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# Allocation for School Building Maintenance (HB 743)

- Schools must allocate at least 2% of the replacement value of school buildings for qualifying maintenance and repairs of student-occupied buildings
  - Replacement value = square footage of student-occupied school buildings x \$81.45 replacement value (for FY 2008)
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# House Bill 183 – Summary of Revisions to School Building Maintenance (IC 33-1019)

- Schools must *allocate*, not *deposit*, moneys for school building maintenance
  - Allows for the carry-forward of qualified expenditures in certain circumstances
  - Maintenance and/or repairs for serious or imminent safety hazards on the property are now allowable
  - Square footage for school buildings less than one year old on the first day of school is now excluded
  - Changes were retroactive to July 1, 2006
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# Allocation of Moneys for School Building Maintenance

- No longer need to deposit / transfer moneys to a school building maintenance fund
  - Lottery and State Match payments may be deposited to Fund 425
  - Expenditures can be made from any governmental fund for qualified expenditures
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# Allocation of Moneys for School Building Maintenance, continued

- Schools should use the following IFARMS code for the qualifying maintenance and repair of student-occupied school buildings and sites:
    - Function 664 – Maintenance – Student-Occupied Buildings
  - Non-qualifying maintenance codes include:
    - Function 663 – Maintenance – Non-Student-Occupied
    - Function 665 – Maintenance – Grounds
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# Allocation of Moneys for School Building Maintenance, continued

- Schools should use the following IFARMS code for qualifying (major) maintenance activities of student-occupied school buildings and sites:
    - Function 810 – Capital Assets Program – Student-Occupied/Qualifying
  - Non-qualifying Capital Assets Program activities should be coded to:
    - Function 811 – Capital Assets Program
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## Carry-Forward of Qualified Expenditures in Certain Circumstances

- Any school district expending more than 4% of the replacement value of school buildings for school building maintenance and/or repairs in any single fiscal year may apply the excess as a credit against the 2% requirement until such credit is depleted or 15 years have expired
  - Carry forward of expenditures begins with your qualified FY 2005 expenditures
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# Carry-Forward of Qualified Expenditures in Certain Circumstances, continued

Review Maintenance expenditures in FY 2005 to  
determine qualifying maintenance expenditures

FY 2005 Qualifying Expenditures	\$ _____
4% of Replacement Value	_____
Difference	\$ _____

If qualifying expenditures are greater than 4% of the  
replacement value, the difference may be carried  
forward and used to a future year's required allocation

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## Carry-Forward of Qualified Expenditures in Certain Circumstances, continued

FY 2007 Required Allocation	\$	1,000,000
FY 2007 Qualifying Expenditures	\$	3,500,000
FY 2007 Qualifying Expenditures	\$	3,500,000
4% of Replacement Value		<u>2,000,000</u>
Difference	\$	<u><u>1,500,000</u></u>



## Carry-Forward of Qualified Expenditures in Certain Circumstances, continued

FY 2008 Required Allocation	\$	<u>1,200,000</u>
Carry-forward from Prior Year		<u>1,500,000</u>
Difference	\$	<u><u>(300,000)</u></u>
Carry-Forward Amount to FY 2009	\$	300,000

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# Maintenance and/or Repairs for Serious or Imminent Safety Hazards on the Property

- Maintenance and repairs of serious or imminent safety hazards on school property are allowable
  - Serious or imminent safety hazards may be identified during the annual school safety inspection or through a complaint investigated by the Division of Public Works or the Division of Building Safety
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# Maintenance and/or Repairs for Serious or Imminent Safety Hazards on the Property, continued

- Idaho Code 39-8004 defines “imminent safety hazards” and “serious safety hazards”
- Imminent Safety Hazards include conditions that present an unreasonable risk of death or serious bodily injury to occupants of a building
- Serious Safety Hazards include conditions that present an unreasonable health risk or risk of injury to occupants of a building

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# Square Footage of School Buildings

- The square footage of school buildings less than one-year old on the first day of school may be excluded from the replacement value calculation
  - Updated square footage information will be requested each summer for the upcoming school year
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# School Building Maintenance Report

- Due no later than December 1
  - Must include:
    - Square footage of student-occupied school building floor space
    - The funds and fund sources allocated for school building maintenance and any unexpended allocations carried forward from prior fiscal years
    - Projects on which moneys were expended, including the amounts and categories
    - The planned uses of the school district's school building maintenance allocation
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# School Building Maintenance Report

- Format will change slightly to allow for the carry-forward of excess expenditures and for the carry-forward of unspent allocations
  - Thank you to everyone for submitting the FY 2007 School Building Maintenance Report
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## In Summary...

- You must allocate (not deposit) an amount equal to 2% of the replacement value of school buildings for qualifying school maintenance and repairs
  - If qualifying school maintenance and repair expenditures don't equal the 2% replacement value of school buildings, the difference must remain allocated for the purposes of IC 33-1019(3)
  - Consider using Fund 240 or Fund 430 to carry-forward unspent maintenance dollars
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