

Vermont - Suspended Program since 2008

Does the state dedicate revenue for school construction other than general funds? Not specified in state policy.

Does the state provide appropriations to local school districts to construct facilities? Yes. However, the School Construction Aid Program is currently under suspension by the Vermont State Legislature.

What funding mechanism is used to provide appropriations? Direct grant aid

Description of funding mechanism used to provide appropriations - State Aid for Capital Construction Costs. Districts may receive 30% of approved project costs for school construction. The State Board adopts space and cost parameters defined by maximum square footage and maximum gross square footage per student by grade range and school size.

Is funding conditioned on local wealth? No

Does the state provide financial incentive for consolidation? Yes. Schools that previously received small school support, who would otherwise not receive it upon consolidating, will continue to receive small school support for the next three years in diminishing amounts. Additionally, consolidating school buildings receives 50% of approved construction costs from the state.

Vermont

Does the state provide financing support to local school districts to construct facilities? Yes. However, the School Construction Aid Program is currently under suspension by the Vermont State Legislature.

What mechanism is used to provide financing support? Bond issuance

Description of mechanism used to provide financing support The state may issue bonds to help finance school building construction. In addition, local school districts issue bonded debt to pay for school construction costs.

Does the financing entity carry the full faith and credit of the state government? Yes

Is state financing conditioned on local school districts' wealth? No. The rating system does not prioritize projects based on local district wealth.

Vermont

What state entity receives funding requests? Secretary of Education and State Board of Education

How does the state decide to approve facilities funding budget requests? The Secretary of Education reviews applications for school construction if:

- Present conditions threaten health and safety of students or employees.
- Facilities are inadequate to provide programs required by law.
- Use excessive amounts of energy.
- The existing building is deteriorating.

The State Board of Education then creates a priority list based on the amounts of points a project receives.

Points are allocated for projects in the following manner:

- First priority. Emergency projects in excess of \$100,000 that address threats to health and safety.
- Second priority. Construction projects in excess of \$10,000 that address deterioration.
- Remaining projects are given priority based on consideration of the relative degree of need

Does the state require voter approval to issue debt to finance school construction projects? Yes - Local

Maine

Does the state dedicate revenue for school construction other than general funds? Not specified in state policy.

Does the state provide appropriations to local school districts to construct facilities? Yes

What funding mechanism is used to provide appropriations? Debt Reimbursement

Description of funding mechanism used to provide appropriations The state makes debt service payments for its share of approved projects to school administrative units or the Maine Municipal Bond Bank in accordance with the school administrative unit's debt retirement schedule.

Is funding conditioned on local wealth? No. The rating system for prioritizing projects is based on a total of 200 points for State Board priorities as follows: Priority A - Buildings and Grounds 90 points total; Priority B - School Population 45 points total; Priority C - Program and Planning 65 points total.

Maine

Does the state provide financial incentive for consolidation? Yes. The Fund for the Efficient Delivery of Educational Services awards grants on a competitive basis to SAUs to assist in financing the cost of local and regional initiatives for more efficient delivery of educational programs. School consolidation is one of the acceptable uses for funds.

Does the state provide financing support to local school districts to construct facilities? Yes

What mechanism is used to provide financing support? Bond issuance; State funded loans

Description of mechanism used to provide financing support The Maine Municipal Bond Bank is authorized to lend money to local government units and issue bonds. Through the Maine School Facilities Finance Program, school districts or municipalities can apply for construction, renovation and maintenance of school facilities. Through the School Revolving Renovation Fund, school districts or municipalities can apply for loans for school repair and renovation.

Does the financing entity carry the full faith and credit of the state government? No

Is state financing conditioned on local school districts' wealth? No. The rating system does not prioritize projects based on local district wealth.

Maine

What state entity receives funding requests? The Maine Department of Education

How does the state decide to approve facilities funding budget requests? The facilities team at the Department of Education develop a priority list based on applications for a given rating cycle using a 200 point rating system. The Commissioner recommends the proposed priority list to the State Board. School administrative units have the opportunity to appeal its point rating. After the appeal process, the proposed priority list as recommended by the Commissioner and approved by the State Board becomes the final priority list.

Does the state require voter approval to issue debt to finance school construction projects? Yes - Local

New Hampshire

Does the state dedicate revenue for school construction other than general funds? Not specified in state policy.

Does the state provide appropriations to local school districts to construct facilities? Yes

What funding mechanism is used to provide appropriations? Direct grant aid

Description of funding mechanism used to provide appropriations: **School Building Aid Grants:** The department of education awards grants to school districts for the construction or renovation of K-12 instructional facilities. The grants are subject to appropriations and cannot exceed \$50 million in a year. The share of approved costs the grant covers ranges from 30%-60% based on a building aid factor. The factor is determined based on the equalized valuation per pupil and median family income. **Kindergarten Construction Grants:** The department of education provides construction grants to school districts that do not currently operate a public kindergarten program. The grant covers 75% of construction costs for kindergarten facilities and 100% of the cost of design and basic code

Is funding conditioned on local wealth? Yes. The share of approved costs that the grant covers varies based on a school building aid factor. The factor is determined by the equalized valuation per pupil and median income. The equalized valuation per pupil is an average from the five most recent years of available data

New Hampshire

Does the state provide financial incentive for consolidation? Yes. The state provides additional aid for cooperative school districts, which are districts composed of two or more school districts. The amount of funds is based on enrollment and grade. The state provides \$45 per elementary school student, \$60 per junior high school student, and \$75 per high school student

Does the state provide financing support to local school districts to construct facilities? Yes

What mechanism is used to provide financing support? Bond support

Description of mechanism used to provide financing support The state guarantees debt issued by municipalities for school construction. The School Building Authority recommends bonds or notes be guaranteed by the state at the approval by the governor. The total outstanding amount of the principal of and interest guaranteed by the state cannot exceed \$95 million.

Does the financing entity carry the full faith and credit of the state government? Yes

Is state financing conditioned on local school districts' wealth? Not found in state policy

New Hampshire

What state entity receives funding requests? New Hampshire Department of Education

How does the state decide to approve facilities funding budget requests? School districts submit letter of intent and applications to the department of education. The department considers and scores applications based on unsafe conditions, ADA compliance, overcrowding, enrollment projections and population shifts, fiscal capacity of the district, school security, operational cost efficiencies gained by the project, energy and resource efficiency, and any other criteria that the state board of education determines is necessary. The state board of education must approve the ranked list.

Does the state require voter approval to issue debt to finance school construction projects? Yes - Local

Rhode Island

Does the state dedicate revenue for school construction other than general funds? Not specified in state policy.

Does the state provide appropriations to local school districts to construct facilities? Yes

What funding mechanism is used to provide appropriations? Hybrid - direct grant aid, debt reimbursement

Description of funding mechanism used to provide appropriations: The School Building Authority Capital Fund. This fund provides Progress Funding to districts to fast-track construction projects with the goal of addressing high priority projects in communities with limited fiscal capacity. The Authority provides payments to cover costs incurred by a school district for specific projects. In addition, the fund provides pay-as-you-go grants to provide LEAs with upfront payment for expenses incurred. Projects currently under construction can receive 15% of the total state share of foundational housing aid award to projects in that year. School Housing Aid. State aid is provided to districts based on a percent of an approved project's cost. The percentage provided by the state is determined based on a share ratio, which captures a community's property wealth. The minimum state share is 40%; the maximum is 92.7%. Statute requires the General Assembly to annually appropriate the sum of all school housing aid payments to districts.

Rhode Island

Is funding conditioned on local wealth? Yes. The amount of state financial assistance LEAs receive is a function of the community's wealth under School Housing Aid. The calculation to determine the share ratio is as follows:

- 1.) The adjusted equalized weighted assessed valuation for the district is divided by the resident average daily membership for the district; and
- 2.) The adjusted equalized weighted assessed valuation for the state is divided by the resident average daily membership for the state.

The result of 1 is divided by 2 and the resultant ratio is multiplied by the statutory factor of 62% (representing the approximate average district share of school support). The resulting product is subtracted from 100% to yield the share ratio.

Does the state provide financial incentive for consolidation?

Yes. The state provides increased school housing aid for maintenance of buildings as well as construction.

Rhode Island

Does the state provide financing support to local school districts to construct facilities? Yes

What mechanism is used to provide financing support? Bond issuance

Description of mechanism used to provide financing support The Rhode Island Health and Educational Building Corporation may issue bonds and provide other financial assistance to LEAs to construct school facilities.

Does the financing entity carry the full faith and credit of the state government? No

Is state financing conditioned on local school districts' wealth? Not found in state policy

Rhode Island

What state entity receives funding requests? The Council on Elementary and Secondary Education

How does the state decide to approve facilities funding budget requests? The Council on Elementary and Secondary Education determines the need for all school facility projects. The School Building Authority reviews and preliminarily approves applications, recommending projects to the council who has final authority to approve or deny each application. The Council then submits a budget request to the governor, to which the general assembly will authorize the maximum amount the school building authority may commit to new projects by passing a budget.

In addition, the Rhode Island Health and Educational Building Corporation issues a project priority list for financial awards to LEAs with approved projects.

Does the state require voter approval to issue debt to finance school construction projects? Yes - Local

Massachusetts

Does the state dedicate revenue for school construction other than general funds? Yes. A dedicated revenue of 1 percent of the total gross receipts of the state's 6.25% sales and use taxes provides funds to the School Modernization Reconstruction Trust Fund.

Does the state provide appropriations to local school districts to construct facilities? Yes

What funding mechanism is used to provide appropriations? Direct grant aid

Description of funding mechanism used to provide appropriations - Facilities Grants. School districts receive funds as a percentage of approved projects based on the community's ability to pay measured in per capita income as a percent of statewide per capita income, a community's equalized property valuation as a percent of the statewide average equalized property valuation, and proportion of students from low-income backgrounds as a percent of the state average. In addition, LEAs are granted incentive percentage points to qualify for further state assistance for things that make the construction project more efficient, cost-effective, or sustainable. The state limits the amount of grants for FY 2020 and every year after to \$800 million plus the lower of the rate of growth in dedicated sales tax revenue or 4.5%.

Is funding conditioned on local wealth? Yes. The following formula is used to determine the percentage amount the state grants in the form of reimbursements: Base percentage (31)+ Community income factor + Community property wealth factor + Community poverty factor + Incentive percentage

Does the state provide financial incentive for consolidation? Not found in state policy.

Massachusetts

Does the state provide financing support to local school districts to construct facilities? Yes

What mechanism is used to provide financing support? Bond issuance; Bond support

Description of mechanism used to provide financing support The Massachusetts School Building Authority may provide up to \$10,000,000,000 in general or special obligation bonds. The revenue derived from bonds is used to help finance or refinance the local share of construction projects. LEAs are considered indebted to the Authority for any financing.

Does the financing entity carry the full faith and credit of the state government? No

Is state financing conditioned on local school districts' wealth? No. The rating system does not prioritize projects based on local district wealth.

What state entity receives funding requests? The Massachusetts School Building Authority

How does the state decide to approve facilities funding budget requests? Statute defines a order of priorities that the Authority uses to approve and provide reimbursement grants to help finance projects.

Does the state require voter approval to issue debt to finance school construction projects? Not specified in state policy

Connecticut

Does the state dedicate revenue for school construction other than general funds? Not specified in state policy

Does the state provide appropriations to local school districts to construct facilities? Yes

What funding mechanism is used to provide appropriations? Direct grant aid

Description of funding mechanism used to provide appropriations - School building project grants. School construction grant for cooperative regional special education facilities. According to a local school district's town ranking on the adjusted equalized net grand list per capita, at the state will provide between 20-80% of a project's cost. In addition, the state will take the eligible percentage of state share by the highest projected enrollment over the following eight years multiplied by the gross square feet per pupil, the eligible cost of the project, divided by the gross square feet or eligible percentage, whichever is less. Until 2047, for school projects located in towns with a total population of 80,000 or greater receive at least 60% in state share of funding.

Is funding conditioned on local wealth? Yes. For all grant programs, the amount a school district may receive is a function of its ranking from 1 to 169 according to the adjusted equalized net grand list per capita. This index is a product of a school district's ratio of per capita income of the town in which it is located to the per capita income of the town at the 100th percentile among all towns in the state ranked lowest to highest. In addition, the state uses priority funding areas for school construction projects.

Does the state provide financial incentive for consolidation? Not found in state policy

Does the state provide financing support to local school districts to construct facilities? Yes

Connecticut

What mechanism is used to provide financing support? Bond issuance; Bond support

Description of mechanism used to provide financing support The Department of Administrative Services may request the State Bond Commission and the State Treasurer to authorize state general obligation bonds not exceeding \$13,612,160,000 for the purposes of school construction. In addition, the state may authorize general obligation bonds not exceeding \$369,800,000 for the purpose of funding interest subsidy grants: grants awarded to districts to pay the interest cost on bonds. Local municipalities may also issue bonds for local share of school construction projects.

Does the financing entity carry the full faith and credit of the state government? Yes

Is state financing conditioned on local school districts' wealth? Yes. The percentage for interest subsidy grants is determined by ranking each town in descending order from 1 to 169 according to the town's adjusted equalized net grand list per capita. Based upon the ranking, school projects receive a percentage between 20 - 80% based on the index.

Connecticut

What state entity receives funding requests? Commissioner of Administrative Services

How does the state decide to approve facilities funding budget requests? The Commissioner assigns school building projects categories regarding their use case: - Providing facilities for programs which cannot be provided by existing facilities. - Providing comparable facilities among schools at the same grade level(s) within a school district. - Providing supportive services, excluding recreational facilities, site improvement, or garage/storage. Annually, the Commissioner prepares a list of eligible school building projects listed by category. Each listing must contain enrollment projection and capacity of a school; estimated total project costs; readiness to begin construction; efforts by LEA to redistrict, reconfigure, merge or close schools; and state education priorities relating to reducing racial and economic isolation for the district. The Department of Administrative Services then will produce an annual school construction priority list.

Does the state require voter approval to issue debt to finance school construction projects? Yes -
Local

New York

Does the state dedicate revenue for school construction other than general funds? Not specified in state policy

Does the state provide appropriations to local school districts to construct facilities? Yes

What funding mechanism is used to provide appropriations? Direct grant aid

Description of funding mechanism used to provide appropriations - Building Aid. The department of education provides building aid for approved school building projects for construction of new buildings, additions, alterations or modernizations, and for purchase of existing structures for school purposes. The aid amount is based on the total approved cost allowance and the building aid ratio. The building aid ratio is determined by dividing the weighted per student property valuation for the district by the statewide average. This calculation determines the weighted average daily wealth ratio. The wealth ratio is then multiplied by .51 and subtracted from one to determine the building aid ratio. For projects approved after June 30, 2002, the department of education no longer reimburses districts for approved capital outlay expenditures. Instead, building aid payments are made according to an amortization schedule for prospectus projects. The state also provides an additional apportionment for school districts educating pupils residing on Native American reservations and for high need supplemental building aid for “high-need” districts, which are districts with the highest percentage of economically disadvantaged students based on the census small area income and poverty estimates.

Is funding conditioned on local wealth? Yes. The building aid ratio that determines the state share of project costs is based on a wealth ratio that compares the weighted per student valuation for the district to the statewide average.

New York

Does the state provide financial incentive for consolidation? Yes. Both reorganization incentive operating aid and reorganization incentive building aid is available to school districts that consolidate. The operation aid is only available for the first five years of operation in the reorganized district.

Does the state provide financing support to local school districts to construct facilities? Yes

What mechanism is used to provide financing support? Bond issuance

Description of mechanism used to provide financing support The Dormitory Authority of New York State is authorized to issue bonds for any corporate purpose of the authority as well as to buy bonds from school districts for capital facility projects. In addition, the authority is authorized to finance projects eligible for the Expanding our Children's Education and Learning (EXCEL) program or the Rebuilding Schools to Uphold Education (RESCUE) program. Projects eligible for the EXCEL program must fall within one of the following project types: (a) An education technology project (b) A health and safety project (c) An accessibility project (d) A physical capacity expansion (e) An energy project .

Projects eligible for the RESCUE program must fall within one of the following project types: (a) An education technology project (b) A health and safety project (c) An accessibility project (d) A physical capacity expansion.

Does the financing entity carry the full faith and credit of the state government? No

New York

Is state financing conditioned on local school districts' wealth? Yes. For districts applying for the children's education and learning (EXCEL) program, the per student apportionment is greater for districts that are eligible for the high need supplemental building and aid ratio.

What state entity receives funding requests? Commissioner of Education

How does the state decide to approve facilities funding budget requests? School districts submit proposed facility projects to the commissioner of education for review and approval. The facilities planning unit at the department of education reviews projects and determines the approved cost allowance using regional cost adjustments. The commissioner approves projects and reports to the to the director of the budget, the chair of the senate finance committee and the chair of the assembly ways and means committee on the projects which received funding.

In addition, districts are required to prepare five-year capital facilities plan that includes a building inventory and estimated expenses for facility needs for new constructions, additions, alterations, reconstruction, major repairs, and energy consumption. The plan will also include a ranking of proposed projects and is submitted to the commissioner.

Does the state require voter approval to issue debt to finance school construction projects? Yes - Local

Colorado

Does the state dedicate revenue for school construction other than general funds? Yes. Revenue sources for the Capital Construction Assistance Fund include state land proceeds, state lottery proceeds, and revenues from the state marijuana excise tax on retail marijuana.

Does the state provide appropriations to local school districts to construct facilities? Yes

What funding mechanism is used to provide appropriations? Direct grant aid

Description of funding mechanism used to provide appropriations - Building Excellent Schools Today (BEST)

Grants. Financial assistance is contingent upon approval and if the applying district provides matching money in an amount equal to the percentage of total financing for the project, which is determined by the following factors: - The district's assessed value per pupil relative to the state average - The district's median household income relative to the state average - The district's bond redemption fund mill levy relative to the state average - The percentage of pupils enrolled in the district who are eligible for free or reduced-cost lunch - The district's available bond capacity remaining - The district's unreserved fund balance as a percentage of its annual budget - The amount of effort the district has made to obtain voter approval for a ballot question for bonded indebtedness.

Is funding conditioned on local wealth? Yes. The matching percentage to qualify state funds is conditioned on the property values per pupil, as well as median household income and number of students qualifying for free- or reduced-price lunch, relative to state averages.

Does the state provide financial incentive for consolidation? Not found in state policy.

Colorado

Does the state provide financing support to local school districts to construct facilities? No

Description of mechanism used to provide financing support The state previously had the Qualified Zone Academy Bond program, which helped school districts obtain interest-free financing. However, the program is currently suspended, and applications are not being accepted.

What state entity receives funding requests? Public school capital construction assistance board

How does the state decide to approve facilities funding budget requests? The public school capital construction assistance board assembles a priority list for the state board of education. The state board then reviews the priority project list and creates a financial assistance priority assessment based on the following:

- Condition of facility
- Air and water quality of facility
- School facility space requirements
- Ability to accommodate educational technology
- Site requirements
- Demographic information, including a five year enrollment projection
- Annualized utility costs

Does the state require voter approval to issue debt to finance school construction projects? Yes - Local

North Dakota

Does the state dedicate revenue for school construction other than general funds? Yes. Up to \$60 million from the Coal Development Trust Fund is made available for school construction loans, upon approval of the superintendent of public instruction.

Does the state provide appropriations to local school districts to construct facilities? No

Does the state provide financial incentive for consolidation? Yes. The weighting factors assigned to any school district that reorganizes must be equivalent to that which each separate school district would have received had they not reorganized.

Does the state provide financing support to local school districts to construct facilities? Yes

What mechanism is used to provide financing support? State funded loans

Description of mechanism used to provide financing support The state appropriates funds to the School Construction Revolving Loan Fund that is administered by the Bank of North Dakota. Funds are used to provide low-interest loans that are capped at 2% for new school construction projects or remodeling projects greater than \$1 million. the maximum loan amount is \$10 million, and duration is 20 years, unless a shorter duration is requested. Projects must receive approval from the superintendent of public instruction, be made public in local media and on the district website and receive voter approval. The superintendent prioritizes projects based on student occupancy, age of structures, building design, community support and cost. The superintendent can establish additional criteria.

North Dakota

Is state financing conditioned on local school districts' wealth? No. The state superintendent prioritizes projects on criteria other than the local district wealth.

What state entity receives funding requests? Superintendent of Public Instruction

How does the state decide to approve facilities funding budget requests? Projects must receive approval from the superintendent of public instruction, be made public in local media and on the district website, and receive voter approval. The superintendent prioritizes projects based on student occupancy, age of structures, building design, community support and cost. The superintendent can establish additional criteria.

Does the state require voter approval to issue debt to finance school construction projects? Yes - Local

Mississippi

Does the state dedicate revenue for school construction other than general funds? No. While not for new school construction, the state dedicates \$16 million from sales tax revenues for the Education Enhancement Fund. The funds are used for repairing, improving, and maintaining school facilities, student transportation, and debt service costs for specified services.

Does the state provide appropriations to local school districts to construct facilities? No

Does the state provide financial incentive for consolidation? Not found in state policy.

Does the state provide financing support to local school districts to construct facilities? Yes

What mechanism is used to provide financing support? Bond issuance; State funded loans

Description of mechanism used to provide financing support The department of education is authorized to make capital improvement loans or advances to school districts. To enable these payments, the State Bond Commission is authorized to issue state school bonds never exceeding \$100 million. In addition, the Educational Facilities Revolving Loan Fund Program provides no interest loans to public school districts for the purpose of improving educational facilities.

Does the financing entity carry the full faith and credit of the state government? Yes

Is state financing conditioned on local school districts' wealth? No. Approval depends on meeting minimum requirements of the local building and electrical codes and other construction standards.

Mississippi

What state entity receives funding requests? State Department of Education

How does the state decide to approve facilities funding budget requests?

For the Educational Facilities Revolving Loan Fund Program, the department will establish rules and regulations that set the process for application and factors determining approval for full or partial loan amounts.

Capital improvement loans are approved by the department and the Bond Commission. Applications must meet building and electrical codes and other construction standards.

Does the state require voter approval to issue debt to finance school construction projects? Yes - Local