

## **PRESENTATION**

TITLE:       **Partnership Funds**

DATE:       **May 18, 2017**

### **BACKGROUND/CONSIDERATIONS:**

Presentation on the Arkansas Facilities Partnership Program (a.k.a. Partnership Funds) that includes background on the program, the application process and an update on the current FSPS application for the 2017-2019 partnership funding cycle.

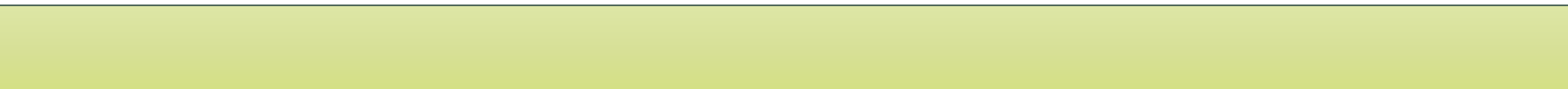
### **RECOMMENDATION:**

None. This presentation is for information purposes only.



# Partnership Funds

May 22, 2017



# What is Partnership Funding?

- Arkansas Facilities Partnership Program
  - State financial partnership program for construction projects
  - Arkansas Division of Public School Academic Facilities & Transportation (Facilities Division)
  - Funding began in 2006-2007
    - FSPS has received \$8,643,646.56 since inception (17 projects)
- Funding based upon school district's academic facilities wealth index
- Two year cycles – 2015-2017, 2017-2019, 2019-2021
- Funds granted according to scoring/ranking & state funding availability

# The Application Process

- District completes Program of Requirements (POR)
- Component ranking of POR
  - Academic Core Areas
  - Special Education
  - Student Dining
  - Administrative
- Schematic drawings completed and submitted
- Local School Board approves resolution & application
- Facilities Division reviews and approves state wide competitive funds

# November, 2015 Application for 2017-2019

School	Architect	Cost
Ballman (HVAC)	n/a	\$ 1,060,056
Trusty (HVAC)	n/a	\$ 650,144
Trusty	Risley	\$ 3,238,500
Kimmons (Sprinkler)	Studio 6	\$ 2,330,000
Kimmons	Studio 6	\$ 8,300,000
Ramsey	MAHG	\$ 13,000,000
Southside	Risley	\$ 10,500,000
Northside (Shelters)	Risley	\$ 3,200,000
Southside (Shelters)	Risley	\$ 3,200,000
Performing Arts Center	Risley	\$ 18,000,000

# Update for Fort Smith Schools

- Six projects approved April 27, 2017 (specific partnership funds awarded)
- Partnership Agreements due June 26, 2017
- Construction start date must begin by October 27, 2018
- Construction must be completed by April 27, 2021
- FSPS wealth index is .62745 (FSPS % of funding responsibility)
  - State share is 37.255%

# Facilities Division “Math”

- “Systems” projects funding limits (e.g. Ballman HVAC)
  - Separate funding pool, with FSPS ranked below funding line
- “Suitability” constraints (e.g. Ramsey)
  - Existing campus size exceeds current enrollment needs
- “Funded area & required spaces” review (e.g. Kimmons)
  - Space added/renovated exceeds POR component requirements
- “Cost factor” computations (e.g. Trusty)
  - Use of blended costs factors for POR components

# Partnership Funds Awarded

- Total of \$6,252,339.14 in Partnership Funds (15.088% of Estimated Costs)

School	Architect	Cost	Partnership	District % Share
Trusty	Risley	\$ 3,238,500	\$ 1,158,275.56	64.234%
Kimmons	Studio 6	\$ 8,300,000	\$ 819,022.62	90.132%
Ramsey	MAHG	\$ 13,000,000	\$ 1,247,977.18	90.400%
Southside	Risley	\$ 10,500,000	\$ 1,691,119.85	83.894%
Northside (Shelters)	Risley	\$ 3,200,000	\$ 734,078.18	77.060%
Southside (Shelters)	Risley	\$ 3,200,000	\$ 601,865.75	81.192%

# Determining Sources & Uses of Funds

- Step 1 – Determine district’s “use of funds”
- Strategic Plan
  - To what degree are projects aligned with strategic plan?
    - What adjustments/additions, if any, need to be made?
      - Safety & security?
      - Technology?
      - Instructional?
- Step 2 – Determine district’s “source of funds”

<b>Fort Smith Public Schools</b>				
<b>2016 Master Facility Plan Summary</b>				
<b>As of April 27, 2017</b>				
			<b>Costs Paid with</b>	<b>Costs Paid with</b>
		<b>Total</b>	<b>Partnership</b>	<b>District</b>
<b><u>LEA</u></b>	<b><u>Project</u></b>	<b><u>Cost</u></b>	<b><u>Funds</u></b>	<b><u>Funds</u></b>
<b><u>Funded Projects</u></b>				
Trusty	Add/Renov	3,238,500.00	1,158,275.56	2,080,224.44
Kimmons	Add/Renov	8,300,000.00	819,022.62	7,480,977.38
Ramsey	Add/Renov	13,000,000.00	1,247,977.18	11,752,022.82
Southside	Add/Renov	10,500,000.00	1,691,119.85	8,808,880.15
Northside	2 Shelters	3,200,000.00	734,078.18	2,465,921.82
Southside	2 Shelters	3,200,000.00	601,865.75	2,598,134.25
<b>Subtotal</b>		<b>41,438,500.00</b>	<b>6,252,339.14</b>	<b>35,186,160.86</b>
<b><u>Unfunded Projects</u></b>				
Ballman	HVAC	1,060,056.00	-	1,060,056.00
Trusty	HVAC	650,144.00	-	650,144.00
Kimmons	Sprinklers	2,376,600.00	-	2,376,600.00
<b>Subtotal</b>		<b>4,086,800.00</b>	<b>-</b>	<b>4,086,800.00</b>
<b><u>Other Projects</u></b>				
Cook		1,605,000.00	-	1,605,000.00
Performing Arts Center		25,680,000.00	-	25,680,000.00
Event Center		19,260,000.00	-	19,260,000.00
<b>Subtotal</b>		<b>46,545,000.00</b>	<b>-</b>	<b>46,545,000.00</b>
	<b>Current Total</b>	<b>92,070,300.00</b>	<b>6,252,339.14</b>	<b>85,817,960.86</b>
<b><u>Projected Cost Escalation/Inflation</u></b>				
2016-2017		4,424,957.00		4,424,957.00
2017-2018		2,171,143.00		2,171,143.00
<b>Preliminary Projected Total</b>		<b>98,666,400.00</b>	<b>6,252,339.14</b>	<b>92,414,060.86</b>

# Bonding Capacity

- Based upon current tax assessments and collection rates:
  - One mill = \$1,526,294 of annual revenue collected
  - One mill = .02% increase in real estate tax to taxpayer
    - \$150,000 market value house = \$2.50 increase in tax per month (per mill)
- Projected capacity
  - November, 2016 rates

Size of Bond Issue	Needed Millage
\$ 23,750,000	1 Mill
\$ 48,000,000	2 Mills
\$ 72,000,000	3 Mills
\$ 96,000,000	4 Mills
\$120,000,000	5 Mills

# 2019-2021 Cycle Preparations

- Applications are due March 1, 2018
- Priorities of Facilities Division are changing:

Old	New
Warm, safe & dry	Growth
New facilities	Space requirements
Add-ons and/or conversions	Systems requirements
Consolidation/annexation projects	

- Selection and design work should begin as soon as possible
- State allocations for this program may be reduced in the future

# What's Next?

- Sign & submit partnership agreements (June 26, 2017)
  - Secures funding awarded to the district
  - Does NOT obligate district to these projects
- Facilities Assessment
- Strategic Planning
- Continue to update cost projections



# Questions?