual %	(t) x (m)	\$268,546.65 (u)
Average Annual Interest Payment	(s) divided by (q)	\$1,101,779.00 (v)
Average Annual Interest Payment x 10%	(v) x 10%	\$110,177.90 (w)
Qualifying Payment	larger of (u) or (w), or \$0.00 if (l) ≥ 1.5	\$268,546.65 (x)

Bond Levy Equalization Support Program Summary

- 144 Eligible School Bonds (\$2.041 billion, 71 School Districts) since inception
 - \$227.2 million distributed since inception
 - \$22.4 million paid in FY 2019
 - 25 School Bonds paid off
 - 14 School Districts have a Value Index of 1.5 or higher as of FY 2019



Public School Facilities Cooperative Funding Program 33-909, Idaho Code

(1) In fulfillment of the constitutional requirement to provide a general, uniform and thorough system of public, free common schools, it is the intent of the state of Idaho to advance its responsibility for providing a safe environment conducive to learning by providing a public school facilities funding program to enable qualifying school districts to address unsafe facilities identified as unsafe under the standards of the Idaho uniform school building safety act.

(2) Participation in the program, for the purpose of obtaining state financial support to abate identified school building safety hazards, requires submission of an application to the public school facilities cooperative funding program panel.

Application can be made by:

- a) Any school district that has failed to approve at least one (1) or more bond levies for the repair, renovation or replacement of existing unsafe facilities, within the two (2) year period immediately preceding submission of the application; or
- b) The administrator of the division of building safety, for a school district that has failed to address identified unsafe facilities as provided in [chapter 80, title 39](#), Idaho Code.



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Public School Facilities Cooperative Funding Program 33-909, Idaho Code

(3) There is hereby created within the office of the state board of education the Idaho public school facilities cooperative funding program panel, hereafter referred to as the panel. The panel shall consist of the administrator of the division of building safety, the administrator of the division of public works and the executive director of the state board of education, or a designee appointed by a panel member. It shall be the duty of the panel to consider all applications made to it, and to approve, modify or reject an application based upon the most economical solution to the problem, as analyzed within a projected twenty (20) year time frame.)



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Public School Facilities Cooperative Funding Program 33-909, Idaho Code

- (4) The application shall contain the following information:
- (a) The identified school building safety hazards and such other information necessary to document the deficiencies;
 - (b) The school district's plan for abating the defects, including costs and sources and amounts of revenue available to the school district;
 - (c) The market value for assessment purposes of the school district; and
 - (d) A detailed accounting of all bond and plant facility levies of the school district and the revenues raised by such levies.

For applications initiated by the administrator of the division of building safety pursuant to subsection (2)(b) of this section, the school district shall provide the information required in this subsection if such information is not available to the administrator.



Public School Facilities Cooperative Funding Program 33-909, Idaho Code

(5) (a) If the panel determines that it requires additional plans and information, it may authorize the expenditure of up to one hundred fifty thousand dollars (\$150,000) per application from the public school facilities cooperative fund for the procurement thereof. In considering an application, the panel shall determine whether the plan as proposed is acceptable, or is acceptable with modifications as determined by the panel, or should be rejected. If the application is approved or approved with modifications, any expenditures authorized by the panel pursuant to this subsection shall be added to the project. The panel shall notify the applicant of its decision, in writing, within ninety (90) days of receiving the application. At the same time the panel notifies the applicant, the panel shall send notification of an approved application or a modified application to the state board of education, along with the panel's specifications for the project and its cost.

(b) The panel may, upon the recommendation of the district supervisor, authorize modifications to the approved plan at any time prior to the completion of the project, giving consideration to the interests of the school district, the students and the electors in its determination. Such modification may alter the scope of work or terminate the approved plan. All modifications must meet the standards as outlined in this section.



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33-909, Idaho Code

(6) If an application received from a school district is accepted or modified by the panel, the local board of trustees of that school district, at the next election held pursuant to section [34-106](#), Idaho Code, shall submit the question to the qualified electors of the school district of whether to approve a bond in the amount of the cost of the project as approved by the panel.

(7) Within thirty-five (35) calendar days of receiving notification from the panel that an application submitted by the administrator of the division of building safety pursuant to subsection (2)(b) of this section has been approved or modified by the panel, or within thirty-five (35) calendar days of receiving certification from the panel that the question submitted to the electorate pursuant to subsection (6) of this section was not approved in the election, the state board of education shall appoint a district supervisor for interim state supervision of the local school district. The district supervisor shall be responsible for ensuring that the project, as approved by the panel, is completed and shall regularly report to the panel in a manner as determined by the panel upon approval of the project. The district supervisor shall also have the authority granted to said position by the provisions of section [6-2212](#), Idaho Code. A district supervisor's term of service shall continue for the duration of the project, and such person appointed as a district supervisor shall serve at the pleasure of the state board of education.



Public School Facilities Cooperative Funding Program 33-909, Idaho Code

(8) The abatement of unsafe public school facilities through the public school facilities cooperative funding program shall be performed exclusively in accordance with the regular permitting, plan review and inspection requirements of the division of building safety. The state fire marshal shall have exclusive authority to perform the powers and duties prescribed in section [41-254](#), Idaho Code, for such facilities while the unsafe condition is being abated and under the jurisdiction of the panel-appointed district supervisor. The Idaho building code board shall function as a board of appeals for the division of building safety for such construction in accordance with the provisions of section [39-4107](#), Idaho Code. Upon successful completion of the construction in accordance with applicable building codes, a certificate of occupancy shall be issued by the administrator of the division of building safety. Upon issuance of a certificate of occupancy, responsibility for ensuring the safety of the facility or portion thereof so constructed will then be returned to the school district and responsibility for ensuring subsequent compliance with building codes returned to the authority having jurisdiction.



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(9) Upon approval of an application or a modified application submitted by the administrator of the division of building safety pursuant to subsection (2)(b) of this section, or upon receipt of certification from the county that the question submitted to the electorate pursuant to subsection (6) of this section was not approved in the election, the panel shall certify the cost of the project, as approved by the panel, to the state department of education.

(a) The total cost of the project shall initially be paid by the state from the public school facilities cooperative fund. If the district supervisor determines that the amount approved by the panel is insufficient to complete the project in a satisfactory manner, the panel may request a legislative appropriation of additional moneys from the public school facilities cooperative fund. If such an appropriation is approved, these additional moneys shall be added to the cost of the project.

(b) The district's share of costs shall be based upon actual funds expended. The district's share of costs that may be repaid through the levy provisions of this section shall not exceed the district's share of bond payment costs as calculated for the bond levy equalization support program in the fiscal year in which the application is made. Interest shall be charged on the unpaid balance of the district's share of costs, as such balance exists at the end of each fiscal year, at the rate of interest earned by the state treasurer on the investment of idle funds in that fiscal year.

(c) It shall be the responsibility of the state department of education to calculate a state-authorized plant facilities levy rate in accordance with the provisions of subsection (10) of this section, which, when imposed over a maximum period not to exceed twenty (20) years, may yield the revenues needed to repay the school district's share of the cost of the project.

(d) The levy rate calculated by the state department of education shall be certified by the department to the county or counties wherein the boundaries of the school district are contained, for assessment of the levy and collection of the revenues by such county or counties in the manner provided by law. The revenues collected by imposition of the state-authorized plant facilities levy shall be remitted to the state treasurer for deposit to the public school facilities cooperative fund.



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(10) The annual state-authorized plant facilities levy rate shall be limited to the greater of:

(a) The difference between the school district's combined bond and plant facilities levy rates, and the statewide average bond and plant facility levy rates; or

(b) The statewide average plant facility levy rate.

The initial levy rate so calculated shall be established as the minimum levy rate that shall be imposed for the amount of time required to reimburse the state for the school district's share of the project cost, but not to exceed twenty (20) years, even if this period would not provide reimbursement of the entire amount of the school district's share of the cost of the project. The state department of education is authorized and directed to recalculate the levy rate on an annual basis and is authorized to increase or decrease the levy rate according to the scheduled payback, but the levy rate shall not be less than the levy rate initially imposed. Provided however, if the levy rate calculated is estimated to raise more money than would be necessary to repay the district's share of costs, then the state department of education shall certify to the county or counties wherein the boundaries of the school district are contained, the moneys necessary to repay the district's share of costs.



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(11) There is hereby created in the state treasury a public school facilities cooperative fund. The fund shall contain such moneys as may be directed pursuant to appropriation. Moneys in the fund shall be used exclusively to finance the public school facilities cooperative funding program and are hereby continuously appropriated for such purposes as authorized by this section. Moneys in the fund shall be invested by the state treasurer in the same manner as provided under section [67-1210](#), Idaho Code, with respect to other idle moneys in the state treasury. Interest earned on the investments shall be credited to the school district building account.

\$25 million was deposited on July 1, 2007



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Public School Facilities Cooperative Funding Program Summary

- Two School Districts applied for and were approved since inception
 - \$10.62 million, April 2010 – Plummer/Worley School District – build new Elementary School
 - \$4.26 outstanding balance as of May 2019
 - \$1.73 million, March 2013 – Salmon School District – replace Elementary School roof, purchase 3 portable classrooms
 - Paid in full – December 2017
- Current fund balance - \$21.3 million



Questions



Tim Hill | Public School Finance

Idaho State Department of Education

650 W State Street, Boise, ID 83702

208 332 6800

TDHill@sde.idaho.gov

www.sde.idaho.gov



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