

# CAPITAL FUNDING

## in K-12 Education



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# Infrastructure Funding

## Key Principles

- School district rules are different

- Dillon's Rule
- Funding Silos



*John F. Dillon.*



- Each school district is different

- Growing enrollment versus stable enrollment districts
- Taxable valuation per student



# SCHOOL DISTRICT INFRASTRUCTURE PROPERTY TAX LEVIES AND SALES TAX DOLLARS - FY 2016

	ENROLLMENT	"SAVE"	DEBT SERVICE		BOARD-APPROVED		VOTER-APPROVED	
	SERVED	AMOUNT	LEVY	AMOUNT	PPEL	AMOUNT	PPEL	AMOUNT
Ankeny	10,214	\$ 9,367,185	2.59461	\$ 7,387,885	0.33000	\$ 939,641	1.34000	\$ 3,815,512
Bondurant	1,763	\$ 1,536,481	3.26780	\$ 1,090,980	0.33000	\$ 110,173	1.34000	\$ 447,369
Carlisle	2,020	\$ 1,709,586	4.04217	\$ 1,252,831	0.33000	\$ 102,280	1.34000	\$ 415,320
Dallas Center-Grimes	2,582	\$ 2,128,947	4.05000	\$ 3,242,008	0.33000	\$ 250,427	1.34000	\$ 1,016,884
Des Moines	31,605	\$ 29,330,032	0.00000	\$ -	0.33000	\$ 2,367,908	0.63000	\$ 4,520,552
Indianola	3,517	\$ 3,105,646	4.05000	\$ 3,318,115	0.33000	\$ 270,365	1.34000	\$ 1,097,845
Johnston	6,643	\$ 5,990,837	2.39952	\$ 5,019,380	0.33000	\$ 690,303	1.34000	\$ 2,803,048
North Polk	1,469	\$ 1,337,574	4.04620	\$ 1,392,751	0.33000	\$ 113,590	1.34000	\$ 461,244
Norwalk	2,631	\$ 2,316,718	4.04797	\$ 2,161,951	0.33000	\$ 176,247	1.34000	\$ 715,671
Saydel	1,305	\$ 1,066,239	1.50685	\$ 989,550	0.33000	\$ 216,711	1.34000	\$ 879,980
Southeast Polk	6,652	\$ 6,006,500	3.99974	\$ 6,908,221	0.33000	\$ 569,965	0.67000	\$ 1,157,202
Urbandale	3,898	\$ 3,033,127	3.55726	\$ 4,207,497	0.33000	\$ 390,321	0.49000	\$ 579,568
Waukee	8,559	\$ 7,942,968	3.58199	\$ 12,258,606	0.33000	\$ 1,129,356	1.34000	\$ 4,585,868
West Des Moines	9,072	\$ 8,280,485	0.00000	\$ -	0.33000	\$ 1,396,494	1.34000	\$ 5,670,611

	<b>SAVE</b> (Secure an Advanced Vision for Education)  Sunsets 2029	<b>Debt Service</b>	<b>PPEL - Voter Approved</b> Sunsets every 10 yrs	<b>PPEL - Board Approved</b>
<b>Legal Sources of Funding</b>	Sales Taxes  >\$900/certified student	-Property Taxes  -Transfers from SAVE or PPEL	Property Taxes (Income Surtax)  Up to \$1.34 per \$1000 taxable valuation	Property Taxes  Up to \$.33 per \$1000 taxable valuation
<b>Legal Uses of Funding</b>	-Property tax relief -Revenue Purpose Statement -Buildings -Land -Major Maintenance -Technology -Remodeling -Other expenses allowed for PPEL	-Payment of Principal or Interest on Bonds	-Purchase land Building - new, repair, remodeling -Major Maintenance -Technology >\$500 -Equipment >\$500 -New busses -Bus repairs >\$2500 -Energy conservation	-Same as PPEL Voter Approved





# Strategic Planning

- **Demographer**
  - Projections
  - Boundaries
- **Financial Advisor**
  - Bond model projections
  - Cash flow analysis
- **Work of Board/Community Committees**
  - Finance
  - Facility
  - Policy





# Enrollment Projections

## ANKENY COMMUNITY SCHOOL DISTRICT ENROLLMENT DATA

Past, Current, and Future Enrollment From 2000/01 to 2024/25

Grade	School Year																					
	2000/01	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
K	454	572	583	665	718	726	772	775	843	839	899	887	914	939	957	983	1,006	1,030	1,056	1,040	1,068	1,102
1st	464	558	602	605	689	690	721	771	774	840	849	898	891	916	939	957	983	1,026	1,051	1,079	1,061	1,089
2nd	442	541	596	617	627	702	717	737	784	802	850	872	917	908	932	954	973	1,000	1,047	1,062	1,100	1,083
3rd	438	542	573	622	628	644	704	733	742	796	825	857	888	932	925	949	971	992	1,018	1,072	1,078	1,117
4th	428	506	569	577	626	650	659	709	737	750	808	844	872	903	944	935	962	983	1,008	1,033	1,091	1,101
5th	473	525	532	578	591	629	646	664	710	765	772	815	859	885	914	955	949	987	1,013	1,035	1,062	1,127
6th	452	495	545	533	595	604	654	638	667	718	785	801	836	877	903	932	974	965	992	1,028	1,051	1,081
7th	436	486	514	534	538	607	613	665	646	675	719	806	809	841	880	908	938	980	971	999	1,035	1,067
8th	381	473	495	523	539	550	621	609	668	656	689	743	820	825	854	894	923	953	996	981	1,009	1,053
9th	402	504	492	497	543	550	555	610	602	661	664	706	747	823	827	855	898	951	943	997	991	1,027
10th	445	499	494	487	499	528	552	541	613	597	653	670	708	745	829	835	862	891	961	925	982	1,001
11th	403	472	514	477	485	496	528	542	533	599	610	668	670	709	747	827	834	880	878	983	911	997
12th	392	388	469	491	477	479	510	538	560	574	650	652	712	711	751	791	876	896	942	938	1,050	986
K-5	2,699	3,244	3,455	3,664	3,879	4,041	4,219	4,389	4,590	4,792	5,003	5,173	5,341	5,482	5,610	5,733	5,843	6,018	6,193	6,321	6,460	6,619
6-7	888	981	1,059	1,067	1,133	1,211	1,267	1,303	1,313	1,393	1,504	1,607	1,645	1,718	1,783	1,839	1,911	1,945	1,963	2,027	2,086	2,148
8-9	783	977	987	1,020	1,082	1,100	1,176	1,219	1,270	1,317	1,353	1,449	1,567	1,648	1,681	1,749	1,821	1,904	1,939	1,978	2,000	2,080
10-12	1,240	1,359	1,477	1,455	1,461	1,503	1,590	1,621	1,706	1,770	1,913	1,990	2,090	2,164	2,326	2,453	2,571	2,667	2,781	2,846	2,943	2,984
<b>District</b>	<b>5,610</b>	<b>6,561</b>	<b>6,978</b>	<b>7,206</b>	<b>7,555</b>	<b>7,855</b>	<b>8,252</b>	<b>8,532</b>	<b>8,879</b>	<b>9,272</b>	<b>9,773</b>	<b>10,219</b>	<b>10,644</b>	<b>11,013</b>	<b>11,400</b>	<b>11,775</b>	<b>12,147</b>	<b>12,534</b>	<b>12,876</b>	<b>13,172</b>	<b>13,489</b>	<b>13,831</b>
Enrollment Change	318	417	228	349	300	397	280	347	393	501	446	425	369	387	375	372	387	342	296	317	342	

Sources: 2000/01 to 2014/15 Ankeny Community School District

- 2015/16 to 2019/20 RSP & Associates SFM Projections from the 2014/15 Enrollment 5-Year Projections
- 2020/21 to 2024/25 RSP & Associates estimates based on past enrollment change factors

This table is to be a guide for understanding how enrollment might change over the course of the next 10 years with consideration given to the following:

- Enrollment Trends
- Demographic Trends
- Residential Growth Patterns
- Economic Cycles
- Attractiveness of the area (amenities, school district, employment, ect)

*This is a planning tool to help determine future facility need. Enrollment should be monitored every year to ensure long range planning decisions are made in the time in which those facility needs are required.*



# Strategic Analysis

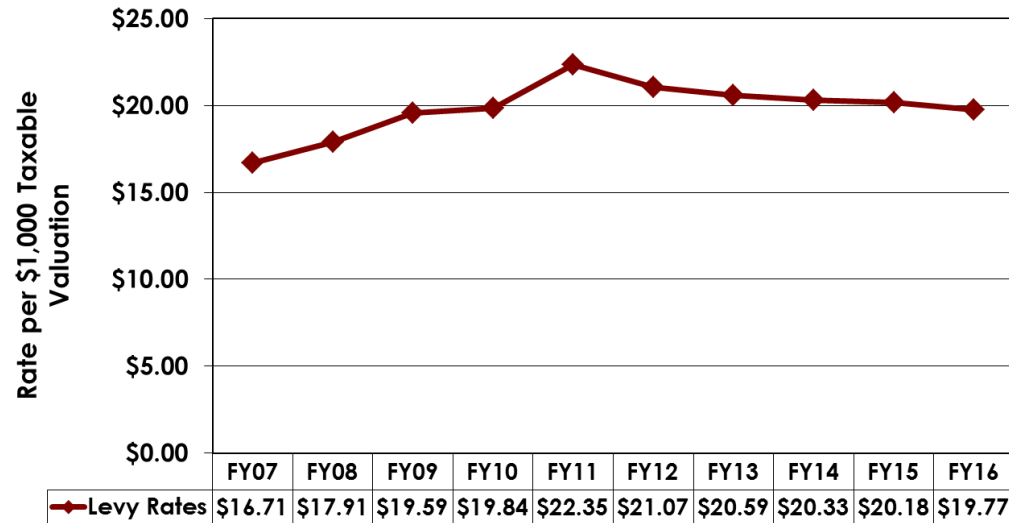
- **10-year Facilities Needs Assessment**
  - Elementary
  - Secondary
- **Considerations:**
  - School site
  - Structural and mechanical features
  - Plant maintainability
  - Building safety and security
  - Educational adequacy
  - Environment for education





# Strategic Analysis

- **PPEL**
  - **Monthly meeting with stakeholders**
    - **Operations & Maintenance**
    - **Construction**
    - **Safety**
    - **Purchasing**
- **Long Range Planning**
  - **Budget modeling**
  - **Tax rate**
  - **Community Communication**





# WDMCS Capital Funding

- Overview – West Des Moines CSD
  - Overview of Funds
  - 10 Year Facility Plan
  - Financing the Plan
  - Construction Models

# WDMCS Capital Funding

## WEST DES MOINES COMMUNITY SCHOOL DISTRICT FUND SUMMARY

TYPE	GOVERNMENTAL FUND						PROPRIETARY FUND	FIDUCIARY FUNDS			
FUND	GENERAL FUND	MANAGEMENT FUND	PUBLIC EDUCATION & RECREATION LEVY (PERL)	STUDENT ACTIVITY FUND	CAPITAL PROJECTS FUND SALES TAX	PHYSICAL PLANT & EQUIPMENT LEVY (PPEL)	DEBT SERVICE FUND	ENTERPRISE FUND	INTERNAL SERVICE FUND (Health & Dental)	TRUST & AGENCY FUNDS (Flowers)	
REVENUES	PROP. TAXES STATE AID MISC INCOME	PROP. TAXES	PROP. TAXES (Max \$.135)	ADMISSIONS ACTIV. FEES STNDT DUES FUND RAISING CO-CURRIC. AND EXTRA- CURRICULAR ACTIVITIES	SALES TAX	PROP. TAXES	PROPERTY TAXES  TRANSFERS (PPEL & Sales Tax)	FEDERAL STATE MEAL SALES  TUITION	GENERAL FUND	DESIGNATED GIFTS	
EXPENDITURTES	SALARIES EMPLOYEE BENEFITS SERVICES MATERIALS SUPPLIES CPTL OUTLAY	GEN LIABILITY INSURANCE  UNEMPLOYMENT  EARLY RETIRE BENEFITS	RECREATION PLACES & PLAYGROUNDS	SUPPORT CO-CURRIC. ACTIVITIES	CAPITAL PROJECTS  COMM. ED	PURCHASE AND IMPROVEMENT OF GROUNDS BUILDING CONSTRUCTION REPAIR REMODELING EQUIP > \$500	PAYMENT OF PRINCIPAL AND INTEREST	FOOD SERVICE BREAKFAST & LUNCH  COMM. ED.	SELF INSURED HEALTH INSURANCE GOODS OR SERVICES PROVIDED FROM ONE DEPT TO ANOTHER	SPECIFIC PURPOSES AND PROJECTS	
FYE June 30, 2015:											Total
Total Expenditures	\$ 98,089,800	\$ 2,379,320	\$ 561,073	\$ 1,995,633	\$ 10,565,138	\$ 7,330,036	\$ 7,351,562	\$ 9,596,515	\$ 13,670,061	\$ -	\$ 151,539,138
% of Total Expenditures	64.73%	1.57%	0.37%	1.32%	6.97%	4.84%	4.85%	6.33%	9.02%	0.00%	100.00%
							School Nutrition	\$ 5,841,837			
							Community Ed	3,754,678			
							Reg Ed Preschool	-			
								\$ 9,596,515			

# WDMCS 10-Year Facilities Plan

- District Balance Sheet (61% PPE)
- Establish District Standards
  - 16 Separate Buildings
  - Constructed/Renovated in Different Decades
  - Consultants (Engineers & Architects)
  - Roof Types and Materials
  - Boilers & Chillers
  - HVAC Controls

# WDMCS 10-Year Facilities Plan

- Establish District Standards (Cont.)
  - Flooring
    - Hard Surfaces
      - Tile
      - Cork
    - Carpeting
- Identifies Financial Investment in Each Building along with Scope of Work for next 10 Years
- Review Plan Periodically For Needed Changes
  - Programming
  - Enrollment

# WDMCS Financing

- General Obligation Bonds (G.O.)
  - Public Referendum
  - 60% Voter Approval
  - Issue G.O. Bonds 20 years, Max
  - Property Taxes Collateralize Bonds

# WDMCS Financing

- Voted Physical Plant & Equipment Levy (VPPEL)
  - 50% Voter Approval
  - Issue VPPEL Capital Loan Notes, 10 years, Max
  - VPPEL Property Taxes Collateralize Bonds

# WDMCS Financing

- Revenue Bonds
  - Sales Tax Revenues Collateralize Bonds
  - Statutory Authority Exists
  - Maximum Term 2029
  - Slightly Higher Interest Rate Than G.O. Bonds

# WDMCS Construction Models

- General Contractor (GC)
  - Architect & Engineer
  - Design, Bid, Build
  - Award to Lowest Responsive, Responsible Bidder
  - ONE Contract with the GC for ALL Construction Activity



# WDMCS Construction Models

- Construction Management (CM)
  - Architect & Engineer
  - Contract with CM to Create Bid Packages
  - Design, Bid, Build
  - Award to Lowest Responsive, Responsible Bidders
  - MULTIPLE Contracts. One for Each Bid Package

# Questions