

## **Seminar in School Administration**

# **Advanced Facilities Planning and Maintenance**

**Presenter:**

**Mark W. Ryles, Director**

**Division of Facilities Management  
Kentucky Department of Education**

### **Superintendent's Training**

1. How do public school buildings get built in Kentucky?
2. How are they financed?
3. Are school buildings alike or different (or both)? If so, how and why?
4. Who causes school construction to happen?
5. Who owns the buildings?
6. What is the role of the Kentucky Department of Education in planning, design, construction, and finance?
7. What is the role of the local board of education and architect?
8. What is KERA (Kentucky Education Reform Act)? How did it (and does it) affect design/construction/financing of public schools?
9. Do buildings affect academic outcomes?
10. What does a successful school building program look like?
11. How will schools look different in 21<sup>st</sup> century? Why?
  - a) Technology
  - b) Systems
  - c) Instruction
  - d) Sustainability

# **School Facilities Affect Student Performance**

**National Clearinghouse for Educational Facilities  
Resource List**

**Impact of facilities on student performance**

**[edfacilities.org](http://edfacilities.org)**

## **School Facilities Affect on Academic Outcomes**

- ⑩ **School facilities affect learning.**
- ⑩ **Spatial configurations, noise, heat, cold, light, and air quality obviously bear on students' and teachers' ability to perform.**

Source: National Clearinghouse for Educational Facilities

*"Do School Facilities Affect Academic Outcomes?"* by Mark Schneider, November 2002

## **Kentucky Board of Education's Impact on Getting to Proficiency**

### **Facilities Impact on Getting to Proficiency:**

**In Standard 4 of the Standards and Indicators for School Improvement it is noted that the school's physical environment has an impact on student achievement.**

**Research also indicates that better facilities enhance equity (equal opportunities for all students), attitudes and retention of staff, and parental involvement.**

**Source: Kentucky Board of Education, October 5-6, 2005 *Staff Note*, pp 195.**

## **2004 KENTUCKY SCHOOL LAWS KENTUCKY CONSTITUTION: EDUCATION**

**§183. General Assembly to provide for school system.**

**The General Assembly shall, by appropriate legislation, provide for an efficient system of common schools throughout the State.**

**1990 KENTUCKY EDUCATION REFORM ACT:**

**5. –Constitutionality of School System.**

**The Kentucky Supreme Court ruled that Kentucky's entire system of common schools was unconstitutional. That decision applied to the entire sweep of the system—all its parts and parcels; it applied to the statutes creating, implementing and financing the system and to all regulations, etc., pertaining thereto; it covered the creation of local school districts, school boards, and the Kentucky Department of Education to the Minimum Foundation Program and Power Equalization Program; and it covered school construction and maintenance, teacher certification—the whole gamut of the common school system in Kentucky. *Rose v. Council for Better Educ., Inc.*, 790 S.W. 2<sup>nd</sup> 186 (Ky. 1989).**

**2004 KENTUCKY SCHOOL LAWS  
KENTUCKY CONSTITUTION: EDUCATION**

**18. Efficient System.**

*Paragraph 2.* The essential, and minimal, characteristics of an “efficient” system of common schools, may be summarized as follows: 1) The establishment, maintenance and funding of common schools in Kentucky is the sole responsibility of the General Assembly. 2) Common schools shall be free to all. 3) Common schools shall be available to all Kentucky children. 4) Common schools shall be substantially uniform throughout the state. 5) Common schools shall provide equal educational opportunities to all Kentucky children, regardless of place of residence or economic circumstances. 6) Common schools shall be monitored by the General Assembly to assure that they are operated with no waste, no duplication, no mismanagement, and with no political influence. 7) The premise for the existence of common schools is that all children in Kentucky have a constitutional right to an adequate education. 8) The General Assembly shall provide funding which is sufficient to provide each child in Kentucky an adequate education. 9) An adequate education is one which has as its goal the development of the seven (7) capacities recited previously. *Rose v. Council for Better Edu., In., 790 S. W. 2d 186 (KY. 1989).*

**Kentucky is recognized nationally for its  
public school building program.  
(USGAO Dec. 1995) Kentucky Statues  
provide the following:**

- Statewide minimum standards for schools  
(With equalization for property assessments)
- Requirement for long range planning
- State support for local districts
- Authority for local districts to sell bonds

**162.060 Plans for school buildings to be approved.**

The chief state school officer shall be furnished a copy of all plans and specifications for new public school buildings contemplated by boards of education and for all additions to or alterations of old buildings. He shall examine or cause to be examined all such plans and specifications and shall approve or disapprove them in accordance with the rules and regulations of the Kentucky Board of Education. Plan reviews for conformance with the Uniform State Building Code shall be conducted only by the Department of Housing, Buildings and Construction. No board of education may award a contract for the erection of a new building or contract for an addition to or alteration of an old building until the plan has been approved by the chief state school officer.

**322.360 Public work required to be done under professional engineer or licensed architect.**

(1) Neither the state nor any of its political subdivisions shall engage in the construction of any public work involving engineering, unless the plans, specifications, and estimates have been prepared and the construction executed under the direct supervision of a professional engineer or a licensed architect.

## **Administrative Regulations relating to School Facilities and Grounds**

- 702 KAR 1:001 Planning Manual (Statutory Authority)
  - The Kentucky School Facilities Planning Manual
- 702 KAR 4:050 Building Sites
- 702 KAR 4:090 Property Disposal, Leases
- 702 KAR 4:100 Emergency Loan Funding
- 702 KAR 4:160 Construction Process (11/17/00)
  - Capitol Construction Process
- 702 KAR 4:170 Construction Criteria (Statutory Authority)
  - Facility Programming and Construction Criteria

## **Kentucky School Department of Education Division of Facilities Management Planning Process**

**“The mission of the Kentucky Department of Education -  
Division of Facilities Management - Planning Branch is  
to assist each Kentucky School District to wisely assess  
their facilities’ needs and to help direct their planning  
efforts to create a learning environment which fosters  
equity and adequacy to help each student in the  
Commonwealth to reach proficiency.”**

## Local Planning Committee

The superintendent is responsible for initiating the process

Assures the system of selection complies with 702 KAR 1:001

Composition is in accord with the selection criteria. It is suggested that LPC membership be selected alternately in parent, teacher, and building administrator order until the committee selection is completed.

The superintendent shall attempt to ensure that the composition of each LPC represents local demographics, providing a diverse committee that, in a meaningful way, reflects the composition of the district.

## District Facilities Planning Process

### **The Local Planning Committee has been selected**

Facilitator (optional) KSBA is the only Statewide Organization that offers this service.

### **First LPC meeting required orientation from KDE**

### **Collect information using current and new resources**

Demographic, Financial, Arch./Eng. (required) Bldg. Conditions, Trans., Programs

### **Minimum (3) LPC Meetings and Forums**

From collected information develop draft DLP  
Draft DFP reviewed by KDE before last LPC meeting

### **KDE approved DFP sent back to LPC for review at their last mtg.**

LPC votes on revised plan to be sent to the local Board

## **District Facilities Planning Process**

### **Local board of education votes to approve draft DFP**

If approved by a vote, the local Board submits DFP to the KDE  
If rejected by a vote, the Board returns the draft DFP to LPC for revision and resubmission to the local Board

### **Accepted DFP is then presented in local and state Public Hearings**

Copies are placed for public viewing in schools and Bd. Office  
Two public hearings are required unless DFP was approved unanimously by LPC and Board

### **Following Public Hearings – Board considers comments**

If required adjustments made to DFP with KDE & LPC approval  
Final hearing report is presented to local Board for final approval

### **Final approved DFP is submitted to KBE for approval**

## **District Facilities Plan Format**

Projects to be included under priority items are VERY specific and

**not a “wish list”.**

**Capital Construction and Additions based on quantified student need or unsuitable facilities.**

**Major Renovation as defined in 702 KAR 1:001**

**Building over 30 years old not having been renovated in that time.**

**Replacement of at least 3 building systems.**

## **District Facilities Plan Format**

### **Projects that establish District's Needs Assessment**

**Priority 1 – Educational Capital Construction and Major Renovation to be undertaken within the first two years following the DFP development.**

**Priority 2 – Educational Capital Construction and Major Renovation to be undertaken after the first two years following the DFP development.**

**Priority 3 - Construction of non-educational additions or expansions: including kitchens, cafeterias, administrative areas, auditoriums and gymnasiums. (regardless of schedule)**

**Priority 4 - Management support areas - Construction, acquisition, or renovation of central offices, bus garages, or central stores. (regardless of schedule)**

## **District Facilities Plan Format**

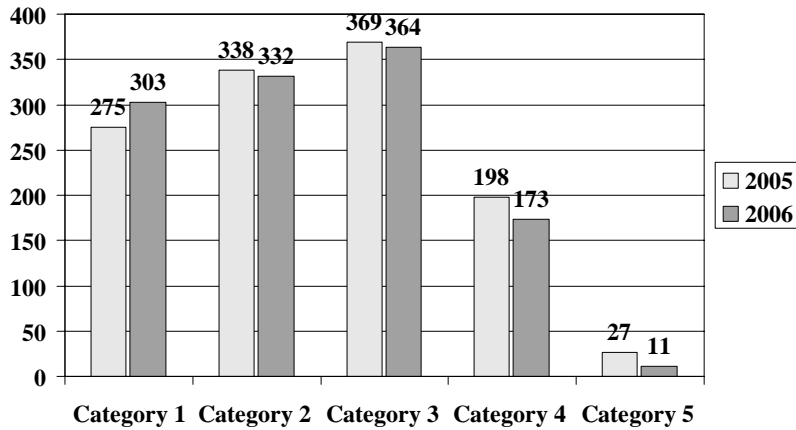
### **Discretionary Construction Projects**

This section shall list projects by school or building as classified below.

The local district opting not to participate in SFCC funding may request all priority projects to be listed in this section.

- **Renovations and Additions that do not meet the requirements of 702 KAR 1:001**
- **Functional Centers - Improvements by new construction or renovation.**
- **Extracurricular Facilities - Construction of field houses, stadiums; sports field facilities; or any facility with an estimated cost of \$25,000 or more.**

## School Building Condition Analysis



KBE APPROVAL DATE: AUGUST, 2004

### MADISON COUNTY SCHOOLS DISTRICT FACILITIES PLAN

#### PLAN OF SCHOOL ORGANIZATION

1. Current Plan P-5, 6-8, 9-12

SCHOOL CENTERS		Status	Organization	Student Enrollment Capacity
1.	Secondary			
a.	Madison Central High School	Permanent	9-12 Center	1362/1200
b.	Madison Area Technology Center	Permanent	6-12 Center	varies/225
c.	Madison Southern High School	Permanent	9-12 Center	830/1000
d.	Bellevue Alternative School	Note:	Serves the Middle/High School in a Satellite Campus Arrangement	varies/325
2.	Middle			
a.	Clark Moores Middle School	Permanent	6-8 Center	662/633
b.	Foley Middle School	Permanent	6-8 Center	765/633
c.	Madison Middle School	Permanent	6-8 Center	598/766
3.	Elementary			
a.	Daniel Boone Elementary School	Permanent	PS-5 Center	583/675
b.	Kingston Elementary School	Permanent	PS-5 Center	468/725
c.	Kirksville Elementary School	Permanent	PS-5 Center	492/500
d.	Kit Carson Elementary School	Permanent	PS-5 Center	529/650
e.	Mayfield Elementary School	Permanent	PS-5 Center	344/575
f.	Shannon Johnson Elementary School	Permanent	PS-5 Center	363/425
g.	Silver Creek Elementary School	Permanent	PS-5 Center	547/675
h.	Waco Elementary School	Permanent	PS-5 Center	456/600
i.	White Hall Elementary School	Permanent	PS-5 Center	523/650

**CAPITAL CONSTRUCTION PRIORITIES (Schedule within the 2004-2006 Biennium)**

<b>1a. New construction</b> to meet student capacity; further implementation of established programs; or complete approved projects constructed in phases.							<b>Cost Est.</b>
<b>1. New Elementary School</b>						<b>65,736 sf.</b>	
<b>600 Student capacity in Richmond vicinity</b>						*	<b>\$7,888,320</b>
<b>1b. New construction</b> to replace inadequate spaces; expand existing or new buildings for educational purposes; consolidate schools; or replace deteriorated facilities.							
<b>1. Foley Middle School</b>						<b>76,862 sf.</b>	
<b>Construct:</b>	<b>1</b>	<b>Special Educ. Self-Cont.</b>	<b>825 sf.</b>	<b>825 sf.</b>	<b>*</b>	<b>\$139,437</b>	
	<b>3</b>	<b>Standard Classrooms</b>	<b>750 sf.</b>	<b>2,250 sf.</b>	<b>*</b>	<b>\$380,282</b>	
	<b>2</b>	<b>Science Rooms</b>	<b>1000 sf.</b>	<b>2,000 sf.</b>	<b>*</b>	<b>\$338,028</b>	
<b>2. Shannon Johnson Elementary School</b>						<b>58,589 sf.</b>	
<b>Construct:</b>	<b>12</b>	<b>Standard Classrooms</b>	<b>800 sf.</b>	<b>9,600 sf.</b>	<b>*</b>	<b>\$1,556,757</b>	
<b>3. Madison Southern High School</b>						<b>100,077 sf.</b>	
<b>Construct:</b>	<b>2</b>	<b>Science Labs</b>	<b>1625 sf.</b>	<b>3,250 sf.</b>		<b>\$650,000</b>	
	<b>1</b>	<b>Home Ec. (2) Teacher</b>	<b>3000 sf.</b>	<b>3,000 sf.</b>		<b>\$600,000</b>	
	<b>1</b>	<b>Computer Lab</b>	<b>1280 sf.</b>	<b>1,280 sf.</b>		<b>\$256,000</b>	
	<b>1</b>	<b>Special Educ. Self-Cont.</b>	<b>825 sf.</b>	<b>825 sf.</b>		<b>\$165,000</b>	
	<b>1</b>	<b>Phy. Educ. Addition</b>	<b>3000 sf.</b>	<b>3,000 sf.</b>		<b>\$600,000</b>	
	<b>1</b>	<b>Vocational Shop</b>	<b>3000 sf.</b>	<b>3,000 sf.</b>		<b>\$600,000</b>	

<b>1c. Major renovation/additions of educational facilities;</b> including expansions, kitchens, cafeterias, libraries, administrative areas, auditoriums, and gymnasiums.							
<b>1. Silver Creek Elementary School</b>						<b>64,668 sf.</b>	
<b>Major Renovation to include; Cafeteria expansion and renovation.</b>						*	<b>\$961,000</b>
<b>Construct:</b>	<b>1</b>	<b>Kitchen</b>	<b>1000 sf.</b>	<b>1,000 sf.</b>	<b>*</b>	<b>\$162,162</b>	
<b>2. White Hall Elementary School</b>						<b>53,558 sf.</b>	
<b>Major Renovation to include; Cafeteria expansion and renovation.</b>							<b>\$961,000</b>
<b>Construct:</b>	<b>1</b>	<b>Kitchen</b>	<b>1000 sf.</b>	<b>1,000 sf.</b>		<b>\$162,162</b>	
<b>3. Kit Carson Elementary School</b>						<b>52,203 sf.</b>	
<b>Major Renovation to include; Cafeteria expansion and renovation.</b>							<b>\$961,000</b>
<b>Construct:</b>	<b>1</b>	<b>Kitchen</b>	<b>1000 sf.</b>	<b>1,000 sf.</b>		<b>\$162,162</b>	
<b>4. Daniel Boone Elementary School</b>						<b>54,256 sf.</b>	
<b>Major Renovation to include; Cafeteria expansion and renovation.</b>							<b>\$961,000</b>
<b>Construct:</b>	<b>1</b>	<b>Kitchen</b>	<b>1000 sf.</b>	<b>1,000 sf.</b>		<b>\$162,162</b>	
<b>5. Madison Central High School</b>						<b>173,000 sf.</b>	
<b>Major Renovation to include; Health Building and Greenhouse</b>						*	<b>\$2,600,000</b>
<b>Construct:</b>	<b>1</b>	<b>Auditorium</b>	<b>5500 sf.</b>	<b>5,500 sf.</b>	<b>*</b>	<b>\$1,100,000</b>	
	<b>2</b>	<b>Computer Labs</b>	<b>1280 sf.</b>	<b>2,560 sf.</b>	<b>*</b>	<b>\$512,000</b>	
	<b>1</b>	<b>Greenhouse Addition</b>	<b>400 sf.</b>	<b>400 sf.</b>	<b>*</b>	<b>\$80,000</b>	

<b>CAPITAL CONSTRUCTION PRIORITIES (Schedule after the 2006 Biennium)</b>				
<b>2a. New construction</b> to meet student capacity; further implementation of established programs; or complete approved projects constructed in phases.				
1.	New Elementary School		56,581 sf.	
	500 Student capacity on a new site in Berea area			\$6,789,720
2.	New Middle School		70,838 sf.	
	500 Student capacity on a new site in Berea area			\$8,500,560
3.	New Middle School		70,838 sf.	
	500 Student capacity on a new site in Richmond area			\$8,500,560
4.	New Vocational School		30,735 sf.	
	To be constructed on a new site in Berea area			\$4,179,960
<b>2b. New construction</b> to replace inadequate spaces; expand existing or new buildings for educational purposes; consolidate schools; or replace deteriorated facilities.				
1.	Clark Moores Middle School		63,606 sf.	
	Major Renovation to include; converting existing Media Center into Classrooms			\$120,225
	Construct:	4 Standard Classrooms	750 sf.	3,000 sf. \$507,042
		1 Media Center	4175 sf.	4,175 sf. \$705,634
2.	Kirksville Elementary School		65,699 sf.	
	Construct:	8 Standard Classrooms	800 sf.	6,400 sf. \$1,037,838
3.	Madison Middle School		92,602 sf.	\$399,507
	Construct:	2 Standard Classrooms	750 sf.	1,500 sf. \$253,521

<b>2c. Major renovation/additions of educational facilities;</b> including expansions, kitchens, cafeterias, libraries, administrative areas, auditoriums, and gymnasiums.				
1.	Silver Creek Elementary School		64,668 sf.	
	Major Renovation to include; HVAC, ceilings and plumbing			\$1,200,000
2.	White Hall Elementary School		53,558 sf.	
	Major Renovation to include; HVAC, ceilings and plumbing			\$3,425,000
3.	Kit Carson Elementary School		52,203 sf.	
	Major Renovation to include; HVAC, ceilings and plumbing			\$2,515,000
4.	Daniel Boone Elementary School		54,256 sf.	
	Major Renovation to include; HVAC, ceilings and plumbing			\$1,362,000
5.	Clark Moores Middle School		63,606 sf.	
	Major Renovation to include; HVAC, ceilings and plumbing			\$3,180,000
6.	Foley Middle School		76,862 sf.	
	Major Renovation to include; HVAC, ceilings, plumbing and electric			\$3,800,000
7.	Bellevue Alternative Center		38,510 sf.	
	Major Renovation to include; HVAC, plumbing, electric, walls, floors, ceilings, doors/hardware, ADA compliance and restroom renovation			\$2,900,000

<b>CAPITAL CONSTRUCTION PRIORITIES (Regardless of Schedule)</b>						
<b>4. Management support areas;</b> Construct, acquisition, or renovation of central offices, bus garages, or central stores						
1.	Bus Garage					
	Construct:	1	Two (2) bay in Berea area	3600 sf.	3,600 sf.	\$484,706
2.	Central Office				7,500 sf.	
	Construct a fireproof records room, bookkeeping area, storage area, expand building for additional offices, Board Room, restrooms					\$1,150,000
3.	Philips Building					
	Renovate offices and alter open area for use					\$800,000
<b>DISTRICT UNMET NEED</b>						<b>\$58,051,759</b>
<b>5. Discretionary Construction Projects;</b> Functional Centers; Improvements by new construction or renovation.						
Estimated Costs of these projects will not be included in the FACILITY NEEDS ASSESSMENT TOTAL.						
1.	Madison Central High School					
	Upgrade outdoor athletic facilities					\$750,000
2.	Clark Moores Middle School					
	Construct outdoor athletic facilities/soccer					\$220,000
3.	Madison Southern High School					
	Construct additional storage space for custodial/instructional supplies					

4.	Madison Middle School					
	Bleachers, canopy (student traffic), improve outdoor athletic facilities					
5.	Foley Middle School					
	Upgrade HVAC					
6.	All Schools					
	Construct or renovate to meet ADA compliance, construct/ or renovate to meet safety concerns/requirements as identified. Provide storage areas for instructional and non-instructional materials through minor renovation/addition. Install weather canopies a					
7.	Waco Elementary School					
	Construct and/or renovate to provide adequate Facility/Special Education restrooms. Site acquisition to enlarge campus.					
8.	Mayfield Elementary School					
	Site acquisition to enlarge campus and provide additional ingress/egress.					
9.	Bellevue Facility					
	Renovate soccer complex.					
* <i>Note: These projects have been implemented by the District and a BG-1 has been established, therefore the costs associated with these line items have not been included in the Unmet Need calculation.</i>						





## **Finance**

**The funds that are available for the construction of schools in the Commonwealth are divided into two categories; unrestricted funds and restricted funds. *The Chief State School Officer through the Kentucky Department of Education, Division of Facilities Management, must approve funding on all projects.***

# Capital Construction Funding

## **Facilities Support Program of Kentucky (FSPK)**

Legal Requirements: KRS 157.440(1)(b) requires the following:

1. The district shall commit at least a five cent (5¢) equivalent tax to debt service on facility bond issues, new facilities, or major renovations of existing school facilities.
2. The five cent (5¢) equivalent tax is in addition to the minimum thirty cent (30¢) equivalent tax required by KRS 160.470(12).
3. The levy shall be made no later than October 1 of each odd-numbered year. Eligibility for equalization funds for the biennium shall be based on the district funds committed to debt service on that date.
4. The five cent (5¢) equivalent tax shall be equalized at one hundred fifty percent (150%) of the statewide average per pupil assessment. (The General Assembly sets the level of equalization in the Biennial Budget.)

## **Facilities Support Program of Kentucky** **(FSPK)**

5. The equalization funds shall be committed to debt service on facility bond issues to the greatest extent possible, but any excess equalization funds not needed for debt service shall be deposited to a restricted building fund account. The funds may be escrowed for future debt service or used to address priorities listed in the approved facilities plan.

Eligibility Criteria: The eligibility calculation for FSPK equalization shall be based on the current year certified assessment and the prior year's adjusted average daily attendance (AADA). Debt service must be within \$10,000 of or exceed the local five cent (5¢) equivalent tax by October 1 of each odd numbered year

## **Facilities Support Program of Kentucky (FSPK)**

Use of Funds: KRS 157.440 requires that revenues generated by the FSPK local five cent (5¢) equivalent tax and FSPK state equalization funds be limited to debt service on facility bond issues, new facilities, and major renovations of existing facilities as listed in the district's approved facility plan. Allowable expenditures include the following: purchase of sites, construction and equipping of new school buildings, and debt service on facility bond issues. Expenditure of these funds for equipment will not be permitted, except in the equipping of a new school or in conjunction with a major renovation project. Computers are not considered equipment for these purposes. There is no provision in the statute which would permit reimbursement of general fund expenditures for maintenance and property insurance or any other expenditure from these funds for a district with identified facility needs. Equalization funds not committed to debt service shall be deposited to a restricted building fund account. Expenditure restrictions for equalization funds are the same as for revenues generated by the five cent equivalent tax levy. Any district which is not eligible for equalization and has not accepted assistance from SFCC may be permitted upon written application to the Division of Finance to transfer the FSPK local five cent (5¢) equivalent tax revenue or other school purposes.

## **Plan for Capital Construction Financing of Public Schools**

1. **Revise statute (KRS 157.440), Facility Support Program of Kentucky or implement budget language to allow local school districts to levy an additional 5¢ tax per \$100 of assessed property value to be applied toward projects identified in their long range district facility plan. (Creates \$1,000,000,000 in bonding capacity). Cost to state general fund = \$0. (Include provision per HB 44 to not penalize the general fund tax increases caused by this levy.)**
2. **Starting in the 2004-2006 biennium, begin a 3-biennium phase-in of equalization for districts that levy the additional 5¢ tax mentioned above, to expand the existing Facility Support Program of Kentucky (FSPK) program. Maximum cost to the state general fund about \$15,000,000 for the first biennium (recurring) and increased \$15,000,000 in each of the next 2 biennia (also recurring) – which would generate \$500,000,000 in new bonding potential over a 6-year period.**
3. **Starting in the 2004-2006 biennium, continue the School Facility Construction Commission (SFCC). Cost to the general fund \$10,000,000/per biennium. Additional funds from expansion of the FSPK Program (in items 1 & 2 above) will allow the Commission to focus on districts and schools with the most need to eliminate the state's worst facilities.**

**For districts that levy the additional 5¢ in item #1, if approved by KDE, amend KRS 157.420 to allow 20% capital outlay cash to be utilized by districts for district maintenance.**



## **SFCC**

**Legal Requirements: KRS 157.611 through 157.640 establishes the School Facilities Construction Commission (SFCC) to assist local school districts in meeting their capital construction needs. The SFCC shall use the statement of school facility construction needs and local available revenue as certified by the Kentucky Board of Education to determine the rate of participation of each school district in any given biennium. The amount allocated to school districts is based on available state funding and the percentage of a district's unmet facility needs to the total statewide needs. The SFCC portion of the bond sale shall be limited to twenty (20) years with a level repayment schedule.**

## SFCC

**Eligibility Criteria:** To participate in the SFCC funding program, a district must have unmet facility needs as shown by the approved facilities plan less any available local revenue. Eligibility also requires that the FSPK local five cent (5¢) equivalent tax revenue be budgeted for facility debt service, new buildings, additions, or major renovations (See Attachment B: "Major Renovation as Defined in the Kentucky School Facilities Planning Manual") of existing facilities and all "available local revenue" be transferred to a restricted account for school building construction on June 30 of each year. Available local revenue includes the sum of the school building fund account balance, the bonding potential of the capital outlay fund and the Facilities Support Program of Kentucky, and the capital outlay fund account balance.



**Use of Funds:** The school district is required to expend "all available local revenue" as defined above before funds generated by SFCC bond sales are expended. "All available local revenue" for a project shall be expended for major renovations and/or construction of the identified project. The balance of funds in the construction accounts remaining after the completion of a project may be expended on the next project of the approved facilities plan. These costs may include site acquisition, architectural and engineering services, financial and legal services, and equipment.

### **Growth District Levy for Facilities**

**Legal Requirements:** KRS 157.621, created by the 1994 General Assembly, allowed districts meeting the following criteria to levy an additional five cent (5¢) equivalent tax for debt service and new facilities:

1. Growth of at least one hundred fifty (150) students in AADA and three percent (3%) overall growth for the five (5) preceding years;
2. Debt service equal to the sum of eighty percent (80%) of SEEK capital outlay, FSPK local five cent (5¢) equivalent tax, and FSPK state equalization;
3. Current student enrollment in excess of available classroom space; and
4. A local school facility plan that has been approved by Kentucky Board of Education and certified to SFCC.

KRS 157.621 contains a sunset provision should the FSPK program be fully funded. The 1996-98 Biennial Budget provided full funding for the FSPK program causing the expiration of the provisions of the Growth District Levy. School districts that levied this tax prior to the sunset provisions becoming effective are permitted to retain the levy.

**Use of Funds:** These funds may be used only for debt service on facility bond issues and new facilities.

## **SEEK Capital Outlay**

**Legal Requirements:** KRS 157.420 (4) requires that the per pupil capital outlay allotment for each district be kept in a separate account and be used for projects approved by the Commissioner of Education.

**Use of Funds:** The SEEK capital outlay allotment (\$100/AADA) may only be used for capital outlay projects identified in the district's facility plan. Allowable expenditures include the following: direct payment of construction costs, principal and interest (debt service) on school revenue bonds for facilities, lease rental agreements under which the board will eventually acquire ownership of a school plant, retirement of any deficit resulting from over expenditure for capital construction and as a reserve fund for these purposes to be carried forward in ensuing budgets. A school district with an approved facility plan showing no capital outlay needs, upon approval by the Chief State School Officer (CSSO), may use these funds for other expenses. It should be noted, however, that these capital outlay funds may not be used to match the SFCC offer of assistance for technology.

## **Sample County School District Plan of Financing**

**Date of Report: November 10, 2000**

Method of Computing Bonding Potential .....	1
Local Bond Payments Outstanding .....	2
Summary of Funds Available for Bond Payments.....	3
Projected 2001 Bonding Potential .....	4
Breakdown of Bonding Potential & Cash Requirements.....	5

There are four (4) or five (5) restricted funds available to a school district to pay for financing of building improvements.

**Local Nickel Building Fund**- this fund represents \$0.05 of a district's taxing effort.

**Growth Nickel** - Certain districts which met established criteria of growth in assessments and ADA, were allowed to increase their taxing effort by \$0.05 to be used for building purposes.

**Capital Outlay Fund**- included in SEEK formula and is calculated at \$100 per a district's Average Daily Attendance (ADA). Only 80% can be used for bond payments.

**Facilities Support Program of Kentucky (FSPK)** - included in SEEK formula and equalizes funding for districts with low property assessments as a percentage of ADA.

**School Facilities Construction Commission** - separate state agency that provides funding to districts based on needs identified in its Local Facilities Plan. Funding is provided by the General Assembly every two (2) years.

**In addition to the above restricted funds, a District may elect to dedicate additional local tax funds to its Building Fund (subject to prior approval from the Kentucky Department of Education).**

**School Bonds are issued for a 20 year period. To determine a district's bonding potential you add the restricted funds and subtract its current bond payments. The remaining annual balance is available to finance a new construction project.**

	+	Local Nickel
	+	Growth Nickel (if any)
	+	80% Capital Outlay
	+	FSPK
	+	SFCC
	-	Current Payments
<hr/>		
	=	Funds for New Project



**162.060 Plans for school buildings to be approved.**

The chief state school officer shall be furnished a copy of all plans and specifications for new public school buildings contemplated by boards of education and for all additions to or alterations of old buildings. He shall examine or cause to be examined all such plans and specifications and shall approve or disapprove them in accordance with the rules and regulations of the Kentucky Board of Education. Plan reviews for conformance with the Uniform State Building Code shall be conducted only by the Department of Housing, Buildings and Construction. No board of education may award a contract for the erection of a new building or contract for an addition to or alteration of an old building until the plan has been approved by the chief state school officer.

**322.360 Public work required to be done under professional engineer or licensed architect.**

(1) Neither the state nor any of its political subdivisions shall engage in the construction of any public work involving engineering, unless the plans, specifications, and estimates have been prepared and the construction executed under the direct supervision of a professional engineer or a licensed architect.



# **DESIGN & CONSTRUCTION**

## **Architect Selection Process**

- **When?**
  - If a project exceeds \$500,000**
- **Why?**
  - Open up “Qualifications Based Selection**
  - “Latest and Greatest” Information**
- **How?**
  - Advertise and RFP Process**

## **Seeking and Evaluating Proposals**

- **Minimum- Advertise in Local Paper**
- **Contact at least (3) firms directly**
- **Solicit “Requests for Proposals”**
- **Evaluate “Proposals” by Local Team**
- **CONTACT REFERENCES**

## **Interview Process**

- **Select 2/4 firms to be “Interviewed”**
- **Give two weeks notice**
- **30/45 min. presentation- 15 min. Q&A**

## **What to look for**

- **Successful Experience w/ KY Schools**
- **Specific Project Knowledge**
- **Current Work Load**
- **Project Personnel (Proj. Mgr./Arch.)**
- **Describe their role in the Process**
- **Consider Experience in Energy Efficiency**
- **See through the Hype**
- **Be wary of unsolicited negative information**
- **KDE Fee Schedule**
- **Reimbursable Expenses**
- **Base decision on Qualifications NOT Fees**

## **Resource Information**

- **KDE “Guidelines for Best Practices”**
- **AIA “QBS” of Architects**

## **Capital Construction Process 702 KAR 4:160**

- **Construction Authority**
- **Design and Construction Process**

## **Capital Construction Process 702 KAR 4:160**

- Section 4. Architectural Services.** (1) The board and architect shall negotiate a contract for services required. The board shall either advertise for architectural services or select a minimum of three architectural firms which shall be evaluated through the Request for Proposal (RFP) process. Advertisement or RFP evaluation of three firms is not required if the project is estimated at less than \$500,000 or is the continuation of phased construction at the same site.
- (2) The architectural services shall be negotiated using the following documents:
- (a) KDE Architect RFP;
  - (b) AIA B141, or AIA B141-Cma, with KDE amendments;
  - (c) KDE Non-Collusion Affidavit; and
  - (d) KDE Architect Fee Guideline, or SFCC fee maximum.
- (3) A letter of agreement stating services, terms, and conditions which has been approved by the board shall be acceptable in lieu of the AIA B141 for projects with an estimated construction cost of less than \$25,000.

## **Capital Construction Process**

- **Construction Authority**
  - Through the District from the Chief State School Officer
- **Design and Construction Process**
  - Starts with the District Facilities Plan
  - Projects initiate by a BG-1

## **BG-1's are required when...**

- **There is use of restricted capital funds:**
  - a. **Capital Outlay (Fund 310)**
  - b. **Building fund (FSPK, growth nickel) (Fund 320)**
  - c. **SFCC or Escrow (8762 Balance Sheet Code)**

### **BG-1's are also required when...**

**building systems or components of systems are replaced which require building code review (regardless of fund source), as determined by the Department of Education and the Department of Housing, Building and Construction.**

- 1. KRS 162.060**
- 2. KRS 322.360**

### **Finally, BG-1's are required for..**

**significant facilities projects financed with General Fund (Fund 1) as determined by the Kentucky Department of Education (projects may not require building code review):**

- a. To record General Fund expenditures for legislative reporting.**
- b. To monitor facility construction General Fund expenditures.**





## **Capital Construction Process**

- **Schematic Design – 15%**
  - Program, Educ. Spec., Site Plan, Floor Plan, Elevation
- **Design Development – 20%**
  - Detailed Drawings, Enlarged Areas, BG-2 and BG-3
- **Construction Document Preparation – 40%**
  - Bidding and Constr. Doc., BG-2 and BG-3
- **Bidding and Negotiation – 5%**
  - Revised BG-1 to document contract costs
- **Construction/Contract Administration – 20%**
  - At end of project submit BG-4 and Final BG-1

## **Capital Construction Process**

- **After Construction Documents Approved**
  - Advertise for Construction Bids
  - Take Bids from Contractors
    - » A/E to review bids and recommend to Board
    - » Board approves bids
    - » KDE approves bids
  - Sell Bonds
    - » Fiscal Agents prepare bond documents and assist Board
  - Begin Construction
    - » Periodic A/E Review
    - » Monthly Payment Review
    - » Change Orders and Contract Changes
    - » Final Completion Certification
    - » Submit BG-4

## **Contract Administration**

- **Work Effort by Architect and Engineers is outlined in the “General Conditions of the Contract” and the Owner Contractor Agreement AIA A101**
- **Construction Observation**
- **Contractor’s Application for Payment**
- **Changes in the Work**
  - Change Orders
  - Field Orders
- **Project Close – Out and Completion**

## **Contract Administration**

- **Construction Observation**
  - As needed for “critical” tasks
  - At least on twice a month
  - A/E should include a report of observation that is sent to the Owner and Contractor for their records and response

## **Contract Administration**

- **Contractor's Application for Payment**
  - Submitted monthly
  - A/E to review against work in place and materials purchased and properly stored
  - Application to be approved by the Architect or modified to represent work effort
  - Payment to be approved by Local Board of Education based on Architects approval and local review
  - Retainage is held until the end of the project to insure completion of work (702 KAR 4:160)

## **Contract Administration**

- **Changes in the Work**
  - Changes that affect construction time or price must be ratified by a Change Order (702 KAR 4:160)
    - » Change Order Form Prepared by Architect
    - » Pricing prepared by Contractor and evaluated and approved by Architect
    - » Local Board must approve all Change Orders
    - » All Change Orders must be sent to KDE for records
    - » Change Order in excess of \$5,000 must be approved by KDE prior to execution
  - Minor changes should be documented by the Architect
    - » Field Order or Supplemental Direct should be used to codify all minor changes

## **Contract Administration**

### **■ Project Close – Out and Completion**

- **Substantial Completion** - stage in the work in which it is sufficiently complete to allow Owner to occupy and utilize the work for its intended use.
  - » Certified by Architect and Code Officials
  - » Possible reduction in retainage
- **Final Completion** – all work is complete and ready for unrestricted occupancy.
  - » Written notice from Contractor for final inspection and acceptance of work
  - » When the Architect finds the work to be acceptable a final Certificate of Payment and BG-4 are issued

## **Expenditures of Capital Construction Contingency Funds**

Fixed equipment, including mounted televisions, library furnishings, science casework, kitchen equipment, bleachers, etc., may also be purchased (with approval) with F.S.P.K., capital outlay or S.F.C.C funds. Classroom furniture (desks and chairs) may also be purchased for a new building. Examples of inappropriate requests would be library books, computers, band uniforms, classroom VCRs (not part of the media center's source equipment), copiers, AV equipment, central office furniture, pianos and music equipment, lawn mowers, and the non-fixed equipment or furnishings.

For all bond sales, regardless of fund source, approvable contingency expenditures are required to increase the value of bond investor's collateral (the project). Expenditures for non-fixed equipment, which could easily be moved to another site, are generally not permitted for this reason. As mentioned previously, the department has, however, allowed classroom desks and chairs to be purchased as an exception to this rule because it is essential for the building to be utilized for its intended purpose. (Technically, classroom desks and chairs should not be allowed because they could easily be moved off site.)

## **School Facilities Best Practice**

- 90% of facilities shall be in good to new condition.
- A current facility plan that accurately reflects district needs shall be in place.
- All buildings shall be 100% accessible to the non-ambulatory handicapped.
- All buildings shall meet technology goals for voice video and data.
- No portable classrooms shall be in use.
- Provide adequate maintenance staff (about 1 per building) and funding equal to about 3-7% of total general fund budget.

## **School Facilities Best Practice**

- Quality custodial services shall be provided.  
Provide appropriate staffing: 1 per 20,000 sq. ft.
- Controlled resource supplies to each school
- Buildings and grounds shall be clean, safe and well maintained.
- An effective preventative maintenance program and a well-managed work order system shall be in place.
- Provide professional development and resources for maintenance and custodial staff.
- A district-wide energy management system shall be in place.

**•For more information contact:**

**Mark Ryles, Director**

**Construction Branch: Louis Hugg - David Bryant**

**Planning Branch: Tim Lucas - Rodney Bennett**

**KDE Division of Facilities Management**

**(502) 564-4326**

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**\*Administrative Resources**

**\*Facilities**