

January 17, 2006

THIS IS A DECISION PAPER.

TO: Hardin County Board of Education

FROM: Richard Hughes, Ed. D.

SUBJECT: SFCC Offer of Assistance for Facilities Construction

ISSUE: Hardin County must respond to the offer of assistance within 30 days.

FACTS: School Facilities Construction Commission (SFCC) has made an offer of assistance to Hardin County for facilities construction. The amount of the offer is \$114,855 annual debt service on bonds to be sold from construction. Acceptance of this offer of assistance requires committing \$0 cash from the FSPK Fund and \$948,844 from the Capital Outlay Fund. The cash requirement is the excess in the funds over what is needed for bond payments and is therefore available. The offer should generate just over \$1,300,000 in bond sales.

RECOMMENDATION: It is recommended that the Board accept the SFCC Offer of Assistance for construction to the Hardin County Schools.

RECOMMENDED MOTION: I move that the board accept the SFCC Offer of Assistance for annual debt service of \$114,855 and commit the cash requirement from the FSPK and Capital Outlay funds.





## School Facilities Construction Commission

Finance and Administration Cabinet  
229 W. Main Street, Suite 102  
Frankfort, Kentucky 40601  
(502) 564-5582  
(502) 564-3412 Fax

**ERNIE FLETCHER**  
Governor  
**Robbie RUDOLPH**  
Secretary

**BERNARD J. SANDFOSS**  
Chairman  
**ROBERT E. TARVIN**  
Executive Director

January 10, 2006

Dr. Richard Hughes, Superintendent  
Hardin County Schools  
65 W A Jenkins Rd  
Elizabethtown, Kentucky 42701-8452

Dear Dr. Hughes:

Pursuant to KRS 157.622, the School Facilities Construction Commission (SFCC) is hereby making an official Offer of Assistance to the Hardin County Schools Board of Education. Acceptance of this Offer of Assistance commits the school district to adhere to the Statutes and Regulations governing this program. This Offer of Assistance is in the amount of **\$114,855 annual debt service** on bonds to be sold for proposed construction or major renovation of facilities outlined in your most current approved facility plan. These funds or any of those escrowed for the purpose of receiving this offer must be used only on a Priority One Project of your district's facility plan. House Bill 267 of the 2005 session of the General Assembly states:

"Notwithstanding KRS 157.611 to 157.640, 157.650, 157.655, 157.660, or 157.665, the School Facilities Construction Commission is authorized to make an additional \$100,000,000 in offers of assistance during the 2004-2006 biennium in anticipation of debt service availability during the 2006-2008 biennium. No bonded indebtedness based on the above amount is to be incurred during the 2004-2006 biennium."

This means that while the Commission is making this offer now, no bonds may be sold prior to June 30, 2006, which assumes that funding is included in the 2006-2008 biennium.

In order for your district to be eligible to accept this offer, it will be necessary for you to verify, based on June 30, 2005, cash balances that your district has transferred to the SFCC escrow accounts the following amounts: **Cash Building Fund - \$0** and **Cash Capital Outlay Fund - \$948,844**, plus interest accumulated on these funds.

Regulations governing our agency can be found at <http://www.lrc.state.ky.us/kar/TITLE750.HTM> on the Internet. In responding to this Offer of Assistance, you must provide this office with an excerpt of your Board Minutes either accepting or rejecting the offer within **thirty (30) days** of receipt of this offer.

We look forward to working with you and trust this assistance will be an integral part of a quality educational program in your school district.

Sincerely,

Robert E. Tarvin  
Executive Director



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