

Regarding Workgroup Topic #5

Options for Calculating State School Construction Funding

IAC Staff Study of per-student funding options for consideration by House Bill 1783's Educational Development Specifications Workgroup

Option #1

This method calculates a per-student funding amount using Senate Bill 92's three-year rolling average cost for new, replacement, *and renovation/addition* school facility projects. Because the average cost per square foot has increased by as much as 28% in a single year, the cost per student that this method generates can lag significantly behind the current actual cost.

Option #2

This method calculates a per-student funding amount using 1) the IAC's eligible-square-footage figures and 2) the IAC's eligible cost-per-square-foot figure for the current fiscal year. The eligible cost-per-square-foot figure is based upon the bid costs for all new and replacement school projects across the state during the previous 6–12 months and takes into consideration regional costs per square foot as calculated by estimator services such as Vermeulens and RSMeans. For planning purposes, LEAs can estimate the eligible cost-per-square-foot figure for future years by inflating the current fiscal year's figure by four percent per year.

Option #3

This method is nearly identical to Option #2, except that the eligible cost-per-square-foot figure is the average of the cost-per-square-foot figures from Fiscal Years 2015, 2016, and 2017. Because the average cost per square foot has increased by as much as 28% in a single year, the cost per student that this method generates can lag significantly behind the current actual cost.

Option 1: SB92 Calculation Method

SB92 Statutory Calculation with Rolling 3 Year Average (FY15-FY17) of New, Replacement, Renovation, & Renovation/Addition

2015

School Type	# of Project Types	Average Proposed Enrollment	Average S.F. per Student	Average cost with site per S.F.	Average Project Cost with Site	Average Cost Per Student	30% Deduction "IIPP Threshold"
Elementary	3	640	135	\$ 267	\$ 23,296,774	\$ 35,918	\$ 25,143
Elementary/Middle (PK-8)	0						
Middle	3	826	158	\$ 329	\$ 42,974,387	\$ 52,214	\$ 36,550
High	2	1,369	179	\$ 389	\$ 88,673,748	\$ 70,539	\$ 49,378
Total All School Types	8						

2016

School Type	# of Project Types	Average Proposed Enrollment	Average S.F. per Student	Average cost with site per S.F.	Average Project Cost with Site	Average Cost Per Student	30% Deduction "IIPP Threshold"
Elementary	11	635	141	\$ 284	\$ 24,965,749	\$ 39,706	\$ 27,794
Elementary/Middle (PK-8)	2	634	186	\$ 309	\$ 36,520,545	\$ 57,589	\$ 40,312
Middle	2	986	160	\$ 211	\$ 33,560,645	\$ 34,990	\$ 24,493
High	4	1,008	177	\$ 311	\$ 52,868,175	\$ 54,194	\$ 37,936
Total All School Types	19						

2017

School Type	# of Project Types	Average Proposed Enrollment	Average S.F. per Student	Average cost with site per S.F.	Average Project Cost with Site	Average Cost Per Student	30% Deduction "IIPP Threshold"
Elementary	15	652	144	\$ 333	\$ 30,687,947	\$ 47,964	\$ 33,575
Elementary/Middle (PK-8)	0						
Middle	0						
High	2	973	257	\$ 363	\$ 92,717,689	\$ 90,136	\$ 63,095
Total All School Types	17						

3 Year Average (FY 15 - FY 17)

School Type	# of Project Types	Average # of students	Average S.F. per student	Average cost with site per S.F.	Average Project Cost with Site	Average cost per student	30% Deduction "IIPP Threshold"
Elementary	29	644	156	\$ 308	\$ 27,752,854	\$ 43,586	\$ 30,510
Elementary/Middle (PK-8)	2	634	173	\$ 309	\$ 36,520,545	\$ 57,589	\$ 40,312
Middle	5	890	169	\$ 282	\$ 39,208,890	\$ 45,325	\$ 31,727
High	8	1089	140	\$ 343	\$ 71,781,946	\$ 67,266	\$ 47,086
Total All School Types	44						

Notes:

Data includes eligible & ineligible costs
Backup Data available upon request.

Option 2: FY 19 CIP Eligible-Cost-Basis Calculation

A	G	B	C	D	E	F	H	I
School Type	IAC Eligible project cost with site	# of Projects (FY15-FY17)	Average # of students	IAC Eligible S.F. per Student*	IAC Eligible Gross S.F.	IAC Eligible Cost w/site per S.F. FY 2019	Average Cost per Student	30% Deduction "IIPP Threshold"
Elementary	\$ 26,296,287	29	644	108	69,567	\$ 378	\$ 40,824	\$ 28,577
Elementary/Middle (PK-8)*	\$ 28,518,588	2	634	119	75,446	\$ 378	\$ 44,982	\$ 31,487
Middle	\$ 43,724,772	5	890	130	115,674	\$ 378	\$ 49,140	\$ 34,398
High	\$ 65,862,720	8	1,089	160	174,240	\$ 378	\$ 60,480	\$ 42,336
Data Source:	IAC Eligible Gross S.F. (E) x IAC Elig. Cost w/ site applicable to bids after June 2019	Count of projects used to derive the average # of students	Average # of students per project	IAC Administrative Procedures Guide APPENDIX 102B	Average # of Students (C) x Eligible S.F. per Student (D)	IAC FY 2020 CIP Instructions, Section X	Project Cost (G) / # of Students (C.)	Average Cost per Student (H) minus 30%

Note:
 The construction cost (including site) for 2019 is \$374.
 *The IAC does not publish in the APG's Appendix 102B an eligible square-feet-per-student figure for PK-8 schools. This figure is estimated from the ES and MS figures.

Option 3: Three-Year Average Eligible-Cost-Basis Calculation (FY 2015 - FY 2017)

FY 2015	School Type	# of Projects	IAC Eligible project cost with site	Average # of students	IAC Eligible S.F. per Student	IAC Eligible Gross S.F.	IAC Eligible	IAC Eligible project cost with site	Average Cost per Student	30% Deduction "IIPP Threshold"
							Cost w/site per S.F. FY 15-FY17			
	Elementary	3	\$ 22,896,978	844	104	87,741.33	\$ 261	\$ 22,896,978	\$ 27,140	\$ 18,998
	Elementary/Middle (PK-8)	0					\$ 261	-		
	Middle	3	\$ 24,014,844	682	135	92,025.00	\$ 261	\$ 24,014,844	\$ 35,230	\$ 24,661
	High	2	\$ 38,976,986	934	160	149,360.00	\$ 261	\$ 38,976,986	\$ 41,754	\$ 29,228
	Total All School Types	8								

FY 2016	School Type	# of Projects	IAC Eligible project cost with site	Average # of students	IAC Eligible S.F. per Student	IAC Eligible Gross S.F.	IAC Eligible	IAC Eligible project cost with site	Average Cost per Student	30% Deduction "IIPP Threshold"
							Cost w/site per S.F. FY 15-FY17			
	Elementary	11	\$ 20,724,201	572	108	61,756.36	\$ 336	\$ 20,724,201	\$ 36,243	\$ 25,370
	Elementary/Middle (PK-8)	2	\$ 26,596,393	655	121	79,255.00	\$ 336	\$ 26,596,393	\$ 40,605	\$ 28,424
	Middle	2	\$ 31,802,917	702	135	94,770.00	\$ 336	\$ 31,802,917	\$ 45,303	\$ 31,712
	High	4	\$ 53,491,452	996	160	159,400.00	\$ 336	\$ 53,491,452	\$ 53,693	\$ 37,585
	Total All School Types	19								

FY 2017	School Type	# of Projects	IAC Eligible project cost with site	Average # of students	IAC Eligible S.F. per Student	IAC Eligible Gross S.F.	IAC Eligible	IAC Eligible project cost with site	Average Cost per Student	30% Deduction "IIPP Threshold"
							Cost w/site per S.F. FY 15-FY17			
	Elementary	15	\$ 22,084,200	586	108	63,338.40	\$ 349	\$ 22,084,200	\$ 37,656	\$ 26,359
	Elementary/Middle (PK-8)	0					\$ 349	-		
	Middle	0					\$ 349	-		
	High	2	\$ 55,577,998	996	160	159,400.00	\$ 349	\$ 55,577,998	\$ 55,787	\$ 39,051
	Total All School Types	17								

Three Year Average (FY 2015 - FY 2017)										
3 Year Rolling Average (FY 2015 FY 2017)	School Type	# of Projects	IAC Eligible project cost with site	Average # of students	IAC Eligible S.F. per Student	IAC Eligible Gross S.F.	IAC Eligible	IAC Eligible project cost with site	Average Cost per Student	30% Deduction "IIPP Threshold"
							Cost w/site per S.F. FY 15-FY17			
	Elementary	29	\$ 21,918,442	644	108	69,566.90	\$ 315	\$ 21,918,442	\$ 34,028	\$ 23,819
	Elementary/Middle (PK-8)	2	\$ 23,770,771	634	119	75,446.00	\$ 315	\$ 23,770,771	\$ 37,493	\$ 26,245
	Middle	5	\$ 36,445,407	890	130	115,674.00	\$ 315	\$ 36,445,407	\$ 40,959	\$ 28,671
	High	8	\$ 54,897,797	1,089	160	174,240.00	\$ 315	\$ 54,897,797	\$ 50,411	\$ 35,288
	Total All School Types	44								

Note:

Construction cost with site of \$260.96 for 2015; \$335.58 for 2016; and \$348.67 for 2017 = 3 year average of \$315.07.