



SK-12 Budget Stability and Strategic Alignment Bond Levy Equalization Support Program

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Supporting Schools and Students to Achieve

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Bond Levy Equalization Support Program

- Program Description**
- Bond Levy Equalization Fund**
- Value Index Calculation / Payment**
- Summary**

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.)



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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



Questions



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