

Other States Funding Options

Legislative Staff Presentation to the Joint Legislative Task Force on
School Construction Funding
November 27, 2007

OVERVIEW

- Most states use one of the funding mechanisms below:
 - Direct Aid
 - Typically wealth based, 22 states use this
 - Matching Grants
 - 12 states provide grants based on need to poor school districts
 - 5 states have a type of flat rate grant
 - Aid for debt service
 - State Loans

- Most states surveyed use a formula that uses district wealth as a component to determine state matching funding level
- Most states require a type of facilities needs assessment or capital plan from districts to receive state funds
- Some states prioritize the need using district capital facility plans and district wealth

FLAT RATE

- Indiana distributes \$40/ student for debt service use, if this exceeds payment the money can be used for operating or deposited in a capital account
- Kentucky distributes \$100 per student for construction or renovation, districts may issue bonds backed by 80% of this funding
- Tennessee calculates need for buildings based on students, cost to construct, and life of building

- Virginia provides a flat rate of \$200,000 to each district. The state also shares \$15/ student for debt service or maintenance, share is wealth based
- Minnesota provides districts with \$168 + average building age, times students.

INNOVATIVE IDEAS

- Arizona recommends bundling projects into one bid to try and save on costs
- Georgia offers grants to state's poorest 20% of school districts in addition to the matching grants available. Districts may use allocation or save it for future use
- New York uses a regional cost factor to estimate differences in costs throughout the state

- Massachusetts uses free and reduced lunches in their formula, and incentives for districts that have high maintenance ratings, hiring project managers, exceeding energy efficiency standards, or implementing innovative programs
- New Jersey provides an incentive for state managed projects. Districts can take one time aid or annual assistance with debt service
- Vermont pays 30% of all projects approved by the State Board of Education, not all projects are funded

- California requires 3% of general fund to schools to be used for maintenance. School districts also have authority to levy impact fees. The State Allocation Board adjusts the fees for inflation in even-numbered years. In 2006 and 2007, the maximum was set at 42 cents per square foot on commercial construction and \$2.63 per square foot on residential construction.

STANDARDS

- Georgia has space standards, construction standards. They determine how much space for all space to the extent of how many toilets
- North Carolina, Arkansas specify school size by total square feet, classroom size, number of classrooms and science labs, gym size and standards, theatre size and cafeteria criteria.

- Florida “recommends” building extra curricular space to be accessible to other schools in the district, small and compact schools to reduce large infrastructure costs associated with campus designs, site work, material specifications, and most systems included in the building.

- Delaware does not recommend “stock plans” as it may change as the school capacity changes, site variations, and the need for several “stock plans” for each grade level and curriculum. They do recommend using construction standards. Delaware is prescriptive on square feet per space for all rooms in a school.
- Georgia and Florida have determined it is not as economical as it seemed to use “stock plans”.

APPENDIX

- SOURCES

- Tennessee Study State Capital Funding: Supplementary State Profiles
(<http://www.comptroller.state.tn.us/orea/reports/schcapsupp.pdf>)
- Georgia Standards
(<http://www.gadoe.org/DMGetDocument.aspx/Square%20Footage%20Requirements%20for%20Facilities.pdf>)
- Delaware Standards
(http://dspace.udel.edu:8080/dspace/bitstream/19716/39/1/building_quality_schools.pdf)